

**As Concurred by the House**

**133rd General Assembly**

**Regular Session**

**2019-2020**

**Am. Sub. H. B. No. 197**

**Representatives Powell, Merrin**

**Cosponsors: Representatives Rogers, Green, Hoops, Scherer, Carruthers, Cross, Dean, DeVitis, Galonski, Ghanbari, Ginter, Greenspan, Grendell, Hambley, Lanese, Lang, McClain, Perales, Reineke, Riedel, Roemer, Romanchuk, Seitz, Stein, Stephens, Swearingen, Vitale, Wiggam, Abrams, Baldrige, Blair, Brent, Callender, Carfagna, Cera, Crawley, Cupp, Edwards, Fraizer, Hillyer, Holmes, A., Jones, LaRe, Leland, Lepore-Hagan, Lightbody, Liston, Manning, G., Miranda, O'Brien, Oelslager, Patterson, Patton, Plummer, Robinson, Russo, Sheehy, Smith, K., Smith, T., Sweeney, Sykes, Upchurch, Weinstein, West, Wilkin Senators Roegner, Hackett, Schaffer, Schuring, Antonio, Blessing, Brenner, Coley, Craig, Dolan, Eklund, Gavarone, Hottinger, Johnson, Kunze, Lehner, Manning, McColley, Obhof, O'Brien, Peterson, Rulli, Sykes, Wilson, Yuko**

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**A BILL**

To amend sections 122.075, 125.831, 131.45, 133.01, 1  
133.06, 133.07, 133.18, 135.142, 305.31, 2  
306.322, 307.671, 307.672, 307.674, 307.678, 3  
307.695, 319.301, 321.03, 321.20, 323.154, 4  
323.155, 351.01, 351.03, 351.141, 718.01, 5  
718.021, 929.01, 1545.041, 1545.21, 1711.15, 6  
1711.16, 3316.03, 3316.06, 3317.01, 4301.20, 7  
4582.024, 4582.26, 4582.56, 4723.43, 4729.01, 8  
4761.17, 5104.31, 5701.08, 5701.11, 5701.12, 9  
5703.04, 5703.211, 5703.54, 5703.94, 5703.95, 10  
5705.03, 5705.13, 5705.19, 5705.195, 5705.213, 11  
5705.252, 5705.29, 5705.315, 5705.34, 5705.35, 12  
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5709.53, 5709.61, 5709.80, 5709.85, 5709.93, 14  
5713.03, 5713.30, 5713.351, 5715.13, 5715.36, 15  
5721.06, 5721.191, 5721.39, 5725.98, 5726.50, 16

5726.98, 5727.02, 5727.11, 5727.23, 5727.32, 17  
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5739.02, 5739.021, 5739.028, 5739.03, 5739.034, 21  
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5747.011, 5747.012, 5747.013, 5747.02, 5747.058, 24  
5747.061, 5747.07, 5747.082, 5747.11, 5747.231, 25  
5747.41, 5747.51, 5747.52, 5747.55, 5747.98, 26  
5748.08, 5748.09, 5751.01, 5751.08, 5751.09, 27  
5751.50, 5751.51, 5751.98, and 5753.11; to enact 28  
sections 4723.433, 4723.434, 4723.435, 5739.091, 29  
5739.092, 5751.40, 5751.41, and 5751.42; and to 30  
repeal sections 901.13, 5705.211, 5727.87, 31  
5733.46, 5739.105, 5747.75, and 5751.23 of the 32  
Revised Code and to amend Section 757.40 of H.B. 33  
166 of the 133rd General Assembly to continue 34  
essential operations of state government and 35  
maintain the continuity of the state tax code in 36  
response to the declared pandemic and global 37  
health emergency related to COVID-19, to make 38  
appropriations, and to declare an emergency. 39

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

**Section 1.** That sections 122.075, 125.831, 131.45, 133.01, 40  
133.06, 133.07, 133.18, 135.142, 305.31, 306.322, 307.671, 41  
307.672, 307.674, 307.678, 307.695, 319.301, 321.03, 321.20, 42  
323.154, 323.155, 351.01, 351.03, 351.141, 718.01, 718.021, 43

929.01, 1545.041, 1545.21, 1711.15, 1711.16, 3316.03, 3316.06, 44  
3317.01, 4301.20, 4582.024, 4582.26, 4582.56, 4723.43, 4729.01, 45  
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5703.54, 5703.94, 5703.95, 5705.03, 5705.13, 5705.19, 5705.195, 47  
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5709.80, 5709.85, 5709.93, 5713.03, 5713.30, 5713.351, 5715.13, 50  
5715.36, 5721.06, 5721.191, 5721.39, 5725.98, 5726.50, 5726.98, 51  
5727.02, 5727.11, 5727.23, 5727.32, 5727.33, 5727.80, 5727.83, 52  
5727.84, 5729.98, 5733.042, 5733.05, 5733.052, 5733.055, 53  
5733.40, 5733.98, 5735.026, 5735.06, 5739.01, 5739.011, 5739.02, 54  
5739.021, 5739.028, 5739.03, 5739.034, 5739.08, 5739.09, 55  
5739.21, 5740.02, 5743.05, 5743.08, 5743.33, 5743.65, 5745.14, 56  
5747.01, 5747.011, 5747.012, 5747.013, 5747.02, 5747.058, 57  
5747.061, 5747.07, 5747.082, 5747.11, 5747.231, 5747.41, 58  
5747.51, 5747.52, 5747.55, 5747.98, 5748.08, 5748.09, 5751.01, 59  
5751.08, 5751.09, 5751.50, 5751.51, 5751.98, and 5753.11 be 60  
amended and sections 4723.433, 4723.434, 4723.435, 5739.091, 61  
5739.092, 5751.40, 5751.41, and 5751.42 of the Revised Code be 62  
enacted to read as follows: 63

**Sec. 122.075.** (A) As used in this section: 64

(1) "Alternative fuel" has the same meaning as in section 65  
125.831 of the Revised Code. 66

(2) "Biodiesel" means a mono-alkyl ester combustible 67  
liquid fuel that is derived from vegetable oils or animal fats, 68  
or any combination of those reagents, and that meets American 69  
society for testing and materials specification D6751-03a for 70  
biodiesel fuel (B100) blend stock distillate fuels. 71

(3) "Diesel fuel" and "gasoline" have the same meanings as 72  
in section 5735.01 of the Revised Code. 73

(4) "Ethanol" ~~has the same meaning as in section 5733.46~~ 74  
~~of the Revised Code~~ means fermentation ethyl alcohol derived from 75  
agricultural products, including potatoes, cereal, grains, 76  
cheese whey, and sugar beets; forest products; or other 77  
renewable resources, including residue and waste generated from 78  
the production, processing, and marketing of agricultural 79  
products, forest products, and other renewable resources that 80  
meet all of the specifications in the American society for 81  
testing and materials (ASTM) specification D 4806-88 and is 82  
denatured as specified in Parts 20 and 21 of Title 27 of the 83  
Code of Federal Regulations. 84

(5) "Blended biodiesel" means diesel fuel containing at 85  
least twenty per cent biodiesel by volume. 86

(6) "Blended gasoline" means gasoline containing at least 87  
eighty-five per cent ethanol by volume. 88

(7) "Incremental cost" means either of the following: 89

(a) The difference in cost between blended gasoline and 90  
gasoline containing ten per cent or less ethanol at the time 91  
that the blended gasoline is purchased; 92

(b) The difference in cost between blended biodiesel and 93  
diesel fuel containing two per cent or less biodiesel at the 94  
time that the blended biodiesel is purchased. 95

(B) For the purpose of improving the air quality in this 96  
state, the director of development services shall establish an 97  
alternative fuel transportation program under which the director 98  
may make grants and loans to businesses, nonprofit 99  
organizations, public school systems, or local governments for 100  
the purchase and installation of alternative fuel refueling or 101  
distribution facilities and terminals, for the purchase and use 102

of alternative fuel, to pay the cost of fleet conversion, and to 103  
pay the costs of educational and promotional materials and 104  
activities intended for prospective alternative fuel consumers, 105  
fuel marketers, and others in order to increase the availability 106  
and use of alternative fuel. 107

(C) The director, in consultation with the director of 108  
agriculture, shall adopt rules in accordance with Chapter 119. 109  
of the Revised Code that are necessary for the administration of 110  
the alternative fuel transportation program. The rules shall 111  
establish at least all of the following: 112

(1) An application form and procedures governing the 113  
application process for receiving funds under the program; 114

(2) A procedure for prioritizing the award of grants and 115  
loans under the program. The procedures shall give preference to 116  
all of the following: 117

(a) Publicly accessible refueling facilities; 118

(b) Entities applying to the program that have secured 119  
funding from other sources, including, but not limited to, 120  
private or federal incentives; 121

(c) Entities that have presented compelling evidence of 122  
demand in the market in which the facilities or terminals will 123  
be located; 124

(d) Entities that have committed to utilizing purchased or 125  
installed facilities or terminals for the greatest number of 126  
years; 127

(e) Entities that will be purchasing or installing 128  
facilities or terminals for any type of alternative fuel. 129

(3) A requirement that the maximum incentive for the 130

purchase and installation of an alternative fuel refueling or 131  
distribution facility or terminal be eighty per cent of the cost 132  
of the facility or terminal, except that at least twenty per 133  
cent of the total cost of the facility or terminal shall be 134  
incurred by the recipient and not compensated for by any other 135  
source; 136

(4) A requirement that the maximum incentive for the 137  
purchase of alternative fuel be eighty per cent of the cost of 138  
the fuel or, in the case of blended biodiesel or blended 139  
gasoline, eighty per cent of the incremental cost of the blended 140  
biodiesel or blended gasoline; 141

(5) Any other criteria, procedures, or guidelines that the 142  
director determines are necessary to administer the program, 143  
including fees, charges, interest rates, and payment schedules. 144

(D) An applicant for a grant or loan under this section 145  
that sells motor vehicle fuel at retail shall agree that if the 146  
applicant receives funding, the applicant will report to the 147  
director the gallon or gallon equivalent amounts of alternative 148  
fuel the applicant sells at retail in this state for a period of 149  
three years after the project is completed. 150

The director shall enter into a written confidentiality 151  
agreement with the applicant regarding the gallon or gallon 152  
equivalent amounts sold as described in this division, and upon 153  
execution of the agreement this information is not a public 154  
record. 155

(E) There is hereby created in the state treasury the 156  
alternative fuel transportation fund. The fund shall consist of 157  
money transferred to the fund under division (B) of section 158  
125.836 of the Revised Code, money that is appropriated to it by 159

the general assembly, money as may be specified by the general 160  
assembly from the advanced energy fund created by section 161  
4928.61 of the Revised Code, and all money received from the 162  
repayment of loans made from the fund or in the event of a 163  
default on any such loan. Money in the fund shall be used to 164  
make grants and loans under the alternative fuel transportation 165  
program and by the director in the administration of that 166  
program. 167

**Sec. 125.831.** As used in sections 125.831 to 125.834 of 168  
the Revised Code: 169

(A) "Alternative fuel" means any of the following fuels 170  
used in a motor vehicle: 171

(1) E85 blend fuel; 172

(2) Blended biodiesel; 173

(3) Natural gas; 174

(4) Liquefied petroleum gas; 175

(5) Hydrogen; 176

(6) Compressed air; 177

(7) Any power source, including electricity; 178

(8) Any fuel not described in divisions (A) (1) to (7) of 179  
this section that the United States department of energy 180  
determines, by final rule, to be substantially not petroleum, 181  
and that would yield substantial energy security and 182  
environmental benefits. 183

(B) "Biodiesel" means a mono-alkyl ester combustible 184  
liquid fuel that is derived from vegetable oils or animal fats, 185  
or any combination of those reagents that meets the American 186

society for testing and materials specification for biodiesel 187  
fuel (B100) blend stock distillate fuels and any other standards 188  
that the director of administrative services adopts by rule. 189

(C) "Blended biodiesel" means a blend of biodiesel with 190  
petroleum based diesel fuel in which the resultant product 191  
contains not less than twenty per cent biodiesel that meets the 192  
American society for testing and materials specification for 193  
blended diesel fuel and any other standards that the director of 194  
administrative services adopts by rule. 195

(D) "Diesel fuel" means any liquid fuel that is capable of 196  
use in discrete form or as a blend component in the operation of 197  
engines of the diesel type. 198

(E) "E85 blend fuel" means fuel containing eighty-five per 199  
cent or more ethanol as defined in section ~~5733.46~~122.075 of 200  
the Revised Code or containing any other percentage of not less 201  
than seventy per cent ethanol if the United States department of 202  
energy determines, by rule, that the lower percentage is 203  
necessary to provide for the requirements of cold start, safety, 204  
or vehicle functions, and that meets the American society for 205  
testing and materials specification for E85 blend fuel and any 206  
other standards that the director of administrative services 207  
adopts by rule. 208

(F) "Law enforcement officer" means an officer, agent, or 209  
employee of a state agency upon whom, by statute, a duty to 210  
conserve the peace or to enforce all or certain laws is imposed 211  
and the authority to arrest violators is conferred, within the 212  
limits of that statutory duty and authority, but does not 213  
include such an officer, agent, or employee if that duty and 214  
authority is location specific. 215



(G) (1) "Motor vehicle" means any automobile, car minivan, 216  
cargo van, passenger van, sport utility vehicle, or pickup truck 217  
with a gross vehicle weight of under twelve thousand pounds. 218

(2) "Motor vehicle" does not include, except for the 219  
purposes of division (C) of section 125.832 of the Revised Code, 220  
any vehicle described in division (G) (1) of this section that is 221  
used by a law enforcement officer and law enforcement agency or 222  
any vehicle that is so described and that is equipped with 223  
specialized equipment that is not normally found in such a 224  
vehicle and that is used to carry out a state agency's specific 225  
and specialized duties and responsibilities. 226

(H) "Specialized equipment" does not include standard 227  
mobile radios with no capabilities other than voice 228  
communication, exterior and interior lights, or roof-mounted 229  
caution lights. 230

(I) "State agency" means every organized body, office, 231  
board, authority, commission, or agency established by the laws 232  
of the state for the exercise of any governmental or quasi- 233  
governmental function of state government regardless of the 234  
funding source for that entity, other than any state institution 235  
of higher education, the office of the governor, lieutenant 236  
governor, auditor of state, treasurer of state, secretary of 237  
state, or attorney general, the general assembly or any 238  
legislative agency, the courts or any judicial agency, or any 239  
state retirement system or retirement program established by or 240  
referenced in the Revised Code. 241

(J) "State institution of higher education" has the same 242  
meaning as in section 3345.011 of the Revised Code. 243

**Sec. 131.45.** (A) The amount the general assembly 244

appropriates from the general revenue fund each year per pupil 245  
for primary and secondary educational purposes shall be not less 246  
than the amount it appropriated per pupil for those purposes for 247  
the base year, adjusted for changes in prices as measured by the 248  
consumer price index (all urban consumers, all items) prepared 249  
by the bureau of labor statistics of the United States 250  
department of labor. The base year is fiscal year 1999. 251

(B) Appropriations of the ~~proceeds of the sales and use~~ 252  
~~tax levied by sections 5739.029 and 5741.024 of the Revised Code~~ 253  
~~and of the net~~ proceeds of any state lottery under Section 6 of 254  
Article XV of the Ohio Constitution shall be in addition to 255  
appropriations made pursuant to this section. 256

(C) For the purposes of this section, appropriations for 257  
primary and secondary educational purposes includes amounts 258  
appropriated to reimburse school districts for property tax 259  
reductions required by law. 260

**Sec. 133.01.** As used in this chapter, in sections 9.95, 261  
9.96, and 2151.655 of the Revised Code, in other sections of the 262  
Revised Code that make reference to this chapter unless the 263  
context does not permit, and in related proceedings, unless 264  
otherwise expressly provided: 265

(A) "Acquisition" as applied to real or personal property 266  
includes, among other forms of acquisition, acquisition by 267  
exercise of a purchase option, and acquisition of interests in 268  
property, including, without limitation, easements and rights- 269  
of-way, and leasehold and other lease interests initially 270  
extending or extendable for a period of at least sixty months. 271

(B) "Anticipatory securities" means securities, including 272  
notes, issued in anticipation of the issuance of other 273

securities.	274
(C) "Board of elections" means the county board of elections of the county in which the subdivision is located. If the subdivision is located in more than one county, "board of elections" means the county board of elections of the county that contains the largest portion of the population of the subdivision or that otherwise has jurisdiction in practice over and customarily handles election matters relating to the subdivision.	275 276 277 278 279 280 281 282
(D) "Bond retirement fund" means the bond retirement fund provided for in section 5705.09 of the Revised Code, and also means a sinking fund or any other special fund, regardless of the name applied to it, established by or pursuant to law or the proceedings for the payment of debt charges. Provision may be made in the applicable proceedings for the establishment in a bond retirement fund of separate accounts relating to debt charges on particular securities, or on securities payable from the same or common sources, and for the application of moneys in those accounts only to specified debt charges on specified securities or categories of securities. Subject to law and any provisions in the applicable proceedings, moneys in a bond retirement fund or separate account in a bond retirement fund may be transferred to other funds and accounts.	283 284 285 286 287 288 289 290 291 292 293 294 295 296
(E) "Capitalized interest" means all or a portion of the interest payable on securities from their date to a date stated or provided for in the applicable legislation, which interest is to be paid from the proceeds of the securities.	297 298 299 300
(F) "Chapter 133. securities" means securities authorized by or issued pursuant to or in accordance with this chapter.	301 302

(G) "County auditor" means the county auditor of the 303  
county in which the subdivision is located. If the subdivision 304  
is located in more than one county, "county auditor" means the 305  
county auditor of the county that contains the highest amount of 306  
the tax valuation of the subdivision or that otherwise has 307  
jurisdiction in practice over and customarily handles property 308  
tax matters relating to the subdivision. In the case of a county 309  
that has adopted a charter, "county auditor" means the officer 310  
who generally has the duties and functions provided in the 311  
Revised Code for a county auditor. 312

(H) "Credit enhancement facilities" means letters of 313  
credit, lines of credit, stand-by, contingent, or firm 314  
securities purchase agreements, insurance, or surety 315  
arrangements, guarantees, and other arrangements that provide 316  
for direct or contingent payment of debt charges, for security 317  
or additional security in the event of nonpayment or default in 318  
respect of securities, or for making payment of debt charges to 319  
and at the option and on demand of securities holders or at the 320  
option of the issuer or upon certain conditions occurring under 321  
put or similar arrangements, or for otherwise supporting the 322  
credit or liquidity of the securities, and includes credit, 323  
reimbursement, marketing, remarketing, indexing, carrying, 324  
interest rate hedge, and subrogation agreements, and other 325  
agreements and arrangements for payment and reimbursement of the 326  
person providing the credit enhancement facility and the 327  
security for that payment and reimbursement. 328

(I) "Current operating expenses" or "current expenses" 329  
means the lawful expenditures of a subdivision, except those for 330  
permanent improvements and for payments of debt charges of the 331  
subdivision. 332

(J) "Debt charges" means the principal, including any 333  
mandatory sinking fund deposits and mandatory redemption 334  
payments, interest, and any redemption premium, payable on 335  
securities as those payments come due and are payable. The use 336  
of "debt charges" for this purpose does not imply that any 337  
particular securities constitute debt within the meaning of the 338  
Ohio Constitution or other laws. 339

(K) "Financing costs" means all costs and expenses 340  
relating to the authorization, including any required election, 341  
issuance, sale, delivery, authentication, deposit, custody, 342  
clearing, registration, transfer, exchange, fractionalization, 343  
replacement, payment, and servicing of securities, including, 344  
without limitation, costs and expenses for or relating to 345  
publication and printing, postage, delivery, preliminary and 346  
final official statements, offering circulars, and informational 347  
statements, travel and transportation, underwriters, placement 348  
agents, investment bankers, paying agents, registrars, 349  
authenticating agents, remarketing agents, custodians, clearing 350  
agencies or corporations, securities depositories, financial 351  
advisory services, certifications, audits, federal or state 352  
regulatory agencies, accounting and computation services, legal 353  
services and obtaining approving legal opinions and other legal 354  
opinions, credit ratings, redemption premiums, and credit 355  
enhancement facilities. Financing costs may be paid from any 356  
moneys available for the purpose, including, unless otherwise 357  
provided in the proceedings, from the proceeds of the securities 358  
to which they relate and, as to future financing costs, from the 359  
same sources from which debt charges on the securities are paid 360  
and as though debt charges. 361

(L) "Fiscal officer" means the following, or, in the case 362  
of absence or vacancy in the office, a deputy or assistant 363

authorized by law or charter to act in the place of the named 364  
officer, or if there is no such authorization then the deputy or 365  
assistant authorized by legislation to act in the place of the 366  
named officer for purposes of this chapter, in the case of the 367  
following subdivisions: 368

(1) A county, the county auditor; 369

(2) A municipal corporation, the city auditor or village 370  
clerk or clerk-treasurer, or the officer who, by virtue of a 371  
charter, has the duties and functions provided in the Revised 372  
Code for the city auditor or village clerk or clerk-treasurer; 373

(3) A school district, the treasurer of the board of 374  
education; 375

(4) A regional water and sewer district, the secretary of 376  
the board of trustees; 377

(5) A joint township hospital district, the treasurer of 378  
the district; 379

(6) A joint ambulance district, the clerk of the board of 380  
trustees; 381

(7) A joint recreation district, the person designated 382  
pursuant to section 755.15 of the Revised Code; 383

(8) A detention facility district or a district organized 384  
under section 2151.65 of the Revised Code or a combined district 385  
organized under sections 2152.41 and 2151.65 of the Revised 386  
Code, the county auditor of the county designated by law to act 387  
as the auditor of the district; 388

(9) A township, a fire district organized under division 389  
(C) of section 505.37 of the Revised Code, or a township police 390  
district, the fiscal officer of the township; 391

(10) A joint fire district, the clerk of the board of trustees of that district;	392 393
(11) A regional or county library district, the person responsible for the financial affairs of that district;	394 395
(12) A joint solid waste management district, the fiscal officer appointed by the board of directors of the district under section 343.01 of the Revised Code;	396 397 398
(13) A joint emergency medical services district, the person appointed as fiscal officer pursuant to division (D) of section 307.053 of the Revised Code;	399 400 401
(14) A fire and ambulance district, the person appointed as fiscal officer under division (B) of section 505.375 of the Revised Code;	402 403 404
(15) A subdivision described in division (MM) <del>(19)</del> <u>(20)</u> of this section, the officer who is designated by law as or performs the functions of its chief fiscal officer;	405 406 407
(16) A joint police district, the treasurer of the district;	408 409
(17) A lake facilities authority, the fiscal officer designated under section 353.02 of the Revised Code;	410 411
(18) A regional transportation improvement project, the county auditor designated under section 5595.10 of the Revised Code.	412 413 414
(M) "Fiscal year" has the same meaning as in section 9.34 of the Revised Code.	415 416
(N) "Fractionalized interests in public obligations" means participations, certificates of participation, shares, or other	417 418

instruments or agreements, separate from the public obligations 419  
themselves, evidencing ownership of interests in public 420  
obligations or of rights to receive payments of, or on account 421  
of, principal or interest or their equivalents payable by or on 422  
behalf of an obligor pursuant to public obligations. 423

(O) "Fully registered securities" means securities in 424  
certificated or uncertificated form, registered as to both 425  
principal and interest in the name of the owner. 426

(P) "Fund" means to provide for the payment of debt 427  
charges and expenses related to that payment at or prior to 428  
retirement by purchase, call for redemption, payment at 429  
maturity, or otherwise. 430

(Q) "General obligation" means securities to the payment 431  
of debt charges on which the full faith and credit and the 432  
general property taxing power, including taxes within the tax 433  
limitation if available to the subdivision, of the subdivision 434  
are pledged. 435

(R) "Interest" or "interest equivalent" means those 436  
payments or portions of payments, however denominated, that 437  
constitute or represent consideration for forbearing the 438  
collection of money, or for deferring the receipt of payment of 439  
money to a future time. 440

(S) "Internal Revenue Code" means the "Internal Revenue 441  
Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 1 et seq., as 442  
amended, and includes any laws of the United States providing 443  
for application of that code. 444

(T) "Issuer" means any public issuer and any nonprofit 445  
corporation authorized to issue securities for or on behalf of 446  
any public issuer. 447



(U) "Legislation" means an ordinance or resolution passed 448  
by a majority affirmative vote of the then members of the taxing 449  
authority unless a different vote is required by charter 450  
provisions governing the passage of the particular legislation 451  
by the taxing authority. 452

(V) "Mandatory sinking fund redemption requirements" means 453  
amounts required by proceedings to be deposited in a bond 454  
retirement fund for the purpose of paying in any year or fiscal 455  
year by mandatory redemption prior to stated maturity the 456  
principal of securities that is due and payable, except for 457  
mandatory prior redemption requirements as provided in those 458  
proceedings, in a subsequent year or fiscal year. 459

(W) "Mandatory sinking fund requirements" means amounts 460  
required by proceedings to be deposited in a year or fiscal year 461  
in a bond retirement fund for the purpose of paying the 462  
principal of securities that is due and payable in a subsequent 463  
year or fiscal year. 464

(X) "Net indebtedness" has the same meaning as in division 465  
(A) of section 133.04 of the Revised Code. 466

(Y) "Obligor," in the case of securities or fractionalized 467  
interests in public obligations issued by another person the 468  
debt charges or their equivalents on which are payable from 469  
payments made by a public issuer, means that public issuer. 470

(Z) "One purpose" relating to permanent improvements means 471  
any one permanent improvement or group or category of permanent 472  
improvements for the same utility, enterprise, system, or 473  
project, development or redevelopment project, or for or devoted 474  
to the same general purpose, function, or use or for which self- 475  
supporting securities, based on the same or different sources of 476

revenues, may be issued or for which special assessments may be	477
levied by a single ordinance or resolution. "One purpose"	478
includes, but is not limited to, in any case any off-street	479
parking facilities relating to another permanent improvement,	480
and:	481
(1) Any number of roads, highways, streets, bridges,	482
sidewalks, and viaducts;	483
(2) Any number of off-street parking facilities;	484
(3) In the case of a county, any number of permanent	485
improvements for courthouse, jail, county offices, and other	486
county buildings, and related facilities;	487
(4) In the case of a school district, any number of	488
facilities and buildings for school district purposes, and	489
related facilities.	490
(AA) "Outstanding," referring to securities, means	491
securities that have been issued, delivered, and paid for,	492
except any of the following:	493
(1) Securities canceled upon surrender, exchange, or	494
transfer, or upon payment or redemption;	495
(2) Securities in replacement of which or in exchange for	496
which other securities have been issued;	497
(3) Securities for the payment, or redemption or purchase	498
for cancellation prior to maturity, of which sufficient moneys	499
or investments, in accordance with the applicable legislation or	500
other proceedings or any applicable law, by mandatory sinking	501
fund redemption requirements, mandatory sinking fund	502
requirements, or otherwise, have been deposited, and credited	503
for the purpose in a bond retirement fund or with a trustee or	504

paying or escrow agent, whether at or prior to their maturity or 505  
redemption, and, in the case of securities to be redeemed prior 506  
to their stated maturity, notice of redemption has been given or 507  
satisfactory arrangements have been made for giving notice of 508  
that redemption, or waiver of that notice by or on behalf of the 509  
affected security holders has been filed with the subdivision or 510  
its agent for the purpose. 511

(BB) "Paying agent" means the one or more banks, trust 512  
companies, or other financial institutions or qualified persons, 513  
including an appropriate office or officer of the subdivision, 514  
designated as a paying agent or place of payment of debt charges 515  
on the particular securities. 516

(CC) "Permanent improvement" or "improvement" means any 517  
property, asset, or improvement certified by the fiscal officer, 518  
which certification is conclusive, as having an estimated life 519  
or period of usefulness of five years or more, and includes, but 520  
is not limited to, real estate, buildings, and personal property 521  
and interests in real estate, buildings, and personal property, 522  
equipment, furnishings, and site improvements, and 523  
reconstruction, rehabilitation, renovation, installation, 524  
improvement, enlargement, and extension of property, assets, or 525  
improvements so certified as having an estimated life or period 526  
of usefulness of five years or more. The acquisition of all the 527  
stock ownership of a corporation is the acquisition of a 528  
permanent improvement to the extent that the value of that stock 529  
is represented by permanent improvements. A permanent 530  
improvement for parking, highway, road, and street purposes 531  
includes resurfacing, but does not include ordinary repair. 532

(DD) "Person" has the same meaning as in section 1.59 of 533  
the Revised Code and also includes any federal, state, 534

interstate, regional, or local governmental agency, any 535  
subdivision, and any combination of those persons. 536

(EE) "Proceedings" means the legislation, certifications, 537  
notices, orders, sale proceedings, trust agreement or indenture, 538  
mortgage, lease, lease-purchase agreement, assignment, credit 539  
enhancement facility agreements, and other agreements, 540  
instruments, and documents, as amended and supplemented, and any 541  
election proceedings, authorizing, or providing for the terms 542  
and conditions applicable to, or providing for the security or 543  
sale or award of, public obligations, and includes the 544  
provisions set forth or incorporated in those public obligations 545  
and proceedings. 546

(FF) "Public issuer" means any of the following that is 547  
authorized by law to issue securities or enter into public 548  
obligations: 549

(1) The state, including an agency, commission, officer, 550  
institution, board, authority, or other instrumentality of the 551  
state; 552

(2) A taxing authority, subdivision, district, or other 553  
local public or governmental entity, and any combination or 554  
consortium, or public division, district, commission, authority, 555  
department, board, officer, or institution, thereof; 556

(3) Any other body corporate and politic, or other public 557  
entity. 558

(GG) "Public obligations" means both of the following: 559

(1) Securities; 560

(2) Obligations of a public issuer to make payments under 561  
installment sale, lease, lease purchase, or similar agreements, 562

which obligations may bear interest or interest equivalent.	563
(HH) "Refund" means to fund and retire outstanding securities, including advance refunding with or without payment or redemption prior to maturity.	564 565 566
(II) "Register" means the books kept and maintained by the registrar for registration, exchange, and transfer of registered securities.	567 568 569
(JJ) "Registrar" means the person responsible for keeping the register for the particular registered securities, designated by or pursuant to the proceedings.	570 571 572
(KK) "Securities" means bonds, notes, certificates of indebtedness, commercial paper, and other instruments in writing, including, unless the context does not admit, anticipatory securities, issued by an issuer to evidence its obligation to repay money borrowed, or to pay interest, by, or to pay at any future time other money obligations of, the issuer of the securities, but not including public obligations described in division (GG) (2) of this section.	573 574 575 576 577 578 579 580
(LL) "Self-supporting securities" means securities or portions of securities issued for the purpose of paying costs of permanent improvements to the extent that receipts of the subdivision, other than the proceeds of taxes levied by that subdivision, derived from or with respect to the improvements or the operation of the improvements being financed, or the enterprise, system, project, or category of improvements of which the improvements being financed are part, are estimated by the fiscal officer to be sufficient to pay the current expenses of that operation or of those improvements or enterprise, system, project, or categories of improvements and the debt	581 582 583 584 585 586 587 588 589 590 591

charges payable from those receipts on securities issued for the 592  
purpose. Until such time as the improvements or increases in 593  
rates and charges have been in operation or effect for a period 594  
of at least six months, the receipts therefrom, for purposes of 595  
this definition, shall be those estimated by the fiscal officer, 596  
except that those receipts may include, without limitation, 597  
payments made and to be made to the subdivision under leases or 598  
agreements in effect at the time the estimate is made. In the 599  
case of an operation, improvements, or enterprise, system, 600  
project, or category of improvements without at least a six- 601  
month history of receipts, the estimate of receipts by the 602  
fiscal officer, other than those to be derived under leases and 603  
agreements then in effect, shall be confirmed by the taxing 604  
authority. 605

(MM) "Subdivision" means any of the following: 606

(1) A county, including a county that has adopted a 607  
charter under Article X, Ohio Constitution; 608

(2) A municipal corporation, including a municipal 609  
corporation that has adopted a charter under Article XVIII, Ohio 610  
Constitution; 611

(3) A school district; 612

(4) A regional water and sewer district organized under 613  
Chapter 6119. of the Revised Code; 614

(5) A joint township hospital district organized under 615  
section 513.07 of the Revised Code; 616

(6) A joint ambulance district organized under section 617  
505.71 of the Revised Code; 618

(7) A joint recreation district organized under division 619

(C) of section 755.14 of the Revised Code;	620
(8) A detention facility district organized under section 2152.41, a district organized under section 2151.65, or a combined district organized under sections 2152.41 and 2151.65 of the Revised Code;	621 622 623 624
(9) A township police district organized under section 505.48 of the Revised Code;	625 626
(10) A township;	627
(11) A joint fire district organized under section 505.371 of the Revised Code;	628 629
(12) A county library district created under section 3375.19 or a regional library district created under section 3375.28 of the Revised Code;	630 631 632
(13) A joint solid waste management district organized under section 343.01 or 343.012 of the Revised Code;	633 634
(14) A joint emergency medical services district organized under section 307.052 of the Revised Code;	635 636
(15) A fire and ambulance district organized under section 505.375 of the Revised Code;	637 638
(16) A fire district organized under division (C) of section 505.37 of the Revised Code;	639 640
(17) A joint police district organized under section 505.482 of the Revised Code;	641 642
(18) A lake facilities authority created under Chapter 353. of the Revised Code;	643 644
(19) A regional transportation improvement project created under Chapter 5595. of the Revised Code;	645 646

(20) Any other political subdivision or taxing district or 647  
other local public body or agency authorized by this chapter or 648  
other laws to issue Chapter 133. securities. 649

(NN) "Taxing authority" means in the case of the following 650  
subdivisions: 651

(1) A county, a county library district, or a regional 652  
library district, the board or boards of county commissioners, 653  
or other legislative authority of a county that has adopted a 654  
charter under Article X, Ohio Constitution, but with respect to 655  
such a library district acting solely as agent for the board of 656  
trustees of that district; 657

(2) A municipal corporation, the legislative authority; 658

(3) A school district, the board of education; 659

(4) A regional water and sewer district, a joint ambulance 660  
district, a joint recreation district, a fire and ambulance 661  
district, or a joint fire district, the board of trustees of the 662  
district; 663

(5) A joint township hospital district, the joint township 664  
hospital board; 665

(6) A detention facility district or a district organized 666  
under section 2151.65 of the Revised Code, a combined district 667  
organized under sections 2152.41 and 2151.65 of the Revised 668  
Code, or a joint emergency medical services district, the joint 669  
board of county commissioners; 670

(7) A township, a fire district organized under division 671  
(C) of section 505.37 of the Revised Code, or a township police 672  
district, the board of township trustees; 673

(8) A joint solid waste management district organized 674



under section 343.01 or 343.012 of the Revised Code, the board 675  
of directors of the district; 676

(9) A subdivision described in division (MM) ~~(19)~~ (20) of 677  
this section, the legislative or governing body or official; 678

(10) A joint police district, the joint police district 679  
board; 680

(11) A lake facilities authority, the board of directors; 681

(12) A regional transportation improvement project, the 682  
governing board. 683

(OO) "Tax limitation" means the "ten-mill limitation" as 684  
defined in section 5705.02 of the Revised Code without 685  
diminution by reason of section 5705.313 of the Revised Code or 686  
otherwise, or, in the case of a municipal corporation or county 687  
with a different charter limitation on property taxes levied to 688  
pay debt charges on unvoted securities, that charter limitation. 689  
Those limitations shall be respectively referred to as the "ten- 690  
mill limitation" and the "charter tax limitation." 691

(PP) "Tax valuation" means the aggregate of the valuations 692  
of property subject to ad valorem property taxation by the 693  
subdivision on the real property, personal property, and public 694  
utility property tax lists and duplicates most recently 695  
certified for collection, and shall be calculated without 696  
deductions of the valuations of otherwise taxable property 697  
exempt in whole or in part from taxation by reason of exemptions 698  
of certain amounts of taxable value under division (C) of 699  
section 5709.01, tax reductions under section 323.152 of the 700  
Revised Code, or similar laws now or in the future in effect. 701

For purposes of section 133.06 of the Revised Code, "tax 702  
valuation" shall not include the valuation of tangible personal 703

property used in business, telephone or telegraph property, 704  
interexchange telecommunications company property, or personal 705  
property owned or leased by a railroad company and used in 706  
railroad operations listed under or described in section 707  
5711.22, division (B) or (F) of section 5727.111, or section 708  
5727.12 of the Revised Code. 709

(QQ) "Year" means the calendar year. 710

(RR) "Administrative agent," "agent," "commercial paper," 711  
"floating rate interest structure," "indexing agent," "interest 712  
rate hedge," "interest rate period," "put arrangement," and 713  
"remarketing agent" have the same meanings as in section 9.98 of 714  
the Revised Code. 715

(SS) "Sales tax supported" means obligations to the 716  
payment of debt charges on which an additional sales tax or 717  
additional sales taxes have been pledged by the taxing authority 718  
of a county pursuant to section 133.081 of the Revised Code. 719

(TT) "Tourism development district revenue supported" 720  
means obligations to the payment of debt charges on which 721  
tourism development district revenue has been pledged by the 722  
taxing authority of a municipal corporation or township under 723  
section 133.083 of the Revised Code. 724

**Sec. 133.06.** (A) A school district shall not incur, 725  
without a vote of the electors, net indebtedness that exceeds an 726  
amount equal to one-tenth of one per cent of its tax valuation, 727  
except as provided in divisions (G) and (H) of this section and 728  
in division (D) of section 3313.372 of the Revised Code, or as 729  
prescribed in section 3318.052 or 3318.44 of the Revised Code, 730  
or as provided in division (J) of this section. 731

(B) Except as provided in divisions (E), (F), and (I) of 732

this section, a school district shall not incur net indebtedness 733  
that exceeds an amount equal to nine per cent of its tax 734  
valuation. 735

(C) A school district shall not submit to a vote of the 736  
electors the question of the issuance of securities in an amount 737  
that will make the district's net indebtedness after the 738  
issuance of the securities exceed an amount equal to four per 739  
cent of its tax valuation, unless the superintendent of public 740  
instruction, acting under policies adopted by the state board of 741  
education, and the tax commissioner, acting under written 742  
policies of the commissioner, consent to the submission. A 743  
request for the consents shall be made at least one hundred 744  
twenty days prior to the election at which the question is to be 745  
submitted. 746

The superintendent of public instruction shall certify to 747  
the district the superintendent's and the tax commissioner's 748  
decisions within thirty days after receipt of the request for 749  
consents. 750

If the electors do not approve the issuance of securities 751  
at the election for which the superintendent of public 752  
instruction and tax commissioner consented to the submission of 753  
the question, the school district may submit the same question 754  
to the electors on the date that the next special election may 755  
be held under section 3501.01 of the Revised Code without 756  
submitting a new request for consent. If the school district 757  
seeks to submit the same question at any other subsequent 758  
election, the district shall first submit a new request for 759  
consent in accordance with this division. 760

(D) In calculating the net indebtedness of a school 761  
district, none of the following shall be considered: 762

(1) Securities issued to acquire school buses and other equipment used in transporting pupils or issued pursuant to division (D) of section 133.10 of the Revised Code;	763 764 765
(2) Securities issued under division (F) of this section, <del>under section 133.301 of the Revised Code,</del> and, to the extent in excess of the limitation stated in division (B) of this section, under division (E) of this section;	766 767 768 769
(3) Indebtedness resulting from the dissolution of a joint vocational school district under section 3311.217 of the Revised Code, evidenced by outstanding securities of that joint vocational school district;	770 771 772 773
(4) Loans, evidenced by any securities, received under sections 3313.483, 3317.0210, and 3317.0211 of the Revised Code;	774 775
(5) Debt incurred under section 3313.374 of the Revised Code;	776 777
(6) Debt incurred pursuant to division (B)(5) of section 3313.37 of the Revised Code to acquire computers and related hardware;	778 779 780
(7) Debt incurred under section 3318.042 of the Revised Code;	781 782
(8) Debt incurred under section 5705.2112 or 5705.2113 of the Revised Code by the fiscal board of a qualifying partnership of which the school district is a participating school district.	783 784 785
(E) A school district may become a special needs district as to certain securities as provided in division (E) of this section.	786 787 788
(1) A board of education, by resolution, may declare its school district to be a special needs district by determining	789 790

both of the following:	791
(a) The student population is not being adequately serviced by the existing permanent improvements of the district.	792 793
(b) The district cannot obtain sufficient funds by the issuance of securities within the limitation of division (B) of this section to provide additional or improved needed permanent improvements in time to meet the needs.	794 795 796 797
(2) The board of education shall certify a copy of that resolution to the superintendent of public instruction with a statistical report showing all of the following:	798 799 800
(a) The history of and a projection of the growth of the tax valuation;	801 802
(b) The projected needs;	803
(c) The estimated cost of permanent improvements proposed to meet such projected needs.	804 805
(3) The superintendent of public instruction shall certify the district as an approved special needs district if the superintendent finds both of the following:	806 807 808
(a) The district does not have available sufficient additional funds from state or federal sources to meet the projected needs.	809 810 811
(b) The projection of the potential average growth of tax valuation during the next five years, according to the information certified to the superintendent and any other information the superintendent obtains, indicates a likelihood of potential average growth of tax valuation of the district during the next five years of an average of not less than one and one-half per cent per year. The findings and certification	812 813 814 815 816 817 818

of the superintendent shall be conclusive. 819

(4) An approved special needs district may incur net 820  
indebtedness by the issuance of securities in accordance with 821  
the provisions of this chapter in an amount that does not exceed 822  
an amount equal to the greater of the following: 823

(a) Twelve per cent of the sum of its tax valuation plus 824  
an amount that is the product of multiplying that tax valuation 825  
by the percentage by which the tax valuation has increased over 826  
the tax valuation on the first day of the sixtieth month 827  
preceding the month in which its board determines to submit to 828  
the electors the question of issuing the proposed securities; 829

(b) Twelve per cent of the sum of its tax valuation plus 830  
an amount that is the product of multiplying that tax valuation 831  
by the percentage, determined by the superintendent of public 832  
instruction, by which that tax valuation is projected to 833  
increase during the next ten years. 834

(F) A school district may issue securities for emergency 835  
purposes, in a principal amount that does not exceed an amount 836  
equal to three per cent of its tax valuation, as provided in 837  
this division. 838

(1) A board of education, by resolution, may declare an 839  
emergency if it determines both of the following: 840

(a) School buildings or other necessary school facilities 841  
in the district have been wholly or partially destroyed, or 842  
condemned by a constituted public authority, or that such 843  
buildings or facilities are partially constructed, or so 844  
constructed or planned as to require additions and improvements 845  
to them before the buildings or facilities are usable for their 846  
intended purpose, or that corrections to permanent improvements 847

are necessary to remove or prevent health or safety hazards. 848

(b) Existing fiscal and net indebtedness limitations make 849  
adequate replacement, additions, or improvements impossible. 850

(2) Upon the declaration of an emergency, the board of 851  
education may, by resolution, submit to the electors of the 852  
district pursuant to section 133.18 of the Revised Code the 853  
question of issuing securities for the purpose of paying the 854  
cost, in excess of any insurance or condemnation proceeds 855  
received by the district, of permanent improvements to respond 856  
to the emergency need. 857

(3) The procedures for the election shall be as provided 858  
in section 133.18 of the Revised Code, except that: 859

(a) The form of the ballot shall describe the emergency 860  
existing, refer to this division as the authority under which 861  
the emergency is declared, and state that the amount of the 862  
proposed securities exceeds the limitations prescribed by 863  
division (B) of this section; 864

(b) The resolution required by division (B) of section 865  
133.18 of the Revised Code shall be certified to the county 866  
auditor and the board of elections at least one hundred days 867  
prior to the election; 868

(c) The county auditor shall advise and, not later than 869  
ninety-five days before the election, confirm that advice by 870  
certification to, the board of education of the information 871  
required by division (C) of section 133.18 of the Revised Code; 872

(d) The board of education shall then certify its 873  
resolution and the information required by division (D) of 874  
section 133.18 of the Revised Code to the board of elections not 875  
less than ninety days prior to the election. 876

(4) Notwithstanding division (B) of section 133.21 of the Revised Code, the first principal payment of securities issued under this division may be set at any date not later than sixty months after the earliest possible principal payment otherwise provided for in that division.

(G) (1) The board of education may contract with an architect, professional engineer, or other person experienced in the design and implementation of energy conservation measures for an analysis and recommendations pertaining to installations, modifications of installations, or remodeling that would significantly reduce energy consumption in buildings owned by the district. The report shall include estimates of all costs of such installations, modifications, or remodeling, including costs of design, engineering, installation, maintenance, repairs, measurement and verification of energy savings, and debt service, forgone residual value of materials or equipment replaced by the energy conservation measure, as defined by the Ohio facilities construction commission, a baseline analysis of actual energy consumption data for the preceding three years with the utility baseline based on only the actual energy consumption data for the preceding twelve months, and estimates of the amounts by which energy consumption and resultant operational and maintenance costs, as defined by the commission, would be reduced.

If the board finds after receiving the report that the amount of money the district would spend on such installations, modifications, or remodeling is not likely to exceed the amount of money it would save in energy and resultant operational and maintenance costs over the ensuing fifteen years, the board may submit to the commission a copy of its findings and a request for approval to incur indebtedness to finance the making or



modification of installations or the remodeling of buildings for 908  
the purpose of significantly reducing energy consumption. 909

The facilities construction commission, in consultation 910  
with the auditor of state, may deny a request under division (G) 911  
(1) of this section by the board of education of any school 912  
district that is in a state of fiscal watch pursuant to division 913  
(A) of section 3316.03 of the Revised Code, if it determines 914  
that the expenditure of funds is not in the best interest of the 915  
school district. 916

No district board of education of a school district that 917  
is in a state of fiscal emergency pursuant to division (B) of 918  
section 3316.03 of the Revised Code shall submit a request 919  
without submitting evidence that the installations, 920  
modifications, or remodeling have been approved by the 921  
district's financial planning and supervision commission 922  
established under section 3316.05 of the Revised Code. 923

No board of education of a school district for which an 924  
academic distress commission has been established under section 925  
3302.10 of the Revised Code shall submit a request without first 926  
receiving approval to incur indebtedness from the district's 927  
academic distress commission established under that section, for 928  
so long as such commission continues to be required for the 929  
district. 930

(2) The board of education may contract with a person 931  
experienced in the implementation of student transportation to 932  
produce a report that includes an analysis of and 933  
recommendations for the use of alternative fuel vehicles by 934  
school districts. The report shall include cost estimates 935  
detailing the return on investment over the life of the 936  
alternative fuel vehicles and environmental impact of 937

alternative fuel vehicles. The report also shall include 938  
estimates of all costs associated with alternative fuel 939  
transportation, including facility modifications and vehicle 940  
purchase costs or conversion costs. 941

If the board finds after receiving the report that the 942  
amount of money the district would spend on purchasing 943  
alternative fuel vehicles or vehicle conversion is not likely to 944  
exceed the amount of money it would save in fuel and resultant 945  
operational and maintenance costs over the ensuing five years, 946  
the board may submit to the commission a copy of its findings 947  
and a request for approval to incur indebtedness to finance the 948  
purchase of new alternative fuel vehicles or vehicle conversions 949  
for the purpose of reducing fuel costs. 950

The facilities construction commission, in consultation 951  
with the auditor of state, may deny a request under division (G) 952  
(2) of this section by the board of education of any school 953  
district that is in a state of fiscal watch pursuant to division 954  
(A) of section 3316.03 of the Revised Code, if it determines 955  
that the expenditure of funds is not in the best interest of the 956  
school district. 957

No district board of education of a school district that 958  
is in a state of fiscal emergency pursuant to division (B) of 959  
section 3316.03 of the Revised Code shall submit a request 960  
without submitting evidence that the purchase or conversion of 961  
alternative fuel vehicles has been approved by the district's 962  
financial planning and supervision commission established under 963  
section 3316.05 of the Revised Code. 964

No board of education of a school district for which an 965  
academic distress commission has been established under section 966  
3302.10 of the Revised Code shall submit a request without first 967

receiving approval to incur indebtedness from the district's 968  
academic distress commission established under that section, for 969  
so long as such commission continues to be required for the 970  
district. 971

(3) The facilities construction commission shall approve 972  
the board's request provided that the following conditions are 973  
satisfied: 974

(a) The commission determines that the board's findings 975  
are reasonable. 976

(b) The request for approval is complete. 977

(c) If the request was submitted under division (G) (1) of 978  
this section, the installations, modifications, or remodeling 979  
are consistent with any project to construct or acquire 980  
classroom facilities, or to reconstruct or make additions to 981  
existing classroom facilities under sections 3318.01 to 3318.20 982  
or sections 3318.40 to 3318.45 of the Revised Code. 983

Upon receipt of the commission's approval, the district 984  
may issue securities without a vote of the electors in a 985  
principal amount not to exceed nine-tenths of one per cent of 986  
its tax valuation for the purpose specified in division (G) (1) 987  
or (2) of this section, but the total net indebtedness of the 988  
district without a vote of the electors incurred under this and 989  
all other sections of the Revised Code, except section 3318.052 990  
of the Revised Code, shall not exceed one per cent of the 991  
district's tax valuation. 992

(4) (a) So long as any securities issued under division (G) 993  
(1) of this section remain outstanding, the board of education 994  
shall monitor the energy consumption and resultant operational 995  
and maintenance costs of buildings in which installations or 996

modifications have been made or remodeling has been done 997  
pursuant to that division. Except as provided in division (G) (4) 998  
(b) of this section, the board shall maintain and annually 999  
update a report in a form and manner prescribed by the 1000  
facilities construction commission documenting the reductions in 1001  
energy consumption and resultant operational and maintenance 1002  
cost savings attributable to such installations, modifications, 1003  
or remodeling. The resultant operational and maintenance cost 1004  
savings shall be certified by the school district treasurer. The 1005  
report shall be submitted annually to the commission. 1006

(b) If the facilities construction commission verifies 1007  
that the certified annual reports submitted to the commission by 1008  
a board of education under division (G) (4) (a) of this section 1009  
fulfill the guarantee required under division (B) of section 1010  
3313.372 of the Revised Code for three consecutive years, the 1011  
board of education shall no longer be subject to the annual 1012  
reporting requirements of division (G) (4) (a) of this section. 1013

(5) So long as any securities issued under division (G) (2) 1014  
of this section remain outstanding, the board of education shall 1015  
monitor the purchase of new alternative fuel vehicles or vehicle 1016  
conversions pursuant to that division. The board shall maintain 1017  
and annually update a report in a form and manner prescribed by 1018  
the facilities construction commission documenting the purchase 1019  
of new alternative fuel vehicles or vehicle conversions, the 1020  
associated environmental impact, and return on investment. The 1021  
resultant fuel and operational and maintenance cost savings 1022  
shall be certified by the school district treasurer. The report 1023  
shall be submitted annually to the commission. 1024

(H) With the consent of the superintendent of public 1025  
instruction, a school district may incur without a vote of the 1026

electors net indebtedness that exceeds the amounts stated in 1027  
divisions (A) and (G) of this section for the purpose of paying 1028  
costs of permanent improvements, if and to the extent that both 1029  
of the following conditions are satisfied: 1030

(1) The fiscal officer of the school district estimates 1031  
that receipts of the school district from payments made under or 1032  
pursuant to agreements entered into pursuant to section 725.02, 1033  
1728.10, 3735.671, 5709.081, 5709.082, 5709.40, 5709.41, 1034  
5709.45, 5709.57, 5709.62, 5709.63, 5709.632, 5709.73, 5709.78, 1035  
or 5709.82 of the Revised Code, or distributions under division 1036  
(C) of section 5709.43 or division (B) of section 5709.47 of the 1037  
Revised Code, or any combination thereof, are, after accounting 1038  
for any appropriate coverage requirements, sufficient in time 1039  
and amount, and are committed by the proceedings, to pay the 1040  
debt charges on the securities issued to evidence that 1041  
indebtedness and payable from those receipts, and the taxing 1042  
authority of the district confirms the fiscal officer's 1043  
estimate, which confirmation is approved by the superintendent 1044  
of public instruction; 1045

(2) The fiscal officer of the school district certifies, 1046  
and the taxing authority of the district confirms, that the 1047  
district, at the time of the certification and confirmation, 1048  
reasonably expects to have sufficient revenue available for the 1049  
purpose of operating such permanent improvements for their 1050  
intended purpose upon acquisition or completion thereof, and the 1051  
superintendent of public instruction approves the taxing 1052  
authority's confirmation. 1053

The maximum maturity of securities issued under division 1054  
(H) of this section shall be the lesser of twenty years or the 1055  
maximum maturity calculated under section 133.20 of the Revised 1056

Code. 1057

(I) A school district may incur net indebtedness by the 1058  
issuance of securities in accordance with the provisions of this 1059  
chapter in excess of the limit specified in division (B) or (C) 1060  
of this section when necessary to raise the school district 1061  
portion of the basic project cost and any additional funds 1062  
necessary to participate in a project under Chapter 3318. of the 1063  
Revised Code, including the cost of items designated by the 1064  
facilities construction commission as required locally funded 1065  
initiatives, the cost of other locally funded initiatives in an 1066  
amount that does not exceed fifty per cent of the district's 1067  
portion of the basic project cost, and the cost for site 1068  
acquisition. The commission shall notify the superintendent of 1069  
public instruction whenever a school district will exceed either 1070  
limit pursuant to this division. 1071

(J) A school district whose portion of the basic project 1072  
cost of its classroom facilities project under sections 3318.01 1073  
to 3318.20 of the Revised Code is greater than or equal to one 1074  
hundred million dollars may incur without a vote of the electors 1075  
net indebtedness in an amount up to two per cent of its tax 1076  
valuation through the issuance of general obligation securities 1077  
in order to generate all or part of the amount of its portion of 1078  
the basic project cost if the controlling board has approved the 1079  
facilities construction commission's conditional approval of the 1080  
project under section 3318.04 of the Revised Code. The school 1081  
district board and the Ohio facilities construction commission 1082  
shall include the dedication of the proceeds of such securities 1083  
in the agreement entered into under section 3318.08 of the 1084  
Revised Code. No state moneys shall be released for a project to 1085  
which this section applies until the proceeds of any bonds 1086  
issued under this section that are dedicated for the payment of 1087

the school district portion of the project are first deposited 1088  
into the school district's project construction fund. 1089

**Sec. 133.07.** (A) A county shall not incur, without a vote 1090  
of the electors, either of the following: 1091

(1) Net indebtedness for all purposes that exceeds an 1092  
amount equal to one per cent of its tax valuation; 1093

(2) Net indebtedness for the purpose of paying the 1094  
county's share of the cost of the construction, improvement, 1095  
maintenance, or repair of state highways that exceeds an amount 1096  
equal to one-half of one per cent of its tax valuation. 1097

(B) A county shall not incur total net indebtedness that 1098  
exceeds an amount equal to one of the following limitations that 1099  
applies to the county: 1100

(1) A county with a valuation not exceeding one hundred 1101  
million dollars, three per cent of that tax valuation; 1102

(2) A county with a tax valuation exceeding one hundred 1103  
million dollars but not exceeding three hundred million dollars, 1104  
three million dollars plus one and one-half per cent of that tax 1105  
valuation in excess of one hundred million dollars; 1106

(3) A county with a tax valuation exceeding three hundred 1107  
million dollars, six million dollars plus two and one-half per 1108  
cent of that tax valuation in excess of three hundred million 1109  
dollars. 1110

(C) In calculating the net indebtedness of a county, none 1111  
of the following securities shall be considered: 1112

(1) Securities described in section 307.201 of the Revised 1113  
Code; 1114

(2) Self-supporting securities issued for any purposes,	1115
including, but not limited to, any of the following general	1116
purposes:	1117
(a) Water systems or facilities;	1118
(b) Sanitary sewerage systems or facilities, or surface	1119
and storm water drainage and sewerage systems or facilities, or	1120
a combination of those systems or facilities;	1121
(c) County or joint county scrap tire collection, storage,	1122
monocell, monofill, or recovery facilities, or any combination	1123
of those facilities;	1124
(d) Off-street parking lots, facilities, or buildings, or	1125
on-street parking facilities, or any combination of off-street	1126
and on-street parking facilities;	1127
(e) Facilities for the care or treatment of the sick or	1128
infirm, and for housing the persons providing that care or	1129
treatment and their families;	1130
(f) Recreational, sports, convention, auditorium, museum,	1131
trade show, and other public attraction facilities;	1132
(g) Facilities for natural resources exploration,	1133
development, recovery, use, and sale;	1134
(h) Correctional and detention facilities and related	1135
rehabilitation facilities.	1136
(3) Securities issued for the purpose of purchasing,	1137
constructing, improving, or extending water or sanitary or	1138
surface and storm water sewerage systems or facilities, or a	1139
combination of those systems or facilities, to the extent that	1140
an agreement entered into with another subdivision requires the	1141
other subdivision to pay to the county amounts equivalent to	1142



debt charges on the securities; 1143

(4) Voted general obligation securities issued for the 1144  
purpose of permanent improvements for sanitary sewerage or water 1145  
systems or facilities to the extent that the total principal 1146  
amount of voted securities outstanding for the purpose does not 1147  
exceed an amount equal to two per cent of the county's tax 1148  
valuation; 1149

(5) Securities issued for permanent improvements to house 1150  
agencies, departments, boards, or commissions of the county or 1151  
of any municipal corporation located, in whole or in part, in 1152  
the county, to the extent that the revenues, other than revenues 1153  
from unvoted county property taxes, derived from leases or other 1154  
agreements between the county and those agencies, departments, 1155  
boards, commissions, or municipal corporations relating to the 1156  
use of the permanent improvements are sufficient to cover the 1157  
cost of all operating expenses of the permanent improvements 1158  
paid by the county and debt charges on the securities; 1159

(6) Securities issued pursuant to section 133.08 of the 1160  
Revised Code; 1161

(7) Securities issued for the purpose of acquiring or 1162  
constructing roads, highways, bridges, or viaducts, for the 1163  
purpose of acquiring or making other highway permanent 1164  
improvements, or for the purpose of procuring and maintaining 1165  
computer systems for the office of the clerk of any county- 1166  
operated municipal court, for the office of the clerk of the 1167  
court of common pleas, or for the office of the clerk of the 1168  
probate, juvenile, or domestic relations division of the court 1169  
of common pleas to the extent that the legislation authorizing 1170  
the issuance of the securities includes a covenant to 1171  
appropriate from moneys distributed to the county pursuant to 1172

division (B) of section 2101.162, 2151.541, 2153.081, 2301.031, 1173  
or 2303.201 or Chapter 4501., 4503., 4504., or 5735. of the 1174  
Revised Code a sufficient amount to cover debt charges on and 1175  
financing costs relating to the securities as they become due; 1176

(8) Securities issued for the purpose of acquiring, 1177  
constructing, improving, and equipping a county, multicounty, or 1178  
multicounty-municipal jail, workhouse, juvenile detention 1179  
facility, or correctional facility; 1180

(9) Securities issued for the acquisition, construction, 1181  
equipping, or repair of any permanent improvement or any class 1182  
or group of permanent improvements enumerated in a resolution 1183  
adopted pursuant to division (D) of section 5739.026, or under 1184  
division ~~(A) (10)~~ (J) of section 5739.09, of the Revised Code to 1185  
the extent that the legislation authorizing the issuance of the 1186  
securities includes a covenant to appropriate from moneys 1187  
received from the taxes authorized under section 5739.023 and 1188  
division (A) (5) of section 5739.026, or under division ~~(A) (10)~~ 1189  
(J) of section 5739.09~~7~~ of the Revised Code, respectively, an 1190  
amount sufficient to pay debt charges on the securities and 1191  
those moneys shall be pledged for that purpose; 1192

(10) Securities issued for county or joint county solid 1193  
waste or hazardous waste collection, transfer, or disposal 1194  
facilities, or resource recovery and solid or hazardous waste 1195  
recycling facilities, or any combination of those facilities; 1196

(11) Securities issued for the acquisition, construction, 1197  
and equipping of a port authority educational and cultural 1198  
facility under section 307.671 of the Revised Code; 1199

(12) Securities issued for the acquisition, construction, 1200  
equipping, and improving of a municipal educational and cultural 1201

facility under division (B) (1) of section 307.672 of the Revised Code;	1202 1203
(13) Securities issued for energy conservation measures under section 307.041 of the Revised Code;	1204 1205
(14) Securities issued for the acquisition, construction, equipping, improving, or repair of a sports facility, including obligations issued to pay costs of a sports facility under section 307.673 of the Revised Code;	1206 1207 1208 1209
(15) Securities issued under section 755.17 of the Revised Code if the legislation authorizing issuance of the securities includes a covenant to appropriate from revenue received from a tax authorized under division (A) (5) of section 5739.026 and section 5741.023 of the Revised Code an amount sufficient to pay debt charges on the securities, and the board of county commissioners pledges that revenue for that purpose, pursuant to section 755.171 of the Revised Code;	1210 1211 1212 1213 1214 1215 1216 1217
(16) Sales tax supported bonds issued pursuant to section 133.081 of the Revised Code for the purpose of acquiring, constructing, improving, or equipping any permanent improvement to the extent that the legislation authorizing the issuance of the sales tax supported bonds pledges county sales taxes to the payment of debt charges on the sales tax supported bonds and contains a covenant to appropriate from county sales taxes a sufficient amount to cover debt charges or the financing costs related to the sales tax supported bonds as they become due;	1218 1219 1220 1221 1222 1223 1224 1225 1226
(17) Bonds or notes issued under section 133.60 of the Revised Code if the legislation authorizing issuance of the bonds or notes includes a covenant to appropriate from revenue received from a tax authorized under division (A) (9) of section	1227 1228 1229 1230

5739.026 and section 5741.023 of the Revised Code an amount 1231  
sufficient to pay the debt charges on the bonds or notes, and 1232  
the board of county commissioners pledges that revenue for that 1233  
purpose; 1234

(18) Securities issued under section 3707.55 of the 1235  
Revised Code for the acquisition of real property by a general 1236  
health district; 1237

(19) Securities issued under division (A)(3) of section 1238  
3313.37 of the Revised Code for the acquisition of real and 1239  
personal property by an educational service center; 1240

(20) Securities issued for the purpose of paying the costs 1241  
of acquiring, constructing, reconstructing, renovating, 1242  
rehabilitating, expanding, adding to, equipping, furnishing, or 1243  
otherwise improving an arena, convention center, or a 1244  
combination of an arena and convention center under section 1245  
307.695 of the Revised Code; 1246

(21) Securities issued for the purpose of paying project 1247  
costs under section 307.678 of the Revised Code; 1248

(22) Securities issued for the purpose of paying project 1249  
costs under section 307.679 of the Revised Code. 1250

(D) In calculating the net indebtedness of a county, no 1251  
obligation incurred under division (F) of section 339.06 of the 1252  
Revised Code shall be considered. 1253

**Sec. 133.18.** (A) The taxing authority of a subdivision may 1254  
by legislation submit to the electors of the subdivision the 1255  
question of issuing any general obligation bonds, for one 1256  
purpose, that the subdivision has power or authority to issue. 1257

(B) When the taxing authority of a subdivision desires or 1258

is required by law to submit the question of a bond issue to the electors, it shall pass legislation that does all of the following:

(1) Declares the necessity and purpose of the bond issue;

(2) States the date of the authorized election at which the question shall be submitted to the electors;

(3) States the amount, approximate date, estimated net average rate of interest, and maximum number of years over which the principal of the bonds may be paid;

(4) Declares the necessity of levying a tax outside the tax limitation to pay the debt charges on the bonds and any anticipatory securities.

The estimated net average interest rate shall be determined by the taxing authority based on, among other factors, then existing market conditions, and may reflect adjustments for any anticipated direct payments expected to be received by the taxing authority from the government of the United States relating to the bonds and the effect of any federal tax credits anticipated to be available to owners of all or a portion of the bonds. The estimated net average rate of interest, and any statutory or charter limit on interest rates that may then be in effect and that is subsequently amended, shall not be a limitation on the actual interest rate or rates on the securities when issued.

~~(C)(1)~~ (C) The taxing authority shall certify a copy of the legislation passed under division (B) of this section to the county auditor. The county auditor shall promptly calculate and advise and, not later than ninety days before the election, confirm that advice by certification to, the taxing authority

the estimated average annual property tax levy, expressed in 1288  
cents or dollars and cents for each one hundred dollars of tax 1289  
valuation and in mills for each one dollar of tax valuation, 1290  
that the county auditor estimates to be required throughout the 1291  
stated maturity of the bonds to pay the debt charges on the 1292  
bonds. In calculating the estimated average annual property tax 1293  
levy for this purpose, the county auditor shall assume that the 1294  
bonds are issued in one series bearing interest and maturing in 1295  
substantially equal principal amounts in each year over the 1296  
maximum number of years over which the principal of the bonds 1297  
may be paid as stated in that legislation, and that the amount 1298  
of the tax valuation of the subdivision for the current year 1299  
remains the same throughout the maturity of the bonds, ~~except as~~ 1300  
~~otherwise provided in division (C) (2) of this section.~~ If the 1301  
tax valuation for the current year is not determined, the county 1302  
auditor shall base the calculation on the estimated amount of 1303  
the tax valuation submitted by the county auditor to the county 1304  
budget commission. If the subdivision is located in more than 1305  
one county, the county auditor shall obtain the assistance of 1306  
the county auditors of the other counties, and those county 1307  
auditors shall provide assistance, in establishing the tax 1308  
valuation of the subdivision for purposes of certifying the 1309  
estimated average annual property tax levy. 1310

~~(2) When considering the tangible personal property 1311  
component of the tax valuation of the subdivision, the county 1312  
auditor shall take into account the assessment percentages 1313  
prescribed in section 5711.22 of the Revised Code. The tax 1314  
commissioner may issue rules, orders, or instructions directing 1315  
how the assessment percentages must be utilized. 1316~~

(D) After receiving the county auditor's advice under 1317  
division (C) of this section, the taxing authority by 1318

legislation may determine to proceed with submitting the 1319  
question of the issue of securities, and shall, not later than 1320  
the ninetieth day before the day of the election, file the 1321  
following with the board of elections: 1322

(1) Copies of the legislation provided for in divisions 1323  
(B) and (D) of this section; 1324

(2) The amount of the estimated average annual property 1325  
tax levy, expressed in cents or dollars and cents for each one 1326  
hundred dollars of tax valuation and in mills for each one 1327  
dollar of tax valuation, as estimated and certified to the 1328  
taxing authority by the county auditor. 1329

(E) (1) The board of elections shall prepare the ballots 1330  
and make other necessary arrangements for the submission of the 1331  
question to the electors of the subdivision. If the subdivision 1332  
is located in more than one county, the board shall inform the 1333  
boards of elections of the other counties of the filings with 1334  
it, and those other boards shall if appropriate make the other 1335  
necessary arrangements for the election in their counties. The 1336  
election shall be conducted, canvassed, and certified in the 1337  
manner provided in Title XXXV of the Revised Code. 1338

(2) The election shall be held at the regular places for 1339  
voting in the subdivision. If the electors of only a part of a 1340  
precinct are qualified to vote at the election the board of 1341  
elections may assign the electors in that part to an adjoining 1342  
precinct, including an adjoining precinct in another county if 1343  
the board of elections of the other county consents to and 1344  
approves the assignment. Each elector so assigned shall be 1345  
notified of that fact prior to the election by notice mailed by 1346  
the board of elections, in such manner as it determines, prior 1347  
to the election. 1348

(3) The board of elections shall publish a notice of the election once in a newspaper of general circulation in the subdivision, no later than ten days prior to the election. The notice shall state all of the following:

(a) The principal amount of the proposed bond issue;

(b) The stated purpose for which the bonds are to be issued;

(c) The maximum number of years over which the principal of the bonds may be paid;

(d) The estimated additional average annual property tax levy, expressed in cents or dollars and cents for each one hundred dollars of tax valuation and in mills for each one dollar of tax valuation, to be levied outside the tax limitation, as estimated and certified to the taxing authority by the county auditor;

(e) The first calendar year in which the tax is expected to be due.

(F) (1) The form of the ballot to be used at the election shall be substantially either of the following, as applicable:

(a) "Shall bonds be issued by the \_\_\_\_\_ (name of subdivision) for the purpose of \_\_\_\_\_ (purpose of the bond issue) in the principal amount of \_\_\_\_\_ (principal amount of the bond issue), to be repaid annually over a maximum period of \_\_\_\_\_ (the maximum number of years over which the principal of the bonds may be paid) years, and an annual levy of property taxes be made outside the \_\_\_\_\_ (as applicable, "ten-mill" or "\_\_\_charter tax") limitation, estimated by the county auditor to average over the repayment period of the bond issue \_\_\_\_\_ (number of mills) mills for each one dollar of



tax valuation, which amounts to \_\_\_\_\_ (rate expressed in 1378  
cents or dollars and cents, such as "36 cents" or "\$1.41") for 1379  
each one hundred dollars of tax valuation, commencing in 1380  
\_\_\_\_\_ (first year the tax will be levied), first due in 1381  
calendar year \_\_\_\_\_ (first calendar year in which the tax 1382  
shall be due), to pay the annual debt charges on the bonds, and 1383  
to pay debt charges on any notes issued in anticipation of those 1384  
bonds? 1385

1386

	For the bond issue	
	Against the bond issue	"

(b) In the case of an election held pursuant to 1387  
legislation adopted under section 3375.43 or 3375.431 of the 1388  
Revised Code: 1389

"Shall bonds be issued for \_\_\_\_\_ (name of library) 1390  
for the purpose of \_\_\_\_\_ (purpose of the bond issue), in 1391  
the principal amount of \_\_\_\_\_ (amount of the bond issue) by 1392  
\_\_\_\_\_ (the name of the subdivision that is to issue the 1393  
bonds and levy the tax) as the issuer of the bonds, to be repaid 1394  
annually over a maximum period of \_\_\_\_\_ (the maximum number 1395  
of years over which the principal of the bonds may be paid) 1396  
years, and an annual levy of property taxes be made outside the 1397  
ten-mill limitation, estimated by the county auditor to average 1398  
over the repayment period of the bond issue \_\_\_\_\_ (number 1399  
of mills) mills for each one dollar of tax valuation, which 1400  
amounts to \_\_\_\_\_ (rate expressed in cents or dollars and 1401  
cents, such as "36 cents" or "\$1.41") for each one hundred 1402

dollars of tax valuation, commencing in \_\_\_\_\_ (first year 1403  
the tax will be levied), first due in calendar year \_\_\_\_\_ 1404  
(first calendar year in which the tax shall be due), to pay the 1405  
annual debt charges on the bonds, and to pay debt charges on any 1406  
notes issued in anticipation of those bonds? 1407

1408

	For the bond issue	
	Against the bond issue	"

(2) The purpose for which the bonds are to be issued shall 1409  
be printed in the space indicated, in boldface type. 1410

(G) The board of elections shall promptly certify the 1411  
results of the election to the tax commissioner, the county 1412  
auditor of each county in which any part of the subdivision is 1413  
located, and the fiscal officer of the subdivision. The 1414  
election, including the proceedings for and result of the 1415  
election, is incontestable other than in a contest filed under 1416  
section 3515.09 of the Revised Code in which the plaintiff 1417  
prevails. 1418

(H) If a majority of the electors voting upon the question 1419  
vote for it, the taxing authority of the subdivision may proceed 1420  
under sections 133.21 to 133.33 of the Revised Code with the 1421  
issuance of the securities and with the levy and collection of a 1422  
property tax outside the tax limitation during the period the 1423  
securities are outstanding sufficient in amount to pay the debt 1424  
charges on the securities, including debt charges on any 1425  
anticipatory securities required to be paid from that tax. If 1426  
legislation passed under section 133.22 or 133.23 of the Revised 1427

Code authorizing those securities is filed with the county 1428  
auditor on or before the last day of November, the amount of the 1429  
voted property tax levy required to pay debt charges or 1430  
estimated debt charges on the securities payable in the 1431  
following year shall if requested by the taxing authority be 1432  
included in the taxes levied for collection in the following 1433  
year under section 319.30 of the Revised Code. 1434

(I) (1) If, before any securities authorized at an election 1435  
under this section are issued, the net indebtedness of the 1436  
subdivision exceeds that applicable to that subdivision or those 1437  
securities, then and so long as that is the case none of the 1438  
securities may be issued. 1439

(2) No securities authorized at an election under this 1440  
section may be initially issued after the first day of the sixth 1441  
January following the election, but this period of limitation 1442  
shall not run for any time during which any part of the 1443  
permanent improvement for which the securities have been 1444  
authorized, or the issuing or validity of any part of the 1445  
securities issued or to be issued, or the related proceedings, 1446  
is involved or questioned before a court or a commission or 1447  
other tribunal, administrative agency, or board. 1448

(3) Securities representing a portion of the amount 1449  
authorized at an election that are issued within the applicable 1450  
limitation on net indebtedness are valid and in no manner 1451  
affected by the fact that the balance of the securities 1452  
authorized cannot be issued by reason of the net indebtedness 1453  
limitation or lapse of time. 1454

(4) Nothing in this division (I) shall be interpreted or 1455  
applied to prevent the issuance of securities in an amount to 1456  
fund or refund anticipatory securities lawfully issued. 1457

(5) The limitations of divisions (I) (1) and (2) of this section do not apply to any securities authorized at an election under this section if at least ten per cent of the principal amount of the securities, including anticipatory securities, authorized has theretofore been issued, or if the securities are to be issued for the purpose of participating in any federally or state-assisted program.

(6) The certificate of the fiscal officer of the subdivision is conclusive proof of the facts referred to in this division.

**Sec. 135.142.** (A) In addition to the investments authorized by section 135.14 of the Revised Code, any board of education, by a two-thirds vote of its members, may authorize the treasurer of the board of education to invest up to forty per cent of the interim moneys of the board, available for investment at any one time, in either of the following:

(1) Commercial paper notes issued by any entity that is defined in division (D) of section 1705.01 of the Revised Code and has assets exceeding five hundred million dollars, and to which notes all of the following apply:

(a) The notes are rated at the time of purchase in the highest classification established by at least two nationally recognized standard rating services.

(b) The aggregate value of the notes does not exceed ten per cent of the aggregate value of the outstanding commercial paper of the issuing corporation.

(c) The notes mature no later than two hundred seventy days after purchase.

(d) The investment in commercial paper notes of a single

issuer shall not exceed in the aggregate five per cent of 1487  
interim moneys of the board available for investment at the time 1488  
of purchase. 1489

(2) Bankers' acceptances of banks that are insured by the 1490  
federal deposit insurance corporation and that mature no later 1491  
than one hundred eighty days after purchase. 1492

(B) No investment authorized pursuant to division (A) of 1493  
this section shall be made, whether or not authorized by a board 1494  
of education, unless the treasurer of the board of education has 1495  
completed additional training for making the types of 1496  
investments authorized pursuant to division (A) of this section. 1497  
The type and amount of such training shall be approved and may 1498  
be conducted by or provided under the supervision of the 1499  
treasurer of state. 1500

(C) The treasurer of the board of education shall prepare 1501  
annually and submit to the board of education, the 1502  
superintendent of public instruction, and the auditor of state, 1503  
on or before the thirty-first day of August, a report listing 1504  
each investment made pursuant to division (A) of this section 1505  
during the preceding fiscal year, income earned from such 1506  
investments, fees and commissions paid pursuant to division (D) 1507  
of this section, and any other information required by the 1508  
board, the superintendent, and the auditor of state. 1509

(D) A board of education may make appropriations and 1510  
expenditures for fees and commissions in connection with 1511  
investments made pursuant to division (A) of this section. 1512

(E) (1) In addition to the investments authorized by 1513  
section 135.14 of the Revised Code and division (A) of this 1514  
section, any board of education that is a party to an agreement 1515

with the treasurer of state pursuant to division (G) of section 1516  
135.143 of the Revised Code and that has outstanding obligations 1517  
issued under authority of section 133.10 ~~or 133.301~~ of the 1518  
Revised Code may authorize the treasurer of the board of 1519  
education to invest interim moneys of the board in debt 1520  
interests rated in either of the two highest rating 1521  
classifications by at least two nationally recognized standard 1522  
rating services and issued by entities that are defined in 1523  
division (D) of section 1705.01 of the Revised Code. The debt 1524  
interests purchased under authority of division (E) of this 1525  
section shall mature not later than the latest maturity date of 1526  
the outstanding obligations issued under authority of section 1527  
133.10 or 133.301 of the Revised Code. 1528

(2) If any of the debt interests acquired under division 1529  
(E) (1) of this section ceases to be rated as there required, its 1530  
issuer shall notify the treasurer of state of this fact within 1531  
twenty-four hours. At any time thereafter the treasurer of state 1532  
may require collateralization at the rate of one hundred two per 1533  
cent of any remaining obligation of the entity, with securities 1534  
authorized for investment under section 135.143 of the Revised 1535  
Code. The collateral shall be delivered to and held by a 1536  
custodian acceptable to the treasurer of state, marked to market 1537  
daily, and any default to be cured within twelve hours. 1538  
Unlimited substitution shall be allowed of comparable 1539  
securities. 1540

**Sec. 305.31.** The procedure for submitting to a referendum 1541  
a resolution adopted by a board of county commissioners under 1542  
division (H) of section 307.695 of the Revised Code that is not 1543  
submitted to the electors of the county for their approval or 1544  
disapproval; any resolution adopted by a board of county 1545  
commissioners pursuant to division (D) (1) of section 307.697, 1546

section 322.02, or 322.06, sections 940.31 and 940.33, division 1547  
(B) (1) of section 4301.421, section 4504.02, 5739.021, or 1548  
5739.026, division ~~(A) (6) (F)~~, ~~(A) (10) (J)~~, or ~~(M) (U)~~ of section 1549  
5739.09, section 5741.021 or 5741.023, or division (C) (1) of 1550  
section 5743.024 of the Revised Code; or a rule adopted pursuant 1551  
to section 307.79 of the Revised Code shall be as prescribed by 1552  
this section. 1553

Except as otherwise provided in this paragraph, when a 1554  
petition, signed by ten per cent of the number of electors who 1555  
voted for governor at the most recent general election for the 1556  
office of governor in the county, is filed with the county 1557  
auditor within thirty days after the date the resolution is 1558  
passed or rule is adopted by the board of county commissioners, 1559  
or is filed within forty-five days after the resolution is 1560  
passed, in the case of a resolution adopted pursuant to section 1561  
5739.021 of the Revised Code that is passed within one year 1562  
after a resolution adopted pursuant to that section has been 1563  
rejected or repealed by the electors, requesting that the 1564  
resolution be submitted to the electors of the county for their 1565  
approval or rejection, the county auditor shall, after ten days 1566  
following the filing of the petition, and not later than four 1567  
p.m. of the ninetieth day before the day of election, transmit a 1568  
certified copy of the text of the resolution or rule to the 1569  
board of elections. In the case of a petition requesting that a 1570  
resolution adopted under division (D) (1) of section 307.697, 1571  
division (B) (1) of section 4301.421, or division (C) (1) of 1572  
section 5743.024 of the Revised Code be submitted to electors 1573  
for their approval or rejection, the petition shall be signed by 1574  
seven per cent of the number of electors who voted for governor 1575  
at the most recent election for the office of governor in the 1576  
county. The county auditor shall transmit the petition to the 1577

board together with the certified copy of the resolution or 1578  
rule. The board shall examine all signatures on the petition to 1579  
determine the number of electors of the county who signed the 1580  
petition. The board shall return the petition to the auditor 1581  
within ten days after receiving it, together with a statement 1582  
attesting to the number of such electors who signed the 1583  
petition. The board shall submit the resolution or rule to the 1584  
electors of the county, for their approval or rejection, at the 1585  
succeeding general election held in the county in any year, or 1586  
on the day of the succeeding primary election held in the county 1587  
in even-numbered years, occurring subsequent to ninety days 1588  
after the auditor certifies the sufficiency and validity of the 1589  
petition to the board of elections. 1590

No resolution shall go into effect until approved by the 1591  
majority of those voting upon it. However, a rule shall take 1592  
effect and remain in effect unless and until a majority of the 1593  
electors voting on the question of repeal approve the repeal. 1594  
Sections 305.31 to 305.41 of the Revised Code do not prevent a 1595  
county, after the passage of any resolution or adoption of any 1596  
rule, from proceeding at once to give any notice or make any 1597  
publication required by the resolution or rule. 1598

The board of county commissioners shall make available to 1599  
any person, upon request, a certified copy of any resolution or 1600  
rule subject to the procedure for submitting a referendum under 1601  
sections 305.31 to 305.42 of the Revised Code beginning on the 1602  
date the resolution or rule is adopted by the board. The board 1603  
may charge a fee for the cost of copying the resolution or rule. 1604

As used in this section, "certified copy" means a copy 1605  
containing a written statement attesting that it is a true and 1606  
exact reproduction of the original resolution or rule. 1607



**Sec. 306.322.** (A) For any regional transit authority that 1608  
levies a property tax and that includes in its membership 1609  
political subdivisions that are located in a county having a 1610  
population of at least four hundred thousand according to the 1611  
most recent federal census, the procedures of this section apply 1612  
until November 5, 2013, and are in addition to and an 1613  
alternative to those established in sections 306.32 and 306.321 1614  
of the Revised Code for joining to the regional transit 1615  
authority additional counties, municipal corporations, or 1616  
townships. 1617

(B) Any municipal corporation or township may adopt a 1618  
resolution or ordinance proposing to join a regional transit 1619  
authority described in division (A) of this section. In its 1620  
resolution or ordinance, the political subdivision may propose 1621  
joining the regional transit authority for a limited period of 1622  
three years or without a time limit. 1623

(C) The political subdivision proposing to join the 1624  
regional transit authority shall submit a copy of its resolution 1625  
or ordinance to the legislative authority of each municipal 1626  
corporation and the board of trustees of each township 1627  
comprising the regional transit authority. Within thirty days of 1628  
receiving the resolution or ordinance for inclusion in the 1629  
regional transit authority, the legislative authority of each 1630  
municipal corporation and the board of trustees of each township 1631  
shall consider the question of whether to include the additional 1632  
subdivision in the regional transit authority, shall adopt a 1633  
resolution or ordinance approving or rejecting the inclusion of 1634  
the additional subdivision, and shall present its resolution or 1635  
ordinance to the board of trustees of the regional transit 1636  
authority. 1637

(D) If a majority of the political subdivisions comprising 1638  
the regional transit authority approve the inclusion of the 1639  
additional political subdivision, the board of trustees of the 1640  
regional transit authority, not later than the tenth day 1641  
following the day on which the last ordinance or resolution is 1642  
presented, shall notify the subdivision proposing to join the 1643  
regional transit authority that it may certify the proposal to 1644  
the board of elections for the purpose of having the proposal 1645  
placed on the ballot at the next general election or at a 1646  
special election conducted on the day of the next primary 1647  
election that occurs not less than ninety days after the 1648  
resolution or ordinance is certified to the board of elections. 1649

(E) Upon certification of a proposal to the board of 1650  
elections pursuant to this section, the board of elections shall 1651  
make the necessary arrangements for the submission of the 1652  
question to the electors of the territory to be included in the 1653  
regional transit authority qualified to vote on the question, 1654  
and the election shall be held, canvassed, and certified in the 1655  
same manner as regular elections for the election of officers of 1656  
the subdivision proposing to join the regional transit 1657  
authority, except that, if the resolution proposed the inclusion 1658  
without a time limitation the question appearing on the ballot 1659  
shall read: 1660

"Shall the territory within the \_\_\_\_\_ 1661  
(Name or names of political subdivisions to be joined) be added 1662  
to \_\_\_\_\_ (Name) regional transit 1663  
authority?" and shall a(n) \_\_\_\_\_ (here insert type of tax 1664  
or taxes) at a rate of taxation not to exceed \_\_\_\_\_ (here insert 1665  
maximum tax rate or rates) be levied for all transit purposes?" 1666

If the resolution proposed the inclusion with a three-year 1667

time limitation, the question appearing on the ballot shall 1668  
read: 1669

"Shall the territory within the \_\_\_\_\_ 1670  
(Name or names of political subdivisions to be joined) be added 1671  
to \_\_\_\_\_ (Name) regional transit 1672  
authority?" for three years and shall a(n) \_\_\_\_\_ (here 1673  
insert type of tax or taxes) at a rate of taxation not to exceed 1674  
\_\_\_\_\_ (here insert maximum tax rate or rates) be levied for all 1675  
transit purposes for three years?" 1676

(F) If the question is approved by at least a majority of 1677  
the electors voting on the question, the addition of the new 1678  
territory is effective six months from the date of the 1679  
certification of its passage, and the regional transit authority 1680  
may extend the levy of the tax against all the taxable property 1681  
within the territory that was added. If the question is approved 1682  
at a general election or at a special election occurring prior 1683  
to the general election but after the fifteenth day of July, the 1684  
regional transit authority may amend its budget and resolution 1685  
adopted pursuant to section 5705.34 of the Revised Code, and the 1686  
levy shall be placed on the current tax list and duplicate and 1687  
collected as other taxes are collected from all taxable property 1688  
within the territorial boundaries of the regional transit 1689  
authority, including the territory within the political 1690  
subdivision added as a result of the election. If the budget of 1691  
the regional transit authority is amended pursuant to this 1692  
paragraph, the county auditor shall prepare and deliver an 1693  
amended certificate of estimated resources to reflect the change 1694  
in anticipated revenues of the regional transit authority. 1695

(G) If the question is approved by at least a majority of 1696  
the electors voting on the question, the board of trustees of 1697

the regional transit authority immediately shall amend the 1698  
resolution or ordinance creating the regional transit authority 1699  
to include the additional political subdivision. 1700

(H) If the question approved by a majority of the electors 1701  
voting on the question added the subdivision for three years, 1702  
the territory of the additional municipal corporation or 1703  
township in the regional transit authority shall be removed from 1704  
the territory of the regional transit authority three years 1705  
after the date the territory was added, as determined in the 1706  
effective date of the election, and shall no longer be a part of 1707  
that authority without any further action by either the 1708  
political subdivisions that were included in the authority prior 1709  
to submitting the question to the electors or of the political 1710  
subdivision added to the authority as a result of the election. 1711  
The regional transit authority reduced to its territory as it 1712  
existed prior to the inclusion of the additional municipal 1713  
corporation or township shall be entitled to levy and collect 1714  
any property taxes that it was authorized to levy and collect 1715  
prior to the enlargement of its territory and for which 1716  
authorization has not expired, as if the enlargement had not 1717  
occurred. 1718

**Sec. 307.671.** (A) As used in this section: 1719

(1) "Bonds" means, as the context requires: general 1720  
obligation bonds of the county, or notes in anticipation 1721  
thereof, described in division (B) (1) (b) of this section; 1722  
revenue bonds of the port authority described in division (B) (2) 1723  
(a) of this section; and urban renewal bonds, or notes in 1724  
anticipation thereof, of the host municipal corporation 1725  
described in division (B) (3) (a) of this section. 1726

(2) "Corporation" means a nonprofit corporation that is 1727

organized under the laws of this state and that includes within 1728  
the purposes for which it is incorporated the authorization to 1729  
lease and operate facilities such as a port authority 1730  
educational and cultural facility. 1731

(3) "Debt service charges" means, for any period or 1732  
payable at any time, the principal of and interest and any 1733  
premium due on bonds for that period or payable at that time 1734  
whether due at maturity or upon mandatory redemption, together 1735  
with any required deposits to reserves for the payment of 1736  
principal of and interest on such bonds, and includes any 1737  
payments required by the port authority to satisfy any of its 1738  
obligations arising from any guaranty agreements, reimbursement 1739  
agreements, or other credit enhancement agreements described in 1740  
division (C) of this section. 1741

(4) "Host municipal corporation" means the municipal 1742  
corporation within the boundaries of which the port authority 1743  
educational and cultural facility is located. 1744

(5) "Port authority" means a port authority created 1745  
pursuant to the authority of section 4582.02 of the Revised Code 1746  
by a county and a host municipal corporation. 1747

(6) "Port authority educational and cultural facility" 1748  
means a facility located within an urban renewal area that may 1749  
consist of a museum, archives, library, hall of fame, center for 1750  
contemporary music, or other facilities necessary to provide 1751  
programs of an educational and cultural nature, together with 1752  
all parking facilities, walkways, and other auxiliary 1753  
facilities, real and personal property, property rights, 1754  
easements, and interests that may be appropriate for, or used in 1755  
connection with, the operation of the facility. 1756

(7) "Urban renewal area" means an area of a host municipal corporation that the legislative authority of the host municipal corporation has, at any time, designated as appropriate for an urban renewal project pursuant to Chapter 725. of the Revised Code. 1757  
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(B) The board of county commissioners of a county, a port authority, and a host municipal corporation may enter into a cooperative agreement with a corporation, under which: 1762  
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1764

(1) The board of county commissioners agrees to do all of the following: 1765  
1766

(a) Levy a tax under division ~~(D)~~(N) of section 5739.09 of the Revised Code exclusively for the purposes described in divisions (B) (1) (c) and (d) of this section; 1767  
1768  
1769

(b) Issue general obligation bonds of the county, or notes in anticipation thereof, pursuant to Chapter 133. of the Revised Code, for the purpose of acquiring, constructing, and equipping the port authority educational and cultural facility and contribute the proceeds from the issuance to the port authority for such purpose. The cooperative agreement may provide that such proceeds be deposited with and administered by the trustee pursuant to the trust agreement provided for in division (C) of this section. 1770  
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(c) Following the issuance, sale, and delivery of the port authority revenue bonds provided for in division (B) (2) (a) of this section, and prior to the date certain stated in the cooperative agreement which shall be the date estimated for the completion of construction of the port authority educational and cultural facility, pledge and contribute to the port authority revenue from the tax levied pursuant to division (B) (1) (a) of 1779  
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this section, together with any investment earnings on that 1786  
revenue, to pay a portion of the costs of acquiring, 1787  
constructing, and equipping the port authority educational and 1788  
cultural facility; 1789

(d) Following such date certain, pledge and contribute to 1790  
the corporation all or such portion as provided for in the 1791  
cooperative agreement of the revenue from the tax, together with 1792  
any investment earnings on that revenue, to pay a portion of the 1793  
costs of the corporation of leasing the port authority 1794  
educational and cultural facility from the port authority. 1795

(2) The port authority agrees to do all of the following: 1796

(a) Issue revenue bonds of the port authority pursuant to 1797  
Chapter 4582. of the Revised Code for the purpose of acquiring, 1798  
constructing, and equipping the port authority educational and 1799  
cultural facility; 1800

(b) Construct the port authority educational and cultural 1801  
facility; 1802

(c) Lease the port authority educational and cultural 1803  
facility to the corporation; 1804

(d) To the extent provided for in the cooperative 1805  
agreement or the lease to the corporation, authorize the 1806  
corporation to administer on behalf of the port authority the 1807  
contracts for acquiring, constructing, or equipping a port 1808  
authority educational and cultural facility; 1809

(e) Use the revenue derived from the lease of the port 1810  
authority educational and cultural facility to the corporation 1811  
solely to pay debt service charges on the revenue bonds of the 1812  
port authority described in division (B) (2) (a) of this section. 1813

(3) The host municipal corporation agrees to do both of 1814  
the following: 1815

(a) Issue urban renewal bonds of the host municipal 1816  
corporation, or notes in anticipation thereof, pursuant to 1817  
Chapter 725. of the Revised Code for the purpose of acquiring 1818  
and constructing the port authority educational and cultural 1819  
facility and contribute the proceeds from the issuance to the 1820  
port authority for such purpose. The cooperative agreement may 1821  
provide that such proceeds be deposited with and administered by 1822  
the trustee pursuant to the trust agreement provided for in 1823  
division (C) of this section. 1824

(b) To the extent provided for in the cooperative 1825  
agreement, contribute to the county, for use by the county to 1826  
pay debt service charges on the bonds of the county, or notes in 1827  
anticipation thereof, described in division (B)(1)(b) of this 1828  
section, any excess urban renewal service payments pledged by 1829  
the host municipal corporation to the urban renewal bonds 1830  
described in division (B)(3)(a) of this section and not required 1831  
on an annual basis to pay debt service charges on the urban 1832  
renewal bonds. 1833

(4) The corporation agrees to do all of the following: 1834

(a) Lease the port authority educational and cultural 1835  
facility from the port authority; 1836

(b) Operate and maintain the port authority educational 1837  
and cultural facility pursuant to the lease; 1838

(c) To the extent provided for in the cooperative 1839  
agreement or the lease from the port authority, administer on 1840  
behalf of the port authority the contracts for acquiring, 1841  
constructing, or equipping a port authority educational and 1842



cultural facility. 1843

(C) The pledges and contributions described in divisions 1844  
(B) (1) (c) and (d) of this section and provided for in the 1845  
cooperative agreement shall be for the period stated in the 1846  
cooperative agreement, but shall not be in excess of the period 1847  
necessary to provide for the final retirement of the port 1848  
authority revenue bonds provided for in division (B) (2) (a) of 1849  
this section and any bonds issued by the port authority to 1850  
refund such bonds, and for the satisfaction by the port 1851  
authority of any of its obligations arising from any guaranty 1852  
agreements, reimbursement agreements, or other credit 1853  
enhancement agreements relating to such bonds or to the revenues 1854  
pledged to such bonds. The cooperative agreement shall provide 1855  
for the termination of the cooperative agreement including the 1856  
pledges and contributions described in divisions (B) (1) (c) and 1857  
(d) of this section if the port authority revenue bonds provided 1858  
for in division (B) (2) (a) of this section have not been issued, 1859  
sold, and delivered within two years of the effective date of 1860  
the cooperative agreement. 1861

The cooperative agreement shall provide that any revenue 1862  
bonds of the port authority shall be secured by a trust 1863  
agreement between the port authority and a corporate trustee 1864  
that is a trust company or bank having the powers of a trust 1865  
company within or outside the state. The county may be a party 1866  
to such trust agreement for the purpose of securing the pledge 1867  
by the county of its contribution to the corporation pursuant to 1868  
division (B) (1) (d) of this section. A tax levied pursuant to 1869  
division (B) (1) (a) of this section is not subject to diminution 1870  
by initiative or referendum or diminution by statute, unless 1871  
provision is made therein for an adequate substitute therefor 1872  
reasonably satisfactory to the trustee under the trust agreement 1873

that secures the revenue bonds of the port authority. 1874

(D) A pledge of money by a county under this section shall 1875  
not be net indebtedness of the county for purposes of section 1876  
133.07 of the Revised Code. 1877

(E) If the terms of the cooperative agreement so provide, 1878  
any contract for the acquisition, construction, or equipping of 1879  
a port authority educational and cultural facility shall be made 1880  
in such manner as is determined by the board of directors of the 1881  
port authority, and unless the cooperative agreement provides 1882  
otherwise, such a contract is not subject to division (A) of 1883  
section 4582.12 of the Revised Code. The port authority may take 1884  
the assignment of and assume any contracts for the acquisition, 1885  
construction, and equipping of a port authority educational and 1886  
cultural facility that previously have been authorized by either 1887  
or both the host municipal corporation or the corporation. Such 1888  
contracts likewise are not subject to division (A) of section 1889  
4582.12 of the Revised Code. 1890

Any contract for the acquisition, construction, or 1891  
equipping of a port authority educational and cultural facility 1892  
entered into, assigned, or assumed pursuant to this division 1893  
shall provide that all laborers and mechanics employed for the 1894  
acquisition, construction, or equipping of the port authority 1895  
educational and cultural facility shall be paid at the 1896  
prevailing rates of wages of laborers and mechanics for the 1897  
class of work called for by the port authority educational and 1898  
cultural facility, which wages shall be determined in accordance 1899  
with the requirements of Chapter 4115. of the Revised Code for 1900  
the determination of prevailing wage rates. 1901

**Sec. 307.672.** (A) As used in this section: 1902

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

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

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

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

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

(B) The legislative authorities of a county and a host

municipal corporation may enter into a cooperative agreement	1932
with a corporation, under which:	1933
(1) The legislative authority of the county agrees to:	1934
(a) Levy a tax under division <del>(E)</del> <u>(O)</u> of section 5739.09	1935
of the Revised Code, for a period not to exceed fifteen years	1936
unless extended under that division for an additional period of	1937
time, to pay the costs of acquiring, constructing, equipping,	1938
and improving a municipal educational and cultural facility,	1939
including the debt service charges on bonds;	1940
(b) Issue bonds of the county pursuant to Chapter 133. of	1941
the Revised Code for the purpose of acquiring, constructing,	1942
equipping, and improving a municipal educational and cultural	1943
facility;	1944
(c) Contribute revenue from the tax and the proceeds from	1945
the bonds described in divisions (B) (1) (a) and (b) of this	1946
section to the host municipal corporation for the purpose of	1947
acquiring, constructing, equipping, and improving a municipal	1948
educational and cultural facility;	1949
(2) The host municipal corporation agrees to:	1950
(a) Issue bonds of the host municipal corporation pursuant	1951
to Chapter 133. of the Revised Code for the purpose of	1952
acquiring, constructing, equipping, and improving a municipal	1953
educational and cultural facility;	1954
(b) Acquire, construct, equip, and improve a municipal	1955
educational and cultural facility;	1956
(c) Accept from the county pursuant to the cooperative	1957
agreement the revenues of the tax and the proceeds of the bonds	1958
described in divisions (B) (1) (a) and (b) of this section;	1959

(d) Lease a municipal educational and cultural facility to 1960  
the corporation, or contract with the corporation for the 1961  
operation and maintenance of the facility; 1962

(e) To the extent provided for in the cooperative 1963  
agreement or the lease or contract with the corporation, 1964  
authorize the corporation to administer on behalf of the host 1965  
municipal corporation the contracts for acquiring, constructing, 1966  
equipping, and improving a municipal educational and cultural 1967  
facility. 1968

(3) The corporation agrees to: 1969

(a) Either lease the municipal educational and cultural 1970  
facility from the host municipal corporation and operate and 1971  
maintain the facility pursuant to the lease, or enter into a 1972  
contract with the host municipal corporation pursuant to which 1973  
the corporation shall operate and maintain the facility on 1974  
behalf of the host municipal corporation; 1975

(b) To the extent provided for in the cooperative 1976  
agreement or the lease or contract with the host municipal 1977  
corporation, administer on behalf of the host municipal 1978  
corporation the contracts for acquiring, constructing, 1979  
equipping, or improving a municipal educational and cultural 1980  
facility. 1981

(C) A tax levied pursuant to division ~~(E)~~ (O) of section 1982  
5739.09 of the Revised Code, the revenue from which is to be 1983  
used to pay debt service charges on bonds described in division 1984  
(B) (1) or (2) of this section is not subject to diminution by 1985  
initiative or referendum or diminution by statute, unless 1986  
provision is made therein for an adequate substitute therefor 1987  
reasonably satisfactory to the legislative authorities of the 1988

host municipal corporation and the county. 1989

(D) The legislative authorities of a county and a host 1990  
municipal corporation that have entered into a cooperative 1991  
agreement with a corporation pursuant to division (B) of this 1992  
section may amend that cooperative agreement, with the 1993  
participation of the corporation and a port authority as defined 1994  
in section 307.674 of the Revised Code, to provide also for a 1995  
port authority educational and cultural performing arts facility 1996  
in accordance with section 307.674 of the Revised Code. Such an 1997  
amendment shall become effective only to the extent that the tax 1998  
levied under division ~~(E)~~ (O) of section 5739.09 of the Revised 1999  
Code is not needed for the duration of the original tax to pay 2000  
costs of the municipal educational and cultural facility, 2001  
including debt service charges on related bonds, as determined 2002  
by the parties to the amendment. The tax may be pledged and paid 2003  
by the parties to the amendment for the balance of the duration 2004  
of the tax to a port authority educational and cultural 2005  
performing arts facility. 2006

**Sec. 307.674.** (A) As used in this section: 2007

(1) "Bonds" means: 2008

(a) Revenue bonds of the port authority described in 2009  
division (B) (2) (a) of this section; 2010

(b) Securities as defined in division (KK) of section 2011  
133.01 of the Revised Code issued by the host municipal 2012  
corporation, described in division (B) (3) (a) of this section; 2013

(c) Any bonds issued to refund any of those revenue bonds 2014  
or securities. 2015

(2) "Corporation" means a nonprofit corporation that is 2016  
organized under the laws of this state and that includes within 2017

the purposes for which it is incorporated the authorization to 2018  
lease and operate facilities such as a port authority 2019  
educational and cultural performing arts facility. 2020

(3) "Cost," as applied to a port authority educational and 2021  
cultural performing arts facility, means the cost of acquiring, 2022  
constructing, renovating, rehabilitating, equipping, or 2023  
improving the facility, or any combination of those purposes, 2024  
collectively referred to in this section as "construction," and 2025  
the cost of acquisition of all land, rights of way, property 2026  
rights, easements, franchise rights, and interests required for 2027  
those purposes, the cost of demolishing or removing any 2028  
buildings or structures on land so acquired, including the cost 2029  
of acquiring any land to which those buildings or structures may 2030  
be moved, the cost of public utility and common carrier 2031  
relocation or duplication, the cost of all machinery, 2032  
furnishings, and equipment, financing charges, interest prior to 2033  
and during construction and for not more than three years after 2034  
completion of construction, costs arising under guaranty 2035  
agreements, reimbursement agreements, or other credit 2036  
enhancement agreements relating to bonds, engineering, expenses 2037  
of research and development with respect to such facility, legal 2038  
expenses, plans, specifications, surveys, studies, estimates of 2039  
costs and revenues, other expenses necessary or incident to 2040  
determining the feasibility or practicability of acquiring or 2041  
constructing the facility, administrative expense, and other 2042  
expenses as may be necessary or incident to that acquisition or 2043  
construction and the financing of such acquisition or 2044  
construction, including, with respect to the revenue bonds of a 2045  
port authority, amounts to be paid into any special funds from 2046  
the proceeds of those bonds, and repayments to the port 2047  
authority, host county, host municipal corporation, or 2048

corporation of any amounts advanced for the foregoing purposes. 2049

(4) "Debt service charges" means, for any period or 2050  
payable at any time, the principal of and interest and any 2051  
premium due on bonds for that period or payable at that time 2052  
whether due at maturity or upon mandatory redemption, together 2053  
with any required deposits to reserves for the payment of 2054  
principal of and interest on those bonds, and includes any 2055  
payments required by the port authority to satisfy any of its 2056  
obligations under or arising from any guaranty agreements, 2057  
reimbursement agreements, or other credit enhancement agreements 2058  
described in division (C) of this section. 2059

(5) "Host county" means the county within the boundaries 2060  
of which the port authority educational and cultural performing 2061  
arts facility is or will be located. 2062

(6) "Host municipal corporation" means the municipal 2063  
corporation within the boundaries of which the port authority 2064  
educational and cultural performing arts facility is or will be 2065  
located. 2066

(7) "Port authority" means a port authority created 2067  
pursuant to section 4582.22 of the Revised Code. 2068

(8) "Port authority educational and cultural performing 2069  
arts facility" means a facility that consists of a center for 2070  
music or other performing arts, a theater or other facilities to 2071  
provide programs of an educational, recreational, or cultural 2072  
nature, or any combination of those purposes as determined by 2073  
the parties to the cooperative agreement for which provision is 2074  
made in division (B) of this section to fulfill the public 2075  
educational, recreational, and cultural purposes set forth 2076  
therein, together with all parking facilities, walkways, and 2077



other auxiliary facilities, real and personal property, property 2078  
rights, easements, and interests that may be appropriate for, or 2079  
used in connection with, the operation of the facility. 2080

(B) A host county, a host municipal corporation, and a 2081  
port authority may enter into a cooperative agreement with a 2082  
corporation under which, as further provided for in that 2083  
agreement: 2084

(1) The host county may agree to do any or all of the 2085  
following: 2086

(a) Levy and collect a tax under ~~division (E)~~ divisions 2087  
(O) and ~~division (F)~~ (P) of section 5739.09 of the Revised Code 2088  
for the purposes, and in an amount sufficient for those 2089  
purposes, described in divisions (B) (1) (b) and (c) of this 2090  
section; 2091

(b) Pay to the port authority all or such portion as 2092  
provided for in the cooperative agreement of the revenue from 2093  
the tax, together with any investment earnings on that revenue, 2094  
to be used to pay a portion of the costs of acquiring, 2095  
constructing, renovating, rehabilitating, equipping, or 2096  
improving the port authority educational and cultural performing 2097  
arts facility; 2098

(c) Pledge and pay to the corporation all or such portion 2099  
as provided for in the cooperative agreement of the revenue from 2100  
the tax, together with any investment earnings on that revenue, 2101  
to be used to pay a portion of the costs to the corporation of 2102  
leasing the port authority educational and cultural performing 2103  
arts facility from the port authority. 2104

(2) The port authority may agree to do any or all of the 2105  
following: 2106

(a) Issue its revenue bonds pursuant to section 4582.48 of 2107  
the Revised Code for the purpose of paying all or a portion of 2108  
the costs of the port authority educational and cultural 2109  
performing arts facility; 2110

(b) Acquire, construct, renovate, rehabilitate, equip, and 2111  
improve the port authority educational and cultural performing 2112  
arts facility; 2113

(c) Lease the port authority educational and cultural 2114  
performing arts facility to the corporation; 2115

(d) To the extent provided for in the cooperative 2116  
agreement or the lease to the corporation, authorize the 2117  
corporation to administer on behalf of the port authority the 2118  
contracts for acquiring, constructing, renovating, 2119  
rehabilitating, or equipping the port authority educational and 2120  
cultural performing arts facility; 2121

(e) Use the revenue derived from the lease of the port 2122  
authority educational and cultural performing arts facility to 2123  
the corporation solely to pay debt service charges on revenue 2124  
bonds of the port authority issued pursuant to division (B) (2) 2125  
(a) of this section and to pay its obligations under or arising 2126  
from any guaranty agreements, reimbursement agreements, or other 2127  
credit enhancement agreements provided for in this section. 2128

(3) The host municipal corporation may agree to do either 2129  
or both of the following: 2130

(a) Issue its bonds for the purpose of paying all or a 2131  
portion of the costs of the port authority educational and 2132  
cultural performing arts facility, and pay the proceeds from the 2133  
issuance to the port authority for that purpose; 2134

(b) Enter into a guaranty agreement, a reimbursement 2135

agreement, or other credit enhancement agreement with the port 2136  
authority to provide a guaranty or other credit enhancement of 2137  
the port authority revenue bonds referred to in division (B) (2) 2138  
(a) of this section pledging taxes, other than ad valorem 2139  
property taxes, or other revenues for the purpose of providing 2140  
the funds required to satisfy the host municipal corporation's 2141  
obligations under that agreement. 2142

The cooperative agreement may provide that the proceeds of 2143  
such securities or of such guaranty agreement, reimbursement 2144  
agreement, or other credit enhancement agreement be deposited 2145  
with and administered by the trustee pursuant to the trust 2146  
agreement authorized in division (C) of this section. 2147

(4) The corporation may agree to do any or all of the 2148  
following: 2149

(a) Lease the port authority educational and cultural 2150  
performing arts facility from the port authority; 2151

(b) Operate and maintain the port authority educational 2152  
and cultural performing arts facility pursuant to the lease; 2153

(c) To the extent provided for in the cooperative 2154  
agreement or the lease from the port authority, administer on 2155  
behalf of the port authority the contracts for acquiring, 2156  
constructing, renovating, rehabilitating, or equipping the port 2157  
authority educational and cultural performing arts facility. 2158

(C) The pledge and payments referred to in divisions (B) 2159  
(1) (b) and (c) of this section and provided for in the 2160  
cooperative agreement shall be for the period stated in the 2161  
cooperative agreement but shall not extend longer than the 2162  
period necessary to provide for the final retirement of the port 2163  
authority revenue bonds referred to in division (B) (2) (a) of 2164

this section, and for the satisfaction by the port authority of 2165  
any of its obligations under or arising from any guaranty 2166  
agreements, reimbursement agreements, or other credit 2167  
enhancement agreements relating to those bonds or to the 2168  
revenues pledged to them. The cooperative agreement shall 2169  
provide for the termination of the cooperative agreement, 2170  
including the pledge and payment referred to in division (B) (1) 2171  
(c) of this section, if the port authority revenue bonds 2172  
referred to in division (B) (2) (a) of this section have not been 2173  
issued, sold, and delivered within five years of the effective 2174  
date of the cooperative agreement. 2175

The cooperative agreement shall provide that any port 2176  
authority revenue bonds shall be secured by a trust agreement 2177  
between the port authority and a corporate trustee that is a 2178  
trust company or bank having the powers of a trust company 2179  
within or outside the state but authorized to exercise trust 2180  
powers within the state. The host county may be a party to that 2181  
trust agreement for the purpose of better securing the pledge by 2182  
the host county of its payment to the corporation pursuant to 2183  
division (B) (1) (c) of this section. A tax levied pursuant to 2184  
section 5739.09 of the Revised Code for the purposes specified 2185  
in division (B) (1) (b) or (c) of this section is not subject to 2186  
diminution by initiative or referendum or diminution by statute, 2187  
unless provision is made for an adequate substitute reasonably 2188  
satisfactory to the trustee under the trust agreement that 2189  
secures the port authority revenue bonds. 2190

(D) A pledge of money by a host county under this section 2191  
shall not be net indebtedness of the host county for purposes of 2192  
section 133.07 of the Revised Code. A guaranty or other credit 2193  
enhancement by a host municipal corporation under this section 2194  
shall not be net indebtedness of the host municipal corporation 2195

for purposes of section 133.05 of the Revised Code. 2196

(E) If the terms of the cooperative agreement so provide, 2197  
any contract for the acquisition, construction, renovation, 2198  
rehabilitation, equipping, or improving of a port authority 2199  
educational and cultural performing arts facility shall be made 2200  
in such manner as is determined by the board of directors of the 2201  
port authority, and unless the cooperative agreement provides 2202  
otherwise, such a contract is not subject to division ~~(R) (2) (A)~~ 2203  
(18) (b) of section 4582.31 of the Revised Code. The port 2204  
authority may take the assignment of and assume any contracts 2205  
for the acquisition, construction, renovation, rehabilitation, 2206  
equipping, or improving of a port authority educational and 2207  
cultural performing arts facility that had previously been 2208  
authorized by any of the host county, the host municipality, or 2209  
the corporation. Such contracts are not subject to division ~~(R)~~ 2210  
~~(2) (A)~~ (18) (b) of section 4582.31 of the Revised Code. 2211

Any contract for the acquisition, construction, 2212  
renovation, rehabilitation, equipping, or improving of a port 2213  
authority educational and cultural performing arts facility 2214  
entered into, assigned, or assumed pursuant to this division 2215  
shall provide that all laborers and mechanics employed for the 2216  
acquisition, construction, renovation, rehabilitation, 2217  
equipping, or improving of that facility shall be paid at the 2218  
prevailing rates of wages of laborers and mechanics for the 2219  
class of work called for by the port authority educational and 2220  
cultural performing arts facility, which wages shall be 2221  
determined in accordance with the requirements of Chapter 4115. 2222  
of the Revised Code for the determination of prevailing wage 2223  
rates. 2224

Notwithstanding any provisions to the contrary in section 2225

123.281 of the Revised Code, construction services and general 2226  
building services for a port authority educational and cultural 2227  
performing arts facility funded completely or in part with money 2228  
appropriated by the state to the Ohio facilities construction 2229  
commission may be provided by a port authority or a corporation 2230  
that occupies, will occupy, or is responsible for that facility, 2231  
as determined by the commission. The construction services and 2232  
general building services to be provided by the port authority 2233  
or the corporation shall be specified in an agreement between 2234  
the commission and the port authority or corporation. That 2235  
agreement, or any actions taken under it, are not subject to 2236  
Chapters 123. or 153. of the Revised Code, but are subject to 2237  
Chapter 4115. of the Revised Code. 2238

**Sec. 307.678.** (A) As used in this section: 2239

(1) "Bureau" means a nonprofit corporation that is 2240  
organized under the laws of this state that is, or has among its 2241  
functions acting as, a convention and visitors' bureau, and that 2242  
currently receives revenue from existing lodging taxes. 2243

(2) "Cooperating parties" means the parties to a 2244  
cooperative agreement. 2245

(3) "Cooperative agreement" means an agreement entered 2246  
into pursuant to or as contemplated by this section. 2247

(4) "Credit enhancement facilities" has the same meaning 2248  
as in section 133.01 of the Revised Code. 2249

(5) "Debt charges" has the same meaning as in section 2250  
133.01 of the Revised Code, except that "obligations" shall be 2251  
substituted for "securities" wherever "securities" appears in 2252  
that section. 2253

(6) "Eligible county" means a county within the boundaries 2254

of which any part of a tourism development district is located. 2255

(7) "Eligible transit authority" means a regional transit 2256  
authority created pursuant to section 306.31 of the Revised Code 2257  
or a county in which a county transit system is created pursuant 2258  
to section 306.01 of the Revised Code, within the boundaries of 2259  
which any part of a tourism development district is located. 2260

(8) "Existing lodging taxes" means taxes levied by a board 2261  
of county commissioners of an eligible county under ~~division~~ 2262  
divisions (A) to (L) of section 5739.09 of the Revised Code. 2263

(9) "Financing costs" means all costs, fees, and expenses 2264  
relating to the authorization, including any required election, 2265  
issuance, sale, delivery, authentication, deposit, custody, 2266  
clearing, registration, transfer, exchange, fractionalization, 2267  
replacement, payment, and servicing, of obligations, including, 2268  
without limitation, costs and expenses for or relating to 2269  
publication and printing, postage, delivery, preliminary and 2270  
final official statements, offering circulars, placement 2271  
memoranda, and informational statements, travel and 2272  
transportation, underwriters, placement agents, investment 2273  
bankers, paying agents, registrars, authenticating agents, 2274  
remarketing agents, custodians, clearing agencies, companies, or 2275  
corporations, securities depositories, issuers, financial 2276  
advisory services, certifications, audits, federal or state 2277  
regulatory agencies, accounting and computation services, legal 2278  
services and obtaining approving legal opinions and other legal 2279  
opinions, credit ratings, paying redemption premiums, and credit 2280  
enhancement facilities. Financing costs may be paid from any 2281  
money available for the purpose, including, unless otherwise 2282  
provided in the proceedings, from the proceeds of the 2283  
obligations to which they relate and, as to future financing 2284

costs, from the same sources from which debt charges on the obligations are paid and as though debt charges.	2285 2286
(10) "Host municipal corporation" means a municipal corporation within the boundaries of which any part of a tourism development district is located.	2287 2288 2289
(11) "Host school district" means a school district within the boundaries of which any part of a tourism development district is located.	2290 2291 2292
(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.	2293 2294 2295 2296 2297 2298
(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.	2299 2300 2301
(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.	2302 2303 2304
(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) <del>(1)</del> of section 5739.09 of the Revised Code.	2305 2306 2307 2308 2309 2310
(16) "Net tourism development district revenues" means the tourism development district revenues remaining after deduction by the host municipal corporation of an amount, not to exceed	2311 2312 2313



one per cent of any admissions tax revenues, prescribed in any 2314  
legislation by which, or agreement pursuant to which, tourism 2315  
development district revenues are pledged, or agreed to be 2316  
pledged or contributed, by an eligible county, an eligible 2317  
transit authority, or a host municipal corporation, or any 2318  
combination thereof, in accordance with division (B), (E), (F), 2319  
or (G) of this section. 2320

(17) "New community authority" means a new community 2321  
authority established under section 349.03 of the Revised Code 2322  
by an organizational board of commissioners that is or includes 2323  
the board of county commissioners of an eligible county or the 2324  
legislative authority of a host municipal corporation. 2325

(18) "Obligations" means obligations issued or incurred by 2326  
an issuer pursuant to Chapter 133., 349., or 4582. of the 2327  
Revised Code, or otherwise, for the purpose of funding or 2328  
paying, or reimbursing persons for the funding or payment of, 2329  
project costs, and that evidence the issuer's obligation to 2330  
repay borrowed money, including interest thereon, or to pay 2331  
other money obligations of the issuer at any future time, 2332  
including, without limitation, bonds, notes, anticipatory 2333  
securities as defined in section 133.01 of the Revised Code, 2334  
certificates of indebtedness, commercial paper, or installment 2335  
sale, lease, lease-purchase, or similar agreements. 2336  
"Obligations" does not include credit enhancement facilities. 2337

(19) "Person" includes an individual, corporation, limited 2338  
liability company, business trust, estate, trust, partnership, 2339  
association, eligible county, eligible transit authority, host 2340  
municipal corporation, port authority, new community authority, 2341  
and any other political subdivision of the state. 2342

(20) "Port authority" means a port authority created under 2343

Chapter 4582. of the Revised Code. 2344

(21) "Project" means acquiring, constructing, 2345  
reconstructing, rehabilitating, remodeling, 2346  
enlarging, equipping, furnishing, or otherwise improving a 2347  
tourism facility or any component or element thereof. 2348

(22) "Project cost" means the cost of acquiring, 2349  
constructing, reconstructing, rehabilitating, remodeling, 2350  
renovating, enlarging, equipping, financing, refinancing, 2351  
furnishing, or otherwise improving a project, including, without 2352  
limitation, financing costs; the cost of architectural, 2353  
engineering, and other professional services, designs, plans, 2354  
specifications, surveys, and estimates of costs; financing or 2355  
refinancing obligations issued by, or reimbursing money advanced 2356  
by, any cooperating party or any other person, where the 2357  
proceeds of the obligations or money advanced was used to pay 2358  
any other cost described in this division; inspections and 2359  
testing; any indemnity or surety bond or premium related to 2360  
insurance pertaining to development of the project; all related 2361  
direct and indirect administrative costs and costs of placing a 2362  
project in service; fees and expenses of trustees, escrow 2363  
agents, depositories, and paying agents for any obligations; 2364  
interest on obligations during the planning, design, and 2365  
development of a project and for up to eighteen months 2366  
thereafter; funding and replenishing reserves for the payment of 2367  
debt charges on any obligations; all other expenses necessary or 2368  
incident to planning, or determining the feasibility or 2369  
practicability of, a project, including, without limitation, 2370  
advocating the enactment of legislation to facilitate the 2371  
development and financing of a project; and any other costs of a 2372  
project that are authorized to be financed by the issuer of 2373  
obligations at the time the obligations are issued. 2374

(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 assigned by the respective taxing authority to be used to fund or pay, or to reimburse other persons for funding or payment of, project costs or maintenance and repair costs.

(26) "Tourism facility" means any permanent improvement, 2406  
as defined in section 133.01 of the Revised Code, located in a 2407  
tourism development district. 2408

(B) The board of county commissioners of an eligible 2409  
county, an eligible transit authority, a host municipal 2410  
corporation, the board of education of a host school district, a 2411  
port authority, a bureau, a new community authority, and any 2412  
other person, or any combination thereof, may enter into a 2413  
cooperative agreement for any purpose authorized under this 2414  
section and under which any of the following apply: 2415

(1) The board of county commissioners of the eligible 2416  
county and the bureau agree to make available to a cooperating 2417  
party or any other person net lodging tax proceeds, not to 2418  
exceed five hundred thousand dollars each year, to fund or pay, 2419  
or to reimburse other persons for funding or payment of, project 2420  
costs or debt charges on obligations. 2421

(2) The board of county commissioners of the eligible 2422  
county agrees, for the purpose of funding or paying or 2423  
supporting, or for reimbursing other persons for funding or 2424  
payment of, project costs, including debt charges on 2425  
obligations, may do either of the following: 2426

(a) Make available to a cooperating party or other person 2427  
an amount equal to incremental sales tax growth or all or a 2428  
portion of the county's tourism development district revenues; 2429

(b) Provide, from receipts of a tax levied by the county 2430  
under division ~~(A)(11)~~ (K) of section 5739.09 of the Revised 2431  
Code, credit enhancement facilities in connection with the 2432  
funding or payment of project costs, including debt charges on 2433  
obligations, or any portion or combination thereof. 2434

(3) The taxing authority of an eligible transit authority 2435  
agrees to make available to a cooperating party or any other 2436  
person an amount equal to incremental sales tax growth or all or 2437  
a portion of the transit authority's tourism development 2438  
district revenues. 2439

(4) The host municipal corporation agrees to make 2440  
available credit enhancement facilities or net tourism 2441  
development district revenues, or any portion or combination 2442  
thereof, to fund, pay, or support, or to reimburse other persons 2443  
for funding or payment of, project costs, including debt charges 2444  
on obligations, or maintenance and repair costs, or both. Any 2445  
agreement to use net tourism development district revenues to 2446  
pay or reimburse other persons for payment of maintenance and 2447  
repair costs shall be subject to authorization by any 2448  
cooperating party providing such funding to the host municipal 2449  
corporation and to annual appropriation for such purpose by the 2450  
legislative authority of the host municipal corporation and 2451  
shall be subordinate to any covenant made to or by an issuer in 2452  
connection with the issuance of obligations or credit 2453  
enhancement facilities to pay project costs. 2454

(5) The cooperating parties agree, subject to any 2455  
conditions or limitations provided in the cooperative agreement, 2456  
to any of the following: 2457

(a) The conveyance, grant, or transfer to a cooperating 2458  
party or any other person of ownership of, property interests 2459  
in, and rights to use real or personal property to create a 2460  
tourism facility or with respect to a tourism facility as the 2461  
facility exists at the time of the agreement or as it may be 2462  
improved by a project; 2463

(b) The respective responsibilities of each cooperating 2464

party for the management, operation, maintenance, repair, and 2465  
replacement of a tourism facility, including any project 2466  
undertaken with respect to the facility, which may include 2467  
authorization for a cooperating party to contract with any other 2468  
person for any such purpose; 2469

(c) The respective responsibilities of each cooperating 2470  
party for the development and financing of a project, including, 2471  
without limitation, the cooperating party or parties that shall 2472  
be responsible for contracting for the development of a project 2473  
and administering contracts entered into by the party or parties 2474  
for that purpose; 2475

(d) The respective responsibilities of each cooperating 2476  
party to provide money, credit enhancement facilities, or both, 2477  
whether by issuing obligations or otherwise, for the funding, 2478  
payment, financing, or refinancing, or reimbursement to a 2479  
cooperating party or other person for the funding, payment, 2480  
financing, or refinancing, of project costs; 2481

(e) The respective responsibilities of each cooperating 2482  
party to provide money, credit enhancement facilities, or other 2483  
security for the payment of debt charges on obligations or to 2484  
fund or replenish reserves or otherwise provide for the payment 2485  
of maintenance and repair costs. 2486

(C) Any conveyance, grant, or transfer of ownership of, 2487  
property interests in, or rights to use a tourism development 2488  
facility or project, including any project undertaken with 2489  
respect to an existing tourism facility, that is contemplated by 2490  
a cooperative agreement may be made or entered into by a 2491  
cooperating party, in such manner and upon such terms as the 2492  
cooperating parties may agree, without regard to ownership of 2493  
the tourism facility or project, notwithstanding any other 2494

provision of law that may otherwise apply, including, without 2495  
limitation, any requirement for notice, competitive bidding or 2496  
selection, or the provision of security. 2497

(D) The board of county commissioners may amend any 2498  
previously adopted resolution providing for the levy of an 2499  
existing lodging tax to permit the use of any portion of the net 2500  
lodging tax proceeds from such tax as provided in this section 2501  
if and to the extent such use is not inconsistent with a 2502  
cooperative agreement. A host municipal corporation may amend 2503  
any previously passed ordinance providing for the levy of 2504  
lodging taxes under section 5739.08 or 5739.09 of the Revised 2505  
Code to permit the use of any portion of such lodging taxes as 2506  
provided in this section. 2507

(E) (1) Notwithstanding any other provision of law: 2508

(a) The board of county commissioners of an eligible 2509  
county may provide, from receipts of a tax levied by the county 2510  
under division ~~(A)(11)~~ (K) of section 5739.09 of the Revised 2511  
Code, credit enhancement facilities in connection with any 2512  
project, including, without limitation, for the provision of any 2513  
infrastructure necessary to support a tourism facility. 2514

(b) The board of county commissioners of an eligible 2515  
county and a bureau may agree to make available to any person, 2516  
on such terms and conditions as the board and the bureau may 2517  
determine and agree, net lodging tax proceeds. 2518

(c) The board of county commissioners of an eligible 2519  
county may agree to make available to any person, on such terms 2520  
and conditions as the board may determine and agree, incremental 2521  
sales tax growth and all or a portion of the county's tourism 2522  
development district revenues. 2523

(2) Any amount made available under division (E) (1) (b) or 2524  
(c) of this section shall be used to fund or pay, or to 2525  
reimburse other persons for funding or payment of, project 2526  
costs, including, without limitation, the payment of debt 2527  
charges on obligations, the provision of credit enhancement 2528  
facilities and the funding, and funding and replenishing 2529  
reserves for that purpose or, subject to annual appropriation, 2530  
to pay, or reimburse other persons for payment of, repair and 2531  
maintenance costs. 2532

(3) The board of county commissioners, the bureau, or 2533  
both, may pledge net lodging tax proceeds, and the board of 2534  
county commissioners may pledge incremental sales tax growth and 2535  
any tourism development district revenues, or any part or 2536  
portion or combination thereof, to the payment of debt charges 2537  
on obligations and the funding, or to fund or replenish reserves 2538  
for that purpose; provided that, the total amount of net lodging 2539  
tax proceeds made available for such use each year shall not 2540  
exceed five hundred thousand dollars. 2541

The lien of any such pledge shall be effective against all 2542  
persons when it is made, without the requirement for the filing 2543  
of any notice, and any such net lodging tax proceeds, 2544  
incremental sales tax growth, and tourism development district 2545  
revenues, or any part or portion or combination thereof, so 2546  
pledged and required to pay debt charges on obligations, to 2547  
provide any credit enhancement facilities or to fund, or to fund 2548  
or replenish reserves, or any combination thereof, shall be paid 2549  
by the county or bureau at the times, in the amounts, and to 2550  
such payee, including, without limitation, a corporate trustee 2551  
or paying agent, to which the board of county commissioners and 2552  
bureau agree with respect to net lodging tax proceeds and to 2553  
which the board of county commissioners agree with respect to 2554



incremental sales tax growth or tourism development district 2555  
revenues. 2556

(F) Notwithstanding any other provision of law, a host 2557  
municipal corporation may agree to make available to any person, 2558  
on such terms and conditions to which it may determine and 2559  
agree, and any person may use, net tourism development district 2560  
revenues, or any part or portion thereof, to fund or pay, or to 2561  
reimburse other persons for funding or payment of, project 2562  
costs, including, without limitation, the payment of debt 2563  
charges on obligations and the funding, and funding and 2564  
replenishing reserves for that purpose, or, subject to annual 2565  
appropriation, to pay, or to reimburse other persons for payment 2566  
of maintenance and repair costs, and the host municipal 2567  
corporation may pledge net tourism development district 2568  
revenues, or any part or portion thereof, to the payment of debt 2569  
charges on obligations and to fund and replenish reserves for 2570  
that purpose and may provide credit enhancement facilities. The 2571  
lien of any such pledge shall be effective against all persons 2572  
when it is made, without the requirement for the filing of any 2573  
notice, and any net tourism development district revenues so 2574  
pledged and required to pay debt charges on obligations or to 2575  
fund and replenish reserves shall be paid by the host municipal 2576  
corporation at the times, in the amounts, and to such payee, 2577  
including, without limitation, a corporate trustee or paying 2578  
agent, to which the host municipal corporation agrees. 2579

(G) Notwithstanding any other provision of law, an 2580  
eligible transit authority may agree to make available, on such 2581  
terms and conditions to which it may determine and agree, to any 2582  
person, and any person may use, incremental sales tax growth and 2583  
tourism development district revenues, or any part or portion or 2584  
combination thereof, to fund or pay, or to reimburse other 2585

persons for funding or payment of, project costs, including, 2586  
without limitation, the payment of debt charges on obligations 2587  
and the funding and replenishing of reserves for that purpose, 2588  
or, subject to annual appropriation, to pay, or to reimburse any 2589  
other person for payment of, maintenance and repair costs, and 2590  
the eligible transit authority may pledge incremental sales tax 2591  
growth and tourism development district revenues, or any part or 2592  
portion or combination thereof, to the payment of debt charges 2593  
on obligations and the funding and replenishing of reserves for 2594  
that purpose. The lien of any such pledge shall be effective 2595  
against all persons when it is made, without the requirement for 2596  
the filing of any notice, and any incremental sales tax growth 2597  
and tourism development district revenues, or any part or 2598  
portion or combination thereof, so pledged and required to pay 2599  
debt charges on obligations or to fund and replenish reserves 2600  
shall be paid by the eligible transit authority at the times, in 2601  
the amounts, and to such payee, including, without limitation, a 2602  
corporate trustee or paying agent, to which the eligible transit 2603  
authority agrees. 2604

(H) Except as provided herein with respect to agreements 2605  
for the payment or reimbursement of maintenance and repair 2606  
costs, if the term of an agreement made pursuant to division 2607  
(B), (E), (F), or (G) of this section extends beyond the end of 2608  
the fiscal year of the eligible county, eligible transit 2609  
authority, or host municipal corporation in which it is made, 2610  
the agreement shall be subject to section 5705.44 of the Revised 2611  
Code, and subject to the certification required by that section, 2612  
the amount due under any such agreement in each succeeding 2613  
fiscal year shall be included in the annual appropriation 2614  
measure of the eligible county, eligible transit authority, or 2615  
host municipal corporation for each such fiscal year as a fixed 2616

charge. The obligation of an eligible county, eligible transit 2617  
authority, or host municipal corporation, and of each official 2618  
thereof, to include the amount required to be paid in any such 2619  
fiscal year in its annual appropriation measure as a fixed 2620  
charge and to make such payments from and to the extent of the 2621  
amounts so pledged, or agreed to be contributed or pledged, 2622  
shall be a duty specially enjoined by law and resulting from an 2623  
office, trust, or station under section 2731.01 of the Revised 2624  
Code, enforceable by writ of mandamus. 2625

(I) (1) Each tourism facility and project constitutes a 2626  
"port authority facility" within the meaning of division (D) of 2627  
section 4582.01 and division (E) of section 4582.21 of the 2628  
Revised Code, and a port authority may issue obligations under 2629  
Chapter 4582. of the Revised Code, subject only to the 2630  
procedures and requirements applicable to its issuance of 2631  
revenue bonds as provided in division (A) (4) of section 4582.06 2632  
of the Revised Code or of port authority revenue bonds as 2633  
provided in division (A) (8) of section 4582.31 of the Revised 2634  
Code. For the purpose of issuing any such obligations, any net 2635  
lodging tax proceeds, net tourism development district revenues, 2636  
amounts provided pursuant to any credit enhancement facilities, 2637  
and revenue from any other tax pledged, assigned, or otherwise 2638  
obligated to be contributed to the payment of the obligations 2639  
shall be treated as revenues of the port authority for the 2640  
purposes of division (A) (4) of section 4582.06 of the Revised 2641  
Code and revenues, as defined in section 4582.21 of the Revised 2642  
Code. Any obligations issued under division (I) (1) of this 2643  
section shall be considered revenue bonds issued under division 2644  
(A) (4) of section 4582.06 of the Revised Code or port authority 2645  
revenue bonds issued under division (A) (8) of section 4582.31 2646  
and section 4582.48 of the Revised Code for all purposes. In 2647

addition to all other powers available to a port authority under 2648  
this section or under Chapter 4582. of the Revised Code with 2649  
respect to the issuance of or provision for the security for 2650  
payment of debt charges on obligations, and with respect to any 2651  
tourism facility or project, the port authority may take any of 2652  
the actions contemplated by Chapter 4582. of the Revised Code, 2653  
including, without limitation, any actions contemplated by 2654  
section 4582.06, 4582.31, or 4582.47 of the Revised Code. 2655  
Obligations issued by a port authority pursuant to division (I) 2656  
(1) of this section shall be special obligations of the port 2657  
authority and do not constitute bonded indebtedness, a general 2658  
obligation, debt, or a pledge of the full faith and credit of 2659  
the state, the port authority, or any other political 2660  
subdivision of the state. 2661

(2) Each tourism facility and project constitutes 2662  
"community facilities" within the meaning of division (I) of 2663  
section 349.01 of the Revised Code, and a new community 2664  
authority may issue obligations pursuant to Chapter 349. of the 2665  
Revised Code subject only to the procedures and requirements 2666  
applicable to its issuance of bonds or notes as used in and 2667  
pursuant to section 349.08 of the Revised Code. For the purpose 2668  
of issuing any such obligations, net lodging tax proceeds, net 2669  
tourism development district revenues, and revenue from any 2670  
other tax pledged, assigned, or otherwise obligated to be 2671  
contributed to the payment of the obligations shall be treated 2672  
as an income source, as defined in section 349.01 of the Revised 2673  
Code. Any obligations issued under division (I)(2) of this 2674  
section shall be considered bonds issued under section 349.08 of 2675  
the Revised Code. In addition to all other powers available to a 2676  
new community authority under division (I)(2) of this section or 2677  
under Chapter 349. of the Revised Code with respect to the 2678

issuance of or provision for the security for payment of debt 2679  
charges on obligations, and with respect to any tourism facility 2680  
or project, the new community authority may take any of the 2681  
actions contemplated by Chapter 349. of the Revised Code. 2682  
Obligations issued by a new community authority pursuant to 2683  
division (I) (2) of this section shall be special obligations of 2684  
the new community authority and do not constitute bonded 2685  
indebtedness, a general obligation, debt, or a pledge of the 2686  
full faith and credit of the state, the new community authority, 2687  
or any other political subdivision of the state. 2688

(J) Each project for which funding or payment of project 2689  
costs is provided, in whole or in part, by the issuance of 2690  
obligations secured by a pledge of net lodging tax proceeds or 2691  
net tourism development district revenues, or both, and any 2692  
agreement to provide credit enhancement facilities or to fund or 2693  
pay, and the funding or payment of, such project costs and any 2694  
maintenance and repair costs of the project from net lodging 2695  
taxes and net tourism development district revenues, are hereby 2696  
determined, regardless of the ownership, leasing, or use of the 2697  
project by any person, to constitute implementing and 2698  
participating in the development of sites and facilities within 2699  
the meaning of Section 2p of Article VIII, Ohio Constitution, 2700  
including division (D) (3) of that section, and any such 2701  
obligations are hereby determined to be issued, and any such 2702  
credit enhancement facilities and agreements to fund or pay, and 2703  
funding and payment of, project costs and any maintenance and 2704  
repair costs of the project, are determined to be made, under 2705  
authority of Section 2p of Article VIII, Ohio Constitution, for 2706  
and in furtherance of site and facility development purposes 2707  
within the meaning of division (E) of that section, pursuant to 2708  
provision made by law for the procedure for incurring and 2709

issuing obligations, separately or in combination with other 2710  
obligations, and refunding, retiring, and evidencing 2711  
obligations, and pursuant to division (F) of Section 2p of 2712  
Article VIII, Ohio Constitution, such that provision for the 2713  
payment of debt charges on the obligations, credit enhancement 2714  
facilities, or both, the purposes and uses to which and the 2715  
manner in which the proceeds of those obligations or credit 2716  
enhancement facilities or money from other sources are to be or 2717  
may be applied, and other implementation of those development 2718  
purposes as referred to in this section, including the manner 2719  
determined by an issuer to participate for those purposes, are 2720  
not subject to Sections 4 and 6 of Article VIII, Ohio 2721  
Constitution. 2722

No obligations may be issued under this section to fund or 2723  
pay maintenance and repair costs. 2724

(K) No obligations may be issued under this section unless 2725  
the issuer's fiscal officer determines that the net lodging tax 2726  
proceeds, net tourism development district revenues, or both, 2727  
pledged, assigned, or otherwise obligated to be contributed to 2728  
the payment of debt charges on such obligations and all other 2729  
obligations issued, outstanding and payable therefrom, are 2730  
expected to be sufficient to pay all debt charges on all such 2731  
obligations except to any extent that such debt charges are to 2732  
be paid from proceeds of obligations or refunding obligations 2733  
deposited or to be deposited into a pledged fund or account, 2734  
including any reserve fund or account, or investment earnings 2735  
thereon. 2736

(L) (1) A board of county commissioners shall not repeal, 2737  
rescind, or reduce the levy of an existing lodging tax or the 2738  
source of any other revenue to the extent revenue from that tax 2739

or source is pledged to the payment of debt charges on 2740  
obligations, and any such lodging tax or other revenue source 2741  
shall not be subject to repeal, rescission, or reduction by 2742  
initiative, referendum, or subsequent enactment of legislation 2743  
by the general assembly, so long as there remain outstanding any 2744  
obligations as to which the payment of debt charges is secured 2745  
by a pledge of the existing lodging tax or other revenue source. 2746

(2) The legislative authority of a host municipal 2747  
corporation shall not repeal, rescind, or reduce the levy of any 2748  
tax the proceeds of which constitute tourism development 2749  
district revenues if its proceeds are pledged to the payment of 2750  
debt charges on obligations, and any such tax shall not be 2751  
subject to repeal, rescission, or reduction by initiative, 2752  
referendum, or subsequent enactment of legislation by the 2753  
general assembly, so long as there remain outstanding any 2754  
obligations as to which the payment of debt charges is secured 2755  
by a pledge of those net tourism development district revenues. 2756

(3) A transit authority shall not repeal, rescind, or 2757  
reduce the levy of any tax the proceeds of which are pledged to 2758  
the payment of debt charges on obligations, and any such tax 2759  
shall not be subject to repeal, rescission, or reduction by 2760  
initiative, referendum, or subsequent enactment of legislation 2761  
by the general assembly, so long as there remain outstanding any 2762  
obligations as to which the payment of debt charges is secured 2763  
by the pledge of such tax proceeds. 2764

(M) A pledge, assignment, or other agreement to contribute 2765  
net lodging tax proceeds or other revenues or credit enhancement 2766  
facilities made by an eligible county under division (B) or (E) 2767  
of this section; a pledge, assignment, or other agreement to 2768  
contribute net tourism development district revenues or credit 2769

enhancement facilities made by a host municipality under 2770  
division (B) or (F) of this section; and a pledge, assignment, 2771  
or other agreement made by an eligible county or eligible 2772  
transit authority or agreement to contribute revenue from taxes 2773  
that constitute tourism development district revenues under 2774  
division (B), (E), or (G) of this section, do not constitute 2775  
bonded indebtedness, or indebtedness for the purposes of Chapter 2776  
133. of the Revised Code, of an eligible county, eligible 2777  
transit authority, or host municipal corporation. 2778

(N) The authority provided by this section is supplemental 2779  
to, and is not intended to limit in any way, any legal authority 2780  
that a cooperating party or any other person may have under any 2781  
other provision of law. 2782

**Sec. 307.695.** (A) As used in this section: 2783

(1) "Arena" means any structure designed and constructed 2784  
for the purpose of providing a venue for public entertainment 2785  
and recreation by the presentation of concerts, sporting and 2786  
athletic events, and other events and exhibitions, including 2787  
facilities intended to house or provide a site for one or more 2788  
athletic or sports teams or activities, spectator facilities, 2789  
parking facilities, walkways, and auxiliary facilities, real and 2790  
personal property, property rights, easements, leasehold 2791  
estates, and interests that may be appropriate for, or used in 2792  
connection with, the operation of the arena. 2793

(2) "Convention center" means any structure expressly 2794  
designed and constructed for the purposes of presenting 2795  
conventions, public meetings, and exhibitions and includes 2796  
parking facilities that serve the center and any personal 2797  
property used in connection with any such structure or 2798  
facilities. 2799



(3) "Eligible county" means a county having a population 2800  
of at least four hundred thousand but not more than eight 2801  
hundred thousand according to the 2000 federal decennial census 2802  
and that directly borders the geographic boundaries of another 2803  
state. 2804

(4) "Entity" means a nonprofit corporation, a municipal 2805  
corporation, a port authority created under Chapter 4582. of the 2806  
Revised Code, or a convention facilities authority created under 2807  
Chapter 351. of the Revised Code. 2808

(5) "Lodging taxes" means excise taxes levied under 2809  
division (A) ~~(1)~~, ~~(A)(2)(B)~~, or ~~(C)~~ (M) of section 5739.09 of the 2810  
Revised Code and the revenues arising therefrom. 2811

(6) "Nonprofit corporation" means a nonprofit corporation 2812  
that is organized under the laws of this state and that includes 2813  
within the purposes for which it is incorporated the 2814  
authorization to lease and operate facilities such as a 2815  
convention center or an arena or a combination of an arena and 2816  
convention center. 2817

(7) "Project" means acquiring, constructing, 2818  
reconstructing, renovating, rehabilitating, expanding, adding 2819  
to, equipping, furnishing or otherwise improving an arena, a 2820  
convention center, or a combination of an arena and convention 2821  
center. For purposes of this section, a project is a permanent 2822  
improvement for one purpose under Chapter 133. of the Revised 2823  
Code. 2824

(8) "Project revenues" means money received by a county 2825  
with a population greater than four hundred thousand wherein the 2826  
population of the largest city comprises more than one-third of 2827  
that county's population, other than money from taxes or from 2828

the proceeds of securities secured by taxes, in connection with, 2829  
derived from, related to, or resulting from a project, 2830  
including, but not limited to, rentals and other payments 2831  
received under a lease or agreement with respect to the project, 2832  
ticket charges or surcharges for admission to events at a 2833  
project, charges or surcharges for parking for events at a 2834  
project, charges for the use of a project or any portion of a 2835  
project, including suites and seating rights, the sale of naming 2836  
rights for the project or a portion of the project, unexpended 2837  
proceeds of any county revenue bonds issued for the project, and 2838  
any income and profit from the investment of the proceeds of any 2839  
such revenue bonds or any project revenues. 2840

(9) "Chapter 133. securities," "debt charges," "general 2841  
obligation," "legislation," "one purpose," "outstanding," 2842  
"permanent improvement," "person," and "securities" have the 2843  
meanings given to those terms in section 133.01 of the Revised 2844  
Code. 2845

(B) A board of county commissioners may enter into an 2846  
agreement with a convention and visitors' bureau operating in 2847  
the county under which: 2848

(1) The bureau agrees to construct and equip a convention 2849  
center in the county and to pledge and contribute from the tax 2850  
revenues received by it under division (A) of section 5739.09 of 2851  
the Revised Code, not more than such portion thereof that it is 2852  
authorized to pledge and contribute for the purpose described in 2853  
division (C) of this section; and 2854

(2) The board agrees to levy a tax under division ~~(C)~~ (M) 2855  
of section 5739.09 of the Revised Code and pledge and contribute 2856  
the revenues therefrom for the purpose described in division (C) 2857  
of this section. 2858

(C) The purpose of the pledges and contributions described 2859  
in divisions (B)(1) and (2) of this section is payment of 2860  
principal, interest, and premium, if any, on bonds and notes 2861  
issued by or for the benefit of the bureau to finance the 2862  
construction and equipping of a convention center. The pledges 2863  
and contributions provided for in the agreement shall be for the 2864  
period stated in the agreement. Revenues determined from time to 2865  
time by the board to be needed to cover the real and actual 2866  
costs of administering the tax imposed ~~by~~ under division ~~(C)~~ (M) 2867  
of section 5739.09 of the Revised Code may not be pledged or 2868  
contributed. The agreement shall provide that any such bonds and 2869  
notes shall be secured by a trust agreement between the bureau 2870  
or other issuer acting for the benefit of the bureau and a 2871  
corporate trustee that is a trust company or bank having the 2872  
powers of a trust company within or without the state, and the 2873  
trust agreement shall pledge or assign to the retirement of the 2874  
bonds or notes, all moneys paid by the county under this 2875  
section. A tax the revenues from which are pledged under an 2876  
agreement entered into by a board of county commissioners under 2877  
this section shall not be subject to diminution by initiative or 2878  
referendum, or diminution by statute, unless provision is made 2879  
therein for an adequate substitute therefor reasonably 2880  
satisfactory to the trustee under the trust agreement that 2881  
secures the bonds and notes. 2882

(D) A pledge of money by a county under division (B) of 2883  
this section shall not be indebtedness of the county for 2884  
purposes of Chapter 133. of the Revised Code. 2885

(E) If the terms of the agreement so provide, the board of 2886  
county commissioners may acquire and lease real property to the 2887  
convention bureau as the site of the convention center. The 2888  
lease shall be on such terms as are set forth in the agreement. 2889

The purchase and lease are not subject to the limitations of 2890  
sections 307.02 and 307.09 of the Revised Code. 2891

(F) In addition to the authority granted to a board of 2892  
county commissioners under divisions (B) to (E) of this section, 2893  
a board of county commissioners in a county with a population of 2894  
one million two hundred thousand or more, or a county with a 2895  
population greater than four hundred thousand wherein the 2896  
population of the largest city comprises more than one-third of 2897  
that county's population, may purchase, for cash or by 2898  
installment payments, enter into lease-purchase agreements for, 2899  
lease with an option to purchase, lease, construct, enlarge, 2900  
improve, rebuild, equip, or furnish a convention center. 2901

(G) The board of county commissioners of a county with a 2902  
population greater than four hundred thousand wherein the 2903  
population of the largest city comprises more than one-third of 2904  
that county's population may undertake, finance, operate, and 2905  
maintain a project. The board may lease a project to an entity 2906  
on terms that the board determines to be in the best interest of 2907  
the county and in furtherance of the public purpose of the 2908  
project; the lease may be for a term of thirty-five years or 2909  
less and may provide for an option of the entity to renew the 2910  
lease for a term of thirty-five years or less. The board may 2911  
enter into an agreement with an entity with respect to a project 2912  
on terms that the board determines to be in the best interest of 2913  
the county and in furtherance of the public purpose of the 2914  
project. To the extent provided for in an agreement or a lease 2915  
with an entity, the board may authorize the entity to administer 2916  
on behalf of the board any contracts for the project. The board 2917  
may enter into an agreement providing for the sale to a person 2918  
of naming rights to a project or portion of a project, for a 2919  
period, for consideration, and on other terms and conditions 2920

that the board determines to be in the best interest of the 2921  
county and in furtherance of the public purpose of the project. 2922  
The board may enter into an agreement with a person owning or 2923  
operating a professional athletic or sports team providing for 2924  
the use by that person of a project or portion of a project for 2925  
that team's offices, training, practices, and home games for a 2926  
period, for consideration, and on other terms and conditions 2927  
that the board determines to be in the best interest of the 2928  
county and in furtherance of the public purpose of the project. 2929  
The board may establish ticket charges or surcharges for 2930  
admission to events at a project, charges or surcharges for 2931  
parking for events at a project, and charges for the use of a 2932  
project or any portion of a project, including suites and 2933  
seating rights, and may, as necessary, enter into agreements 2934  
related thereto with persons for a period, for consideration, 2935  
and on other terms and conditions that the board determines to 2936  
be in the best interest of the county and in furtherance of the 2937  
public purpose of the project. A lease or agreement authorized 2938  
by this division is not subject to sections 307.02, 307.09, and 2939  
307.12 of the Revised Code. 2940

(H) Notwithstanding any contrary provision in Chapter 2941  
5739. of the Revised Code, after adopting a resolution declaring 2942  
it to be in the best interest of the county to undertake a 2943  
project as described in division (G) of this section, the board 2944  
of county commissioners of an eligible county may adopt a 2945  
resolution enacting or increasing any lodging taxes within the 2946  
limits specified in Chapter 5739. of the Revised Code with 2947  
respect to those lodging taxes and amending any prior resolution 2948  
under which any of its lodging taxes have been imposed in order 2949  
to provide that those taxes, after deducting the real and actual 2950  
costs of administering the taxes and any portion of the taxes 2951

returned to any municipal corporation or township as provided in 2952  
division (A) ~~(1)~~ of section 5739.09 of the Revised Code, shall be 2953  
used by the board for the purposes of undertaking, financing, 2954  
operating, and maintaining the project, including paying debt 2955  
charges on any securities issued by the board under division (I) 2956  
of this section, or to make contributions to the convention and 2957  
visitors' bureau operating within the county, or to promote, 2958  
advertise, and market the region in which the county is located, 2959  
all as the board may determine and make appropriations for from 2960  
time to time, subject to the terms of any pledge to the payment 2961  
of debt charges on outstanding general obligation securities or 2962  
special obligation securities authorized under division (I) of 2963  
this section. A resolution adopted under division (H) of this 2964  
section shall be adopted not earlier than January 15, 2007, and 2965  
not later than January 15, 2008. 2966

A resolution adopted under division (H) of this section 2967  
may direct the board of elections to submit the question of 2968  
enacting or increasing lodging taxes, as the case may be, to the 2969  
electors of the county at a special election held on the date 2970  
specified by the board in the resolution, provided that the 2971  
election occurs not less than ninety days after a certified copy 2972  
of the resolution is transmitted to the board of elections and 2973  
no later than January 15, 2008. A resolution submitted to the 2974  
electors under this division shall not go into effect unless it 2975  
is approved by a majority of those voting upon it. A resolution 2976  
adopted under division (H) of this section that is not submitted 2977  
to the electors of the county for their approval or disapproval 2978  
is subject to a referendum as provided in sections 305.31 to 2979  
305.41 of the Revised Code. 2980

A resolution adopted under division (H) of this section 2981  
takes effect upon its adoption, unless the resolution is 2982

submitted to the electors of the county for their approval or 2983  
disapproval, in which case the resolution takes effect on the 2984  
date the board of county commissioners receives notification 2985  
from the board of elections of the affirmative vote. Lodging 2986  
taxes received after the effective date of the resolution may be 2987  
used for the purposes described in division (H) of this section, 2988  
except that lodging taxes that have been pledged to the payment 2989  
of debt charges on any bonds or notes issued by or for the 2990  
benefit of a convention and visitors' bureau under division (C) 2991  
of this section shall be used exclusively for that purpose until 2992  
such time as the bonds or notes are no longer outstanding under 2993  
the trust agreement securing those bonds or notes. 2994

(I) (1) The board of county commissioners of a county with 2995  
a population greater than four hundred thousand wherein the 2996  
population of the largest city comprises more than one-third of 2997  
that county's population may issue the following securities of 2998  
the county for the purpose of paying costs of the project, 2999  
refunding any outstanding county securities issued for that 3000  
purpose, refunding any outstanding bonds or notes issued by or 3001  
for the benefit of the bureau under division (C) of this 3002  
section, or for any combination of those purposes: 3003

(a) General obligation securities issued under Chapter 3004  
133. of the Revised Code. The resolution authorizing these 3005  
securities may include covenants to appropriate annually from 3006  
lawfully available lodging taxes, and to continue to levy and 3007  
collect those lodging taxes in, amounts necessary to meet the 3008  
debt charges on those securities. 3009

(b) Special obligation securities issued under Chapter 3010  
133. of the Revised Code that are secured only by lawfully 3011  
available lodging taxes and any other taxes and revenues pledged 3012

to pay the debt charges on those securities, except ad valorem 3013  
property taxes. The resolution authorizing those securities 3014  
shall include a pledge of and covenants to appropriate annually 3015  
from lawfully available lodging taxes and any other taxes and 3016  
revenues pledged for such purpose, and to continue to collect 3017  
any of those revenues pledged for such purpose and to levy and 3018  
collect those lodging taxes and any other taxes pledged for such 3019  
purpose, in amounts necessary to meet the debt charges on those 3020  
securities. The pledge is valid and binding from the time the 3021  
pledge is made, and the lodging taxes so pledged and thereafter 3022  
received by the county are immediately subject to the lien of 3023  
the pledge without any physical delivery of the lodging taxes or 3024  
further act. The lien of any pledge is valid and binding as 3025  
against all parties having claims of any kind in tort, contract, 3026  
or otherwise against the county, regardless of whether such 3027  
parties have notice of the lien. Neither the resolution nor any 3028  
trust agreement by which a pledge is created or further 3029  
evidenced is required to be filed or recorded except in the 3030  
records of the board. The special obligation securities shall 3031  
contain a statement on their face to the effect that they are 3032  
not general obligation securities, and, unless paid from other 3033  
sources, are payable from the pledged lodging taxes. 3034

(c) Revenue securities authorized under section 133.08 of 3035  
the Revised Code and issued under Chapter 133. of the Revised 3036  
Code that are secured only by lawfully available project 3037  
revenues pledged to pay the debt charges on those securities. 3038

(2) The securities described in division (I)(1) of this 3039  
section are subject to Chapter 133. of the Revised Code. 3040

(3) Section 133.34 of the Revised Code, except for 3041  
division (A) of that section, applies to the issuance of any 3042



refunding securities authorized under this division. In lieu of 3043  
division (A) of section 133.34 of the Revised Code, the board of 3044  
county commissioners shall establish the maturity date or dates, 3045  
the interest payable on, and other terms of refunding securities 3046  
as it considers necessary or appropriate for their issuance, 3047  
provided that the final maturity of refunding securities shall 3048  
not exceed by more than ten years the final maturity of any 3049  
bonds refunded by refunding securities. 3050

(4) The board may not repeal, rescind, or reduce all or 3051  
any portion of any lodging taxes pledged to the payment of debt 3052  
charges on any outstanding special obligation securities 3053  
authorized under this division, and no portion of any lodging 3054  
taxes that is pledged, or that the board has covenanted to levy, 3055  
collect, and appropriate annually to pay debt charges on any 3056  
outstanding securities authorized under this division is subject 3057  
to repeal, rescission, or reduction by the electorate of the 3058  
county. 3059

**Sec. 319.301.** (A) The reductions required by division (D) 3060  
of this section do not apply to any of the following: 3061

(1) Taxes levied at whatever rate is required to produce a 3062  
specified amount of tax money, including a tax levied under 3063  
section 5705.199, ~~5705.211~~, or 5748.09 of the Revised Code, or 3064  
an amount to pay debt charges; 3065

(2) Taxes levied within the one per cent limitation 3066  
imposed by Section 2 of Article XII, Ohio Constitution; 3067

(3) Taxes provided for by the charter of a municipal 3068  
corporation. 3069

(B) As used in this section: 3070

(1) "Real property" includes real property owned by a 3071

railroad.	3072
(2) "Carryover property" means all real property on the	3073
current year's tax list except:	3074
(a) Land and improvements that were not taxed by the	3075
district in both the preceding year and the current year;	3076
(b) Land and improvements that were not in the same class	3077
in both the preceding year and the current year.	3078
(3) "Effective tax rate" means with respect to each class	3079
of property:	3080
(a) The sum of the total taxes that would have been	3081
charged and payable for current expenses against real property	3082
in that class if each of the district's taxes were reduced for	3083
the current year under division (D) (1) of this section without	3084
regard to the application of division (E) (3) of this section	3085
divided by	3086
(b) The taxable value of all real property in that class.	3087
(4) "Taxes charged and payable" means the taxes charged	3088
and payable prior to any reduction required by section 319.302	3089
of the Revised Code.	3090
(C) The tax commissioner shall make the determinations	3091
required by this section each year, without regard to whether a	3092
taxing district has territory in a county to which section	3093
5715.24 of the Revised Code applies for that year. Separate	3094
determinations shall be made for each of the two classes	3095
established pursuant to section 5713.041 of the Revised Code.	3096
(D) With respect to each tax authorized to be levied by	3097
each taxing district, the tax commissioner, annually, shall do	3098
both of the following:	3099

(1) Determine by what percentage, if any, the sums levied 3100  
by such tax against the carryover property in each class would 3101  
have to be reduced for the tax to levy the same number of 3102  
dollars against such property in that class in the current year 3103  
as were charged against such property by such tax in the 3104  
preceding year subsequent to the reduction made under this 3105  
section but before the reduction made under section 319.302 of 3106  
the Revised Code. In the case of a tax levied for the first time 3107  
that is not a renewal of an existing tax, the commissioner shall 3108  
determine by what percentage the sums that would otherwise be 3109  
levied by such tax against carryover property in each class 3110  
would have to be reduced to equal the amount that would have 3111  
been levied if the full rate thereof had been imposed against 3112  
the total taxable value of such property in the preceding tax 3113  
year. A tax or portion of a tax that is designated a replacement 3114  
levy under section 5705.192 of the Revised Code is not a renewal 3115  
of an existing tax for purposes of this division. 3116

(2) Certify each percentage determined in division (D) (1) 3117  
of this section, as adjusted under division (E) of this section, 3118  
and the class of property to which that percentage applies to 3119  
the auditor of each county in which the district has territory. 3120  
The auditor, after complying with section 319.30 of the Revised 3121  
Code, shall reduce the sum to be levied by such tax against each 3122  
parcel of real property in the district by the percentage so 3123  
certified for its class. Certification shall be made by the 3124  
first day of September except in the case of a tax levied for 3125  
the first time, in which case certification shall be made within 3126  
fifteen days of the date the county auditor submits the 3127  
information necessary to make the required determination. 3128

(E) (1) As used in division (E) (2) of this section, "pre- 3129  
1982 joint vocational taxes" means, with respect to a class of 3130

property, the difference between the following amounts: 3131

(a) The taxes charged and payable in tax year 1981 against 3132  
the property in that class for the current expenses of the joint 3133  
vocational school district of which the school district is a 3134  
part after making all reductions under this section; 3135

(b) ~~The following percentage~~ Two-tenths of one per cent of 3136  
the taxable value of all real property in that class; 3137

~~(i) In 1987, five one hundredths of one per cent;~~ 3138

~~(ii) In 1988, one tenth of one per cent;~~ 3139

~~(iii) In 1989, fifteen one hundredths of one per cent;~~ 3140

~~(iv) In 1990 and each subsequent year, two tenths of one 3141  
per cent. 3142~~

If the amount in division (E) (1) (b) of this section 3143  
exceeds the amount in division (E) (1) (a) of this section, the 3144  
pre-1982 joint vocational taxes shall be zero. 3145

As used in divisions (E) (2) and (3) of this section, 3146  
"taxes charged and payable" has the same meaning as in division 3147  
(B) (4) of this section and excludes any tax charged and payable 3148  
in 1985 or thereafter under sections 5705.194 to 5705.197 or 3149  
section 5705.199, 5705.213, 5705.219, or 5748.09 of the Revised 3150  
Code. 3151

(2) If in the case of a school district other than a joint 3152  
vocational or cooperative education school district any 3153  
percentage required to be used in division (D) (2) of this 3154  
section for either class of property could cause the total taxes 3155  
charged and payable for current expenses to be less than two per 3156  
cent of the taxable value of all real property in that class 3157  
that is subject to taxation by the district, the commissioner 3158

shall determine what percentages would cause the district's 3159  
total taxes charged and payable for current expenses against 3160  
that class, after all reductions that would otherwise be made 3161  
under this section, to equal, when combined with the pre-1982 3162  
joint vocational taxes against that class, the lesser of the 3163  
following: 3164

(a) The sum of the rates at which those taxes are 3165  
authorized to be levied; 3166

(b) Two per cent of the taxable value of the property in 3167  
that class. The auditor shall use such percentages in making the 3168  
reduction required by this section for that class. 3169

(3) ~~(a)~~ If in the case of a joint vocational school 3170  
district any percentage required to be used in division (D) (2) 3171  
of this section for either class of property could cause the 3172  
total taxes charged and payable for current expenses for that 3173  
class to be less than the designated amount two-tenths of one per 3174  
cent of the taxable value of that class, the commissioner shall 3175  
determine what percentages would cause the district's total 3176  
taxes charged and payable for current expenses for that class, 3177  
after all reductions that would otherwise be made under this 3178  
section, to equal the designated that amount. The auditor shall 3179  
use such percentages in making the reductions required by this 3180  
section for that class. 3181

~~(b) As used in division (E) (3) (a) of this section, the 3182  
designated amount shall equal the taxable value of all real- 3183  
property in the class that is subject to taxation by the 3184  
district times the lesser of the following: 3185~~

~~(i) Two tenths of one per cent; 3186~~

~~(ii) The district's effective rate plus the following 3187~~

~~percentage for the year indicated:~~ 3188

3189

1

2

A ~~WHEN COMPUTING THE~~  
~~TAXES CHARGES FOR~~

~~ADD THE FOLLOWING~~  
~~PERCENTAGE:~~

B ~~1987~~

~~0.025%~~

C ~~1988~~

~~0.05%~~

D ~~1989~~

~~0.075%~~

E ~~1990~~

~~0.1%~~

F ~~1991~~

~~0.125%~~

G ~~1992~~

~~0.15%~~

H ~~1993~~

~~0.175%~~

I ~~1994 and thereafter~~

~~0.2%~~

(F) No reduction shall be made under this section in the 3190  
rate at which any tax is levied. 3191

(G) The commissioner may order a county auditor to furnish 3192  
any information the commissioner needs to make the 3193  
determinations required under division (D) or (E) of this 3194  
section, and the auditor shall supply the information in the 3195  
form and by the date specified in the order. If the auditor 3196  
fails to comply with an order issued under this division, except 3197  
for good cause as determined by the commissioner, the 3198

commissioner shall withhold from such county or taxing district 3199  
therein fifty per cent of state revenues to local governments 3200  
pursuant to section 5747.50 of the Revised Code or shall direct 3201  
the department of education to withhold therefrom fifty per cent 3202  
of state revenues to school districts pursuant to Chapter 3317. 3203  
of the Revised Code. The commissioner shall withhold the 3204  
distribution of such revenues until the county auditor has 3205  
complied with this division, and the department shall withhold 3206  
the distribution of such revenues until the commissioner has 3207  
notified the department that the county auditor has complied 3208  
with this division. 3209

(H) If the commissioner is unable to certify a tax 3210  
reduction factor for either class of property in a taxing 3211  
district located in more than one county by the last day of 3212  
November because information required under division (G) of this 3213  
section is unavailable, the commissioner may compute and certify 3214  
an estimated tax reduction factor for that district for that 3215  
class. The estimated factor shall be based upon an estimate of 3216  
the unavailable information. Upon receipt of the actual 3217  
information for a taxing district that received an estimated tax 3218  
reduction factor, the commissioner shall compute the actual tax 3219  
reduction factor and use that factor to compute the taxes that 3220  
should have been charged and payable against each parcel of 3221  
property for the year for which the estimated reduction factor 3222  
was used. The amount by which the estimated factor resulted in 3223  
an overpayment or underpayment in taxes on any parcel shall be 3224  
added to or subtracted from the amount due on that parcel in the 3225  
ensuing tax year. 3226

A percentage or a tax reduction factor determined or 3227  
computed by the commissioner under this section shall be used 3228  
solely for the purpose of reducing the sums to be levied by the 3229

tax to which it applies for the year for which it was determined 3230  
or computed. It shall not be used in making any tax computations 3231  
for any ensuing tax year. 3232

(I) In making the determinations under division (D) (1) of 3233  
this section, the tax commissioner shall take account of changes 3234  
in the taxable value of carryover property resulting from 3235  
complaints filed under section 5715.19 of the Revised Code for 3236  
determinations made for the tax year in which such changes are 3237  
reported to the commissioner. Such changes shall be reported to 3238  
the commissioner on the first abstract of real property filed 3239  
with the commissioner under section 5715.23 of the Revised Code 3240  
following the date on which the complaint is finally determined 3241  
by the board of revision or by a court or other authority with 3242  
jurisdiction on appeal. The tax commissioner shall account for 3243  
such changes in making the determinations only for the tax year 3244  
in which the change in valuation is reported. Such a valuation 3245  
change shall not be used to recompute the percentages determined 3246  
under division (D) (1) of this section for any prior tax year. 3247

**Sec. 321.03.** At the request of the county treasurer, a 3248  
board of county commissioners may enter into a contract with any 3249  
financial institution under which the financial institution, in 3250  
accordance with the terms of the contract, receives at a post 3251  
office box any type of payment or fee owed or payable to the 3252  
county, opens the mail delivered to that box, processes the 3253  
checks and other payments received in such mail and deposits 3254  
them into the treasurer's account, and provides the county ~~with~~ 3255  
treasurer daily receipt information with respect to such 3256  
payments. The contract may provide for the financial institution 3257  
to receive at the post office box those payments and fees 3258  
specifically named in the contract or all payments and fees 3259  
payable to the county, including, but not limited to, utility, 3260



sewer, water, refuse collection, waste disposal, and airport 3261  
fees, but in any case excluding taxes. The contract shall not be 3262  
entered into unless: 3263

(A) There is attached to the contract a certification by 3264  
the auditor of state that the financial institution and the 3265  
treasurer have given assurances satisfactory to the auditor of 3266  
state that the records of the financial institution, to the 3267  
extent that they relate to payments covered by the contract, 3268  
shall be subject to examination by the auditor of state to the 3269  
same extent as if the services that the financial institution 3270  
has agreed to perform were being performed by the treasurer. 3271

(B) The contract is awarded in accordance with sections 3272  
307.86 to 307.92 of the Revised Code. 3273

(C) The treasurer's surety bond includes within its 3274  
coverage any loss that might occur as the result of the 3275  
contract. 3276

(D) The provisions of the contract do not conflict with 3277  
accounting and reporting requirements prescribed by the auditor 3278  
of state. 3279

**Sec. 321.20.** On the first day of each month in each year, 3280  
the county treasurer shall deposit with the county auditor all 3281  
warrants ~~he the treasurer has redeemed~~ redeemed and take the 3282  
auditor's receipt for them. 3283

**Sec. 323.154.** The county auditor shall approve or deny an 3284  
application for reduction under section 323.152 of the Revised 3285  
Code and shall so notify the applicant ~~not later than the first~~ 3286  
~~Monday in October~~ within thirty days after the application is 3287  
approved or denied. Notification shall be provided on a form 3288  
prescribed by the tax commissioner. If the application is 3289

approved, upon issuance of the notification the county auditor 3290  
shall record the amount of reduction in taxes in the appropriate 3291  
column on the general tax list and duplicate of real and public 3292  
utility property and on the manufactured home tax list. If the 3293  
application is denied, the notification shall inform the 3294  
applicant of the reasons for the denial. 3295

If an applicant believes that the application for 3296  
reduction has been improperly denied or that the reduction is 3297  
for less than that to which the applicant is entitled, the 3298  
applicant may file an appeal with the county board of revision 3299  
not later than ~~the date of closing of the collection for the~~ 3300  
~~first half of real and public utility property taxes or~~ 3301  
~~manufactured home taxes~~ sixty days after the notification was 3302  
issued under this section. The appeal shall be treated in the 3303  
same manner as a complaint relating to the valuation or 3304  
assessment of real property under Chapter 5715. of the Revised 3305  
Code. 3306

**Sec. 323.155.** The tax bill prescribed under section 3307  
323.131 of the Revised Code shall indicate the net amount of 3308  
taxes due following the reductions in taxes under sections 3309  
319.301, 319.302, 323.152, and 323.16 of the Revised Code. 3310

Any reduction in taxes under section 323.152 of the 3311  
Revised Code shall be disregarded as income or resources in 3312  
determining eligibility for any program or calculating any 3313  
payment under Title LI of the Revised Code. 3314

**Sec. 351.01.** As used in this chapter: 3315

(A) "Convention facilities authority" means a body 3316  
corporate and politic created pursuant to section 351.02 of the 3317  
Revised Code. 3318

(B) "Governmental agency" means a department, division, or 3319  
other unit of the state government or of a municipal 3320  
corporation, county, township, or other political subdivision of 3321  
the state; any state university or college, as defined in 3322  
section 3345.12 of the Revised Code, community college, state 3323  
community college, university branch, or technical college; any 3324  
other public corporation or agency having the power to acquire, 3325  
construct, or operate facilities; the United States or any 3326  
agency thereof; and any agency, commission, or authority 3327  
established pursuant to an interstate compact or agreement. 3328

(C) "Person" means any individual, firm, partnership, 3329  
association, or corporation, or any combination of them. 3330

(D) "Facility" or "facilities" means any convention, 3331  
entertainment, or sports facility, or combination of them, 3332  
located within the territory of the convention facilities 3333  
authority, together with all hotels, parking facilities, 3334  
walkways, and other auxiliary facilities, real and personal 3335  
property, property rights, easements and interests that may be 3336  
appropriate for, or used in connection with, the operation of 3337  
the facility. 3338

(E) "Cost" means the cost of acquisition of all land, 3339  
rights-of-way, property rights, easements, franchise rights, and 3340  
interests required for such acquisition; the cost of demolishing 3341  
or removing any buildings or structures on land so acquired, 3342  
including the cost of acquiring any lands to which such 3343  
buildings or structures may be moved; the cost of acquiring or 3344  
constructing and equipping a principal office of the convention 3345  
facilities authority; the cost of diverting highways, 3346  
interchange of highways, access roads to private property, 3347  
including the cost of land or easements for such access roads; 3348

the cost of public utility and common carrier relocation or 3349  
duplication; the cost of all machinery, furnishings, and 3350  
equipment; financing charges; interest prior to and during 3351  
construction and for no more than eighteen months after 3352  
completion of construction; expenses of research and development 3353  
with respect to facilities; legal expenses; expenses of 3354  
obtaining plans, specifications, engineering surveys, studies, 3355  
and estimates of cost and revenues; working capital; expenses 3356  
necessary or incident to determining the feasibility or 3357  
practicability of acquiring or constructing such facility; 3358  
administrative expense; and such other expenses as may be 3359  
necessary or incident to the acquisition or construction of the 3360  
facility, the financing of such acquisition or construction, 3361  
including the amount authorized in the resolution of the 3362  
convention facilities authority providing for the issuance of 3363  
convention facilities authority revenue bonds to be paid into 3364  
any special funds from the proceeds of such bonds, the cost of 3365  
issuing the bonds, and the financing of the placing of such 3366  
facility in operation. Any obligation, cost, or expense incurred 3367  
by any governmental agency or person for surveys, borings, 3368  
preparation of plans and specifications, and other engineering 3369  
services, or any other cost described above, in connection with 3370  
the acquisition or construction of a facility may be regarded as 3371  
part of the cost of such facility and may be reimbursed out of 3372  
the proceeds of convention facilities authority revenue bonds as 3373  
authorized by this chapter. 3374

(F) "Owner" includes a person having any title or interest 3375  
in any property, rights, easements, or interests authorized to 3376  
be acquired by Chapter 351. of the Revised Code. 3377

(G) "Revenues" means all rentals and other charges 3378  
received by the convention facilities authority for the use or 3379

services of any facility, the sale of any merchandise, or the 3380  
operation of any concessions; any gift or grant received with 3381  
respect to any facility, any moneys received with respect to the 3382  
lease, sublease, sale, including installment sale or conditional 3383  
sale, or other disposition of a facility or part thereof; moneys 3384  
received in repayment of and for interest on any loans made by 3385  
the authority to a person or governmental agency, whether from 3386  
the United States or any department, administration, or agency 3387  
thereof, or otherwise; proceeds of convention facilities 3388  
authority revenue bonds to the extent the use thereof for 3389  
payment of principal or of premium, if any, or interest on the 3390  
bonds is authorized by the authority; proceeds from any 3391  
insurance, appropriation, or guaranty pertaining to a facility 3392  
or property mortgaged to secure bonds or pertaining to the 3393  
financing of the facility; income and profit from the investment 3394  
of the proceeds of convention facilities authority revenue bonds 3395  
or of any revenues; contributions of the proceeds of a tax 3396  
levied pursuant to division ~~(A) (3)~~ (C) of section 5739.09 of the 3397  
Revised Code; and moneys transmitted to the authority pursuant 3398  
to division (B) of section 5739.211 and division (B) of section 3399  
5741.031 of the Revised Code. 3400

(H) "Public roads" includes all public highways, roads, 3401  
and streets in the state, whether maintained by the state, 3402  
county, city, township, or other political subdivision. 3403

(I) "Construction," unless the context indicates a 3404  
different meaning or intent, includes, but is not limited to, 3405  
reconstruction, enlargement, improvement, or providing fixtures, 3406  
furnishings, and equipment. 3407

(J) "Convention facilities authority revenue bonds" or 3408  
"revenue bonds," unless the context indicates a different 3409

meaning or intent, includes convention facilities authority 3410  
revenue notes, convention facilities authority revenue renewal 3411  
notes, and convention facilities authority revenue refunding 3412  
bonds. 3413

(K) "Convention facilities authority tax anticipation 3414  
bonds" or "tax anticipation bonds," unless the context indicates 3415  
a different meaning, includes convention facilities authority 3416  
tax anticipation bonds, tax anticipation notes, tax anticipation 3417  
renewal notes, and tax anticipation refunding bonds. 3418

(L) "Bonds and notes" means convention facilities 3419  
authority revenue bonds and convention facilities authority tax 3420  
anticipation bonds. 3421

(M) "Territory of the authority" means all of the area of 3422  
the county creating the convention facilities authority. 3423

(N) "Excise taxes" means any of the taxes levied pursuant 3424  
to division (B) or (C) of section 351.021 of the Revised Code. 3425  
"Excise taxes" does not include taxes levied pursuant to section 3426  
4301.424, 5743.026, or 5743.324 of the Revised Code. 3427

(O) "Transaction" means the charge by a hotel for each 3428  
occupancy by transient guests of a room or suite of rooms used 3429  
in a hotel as a single unit for any period of twenty-four hours 3430  
or less. 3431

(P) "Hotel" and "transient guests" have the same meanings 3432  
as in section 5739.01 of the Revised Code. 3433

(Q) "Sports facility" means a facility intended to house 3434  
major league professional athletic teams. 3435

(R) "Constructing" or "construction" includes providing 3436  
fixtures, furnishings, and equipment. 3437

**Sec. 351.03.** (A) Except as provided in division ~~(A) (3)~~ (C) 3438  
of section 5739.09 or in section 5739.026 of the Revised Code, 3439  
no county creating a convention facilities authority may 3440  
appropriate and expend public funds to finance or subsidize the 3441  
operation of the authority. 3442

(B) Subject to making due provisions for payment and 3443  
performance of its obligations, a convention facilities 3444  
authority may be dissolved by the county creating it. In such 3445  
event the properties of the authority shall be transferred to 3446  
the county creating it, and the county may thereupon appropriate 3447  
and expend public funds to finance or subsidize the operation of 3448  
such facilities. 3449

**Sec. 351.141.** A convention facilities authority that 3450  
levies any of the excise taxes authorized by division (B) or (C) 3451  
of section 351.021 of the Revised Code or that receives 3452  
contributions pursuant to division ~~(A) (3)~~ (C) of section 5739.09 3453  
of the Revised Code, by resolution may anticipate the proceeds 3454  
of the levy and issue convention facilities authority tax 3455  
anticipation bonds, and notes anticipating the proceeds or the 3456  
bonds, in the principal amount that, in the opinion of the 3457  
authority, are necessary for the purpose of paying the cost of 3458  
one or more facilities or parts of one or more facilities, and 3459  
as able, with the interest on them, be paid over the term of the 3460  
issue, or in the case of notes anticipating bonds over the term 3461  
of the bonds, by the estimated amount of the excise taxes or 3462  
contributions anticipated thereby. The excise taxes or 3463  
contributions are determined by the general assembly to satisfy 3464  
any applicable requirement of Section 11 of Article XII, Ohio 3465  
Constitution. An authority, at any time, may issue renewal tax 3466  
anticipation notes, issue tax anticipation bonds to pay such 3467  
notes, and, whenever it considers refunding expedient, refund 3468

any tax anticipation bonds by the issuance of tax anticipation 3469  
refunding bonds whether the bonds to be refunded have or have 3470  
not matured, and issue tax anticipation bonds partly to refund 3471  
bonds then outstanding and partly for any other authorized 3472  
purpose. The refunding bonds shall be sold and the proceeds 3473  
needed for such purpose applied in the manner provided in the 3474  
bond proceedings to the purchase, redemption, or payment of the 3475  
bonds to be refunded. 3476

Every issue of outstanding tax anticipation bonds shall be 3477  
payable out of the proceeds of the excise taxes or contributions 3478  
anticipated and other revenues of the authority that are pledged 3479  
for such payment. The pledge shall be valid and binding from the 3480  
time the pledge is made, and the anticipated excise taxes, 3481  
contributions, and revenues so pledged and thereafter received 3482  
by the authority immediately shall be subject to the lien of 3483  
that pledge without any physical delivery of those excise taxes, 3484  
contributions, and revenues or further act. The lien of any 3485  
pledge is valid and binding as against all parties having claims 3486  
of any kind in tort, contract, or otherwise against the 3487  
authority, whether or not such parties have notice of the lien. 3488  
Neither the resolution nor any trust agreement by which a pledge 3489  
is created need be filed or recorded except in the authority's 3490  
records. 3491

Whether or not the bonds or notes are of such form and 3492  
character as to be negotiable instruments under Title XIII of 3493  
the Revised Code, the bonds or notes shall have all the 3494  
qualities and incidents of negotiable instruments, subject only 3495  
to their provisions for registration, if any. 3496

The tax anticipation bonds shall bear such date or dates, 3497  
and shall mature at such time or times, in the case of any such 3498



notes or any renewals of such notes not exceeding twenty years 3499  
from the date of issue of such original notes and in the case of 3500  
any such bonds or any refunding bonds not exceeding forty years 3501  
from the date of the original issue of notes or bonds for the 3502  
purpose, and shall be executed in the manner that the resolution 3503  
authorizing the bonds may provide. The tax anticipation bonds 3504  
shall bear interest at such rates, or at variable rate or rates 3505  
changing from time to time, in accordance with provisions 3506  
provided in the authorizing resolution, be in such denominations 3507  
and form, either coupon or registered, carry such registration 3508  
privileges, be payable in such medium of payment and at such 3509  
place or places, and be subject to such terms of redemption, as 3510  
the authority may authorize or provide. The tax anticipation 3511  
bonds may be sold at public or private sale, and at, or at not 3512  
less than the price or prices as the authority determines. If 3513  
any officer whose signature or a facsimile of whose signature 3514  
appears on any bonds or coupons ceases to be such officer before 3515  
delivery of the bonds, the signature or facsimile shall 3516  
nevertheless be sufficient for all purposes as if the officer 3517  
had remained in office until delivery of the bonds, and in case 3518  
the seal of the authority has been changed after a facsimile has 3519  
been imprinted on the bonds, the facsimile seal will continue to 3520  
be sufficient for all purposes. 3521

Any resolution or resolutions authorizing any tax 3522  
anticipation bonds or any issue of tax anticipation bonds may 3523  
contain provisions, subject to any agreements with bondholders 3524  
as may then exist, which provisions shall be a part of the 3525  
contract with the holders of the bonds, as to the pledging of 3526  
any or all of the authority's anticipated excise taxes, 3527  
contributions, and revenues to secure the payment of the bonds 3528  
or of any issue of the bonds; the use and disposition of 3529

revenues of the authority; the crediting of the proceeds of the 3530  
sale of bonds to and among the funds referred to or provided for 3531  
in the resolution; limitations on the purpose to which the 3532  
proceeds of sale of the bonds may be applied and the pledging of 3533  
portions of such proceeds to secure the payment of the bonds or 3534  
of any issue of the bonds; as to notes issued in anticipation of 3535  
the issuance of bonds, the agreement of the authority to do all 3536  
things necessary for the authorization, issuance, and sale of 3537  
such bonds in such amounts as may be necessary for the timely 3538  
retirement of such notes; limitations on the issuance of 3539  
additional bonds; the terms upon which additional bonds may be 3540  
issued and secured; the refunding of outstanding bonds; the 3541  
procedure, if any, by which the terms of any contract with 3542  
bondholders may be amended, the amount of bonds the holders of 3543  
which must consent thereto, and the manner in which such consent 3544  
may be given; securing any bonds by a trust agreement in 3545  
accordance with section 351.16 of the Revised Code; any other 3546  
matters, of like or different character, that in any way affect 3547  
the security or protection of the bonds. The excise taxes 3548  
anticipated by the bonds, including bonds anticipated by notes, 3549  
shall not be subject to diminution by initiative or referendum 3550  
or by law while the bonds or notes remain outstanding in 3551  
accordance with their terms, unless provision is made by law or 3552  
by the authority for an adequate substitute therefor reasonably 3553  
satisfactory to the trustee, if a trust agreement secures the 3554  
bonds. 3555

Neither the members of the board of directors of the 3556  
authority nor any person executing the bonds shall be liable 3557  
personally on the bonds or be subject to any personal liability 3558  
or accountability by reason of the issuance thereof. 3559

**Sec. 718.01.** Any term used in this chapter that is not 3560

otherwise defined in this chapter has the same meaning as when 3561  
used in a comparable context in laws of the United States 3562  
relating to federal income taxation or in Title LVII of the 3563  
Revised Code, unless a different meaning is clearly required. 3564  
Except as provided in section 718.81 of the Revised Code, if a 3565  
term used in this chapter that is not otherwise defined in this 3566  
chapter is used in a comparable context in both the laws of the 3567  
United States relating to federal income tax and in Title LVII 3568  
of the Revised Code and the use is not consistent, then the use 3569  
of the term in the laws of the United States relating to federal 3570  
income tax shall control over the use of the term in Title LVII 3571  
of the Revised Code. 3572

Except as otherwise provided in section 718.81 of the 3573  
Revised Code, as used in this chapter: 3574

(A) (1) "Municipal taxable income" means the following: 3575

(a) For a person other than an individual, income 3576  
apportioned or situated to the municipal corporation under 3577  
section 718.02 of the Revised Code, as applicable, reduced by 3578  
any pre-2017 net operating loss carryforward available to the 3579  
person for the municipal corporation. 3580

(b) (i) For an individual who is a resident of a municipal 3581  
corporation other than a qualified municipal corporation, income 3582  
reduced by exempt income to the extent otherwise included in 3583  
income, then reduced as provided in division (A) (2) of this 3584  
section, and further reduced by any pre-2017 net operating loss 3585  
carryforward available to the individual for the municipal 3586  
corporation. 3587

(ii) For an individual who is a resident of a qualified 3588  
municipal corporation, Ohio adjusted gross income reduced by 3589

income exempted, and increased by deductions excluded, by the 3590  
qualified municipal corporation from the qualified municipal 3591  
corporation's tax. If a qualified municipal corporation, on or 3592  
before December 31, 2013, exempts income earned by individuals 3593  
who are not residents of the qualified municipal corporation and 3594  
net profit of persons that are not wholly located within the 3595  
qualified municipal corporation, such individual or person shall 3596  
have no municipal taxable income for the purposes of the tax 3597  
levied by the qualified municipal corporation and may be 3598  
exempted by the qualified municipal corporation from the 3599  
requirements of section 718.03 of the Revised Code. 3600

(c) For an individual who is a nonresident of a municipal 3601  
corporation, income reduced by exempt income to the extent 3602  
otherwise included in income and then, as applicable, 3603  
apportioned or situated to the municipal corporation under 3604  
section 718.02 of the Revised Code, then reduced as provided in 3605  
division (A)(2) of this section, and further reduced by any pre- 3606  
2017 net operating loss carryforward available to the individual 3607  
for the municipal corporation. 3608

(2) In computing the municipal taxable income of a 3609  
taxpayer who is an individual, the taxpayer may subtract, as 3610  
provided in division (A)(1)(b)(i) or (c) of this section, the 3611  
amount of the individual's employee business expenses reported 3612  
on the individual's form 2106 that the individual deducted for 3613  
federal income tax purposes for the taxable year, subject to the 3614  
limitation imposed by section 67 of the Internal Revenue Code. 3615  
For the municipal corporation in which the taxpayer is a 3616  
resident, the taxpayer may deduct all such expenses allowed for 3617  
federal income tax purposes. For a municipal corporation in 3618  
which the taxpayer is not a resident, the taxpayer may deduct 3619  
such expenses only to the extent the expenses are related to the 3620

taxpayer's performance of personal services in that nonresident 3621  
municipal corporation. 3622

(B) "Income" means the following: 3623

(1) (a) For residents, all income, salaries, qualifying 3624  
wages, commissions, and other compensation from whatever source 3625  
earned or received by the resident, including the resident's 3626  
distributive share of the net profit of pass-through entities 3627  
owned directly or indirectly by the resident and any net profit 3628  
of the resident, except as provided in division (D) (5) of this 3629  
section. 3630

(b) For the purposes of division (B) (1) (a) of this 3631  
section: 3632

(i) Any net operating loss of the resident incurred in the 3633  
taxable year and the resident's distributive share of any net 3634  
operating loss generated in the same taxable year and 3635  
attributable to the resident's ownership interest in a pass- 3636  
through entity shall be allowed as a deduction, for that taxable 3637  
year and the following five taxable years, against any other net 3638  
profit of the resident or the resident's distributive share of 3639  
any net profit attributable to the resident's ownership interest 3640  
in a pass-through entity until fully utilized, subject to 3641  
division (B) (1) (d) of this section; 3642

(ii) The resident's distributive share of the net profit 3643  
of each pass-through entity owned directly or indirectly by the 3644  
resident shall be calculated without regard to any net operating 3645  
loss that is carried forward by that entity from a prior taxable 3646  
year and applied to reduce the entity's net profit for the 3647  
current taxable year. 3648

(c) Division (B) (1) (b) of this section does not apply with 3649

respect to any net profit or net operating loss attributable to 3650  
an ownership interest in an S corporation unless shareholders' 3651  
distributive shares of net profits from S corporations are 3652  
subject to tax in the municipal corporation as provided in 3653  
division (C) (14) (b) or (c) of this section. 3654

(d) Any amount of a net operating loss used to reduce a 3655  
taxpayer's net profit for a taxable year shall reduce the amount 3656  
of net operating loss that may be carried forward to any 3657  
subsequent year for use by that taxpayer. In no event shall the 3658  
cumulative deductions for all taxable years with respect to a 3659  
taxpayer's net operating loss exceed the original amount of that 3660  
net operating loss available to that taxpayer. 3661

(2) In the case of nonresidents, all income, salaries, 3662  
qualifying wages, commissions, and other compensation from 3663  
whatever source earned or received by the nonresident for work 3664  
done, services performed or rendered, or activities conducted in 3665  
the municipal corporation, including any net profit of the 3666  
nonresident, but excluding the nonresident's distributive share 3667  
of the net profit or loss of only pass-through entities owned 3668  
directly or indirectly by the nonresident. 3669

(3) For taxpayers that are not individuals, net profit of 3670  
the taxpayer; 3671

(4) Lottery, sweepstakes, gambling and sports winnings, 3672  
winnings from games of chance, and prizes and awards. If the 3673  
taxpayer is a professional gambler for federal income tax 3674  
purposes, the taxpayer may deduct related wagering losses and 3675  
expenses to the extent authorized under the Internal Revenue 3676  
Code and claimed against such winnings. 3677

(C) "Exempt income" means all of the following: 3678

(1) The military pay or allowances of members of the armed forces of the United States or members of their reserve components, including the national guard of any state;	3679 3680 3681
(2) (a) Except as provided in division (C) (2) (b) of this section, intangible income;	3682 3683
(b) A municipal corporation that taxed any type of intangible income on March 29, 1988, pursuant to Section 3 of S.B. 238 of the 116th general assembly, may continue to tax that type of income if a majority of the electors of the municipal corporation voting on the question of whether to permit the taxation of that type of intangible income after 1988 voted in favor thereof at an election held on November 8, 1988.	3684 3685 3686 3687 3688 3689 3690
(3) Social security benefits, railroad retirement benefits, unemployment compensation, pensions, retirement benefit payments, payments from annuities, and similar payments made to an employee or to the beneficiary of an employee under a retirement program or plan, disability payments received from private industry or local, state, or federal governments or from charitable, religious or educational organizations, and the proceeds of sickness, accident, or liability insurance policies. As used in division (C) (3) of this section, "unemployment compensation" does not include supplemental unemployment compensation described in section 3402(o) (2) of the Internal Revenue Code.	3691 3692 3693 3694 3695 3696 3697 3698 3699 3700 3701 3702
(4) The income of religious, fraternal, charitable, scientific, literary, or educational institutions to the extent such income is derived from tax-exempt real estate, tax-exempt tangible or intangible property, or tax-exempt activities.	3703 3704 3705 3706
(5) Compensation paid under section 3501.28 or 3501.36 of	3707

the Revised Code to a person serving as a precinct election 3708  
official to the extent that such compensation does not exceed 3709  
one thousand dollars for the taxable year. Such compensation in 3710  
excess of one thousand dollars for the taxable year may be 3711  
subject to taxation by a municipal corporation. A municipal 3712  
corporation shall not require the payer of such compensation to 3713  
withhold any tax from that compensation. 3714

(6) Dues, contributions, and similar payments received by 3715  
charitable, religious, educational, or literary organizations or 3716  
labor unions, lodges, and similar organizations; 3717

(7) Alimony and child support received; 3718

(8) Compensation for personal injuries or for damages to 3719  
property from insurance proceeds or otherwise, excluding 3720  
compensation paid for lost salaries or wages or compensation 3721  
from punitive damages; 3722

(9) Income of a public utility when that public utility is 3723  
subject to the tax levied under section 5727.24 or 5727.30 of 3724  
the Revised Code. Division (C) (9) of this section does not apply 3725  
for purposes of Chapter 5745. of the Revised Code. 3726

(10) Gains from involuntary conversions, interest on 3727  
federal obligations, items of income subject to a tax levied by 3728  
the state and that a municipal corporation is specifically 3729  
prohibited by law from taxing, and income of a decedent's estate 3730  
during the period of administration except such income from the 3731  
operation of a trade or business; 3732

(11) Compensation or allowances excluded from federal 3733  
gross income under section 107 of the Internal Revenue Code; 3734

(12) Employee compensation that is not qualifying wages as 3735  
defined in division (R) of this section; 3736



(13) Compensation paid to a person employed within the 3737  
boundaries of a United States air force base under the 3738  
jurisdiction of the United States air force that is used for the 3739  
housing of members of the United States air force and is a 3740  
center for air force operations, unless the person is subject to 3741  
taxation because of residence or domicile. If the compensation 3742  
is subject to taxation because of residence or domicile, tax on 3743  
such income shall be payable only to the municipal corporation 3744  
of residence or domicile. 3745

(14) (a) Except as provided in division (C) (14) (b) or (c) 3746  
of this section, an S corporation shareholder's distributive 3747  
share of net profits of the S corporation, other than any part 3748  
of the distributive share of net profits that represents wages 3749  
as defined in section 3121(a) of the Internal Revenue Code or 3750  
net earnings from self-employment as defined in section 1402(a) 3751  
of the Internal Revenue Code. 3752

(b) If, pursuant to division (H) of former section 718.01 3753  
of the Revised Code as it existed before March 11, 2004, a 3754  
majority of the electors of a municipal corporation voted in 3755  
favor of the question at an election held on November 4, 2003, 3756  
the municipal corporation may continue after 2002 to tax an S 3757  
corporation shareholder's distributive share of net profits of 3758  
an S corporation. 3759

(c) If, on December 6, 2002, a municipal corporation was 3760  
imposing, assessing, and collecting a tax on an S corporation 3761  
shareholder's distributive share of net profits of the S 3762  
corporation to the extent the distributive share would be 3763  
allocated or apportioned to this state under divisions (B) (1) 3764  
and (2) of section 5733.05 of the Revised Code if the S 3765  
corporation were a corporation subject to taxes imposed under 3766

Chapter 5733. of the Revised Code, the municipal corporation may 3767  
continue to impose the tax on such distributive shares to the 3768  
extent such shares would be so allocated or apportioned to this 3769  
state only until December 31, 2004, unless a majority of the 3770  
electors of the municipal corporation voting on the question of 3771  
continuing to tax such shares after that date voted in favor of 3772  
that question at an election held November 2, 2004. If a 3773  
majority of those electors voted in favor of the question, the 3774  
municipal corporation may continue after December 31, 2004, to 3775  
impose the tax on such distributive shares only to the extent 3776  
such shares would be so allocated or apportioned to this state. 3777

(d) A municipal corporation shall be deemed to have 3778  
elected to tax S corporation shareholders' distributive shares 3779  
of net profits of the S corporation in the hands of the 3780  
shareholders if a majority of the electors of a municipal 3781  
corporation voted in favor of a question at an election held 3782  
under division (C) (14) (b) or (c) of this section. The municipal 3783  
corporation shall specify by resolution or ordinance that the 3784  
tax applies to the distributive share of a shareholder of an S 3785  
corporation in the hands of the shareholder of the S 3786  
corporation. 3787

(15) To the extent authorized under a resolution or 3788  
ordinance adopted by a municipal corporation before January 1, 3789  
2016, all or a portion of the income of individuals or a class 3790  
of individuals under eighteen years of age. 3791

(16) (a) Except as provided in divisions (C) (16) (b), (c), 3792  
and (d) of this section, qualifying wages described in division 3793  
(B) (1) or (E) of section 718.011 of the Revised Code to the 3794  
extent the qualifying wages are not subject to withholding for 3795  
the municipal corporation under either of those divisions. 3796

(b) The exemption provided in division (C) (16) (a) of this section does not apply with respect to the municipal corporation in which the employee resided at the time the employee earned the qualifying wages.

(c) The exemption provided in division (C) (16) (a) of this section does not apply to qualifying wages that an employer elects to withhold under division (D) (2) of section 718.011 of the Revised Code.

(d) The exemption provided in division (C) (16) (a) of this section does not apply to qualifying wages if both of the following conditions apply:

(i) For qualifying wages described in division (B) (1) of section 718.011 of the Revised Code, the employee's employer withholds and remits tax on the qualifying wages to the municipal corporation in which the employee's principal place of work is situated, or, for qualifying wages described in division (E) of section 718.011 of the Revised Code, the employee's employer withholds and remits tax on the qualifying wages to the municipal corporation in which the employer's fixed location is located;

(ii) The employee receives a refund of the tax described in division (C) (16) (d) (i) of this section on the basis of the employee not performing services in that municipal corporation.

(17) (a) Except as provided in division (C) (17) (b) or (c) of this section, compensation that is not qualifying wages paid to a nonresident individual for personal services performed in the municipal corporation on not more than twenty days in a taxable year.

(b) The exemption provided in division (C) (17) (a) of this

section does not apply under either of the following 3826  
circumstances: 3827

(i) The individual's base of operation is located in the 3828  
municipal corporation. 3829

(ii) The individual is a professional athlete, 3830  
professional entertainer, or public figure, and the compensation 3831  
is paid for the performance of services in the individual's 3832  
capacity as a professional athlete, professional entertainer, or 3833  
public figure. For purposes of division (C) (17) (b) (ii) of this 3834  
section, "professional athlete," "professional entertainer," and 3835  
"public figure" have the same meanings as in section 718.011 of 3836  
the Revised Code. 3837

(c) Compensation to which division (C) (17) of this section 3838  
applies shall be treated as earned or received at the 3839  
individual's base of operation. If the individual does not have 3840  
a base of operation, the compensation shall be treated as earned 3841  
or received where the individual is domiciled. 3842

(d) For purposes of division (C) (17) of this section, 3843  
"base of operation" means the location where an individual owns 3844  
or rents an office, storefront, or similar facility to which the 3845  
individual regularly reports and at which the individual 3846  
regularly performs personal services for compensation. 3847

(18) Compensation paid to a person for personal services 3848  
performed for a political subdivision on property owned by the 3849  
political subdivision, regardless of whether the compensation is 3850  
received by an employee of the subdivision or another person 3851  
performing services for the subdivision under a contract with 3852  
the subdivision, if the property on which services are performed 3853  
is annexed to a municipal corporation pursuant to section 3854

709.023 of the Revised Code on or after March 27, 2013, unless 3855  
the person is subject to such taxation because of residence. If 3856  
the compensation is subject to taxation because of residence, 3857  
municipal income tax shall be payable only to the municipal 3858  
corporation of residence. 3859

(19) In the case of a tax administered, collected, and 3860  
enforced by a municipal corporation pursuant to an agreement 3861  
with the board of directors of a joint economic development 3862  
district under section 715.72 of the Revised Code, the net 3863  
profits of a business, and the income of the employees of that 3864  
business, exempted from the tax under division (Q) of that 3865  
section. 3866

(20) All of the following: 3867

(a) Income derived from disaster work conducted in this 3868  
state by an out-of-state disaster business during a disaster 3869  
response period pursuant to a qualifying solicitation received 3870  
by the business; 3871

(b) Income of a qualifying employee described in division 3872  
(A) (14) (a) of section 5703.94 of the Revised Code, to the extent 3873  
such income is derived from disaster work conducted in this 3874  
state by the employee during a disaster response period pursuant 3875  
to a qualifying solicitation received by the employee's 3876  
employer; 3877

(c) Income of a qualifying employee described in division 3878  
(A) (14) (b) of section 5703.94 of the Revised Code, to the extent 3879  
such income is derived from disaster work conducted in this 3880  
state by the employee during a disaster response period on 3881  
critical infrastructure owned or used by the employee's 3882  
employer. 3883

(21) Income the taxation of which is prohibited by the 3884  
constitution or laws of the United States. 3885

Any item of income that is exempt income of a pass-through 3886  
entity under division (C) of this section is exempt income of 3887  
each owner of the pass-through entity to the extent of that 3888  
owner's distributive or proportionate share of that item of the 3889  
entity's income. 3890

(D) (1) "Net profit" for a person who is an individual 3891  
means the individual's net profit required to be reported on 3892  
schedule C, schedule E, or schedule F reduced by any net 3893  
operating loss carried forward. For the purposes of division (D) 3894  
(1) of this section, the net operating loss carried forward 3895  
shall be calculated and deducted in the same manner as provided 3896  
in division (D) (3) of this section. 3897

(2) "Net profit" for a person other than an individual 3898  
means adjusted federal taxable income reduced by any net 3899  
operating loss incurred by the person in a taxable year 3900  
beginning on or after January 1, 2017, subject to the 3901  
limitations of division (D) (3) of this section. 3902

(3) (a) The amount of such net operating loss shall be 3903  
deducted from net profit to the extent necessary to reduce 3904  
municipal taxable income to zero, with any remaining unused 3905  
portion of the net operating loss carried forward to not more 3906  
than five consecutive taxable years following the taxable year 3907  
in which the loss was incurred, but in no case for more years 3908  
than necessary for the deduction to be fully utilized. 3909

(b) No person shall use the deduction allowed by division 3910  
(D) (3) of this section to offset qualifying wages. 3911

(c) (i) For taxable years beginning in 2018, 2019, 2020, 3912

2021, or 2022, a person may not deduct, for purposes of an 3913  
income tax levied by a municipal corporation that levies an 3914  
income tax before January 1, 2016, more than fifty per cent of 3915  
the amount of the deduction otherwise allowed by division (D) (3) 3916  
of this section. 3917

(ii) For taxable years beginning in 2023 or thereafter, a 3918  
person may deduct, for purposes of an income tax levied by a 3919  
municipal corporation that levies an income tax before January 3920  
1, 2016, the full amount allowed by division (D) (3) of this 3921  
section without regard to the limitation of division (D) (3) (b) 3922  
(i) of this section. 3923

(d) Any pre-2017 net operating loss carryforward deduction 3924  
that is available may be utilized before a taxpayer may deduct 3925  
any amount pursuant to division (D) (3) of this section. 3926

(e) Nothing in division (D) (3) (c) (i) of this section 3927  
precludes a person from carrying forward, for use with respect 3928  
to any return filed for a taxable year beginning after 2018, any 3929  
amount of net operating loss that was not fully utilized by 3930  
operation of division (D) (3) (c) (i) of this section. To the 3931  
extent that an amount of net operating loss that was not fully 3932  
utilized in one or more taxable years by operation of division 3933  
(D) (3) (c) (i) of this section is carried forward for use with 3934  
respect to a return filed for a taxable year beginning in 2019, 3935  
2020, 2021, or 2022, the limitation described in division (D) (3) 3936  
(c) (i) of this section shall apply to the amount carried 3937  
forward. 3938

(4) For the purposes of this chapter, and notwithstanding 3939  
division (D) (2) of this section, net profit of a disregarded 3940  
entity shall not be taxable as against that disregarded entity, 3941  
but shall instead be included in the net profit of the owner of 3942

the disregarded entity. 3943

(5) For the purposes of this chapter, and notwithstanding 3944  
any other provision of this chapter, the net profit of a 3945  
publicly traded partnership that makes the election described in 3946  
division (D) (5) of this section shall be taxed as if the 3947  
partnership were a C corporation, and shall not be treated as 3948  
the net profit or income of any owner of the partnership. 3949

A publicly traded partnership that is treated as a 3950  
partnership for federal income tax purposes and that is subject 3951  
to tax on its net profits in one or more municipal corporations 3952  
in this state may elect to be treated as a C corporation for 3953  
municipal income tax purposes. The publicly traded partnership 3954  
shall make the election in every municipal corporation in which 3955  
the partnership is subject to taxation on its net profits. The 3956  
election shall be made on the annual tax return filed in each 3957  
such municipal corporation. The publicly traded partnership 3958  
shall not be required to file the election with any municipal 3959  
corporation in which the partnership is not subject to taxation 3960  
on its net profits, but division (D) (5) of this section applies 3961  
to all municipal corporations in which an individual owner of 3962  
the partnership resides. 3963

(E) "Adjusted federal taxable income," for a person 3964  
required to file as a C corporation, or for a person that has 3965  
elected to be taxed as a C corporation under division (D) (5) of 3966  
this section, means a C corporation's federal taxable income 3967  
before net operating losses and special deductions as determined 3968  
under the Internal Revenue Code, adjusted as follows: 3969

(1) Deduct intangible income to the extent included in 3970  
federal taxable income. The deduction shall be allowed 3971  
regardless of whether the intangible income relates to assets 3972



used in a trade or business or assets held for the production of income.	3973 3974
(2) Add an amount equal to five per cent of intangible income deducted under division (E) (1) of this section, but excluding that portion of intangible income directly related to the sale, exchange, or other disposition of property described in section 1221 of the Internal Revenue Code;	3975 3976 3977 3978 3979
(3) Add any losses allowed as a deduction in the computation of federal taxable income if the losses directly relate to the sale, exchange, or other disposition of an asset described in section 1221 or 1231 of the Internal Revenue Code;	3980 3981 3982 3983
(4) (a) Except as provided in division (E) (4) (b) of this section, deduct income and gain included in federal taxable income to the extent the income and gain directly relate to the sale, exchange, or other disposition of an asset described in section 1221 or 1231 of the Internal Revenue Code;	3984 3985 3986 3987 3988
(b) Division (E) (4) (a) of this section does not apply to the extent the income or gain is income or gain described in section 1245 or 1250 of the Internal Revenue Code.	3989 3990 3991
(5) Add taxes on or measured by net income allowed as a deduction in the computation of federal taxable income;	3992 3993
(6) In the case of a real estate investment trust or regulated investment company, add all amounts with respect to dividends to, distributions to, or amounts set aside for or credited to the benefit of investors and allowed as a deduction in the computation of federal taxable income;	3994 3995 3996 3997 3998
(7) Deduct, to the extent not otherwise deducted or excluded in computing federal taxable income, any income derived from a transfer agreement or from the enterprise transferred	3999 4000 4001

under that agreement under section 4313.02 of the Revised Code; 4002

(8) Deduct exempt income to the extent not otherwise 4003  
deducted or excluded in computing adjusted federal taxable 4004  
income. 4005

(9) Deduct any net profit of a pass-through entity owned 4006  
directly or indirectly by the taxpayer and included in the 4007  
taxpayer's federal taxable income unless an affiliated group of 4008  
corporations includes that net profit in the group's federal 4009  
taxable income in accordance with division (E) (3) (b) of section 4010  
718.06 of the Revised Code. 4011

(10) Add any loss incurred by a pass-through entity owned 4012  
directly or indirectly by the taxpayer and included in the 4013  
taxpayer's federal taxable income unless an affiliated group of 4014  
corporations includes that loss in the group's federal taxable 4015  
income in accordance with division (E) (3) (b) of section 718.06 4016  
of the Revised Code. 4017

If the taxpayer is not a C corporation, is not a 4018  
disregarded entity that has made the election described in 4019  
division (L) (2) of this section, is not a publicly traded 4020  
partnership that has made the election described in division (D) 4021  
(5) of this section, and is not an individual, the taxpayer 4022  
shall compute adjusted federal taxable income under this section 4023  
as if the taxpayer were a C corporation, except guaranteed 4024  
payments and other similar amounts paid or accrued to a partner, 4025  
former partner, shareholder, former shareholder, member, or 4026  
former member shall not be allowed as a deductible expense 4027  
unless such payments are in consideration for the use of capital 4028  
and treated as payment of interest under section 469 of the 4029  
Internal Revenue Code or United States treasury regulations. 4030  
Amounts paid or accrued to a qualified self-employed retirement 4031

plan with respect to a partner, former partner, shareholder, 4032  
former shareholder, member, or former member of the taxpayer, 4033  
amounts paid or accrued to or for health insurance for a 4034  
partner, former partner, shareholder, former shareholder, 4035  
member, or former member, and amounts paid or accrued to or for 4036  
life insurance for a partner, former partner, shareholder, 4037  
former shareholder, member, or former member shall not be 4038  
allowed as a deduction. 4039

Nothing in division (E) of this section shall be construed 4040  
as allowing the taxpayer to add or deduct any amount more than 4041  
once or shall be construed as allowing any taxpayer to deduct 4042  
any amount paid to or accrued for purposes of federal self- 4043  
employment tax. 4044

(F) "Schedule C" means internal revenue service schedule C 4045  
(form 1040) filed by a taxpayer pursuant to the Internal Revenue 4046  
Code. 4047

(G) "Schedule E" means internal revenue service schedule E 4048  
(form 1040) filed by a taxpayer pursuant to the Internal Revenue 4049  
Code. 4050

(H) "Schedule F" means internal revenue service schedule F 4051  
(form 1040) filed by a taxpayer pursuant to the Internal Revenue 4052  
Code. 4053

(I) "Internal Revenue Code" has the same meaning as in 4054  
section 5747.01 of the Revised Code. 4055

(J) "Resident" means an individual who is domiciled in the 4056  
municipal corporation as determined under section 718.012 of the 4057  
Revised Code. 4058

(K) "Nonresident" means an individual that is not a 4059  
resident. 4060

(L) (1) "Taxpayer" means a person subject to a tax levied 4061  
on income by a municipal corporation in accordance with this 4062  
chapter. "Taxpayer" does not include a grantor trust or, except 4063  
as provided in division (L) (2) (a) of this section, a disregarded 4064  
entity. 4065

(2) (a) A single member limited liability company that is a 4066  
disregarded entity for federal tax purposes may be a separate 4067  
taxpayer from its single member in all Ohio municipal 4068  
corporations in which it either filed as a separate taxpayer or 4069  
did not file for its taxable year ending in 2003, if all of the 4070  
following conditions are met: 4071

(i) The limited liability company's single member is also 4072  
a limited liability company. 4073

(ii) The limited liability company and its single member 4074  
were formed and doing business in one or more Ohio municipal 4075  
corporations for at least five years before January 1, 2004. 4076

(iii) Not later than December 31, 2004, the limited 4077  
liability company and its single member each made an election to 4078  
be treated as a separate taxpayer under division (L) of this 4079  
section as this section existed on December 31, 2004. 4080

(iv) The limited liability company was not formed for the 4081  
purpose of evading or reducing Ohio municipal corporation income 4082  
tax liability of the limited liability company or its single 4083  
member. 4084

(v) The Ohio municipal corporation that was the primary 4085  
place of business of the sole member of the limited liability 4086  
company consented to the election. 4087

(b) For purposes of division (L) (2) (a) (v) of this section, 4088  
a municipal corporation was the primary place of business of a 4089

limited liability company if, for the limited liability 4090  
company's taxable year ending in 2003, its income tax liability 4091  
was greater in that municipal corporation than in any other 4092  
municipal corporation in Ohio, and that tax liability to that 4093  
municipal corporation for its taxable year ending in 2003 was at 4094  
least four hundred thousand dollars. 4095

(M) "Person" includes individuals, firms, companies, joint 4096  
stock companies, business trusts, estates, trusts, partnerships, 4097  
limited liability partnerships, limited liability companies, 4098  
associations, C corporations, S corporations, governmental 4099  
entities, and any other entity. 4100

(N) "Pass-through entity" means a partnership not treated 4101  
as an association taxable as a C corporation for federal income 4102  
tax purposes, a limited liability company not treated as an 4103  
association taxable as a C corporation for federal income tax 4104  
purposes, an S corporation, or any other class of entity from 4105  
which the income or profits of the entity are given pass-through 4106  
treatment for federal income tax purposes. "Pass-through entity" 4107  
does not include a trust, estate, grantor of a grantor trust, or 4108  
disregarded entity. 4109

(O) "S corporation" means a person that has made an 4110  
election under subchapter S of Chapter 1 of Subtitle A of the 4111  
Internal Revenue Code for its taxable year. 4112

(P) "Single member limited liability company" means a 4113  
limited liability company that has one direct member. 4114

(Q) "Limited liability company" means a limited liability 4115  
company formed under Chapter 1705. of the Revised Code or under 4116  
the laws of another state. 4117

(R) "Qualifying wages" means wages, as defined in section 4118

3121(a) of the Internal Revenue Code, without regard to any wage	4119
limitations, adjusted as follows:	4120
(1) Deduct the following amounts:	4121
(a) Any amount included in wages if the amount constitutes	4122
compensation attributable to a plan or program described in	4123
section 125 of the Internal Revenue Code.	4124
(b) Any amount included in wages if the amount constitutes	4125
payment on account of a disability related to sickness or an	4126
accident paid by a party unrelated to the employer, agent of an	4127
employer, or other payer.	4128
(c) Any amount attributable to a nonqualified deferred	4129
compensation plan or program described in section 3121(v) (2) (C)	4130
of the Internal Revenue Code if the compensation is included in	4131
wages and the municipal corporation has, by resolution or	4132
ordinance adopted before January 1, 2016, exempted the amount	4133
from withholding and tax.	4134
(d) Any amount included in wages if the amount arises from	4135
the sale, exchange, or other disposition of a stock option, the	4136
exercise of a stock option, or the sale, exchange, or other	4137
disposition of stock purchased under a stock option and the	4138
municipal corporation has, by resolution or ordinance adopted	4139
before January 1, 2016, exempted the amount from withholding and	4140
tax.	4141
(e) Any amount included in wages that is exempt income.	4142
(2) Add the following amounts:	4143
(a) Any amount not included in wages solely because the	4144
employee was employed by the employer before April 1, 1986.	4145
(b) Any amount not included in wages because the amount	4146

arises from the sale, exchange, or other disposition of a stock 4147  
option, the exercise of a stock option, or the sale, exchange, 4148  
or other disposition of stock purchased under a stock option and 4149  
the municipal corporation has not, by resolution or ordinance, 4150  
exempted the amount from withholding and tax adopted before 4151  
January 1, 2016. Division (R) (2) (b) of this section applies only 4152  
to those amounts constituting ordinary income. 4153

(c) Any amount not included in wages if the amount is an 4154  
amount described in section 401(k), 403(b), or 457 of the 4155  
Internal Revenue Code. Division (R) (2) (c) of this section 4156  
applies only to employee contributions and employee deferrals. 4157

(d) Any amount that is supplemental unemployment 4158  
compensation benefits described in section 3402(o) (2) of the 4159  
Internal Revenue Code and not included in wages. 4160

(e) Any amount received that is treated as self-employment 4161  
income for federal tax purposes in accordance with section 4162  
1402(a) (8) of the Internal Revenue Code. 4163

(f) Any amount not included in wages if all of the 4164  
following apply: 4165

(i) For the taxable year the amount is employee 4166  
compensation that is earned outside of the United States and 4167  
that either is included in the taxpayer's gross income for 4168  
federal income tax purposes or would have been included in the 4169  
taxpayer's gross income for such purposes if the taxpayer did 4170  
not elect to exclude the income under section 911 of the 4171  
Internal Revenue Code; 4172

(ii) For no preceding taxable year did the amount 4173  
constitute wages as defined in section 3121(a) of the Internal 4174  
Revenue Code; 4175

(iii) For no succeeding taxable year will the amount 4176  
constitute wages; and 4177

(iv) For any taxable year the amount has not otherwise 4178  
been added to wages pursuant to either division (R) (2) of this 4179  
section or section 718.03 of the Revised Code, as that section 4180  
existed before the effective date of H.B. 5 of the 130th general 4181  
assembly, March 23, 2015. 4182

(S) "Intangible income" means income of any of the 4183  
following types: income yield, interest, capital gains, 4184  
dividends, or other income arising from the ownership, sale, 4185  
exchange, or other disposition of intangible property including, 4186  
but not limited to, investments, deposits, money, or credits as 4187  
those terms are defined in Chapter 5701. of the Revised Code, 4188  
and patents, copyrights, trademarks, tradenames, investments in 4189  
real estate investment trusts, investments in regulated 4190  
investment companies, and appreciation on deferred compensation. 4191  
"Intangible income" does not include prizes, awards, or other 4192  
income associated with any lottery winnings, gambling winnings, 4193  
or other similar games of chance. 4194

(T) "Taxable year" means the corresponding tax reporting 4195  
period as prescribed for the taxpayer under the Internal Revenue 4196  
Code. 4197

(U) "Tax administrator" means the individual charged with 4198  
direct responsibility for administration of an income tax levied 4199  
by a municipal corporation in accordance with this chapter, and 4200  
also includes the following: 4201

(1) A municipal corporation acting as the agent of another 4202  
municipal corporation; 4203

(2) A person retained by a municipal corporation to 4204



administer a tax levied by the municipal corporation, but only 4205  
if the municipal corporation does not compensate the person in 4206  
whole or in part on a contingency basis; 4207

(3) The central collection agency or the regional income 4208  
tax agency or their successors in interest, or another entity 4209  
organized to perform functions similar to those performed by the 4210  
central collection agency and the regional income tax agency. 4211

"Tax administrator" does not include the tax commissioner. 4212

(V) "Employer" means a person that is an employer for 4213  
federal income tax purposes. 4214

(W) "Employee" means an individual who is an employee for 4215  
federal income tax purposes. 4216

(X) "Other payer" means any person, other than an 4217  
individual's employer or the employer's agent, that pays an 4218  
individual any amount included in the federal gross income of 4219  
the individual. "Other payer" includes casino operators and 4220  
video lottery terminal sales agents. 4221

(Y) "Calendar quarter" means the three-month period ending 4222  
on the last day of March, June, September, or December. 4223

(Z) "Form 2106" means internal revenue service form 2106 4224  
filed by a taxpayer pursuant to the Internal Revenue Code. 4225

(AA) "Municipal corporation" includes a joint economic 4226  
development district or joint economic development zone that 4227  
levies an income tax under section 715.691, 715.70, 715.71, or 4228  
715.72 of the Revised Code. 4229

(BB) "Disregarded entity" means a single member limited 4230  
liability company, a qualifying subchapter S subsidiary, or 4231  
another entity if the company, subsidiary, or entity is a 4232

disregarded entity for federal income tax purposes. 4233

(CC) "Generic form" means an electronic or paper form that 4234  
is not prescribed by a particular municipal corporation and that 4235  
is designed for reporting taxes withheld by an employer, agent 4236  
of an employer, or other payer, estimated municipal income 4237  
taxes, or annual municipal income tax liability or for filing a 4238  
refund claim. 4239

(DD) "Tax return preparer" means any individual described 4240  
in section 7701(a)(36) of the Internal Revenue Code and 26 4241  
C.F.R. 301.7701-15. 4242

(EE) "Ohio business gateway" means the online computer 4243  
network system, created under section 125.30 of the Revised 4244  
Code, that allows persons to electronically file business reply 4245  
forms with state agencies and includes any successor electronic 4246  
filing and payment system. 4247

(FF) "Local board of tax review" and "board of tax review" 4248  
mean the entity created under section 718.11 of the Revised 4249  
Code. 4250

(GG) "Net operating loss" means a loss incurred by a 4251  
person in the operation of a trade or business. "Net operating 4252  
loss" does not include unutilized losses resulting from basis 4253  
limitations, at-risk limitations, or passive activity loss 4254  
limitations. 4255

(HH) "Casino operator" and "casino facility" have the same 4256  
meanings as in section 3772.01 of the Revised Code. 4257

(II) "Video lottery terminal" has the same meaning as in 4258  
section 3770.21 of the Revised Code. 4259

(JJ) "Video lottery terminal sales agent" means a lottery 4260

sales agent licensed under Chapter 3770. of the Revised Code to 4261  
conduct video lottery terminals on behalf of the state pursuant 4262  
to section 3770.21 of the Revised Code. 4263

(KK) "Postal service" means the United States postal 4264  
service. 4265

(LL) "Certified mail," "express mail," "United States 4266  
mail," "postal service," and similar terms include any delivery 4267  
service authorized pursuant to section 5703.056 of the Revised 4268  
Code. 4269

(MM) "Postmark date," "date of postmark," and similar 4270  
terms include the date recorded and marked in the manner 4271  
described in division (B) (3) of section 5703.056 of the Revised 4272  
Code. 4273

(NN) "Related member" means a person that, with respect to 4274  
the taxpayer during all or any portion of the taxable year, is 4275  
either a related entity, a component member as defined in 4276  
section 1563(b) of the Internal Revenue Code, or a person to or 4277  
from whom there is attribution of stock ownership in accordance 4278  
with section 1563(e) of the Internal Revenue Code except, for 4279  
purposes of determining whether a person is a related member 4280  
under this division, "twenty per cent" shall be substituted for 4281  
"5 percent" wherever "5 percent" appears in section 1563(e) of 4282  
the Internal Revenue Code. 4283

(OO) "Related entity" means any of the following: 4284

(1) An individual stockholder, or a member of the 4285  
stockholder's family enumerated in section 318 of the Internal 4286  
Revenue Code, if the stockholder and the members of the 4287  
stockholder's family own directly, indirectly, beneficially, or 4288  
constructively, in the aggregate, at least fifty per cent of the 4289

value of the taxpayer's outstanding stock; 4290

(2) A stockholder, or a stockholder's partnership, estate, 4291  
trust, or corporation, if the stockholder and the stockholder's 4292  
partnerships, estates, trusts, or corporations own directly, 4293  
indirectly, beneficially, or constructively, in the aggregate, 4294  
at least fifty per cent of the value of the taxpayer's 4295  
outstanding stock; 4296

(3) A corporation, or a party related to the corporation 4297  
in a manner that would require an attribution of stock from the 4298  
corporation to the party or from the party to the corporation 4299  
under division (00) (4) of this section, provided the taxpayer 4300  
owns directly, indirectly, beneficially, or constructively, at 4301  
least fifty per cent of the value of the corporation's 4302  
outstanding stock; 4303

(4) The attribution rules described in section 318 of the 4304  
Internal Revenue Code apply for the purpose of determining 4305  
whether the ownership requirements in divisions (00) (1) to (3) 4306  
of this section have been met. 4307

(PP) (1) "Assessment" means a written finding by the tax 4308  
administrator that a person has underpaid municipal income tax, 4309  
or owes penalty and interest, or any combination of tax, 4310  
penalty, or interest, to the municipal corporation that 4311  
commences the person's time limitation for making an appeal to 4312  
the local board of tax review pursuant to section 718.11 of the 4313  
Revised Code, and has "ASSESSMENT" written in all capital 4314  
letters at the top of such finding. 4315

(2) "Assessment" does not include an informal notice 4316  
denying a request for refund issued under division (B) (3) of 4317  
section 718.19 of the Revised Code, a billing statement 4318

notifying a taxpayer of current or past-due balances owed to the 4319  
municipal corporation, a tax administrator's request for 4320  
additional information, a notification to the taxpayer of 4321  
mathematical errors, or a tax administrator's other written 4322  
correspondence to a person or taxpayer that does not meet the 4323  
criteria prescribed by division (PP)(1) of this section. 4324

(QQ) "Taxpayers' rights and responsibilities" means the 4325  
rights provided to taxpayers in sections 718.11, 718.12, 718.19, 4326  
718.23, 718.36, 718.37, 718.38, 5717.011, and 5717.03 of the 4327  
Revised Code and the responsibilities of taxpayers to file, 4328  
report, withhold, remit, and pay municipal income tax and 4329  
otherwise comply with Chapter 718. of the Revised Code and 4330  
resolutions, ordinances, and rules adopted by a municipal 4331  
corporation for the imposition and administration of a municipal 4332  
income tax. 4333

(RR) "Qualified municipal corporation" means a municipal 4334  
corporation that, by resolution or ordinance adopted on or 4335  
before December 31, 2011, adopted Ohio adjusted gross income, as 4336  
defined by section 5747.01 of the Revised Code, as the income 4337  
subject to tax for the purposes of imposing a municipal income 4338  
tax. 4339

(SS) (1) "Pre-2017 net operating loss carryforward" means 4340  
any net operating loss incurred in a taxable year beginning 4341  
before January 1, 2017, to the extent such loss was permitted, 4342  
by a resolution or ordinance of the municipal corporation that 4343  
was adopted by the municipal corporation before January 1, 2016, 4344  
to be carried forward and utilized to offset income or net 4345  
profit generated in such municipal corporation in future taxable 4346  
years. 4347

(2) For the purpose of calculating municipal taxable 4348

income, any pre-2017 net operating loss carryforward may be 4349  
carried forward to any taxable year, including taxable years 4350  
beginning in 2017 or thereafter, for the number of taxable years 4351  
provided in the resolution or ordinance or until fully utilized, 4352  
whichever is earlier. 4353

(TT) "Small employer" means any employer that had total 4354  
revenue of less than five hundred thousand dollars during the 4355  
preceding taxable year. For purposes of this division, "total 4356  
revenue" means receipts of any type or kind, including, but not 4357  
limited to, sales receipts; payments; rents; profits; gains, 4358  
dividends, and other investment income; compensation; 4359  
commissions; premiums; money; property; grants; contributions; 4360  
donations; gifts; program service revenue; patient service 4361  
revenue; premiums; fees, including premium fees and service 4362  
fees; tuition payments; unrelated business revenue; 4363  
reimbursements; any type of payment from a governmental unit, 4364  
including grants and other allocations; and any other similar 4365  
receipts reported for federal income tax purposes or under 4366  
generally accepted accounting principles. "Small employer" does 4367  
not include the federal government; any state government, 4368  
including any state agency or instrumentality; any political 4369  
subdivision; or any entity treated as a government for financial 4370  
accounting and reporting purposes. 4371

(UU) "Audit" means the examination of a person or the 4372  
inspection of the books, records, memoranda, or accounts of a 4373  
person for the purpose of determining liability for a municipal 4374  
income tax. 4375

(VV) "Publicly traded partnership" means any partnership, 4376  
an interest in which is regularly traded on an established 4377  
securities market. A "publicly traded partnership" may have any 4378

number of partners. 4379

(WW) "Tax commissioner" means the tax commissioner 4380  
appointed under section 121.03 of the Revised Code. 4381

(XX) "Out-of-state disaster business," "qualifying 4382  
solicitation," "qualifying employee," "disaster work," "critical 4383  
infrastructure," and "disaster response period" have the same 4384  
meanings as in section 5703.94 of the Revised Code. 4385

(YY) "Pension" means a retirement benefit plan, regardless 4386  
of whether the plan satisfies the qualifications described under 4387  
section 401(a) of the Internal Revenue Code, including amounts 4388  
that are taxable under the "Federal Insurance Contributions 4389  
Act," Chapter 21 of the Internal Revenue Code, excluding 4390  
employee contributions and elective deferrals, and regardless of 4391  
whether such amounts are paid in the same taxable year in which 4392  
the amounts are included in the employee's wages, as defined by 4393  
section 3121(a) of the Internal Revenue Code. 4394

(ZZ) "Retirement benefit plan" means an arrangement 4395  
whereby an entity provides benefits to individuals either on or 4396  
after their termination of service because of retirement or 4397  
disability. "Retirement benefit plan" does not include wage 4398  
continuation payments, severance payments, or payments made for 4399  
accrued personal or vacation time. 4400

**Sec. 718.021.** (A) As used in this section: 4401

(1) "Nonqualified deferred compensation plan" means a 4402  
compensation plan described in section 3121(v)(2)(C) of the 4403  
Internal Revenue Code. 4404

(2) (a) Except as provided in division (A)(2)(b) of this 4405  
section, "qualifying loss" means the excess, if any, of the 4406  
total amount of compensation the payment of which is deferred 4407

pursuant to a nonqualified deferred compensation plan over the 4408  
total amount of income the taxpayer has recognized for federal 4409  
income tax purposes for all taxable years on a cumulative basis 4410  
as compensation with respect to the taxpayer's receipt of money 4411  
and property attributable to distributions in connection with 4412  
the nonqualified deferred compensation plan. 4413

(b) If, for one or more taxable years, the taxpayer has 4414  
not paid to one or more municipal corporations income tax 4415  
imposed on the entire amount of compensation the payment of 4416  
which is deferred pursuant to a nonqualified deferred 4417  
compensation plan, then the "qualifying loss" is the product of 4418  
the amount resulting from the calculation described in division 4419  
(A) (2) (a) of this section computed without regard to division 4420  
(A) (2) (b) of this section and a fraction the numerator of which 4421  
is the portion of such compensation on which the taxpayer has 4422  
paid income tax to one or more municipal corporations and the 4423  
denominator of which is the total amount of compensation the 4424  
payment of which is deferred pursuant to a nonqualified deferred 4425  
compensation plan. 4426

(c) With respect to a nonqualified deferred compensation 4427  
plan, the taxpayer sustains a qualifying loss only in the 4428  
taxable year in which the taxpayer receives the final 4429  
distribution of money and property pursuant to that nonqualified 4430  
deferred compensation plan. 4431

(3) "Qualifying tax rate" means the applicable tax rate 4432  
for the taxable year for ~~the~~ which the taxpayer paid income tax 4433  
to a municipal corporation with respect to any portion of the 4434  
total amount of compensation the payment of which is deferred 4435  
pursuant to a nonqualified deferred compensation plan. If 4436  
different tax rates applied for different taxable years, then 4437



the "qualifying tax rate" is a weighted average of those 4438  
different tax rates. The weighted average shall be based upon 4439  
the tax paid to the municipal corporation each year with respect 4440  
to the nonqualified deferred compensation plan. 4441

(B) (1) Except as provided in division (D) of this section, 4442  
a refundable credit shall be allowed against the income tax 4443  
imposed by a municipal corporation for each qualifying loss 4444  
sustained by a taxpayer during the taxable year. The amount of 4445  
the credit shall be equal to the product of the qualifying loss 4446  
and the qualifying tax rate. 4447

(2) A taxpayer shall claim the credit allowed under this 4448  
section from each municipal corporation to which the taxpayer 4449  
paid municipal income tax with respect to the nonqualified 4450  
deferred compensation plan in one or more taxable years. 4451

(3) If a taxpayer has paid tax to more than one municipal 4452  
corporation with respect to the nonqualified deferred 4453  
compensation plan, the amount of the credit that a taxpayer may 4454  
claim from each municipal corporation shall be calculated on the 4455  
basis of each municipal corporation's proportionate share of the 4456  
total municipal corporation income tax paid by the taxpayer to 4457  
all municipal corporations with respect to the nonqualified 4458  
deferred compensation plan. 4459

(4) In no case shall the amount of the credit allowed 4460  
under this section exceed the cumulative income tax that a 4461  
taxpayer has paid to a municipal corporation for all taxable 4462  
years with respect to the nonqualified deferred compensation 4463  
plan. 4464

(C) (1) For purposes of this section, municipal corporation 4465  
income tax that has been withheld with respect to a nonqualified 4466

deferred compensation plan shall be considered to have been paid 4467  
by the taxpayer with respect to the nonqualified deferred 4468  
compensation plan. 4469

(2) Any municipal income tax that has been refunded or 4470  
otherwise credited for the benefit of the taxpayer with respect 4471  
to a nonqualified deferred compensation plan shall not be 4472  
considered to have been paid to the municipal corporation by the 4473  
taxpayer. 4474

(D) The credit allowed under this section is allowed only 4475  
to the extent the taxpayer's qualifying loss is attributable to: 4476

(1) The insolvency or bankruptcy of the employer who had 4477  
established the nonqualified deferred compensation plan; or 4478

(2) The employee's failure or inability to satisfy all of 4479  
the employer's terms and conditions necessary to receive the 4480  
nonqualified deferred compensation. 4481

**Sec. 929.01.** As used in this chapter: 4482

(A) "Agricultural production" means commercial 4483  
aquaculture, algaculture meaning the farming of algae, 4484  
apiculture, animal husbandry, or poultry husbandry; the 4485  
production for a commercial purpose of timber, field crops, 4486  
tobacco, fruits, vegetables, nursery stock, ornamental shrubs, 4487  
ornamental trees, flowers, or sod; the growth of timber for a 4488  
noncommercial purpose if the land on which the timber is grown 4489  
is contiguous to or part of a parcel of land under common 4490  
ownership that is otherwise devoted exclusively to agricultural 4491  
use; or any combination of such husbandry, production, or 4492  
growth; and includes the processing, drying, storage, and 4493  
marketing of agricultural products when those activities are 4494  
conducted in conjunction with such husbandry, production, or 4495

growth. 4496

"Agricultural production" includes conservation practices, 4497  
provided that the tracts, lots, or parcels of land or portions 4498  
thereof that are used for conservation practices comprise not 4499  
more than twenty-five per cent of tracts, lots, or parcels of 4500  
land that are otherwise devoted exclusively to agricultural use 4501  
and for which an application is filed under section 929.02 of 4502  
the Revised Code. 4503

(B) "Withdrawal from an agricultural district" includes 4504  
the explicit removal of land from an agricultural district, 4505  
conversion of land in an agricultural district to use for 4506  
purposes other than agricultural production, and withdrawal of 4507  
land from a land retirement or conservation program to use for 4508  
purposes other than agricultural production. Withdrawal from an 4509  
agricultural district does not include land described in 4510  
division (A) ~~(4)~~ (3) of section 5713.30 of the Revised Code. 4511

(C) "Conservation practice" has the same meaning as in 4512  
section 5713.30 of the Revised Code. 4513

**Sec. 1545.041.** (A) Any township park district created 4514  
pursuant to section 511.18 of the Revised Code that includes 4515  
park land located outside the township in which the park 4516  
district was established may be converted under the procedures 4517  
provided in this section into a park district to be operated and 4518  
maintained as provided for in this chapter, provided that there 4519  
is no existing park district created under section 1545.04 of 4520  
the Revised Code in the county in which the township park 4521  
district is located. The proposed park district shall include 4522  
within its boundary all townships and municipal corporations in 4523  
which lands owned by the township park district seeking 4524  
conversion are located, and may include any other townships and 4525

municipal corporations in the county in which the township park district is located. 4526  
4527

(B) Conversion of a township park district into a park district operated and maintained under this chapter shall be initiated by a resolution adopted by the board of park commissioners of the park district. Any resolution initiating a conversion shall include the following: 4528  
4529  
4530  
4531  
4532

(1) The name of the township park district seeking conversion; 4533  
4534

(2) The name of the proposed park district; 4535

(3) An accurate description of the territory to be included in the proposed district; 4536  
4537

(4) An accurate map or plat of the proposed park district. The resolution may also include a proposed tax levy for the operation and maintenance of the proposed park district. If such a tax levy is proposed, the resolution shall specify the annual rate of the tax, expressed in dollars and cents for each one hundred dollars of valuation and in mills for each dollar of valuation, and shall specify the number of consecutive years the levy will be in effect. The annual rate of such a tax may not be higher than the total combined millage of all levies then in effect for the benefit of the township park district named in the resolution. 4538  
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(C) Upon adoption of the resolution provided for in division (B) of this section, the board of park commissioners of the township park district seeking conversion under this section shall certify the resolution to the board of elections of the county in which the park district is located no later than four p.m. of the seventy-fifth day before the day of the election at 4549  
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which the question will be voted upon. Upon certification of the  
resolution to the board, the board of elections shall make the  
necessary arrangements to submit the question of conversion of  
the township park into a park district operated and maintained  
under Chapter 1545. of the Revised Code, to the electors  
qualified to vote at the next primary or general election who  
reside in the territory of the proposed park district. The  
question shall provide for a tax levy if such a levy is  
specified in the resolution.

(D) The ballot submitted to the electors as provided in  
division (C) of this section shall contain the following  
language:

"Shall the \_\_\_\_\_ (name of the township park  
district seeking conversion) be converted into a park district  
to be operated and maintained under Chapter 1545. of the Revised  
Code under the name of \_\_\_\_\_ (name of proposed park  
district), which park district shall include the following  
townships and municipal corporations:

(Name townships and municipal corporations)

Approval of the proposed conversion will result in the  
termination of all existing tax levies voted for the benefit of  
\_\_\_\_\_ (name of the township park district sought to be  
converted) and in the levy of a new tax for the operation and  
maintenance of \_\_\_\_\_ (name of proposed park district)  
at a rate not exceeding \_\_\_\_\_ (number of mills) mills for  
each one dollar of valuation, which is \_\_\_\_\_ (rate expressed  
in dollars and cents) for each one hundred dollars of valuation,  
for \_\_\_\_\_ (number of years the millage is to be imposed) years,  
commencing on the \_\_\_\_\_ (year) tax duplicate.

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	For the proposed conversion	
	Against the proposed conversion	"

(E) If the proposed conversion is approved by at least a majority of the electors voting on the proposal, the township park district that seeks conversion shall become a park district subject to Chapter 1545. of the Revised Code effective the first day of January following approval by the voters. The park district shall have the name specified in the resolution, and effective the first day of January following approval by the voters, the following shall occur:

(1) The indebtedness of the former township park district shall be assumed by the new park district;

(2) All rights, assets, properties, and other interests of the former township park district shall become vested in the new park district, including the rights to any tax revenues previously vested in the former township park district; provided, that all tax levies in excess of the ten mill limitation approved for the benefit of the former township park district shall be removed from the tax lists after the February settlement next succeeding the conversion. Any tax levy approved in connection with the conversion shall be certified as provided in section 5705.25 of the Revised Code.

(3) The members of the board of park commissioners of the former township park district shall be the members ~~of the~~ ~~members~~ of the board of park commissioners of the new park district, with all the same powers and duties as if appointed under section 1545.05 of the Revised Code. The term of each such

commissioner shall expire on the first day of January of the 4610  
year following the year in which his term would have expired 4611  
under section 511.19 of the Revised Code. Thereafter, 4612  
commissioners shall be appointed pursuant to section 1545.05 of 4613  
the Revised Code. 4614

**Sec. 1545.21.** The board of park commissioners, by 4615  
resolution, may submit to the electors of the park district the 4616  
question of levying taxes for the use of the district. The 4617  
resolution shall declare the necessity of levying such taxes, 4618  
shall specify the purpose for which such taxes shall be used, 4619  
the annual rate proposed, and the number of consecutive years 4620  
the rate shall be levied. Such resolution shall be forthwith 4621  
certified to the board of elections in each county in which any 4622  
part of such district is located, not later than the ninetieth 4623  
day before the day of the election, and the question of the levy 4624  
of taxes as provided in such resolution shall be submitted to 4625  
the electors of the district at a special election to be held on 4626  
whichever of the following occurs first: 4627

(A) The day of the next general election; 4628

(B) The first Tuesday after the first Monday in May in any 4629  
calendar year, except that if a presidential primary election is 4630  
held in that calendar year, then the day of that election. ~~The~~ 4631

The ballot shall set forth the purpose for which the taxes 4632  
shall be levied, the annual rate of levy, and the number of 4633  
years of such levy. If the tax is to be placed on the current 4634  
tax list, the form of the ballot shall state that the tax will 4635  
be levied in the current tax year and shall indicate the first 4636  
calendar year the tax will be due. If the resolution of the 4637  
board of park commissioners provides that an existing levy will 4638  
be canceled upon the passage of the new levy, the ballot may 4639

include a statement that: "an existing levy of \_\_\_ mills 4640  
(stating the original levy millage), having \_\_\_ years remaining, 4641  
will be canceled and replaced upon the passage of this levy." In 4642  
such case, the ballot may refer to the new levy as a 4643  
"replacement levy" if the new millage does not exceed the 4644  
original millage of the levy being canceled or as a "replacement 4645  
and additional levy" if the new millage exceeds the original 4646  
millage of the levy being canceled. If a majority of the 4647  
electors voting upon the question of such levy vote in favor 4648  
thereof, such taxes shall be levied and shall be in addition to 4649  
the taxes authorized by section 1545.20 of the Revised Code, and 4650  
all other taxes authorized by law. The rate submitted to the 4651  
electors at any one time shall not exceed two mills annually 4652  
upon each dollar of valuation unless the purpose of the levy 4653  
includes providing operating revenues for one of Ohio's major 4654  
metropolitan zoos, as defined in section 4503.74 of the Revised 4655  
Code, in which case the rate shall not exceed three mills 4656  
annually upon each dollar of valuation. When a tax levy has been 4657  
authorized as provided in this section or in section 1545.041 of 4658  
the Revised Code, the board of park commissioners may issue 4659  
bonds pursuant to section 133.24 of the Revised Code in 4660  
anticipation of the collection of such levy, provided that such 4661  
bonds shall be issued only for the purpose of acquiring and 4662  
improving lands. Such levy, when collected, shall be applied in 4663  
payment of the bonds so issued and the interest thereon. The 4664  
amount of bonds so issued and outstanding at any time shall not 4665  
exceed one per cent of the total tax valuation in such district. 4666  
Such bonds shall bear interest at a rate not to exceed the rate 4667  
determined as provided in section 9.95 of the Revised Code. 4668

**Sec. 1711.15.** In any county in which there is a duly 4669  
organized county agricultural society, the board of county 4670



commissioners or the county agricultural society itself may 4671  
purchase or lease, for a term of not less than twenty years, 4672  
real estate on which to hold fairs under the management and 4673  
control of the county agricultural society, and may erect 4674  
suitable buildings on the real estate and otherwise improve it. 4675

In counties in which there is a county agricultural 4676  
society that has purchased, or leased for a term of not less 4677  
than twenty years, real estate as a site on which to hold fairs, 4678  
or if the title to the site is vested in fee in the county, the 4679  
board of county commissioners may erect or repair buildings or 4680  
otherwise improve the site and pay the rental of it, or 4681  
contribute to or pay any other form of indebtedness of the 4682  
society, if the director of agriculture has certified to the 4683  
board that the county agricultural society is complying with all 4684  
laws and rules governing the operation of county agricultural 4685  
societies. The board may appropriate from the county's general 4686  
fund or permanent improvement fund, and may appropriate revenue 4687  
from a tax levied under division ~~(H)~~(T) of section 5739.09 of 4688  
the Revised Code, any amount that it considers necessary for any 4689  
of those purposes, provided that an appropriation of revenue 4690  
from that tax may be expended only for the purposes provided in 4691  
the resolution levying that tax. 4692

**Sec. 1711.16.** When the control and management of a 4693  
fairground is in a county agricultural society, and the board of 4694  
county commissioners has appropriated an amount for the aid of 4695  
the society as provided in section 1711.15 of the Revised Code, 4696  
the society, with the consent of the board, may contract for the 4697  
erection or repair of buildings or otherwise improve the 4698  
fairground, to the extent that the payment for the improvement 4699  
is provided by the board. 4700

When the appropriation is made by the board, the county auditor shall place the proceeds in a special fund, designated the "county agricultural society fund," indicating the purpose for which it is available, provided that an appropriation of revenue from a tax levied by the board under division ~~(L)~~(T) of section 5739.09 of the Revised Code may be expended only for the purposes provided in the resolution levying that tax. On application of the treasurer of the society, the auditor shall issue an order for the amount of the appropriation to the treasurer of the society, if the society has secured the certificate required under section 1711.05 of the Revised Code, on the treasurer's filing with the auditor a bond in double the amount collected, with good and sufficient sureties approved by the auditor, conditioned for the satisfactory paying over and accounting of the funds for the purposes for which they were provided. The funds shall remain in the special fund in which they are placed by the auditor until they are applied for by the treasurer of the society and the bond is given, or until they are expended by the board for the purposes for which the fund was created. If the society ceases to exist or releases the fund as not required for the purposes for which the fund was created, the board may by resolution transfer the fund to the general fund of the county.

**Sec. 3316.03.** (A) The existence of a fiscal watch shall be declared by the auditor of state. The auditor of state may make a determination on the auditor of state's initiative, or upon receipt of a written request for such a determination, which may be filed by the governor, the superintendent of public instruction, or a majority of the members of the board of education of the school district.

(1) The auditor of state shall declare a school district

to be in a state of fiscal watch if the auditor of state 4732  
determines that both of the following conditions are satisfied 4733  
with respect to the school district: 4734

(a) An operating deficit has been certified for the 4735  
current fiscal year by the auditor of state, and the certified 4736  
operating deficit exceeds eight per cent of the school 4737  
district's general fund revenue for the preceding fiscal year; 4738

(b) A majority of the voting electors have not voted in 4739  
favor of levying a tax under section 5705.194, 5705.199, or 4740  
5705.21 or Chapter 5748. of the Revised Code that the auditor of 4741  
state expects will raise enough additional revenue in the next 4742  
succeeding fiscal year that division (A) (1) (a) of this section 4743  
will not apply to the district in such next succeeding fiscal 4744  
year. 4745

(2) The auditor of state shall declare a school district 4746  
to be in a state of fiscal watch if the auditor of state 4747  
determines that the school district has outstanding securities 4748  
issued under division (A) (4) of section 3316.06 of the Revised 4749  
Code, and its financial planning and supervision commission has 4750  
been terminated under section 3316.16 of the Revised Code. 4751

(3) The auditor of state shall declare a school district 4752  
to be in a state of fiscal watch if both of the following 4753  
conditions are satisfied: 4754

(a) The superintendent of public instruction has reported 4755  
to the auditor of state that the superintendent has declared the 4756  
district under section 3316.031 of the Revised Code to be under 4757  
a fiscal caution, has found that the district has not acted 4758  
reasonably to eliminate or correct practices or conditions that 4759  
prompted the declaration, and has determined the declaration of 4760

a state of fiscal watch necessary to prevent further fiscal 4761  
decline; 4762

(b) The auditor of state determines that the decision of 4763  
the superintendent is reasonable. 4764

If the auditor of state determines that the decision of 4765  
the superintendent is not reasonable, the auditor of state shall 4766  
provide the superintendent with a written explanation of that 4767  
determination. 4768

(4) The auditor of state may declare a school district to 4769  
be in a state of fiscal watch if all of the following conditions 4770  
are satisfied: 4771

(a) An operating deficit has been certified for the 4772  
current fiscal year by the auditor of state, and the certified 4773  
operating deficit exceeds two per cent, but does not exceed 4774  
eight per cent, of the school district's general fund revenue 4775  
for the preceding fiscal year; 4776

(b) A majority of the voting electors have not voted in 4777  
favor of levying a tax under section 5705.194, 5705.199, or 4778  
5705.21 or Chapter 5748. of the Revised Code that the auditor of 4779  
state expects will raise enough additional revenue in the next 4780  
succeeding fiscal year that division (A) (4) (a) of this section 4781  
will not apply to the district in the next succeeding fiscal 4782  
year; 4783

(c) The auditor of state determines that there is no 4784  
reasonable cause for the deficit or that the declaration of 4785  
fiscal watch is necessary to prevent further fiscal decline in 4786  
the district. 4787

(B) (1) The auditor of state shall issue an order declaring 4788  
a school district to be in a state of fiscal emergency if the 4789

auditor of state determines that both of the following 4790  
conditions are satisfied with respect to the school district: 4791

(a) An operating deficit has been certified for the 4792  
current fiscal year by the auditor of state, and the certified 4793  
operating deficit exceeds fifteen per cent of the school 4794  
district's general fund revenue for the preceding fiscal year. 4795  
~~In determining the amount of an operating deficit under division~~ 4796  
~~(B) (1) (a) of this section, the auditor of state shall credit~~ 4797  
~~toward the amount of that deficit only the amount that may be~~ 4798  
~~borrowed from the spending reserve balance as determined under~~ 4799  
~~section 133.301 and division (F) of section 5705.29 of the~~ 4800  
~~Revised Code.~~ 4801

(b) A majority of the voting electors have not voted in 4802  
favor of levying a tax under section 5705.194, 5705.199, or 4803  
5705.21 or Chapter 5748. of the Revised Code that the auditor of 4804  
state expects will raise enough additional revenue in the next 4805  
succeeding fiscal year that division (B) (1) (a) of this section 4806  
will not apply to the district in such next succeeding fiscal 4807  
year. 4808

(2) The auditor of state shall issue an order declaring a 4809  
school district to be in a state of fiscal emergency if the 4810  
school district board fails, pursuant to section 3316.04 of the 4811  
Revised Code, to submit a plan acceptable to the state 4812  
superintendent of public instruction within one hundred twenty 4813  
days of the auditor of state's declaration under division (A) of 4814  
this section or an updated plan when one is required by division 4815  
(C) of section 3316.04 of the Revised Code; 4816

(3) The auditor of state shall issue an order declaring a 4817  
school district to be in a state of fiscal emergency if both of 4818  
the following conditions are satisfied: 4819

(a) The superintendent of public instruction has reported 4820  
to the auditor of state that the district is not materially 4821  
complying with the provisions of an original or updated plan as 4822  
approved by the state superintendent under section 3316.04 of 4823  
the Revised Code, and that the state superintendent has 4824  
determined the declaration of a state of fiscal emergency 4825  
necessary to prevent further fiscal decline; 4826

(b) The auditor of state finds that the determination of 4827  
the superintendent is reasonable. 4828

If the auditor of state determines that the decision of 4829  
the superintendent is not reasonable, the auditor of state shall 4830  
provide the superintendent a written explanation of that 4831  
determination. 4832

(4) The auditor of state shall issue an order declaring a 4833  
school district to be in a state of fiscal emergency if a 4834  
declaration of fiscal emergency is required by division (D) of 4835  
section 3316.04 of the Revised Code. 4836

(5) The auditor of state may issue an order declaring a 4837  
school district to be in a state of fiscal emergency if all of 4838  
the following conditions are satisfied: 4839

(a) An operating deficit has been certified for the 4840  
current fiscal year by the auditor of state, and the certified 4841  
operating deficit exceeds ten per cent, but does not exceed 4842  
fifteen per cent, of the school district's general fund revenue 4843  
for the preceding fiscal year; 4844

(b) A majority of the voting electors have not voted in 4845  
favor of levying a tax under section 5705.194, 5705.199, or 4846  
5705.21 or Chapter 5748. of the Revised Code that the auditor of 4847  
state expects will raise enough additional revenue in the next 4848

succeeding fiscal year that division (B) (5) (a) of this section 4849  
will not apply to the district in the next succeeding fiscal 4850  
year; 4851

(c) The auditor of state determines that a declaration of 4852  
fiscal emergency is necessary to correct the district's fiscal 4853  
problems and to prevent further fiscal decline. 4854

(C) In making the determinations under this section, the 4855  
auditor of state may use financial reports required under 4856  
section 117.43 of the Revised Code; tax budgets, certificates of 4857  
estimated resources and amendments thereof, annual appropriating 4858  
measures and spending plans, and any other documents or 4859  
information prepared pursuant to Chapter 5705. of the Revised 4860  
Code; and any other documents, records, or information available 4861  
to the auditor of state that indicate the conditions described 4862  
in divisions (A) and (B) of this section. 4863

(D) The auditor of state shall certify the action taken 4864  
under division (A) or (B) of this section to the board of 4865  
education of the school district, the director of budget and 4866  
management, the mayor or county auditor who could be required to 4867  
act pursuant to division (B) (1) of section 3316.05 of the 4868  
Revised Code, and to the superintendent of public instruction. 4869

(E) A determination by the auditor of state under this 4870  
section that a fiscal emergency condition does not exist is 4871  
final and conclusive and not appealable. A determination by the 4872  
auditor of state under this section that a fiscal emergency 4873  
exists is final, except that the board of education of the 4874  
school district affected by such a determination may appeal the 4875  
determination of the existence of a fiscal emergency condition 4876  
to the court of appeals having territorial jurisdiction over the 4877  
school district. The appeal shall be heard expeditiously by the 4878

court of appeals and for good cause shown shall take precedence 4879  
over all other civil matters except earlier matters of the same 4880  
character. Notice of such appeal must be filed with the auditor 4881  
of state and such court within thirty days after certification 4882  
by the auditor of state to the board of education of the school 4883  
district provided for in division (D) of this section. In such 4884  
appeal, determinations of the auditor of state shall be presumed 4885  
to be valid and the board of education shall have the burden of 4886  
proving, by clear and convincing evidence, that each of the 4887  
determinations made by the auditor of state as to the existence 4888  
of a fiscal emergency condition under this section was in error. 4889  
If the board of education fails, upon presentation of its case, 4890  
to prove by clear and convincing evidence that each such 4891  
determination by the auditor of state was in error, the court 4892  
shall dismiss the appeal. The board of education and the auditor 4893  
of state may introduce any evidence relevant to the existence or 4894  
nonexistence of such fiscal emergency conditions. The pendency 4895  
of any such appeal shall not affect or impede the operations of 4896  
this chapter; no restraining order, temporary injunction, or 4897  
other similar restraint upon actions consistent with this 4898  
chapter shall be imposed by the court or any court pending 4899  
determination of such appeal; and all things may be done under 4900  
this chapter that may be done regardless of the pendency of any 4901  
such appeal. Any action taken or contract executed pursuant to 4902  
this chapter during the pendency of such appeal is valid and 4903  
enforceable among all parties, notwithstanding the decision in 4904  
such appeal. If the court of appeals reverses the determination 4905  
of the existence of a fiscal emergency condition by the auditor 4906  
of state, the determination no longer has any effect, and any 4907  
procedures undertaken as a result of the determination shall be 4908  
terminated. 4909



**Sec. 3316.06.** (A) Within one hundred twenty days after the 4910  
first meeting of a school district financial planning and 4911  
supervision commission, the commission shall adopt a financial 4912  
recovery plan regarding the school district for which the 4913  
commission was created. During the formulation of the plan, the 4914  
commission shall seek appropriate input from the school district 4915  
board and from the community. This plan shall contain the 4916  
following: 4917

(1) Actions to be taken to: 4918

(a) Eliminate all fiscal emergency conditions declared to 4919  
exist pursuant to division (B) of section 3316.03 of the Revised 4920  
Code; 4921

(b) Satisfy any judgments, past-due accounts payable, and 4922  
all past-due and payable payroll and fringe benefits; 4923

(c) Eliminate the deficits in all deficit funds, except 4924  
that any prior year deficits in the capital and maintenance fund 4925  
established pursuant to section 3315.18 of the Revised Code 4926  
shall be forgiven; 4927

(d) Restore to special funds any moneys from such funds 4928  
that were used for purposes not within the purposes of such 4929  
funds, or borrowed from such funds by the purchase of debt 4930  
obligations of the school district with the moneys of such 4931  
funds, or missing from the special funds and not accounted for, 4932  
if any; 4933

(e) Balance the budget, avoid future deficits in any 4934  
funds, and maintain on a current basis payments of payroll, 4935  
fringe benefits, and all accounts; 4936

(f) Avoid any fiscal emergency condition in the future; 4937

(g) Restore the ability of the school district to market 4938  
long-term general obligation bonds under provisions of law 4939  
applicable to school districts generally. 4940

(2) The management structure that will enable the school 4941  
district to take the actions enumerated in division (A) (1) of 4942  
this section. The plan shall specify the level of fiscal and 4943  
management control that the commission will exercise within the 4944  
school district during the period of fiscal emergency, and shall 4945  
enumerate respectively, the powers and duties of the commission 4946  
and the powers and duties of the school board during that 4947  
period. The commission may elect to assume any of the powers and 4948  
duties of the school board it considers necessary, including all 4949  
powers related to personnel, curriculum, and legal issues in 4950  
order to successfully implement the actions described in 4951  
division (A) (1) of this section. 4952

(3) The target dates for the commencement, progress upon, 4953  
and completion of the actions enumerated in division (A) (1) of 4954  
this section and a reasonable period of time expected to be 4955  
required to implement the plan. The commission shall prepare a 4956  
reasonable time schedule for progress toward and achievement of 4957  
the requirements for the plan, and the plan shall be consistent 4958  
with that time schedule. 4959

(4) The amount and purpose of any issue of debt 4960  
obligations that will be issued, together with assurances that 4961  
any such debt obligations that will be issued will not exceed 4962  
debt limits supported by appropriate certifications by the 4963  
fiscal officer of the school district and the county auditor. 4964  
~~Debt obligations issued pursuant to section 133.301 of the~~ 4965  
~~Revised Code shall include assurances that such debt shall be in~~ 4966  
~~an amount not to exceed the amount certified under division (B)~~ 4967

~~of such section.~~ If the commission considers it necessary in 4968  
order to maintain or improve educational opportunities of pupils 4969  
in the school district, the plan may include a proposal to 4970  
restructure or refinance outstanding debt obligations incurred 4971  
by the board under section 3313.483 of the Revised Code 4972  
contingent upon the approval, during the period of the fiscal 4973  
emergency, by district voters of a tax levied under section 4974  
718.09, 718.10, 5705.194, 5705.21, 5748.02, 5748.08, or 5748.09 4975  
of the Revised Code that is not a renewal or replacement levy, 4976  
or a levy under section 5705.199 of the Revised Code, and that 4977  
will provide new operating revenue. Notwithstanding any 4978  
provision of Chapter 133. or sections 3313.483 to 3313.4810 of 4979  
the Revised Code, following the required approval of the 4980  
district voters and with the approval of the commission, the 4981  
school district may issue securities to evidence the 4982  
restructuring or refinancing. Those securities may extend the 4983  
original period for repayment, not to exceed ten years, and may 4984  
alter the frequency and amount of repayments, interest or other 4985  
financing charges, and other terms of agreements under which the 4986  
debt originally was contracted, at the discretion of the 4987  
commission, provided that any loans received pursuant to section 4988  
3313.483 of the Revised Code shall be paid from funds the 4989  
district would otherwise receive under Chapter 3317. of the 4990  
Revised Code, as required under division (E) (3) of section 4991  
3313.483 of the Revised Code. The securities issued for the 4992  
purpose of restructuring or refinancing the debt shall be repaid 4993  
in equal payments and at equal intervals over the term of the 4994  
debt and are not eligible to be included in any subsequent 4995  
proposal for the purpose of restructuring or refinancing debt 4996  
under this section. 4997

(5) An evaluation of the feasibility of entering into 4998

shared services agreements with other political subdivisions for 4999  
the joint exercise of any power, performance of any function, or 5000  
rendering of any service, if so authorized by statute. 5001

(B) Any financial recovery plan may be amended subsequent 5002  
to its adoption. Each financial recovery plan shall be updated 5003  
annually. 5004

(C) Each school district financial planning and 5005  
supervision commission shall submit the financial recovery plan 5006  
it adopts or updates under this section to the state 5007  
superintendent of public instruction for approval immediately 5008  
following its adoption or updating. The state superintendent 5009  
shall evaluate the plan and either approve or disapprove it 5010  
within thirty calendar days from the date of its submission. If 5011  
the plan is disapproved, the state superintendent shall 5012  
recommend modifications that will render it acceptable. No 5013  
financial planning and supervision commission shall implement a 5014  
financial recovery plan that is adopted or updated on or after 5015  
April 10, 2001, unless the state superintendent has approved it. 5016

**Sec. 3317.01.** As used in this section, "school district," 5017  
unless otherwise specified, means any city, local, exempted 5018  
village, joint vocational, or cooperative education school 5019  
district and any educational service center. 5020

This chapter shall be administered by the state board of 5021  
education. The superintendent of public instruction shall 5022  
calculate the amounts payable to each school district and shall 5023  
certify the amounts payable to each eligible district to the 5024  
treasurer of the district as provided by this chapter. ~~As soon-~~ 5025  
~~as possible after such amounts are calculated, the~~ 5026  
~~superintendent shall certify to the treasurer of each school-~~ 5027  
~~district the district's adjusted charge off increase, as defined-~~ 5028

~~in section 5705.211 of the Revised Code.~~ Certification of moneys 5029  
pursuant to this section shall include the amounts payable to 5030  
each school building, at a frequency determined by the 5031  
superintendent, for each subgroup of students, as defined in 5032  
section 3317.40 of the Revised Code, receiving services, 5033  
provided for by state funding, from the district or school. No 5034  
moneys shall be distributed pursuant to this chapter without the 5035  
approval of the controlling board. 5036

The state board of education shall, in accordance with 5037  
appropriations made by the general assembly, meet the financial 5038  
obligations of this chapter. 5039

Moneys distributed to school districts pursuant to this 5040  
chapter shall be calculated based on the annual enrollment 5041  
calculated from the three reports required under sections 5042  
3317.03 and 3317.036 of the Revised Code and paid on a fiscal 5043  
year basis, beginning with the first day of July and extending 5044  
through the thirtieth day of June. In any given fiscal year, 5045  
prior to school districts submitting the first report required 5046  
under section 3317.03 of the Revised Code, enrollment for the 5047  
districts shall be calculated based on the third report 5048  
submitted by the districts for the previous fiscal year. The 5049  
moneys appropriated for each fiscal year shall be distributed 5050  
periodically to each school district unless otherwise provided 5051  
for. The state board, in June of each year, shall submit to the 5052  
controlling board the state board's year-end distributions 5053  
pursuant to this chapter. 5054

Except as otherwise provided, payments under this chapter 5055  
shall be made only to those school districts in which: 5056

(A) The school district, except for any educational 5057  
service center and any joint vocational or cooperative education 5058

school district, levies for current operating expenses at least 5059  
twenty mills. Levies for joint vocational or cooperative 5060  
education school districts or county school financing districts, 5061  
limited to or to the extent apportioned to current expenses, 5062  
shall be included in this qualification requirement. School 5063  
district income tax levies under Chapter 5748. of the Revised 5064  
Code, limited to or to the extent apportioned to current 5065  
operating expenses, shall be included in this qualification 5066  
requirement to the extent determined by the tax commissioner 5067  
under division (C) of section 3317.021 of the Revised Code. 5068

(B) The school year next preceding the fiscal year for 5069  
which such payments are authorized meets the requirement of 5070  
section 3313.48 of the Revised Code, with regard to the minimum 5071  
number of hours school must be open for instruction with pupils 5072  
in attendance, for individualized parent-teacher conference and 5073  
reporting periods, and for professional meetings of teachers. 5074

A school district shall not be considered to have failed 5075  
to comply with this division because schools were open for 5076  
instruction but either twelfth grade students were excused from 5077  
attendance for up to the equivalent of three school days or only 5078  
a portion of the kindergarten students were in attendance for up 5079  
to the equivalent of three school days in order to allow for the 5080  
gradual orientation to school of such students. 5081

A board of education or governing board of an educational 5082  
service center which has not conformed with other law and the 5083  
rules pursuant thereto, shall not participate in the 5084  
distribution of funds authorized by this chapter, except for 5085  
good and sufficient reason established to the satisfaction of 5086  
the state board of education and the state controlling board. 5087

All funds allocated to school districts under this 5088

chapter, except those specifically allocated for other purposes, 5089  
shall be used to pay current operating expenses only. 5090

**Sec. 4301.20.** This chapter and Chapter 4303. of the 5091  
Revised Code do not prevent the following: 5092

(A) The storage of intoxicating liquor in bonded 5093  
warehouses, established in accordance with the acts of congress 5094  
and under the regulation of the United States, located in this 5095  
state, or the transportation of intoxicating liquor to or from 5096  
bonded warehouses of the United States wherever located; 5097

(B) A bona fide resident of this state who is the owner of 5098  
a warehouse receipt from obtaining or transporting to the 5099  
resident's residence for the resident's own consumption and not 5100  
for resale spirituous liquor stored in a government bonded 5101  
warehouse in this state or in another state prior to December 5102  
1933, subject to such terms as are prescribed by the division of 5103  
liquor control; 5104

(C) The manufacture of cider from fruit for the purpose of 5105  
making vinegar, and nonintoxicating cider and fruit juices for 5106  
use and sale; 5107

(D) A licensed physician or dentist from administering or 5108  
dispensing intoxicating liquor or alcohol to a patient in good 5109  
faith in the actual course of the practice of the physician's or 5110  
dentist's profession; 5111

(E) The sale of alcohol to physicians, dentists, 5112  
druggists, veterinary surgeons, manufacturers, hospitals, 5113  
infirmaries, or medical or educational institutions using the 5114  
alcohol for medicinal, mechanical, chemical, or scientific 5115  
purposes; 5116

(F) The sale, gift, or keeping for sale by druggists and 5117

others of any of the medicinal preparations manufactured in 5118  
accordance with the formulas prescribed by the United States 5119  
Pharmacopoeia and National Formulary, patent or proprietary 5120  
preparations, and other bona fide medicinal and technical 5121  
preparations, which contain no more alcohol than is necessary to 5122  
hold the medicinal agents in solution and to preserve the same, 5123  
which are manufactured and sold as medicine and not as 5124  
beverages, are unfit for use for beverage purposes, and the sale 5125  
of which does not require the payment of a United States liquor 5126  
dealer's tax; 5127

(G) The manufacture and sale of tinctures or of toilet, 5128  
medicinal, and antiseptic preparations and solutions not 5129  
intended for internal human use nor to be sold as beverages, and 5130  
which are unfit for beverage purposes, if upon the outside of 5131  
each bottle, box, or package of which there is printed in the 5132  
English language, conspicuously and legibly, the quantity by 5133  
volume of alcohol in the preparation or solution; 5134

(H) The manufacture and keeping for sale of the food 5135  
products known as flavoring extracts when manufactured and sold 5136  
for cooking, culinary, or flavoring purposes, and which are 5137  
unfit for use for beverage purposes; 5138

(I) The lawful sale of wood alcohol or of ethyl alcohol 5139  
for external use when combined with other substances as to make 5140  
it unfit for internal use; 5141

(J) The manufacture, sale, and transport of ethanol or 5142  
ethyl alcohol for use as fuel. As used in this division, 5143  
"ethanol" has the same meaning as in section ~~5733.46~~122.075 of 5144  
the Revised Code. 5145

(K) The purchase and importation into this state or the 5146



purchase at wholesale from A or B permit holders in this state 5147  
of beer and intoxicating liquor for use in manufacturing 5148  
processes of nonbeverage food products under terms prescribed by 5149  
the division, provided that the terms prescribed by the division 5150  
shall not increase the cost of the beer or intoxicating liquor 5151  
to any person, firm, or corporation purchasing and importing it 5152  
into this state or purchasing it from an A or B permit holder 5153  
for that use; 5154

(L) Any resident of this state or any member of the armed 5155  
forces of the United States, who has attained the age of twenty- 5156  
one years, from bringing into this state, for personal use and 5157  
not for resale, not more than one liter of spirituous liquor, 5158  
four and one-half liters of wine, or two hundred eighty-eight 5159  
ounces of beer in any thirty-day period, and the same is free of 5160  
any tax consent fee when the resident or member of the armed 5161  
forces physically possesses and accompanies the spirituous 5162  
liquor, wine, or beer on returning from a foreign country, 5163  
another state, or an insular possession of the United States; 5164

(M) Persons, at least twenty-one years of age, who collect 5165  
ceramic commemorative bottles containing spirituous liquor that 5166  
have unbroken federal tax stamps on them from selling or trading 5167  
the bottles to other collectors. The bottles shall originally 5168  
have been purchased at retail from the division, legally 5169  
imported under division (L) of this section, or legally imported 5170  
pursuant to a supplier registration issued by the division. The 5171  
sales shall be for the purpose of exchanging a ceramic 5172  
commemorative bottle between private collectors and shall not be 5173  
for the purpose of selling the spirituous liquor for personal 5174  
consumption. The sale or exchange authorized by this division 5175  
shall not occur on the premises of any permit holder, shall not 5176  
be made in connection with the business of any permit holder, 5177

and shall not be made in connection with any mercantile 5178  
business. 5179

(N) The sale of beer or intoxicating liquor without a 5180  
liquor permit at a private residence, not more than five times 5181  
per calendar year at a residence address, at an event that has 5182  
the following characteristics: 5183

(1) The event is for a charitable, benevolent, or 5184  
political purpose, but shall not include any event the proceeds 5185  
of which are for the profit or gain of any individual; 5186

(2) The event has in attendance not more than fifty 5187  
people; 5188

(3) The event shall be for a period not to exceed twelve 5189  
hours; 5190

(4) The sale of beer and intoxicating liquor at the event 5191  
shall not take place between two-thirty a.m. and five-thirty 5192  
a.m.; 5193

(5) No person under twenty-one years of age shall purchase 5194  
or consume beer or intoxicating liquor at the event and no beer 5195  
or intoxicating liquor shall be sold to any person under twenty- 5196  
one years of age at the event; and 5197

(6) No person at the event shall sell or furnish beer or 5198  
intoxicating liquor to an intoxicated person. 5199

(O) The possession or consumption of beer or intoxicating 5200  
liquor by a person who is under twenty-one years of age and who 5201  
is a student at an accredited college or university, provided 5202  
that both of the following apply: 5203

(1) The person is required to taste and expectorate the 5204  
beer or intoxicating liquor for a culinary, food service, or 5205

hospitality course. 5206

(2) The person is under the direct supervision of the 5207  
instructor of the culinary, food service, or hospitality course. 5208

**Sec. 4582.024.** After a port authority has been created, 5209  
any municipal corporation, township, or county, acting by 5210  
ordinance, resolution of the township trustees, or resolution of 5211  
the county commissioners, respectively, which is contiguous to 5212  
such port authority, or to any municipal corporation, township, 5213  
or county which proposes to join such port authority at the same 5214  
time and is contiguous to such port authority, or any county 5215  
within which such port authority is situated, may join such port 5216  
authority and thereupon the jurisdiction and territory of such 5217  
port authority shall include such municipal corporation, county, 5218  
or township. If more than one such political subdivision is to 5219  
be joined to the port authority at the same time, then each such 5220  
ordinance or resolution shall designate the political 5221  
subdivisions which are to be so joined. Any territory or 5222  
municipal corporation not included in a port authority and which 5223  
is annexed to a municipal corporation included within the 5224  
jurisdiction and territory of a port authority shall, on such 5225  
annexation and without further proceedings, be annexed to and be 5226  
included in the jurisdiction and territory of such port 5227  
authority. Before such political subdivision or subdivisions are 5228  
joined to a port authority, other than by annexation to a 5229  
municipality, the political subdivision or subdivisions 5230  
theretofore comprising such port authority shall agree upon the 5231  
terms and conditions pursuant to which such political 5232  
subdivision or subdivisions are to be joined. For all purposes 5233  
of sections 4582.01 to 4582.20, inclusive, of the Revised Code, 5234  
such political subdivision or subdivisions shall be considered 5235  
to have participated in the creation of such port authority, 5236

except that the initial term of any director of the port 5237  
authority appointed by such a political subdivision shall be 5238  
four years. After each ordinance or resolution proposing joinder 5239  
to the port authority has become effective and the terms and 5240  
conditions of joinder have been agreed to, the board of 5241  
directors of the port authority shall by resolution either 5242  
accept or reject such joinder. Such joinder shall be effective 5243  
on adoption of the resolution accepting such joinder, unless the 5244  
port authority to which a political subdivision or subdivisions 5245  
including a county within which such port authority is located, 5246  
are to be joined has authority under section 4582.14 of the 5247  
Revised Code to levy a tax on property within its jurisdiction, 5248  
then such joinder shall not be effective until approved by the 5249  
affirmative vote of a majority of the electors voting on the 5250  
question of such joinder. If more than one political subdivision 5251  
is to be joined to the port authority, then the electors of such 5252  
subdivision shall vote as a district and the majority 5253  
affirmative vote shall be determined by the vote cast in such 5254  
district as a whole. Such election shall be called by the board 5255  
of directors of the port authority and shall be held, canvassed, 5256  
and certified in the manner provided for the submission of tax 5257  
levies under section 5705.191 of the Revised Code except that 5258  
the question appearing on the ballot shall read: 5259

"Shall \_\_\_\_\_ 5260  
(name or names of political subdivisions to be joined) 5261  
be joined to \_\_\_\_\_ (name) port authority and the 5262  
~~(name)~~ 5263  
existing tax levy (levies) of such port authority (aggregating) 5264  
\_\_\_\_\_ mill per dollar of valuation be authorized to be 5265

levied against properties within 5266

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" 5267

(name or names of political subdivisions to be joined) 5268

If the question is approved such joinder shall be immediately 5269

effective and the port authority shall be authorized to extend 5270

the levy of such tax against all the taxable property within the 5271

political subdivision or political subdivisions which have been 5272

joined. If such question is approved at a general election then 5273

the port authority may amend its budget and resolution adopted 5274

pursuant to section 5705.34 of the Revised Code and such levy 5275

shall be placed on the current tax list and duplicate and 5276

collected as other taxes are collected from all taxable property 5277

within the port authority including the political subdivision or 5278

political subdivisions joined as a result of such election. 5279

**Sec. 4582.26.** After a port authority has been created, any 5280

municipal corporation, township, county, or other political 5281

subdivision, acting by ordinance or resolution, which is 5282

contiguous to any municipal corporation, township, county, or 5283

other political subdivision which participated in the creation 5284

of such port authority or to any municipal corporation, 5285

township, county, or other political subdivision which proposes 5286

to join the port authority at the same time and is contiguous to 5287

any municipal corporation, township, county, or other political 5288

subdivision which participated in the creation of such port 5289

authority, may join such port authority, and thereupon the 5290

jurisdiction and territory of the port authority includes the 5291

municipal corporation, county, township, or other political 5292

subdivision so joining. If more than one such political 5293

subdivision is to be joined to the port authority at the same 5294

time, then each such ordinance or resolution shall designate the 5295

political subdivisions which are to be so joined. Any territory 5296  
or municipal corporation not included in a port authority and 5297  
which is annexed to a municipal corporation included within the 5298  
jurisdiction and territory of a port authority shall, on such 5299  
annexation and without further proceedings, be annexed to and be 5300  
included in the jurisdiction and territory of the port 5301  
authority. Before such political subdivision or subdivisions are 5302  
joined to a port authority, other than by annexation to a 5303  
municipal corporation, the political subdivision or subdivisions 5304  
theretofore comprising such port authority shall agree upon the 5305  
terms and conditions pursuant to which such political 5306  
subdivision or subdivisions are to be joined. For all purposes 5307  
of sections 4582.21 to 4582.59 of the Revised Code, such 5308  
political subdivision or subdivisions shall be considered to 5309  
have participated in the creation of such port authority, except 5310  
that the initial term of any director of the port authority 5311  
appointed by such a political subdivision shall be four years. 5312  
After each ordinance or resolution proposing joinder to the port 5313  
authority has become effective and the terms and conditions of 5314  
joinder have been agreed to, the board of directors of the port 5315  
authority shall by resolution either accept or reject such 5316  
joinder. Such joinder shall be effective upon adoption of the 5317  
resolution accepting such joinder, unless the port authority to 5318  
which a political subdivision or subdivisions, including a 5319  
county within which such port authority is located, are to be 5320  
joined, has authority under section 4582.40 of the Revised Code 5321  
to levy a tax on property within its jurisdiction, then such 5322  
joinder shall not be effective until approved by the affirmative 5323  
vote of a majority of the electors voting on the question of the 5324  
joinder. If more than one political subdivision is to be joined 5325  
to the port authority, then the electors of such subdivisions 5326  
shall vote as a district and the majority affirmative vote shall 5327

be determined by the vote cast in such district as a whole. The 5328  
election shall be called by the board of directors of the port 5329  
authority and shall be held, canvassed, and certified in the 5330  
manner provided for the submission of tax levies under section 5331  
5705.191 of the Revised Code except that the question appearing 5332  
on the ballot shall read: 5333

"Shall \_\_\_\_\_ 5334

(Name or names of political subdivisions to be joined) 5335

\_\_\_\_\_ 5336

~~be joined)~~ 5337

be joined to \_\_\_\_\_ (Name) port authority 5338

~~(Name)~~ 5339

and the existing tax levy (levies) of such port authority 5340

(aggregating) \_\_\_\_\_ mill per dollar of valuation 5341

be authorized to be levied against properties within 5342

\_\_\_\_\_?" 5343

(Name or names of political subdivisions to be joined) 5344

If the question is approved the joinder becomes immediately 5345

effective and the port authority is authorized to extend the 5346

levy of such tax against all the taxable property within the 5347

political subdivision or political subdivisions which have been 5348

joined. If such question is approved at a general election, then 5349

the port authority may amend its budget and resolution adopted 5350

pursuant to section 5705.34 of the Revised Code and such levy 5351

shall be placed on the current tax list and duplicate and 5352

collected as other taxes are collected from all taxable property 5353

within the port authority including the political subdivision or 5354

political subdivisions joined as a result of the election. 5355

**Sec. 4582.56.** (A) As used in this section: 5356

(1) "Eligible county" means a county whose territory 5357  
includes a part of Lake Erie the shoreline of which represents 5358  
at least fifty per cent of the linear length of the county's 5359  
border with other counties of this state. 5360

(2) "Lakeshore improvement project" means construction of 5361  
a port authority facility within one mile of the Lake Erie 5362  
shoreline in an eligible county. 5363

(3) "Construction" includes acquisition, alteration, 5364  
construction, creation, development, enlargement, equipment, 5365  
improvement, installation, reconstruction, remodeling, 5366  
renovation, or any combination thereof. 5367

(B) The board of directors of a port authority may enter 5368  
into an agreement with the board of county commissioners of an 5369  
eligible county that created the port authority providing for 5370  
all of the following, and any other terms mutually agreeable to 5371  
the boards: 5372

(1) The board of county commissioners levies an excise tax 5373  
under division ~~(M)~~(U) of section 5739.09 of the Revised Code 5374  
and pledges all the revenue from the tax to the port authority 5375  
for the purpose of financing lakeshore improvement projects 5376  
including the payment of debt charges on any securities issued 5377  
under division (C) of this section. 5378

(2) The port authority constructs or finances the 5379  
construction of lakeshore improvements and pays the costs of 5380  
such projects with revenue from the tax pledged under the 5381  
agreement. Such construction or financing is an authorized 5382  
purpose for the purposes of division (B) of section 4582.21 of 5383



the Revised Code. 5384

(3) The port authority may not enter into any contract or 5385  
other obligation regarding a lakeshore improvement project 5386  
before obtaining the approval for the project by the board of 5387  
county commissioners by a resolution of the board. 5388

(C) The board of directors of a port authority that enters 5389  
into an agreement under this section may issue port authority 5390  
special obligation bonds, and notes anticipating the proceeds of 5391  
the bonds, in the principal amount that, in the opinion of the 5392  
board, are necessary for the purpose of paying the costs of one 5393  
or more lakeshore improvement projects or parts of one or more 5394  
projects and interest on the bonds payable over the term of the 5395  
issue. The board may refund any special obligation bonds by the 5396  
issuance of special obligation refunding bonds regardless of 5397  
whether the bonds to be refunded have or have not matured. The 5398  
refunding bonds shall be sold, and the proceeds needed for such 5399  
purpose applied, in the manner provided in the bond proceedings. 5400

Every issue of special obligation bonds issued under this 5401  
section shall be payable from the revenue from the tax levied 5402  
under division ~~(M)~~ (U) of section 5739.09 of the Revised Code 5403  
and pledged for such payment under the agreement. The pledge 5404  
shall be valid and binding from the time the pledge is made, and 5405  
the revenue so pledged and received by the port authority shall 5406  
be subject to the lien of the pledge without any physical 5407  
delivery of the revenue or any further act. The lien of any 5408  
pledge is valid and binding as against all parties having claims 5409  
of any kind in tort, contract, or otherwise against the port 5410  
authority, whether or not such parties have notice of the lien. 5411  
Neither the resolution nor any trust agreement by which a pledge 5412  
is created need be filed or recorded except in the port 5413

authority's records. 5414

Whether or not the bonds are of such form and character as 5415  
to be negotiable instruments under Title XIII of the Revised 5416  
Code, the bonds shall have all the qualities and incidents of 5417  
negotiable instruments, subject only to their provisions for 5418  
registration, if any. 5419

Bonds issued under this section shall bear such date or 5420  
dates, and shall mature at such time or times not exceeding 5421  
thirty years from the date of issue of the original bonds and 5422  
shall be executed in the manner that the resolution authorizing 5423  
the bonds may provide. The bonds shall bear interest at such 5424  
rates, or at variable rate or rates changing from time to time, 5425  
in accordance with provisions provided in the authorizing 5426  
resolution, shall be in such denominations and form, either 5427  
coupon or registered, shall carry such registration privileges, 5428  
shall be payable in such medium of payment and at such place or 5429  
places, and be subject to such terms of redemption, as the board 5430  
of directors of the port authority may authorize or provide. The 5431  
bonds may be sold at public or private sale, and at, or at not 5432  
less than, the price or prices as the board determines. If any 5433  
officer whose signature or a facsimile of whose signature 5434  
appears on any bonds or coupons ceases to be such officer before 5435  
delivery of the bonds, the signature or facsimile shall 5436  
nevertheless be sufficient for all purposes as if the officer 5437  
had remained in office until delivery of the bonds, and in case 5438  
the seal of the authority has been changed after a facsimile has 5439  
been imprinted on the bonds, the facsimile seal will continue to 5440  
be sufficient for all purposes. 5441

Any resolution authorizing bonds under this section may 5442  
contain provisions governing the use and disposition of revenue 5443

pledged under the agreement under division (B) of this section; 5444  
the crediting of the proceeds of the sale of the bonds to and 5445  
among the funds referred to or provided for in the resolution; 5446  
limitations on the purpose to which the proceeds of sale of the 5447  
bonds may be applied and the pledging of portions of such 5448  
proceeds to secure payment of the bonds; the issuance of notes 5449  
in anticipation of the issuance of bonds; the terms upon which 5450  
additional bonds may be issued and secured; the refunding of 5451  
outstanding bonds; the procedure, if any, by which the terms of 5452  
any contract with bondholders may be amended, the amount of 5453  
bonds the holders of which must consent thereto, and the manner 5454  
in which such consent may be given; securing any bonds by a 5455  
trust agreement in accordance with division (D) of this section; 5456  
and any other matters that may affect the security or protection 5457  
of the bonds. The taxes anticipated by the bonds are not subject 5458  
to diminution by initiative or referendum or by law while the 5459  
bonds or notes remain outstanding in accordance with their 5460  
terms, unless provision is made by law or by the board of county 5461  
commissioners and board of directors of the port authority for 5462  
an adequate substitute therefor reasonably satisfactory to the 5463  
trustee, if a trust agreement secures the bonds. 5464

Neither the members of the board of directors of the port 5465  
authority nor any person executing the bonds shall be liable 5466  
personally on the bonds or be subject to any personal liability 5467  
or accountability by reason of the issuance. 5468

(D) In the discretion of the board of directors, the bonds 5469  
issued under this section may be secured by a trust agreement 5470  
between the board of directors on behalf of the port authority 5471  
and a corporate trustee, which may be any trust company or bank 5472  
having powers of a trust company, within or outside the state. 5473

The trust agreement may provide for the pledge or 5474  
assignment of the tax revenue to be received under the agreement 5475  
entered into under division (B) of this section, but shall not 5476  
pledge the general credit or other taxing power of the county or 5477  
the general credit or taxing power of the port authority. The 5478  
trust agreement or the resolution providing for the issuance of 5479  
the bonds may set forth the rights and remedies of the 5480  
bondholders and trustee, and may contain other provisions for 5481  
protecting and enforcing their rights and remedies that are 5482  
determined in the discretion of the board of directors to be 5483  
reasonable and proper. 5484

**Sec. 4723.43.** A certified registered nurse anesthetist, 5485  
clinical nurse specialist, certified nurse-midwife, or certified 5486  
nurse practitioner may provide to individuals and groups nursing 5487  
care that requires knowledge and skill obtained from advanced 5488  
formal education and clinical experience. In this capacity as an 5489  
advanced practice registered nurse, a certified nurse-midwife is 5490  
subject to division (A) of this section, a certified registered 5491  
nurse anesthetist is subject to division (B) of this section, a 5492  
certified nurse practitioner is subject to division (C) of this 5493  
section, and a clinical nurse specialist is subject to division 5494  
(D) of this section. 5495

(A) A nurse authorized to practice as a certified nurse- 5496  
midwife, in collaboration with one or more physicians, may 5497  
provide the management of preventive services and those primary 5498  
care services necessary to provide health care to women 5499  
antepartally, intrapartally, postpartally, and gynecologically, 5500  
consistent with the nurse's education and certification, and in 5501  
accordance with rules adopted by the board of nursing. 5502

No certified nurse-midwife may perform version, deliver 5503

breech or face presentation, use forceps, do any obstetric 5504  
operation, or treat any other abnormal condition, except in 5505  
emergencies. Division (A) of this section does not prohibit a 5506  
certified nurse-midwife from performing episiotomies or normal 5507  
vaginal deliveries, or repairing vaginal tears. A certified 5508  
nurse-midwife may, in collaboration with one or more physicians, 5509  
prescribe drugs and therapeutic devices in accordance with 5510  
section 4723.481 of the Revised Code. 5511

(B) A nurse authorized to practice as a certified 5512  
registered nurse anesthetist, ~~with the supervision and in the~~ 5513  
~~immediate presence of a physician, podiatrist, or dentist, may~~ 5514  
~~administer anesthesia and perform anesthesia induction,~~ 5515  
~~maintenance, and emergence, and may perform with supervision~~ 5516  
~~preanesthetic preparation and evaluation, postanesthesia care,~~ 5517  
~~and clinical support functions,~~ consistent with the nurse's 5518  
education and certification, and in accordance with rules 5519  
adopted by the board, may do the following: 5520

(1) With supervision and in the immediate presence of a 5521  
physician, podiatrist, or dentist, administer anesthesia and 5522  
perform anesthesia induction, maintenance, and emergence; 5523

(2) With supervision, obtain informed consent for 5524  
anesthesia care and perform preanesthetic preparation and 5525  
evaluation, postanesthetic preparation and evaluation, 5526  
postanesthesia care, and, subject to section 4723.433 of the 5527  
Revised Code, clinical support functions; 5528

(3) With supervision and in accordance with section 5529  
4723.434 of the Revised Code, engage in the activities described 5530  
in division (A) of that section. 5531

The physician, podiatrist, or dentist supervising a 5532

certified registered nurse anesthetist must be actively engaged 5533  
in practice in this state. When a certified registered nurse 5534  
anesthetist is supervised by a podiatrist, the nurse's scope of 5535  
practice is limited to the anesthesia procedures that the 5536  
podiatrist has the authority under section 4731.51 of the 5537  
Revised Code to perform. A certified registered nurse 5538  
anesthetist may not administer general anesthesia under the 5539  
supervision of a podiatrist in a podiatrist's office. When a 5540  
certified registered nurse anesthetist is supervised by a 5541  
dentist, the nurse's scope of practice is limited to the 5542  
anesthesia procedures that the dentist has the authority under 5543  
Chapter 4715. of the Revised Code to perform. 5544

(C) A nurse authorized to practice as a certified nurse 5545  
practitioner, in collaboration with one or more physicians or 5546  
podiatrists, may provide preventive and primary care services, 5547  
provide services for acute illnesses, and evaluate and promote 5548  
patient wellness within the nurse's nursing specialty, 5549  
consistent with the nurse's education and certification, and in 5550  
accordance with rules adopted by the board. A certified nurse 5551  
practitioner may, in collaboration with one or more physicians 5552  
or podiatrists, prescribe drugs and therapeutic devices in 5553  
accordance with section 4723.481 of the Revised Code. 5554

When a certified nurse practitioner is collaborating with 5555  
a podiatrist, the nurse's scope of practice is limited to the 5556  
procedures that the podiatrist has the authority under section 5557  
4731.51 of the Revised Code to perform. 5558

(D) A nurse authorized to practice as a clinical nurse 5559  
specialist, in collaboration with one or more physicians or 5560  
podiatrists, may provide and manage the care of individuals and 5561  
groups with complex health problems and provide health care 5562

services that promote, improve, and manage health care within 5563  
the nurse's nursing specialty, consistent with the nurse's 5564  
education and in accordance with rules adopted by the board. A 5565  
clinical nurse specialist may, in collaboration with one or more 5566  
physicians or podiatrists, prescribe drugs and therapeutic 5567  
devices in accordance with section 4723.481 of the Revised Code. 5568

When a clinical nurse specialist is collaborating with a 5569  
podiatrist, the nurse's scope of practice is limited to the 5570  
procedures that the podiatrist has the authority under section 5571  
4731.51 of the Revised Code to perform. 5572

Sec. 4723.433. When performing clinical support functions 5573  
as authorized by section 4723.43 of the Revised Code, a 5574  
certified registered nurse anesthetist may direct a registered 5575  
nurse, licensed practical nurse, or respiratory therapist to 5576  
provide supportive care, including monitoring vital signs, 5577  
conducting electrocardiograms, and administering intravenous 5578  
fluids, if the nurse or therapist is authorized by law to 5579  
provide such care. 5580

In addition, the certified registered nurse anesthetist 5581  
may direct the nurse or therapist to administer treatments, 5582  
drugs, and intravenous fluids to treat conditions related to the 5583  
administration of anesthesia if the nurse or therapist is 5584  
authorized by law to administer treatments, drugs, and 5585  
intravenous fluids and a physician, podiatrist, or dentist 5586  
ordered the treatments, drugs, and intravenous fluids. 5587

Sec. 4723.434. (A) During the time period that begins on a 5588  
patient's admission for a surgery or procedure to a health care 5589  
facility where the certified registered nurse anesthetist 5590  
practices and ends with the patient's discharge from recovery, 5591  
the nurse may engage in one or more of the following activities: 5592

(1) Performing and documenting evaluations and 5593  
assessments, which may include ordering and evaluating one or 5594  
more diagnostic tests for conditions related to the 5595  
administration of anesthesia; 5596

(2) As necessary for patient management and care, 5597  
selecting, ordering, and administering treatments, drugs, and 5598  
intravenous fluids for conditions related to the administration 5599  
of anesthesia; 5600

(3) As necessary for patient management and care, 5601  
directing registered nurses, licensed practical nurses, and 5602  
respiratory therapists to perform either or both of the 5603  
following activities if authorized by law to perform such 5604  
activities: 5605

(a) Providing supportive care, including monitoring vital 5606  
signs, conducting electrocardiograms, and administering 5607  
intravenous fluids; 5608

(b) Administering treatments, drugs, and intravenous 5609  
fluids to treat conditions related to the administration of 5610  
anesthesia. 5611

(B) (1) A certified registered nurse anesthetist may not 5612  
engage in one or more of the activities described in division 5613  
(A) of this section unless all of the following apply: 5614

(a) The nurse is physically present at the health care 5615  
facility when performing the activities. 5616

(b) The nurse's supervising physician, podiatrist, or 5617  
dentist is physically present at the health care facility where 5618  
the nurse is performing the activities. 5619

(c) The health care facility where the nurse practices has 5620



adopted a written policy developed by the facility's medical, 5621  
nursing, and pharmacy directors that meets the requirements of 5622  
section 4723.435 of the Revised Code. 5623

(2) A certified registered nurse anesthetist shall not 5624  
engage in one or more of the activities described in division 5625  
(A) of this section if the supervising physician, podiatrist, or 5626  
dentist or the health care facility where the nurse practices 5627  
determines that it is not in a patient's best interest for the 5628  
nurse to perform such an activity or activities. If a 5629  
supervising physician, podiatrist, or dentist or facility makes 5630  
such a determination, the patient's medical or electronic health 5631  
record shall indicate that the nurse is prohibited from 5632  
performing the activity or activities. 5633

(3) If a certified registered nurse anesthetist performs 5634  
one or more of the activities described in division (A) of this 5635  
section, the nurse shall so indicate in the patient's medical or 5636  
electronic health record. 5637

(C) (1) This section does not authorize a certified 5638  
registered nurse anesthetist to prescribe a drug for use outside 5639  
of the health care facility where the nurse practices. 5640

(2) This section does not prohibit a certified registered 5641  
nurse from implementing a verbal order of a supervising 5642  
physician, podiatrist, or dentist. 5643

**Sec. 4723.435.** (A) A written policy adopted by a health 5644  
care facility as described in section 4723.434 of the Revised 5645  
Code shall establish standards and procedures to be followed by 5646  
certified registered nurse anesthetists when performing one or 5647  
more of the following activities in the health care facility: 5648

(1) Selecting, ordering, and administering treatments, 5649

<u>drugs, and intravenous fluids;</u>	5650
<u>(2) Ordering diagnostic tests and evaluating those tests;</u>	5651
<u>(3) Directing registered nurses, licensed practical</u>	5652
<u>nurses, and respiratory therapists to perform activities as</u>	5653
<u>described in division (A) (3) of section 4723.434 of the Revised</u>	5654
<u>Code.</u>	5655
<u>(B) In adopting a policy, both of the following apply:</u>	5656
<u>(1) The health care facility shall not authorize a</u>	5657
<u>certified registered nurse anesthetist to select, order, or</u>	5658
<u>administer any drug that a supervising physician, podiatrist, or</u>	5659
<u>dentist is not authorized to prescribe.</u>	5660
<u>(2) The health care facility shall allow a supervising</u>	5661
<u>physician, podiatrist, or dentist to issue every order related</u>	5662
<u>to a patient's anesthesia care.</u>	5663
<b>Sec. 4729.01.</b> As used in this chapter:	5664
(A) "Pharmacy," except when used in a context that refers	5665
to the practice of pharmacy, means any area, room, rooms, place	5666
of business, department, or portion of any of the foregoing	5667
where the practice of pharmacy is conducted.	5668
(B) "Practice of pharmacy" means providing pharmacist care	5669
requiring specialized knowledge, judgment, and skill derived	5670
from the principles of biological, chemical, behavioral, social,	5671
pharmaceutical, and clinical sciences. As used in this division,	5672
"pharmacist care" includes the following:	5673
(1) Interpreting prescriptions;	5674
(2) Dispensing drugs and drug therapy related devices;	5675
(3) Compounding drugs;	5676

(4) Counseling individuals with regard to their drug therapy, recommending drug therapy related devices, and assisting in the selection of drugs and appliances for treatment of common diseases and injuries and providing instruction in the proper use of the drugs and appliances;

(5) Performing drug regimen reviews with individuals by discussing all of the drugs that the individual is taking and explaining the interactions of the drugs;

(6) Performing drug utilization reviews with licensed health professionals authorized to prescribe drugs when the pharmacist determines that an individual with a prescription has a drug regimen that warrants additional discussion with the prescriber;

(7) Advising an individual and the health care professionals treating an individual with regard to the individual's drug therapy;

(8) Acting pursuant to a consult agreement with one or more physicians authorized under Chapter 4731. of the Revised Code to practice medicine and surgery or osteopathic medicine and surgery, if an agreement has been established;

(9) Engaging in the administration of immunizations to the extent authorized by section 4729.41 of the Revised Code;

(10) Engaging in the administration of drugs to the extent authorized by section 4729.45 of the Revised Code.

(C) "Compounding" means the preparation, mixing, assembling, packaging, and labeling of one or more drugs in any of the following circumstances:

(1) Pursuant to a prescription issued by a licensed health

professional authorized to prescribe drugs; 5705

(2) Pursuant to the modification of a prescription made in 5706  
accordance with a consult agreement; 5707

(3) As an incident to research, teaching activities, or 5708  
chemical analysis; 5709

(4) In anticipation of orders for drugs pursuant to 5710  
prescriptions, based on routine, regularly observed dispensing 5711  
patterns; 5712

(5) Pursuant to a request made by a licensed health 5713  
professional authorized to prescribe drugs for a drug that is to 5714  
be used by the professional for the purpose of direct 5715  
administration to patients in the course of the professional's 5716  
practice, if all of the following apply: 5717

(a) At the time the request is made, the drug is not 5718  
commercially available regardless of the reason that the drug is 5719  
not available, including the absence of a manufacturer for the 5720  
drug or the lack of a readily available supply of the drug from 5721  
a manufacturer. 5722

(b) A limited quantity of the drug is compounded and 5723  
provided to the professional. 5724

(c) The drug is compounded and provided to the 5725  
professional as an occasional exception to the normal practice 5726  
of dispensing drugs pursuant to patient-specific prescriptions. 5727

(D) "Consult agreement" means an agreement that has been 5728  
entered into under section 4729.39 of the Revised Code. 5729

(E) "Drug" means: 5730

(1) Any article recognized in the United States 5731

pharmacopoeia and national formulary, or any supplement to them, 5732  
intended for use in the diagnosis, cure, mitigation, treatment, 5733  
or prevention of disease in humans or animals; 5734

(2) Any other article intended for use in the diagnosis, 5735  
cure, mitigation, treatment, or prevention of disease in humans 5736  
or animals; 5737

(3) Any article, other than food, intended to affect the 5738  
structure or any function of the body of humans or animals; 5739

(4) Any article intended for use as a component of any 5740  
article specified in division (E) (1), (2), or (3) of this 5741  
section; but does not include devices or their components, 5742  
parts, or accessories. 5743

"Drug" does not include "hemp" or a "hemp product" as 5744  
those terms are defined in section 928.01 of the Revised Code. 5745

(F) "Dangerous drug" means any of the following: 5746

(1) Any drug to which either of the following applies: 5747

(a) Under the "Federal Food, Drug, and Cosmetic Act," 52 5748  
Stat. 1040 (1938), 21 U.S.C.A. 301, as amended, the drug is 5749  
required to bear a label containing the legend "Caution: Federal 5750  
law prohibits dispensing without prescription" or "Caution: 5751  
Federal law restricts this drug to use by or on the order of a 5752  
licensed veterinarian" or any similar restrictive statement, or 5753  
the drug may be dispensed only upon a prescription; 5754

(b) Under Chapter 3715. or 3719. of the Revised Code, the 5755  
drug may be dispensed only upon a prescription. 5756

(2) Any drug that contains a schedule V controlled 5757  
substance and that is exempt from Chapter 3719. of the Revised 5758  
Code or to which that chapter does not apply; 5759

(3) Any drug intended for administration by injection into the human body other than through a natural orifice of the human body; 5760  
5761  
5762

(4) Any drug that is a biological product, as defined in section 3715.01 of the Revised Code. 5763  
5764

(G) "Federal drug abuse control laws" has the same meaning as in section 3719.01 of the Revised Code. 5765  
5766

(H) "Prescription" means all of the following: 5767

(1) A written, electronic, or oral order for drugs or combinations or mixtures of drugs to be used by a particular individual or for treating a particular animal, issued by a licensed health professional authorized to prescribe drugs; 5768  
5769  
5770  
5771

(2) For purposes of sections 2925.61, 4723.488, 4730.431, and 4731.94 of the Revised Code, a written, electronic, or oral order for naloxone issued to and in the name of a family member, friend, or other individual in a position to assist an individual who there is reason to believe is at risk of experiencing an opioid-related overdose. 5772  
5773  
5774  
5775  
5776  
5777

(3) For purposes of section 4729.44 of the Revised Code, a written, electronic, or oral order for naloxone issued to and in the name of either of the following: 5778  
5779  
5780

(a) An individual who there is reason to believe is at risk of experiencing an opioid-related overdose; 5781  
5782

(b) A family member, friend, or other individual in a position to assist an individual who there is reason to believe is at risk of experiencing an opioid-related overdose. 5783  
5784  
5785

(4) For purposes of sections 4723.4810, 4729.282, 4730.432, and 4731.93 of the Revised Code, a written, 5786  
5787

electronic, or oral order for a drug to treat chlamydia, 5788  
gonorrhoea, or trichomoniasis issued to and in the name of a 5789  
patient who is not the intended user of the drug but is the 5790  
sexual partner of the intended user; 5791

(5) For purposes of sections 3313.7110, 3313.7111, 5792  
3314.143, 3326.28, 3328.29, 4723.483, 4729.88, 4730.433, 5793  
4731.96, and 5101.76 of the Revised Code, a written, electronic, 5794  
or oral order for an epinephrine autoinjector issued to and in 5795  
the name of a school, school district, or camp; 5796

(6) For purposes of Chapter 3728. and sections 4723.483, 5797  
4729.88, 4730.433, and 4731.96 of the Revised Code, a written, 5798  
electronic, or oral order for an epinephrine autoinjector issued 5799  
to and in the name of a qualified entity, as defined in section 5800  
3728.01 of the Revised Code. 5801

(I) "Licensed health professional authorized to prescribe 5802  
drugs" or "prescriber" means an individual who is authorized by 5803  
law to prescribe drugs or dangerous drugs or drug therapy 5804  
related devices in the course of the individual's professional 5805  
practice, including only the following: 5806

(1) A dentist licensed under Chapter 4715. of the Revised 5807  
Code; 5808

(2) A clinical nurse specialist, certified nurse-midwife, 5809  
or certified nurse practitioner who holds a current, valid 5810  
license issued under Chapter 4723. of the Revised Code to 5811  
practice nursing as an advanced practice registered nurse ~~issued~~ 5812  
~~under Chapter 4723. of the Revised Code;~~ 5813

(3) A certified registered nurse anesthetist who holds a 5814  
current, valid license issued under Chapter 4723. of the Revised 5815  
Code to practice nursing as an advanced practice registered 5816

nurse, but only to the extent of the nurse's authority under 5817  
sections 4723.43 and 4723.434 the Revised Code; 5818

(4) An optometrist licensed under Chapter 4725. of the 5819  
Revised Code to practice optometry under a therapeutic 5820  
pharmaceutical agents certificate; 5821

~~(4)~~(5) A physician authorized under Chapter 4731. of the 5822  
Revised Code to practice medicine and surgery, osteopathic 5823  
medicine and surgery, or podiatric medicine and surgery; 5824

~~(5)~~(6) A physician assistant who holds a license to 5825  
practice as a physician assistant issued under Chapter 4730. of 5826  
the Revised Code, holds a valid prescriber number issued by the 5827  
state medical board, and has been granted physician-delegated 5828  
prescriptive authority; 5829

~~(6)~~(7) A veterinarian licensed under Chapter 4741. of the 5830  
Revised Code. 5831

(J) "Sale" or "sell" includes any transaction made by any 5832  
person, whether as principal proprietor, agent, or employee, to 5833  
do or offer to do any of the following: deliver, distribute, 5834  
broker, exchange, gift or otherwise give away, or transfer, 5835  
whether the transfer is by passage of title, physical movement, 5836  
or both. 5837

(K) "Wholesale sale" and "sale at wholesale" mean any sale 5838  
in which the purpose of the purchaser is to resell the article 5839  
purchased or received by the purchaser. 5840

(L) "Retail sale" and "sale at retail" mean any sale other 5841  
than a wholesale sale or sale at wholesale. 5842

(M) "Retail seller" means any person that sells any 5843  
dangerous drug to consumers without assuming control over and 5844



responsibility for its administration. Mere advice or 5845  
instructions regarding administration do not constitute control 5846  
or establish responsibility. 5847

(N) "Price information" means the price charged for a 5848  
prescription for a particular drug product and, in an easily 5849  
understandable manner, all of the following: 5850

(1) The proprietary name of the drug product; 5851

(2) The established (generic) name of the drug product; 5852

(3) The strength of the drug product if the product 5853  
contains a single active ingredient or if the drug product 5854  
contains more than one active ingredient and a relevant strength 5855  
can be associated with the product without indicating each 5856  
active ingredient. The established name and quantity of each 5857  
active ingredient are required if such a relevant strength 5858  
cannot be so associated with a drug product containing more than 5859  
one ingredient. 5860

(4) The dosage form; 5861

(5) The price charged for a specific quantity of the drug 5862  
product. The stated price shall include all charges to the 5863  
consumer, including, but not limited to, the cost of the drug 5864  
product, professional fees, handling fees, if any, and a 5865  
statement identifying professional services routinely furnished 5866  
by the pharmacy. Any mailing fees and delivery fees may be 5867  
stated separately without repetition. The information shall not 5868  
be false or misleading. 5869

(O) "Wholesale distributor of dangerous drugs" or 5870  
"wholesale distributor" means a person engaged in the sale of 5871  
dangerous drugs at wholesale and includes any agent or employee 5872  
of such a person authorized by the person to engage in the sale 5873

of dangerous drugs at wholesale. 5874

(P) "Manufacturer of dangerous drugs" or "manufacturer" 5875  
means a person, other than a pharmacist or prescriber, who 5876  
manufactures dangerous drugs and who is engaged in the sale of 5877  
those dangerous drugs. 5878

(Q) "Terminal distributor of dangerous drugs" or "terminal 5879  
distributor" means a person who is engaged in the sale of 5880  
dangerous drugs at retail, or any person, other than a 5881  
manufacturer, repackager, outsourcing facility, third-party 5882  
logistics provider, wholesale distributor, or pharmacist, who 5883  
has possession, custody, or control of dangerous drugs for any 5884  
purpose other than for that person's own use and consumption. 5885  
"Terminal distributor" includes pharmacies, hospitals, nursing 5886  
homes, and laboratories and all other persons who procure 5887  
dangerous drugs for sale or other distribution by or under the 5888  
supervision of a pharmacist, licensed health professional 5889  
authorized to prescribe drugs, or other person authorized by the 5890  
state board of pharmacy. 5891

(R) "Promote to the public" means disseminating a 5892  
representation to the public in any manner or by any means, 5893  
other than by labeling, for the purpose of inducing, or that is 5894  
likely to induce, directly or indirectly, the purchase of a 5895  
dangerous drug at retail. 5896

(S) "Person" includes any individual, partnership, 5897  
association, limited liability company, or corporation, the 5898  
state, any political subdivision of the state, and any district, 5899  
department, or agency of the state or its political 5900  
subdivisions. 5901

(T) "Animal shelter" means a facility operated by a humane 5902

society or any society organized under Chapter 1717. of the 5903  
Revised Code or a dog pound operated pursuant to Chapter 955. of 5904  
the Revised Code. 5905

(U) "Food" has the same meaning as in section 3715.01 of 5906  
the Revised Code. 5907

(V) "Pain management clinic" has the same meaning as in 5908  
section 4731.054 of the Revised Code. 5909

(W) "Investigational drug or product" means a drug or 5910  
product that has successfully completed phase one of the United 5911  
States food and drug administration clinical trials and remains 5912  
under clinical trial, but has not been approved for general use 5913  
by the United States food and drug administration. 5914  
"Investigational drug or product" does not include controlled 5915  
substances in schedule I, as defined in section 3719.01 of the 5916  
Revised Code. 5917

(X) "Product," when used in reference to an 5918  
investigational drug or product, means a biological product, 5919  
other than a drug, that is made from a natural human, animal, or 5920  
microorganism source and is intended to treat a disease or 5921  
medical condition. 5922

(Y) "Third-party logistics provider" means a person that 5923  
provides or coordinates warehousing or other logistics services 5924  
pertaining to dangerous drugs including distribution, on behalf 5925  
of a manufacturer, wholesale distributor, or terminal 5926  
distributor of dangerous drugs, but does not take ownership of 5927  
the drugs or have responsibility to direct the sale or 5928  
disposition of the drugs. 5929

(Z) "Repackager of dangerous drugs" or "repackager" means 5930  
a person that repacks and relabels dangerous drugs for sale or 5931

distribution. 5932

(AA) "Outsourcing facility" means a facility that is 5933  
engaged in the compounding and sale of sterile drugs and is 5934  
registered as an outsourcing facility with the United States 5935  
food and drug administration. 5936

(BB) "Laboratory" means a laboratory licensed under this 5937  
chapter as a terminal distributor of dangerous drugs and 5938  
entrusted to have custody of any of the following drugs and to 5939  
use the drugs for scientific and clinical purposes and for 5940  
purposes of instruction: dangerous drugs that are not controlled 5941  
substances, as defined in section 3719.01 of the Revised Code; 5942  
dangerous drugs that are controlled substances, as defined in 5943  
that section; and controlled substances in schedule I, as 5944  
defined in that section. 5945

**Sec. 4761.17.** All of the following apply to the practice 5946  
of respiratory care by a person who holds a license or limited 5947  
permit issued under this chapter: 5948

(A) The person shall practice only pursuant to a 5949  
prescription or other order for respiratory care issued by any 5950  
of the following: 5951

(1) A physician; 5952

(2) A clinical nurse specialist, certified nurse-midwife, 5953  
or certified nurse practitioner who holds a current, valid 5954  
license issued under Chapter 4723. of the Revised Code to 5955  
practice nursing as an advanced practice registered nurse and 5956  
has entered into a standard care arrangement with a physician; 5957

(3) A certified registered nurse anesthetist who holds a 5958  
current, valid license issued under Chapter 4723. of the Revised 5959  
Code to practice nursing as an advanced practice registered 5960

nurse and acts in compliance with sections 4723.43, 4723.433, 5961  
and 4723.434 of the Revised Code; 5962

(4) A physician assistant who holds a valid prescriber 5963  
number issued by the state medical board, has been granted 5964  
physician-delegated prescriptive authority, and has entered into 5965  
a supervision agreement that allows the physician assistant to 5966  
prescribe or order respiratory care services. 5967

(B) The person shall practice only under the supervision 5968  
of any of the following: 5969

(1) A physician; 5970

(2) A certified nurse practitioner, certified nurse- 5971  
midwife, or clinical nurse specialist; 5972

(3) A physician assistant who is authorized to prescribe 5973  
or order respiratory care services as provided in division ~~(A)~~ 5974  
~~(3)~~ (A) (4) of this section. 5975

(C) (1) When practicing under the prescription or order of 5976  
a certified nurse practitioner, certified nurse midwife, or 5977  
clinical nurse specialist or under the supervision of such a 5978  
nurse, the person's administration of medication that requires a 5979  
prescription is limited to the drugs that the nurse is 5980  
authorized to prescribe pursuant to section 4723.481 of the 5981  
Revised Code. 5982

(2) When practicing under the order of a certified 5983  
registered nurse anesthetist, the person's administration of 5984  
medication is limited to the drugs that the nurse is authorized 5985  
to order or direct the person to administer, as provided in 5986  
sections 4723.43, 4723.433, and 4723.434 of the Revised Code. 5987

(3) When practicing under the prescription or order of a 5988

physician assistant or under the supervision of a physician 5989  
assistant, the person's administration of medication that 5990  
requires a prescription is limited to the drugs that the 5991  
physician assistant is authorized to prescribe pursuant to the 5992  
physician assistant's physician-delegated prescriptive 5993  
authority. 5994

**Sec. 5104.31.** (A) Publicly funded child care may be 5995  
provided only by the following: 5996

(1) Any of the following licensed by the department of job 5997  
and family services pursuant to section 5104.03 of the Revised 5998  
Code or pursuant to rules adopted under section 5104.018 of the 5999  
Revised Code: 6000

(a) A child day-care center, including a parent 6001  
cooperative child day-care center; 6002

(b) A type A family day-care home, including a parent 6003  
cooperative type A family day-care home; 6004

(c) A licensed type B family day-care home. 6005

(2) An in-home aide who has been certified by the county 6006  
department of job and family services pursuant to section 6007  
5104.12 of the Revised Code; 6008

(3) A child day camp approved pursuant to section 5104.22 6009  
of the Revised Code; 6010

(4) A licensed preschool program; 6011

(5) A licensed school child program; 6012

(6) A border state child care provider, except that a 6013  
border state child care provider may provide publicly funded 6014  
child care only to an individual who resides in an Ohio county 6015

that borders the state in which the provider is located. 6016

(B) Publicly funded child day-care may be provided in a 6017  
child's own home only by an in-home aide. 6018

(C) (1) Beginning ~~July~~ September 1, 2020, and except as 6019  
provided in division (C) (2) of this section, a licensed child 6020  
care program may provide publicly funded child care only if the 6021  
program is rated through the step up to quality program 6022  
established pursuant to section 5104.29 of the Revised Code. 6023

(2) A licensed child care program that is any of the 6024  
following may provide publicly funded child care without being 6025  
rated through the step up to quality program: 6026

(a) A program that operates only during the summer and for 6027  
not more than fifteen consecutive weeks; 6028

(b) A program that operates only during school breaks; 6029

(c) A program that operates only on weekday evenings, 6030  
weekends, or both; 6031

(d) A program that holds a provisional license issued 6032  
under section 5104.03 of the Revised Code; 6033

(e) A program that had its step up to quality program 6034  
rating removed by the department of job and family services 6035  
within the previous twelve months; 6036

(f) A program that is the subject of a revocation action 6037  
initiated by the department, but the license has not yet been 6038  
revoked. 6039

**Sec. 5701.08.** As used in Title LVII of the Revised Code: 6040

(A) Personal property is "used" within the meaning of 6041  
"used in business" when employed or utilized in connection with 6042

ordinary or special operations, when acquired or held as means 6043  
or instruments for carrying on the business, when kept and 6044  
maintained as a part of a plant capable of operation, whether 6045  
actually in operation or not, or when stored or kept on hand as 6046  
material, parts, products, or merchandise. Machinery and 6047  
equipment classifiable upon completion as personal property 6048  
while under construction or installation to become part of a new 6049  
or existing plant or other facility is not considered to be 6050  
"used" by the owner of such plant or other facility within the 6051  
meaning of "used in business" until such machinery and equipment 6052  
is installed and in operation or capable of operation in the 6053  
business for which acquired. Agricultural products in storage in 6054  
a grain elevator, a warehouse, or a place of storage which 6055  
products are subject to control of the United States government 6056  
and are to be shipped on order of the United States government 6057  
are not used in business in this state. 6058

(B) Merchandise or agricultural products shipped from 6059  
outside this state and held in this state in a warehouse or a 6060  
place of storage without further manufacturing or processing and 6061  
for storage only and for shipment outside this state are not 6062  
used in business in this state. Such property qualifies for this 6063  
exception if division (B) (1) or (2) of this section applies: 6064

(1) During any period that a person owns such property in 6065  
this state: 6066

(a) The property is to be shipped from a warehouse or 6067  
place of storage in this state to the owner of the property or 6068  
persons other than customers at locations outside this state for 6069  
use, processing, or sale; or 6070

(b) The property is located in public or private 6071  
warehousing facilities in this state which are not subject to 6072



the control of or under the supervision of the owner of the 6073  
property or manned by its employees and from which the property 6074  
is to be shipped to any person, including a customer, outside 6075  
this state. 6076

(2) During the first twenty-four calendar months that a 6077  
person first owns such property in this state, the property is 6078  
held in a warehouse or place of storage in this state located 6079  
within one mile of the closest boundary of an airport, and is 6080  
shipped to any person, including a customer, outside this state. 6081

For the purposes of division (B) (2) of this section, 6082  
"airport" means any airport, as defined in division (C) of 6083  
section 4561.01 of the Revised Code, which is approved by the 6084  
department of transportation under section 4561.11 of the 6085  
Revised Code to be used for commercial purposes, is regularly 6086  
served by only one air carrier authorized to do so under 14 6087  
C.F.R., and is not a public airport as defined in 49 U.S.C. 6088  
Appx. 2202(a) (17) as existing ~~on the effective date of this~~ 6089  
~~amendment~~ July 26, 1991. 6090

(3) For property that may meet the condition for the 6091  
exception provided in division (B) (2) of this section, if it is 6092  
not known at the conclusion of a reporting period whether the 6093  
property yet qualifies for such exception, the owner of such 6094  
property shall return it for taxation. If it is later determined 6095  
that the returned property does so qualify, the owner may apply 6096  
for a final assessment and refund on the property as provided in 6097  
section 5711.26 of the Revised Code. 6098

(C) Leased property used by the lessee exclusively for 6099  
agricultural purposes and new or used machinery and equipment 6100  
and accessories therefor that are designed and built for 6101  
agricultural use and owned by a merchant as defined in section 6102

5711.15 of the Revised Code are not considered to be "used" 6103  
within the meaning of "used in business." 6104

(D) Moneys, deposits, investments, accounts receivable, 6105  
and prepaid items, and other taxable intangibles are "used" when 6106  
they or the avails thereof are being applied, or are intended to 6107  
be applied, in the conduct of the business, whether in this 6108  
state or elsewhere. 6109

(E) "Business" includes all enterprises, except 6110  
agriculture, conducted for gain, profit, or income and extends 6111  
to personal service occupations. 6112

**Sec. 5701.11.** The effective date to which this section 6113  
refers is the effective date of this section as amended by ~~S.B.~~ 6114  
~~22~~-H.B. 197 of the ~~132nd~~-133rd general assembly. 6115

(A) (1) Except as provided under division (A) (2) or (B) of 6116  
this section, any reference in Title LVII of the Revised Code to 6117  
the Internal Revenue Code, to the Internal Revenue Code "as 6118  
amended," to other laws of the United States, or to other laws 6119  
of the United States, "as amended," means the Internal Revenue 6120  
Code or other laws of the United States as they exist on the 6121  
effective date. 6122

(2) This section does not apply to any reference in Title 6123  
LVII of the Revised Code to the Internal Revenue Code as of a 6124  
date certain specifying the day, month, and year, or to other 6125  
laws of the United States as of a date certain specifying the 6126  
day, month, and year. 6127

(B) (1) For purposes of applying section 5733.04, 5745.01, 6128  
or 5747.01 of the Revised Code to a taxpayer's taxable year 6129  
ending after March 30, ~~2017~~2018, and before the effective date, 6130  
a taxpayer may irrevocably elect to incorporate the provisions 6131

of the Internal Revenue Code or other laws of the United States 6132  
that are in effect for federal income tax purposes for that 6133  
taxable year if those provisions differ from the provisions 6134  
that, under division (A) of this section, would otherwise apply. 6135  
The filing by the taxpayer for that taxable year of a report or 6136  
return that incorporates the provisions of the Internal Revenue 6137  
Code or other laws of the United States applicable for federal 6138  
income tax purposes for that taxable year, and that does not 6139  
include any adjustments to reverse the effects of any 6140  
differences between those provisions and the provisions that 6141  
would otherwise apply, constitutes the making of an irrevocable 6142  
election under this division for that taxable year. 6143

(2) Elections under prior versions of division (B) (1) of 6144  
this section remain in effect for the taxable years to which 6145  
they apply. 6146

**Sec. 5701.12.** (A) The effective date to which this section 6147  
refers is March 27, 2013, the effective date of this section as 6148  
enacted by H.B. 510 of the 129th general assembly. 6149

(B) Any reference in Title LVII to "consolidated reports 6150  
of condition and income" or "call report" means the consolidated 6151  
reports of condition and income as those reports existed on the 6152  
effective date. 6153

(C) Any reference in Title LVII to "FR Y-9" or "Y-9" means 6154  
the FR Y-9 financial statements as those financial statements 6155  
existed on the effective date. 6156

(D) This section does not apply to any reference in Title 6157  
LVII of the Revised Code to "consolidated reports of condition 6158  
and income," "call report," "FR Y-9," or "Y-9" as of a date 6159  
certain specifying the day, month, and year. 6160

**Sec. 5703.04.** The tax commissioner shall have the 6161  
following powers, duties, privileges, and immunities of the 6162  
department of taxation: 6163

(A) All powers whatsoever of an inquisitorial nature as 6164  
provided by law, including, the right to inspect books, 6165  
accounts, records, and memorandums, to examine persons under 6166  
oath, to issue orders or subpoenas for the production of books, 6167  
accounts, papers, records, documents, and testimony, to take 6168  
depositions, to apply to a court for attachment proceedings as 6169  
for contempt, to approve vouchers for the fees of officers and 6170  
witnesses, and to administer oaths; provided that the powers 6171  
referred to in this division of this section shall be exercised 6172  
by the board of tax appeals or by the tax commissioner only in 6173  
connection with the performance of the duties respectively 6174  
assigned to each under sections 5703.01 to 5703.09, 5703.14, and 6175  
5703.15 of the Revised Code; 6176

(B) Appoint agents and prescribe their powers and duties 6177  
as provided by section 5703.17 of the Revised Code; 6178

(C) Confer and meet with officers of other states and 6179  
officers of the United States on any matters pertaining to their 6180  
respective official duties as provided by law; 6181

(D) The immunity provided by section 5703.38 of the 6182  
Revised Code; 6183

(E) The rights of action provided by section 5703.39 of 6184  
the Revised Code; 6185

(F) The duties and powers mentioned in section 5703.41 of 6186  
the Revised Code. 6187

**Sec. 5703.211.** (A) The tax commissioner shall adopt rules 6188  
under Chapter 119. of the Revised Code that, except as otherwise 6189

provided in division (B) of this section, require that any 6190  
search of any of the databases of the department of taxation be 6191  
tracked so that administrators of the database or investigators 6192  
can identify each account holder who conducted a search of the 6193  
database. 6194

(B) The rules adopted under division (A) of this section 6195  
shall not require the tracking of any search of any of the 6196  
databases of the department conducted by an account holder in 6197  
any of the following circumstances: 6198

(1) The search occurs as a result of research performed 6199  
for official agency purposes, routine office procedures, or 6200  
incidental contact with the information, unless the search is 6201  
specifically directed toward a ~~specifically~~ specifically named 6202  
individual or a group of specifically named individuals. 6203

(2) The search is for information about an individual, and 6204  
it is performed as a result of a request by that individual for 6205  
information about that individual. 6206

**Sec. 5703.54.** (A) A taxpayer aggrieved by an action or 6207  
omission of an officer or employee of the department of taxation 6208  
may bring an action for damages in the court of claims pursuant 6209  
to Chapter ~~2734.~~ 2743. of the Revised Code, if all of the 6210  
following apply: 6211

(1) In the action or omission the officer or employee 6212  
frivolously disregards a provision of Chapter 5711., 5733., 6213  
5739., 5741., or 5747. of the Revised Code or a rule of the tax 6214  
commissioner adopted under authority of one of those chapters; 6215

(2) The action or omission occurred with respect to an 6216  
audit or assessment and the review and collection proceedings 6217  
connected with the audit or assessment; 6218

(3) The officer or employee did not act manifestly outside 6219  
the scope of the officer's or employee's office or employment 6220  
and did not act with malicious purpose, in bad faith, or in a 6221  
wanton or reckless manner. 6222

(B) In any action brought under division (A) of this 6223  
section, upon a finding of liability on the part of the state, 6224  
the state shall be liable to the taxpayer in an amount equal to 6225  
the sum of the following: 6226

(1) Compensatory damages sustained by the taxpayer as a 6227  
result of the action or omission by the department's officer or 6228  
employee; 6229

(2) Reasonable costs of litigation and attorneys fees 6230  
sustained by the taxpayer. 6231

(C) In the awarding of damages under division (B) of this 6232  
section, the court shall take into account the negligent actions 6233  
or omissions, if any, on the part of the taxpayer that 6234  
contributed to the damages, but shall not be bound by the 6235  
provisions of sections 2315.32 to 2315.36 of the Revised Code. 6236

(D) Whenever it appears to the court that a taxpayer's 6237  
conduct in the proceedings brought under division (A) of this 6238  
section is frivolous, the court may impose a penalty against the 6239  
taxpayer in an amount not to exceed ten thousand dollars which 6240  
shall be paid to the general revenue fund of the state. 6241

(E) (1) Division (A) of this section does not apply to 6242  
advisory opinions or other informational functions of an officer 6243  
or employee of the department. 6244

(2) Division (A) of this section does not authorize a 6245  
taxpayer to bring an action for damages based on an action or 6246  
omission of a county auditor or an employee of a county auditor. 6247

(F) As used in this section, "frivolous" means that the  
conduct of the commissioner, or of the taxpayer or the  
taxpayer's counsel of record satisfies either of the following:

(1) It obviously serves merely to harass or maliciously  
injure the state or its employees or officers if referring to  
the conduct of a taxpayer, or to harass or maliciously injure  
the taxpayer if referring to the conduct of the tax  
commissioner;

(2) It is not warranted under existing law and cannot be  
supported by a good faith argument for an extension,  
modification, or reversal of existing law.

**Sec. 5703.94.** (A) As used in this section:

(1) "Declared disaster" means an event for which a  
disaster declaration has been issued.

(2) "Disaster declaration" means a declaration issued by  
the president of the United States or the governor of this state  
that an emergency exists.

(3) "Disaster response period" means the period that  
begins on the tenth day preceding the day on which a disaster  
declaration is issued through the sixtieth day following the day  
that the disaster declaration expires or is rescinded.

(4) "Disaster work" means both of the following:

(a) Repairing, renovating, installing, or constructing  
critical infrastructure damaged or destroyed by the declared  
disaster, or other business activities related to that critical  
infrastructure;

(b) Activities conducted in preparation for any activity  
described in division (A) (4) (a) of this section.

(5) "Critical infrastructure" means property and equipment 6276  
owned or used by a qualifying owner or user to provide service 6277  
to more than one customer, including related support facilities 6278  
such as buildings, offices, power lines, cable lines, poles, 6279  
communication lines, and structures. 6280

(6) "Qualifying owner or user" means a public utility, 6281  
commercial mobile radio service provider, cable service 6282  
provider, or video service provider. 6283

(7) "Public utility" has the same meaning as in section 6284  
4905.02 of the Revised Code, without regard to the exclusions 6285  
from that definition prescribed in divisions (A) (1) to (5) of 6286  
that section. 6287

(8) "Commercial mobile radio service provider" means a 6288  
person providing commercial mobile service as defined in 47 6289  
U.S.C. 332(d). 6290

(9) "Cable service provider" and "video service provider" 6291  
have the same meanings as in section 1332.21 of the Revised 6292  
Code. 6293

(10) "Out-of-state disaster business" means a person that 6294  
does all of the following or to which apply all of the 6295  
following: 6296

(a) Receives a qualifying solicitation; 6297

(b) Conducts disaster work in this state during a disaster 6298  
response period; 6299

(c) Is not subject to taxation under Chapter 5747. or 6300  
5751. of the Revised Code on any basis other than such disaster 6301  
work during the calendar year preceding the year in which the 6302  
disaster response period begins or is subject to such taxation 6303



during that year solely because the person is a related member 6304  
of another person. 6305

(11) "Out-of-state employee" means an individual who 6306  
performs no work in this state, except disaster work during a 6307  
disaster response period, from the first day of the preceding 6308  
calendar year to the date on which the disaster response period 6309  
begins. 6310

(12) "Related member" has the same meaning as in section 6311  
5733.042 of the Revised Code without regard to division (B) of 6312  
that section. 6313

(13) "Qualifying solicitation" means a written 6314  
solicitation or request from the state, a county, municipal 6315  
corporation, or township, or a qualifying user or owner of 6316  
critical infrastructure soliciting or requesting the assistance 6317  
of a person to perform disaster work in this state. 6318

(14) "Qualifying employee" means one of the following: 6319

(a) An out-of-state employee performing disaster work in 6320  
this state during a disaster response period whose employer 6321  
receives a qualifying solicitation to perform such work; 6322

(b) An out-of-state employee performing disaster work in 6323  
this state on critical infrastructure owned or used by the 6324  
employee's employer during a disaster response period, provided 6325  
that employer is a qualifying user or owner. 6326

(B) An out-of-state disaster business or qualifying 6327  
employee shall qualify for all of the following, as applicable: 6328

(1) The exemption authorized in division (C) (20) of 6329  
section 718.01, the exemption authorized in division (C) (10) of 6330  
section 5741.02, the deduction authorized in division (A) ~~(33)~~ 6331

(30) of section 5747.01, and the exclusion authorized in 6332  
division (F) (2) (11) of section 5751.01 of the Revised Code; 6333

(2) An exemption from any requirement to file a document 6334  
or application with or to remit a fee to the secretary of state 6335  
as a condition precedent to engaging in business in this state, 6336  
in accordance with section 1701.041 of the Revised Code; 6337

(3) An exemption from the requirements of Chapters 4121., 6338  
4123., and 4141. of the Revised Code, in accordance with 6339  
division (A) (2) of section 4123.01 and section 4141.42 of the 6340  
Revised Code; 6341

(4) An exemption from the requirement to obtain a state or 6342  
local occupational license or other authorization, in accordance 6343  
with section 4799.04 of the Revised Code. 6344

(C) (1) Upon the request of the tax commissioner, an out- 6345  
of-state disaster business shall provide the following 6346  
information to the commissioner: 6347

(a) The name of the out-of-state disaster business and the 6348  
address of its principal place of business; 6349

(b) The business' federal tax identification number; 6350

(c) A copy of the qualifying solicitation received by the 6351  
business; 6352

(d) The dates that the out-of-state disaster business and 6353  
each of the business' out-of-state employees performing disaster 6354  
work in this state during a disaster response period began 6355  
performing disaster work in this state during that period; 6356

(e) The name and social security number of each of the 6357  
out-of-state disaster business' out-of-state employees 6358  
performing disaster work in this state during a disaster 6359

response period; 6360

(f) The name of any person of which the out-of-state 6361  
disaster business is a related member, provided that person is 6362  
subject to taxation under Chapter 5747. or 5751. of the Revised 6363  
Code during the calendar year preceding the year in which the 6364  
disaster response period begins; 6365

(g) Any other information required by the tax 6366  
commissioner. 6367

(2) Upon the request of the tax commissioner, the employer 6368  
of a qualifying employee shall provide the following information 6369  
to the commissioner: 6370

(a) The employer's name and the address of its principal 6371  
place of business; 6372

(b) The employer's federal tax identification number; 6373

(c) For the employer of a qualifying employee described in 6374  
division (A)(14)(a) of this section, a copy of the qualifying 6375  
solicitation received by the employer; 6376

(d) The date each of the employer's out-of-state employees 6377  
performing disaster work in this state during a disaster 6378  
response period began performing disaster work in this state 6379  
during that period; 6380

(e) The name and social security number of each of the 6381  
employer's out-of-state employees performing disaster work in 6382  
this state during a disaster response period; 6383

(f) Any other information required by the tax 6384  
commissioner. 6385

(3) If the commissioner makes a request under division (C) 6386

(1) or (2) of this section, the out-of-state disaster business 6387  
or employer shall submit information described in that division 6388  
to the commissioner not later than thirty days from the date the 6389  
disaster response period terminates or thirty days after the 6390  
business or employer receives the request, whichever is later. 6391

(D) The department of taxation may adopt rules necessary 6392  
to administer this section. 6393

**Sec. 5703.95.** (A) As used in this section, "tax 6394  
expenditure" has the same meaning as in section 5703.48 of the 6395  
Revised Code. 6396

(B) There is hereby created the tax expenditure review 6397  
committee, consisting of seven members, composed of the 6398  
following: 6399

(1) Three members of the house of representatives 6400  
appointed by the speaker of the house of representatives in 6401  
consultation with the minority leader of the house of 6402  
representatives. Members described in division (B)(1) of this 6403  
section shall not all be members of the same party and should be 6404  
members of the house of representatives committee that deals 6405  
primarily with tax legislation; 6406

(2) Three members of the senate appointed by the president 6407  
of the senate in consultation with the minority leader of the 6408  
senate. Members described in division (B)(2) of this section 6409  
shall not all be members of the same party and should be members 6410  
of the senate committee that deals primarily with tax 6411  
legislation; 6412

(3) The tax commissioner or the tax commissioner's 6413  
designee. The member described in division (B)(3) of this 6414  
section shall be a nonvoting member. 6415

The speaker of the house of representatives and the 6416  
president of the senate shall make initial appointments to the 6417  
committee not later than thirty days ~~following the effective~~ 6418  
~~date of the enactment of this section~~ after March 21, 2017. 6419  
Thereafter, the terms of the office for appointed members shall 6420  
be the same as the term of each general assembly. Members may be 6421  
reappointed, provided the member continues to meet all other 6422  
eligibility requirements. Vacancies shall be filled in the 6423  
manner provided for original appointments. Any member appointed 6424  
to fill a vacancy before the expiration of the term for which 6425  
the predecessor was appointed shall hold office as a member for 6426  
the remainder of that term. Appointed members of the committee 6427  
serve at the pleasure of the member's appointing authority and 6428  
may be removed only by the appointing authority. 6429

(C) The tax expenditure review committee shall hold its 6430  
first meeting within ninety days after ~~the effective date of the~~ 6431  
~~enactment of this section~~ March 21, 2017. At the first meeting, 6432  
the members shall elect a chairperson, who shall be one of the 6433  
members described in division (B) (1) or (2) of this section. 6434  
Thereafter, the committee shall meet at least once during the 6435  
first year of each fiscal biennium to review existing tax 6436  
expenditures pursuant to division (D) of this section, provided 6437  
the committee shall hold, for any such expenditure, at least one 6438  
meeting at which a person may present to the committee evidence 6439  
or testimony related to that expenditure. Any person may submit 6440  
to the chairperson a request that the committee meet to accept 6441  
evidence or testimony on a tax expenditure. The committee is a 6442  
public body for the purposes of section 121.22 of the Revised 6443  
Code. 6444

The chairperson of the committee shall serve until the 6445  
thirty-first day of December of each even-numbered year. 6446

Thereafter, members shall elect a new chairperson. If the 6447  
preceding chairperson was a member described in division (B) (1) 6448  
of this section, the new chairperson shall be a member described 6449  
in division (B) (2) of this section. If the preceding chairperson 6450  
was a member described in division (B) (2) of this section, the 6451  
new chairperson shall be a member described in division (B) (1) 6452  
of this section. 6453

A vacancy on the committee does not impair the right of 6454  
the other members to exercise all the functions of the 6455  
committee. The presence of a majority of the voting members of 6456  
the committee constitutes a quorum for the conduct of business 6457  
of the committee. The concurrence of at least a majority of the 6458  
voting members of the committee is necessary for any action to 6459  
be taken by the committee. 6460

Upon the committee's request, the department of taxation, 6461  
development services agency, office of budget and management, or 6462  
other state agency shall provide any information in its 6463  
possession that the committee requires to perform its duties. 6464

The staff of the legislative service commission shall 6465  
assist the committee as directed by the committee. 6466

(D) The committee shall establish a schedule for review 6467  
for each tax expenditure so that each expenditure is reviewed at 6468  
least once every eight years. The schedule may provide for the 6469  
review of each tax expenditure in the order the expenditures 6470  
were enacted or modified, beginning with the least recently 6471  
enacted or modified tax expenditure. Alternatively, the review 6472  
schedule may group tax expenditures by the individuals or 6473  
industries benefiting from the expenditures, the objectives of 6474  
each expenditure, or the policy rationale of each expenditure. 6475  
In its review, the committee shall make recommendations as to 6476

whether each tax expenditure should be continued without 6477  
modification, modified, scheduled for further review at a future 6478  
date to consider repealing the expenditure, or repealed 6479  
outright. For each expenditure reviewed, the committee may 6480  
recommend accountability standards for the future review of the 6481  
expenditure. The committee may consider, when reviewing a tax 6482  
expenditure, any of the relevant factors described in division 6483  
(E) of this section. 6484

(E) In conducting reviews pursuant to division (D) of this 6485  
section, the committee may consider the following factors: 6486

(1) The number and classes of persons, organizations, 6487  
businesses, or types of industries that would receive the direct 6488  
benefit or consequences of the tax expenditure; 6489

(2) The fiscal impact of the tax expenditure on state and 6490  
local taxing authorities, including any past fiscal effects and 6491  
expected future fiscal impacts of the tax expenditure in the 6492  
following eight-year period; 6493

(3) Public policy objectives that might support the tax 6494  
expenditure. In researching such objectives, the committee may 6495  
consider the expenditure's legislative history, the tax 6496  
expenditure's sponsor's intent in proposing the tax expenditure, 6497  
or the extent to which the tax expenditure encourages or would 6498  
encourage business growth or relocation into the state, promotes 6499  
or would promote growth or retention of high-wage jobs in the 6500  
state, or aids or would aid community stabilization. 6501

(4) Whether the tax expenditure successfully accomplishes 6502  
any of the objectives identified in division (E) (3) of this 6503  
section; 6504

(5) Whether the objectives identified in division (E) (3) 6505

of this section would or could have been accomplished 6506  
successfully in the absence of the tax expenditure or with less 6507  
cost to the state or local governments; 6508

(6) Whether the objectives identified in division (E) (3) 6509  
of this section could have been accomplished successfully 6510  
through a program that requires legislative appropriations for 6511  
funding; 6512

(7) The extent to which the tax expenditure may provide 6513  
unintended benefits to an individual, organization, or industry 6514  
other than those the general assembly or sponsor intended or 6515  
creates an unfair competitive advantage for its recipient with 6516  
respect to other businesses in the state; 6517

(8) The extent to which terminating the tax expenditure 6518  
may have negative effects on taxpayers that currently benefit 6519  
from the tax expenditure; 6520

(9) The extent to which terminating the tax expenditure 6521  
may have negative or positive effects on the state's employment 6522  
and economy; 6523

(10) The feasibility of modifying the tax expenditure to 6524  
provide for adjustment or recapture of the proceeds of the tax 6525  
expenditure if the objectives of the tax expenditure are not 6526  
fulfilled by the recipient of the tax expenditure. 6527

(F) The committee shall prepare a report of its 6528  
determinations under division (D) of this section and, not later 6529  
than the first day of July of each even-numbered year, submit a 6530  
copy of the report to the governor, the speaker of the house of 6531  
representatives, the president of the senate, the minority 6532  
leader of the house of representatives, and the minority leader 6533  
of the senate. The first report shall be submitted either in ~~the~~ 6534



~~year of the effective date of this section or in the first even-~~ 6535  
~~numbered year thereafter, 2017 or 2018.~~ If the committee 6536  
maintains a web site, the committee shall cause a copy of the 6537  
report to be posted on the web site in a form enabling access to 6538  
the report by the public within thirty days after the report is 6539  
submitted under this division. If the committee does not 6540  
maintain a web site, the committee shall request that the 6541  
president of the senate and the speaker of the house of 6542  
representatives cause the report to be posted on the web site of 6543  
the general assembly. 6544

(G) Any bill introduced in the house of representatives or 6545  
the senate that proposes to enact or modify one or more tax 6546  
expenditures should include a statement explaining the 6547  
objectives of the tax expenditure or its modification and the 6548  
sponsor's intent in proposing the tax expenditure or its 6549  
modification. 6550

**Sec. 5705.03.** (A) The taxing authority of each subdivision 6551  
may levy taxes annually, subject to the limitations of sections 6552  
5705.01 to 5705.47 of the Revised Code, on the real and personal 6553  
property within the subdivision for the purpose of paying the 6554  
current operating expenses of the subdivision and acquiring or 6555  
constructing permanent improvements. The taxing authority of 6556  
each subdivision and taxing unit shall, subject to the 6557  
limitations of such sections, levy such taxes annually as are 6558  
necessary to pay the interest and sinking fund on and retire at 6559  
maturity the bonds, notes, and certificates of indebtedness of 6560  
such subdivision and taxing unit, including levies in 6561  
anticipation of which the subdivision or taxing unit has 6562  
incurred indebtedness. 6563

(B) (1) When a taxing authority determines that it is 6564

necessary to levy a tax outside the ten-mill limitation for any purpose authorized by the Revised Code, the taxing authority shall certify to the county auditor a resolution or ordinance requesting that the county auditor certify to the taxing authority the total current tax valuation of the subdivision, and the number of mills required to generate a specified amount of revenue, or the dollar amount of revenue that would be generated by a specified number of mills. The resolution or ordinance shall state all of the following:

- (a) The purpose of the tax;
- (b) Whether the tax is an additional levy, a renewal or a replacement of an existing tax, or a renewal or replacement of an existing tax with an increase or a decrease;
- (c) The section of the Revised Code authorizing submission of the question of the tax;
- (d) The term of years of the tax or if the tax is for a continuing period of time;
- (e) That the tax is to be levied upon the entire territory of the subdivision or, if authorized by the Revised Code, a description of the portion of the territory of the subdivision in which the tax is to be levied;
- (f) The date of the election at which the question of the tax shall appear on the ballot;
- (g) That the ballot measure shall be submitted to the entire territory of the subdivision or, if authorized by the Revised Code, a description of the portion of the territory of the subdivision to which the ballot measure shall be submitted;
- (h) The tax year in which the tax will first be levied and

the calendar year in which the tax will first be collected; 6593

(i) Each such county in which the subdivision has 6594  
territory. 6595

If a subdivision is located in more than one county, the 6596  
county auditor shall obtain from the county auditor of each 6597  
other county in which the subdivision is located the current tax 6598  
valuation for the portion of the subdivision in that county. The 6599  
county auditor shall issue the certification to the taxing 6600  
authority within ten days after receiving the taxing authority's 6601  
resolution or ordinance requesting it. 6602

~~(2) When considering the tangible personal property 6603  
component of the tax valuation of the subdivision, the county 6604  
auditor shall take into account the assessment percentages 6605  
prescribed in section 5711.22 of the Revised Code. The tax 6606  
commissioner may issue rules, orders, or instructions directing 6607  
how the assessment percentages must be utilized. 6608~~

~~(3) Upon receiving the certification from the county 6609  
auditor, the taxing authority may adopt a resolution or 6610  
ordinance stating the rate of the tax levy, expressed in mills 6611  
for each one dollar in tax valuation as estimated by the county 6612  
auditor, and that the taxing authority will proceed with the 6613  
submission of the question of the tax to electors. The taxing 6614  
authority shall certify this resolution or ordinance, a copy of 6615  
the county auditor's certification, and the resolution or 6616  
ordinance the taxing authority adopted under division (B) (1) of 6617  
this section to the proper county board of elections in the 6618  
manner and within the time prescribed by the section of the 6619  
Revised Code governing submission of the question. The county 6620  
board of elections shall not submit the question of the tax to 6621  
electors unless a copy of the county auditor's certification 6622~~

accompanies the resolutions or ordinances the taxing authority 6623  
certifies to the board. Before requesting a taxing authority to 6624  
submit a tax levy, any agency or authority authorized to make 6625  
that request shall first request the certification from the 6626  
county auditor provided under this section. 6627

~~(4)~~ (3) This division is supplemental to, and not in 6628  
derogation of, any similar requirement governing the 6629  
certification by the county auditor of the tax valuation of a 6630  
subdivision or necessary tax rates for the purposes of the 6631  
submission of the question of a tax in excess of the ten-mill 6632  
limitation, including sections 133.18 and 5705.195 of the 6633  
Revised Code. 6634

(C) All taxes levied on property shall be extended on the 6635  
tax list and duplicate by the county auditor of the county in 6636  
which the property is located, and shall be collected by the 6637  
county treasurer of such county in the same manner and under the 6638  
same laws and rules as are prescribed for the assessment and 6639  
collection of county taxes. The proceeds of any tax levied by or 6640  
for any subdivision when received by its fiscal officer shall be 6641  
deposited in its treasury to the credit of the appropriate fund. 6642

**Sec. 5705.13.** (A) A taxing authority of a subdivision, by 6643  
resolution or ordinance, may establish reserve balance accounts 6644  
to accumulate currently available resources for the following 6645  
purposes: 6646

(1) To stabilize subdivision budgets against cyclical 6647  
changes in revenues and expenditures; 6648

(2) Except as otherwise provided by this section, to 6649  
provide for the payment of claims and deductibles under an 6650  
individual or joint self-insurance program for the subdivision, 6651

if the subdivision is permitted by law to establish such a 6652  
program; 6653

(3) To provide for the payment of claims, assessments, and 6654  
deductibles under a self-insurance program, individual 6655  
retrospective ratings plan, group rating plan, group 6656  
retrospective rating plan, medical only program, deductible 6657  
plan, or large deductible plan for workers' compensation. 6658

The ordinance or resolution establishing a reserve balance 6659  
account shall state the purpose for which the account is 6660  
established, the fund in which the account is to be established, 6661  
and the total amount of money to be reserved in the account. 6662

Not more than one reserve balance account may be 6663  
established for each of the purposes permitted under divisions 6664  
(A) (2) and (3) of this section. Money to the credit of a reserve 6665  
balance account may be expended only for the purpose for which 6666  
the account was established. 6667

A reserve balance account established for the purpose 6668  
described in division (A) (1) of this section may be established 6669  
in the general fund or in one or more special funds for 6670  
operating purposes of the subdivision. The amount of money to be 6671  
reserved in such an account in any fiscal year shall not exceed 6672  
five per cent of the revenue credited in the preceding fiscal 6673  
year to the fund in which the account is established, or, in the 6674  
case of a reserve balance account of a county or of a township, 6675  
the greater of that amount or one-sixth of the expenditures 6676  
during the preceding fiscal year from the fund in which the 6677  
account is established. Subject to division ~~(G)~~ (F) of section 6678  
5705.29 of the Revised Code, any reserve balance in an account 6679  
established under division (A) (1) of this section shall not be 6680  
considered part of the unencumbered balance or revenue of the 6681

subdivision under division (A) of section 5705.35 or division 6682  
(A) (1) of section 5705.36 of the Revised Code. 6683

At any time, a taxing authority of a subdivision, by 6684  
resolution or ordinance, may reduce or eliminate the reserve 6685  
balance in a reserve balance account established for the purpose 6686  
described in division (A) (1) of this section. 6687

A reserve balance account established for the purpose 6688  
described in division (A) (2) or (3) of this section shall be 6689  
established in the general fund of the subdivision or by the 6690  
establishment of a separate internal service fund established to 6691  
account for the operation of an individual or joint self- 6692  
insurance program described in division (A) (2) of this section 6693  
or a workers' compensation program or plan described in division 6694  
(A) (3) of this section, and shall be based on sound actuarial 6695  
principles. The total amount of money in a reserve balance 6696  
account for self-insurance may be expressed in dollars or as the 6697  
amount determined to represent an adequate reserve according to 6698  
sound actuarial principles. 6699

A taxing authority of a subdivision, by resolution or 6700  
ordinance, may rescind a reserve balance account established 6701  
under this division. If a reserve balance account is rescinded, 6702  
money that has accumulated in the account shall be transferred 6703  
to the fund or funds from which the money originally was 6704  
transferred. 6705

(B) A taxing authority of a subdivision, by resolution or 6706  
ordinance, may establish a special revenue fund for the purpose 6707  
of accumulating resources for the payment of accumulated sick 6708  
leave and vacation leave, and for payments in lieu of taking 6709  
compensatory time off, upon the termination of employment or the 6710  
retirement of officers and employees of the subdivision. The 6711

special revenue fund may also accumulate resources for payment 6712  
of salaries during any fiscal year when the number of pay 6713  
periods exceeds the usual and customary number of pay periods. 6714  
Notwithstanding sections 5705.14, 5705.15, and 5705.16 of the 6715  
Revised Code, the taxing authority, by resolution or ordinance, 6716  
may transfer money to the special revenue fund from any other 6717  
fund of the subdivision from which such payments may lawfully be 6718  
made. The taxing authority, by resolution or ordinance, may 6719  
rescind a special revenue fund established under this division. 6720  
If a special revenue fund is rescinded, money that has 6721  
accumulated in the fund shall be transferred to the fund or 6722  
funds from which the money originally was transferred. 6723

(C) A taxing authority of a subdivision, by resolution or 6724  
ordinance, may establish a capital projects fund for the purpose 6725  
of accumulating resources for the acquisition, construction, or 6726  
improvement of fixed assets of the subdivision. For the purposes 6727  
of this section, "fixed assets" includes motor vehicles. More 6728  
than one capital projects fund may be established and may exist 6729  
at any time. The ordinance or resolution shall identify the 6730  
source of the money to be used to acquire, construct, or improve 6731  
the fixed assets identified in the resolution or ordinance, the 6732  
amount of money to be accumulated for that purpose, the period 6733  
of time over which that amount is to be accumulated, and the 6734  
fixed assets that the taxing authority intends to acquire, 6735  
construct, or improve with the money to be accumulated in the 6736  
fund. 6737

A taxing authority of a subdivision shall not accumulate 6738  
money in a capital projects fund for more than ten years after 6739  
the resolution or ordinance establishing the fund is adopted. If 6740  
the subdivision has not entered into a contract for the 6741  
acquisition, construction, or improvement of fixed assets for 6742

which money was accumulated in such a fund before the end of 6743  
that ten-year period, the fiscal officer of the subdivision 6744  
shall transfer all money in the fund to the fund or funds from 6745  
which that money originally was transferred or the fund that 6746  
originally was intended to receive the money. 6747

A taxing authority of a subdivision, by resolution or 6748  
ordinance, may rescind a capital projects fund. If a capital 6749  
projects fund is rescinded, money that has accumulated in the 6750  
fund shall be transferred to the fund or funds from which the 6751  
money originally was transferred. 6752

Notwithstanding sections 5705.14, 5705.15, and 5705.16 of 6753  
the Revised Code, the taxing authority of a subdivision, by 6754  
resolution or ordinance, may transfer money to the capital 6755  
projects fund from any other fund of the subdivision that may 6756  
lawfully be used for the purpose of acquiring, constructing, or 6757  
improving the fixed assets identified in the resolution or 6758  
ordinance. 6759

**Sec. 5705.19.** This section does not apply to school 6760  
districts, county school financing districts, or lake facilities 6761  
authorities. 6762

The taxing authority of any subdivision at any time and in 6763  
any year, by vote of two-thirds of all the members of the taxing 6764  
authority, may declare by resolution and certify the resolution 6765  
to the board of elections not less than ninety days before the 6766  
election upon which it will be voted that the amount of taxes 6767  
that may be raised within the ten-mill limitation will be 6768  
insufficient to provide for the necessary requirements of the 6769  
subdivision and that it is necessary to levy a tax in excess of 6770  
that limitation for any of the following purposes: 6771



(A) For current expenses of the subdivision, except that 6772  
the total levy for current expenses of a detention facility 6773  
district or district organized under section 2151.65 of the 6774  
Revised Code shall not exceed two mills and that the total levy 6775  
for current expenses of a combined district organized under 6776  
sections 2151.65 and 2152.41 of the Revised Code shall not 6777  
exceed four mills; 6778

(B) For the payment of debt charges on certain described 6779  
bonds, notes, or certificates of indebtedness of the subdivision 6780  
issued subsequent to January 1, 1925; 6781

(C) For the debt charges on all bonds, notes, and 6782  
certificates of indebtedness issued and authorized to be issued 6783  
prior to January 1, 1925; 6784

(D) For a public library of, or supported by, the 6785  
subdivision under whatever law organized or authorized to be 6786  
supported; 6787

(E) For a municipal university, not to exceed two mills 6788  
over the limitation of one mill prescribed in section 3349.13 of 6789  
the Revised Code; 6790

(F) For the construction or acquisition of any specific 6791  
permanent improvement or class of improvements that the taxing 6792  
authority of the subdivision may include in a single bond issue; 6793

(G) For the general construction, reconstruction, 6794  
resurfacing, and repair of streets, roads, and bridges in 6795  
municipal corporations, counties, or townships; 6796

(H) For parks and recreational purposes; 6797

(I) For providing and maintaining fire apparatus, 6798  
mechanical resuscitators, underwater rescue and recovery 6799

equipment, or other fire equipment and appliances, buildings and 6800  
sites therefor, or sources of water supply and materials 6801  
therefor, for the establishment and maintenance of lines of 6802  
fire-alarm communications, for the payment of firefighting 6803  
companies or permanent, part-time, or volunteer firefighting, 6804  
emergency medical service, administrative, or communications 6805  
personnel to operate the same, including the payment of any 6806  
employer contributions required for such personnel under section 6807  
145.48 or 742.34 of the Revised Code, for the purchase of 6808  
ambulance equipment, for the provision of ambulance, paramedic, 6809  
or other emergency medical services operated by a fire 6810  
department or firefighting company, or for the payment of other 6811  
related costs; 6812

(J) For providing and maintaining motor vehicles, 6813  
communications, other equipment, buildings, and sites for such 6814  
buildings used directly in the operation of a police department, 6815  
for the payment of salaries of permanent or part-time police, 6816  
communications, or administrative personnel to operate the same, 6817  
including the payment of any employer contributions required for 6818  
such personnel under section 145.48 or 742.33 of the Revised 6819  
Code, for the payment of the costs incurred by townships as a 6820  
result of contracts made with other political subdivisions in 6821  
order to obtain police protection, for the provision of 6822  
ambulance or emergency medical services operated by a police 6823  
department, or for the payment of other related costs; 6824

(K) For the maintenance and operation of a county home or 6825  
detention facility; 6826

(L) For community developmental disabilities programs and 6827  
services pursuant to Chapter 5126. of the Revised Code, except 6828  
that such levies shall be subject to the procedures and 6829

requirements of section 5705.222 of the Revised Code;	6830
(M) For regional planning;	6831
(N) For a county's share of the cost of maintaining and operating schools, district detention facilities, forestry camps, or other facilities, or any combination thereof, established under section 2151.65 or 2152.41 of the Revised Code or both of those sections;	6832 6833 6834 6835 6836
(O) For providing for flood defense, providing and maintaining a flood wall or pumps, and other purposes to prevent floods;	6837 6838 6839
(P) For maintaining and operating sewage disposal plants and facilities;	6840 6841
(Q) For the purpose of purchasing, acquiring, constructing, enlarging, improving, equipping, repairing, maintaining, or operating, or any combination of the foregoing, a county transit system pursuant to sections 306.01 to 306.13 of the Revised Code, or of making any payment to a board of county commissioners operating a transit system or a county transit board pursuant to section 306.06 of the Revised Code;	6842 6843 6844 6845 6846 6847 6848
(R) For the subdivision's share of the cost of acquiring or constructing any schools, forestry camps, detention facilities, or other facilities, or any combination thereof, under section 2151.65 or 2152.41 of the Revised Code or both of those sections;	6849 6850 6851 6852 6853
(S) For the prevention, control, and abatement of air pollution;	6854 6855
(T) For maintaining and operating cemeteries;	6856
(U) For providing ambulance service, emergency medical	6857

service, or both;	6858
(V) For providing for the collection and disposal of garbage or refuse, including yard waste;	6859 6860
(W) For the payment of the police officer employers' contribution or the firefighter employers' contribution required under sections 742.33 and 742.34 of the Revised Code;	6861 6862 6863
(X) For the construction and maintenance of a drainage improvement pursuant to section 6131.52 of the Revised Code;	6864 6865
(Y) For providing or maintaining senior citizens services or facilities as authorized by section 307.694, 307.85, 505.70, or 505.706 or division (EE) of section 717.01 of the Revised Code;	6866 6867 6868 6869
(Z) For the provision and maintenance of zoological park services and facilities as authorized under section 307.76 of the Revised Code;	6870 6871 6872
(AA) For the maintenance and operation of a free public museum of art, science, or history;	6873 6874
(BB) For the establishment and operation of a 9-1-1 system, as defined in section 128.01 of the Revised Code;	6875 6876
(CC) For the purpose of acquiring, rehabilitating, or developing rail property or rail service. As used in this division, "rail property" and "rail service" have the same meanings as in section 4981.01 of the Revised Code. This division applies only to a county, township, or municipal corporation.	6877 6878 6879 6880 6881 6882
(DD) For the purpose of acquiring property for, constructing, operating, and maintaining community centers as provided for in section 755.16 of the Revised Code;	6883 6884 6885

(EE) For the creation and operation of an office or joint office of economic development, for any economic development purpose of the office, and to otherwise provide for the establishment and operation of a program of economic development pursuant to sections 307.07 and 307.64 of the Revised Code, or to the extent that the expenses of a county land reutilization corporation organized under Chapter 1724. of the Revised Code are found by the board of county commissioners to constitute the promotion of economic development, for the payment of such operations and expenses;

(FF) For the purpose of acquiring, establishing, constructing, improving, equipping, maintaining, or operating, or any combination of the foregoing, a township airport, landing field, or other air navigation facility pursuant to section 505.15 of the Revised Code;

(GG) For the payment of costs incurred by a township as a result of a contract made with a county pursuant to section 505.263 of the Revised Code in order to pay all or any part of the cost of constructing, maintaining, repairing, or operating a water supply improvement;

(HH) For a board of township trustees to acquire, other than by appropriation, an ownership interest in land, water, or wetlands, or to restore or maintain land, water, or wetlands in which the board has an ownership interest, not for purposes of recreation, but for the purposes of protecting and preserving the natural, scenic, open, or wooded condition of the land, water, or wetlands against modification or encroachment resulting from occupation, development, or other use, which may be styled as protecting or preserving "greenspace" in the resolution, notice of election, or ballot form. Except as

otherwise provided in this division, land is not acquired for 6916  
purposes of recreation, even if the land is used for 6917  
recreational purposes, so long as no building, structure, or 6918  
fixture used for recreational purposes is permanently attached 6919  
or affixed to the land. Except as otherwise provided in this 6920  
division, land that previously has been acquired in a township 6921  
for these greenspace purposes may subsequently be used for 6922  
recreational purposes if the board of township trustees adopts a 6923  
resolution approving that use and no building, structure, or 6924  
fixture used for recreational purposes is permanently attached 6925  
or affixed to the land. The authorization to use greenspace land 6926  
for recreational use does not apply to land located in a 6927  
township that had a population, at the time it passed its first 6928  
greenspace levy, of more than thirty-eight thousand within a 6929  
county that had a population, at that time, of at least eight 6930  
hundred sixty thousand. 6931

(II) For the support by a county of a crime victim 6932  
assistance program that is provided and maintained by a county 6933  
agency or a private, nonprofit corporation or association under 6934  
section 307.62 of the Revised Code; 6935

(JJ) For any or all of the purposes set forth in divisions 6936  
(I) and (J) of this section. This division applies only to a 6937  
municipal corporation or a township. 6938

(KK) For a countywide public safety communications system 6939  
under section 307.63 of the Revised Code. This division applies 6940  
only to counties. 6941

(LL) For the support by a county of criminal justice 6942  
services under section 307.45 of the Revised Code; 6943

(MM) For the purpose of maintaining and operating a jail 6944

or other detention facility as defined in section 2921.01 of the Revised Code; 6945  
6946

(NN) For purchasing, maintaining, or improving, or any combination of the foregoing, real estate on which to hold, and the operating expenses of, agricultural fairs operated by a county agricultural society or independent agricultural society under Chapter 1711. of the Revised Code. This division applies only to a county. 6947  
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(OO) For constructing, rehabilitating, repairing, or maintaining sidewalks, walkways, trails, bicycle pathways, or similar improvements, or acquiring ownership interests in land necessary for the foregoing improvements; 6953  
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(PP) For both of the purposes set forth in divisions (G) and (OO) of this section. 6957  
6958

(QQ) For both of the purposes set forth in divisions (H) and (HH) of this section. This division applies only to a township. 6959  
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(RR) For the legislative authority of a municipal corporation, board of county commissioners of a county, or board of township trustees of a township to acquire agricultural easements, as defined in section 5301.67 of the Revised Code, and to supervise and enforce the easements. 6962  
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(SS) For both of the purposes set forth in divisions (BB) and (KK) of this section. This division applies only to a county. 6967  
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(TT) For the maintenance and operation of a facility that is organized in whole or in part to promote the sciences and natural history under section 307.761 of the Revised Code. 6970  
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(UU) For the creation and operation of a county land reutilization corporation and for any programs or activities of the corporation found by the board of directors of the corporation to be consistent with the purposes for which the corporation is organized;

(VV) For construction and maintenance of improvements and expenses of soil and water conservation district programs under Chapter 940. of the Revised Code;

(WW) For the OSU extension fund created under section 3335.35 of the Revised Code for the purposes prescribed under section 3335.36 of the Revised Code for the benefit of the citizens of a county. This division applies only to a county.

(XX) For a municipal corporation that withdraws or proposes by resolution to withdraw from a regional transit authority under section 306.55 of the Revised Code to provide transportation services for the movement of persons within, from, or to the municipal corporation;

(YY) For any combination of the purposes specified in divisions (NN), (VV), and (WW) of this section. This division applies only to a county.

(ZZ) For any combination of the following purposes: the acquisition, construction, improvement, or maintenance of buildings, equipment, and supplies for police, firefighting, or emergency medical services; the construction, reconstruction, resurfacing, or repair of streets, roads, and bridges; or for general infrastructure projects. This division applies only to a township or municipal corporation.

(AAA) For any combination of the purposes specified in divisions (G), (K), (N), (O), (P), (X), (BB), and (MM) of this



section, for the acquisition, construction or maintenance of 7002  
county facilities, or for the acquisition of or improvements to 7003  
land. This division applies only to a county. 7004

The resolution shall be confined to the purpose or 7005  
purposes described in one division of this section, to which the 7006  
revenue derived therefrom shall be applied. The existence in any 7007  
other division of this section of authority to levy a tax for 7008  
any part or all of the same purpose or purposes does not 7009  
preclude the use of such revenues for any part of the purpose or 7010  
purposes of the division under which the resolution is adopted. 7011

The resolution shall specify the amount of the increase in 7012  
rate that it is necessary to levy, the purpose of that increase 7013  
in rate, and the number of years during which the increase in 7014  
rate shall be in effect, which may or may not include a levy 7015  
upon the duplicate of the current year. The number of years may 7016  
be any number not exceeding five, except as follows: 7017

(1) When the additional rate is for the payment of debt 7018  
charges, the increased rate shall be for the life of the 7019  
indebtedness. 7020

(2) When the additional rate is for any of the following, 7021  
the increased rate shall be for a continuing period of time: 7022

(a) For the current expenses for a detention facility 7023  
district, a district organized under section 2151.65 of the 7024  
Revised Code, or a combined district organized under sections 7025  
2151.65 and 2152.41 of the Revised Code; 7026

(b) For providing a county's share of the cost of 7027  
maintaining and operating schools, district detention 7028  
facilities, forestry camps, or other facilities, or any 7029  
combination thereof, established under section 2151.65 or 7030

2152.41 of the Revised Code or under both of those sections. 7031

(3) When the additional rate is for either of the 7032  
following, the increased rate may be for a continuing period of 7033  
time: 7034

(a) For the purposes set forth in division (I), (J), (U), 7035  
or (KK) of this section; 7036

(b) For the maintenance and operation of a joint 7037  
recreation district. 7038

(4) When the increase is for the purpose or purposes set 7039  
forth in division (D), (G), (H), (T), (Z), (CC), or (PP) of this 7040  
section, the tax levy may be for any specified number of years 7041  
or for a continuing period of time, as set forth in the 7042  
resolution. 7043

(5) When the increase is for the purpose set forth in 7044  
division (ZZ) or (AAA) of this section, the tax levy may be for 7045  
any number of years not exceeding ten. 7046

A levy for one of the purposes set forth in division (G), 7047  
(I), (J), or (U) of this section may be reduced pursuant to 7048  
section 5705.261 or 5705.31 of the Revised Code. A levy for one 7049  
of the purposes set forth in division (G), (I), (J), or (U) of 7050  
this section may also be terminated or permanently reduced by 7051  
the taxing authority if it adopts a resolution stating that the 7052  
continuance of the levy is unnecessary and the levy shall be 7053  
terminated or that the millage is excessive and the levy shall 7054  
be decreased by a designated amount. 7055

A resolution of a detention facility district, a district 7056  
organized under section 2151.65 of the Revised Code, or a 7057  
combined district organized under both sections 2151.65 and 7058  
2152.41 of the Revised Code may include both current expenses 7059

and other purposes, provided that the resolution shall apportion 7060  
the annual rate of levy between the current expenses and the 7061  
other purpose or purposes. The apportionment need not be the 7062  
same for each year of the levy, but the respective portions of 7063  
the rate actually levied each year for the current expenses and 7064  
the other purpose or purposes shall be limited by the 7065  
apportionment. 7066

Whenever a board of county commissioners, acting either as 7067  
the taxing authority of its county or as the taxing authority of 7068  
a sewer district or subdistrict created under Chapter 6117. of 7069  
the Revised Code, by resolution declares it necessary to levy a 7070  
tax in excess of the ten-mill limitation for the purpose of 7071  
constructing, improving, or extending sewage disposal plants or 7072  
sewage systems, the tax may be in effect for any number of years 7073  
not exceeding twenty, and the proceeds of the tax, 7074  
notwithstanding the general provisions of this section, may be 7075  
used to pay debt charges on any obligations issued and 7076  
outstanding on behalf of the subdivision for the purposes 7077  
enumerated in this paragraph, provided that any such obligations 7078  
have been specifically described in the resolution. 7079

A resolution adopted by the legislative authority of a 7080  
municipal corporation that is for the purpose in division (XX) 7081  
of this section may be combined with the purpose provided in 7082  
section 306.55 of the Revised Code, by vote of two-thirds of all 7083  
members of the legislative authority. The legislative authority 7084  
may certify the resolution to the board of elections as a 7085  
combined question. The question appearing on the ballot shall be 7086  
as provided in section 5705.252 of the Revised Code. 7087

A levy for the purpose set forth in division (BB) of this 7088  
section may be imposed in all or a portion of the territory of a 7089

subdivision. If the 9-1-1 system to be established and operated 7090  
with levy funds excludes territory located within the 7091  
subdivision, the resolution adopted under this section, or a 7092  
resolution proposing to renew such a levy that was imposed in 7093  
all of the territory of the subdivision, may describe the area 7094  
served or to be served by the system and specify that the 7095  
proposed tax would be imposed only in the areas receiving or to 7096  
receive the service. Upon passage of such a resolution, the 7097  
board of elections shall submit the question of the tax levy 7098  
only to those electors residing in the area or areas in which 7099  
the tax would be imposed. If the 9-1-1 system would serve the 7100  
entire subdivision, the resolution shall not exclude territory 7101  
from the tax levy. 7102

The resolution shall go into immediate effect upon its 7103  
passage, and no publication of the resolution is necessary other 7104  
than that provided for in the notice of election. 7105

When the electors of a subdivision or, in the case of a 7106  
qualifying library levy for the support of a library association 7107  
or private corporation, the electors of the association library 7108  
district or, in the case of a 9-1-1 system levy serving only a 7109  
portion of the territory of a subdivision, the electors of the 7110  
portion of the subdivision in which the levy would be imposed 7111  
have approved a tax levy under this section, the taxing 7112  
authority of the subdivision may anticipate a fraction of the 7113  
proceeds of the levy and issue anticipation notes in accordance 7114  
with section 5705.191 or 5705.193 of the Revised Code. 7115

**Sec. 5705.195.** Within five days after the resolution is 7116  
certified to the county auditor as provided by section 5705.194 7117  
of the Revised Code, the auditor shall calculate and certify to 7118  
the taxing authority the annual levy, expressed in dollars and 7119

cents for each one hundred dollars of valuation as well as in 7120  
mills for each one dollar of valuation, throughout the life of 7121  
the levy which will be required to produce the annual amount set 7122  
forth in the resolution assuming that the amount of the tax list 7123  
of such subdivision remains throughout the life of the levy the 7124  
same as the amount of the tax list for the current year, and if 7125  
this is not determined, the estimated amount submitted by the 7126  
auditor to the county budget commission. ~~When considering the~~ 7127  
~~tangible personal property component of the tax valuation of the~~ 7128  
~~subdivision, the county auditor shall take into account the~~ 7129  
~~assessment percentages prescribed in section 5711.22 of the~~ 7130  
~~Revised Code. The tax commissioner may issue rules, orders, or~~ 7131  
~~instructions directing how the assessment percentages must be~~ 7132  
~~utilized.~~ 7133

Upon receiving the certification from the county auditor, 7134  
if the taxing authority desires to proceed with the submission 7135  
of the question it shall, not less than ninety days before the 7136  
day of such election, certify its resolution, together with the 7137  
amount of the average tax levy, expressed in dollars and cents 7138  
for each one hundred dollars of valuation as well as in mills 7139  
for each one dollar of valuation, estimated by the auditor, and 7140  
the number of years the levy is to run to the board of elections 7141  
of the county which shall prepare the ballots and make other 7142  
necessary arrangements for the submission of the question to the 7143  
voters of the subdivision. 7144

**Sec. 5705.213.** (A) (1) The board of education of any school 7145  
district, at any time and by a vote of two-thirds of all of its 7146  
members, may declare by resolution that the amount of taxes that 7147  
may be raised within the ten-mill limitation will be 7148  
insufficient to provide an adequate amount for the present and 7149  
future requirements of the school district and that it is 7150

necessary to levy a tax in excess of that limitation for current 7151  
expenses. The resolution also shall state that the question of 7152  
the additional tax shall be submitted to the electors of the 7153  
school district at a special election. The resolution shall 7154  
specify, for each year the levy is in effect, the amount of 7155  
money that the levy is proposed to raise, which may, for years 7156  
after the first year the levy is made, be expressed in terms of 7157  
a dollar or percentage increase over the prior year's amount. 7158  
The resolution also shall specify that the purpose of the levy 7159  
is for current expenses, the number of years during which the 7160  
tax shall be in effect which may be for any number of years not 7161  
exceeding ten, and the year in which the tax first is proposed 7162  
to be levied. The resolution shall specify the date of holding 7163  
the special election, which shall not be earlier than ninety- 7164  
five days after the adoption and certification of the resolution 7165  
to the county auditor and not earlier than ninety days after 7166  
certification to the board of elections. The date of the 7167  
election shall be consistent with the requirements of section 7168  
3501.01 of the Revised Code. 7169

(2) The board of education, by a vote of two-thirds of all 7170  
of its members, may adopt a resolution proposing to renew a tax 7171  
levied under division (A) (1) of this section. Such a resolution 7172  
shall provide for levying a tax and specify all of the 7173  
following: 7174

(a) That the tax shall be called and designated on the 7175  
ballot as a renewal levy; 7176

(b) The amount of the renewal tax, which shall be no more 7177  
than the amount of tax levied during the last year the tax being 7178  
renewed is authorized to be in effect; 7179

(c) The number of years, not to exceed ten, that the 7180

renewal tax will be levied, or that it will be levied for a 7181  
continuing period of time; 7182

(d) That the purpose of the renewal levy is for current 7183  
expenses; 7184

(e) Subject to the certification and notification 7185  
requirements of section 5705.251 of the Revised Code, that the 7186  
question of the renewal levy shall be submitted to the electors 7187  
of the school district at the general election held during the 7188  
last year the tax being renewed may be extended on the real and 7189  
public utility property tax list and duplicate or at a special 7190  
election held during the ensuing year. 7191

(3) A resolution adopted under division (A) (1) or (2) of 7192  
this section shall go into immediate effect upon its adoption 7193  
and no publication of the resolution is necessary other than 7194  
that provided for in the notice of election. Immediately after 7195  
its adoption, a copy of the resolution shall be certified to the 7196  
county auditor of the proper county, who shall, within five 7197  
days, calculate and certify to the board of education the 7198  
estimated levy, for the first year, and for each subsequent year 7199  
for which the tax is proposed to be in effect. The estimates 7200  
shall be made both in mills for each dollar of valuation, and in 7201  
dollars and cents for each one hundred dollars of valuation. In 7202  
making the estimates, the auditor shall assume that the amount 7203  
of the tax list remains throughout the life of the levy, the 7204  
same as the tax list for the current year. If the tax list for 7205  
the current year is not determined, the auditor shall base the 7206  
auditor's estimates on the estimated amount of the tax list for 7207  
the current year as submitted to the county budget commission. 7208

If the board desires to proceed with the submission of the 7209  
question, it shall certify its resolution, with the estimated 7210

tax levy expressed in mills and dollars and cents per hundred 7211  
dollars of valuation for each year that the tax is proposed to 7212  
be in effect, to the board of elections of the proper county in 7213  
the manner provided by division (A) of section 5705.251 of the 7214  
Revised Code. Section 5705.251 of the Revised Code shall govern 7215  
the arrangements for the submission of the question and other 7216  
matters concerning the election to which that section refers. 7217  
The election shall be held on the date specified in the 7218  
resolution. If a majority of the electors voting on the question 7219  
so submitted in an election vote in favor of the tax, and if the 7220  
tax is authorized to be levied for the current year, the board 7221  
of education immediately may make the additional levy necessary 7222  
to raise the amount specified in the resolution or a lesser 7223  
amount for the purpose stated in the resolution. 7224

(4) The submission of questions to the electors under this 7225  
section is subject to the limitation on the number of election 7226  
dates established by section 5705.214 of the Revised Code. 7227

(B) Notwithstanding ~~sections~~ section 133.30 and ~~133.301~~ of 7228  
the Revised Code, after the approval of a tax to be levied in 7229  
the current or the succeeding year and prior to the time when 7230  
the first tax collection from that levy can be made, the board 7231  
of education may anticipate a fraction of the proceeds of the 7232  
levy and issue anticipation notes in an amount not to exceed 7233  
fifty per cent of the total estimated proceeds of the levy to be 7234  
collected during the first year of the levy. The notes shall be 7235  
sold as provided in Chapter 133. of the Revised Code. If 7236  
anticipation notes are issued, they shall mature serially and in 7237  
substantially equal amounts during each year over a period not 7238  
to exceed five years; and the amount necessary to pay the 7239  
interest and principal as the anticipation notes mature shall be 7240  
deemed appropriated for those purposes from the levy, and 7241



appropriations from the levy by the board of education shall be 7242  
limited each fiscal year to the balance available in excess of 7243  
that amount. 7244

If the auditor of state has certified a deficit pursuant 7245  
to section 3313.483 of the Revised Code, the notes authorized 7246  
under this section may be sold in accordance with Chapter 133. 7247  
of the Revised Code, except that the board may sell the notes 7248  
after providing a reasonable opportunity for competitive 7249  
bidding. 7250

**Sec. 5705.252.** (A) If the legislative authority of a 7251  
municipal corporation adopts a resolution for the purposes 7252  
provided in section 306.55 of the Revised Code and division (XX) 7253  
of section 5705.19 of the Revised Code and certifies the 7254  
resolution to the board of elections as a combined question, the 7255  
question appearing on the ballot shall read: 7256

"Shall the territory within the \_\_\_\_\_ (name of municipal 7257  
corporation) be withdrawn from \_\_\_\_\_ (name of regional transit 7258  
authority) and shall an additional tax be levied for the benefit 7259  
of \_\_\_\_\_ (name of municipal corporation) \_\_\_\_\_ for the purpose 7260  
of providing transportation services for the movement of persons 7261  
within, from, or to the \_\_\_\_\_ (name of municipal corporation) 7262  
at a rate not exceeding \_\_\_\_\_ mills for each one dollar of 7263  
valuation, which amounts to \_\_\_\_\_ (rate expressed in dollars 7264  
and cents) for each one hundred dollars of valuation, for \_\_\_\_\_ 7265  
(number of years the levy is to run)?" 7266

(B) If the board of trustees of a township adopts a 7267  
resolution for the purposes provided in sections 306.55 and 7268  
5705.72 of the Revised Code and certifies the resolution to the 7269  
board of elections as a combined question, the question 7270  
appearing on the ballot in the unincorporated area of the 7271

township shall read: 7272

"Shall the territory within the unincorporated area of 7273  
\_\_\_\_\_ (name of township) be withdrawn from \_\_\_\_\_ (name of 7274  
regional transit authority) and shall an additional tax be 7275  
levied for the benefit of the unincorporated area of \_\_\_\_\_ 7276  
(name of township) for the purpose of providing transportation 7277  
services for the movement of persons within, from, or to the 7278  
unincorporated area of \_\_\_\_\_ (name of township) at a rate not 7279  
exceeding \_\_\_\_\_ mills for each one dollar of valuation, which 7280  
amounts to \_\_\_\_\_ (rate expressed in dollars and cents) for each 7281  
one hundred dollars of valuation, for \_\_\_\_\_ (number of years 7282  
the levy is to run)?" 7283

**Sec. 5705.29.** This section does not apply to a subdivision 7284  
or taxing unit for which the county budget commission has waived 7285  
the requirement to adopt a tax budget pursuant to section 7286  
5705.281 of the Revised Code. The tax budget shall present the 7287  
following information in such detail as is prescribed by the 7288  
auditor of state: 7289

(A) (1) A statement of the necessary current operating 7290  
expenses for the ensuing fiscal year for each department and 7291  
division of the subdivision, classified as to personal services 7292  
and other expenses, and the fund from which such expenditures 7293  
are to be made. Except in the case of a school district, this 7294  
estimate may include a contingent expense not designated for any 7295  
particular purpose, and not to exceed three per cent of the 7296  
total amount of appropriations for current expenses. In the case 7297  
of a school district, this estimate may include a contingent 7298  
expense not designated for any particular purpose and not to 7299  
exceed thirteen per cent of the total amount of appropriations 7300  
for current expenses. 7301

(2) A statement of the expenditures for the ensuing fiscal year necessary for permanent improvements, exclusive of any expense to be paid from bond issues, classified as to the improvements contemplated by the subdivision and the fund from which such expenditures are to be made;

(3) The amounts required for the payment of final judgments;

(4) A statement of expenditures for the ensuing fiscal year necessary for any purpose for which a special levy is authorized, and the fund from which such expenditures are to be made;

(5) Comparative statements, so far as possible, in parallel columns of corresponding items of expenditures for the current fiscal year and the two preceding fiscal years.

(B) (1) An estimate of receipts from other sources than the general property tax during the ensuing fiscal year, which shall include an estimate of unencumbered balances at the end of the current fiscal year, and the funds to which such estimated receipts are credited;

(2) The amount each fund requires from the general property tax, which shall be the difference between the contemplated expenditure from the fund and the estimated receipts, as provided in this section. The section of the Revised Code under which the tax is authorized shall be set forth.

(3) Comparative statements, so far as possible, in parallel columns of taxes and other revenues for the current fiscal year and the two preceding fiscal years.

(C) (1) The amount required for debt charges;

(2) The estimated receipts from sources other than the tax levy for payment of such debt charges, including the proceeds of refunding bonds to be issued to refund bonds maturing in the next succeeding fiscal year;

(3) The net amount for which a tax levy shall be made, classified as to bonds authorized and issued prior to January 1, 1922, and those authorized and issued subsequent to such date, and as to what portion of the levy will be within and what in excess of the ten-mill limitation.

(D) An estimate of amounts from taxes authorized to be levied in excess of the ten-mill limitation on the tax rate, and the fund to which such amounts will be credited, together with the sections of the Revised Code under which each such tax is exempted from all limitations on the tax rate.

(E) (1) A board of education may include in its budget for the fiscal year in which a levy proposed under section 5705.194, 5705.199, 5705.21, 5705.213, or 5705.219, a property tax levy proposed under section 5748.09, or the original levy under section 5705.212 of the Revised Code is first extended on the tax list and duplicate an estimate of expenditures to be known as a voluntary contingency reserve balance, which shall not be greater than twenty-five per cent of the total amount of the levy estimated to be available for appropriation in such year.

(2) A board of education may include in its budget for the fiscal year following the year in which a levy proposed under section 5705.194, 5705.199, 5705.21, 5705.213, or 5705.219, a property tax levy proposed under section 5748.09, or the original levy under section 5705.212 of the Revised Code is first extended on the tax list and duplicate an estimate of expenditures to be known as a voluntary contingency reserve

balance, which shall not be greater than twenty per cent of the 7361  
amount of the levy estimated to be available for appropriation 7362  
in such year. 7363

(3) Except as provided in division (E) (4) of this section, 7364  
the full amount of any reserve balance the board includes in its 7365  
budget shall be retained by the county auditor and county 7366  
treasurer out of the first semiannual settlement of taxes until 7367  
the beginning of the next succeeding fiscal year, and thereupon, 7368  
with the depository interest apportioned thereto, it shall be 7369  
turned over to the board of education, to be used for the 7370  
purposes of such fiscal year. 7371

(4) A board of education, by a two-thirds vote of all 7372  
members of the board, may appropriate any amount withheld as a 7373  
voluntary contingency reserve balance during the fiscal year for 7374  
any lawful purpose, provided that prior to such appropriation 7375  
the board of education has authorized the expenditure of all 7376  
amounts appropriated for contingencies under section 5705.40 of 7377  
the Revised Code. Upon request by the board of education, the 7378  
county auditor shall draw a warrant on the district's account in 7379  
the county treasury payable to the district in the amount 7380  
requested. 7381

~~(F) (1) A board of education may include a spending reserve 7382  
in its budget for fiscal years ending on or before June 30, 7383  
2002. The spending reserve shall consist of an estimate of 7384  
expenditures not to exceed the district's spending reserve 7385  
balance. A district's spending reserve balance is the amount by 7386  
which the designated percentage of the district's estimated 7387  
personal property taxes to be settled during the calendar year 7388  
in which the fiscal year ends exceeds the estimated amount of 7389  
personal property taxes to be so settled and received by the 7390~~

~~district during that fiscal year. Moneys from a spending reserve shall be appropriated in accordance with section 133.301 of the Revised Code.~~ 7391  
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~~(2) For the purposes of computing a school district's spending reserve balance for a fiscal year, the designated percentage shall be as follows:~~ 7394  
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~~(G)~~ Except as otherwise provided in this division, the county budget commission shall not reduce the taxing authority of a subdivision as a result of the creation of a reserve balance account. Except as otherwise provided in this division, the county budget commission shall not consider the amount in a reserve balance account of a township, county, or municipal corporation as an unencumbered balance or as revenue for the purposes of division (E) (3) or (4) of section 5747.51 of the Revised Code. The county budget commission may require documentation of the reasonableness of the reserve balance held in any reserve balance account. The commission shall consider any amount in a reserve balance account that it determines to be unreasonable as unencumbered and as revenue for the purposes of section 5747.51 of the Revised Code and may take such amounts into consideration when determining whether to reduce the taxing authority of a subdivision. 7397  
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**Sec. 5705.315.** With respect to annexations granted on or after ~~the effective date of this section~~ March 27, 2002, and during any tax year or years within which any territory annexed to a municipal corporation is part of a township, the minimum levy for the municipal corporation and township under section 5705.31 of the Revised Code shall not be diminished, except that in the annexed territory and only during those tax year or years, and in order to preserve the minimum levies of 7413  
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overlapping subdivisions under section 5705.31 of the Revised Code so that the full amount of taxes within the ten-mill limitation may be levied to the extent possible, the minimum levy of the municipal corporation or township shall be the lowest of the following amounts:

(A) An amount that when added to the minimum levies of the other overlapping subdivisions equals ten mills;

(B) An amount equal to the minimum levy of the municipal corporation or township, provided the total minimum levy does not exceed ten mills.

The municipal corporation and the township may enter into an agreement to determine the municipal corporation's and the township's minimum levy under this section. If it cannot be determined what minimum levy is available to each and no agreement has been entered into by the municipal corporation and township, the municipal corporation and township shall each receive one-half of the millage available for use within the portion of the territory annexed to the municipal corporation that remains part of the township.

**Sec. 5705.34.** When the budget commission has completed its work with respect to a tax budget or other information required to be provided under section 5705.281 of the Revised Code, it shall certify its action to the taxing authority, together with an estimate by the county auditor of the rate of each tax necessary to be levied by the taxing authority within its subdivision, taxing unit, or, in the case of a qualifying library levy, within the library district or association library district, and what part thereof is in excess of, and what part within, the ten-mill tax limitation. The certification shall also indicate the date on which each tax levied by the taxing

authority will expire. 7451

If a taxing authority levies a tax for a fixed sum of 7452  
money or to pay debt charges for the tax year for which the tax 7453  
budget is prepared, and a payment on account of that tax is 7454  
payable to the taxing authority for the tax year under section 7455  
5709.92 or 5709.93~~7~~ of the Revised Code, the county auditor, 7456  
when estimating the rate at which the tax shall be levied in the 7457  
current year, shall estimate the rate necessary to raise the 7458  
required sum less the estimated amount of any such payments made 7459  
for the tax year to a taxing unit for fixed-sum levies under 7460  
those sections. The estimated rate shall be the rate of the levy 7461  
that the budget commission certifies with its action under this 7462  
section. 7463

Each taxing authority, by ordinance or resolution, shall 7464  
authorize the necessary tax levies and certify them to the 7465  
county auditor before the first day of October in each year, or 7466  
at such later date as is approved by the tax commissioner, 7467  
except that the certification by the legislative authority of 7468  
the city of Cincinnati or by a board of education shall be made 7469  
by the first day of April or at such later date as is approved 7470  
by the commissioner, and except that a township board of park 7471  
commissioners that is appointed by the board of township 7472  
trustees and oversees a township park district that contains 7473  
only unincorporated territory shall authorize only those taxes 7474  
approved by, and only at the rate approved by, the board of 7475  
township trustees as required by division (C) of section 511.27 7476  
of the Revised Code. If the levying of a tax to be placed on the 7477  
duplicate of the current year is approved by electors under 7478  
sections 5705.01 to 5705.47 of the Revised Code; if the rate of 7479  
a school district tax is increased due to the repeal of a school 7480  
district income tax and property tax rate reduction at an 7481



election held pursuant to section 5748.04 of the Revised Code; 7482  
or if refunding bonds to refund all or a part of the principal 7483  
of bonds payable from a tax levy for the ensuing fiscal year are 7484  
issued or sold and in the process of delivery, the budget 7485  
commission shall reconsider and revise its action on the budget 7486  
of the subdivision or school library district for whose benefit 7487  
the tax is to be levied after the returns of such election are 7488  
fully canvassed, or after the issuance or sale of such refunding 7489  
bonds is certified to it. 7490

**Sec. 5705.35.** (A) The certification of the budget 7491  
commission to the taxing authority of each subdivision or taxing 7492  
unit, as set forth in section 5705.34 of the Revised Code, shall 7493  
show the various funds of such subdivisions other than funds to 7494  
be created by transfer and shall be filed by the county budget 7495  
commission with such taxing authority on or before the first day 7496  
of March in the case of school districts and the city of 7497  
Cincinnati and on or before the first day of September in each 7498  
year in the case of all other taxing authorities. There shall be 7499  
set forth on the credit side of each fund the estimated 7500  
unencumbered balances and receipts, and if a tax is to be levied 7501  
for such fund, the estimated revenue to be derived therefrom, 7502  
the rate of the levy, and what portion thereof is within, and 7503  
what in excess of, the ten-mill tax limitation, and on the debit 7504  
side, the total appropriations that may be made therefrom. 7505  
Subject to division ~~(G)~~ (F) of section 5705.29 of the Revised 7506  
Code, any reserve balance in an account established under 7507  
section 5705.13 of the Revised Code for the purpose described in 7508  
division (A)(1) of that section, and the principal of a 7509  
nonexpendable trust fund established under section 5705.131 of 7510  
the Revised Code and any additions to principal arising from 7511  
sources other than the reinvestment of investment earnings 7512

arising from that fund, are not unencumbered balances for the 7513  
purposes of this section. The balance in a reserve balance 7514  
account established under section 5705.132 of the Revised Code 7515  
is not an unencumbered balance for the purposes of this 7516  
division. 7517

There shall be attached to the certification a summary, 7518  
which shall be known as the "official certificate of estimated 7519  
resources," that shall state the total estimated resources of 7520  
each fund of the subdivision that are available for 7521  
appropriation in the fiscal year, other than funds to be created 7522  
by transfer, and a statement of the amount of the total tax 7523  
duplicate of the school district to be used in the collection of 7524  
taxes for the following calendar year. Before the end of the 7525  
fiscal year, the taxing authority of each subdivision and other 7526  
taxing unit shall revise its tax budget, if one was adopted, so 7527  
that the total contemplated expenditures from any fund during 7528  
the ensuing fiscal year will not exceed the total appropriations 7529  
that may be made from such fund, as determined by the budget 7530  
commission in its certification; and such revised budget shall 7531  
be the basis of the annual appropriation measure. 7532

~~(B) (1) Except as otherwise provided in division (B) (2) of~~ 7533  
~~this section, revenues Revenue from real property taxes~~ 7534  
scheduled to be settled on or before the tenth day of August and 7535  
the fifteenth day of February of a fiscal year under divisions 7536  
(A) and (C) of section 321.24 of the Revised Code, ~~and revenue~~ 7537  
~~from taxes levied on personal property used in business~~ 7538  
~~scheduled to be settled on or before the thirty first day of~~ 7539  
~~October and the thirtieth day of June of a fiscal year under~~ 7540  
~~divisions (B) and (D) of section 321.24 of the Revised Code~~ 7541  
shall not be available for appropriation by a board of education 7542  
prior to the fiscal year in which such latest scheduled 7543

settlement date occurs, except that moneys advanced to the 7544  
treasurer of a board of education under division (A) (2) (b) of 7545  
section 321.34 of the Revised Code shall be available for 7546  
appropriation in the fiscal year in which they are paid to the 7547  
treasurer under such section. If the date for any settlement of 7548  
taxes is extended under division (E) of section 321.24 of the 7549  
Revised Code, the latest date set forth in divisions (A) to (D) 7550  
of that section shall be used to determine in which fiscal year 7551  
the revenues are first available for appropriation. 7552

~~(2) Revenues available for appropriation by a school 7553  
district during a fiscal year may include amounts borrowed in 7554  
that fiscal year under section 133.301 of the Revised Code in 7555  
anticipation of the collection of taxes that are to be included 7556  
in the settlements made under divisions (C) and (D) of section 7557  
321.24 of the Revised Code in the ensuing fiscal year. 7558~~

**Sec. 5705.36.** (A) (1) On or about the first day of each 7559  
fiscal year, the fiscal officer of each subdivision and other 7560  
taxing unit shall certify to the county auditor the total amount 7561  
from all sources available for expenditures from each fund set 7562  
up in the tax budget or, if adoption of a tax budget was waived 7563  
under section 5705.281 of the Revised Code, from each fund 7564  
created by or on behalf of the taxing authority. The amount 7565  
certified shall include any unencumbered balances that existed 7566  
at the end of the preceding year, excluding any of the 7567  
following: 7568

(a) Subject to division ~~(G)~~ (F) of section 5705.29 of the 7569  
Revised Code, any reserve balance in an account established 7570  
under section 5705.13 of the Revised Code for the purpose 7571  
described in division (A) (1) of that section; 7572

(b) The principal of a nonexpendable trust fund 7573

established under section 5705.131 of the Revised Code and any 7574  
additions to principal arising from sources other than the 7575  
reinvestment of investment earnings arising from that fund; 7576

(c) The balance in a reserve balance account established 7577  
under section 5705.132 of the Revised Code. 7578

A school district's certification shall separately show 7579  
the amount of any notes and unpaid and outstanding expenses on 7580  
the preceding thirtieth day of June that are to be paid from 7581  
property taxes that are to be settled during the current fiscal 7582  
year under divisions (C) and (D) of section 321.24 of the 7583  
Revised Code, ~~and the amount of any spending reserve available~~ 7584  
~~for appropriation during the current fiscal year under section~~ 7585  
~~133.301 of the Revised Code.~~ The budget commission, taking into 7586  
consideration the balances and revenues to be derived from 7587  
taxation and other sources, shall revise its estimate of the 7588  
amounts that will be credited to each fund from such sources, 7589  
and shall certify to the taxing authority of each subdivision an 7590  
amended official certificate of estimated resources. 7591

(2) Subject to divisions (A) (3) and (4) of this section, 7592  
upon a determination by the fiscal officer of a subdivision that 7593  
the revenue to be collected by the subdivision will be greater 7594  
or less than the amount included in an official certificate, the 7595  
fiscal officer may certify the amount of the deficiency or 7596  
excess to the commission, and if the commission determines that 7597  
the fiscal officer's certification is reasonable, the commission 7598  
shall certify an amended official certificate reflecting the 7599  
deficiency or excess. 7600

(3) Upon a determination by the fiscal officer of a 7601  
subdivision that the revenue to be collected by the subdivision 7602  
will be greater than the amount included in an official 7603

certificate and the legislative authority intends to appropriate 7604  
and expend the excess revenue, the fiscal officer shall certify 7605  
the amount of the excess to the commission, and if the 7606  
commission determines that the fiscal officer's certification is 7607  
reasonable, the commission shall certify an amended official 7608  
certificate reflecting the excess. 7609

(4) Upon a determination by the fiscal officer of a 7610  
subdivision that the revenue to be collected by the subdivision 7611  
will be less than the amount included in an official certificate 7612  
and that the amount of the deficiency will reduce available 7613  
resources below the level of current appropriations, the fiscal 7614  
officer shall certify the amount of the deficiency to the 7615  
commission, and the commission shall certify an amended 7616  
certificate reflecting the deficiency. 7617

(5) The total appropriations made during the fiscal year 7618  
from any fund shall not exceed the amount set forth as available 7619  
for expenditure from such fund in the official certificate of 7620  
estimated resources, or any amendment thereof, certified prior 7621  
to the making of the appropriation or supplemental 7622  
appropriation. 7623

(B) At the time of settlement of taxes against which notes 7624  
have been issued under ~~section 133.301~~ or division (D) of 7625  
section 133.10 of the Revised Code and at the time a tax 7626  
duplicate is delivered pursuant to section 319.28 or 319.29 of 7627  
the Revised Code, the county auditor shall determine whether the 7628  
total amount to be distributed to each school district from such 7629  
settlement or duplicate, when combined with the amounts to be 7630  
distributed from any subsequent settlement, will increase or 7631  
decrease the amount available for appropriation during the 7632  
current fiscal year from any fund. The county auditor shall 7633

certify this finding to the budget commission, which shall 7634  
certify an amended official certificate reflecting the finding 7635  
or certify to the school district that no amended certificate 7636  
needs to be issued. 7637

**Sec. 5705.49.** Wherever in the Revised Code the taxing 7638  
~~authorities authority~~ of any subdivision, ~~as defined in section~~ 7639  
~~5705.01 of the Revised Code, are is~~ authorized to levy taxes on 7640  
the taxable property within a subdivision, or, in the case of a 7641  
qualifying library levy, within a library district or 7642  
association library district, such authority shall extend only 7643  
to the levy of taxes on the taxable real and public utility 7644  
property listed on general tax lists and duplicates provided for 7645  
by section 319.28 of the Revised Code. Where the amount of 7646  
indebtedness of any subdivision is limited by law with reference 7647  
to the tax valuation or aggregate value of the property on the 7648  
tax list and duplicate of such subdivision, such limitation 7649  
shall be measured by the property listed on such general tax 7650  
lists and duplicates in such subdivision. 7651

**Sec. 5709.201.** (A) Except as provided in divisions (C) (4) 7652  
(a) and (c) of section 5709.22 and division (F) of section 7653  
5709.25 of the Revised Code, a certificate issued under section 7654  
5709.21, 5709.31, 5709.46, or 6111.31 of the Revised Code that 7655  
was valid and in effect ~~on the effective date of this section~~ 7656  
June 26, 2003, shall continue in effect subject to the law as it 7657  
existed before that ~~effective~~ date. Division (C) (4) (b) of 7658  
section 5709.22 of the Revised Code does not apply to any 7659  
certificate issued by the tax commissioner before July 1, 2003. 7660

(B) Any applications pending ~~on the effective date of this~~ 7661  
~~section~~ June 26, 2003, for which a certificate had not been 7662  
issued on or before that ~~effective~~ date under section 6111.31 of 7663

the Revised Code shall be transferred to the tax commissioner 7664  
for further administering. Sections 5709.20 to 5709.27 of the 7665  
Revised Code apply to such pending applications, excluding the 7666  
requirement of section 5709.212 of the Revised Code that 7667  
applicants must pay the fee. 7668

(C) For applications pending on ~~the effective date of this~~ 7669  
~~section June 26, 2003~~, division (D) of section 5709.25 of the 7670  
Revised Code allowing the commissioner to assess any additional 7671  
tax notwithstanding any other time limitations imposed by law on 7672  
the denied portion of the applicant's claim applies only to tax 7673  
periods that would otherwise be open to assessment on that 7674  
~~effective date~~. 7675

**Sec. 5709.43.** (A) A municipal corporation that grants a 7676  
tax exemption under section 5709.40 of the Revised Code shall 7677  
establish a municipal public improvement tax increment 7678  
equivalent fund into which shall be deposited service payments 7679  
in lieu of taxes distributed to the municipal corporation under 7680  
section 5709.42 of the Revised Code. If the legislative 7681  
authority of the municipal corporation has adopted an ordinance 7682  
under division (C) of section 5709.40 of the Revised Code, the 7683  
municipal corporation shall establish at least one account in 7684  
that fund with respect to ordinances adopted under division (B) 7685  
of that section, and one account with respect to each incentive 7686  
district created in an ordinance adopted under division (C) of 7687  
that section. If an ordinance adopted under division (C) of 7688  
section 5709.40 of the Revised Code also authorizes the use of 7689  
service payments for housing renovations within the district, 7690  
the municipal corporation shall establish separate accounts for 7691  
the service payments designated for public infrastructure 7692  
improvements and for the service payments authorized for the 7693  
purpose of housing renovations. Money in an account of the 7694

municipal public improvement tax increment equivalent fund shall 7695  
be used to finance the public infrastructure improvements 7696  
designated in, or the housing renovations authorized by, the 7697  
ordinance with respect to which the account is established; in 7698  
the case of an account established with respect to an ordinance 7699  
adopted under division (C) of that section, money in the account 7700  
shall be used to finance the public infrastructure improvements 7701  
designated, or the housing renovations authorized, for each 7702  
incentive district created in the ordinance. Money in an account 7703  
shall not be used to finance or support housing renovations that 7704  
take place after the incentive district has expired. The 7705  
municipal corporation also may deposit into any of those 7706  
accounts municipal income tax revenue that has been designated 7707  
by ordinance to finance the public infrastructure improvements 7708  
and housing renovations. 7709

(B) A municipal corporation may establish an urban 7710  
redevelopment tax increment equivalent fund, by resolution or 7711  
ordinance of its legislative authority, into which shall be 7712  
deposited service payments in lieu of taxes distributed to the 7713  
municipal corporation by the county treasurer as provided in 7714  
section 5709.42 of the Revised Code for improvements exempt from 7715  
taxation pursuant to an ordinance adopted under section 5709.41 7716  
of the Revised Code. Moneys deposited in the urban redevelopment 7717  
tax increment equivalent fund shall be used for such purposes as 7718  
are authorized in the resolution or ordinance establishing the 7719  
fund. The municipal corporation also may deposit into the urban 7720  
redevelopment tax increment equivalent fund municipal income tax 7721  
revenue that has been dedicated to fund any of the purposes for 7722  
which the fund is established. 7723

(C) (1) (a) A municipal corporation may distribute money in 7724  
the municipal public improvement tax increment equivalent fund 7725



or the urban redevelopment tax increment equivalent fund to any 7726  
school district in which the exempt property is located, in an 7727  
amount not to exceed the amount of real property taxes that such 7728  
school district would have received from the improvement if it 7729  
were not exempt from taxation, or use money in either or both 7730  
funds to finance specific public improvements benefiting the 7731  
school district. The resolution or ordinance establishing the 7732  
fund shall set forth the percentage of such maximum amount that 7733  
will be distributed to any affected school district or used to 7734  
finance specific public improvements benefiting the school 7735  
district. 7736

(b) A municipal corporation also may distribute money in 7737  
the municipal public improvement tax increment equivalent fund 7738  
or the urban redevelopment tax increment equivalent fund as 7739  
follows: 7740

(i) To a board of county commissioners, in the amount that 7741  
is owed to the board pursuant to division (E) of section 5709.40 7742  
of the Revised Code; 7743

(ii) To a county in accordance with section 5709.913 of 7744  
the Revised Code. 7745

(2) Money from an account in a municipal public 7746  
improvement tax increment equivalent fund or from an urban 7747  
redevelopment tax increment equivalent fund may be distributed 7748  
under division (C)(1)(b) of this section, regardless of the date 7749  
a resolution or an ordinance was adopted under section 5709.40 7750  
or 5709.41 of the Revised Code that prompted the establishment 7751  
of the account or the establishment of the urban redevelopment 7752  
tax increment equivalent fund, even if the resolution or 7753  
ordinance was adopted prior to ~~the effective date of this~~ 7754  
~~amendment~~ March 30, 2006. 7755

(D) Any incidental surplus remaining in the municipal 7756  
public improvement tax increment equivalent fund or an account 7757  
of that fund, or in the urban redevelopment tax increment 7758  
equivalent fund, upon dissolution of the account or fund shall 7759  
be transferred to the general fund of the municipal corporation. 7760

**Sec. 5709.48.** (A) As used in this section: 7761

(1) "Regional transportation improvement project" has the 7762  
same meaning as in section 5595.01 of the Revised Code. 7763

(2) "Improvements" means the increase in the assessed 7764  
value of any real property that would first appear on the tax 7765  
list and duplicate of real and public utility property after the 7766  
effective date of the resolution adopted under this section were 7767  
it not for the exemption granted by that resolution. 7768

(B) For the purposes described in division (A) of section 7769  
5595.06 of the Revised Code, the governing board of a regional 7770  
transportation improvement project that was undertaken pursuant 7771  
to section 5595.02 of the Revised Code before ~~the effective date~~ 7772  
~~of the amendment of this section by S.B. 8 of the 132nd general~~ 7773  
~~assembly March 23, 2018,~~ may, by resolution, create a 7774  
transportation financing district and declare improvements to 7775  
parcels within the district to be a public purpose and exempt 7776  
from taxation. 7777

(C) A transportation financing district may include 7778  
territory in more than one county as long as each such county is 7779  
a participant in the regional transportation improvement project 7780  
funded by the district. A district shall not include parcels 7781  
used primarily for residential purposes. A district shall not 7782  
include any parcel that is currently exempt from taxation under 7783  
this section or section 5709.40, 5709.41, 5709.45, 5709.73, or 7784

5709.77 of the Revised Code. The governing board may designate 7785  
parcels within the boundaries of a district that are not to be 7786  
included in the district. The governing board may designate 7787  
noncontiguous parcels located outside the boundaries of the 7788  
district that are to be included in the district. 7789

The governing board may adopt more than one resolution 7790  
under division (B) of this section. A single such resolution may 7791  
create more than one transportation financing district. 7792

(D) A resolution creating a transportation financing 7793  
district shall specify all of the following: 7794

(1) A description of the territory included in the 7795  
district; 7796

(2) The county treasurer's permanent parcel number 7797  
associated with each parcel included in the district; 7798

(3) The percentage of improvements to be exempted from 7799  
taxation and the duration of the exemption, which shall not 7800  
exceed the remaining number of years the cooperative agreement 7801  
for the regional transportation improvement district, described 7802  
under section 5595.03 of the Revised Code, is in effect; 7803

(4) A plan for the district that describes the principal 7804  
purposes and goals to be served by the district and explains how 7805  
the use of service payments provided for by section 5709.49 of 7806  
the Revised Code will economically benefit owners of property 7807  
within the district. 7808

(E) (1) Except as otherwise provided in divisions (E) (2) 7809  
and (3) of this section, the governing board, before adopting a 7810  
resolution under division (B) of this section, shall notify and 7811  
obtain the approval of each subdivision and taxing unit that 7812  
levies a property tax within the territory of the proposed 7813

transportation financing district. A subdivision or taxing 7814  
unit's approval or disapproval of the proposed district shall be 7815  
in the form of an ordinance or resolution. The governing board 7816  
may negotiate an agreement with a subdivision or taxing unit 7817  
providing for compensation equal in value to a percentage of the 7818  
amount of taxes exempted or some other mutually agreeable 7819  
compensation. 7820

(2) A subdivision or taxing unit may adopt an ordinance or 7821  
resolution waiving its right to approve or receive notice of 7822  
transportation financing districts proposed under this section. 7823  
If a subdivision or taxing unit has adopted such an ordinance or 7824  
resolution, the terms of that ordinance or resolution supersede 7825  
the requirements of division (E) (1) of this section. The 7826  
governing board may negotiate an agreement with a subdivision or 7827  
taxing unit providing for some mutually agreeable compensation 7828  
in exchange for the subdivision or taxing unit adopting such an 7829  
ordinance or resolution. If a subdivision or taxing unit has 7830  
adopted such an ordinance or resolution, it shall certify a copy 7831  
to the governing board. If the subdivision or taxing unit 7832  
rescinds such an ordinance or resolution, it shall certify 7833  
notice of the rescission to the governing board. 7834

(3) The governing board need not obtain the approval of a 7835  
subdivision or taxing unit if the governing board agrees to 7836  
compensate that subdivision or unit for the full amount of taxes 7837  
exempted under the resolution creating the district. 7838

(F) After complying with division (E) of this section, the 7839  
governing board shall notify and obtain the approval of every 7840  
real property owner whose property is included in the proposed 7841  
transportation financing district. 7842

(G) (1) Upon adopting a resolution creating a 7843

transportation financing district, the governing board shall 7844  
send a copy of the resolution and documentation sufficient to 7845  
prove that the requirements of divisions (E) and (F) of this 7846  
section have been met to the director of development services. 7847  
The director shall evaluate the resolution and documentation to 7848  
determine if the governing board has fully complied with the 7849  
requirements of this section. If the director approves the 7850  
resolution, the director shall send notice of approval to the 7851  
governing board. If the director does not approve the 7852  
resolution, the director shall send a notice of denial to the 7853  
governing board that includes the reason or reasons for the 7854  
denial. If the director does not make a determination within 7855  
ninety days after receiving a resolution under this section, the 7856  
director is deemed to have approved the resolution. No 7857  
resolution creating a transportation financing district is 7858  
effective without actual or constructive approval by the 7859  
director under this section. 7860

(2) An exemption from taxation granted under this section 7861  
commences with the tax year specified in the resolution so long 7862  
as the year specified in the resolution commences after the 7863  
effective date of the resolution. If the resolution specifies a 7864  
year commencing before the effective date of the resolution or 7865  
specifies no year whatsoever, the exemption commences with the 7866  
tax year in which an exempted improvement first appears on the 7867  
tax list and that commences after the effective date of the 7868  
resolution. 7869

(3) Except as otherwise provided in this division, the 7870  
exemption ends on the date specified in the resolution as the 7871  
date the improvement ceases to be a public purpose or the 7872  
regional transportation improvement project funded by the 7873  
service payments dissolves under section 5595.13 of the Revised 7874

Code, whichever occurs first. Exemptions shall be claimed and 7875  
allowed in the same manner as in the case of other real property 7876  
exemptions. If an exemption status changes during a year, the 7877  
procedure for the apportionment of the taxes for that year is 7878  
the same as in the case of other changes in tax exemption status 7879  
during the year. 7880

(H) The resolution creating a transportation financing 7881  
district may be amended at any time by majority vote of the 7882  
governing board and with the approval of the director of 7883  
development services obtained in the same manner as approval of 7884  
the original resolution. 7885

**Sec. 5709.53.** (A) A solar, wind, or hydrothermal energy 7886  
system on which construction or installation is completed during 7887  
the period from ~~the effective date of this section~~ August 14, 7888  
1979, through December 31, 1985, that meets the guidelines 7889  
established under division (B) of section 1551.20 of the Revised 7890  
Code is exempt from real property taxation. 7891

(B) Any fixture or other real property included in an 7892  
energy facility with an aggregate nameplate capacity of two 7893  
hundred fifty kilowatts or less is exempt from taxation if 7894  
construction or installation is completed on or after January 1, 7895  
2010. 7896

As used in division (B) of this section, "energy facility" 7897  
and "nameplate capacity" have the same meanings as in section 7898  
5727.01 of the Revised Code. 7899

**Sec. 5709.61.** As used in sections 5709.61 to 5709.69 of 7900  
the Revised Code: 7901

(A) "Enterprise zone" or "zone" means any of the 7902  
following: 7903

(1) An area with a single continuous boundary designated 7904  
in the manner set forth in section 5709.62 or 5709.63 of the 7905  
Revised Code and certified by the director of development as 7906  
having a population of at least four thousand according to the 7907  
best and most recent data available to the director and having 7908  
at least two of the following characteristics: 7909

(a) It is located in a municipal corporation defined by 7910  
the United States office of management and budget as a principal 7911  
city of a metropolitan statistical area; 7912

(b) It is located in a county designated as being in the 7913  
"Appalachian region" under the "Appalachian Regional Development 7914  
Act of 1965," 79 Stat. 5, 40 App. U.S.C.A. 403, as amended; 7915

(c) Its average rate of unemployment, during the most 7916  
recent twelve-month period for which data are available, is 7917  
equal to at least one hundred twenty-five per cent of the 7918  
average rate of unemployment for the state of Ohio for the same 7919  
period; 7920

(d) There is a prevalence of commercial or industrial 7921  
structures in the area that are vacant or demolished, or are 7922  
vacant and the taxes charged thereon are delinquent, and 7923  
certification of the area as an enterprise zone would likely 7924  
result in the reduction of the rate of vacant or demolished 7925  
structures or the rate of tax delinquency in the area; 7926

(e) The population of all census tracts in the area, 7927  
according to the federal census of 2000, decreased by at least 7928  
ten per cent between the years 1980 and 2000; 7929

(f) At least fifty-one per cent of the residents of the 7930  
area have incomes of less than eighty per cent of the median 7931  
income of residents of the municipal corporation or municipal 7932

corporations in which the area is located, as determined in the 7933  
same manner specified under section 119(b) of the "Housing and 7934  
Community Development Act of 1974," 88 Stat. 633, 42 U.S.C. 7935  
5318, as amended; 7936

(g) The area contains structures previously used for 7937  
industrial purposes, but currently not so used due to age, 7938  
obsolescence, deterioration, relocation of the former occupant's 7939  
operations, or cessation of operations resulting from 7940  
unfavorable economic conditions either generally or in a 7941  
specific economic sector; 7942

(h) It is located within one or more adjacent city, local, 7943  
or exempted village school districts, the income-weighted tax 7944  
capacity of each of which is less than seventy per cent of the 7945  
average of the income-weighted tax capacity of all city, local, 7946  
or exempted village school districts in the state according to 7947  
the most recent data available to the director from the 7948  
department of taxation. 7949

The director of development shall adopt rules in 7950  
accordance with Chapter 119. of the Revised Code establishing 7951  
conditions constituting the characteristics described in 7952  
divisions (A) (1) (d), (g), and (h) of this section. 7953

If an area could not be certified as an enterprise zone 7954  
unless it satisfied division (A) (1) (g) of this section, the 7955  
legislative authority may enter into agreements in that zone 7956  
under section 5709.62, 5709.63, or 5709.632 of the Revised Code 7957  
only if such agreements result in the development of the 7958  
facilities described in that division, the parcel of land on 7959  
which such facilities are situated, or adjacent parcels. The 7960  
director of development annually shall review all agreements in 7961  
such zones to determine whether the agreements have resulted in 7962



such development; if the director determines that the agreements 7963  
have not resulted in such development, the director immediately 7964  
shall revoke certification of the zone and notify the 7965  
legislative authority of such revocation. Any agreements entered 7966  
into prior to revocation under this paragraph shall continue in 7967  
effect for the period provided in the agreement. 7968

(2) An area with a single continuous boundary designated 7969  
in the manner set forth in section 5709.63 of the Revised Code 7970  
and certified by the director of development as having all of 7971  
the following characteristics: 7972

(a) Being located within a county that contains a 7973  
population of three hundred thousand or less; 7974

(b) Having a population of at least one thousand according 7975  
to the best and most recent data available to the director; 7976

(c) Having at least two of the characteristics described 7977  
in divisions (A) (1) (b) to (h) of this section. 7978

(3) An area with a single continuous boundary designated 7979  
in the manner set forth under division (A) (1) of section 7980  
5709.632 of the Revised Code and certified by the director of 7981  
development as having a population of at least four thousand, or 7982  
under division (A) (2) of that section and certified as having a 7983  
population of at least one thousand, according to the best and 7984  
most recent data available to the director. 7985

(B) "Enterprise" means any form of business organization 7986  
including, but not limited to, any partnership, sole 7987  
proprietorship, or corporation, including an S corporation as 7988  
defined in section 1361 of the Internal Revenue Code and any 7989  
corporation that is majority ~~work-owned~~ worker-owned either 7990  
directly through the ownership of stock or indirectly through 7991

participation in an employee stock ownership plan. 7992

(C) "Facility" means an enterprise's place of business in 7993  
a zone, including land, buildings, machinery, equipment, and 7994  
other materials, except inventory, used in business. "Facility" 7995  
includes land, buildings, machinery, production and station 7996  
equipment, other equipment, and other materials, except 7997  
inventory, used in business to generate electricity, provided 7998  
that, for purposes of sections 5709.61 to 5709.69 of the Revised 7999  
Code, the value of the property at such a facility shall be 8000  
reduced by the value, if any, that is not apportioned under 8001  
section 5727.15 of the Revised Code to the taxing district in 8002  
which the facility is physically located. In the case of such a 8003  
facility that is physically located in two adjacent taxing 8004  
districts, the property located in each taxing district 8005  
constitutes a separate facility. 8006

"Facility" does not include any portion of an enterprise's 8007  
place of business used primarily for making retail sales unless 8008  
the place of business is located in an impacted city as defined 8009  
in section 1728.01 of the Revised Code or the board of education 8010  
of the city, local, or exempted village school district within 8011  
the territory of which the place of business is located adopts a 8012  
resolution waiving the exclusion of retail facilities under 8013  
section 5709.634 of the Revised Code. 8014

(D) "Vacant facility" means a facility that has been 8015  
vacant for at least ninety days immediately preceding the date 8016  
on which an agreement is entered into under section 5709.62 or 8017  
5709.63 of the Revised Code. 8018

(E) "Expand" means to make expenditures to add land, 8019  
buildings, machinery, equipment, or other materials, except 8020  
inventory, to a facility that equal at least ten per cent of the 8021

market value of the facility prior to such expenditures, as 8022  
determined for the purposes of local property taxation. 8023

(F) "Renovate" means to make expenditures to alter or 8024  
repair a facility that equal at least fifty per cent of the 8025  
market value of the facility prior to such expenditures, as 8026  
determined for the purposes of local property taxation. 8027

(G) "Occupy" means to make expenditures to alter or repair 8028  
a vacant facility equal to at least twenty per cent of the 8029  
market value of the facility prior to such expenditures, as 8030  
determined for the purposes of local property taxation. 8031

(H) "Project site" means all or any part of a facility 8032  
that is newly constructed, expanded, renovated, or occupied by 8033  
an enterprise. 8034

(I) "Project" means any undertaking by an enterprise to 8035  
establish a facility or to improve a project site by expansion, 8036  
renovation, or occupancy. 8037

(J) "Position" means the position of one full-time 8038  
employee performing a particular set of tasks and duties. 8039

(K) "Full-time employee" means an individual who is 8040  
employed for consideration by an enterprise for at least thirty- 8041  
five hours a week, or who renders any other standard of service 8042  
generally accepted by custom or specified by contract as full- 8043  
time employment. 8044

(L) "New employee" means a full-time employee first 8045  
employed by an enterprise at a facility that is a project site 8046  
after the enterprise enters an agreement under section 5709.62 8047  
or 5709.63 of the Revised Code. "New employee" does not include 8048  
an employee if, immediately prior to being employed by the 8049  
enterprise, the employee was employed by an enterprise that is a 8050

related member or predecessor enterprise of that enterprise. 8051

(M) "Unemployed person" means any person who is totally 8052  
unemployed in this state, as that term is defined in division 8053  
(M) of section 4141.01 of the Revised Code, for at least ten 8054  
consecutive weeks immediately preceding that person's employment 8055  
at a facility that is a project site, or who is so unemployed 8056  
for at least twenty-six of the fifty-two weeks immediately 8057  
preceding that person's employment at such a facility. 8058

(N) "JTPA eligible employee" means any individual who is 8059  
eligible for employment or training under the "Job Training 8060  
Partnership Act," 96 Stat. 1324 (1982), 29 U.S.C. 1501, as 8061  
amended. 8062

(O) "First used in business" means that the property 8063  
referred to has not been used in business in this state by the 8064  
enterprise that owns it, or by an enterprise that is a related 8065  
member or predecessor enterprise of such an enterprise, other 8066  
than as inventory, prior to being used in business at a facility 8067  
as the result of a project. 8068

(P) "Training program" means any noncredit training 8069  
program or course of study that is offered by any state college 8070  
or university; university branch district; community college; 8071  
technical college; nonprofit college or university certified 8072  
under section 1713.02 of the Revised Code; school district; 8073  
joint vocational school district; school registered and 8074  
authorized to offer programs under section 3332.05 of the 8075  
Revised Code; an entity administering any federal, state, or 8076  
local adult education and training program; or any enterprise; 8077  
and that meets all of the following requirements: 8078

(1) It is approved by the director of development; 8079

(2) It is established or operated to satisfy the need of a particular industry or enterprise for skilled or semi-skilled employees;

(3) An individual is required to complete the course or program before filling a position at a project site.

(Q) "Development" means to engage in the process of clearing and grading land, making, installing, or constructing water distribution systems, sewers, sewage collection systems, steam, gas, and electric lines, roads, curbs, gutters, sidewalks, storm drainage facilities, and construction of other facilities or buildings equal to at least fifty per cent of the market value of the facility prior to the expenditures, as determined for the purposes of local property taxation.

(R) "Large manufacturing facility" means a single Ohio facility that employed an average of at least one thousand individuals during the five calendar years preceding an agreement authorized under division (C) (3) of section 5709.62 or division (B) (2) of section 5709.63 of the Revised Code. For purposes of this division, both of the following apply:

(1) A single Ohio manufacturing facility employed an average of at least one thousand individuals during the five calendar years preceding entering into such an agreement if one-fifth of the sum of the number of employees employed on the highest employment day during each of the five calendar years equals or exceeds one thousand.

(2) The highest employment day is the day or days during a calendar year on which the number of employees employed at a single Ohio manufacturing facility was greater than on any other day during the calendar year.

(S) "Business cycle" means the cycle of business activity 8109  
usually regarded as passing through alternating stages of 8110  
prosperity and depression. 8111

(T) "Making retail sales" means the effecting of point-of- 8112  
final-purchase transactions at a facility open to the consuming 8113  
public, wherein one party is obligated to pay the price and the 8114  
other party is obligated to provide a service or to transfer 8115  
title to or possession of the item sold. 8116

(U) "Environmentally contaminated" means that hazardous 8117  
substances exist at a facility under conditions that have caused 8118  
or would cause the facility to be identified as contaminated by 8119  
the state or federal environmental protection agency. These may 8120  
include facilities located at sites identified in the master 8121  
sites list or similar database maintained by the state 8122  
environmental protection agency if the sites have been 8123  
investigated by the agency and found to be contaminated. 8124

(V) "Remediate" means to make expenditures to clean up an 8125  
environmentally contaminated facility so that it is no longer 8126  
environmentally contaminated that equal at least ten per cent of 8127  
the real property market value of the facility prior to such 8128  
expenditures as determined for the purposes of property 8129  
taxation. 8130

(W) "Related member" has the same meaning as defined in 8131  
section 5733.042 of the Revised Code without regard to division 8132  
(B) of that section, except that it is used with respect to an 8133  
enterprise rather than a taxpayer. 8134

(X) "Predecessor enterprise" means an enterprise from 8135  
which the assets or equity of another enterprise has been 8136  
transferred, which transfer resulted in the full or partial 8137

nonrecognition of gain or loss, or resulted in a carryover 8138  
basis, both as determined by rule adopted by the tax 8139  
commissioner. 8140

(Y) "Successor enterprise" means an enterprise to which 8141  
the assets or equity of another enterprise has been transferred, 8142  
which transfer resulted in the full or partial nonrecognition of 8143  
gain or loss, or resulted in a carryover basis, both as 8144  
determined by rule adopted by the tax commissioner. 8145

**Sec. 5709.80.** (A) The board of county commissioners of a 8146  
county that receives service payments in lieu of taxes under 8147  
section 5709.79 of the Revised Code shall establish a 8148  
redevelopment tax equivalent fund into which those payments 8149  
shall be deposited. Separate accounts shall be established in 8150  
the fund for each resolution adopted by the board of county 8151  
commissioners under section 5709.78 of the Revised Code. If the 8152  
board of county commissioners has adopted a resolution under 8153  
division (B) of that section, the county shall establish an 8154  
account for each incentive district created in that resolution. 8155  
If a resolution adopted under division (B) of section 5709.78 of 8156  
the Revised Code also authorizes the use of service payments for 8157  
housing renovations within the incentive district, the county 8158  
shall establish separate accounts for the service payments 8159  
designated for public infrastructure improvements and for the 8160  
service payments authorized for the purpose of housing 8161  
renovations. 8162

(B) Moneys deposited into each account of the fund shall 8163  
be used by the county to pay the cost of constructing or 8164  
repairing the public infrastructure improvements designated in, 8165  
or the housing renovations authorized by, the resolution, or for 8166  
each incentive district for which the account is established, to 8167

pay the interest on and principal of bonds or notes issued under 8168  
division (B) of section 307.082 or division (A) of section 8169  
5709.81 of the Revised Code, or for the purposes pledged under 8170  
division (B) of section 5709.81 of the Revised Code. Money in an 8171  
account shall not be used to finance or support housing 8172  
renovations that take place after the incentive district has 8173  
expired. 8174

(C) (1) (a) The board of county commissioners may distribute 8175  
money in an account to any school district in which the exempt 8176  
property is located in an amount not to exceed the amount of 8177  
real property taxes that such school district would have 8178  
received from the improvement if it were not exempt from 8179  
taxation. The resolution under which an account is established 8180  
shall set forth the percentage of such maximum amount that will 8181  
be distributed to any affected school district. 8182

(b) A board of county commissioners also may distribute 8183  
money in such an account as follows: 8184

(i) To a board of township trustees or legislative 8185  
authority of a municipal corporation, as applicable, in the 8186  
amount that is owed to the board of township trustees or 8187  
legislative authority pursuant to division (D) of section 8188  
5709.78 of the Revised Code; 8189

(ii) To a township in accordance with section 5709.914 of 8190  
the Revised Code. 8191

(2) Money from an account in the redevelopment tax 8192  
equivalent fund may be distributed under division (C) (1) (b) of 8193  
this section, regardless of the date a resolution was adopted 8194  
under section 5709.78 of the Revised Code that prompted the 8195  
establishment of the account, even if the resolution was adopted 8196



prior to ~~the effective date of this amendment~~ March 30, 2006. 8197

(D) An account dissolves upon fulfillment of the purposes 8198  
for which money in the account may be used. An incidental 8199  
surplus remaining in an account upon its dissolution shall be 8200  
transferred to the general fund of the county. 8201

**Sec. 5709.85.** (A) The legislative authority of a county, 8202  
township, or municipal corporation that grants an exemption from 8203  
taxation under Chapter 725. or 1728. or under section 3735.67, 8204  
5709.28, 5709.40, 5709.41, 5709.45, 5709.62, 5709.63, 5709.632, 8205  
5709.73, or 5709.78 of the Revised Code shall create a tax 8206  
incentive review council. The council shall consist of the 8207  
following members: 8208

(1) In the case of a municipal corporation eligible to 8209  
designate a zone under section 5709.62 or 5709.632 of the 8210  
Revised Code, the chief executive officer or that officer's 8211  
designee; a member of the legislative authority of the municipal 8212  
corporation, appointed by the president of the legislative 8213  
authority or, if the chief executive officer of the municipal 8214  
corporation is the president, appointed by the president pro 8215  
tempore of the legislative authority; the county auditor or the 8216  
county auditor's designee; the chief financial officer of the 8217  
municipal corporation or that officer's designee; an individual 8218  
appointed by the board of education of each city, local, 8219  
exempted village, and joint vocational school district to which 8220  
the instrument granting the exemption applies; and two members 8221  
of the public appointed by the chief executive officer of the 8222  
municipal corporation with the concurrence of the legislative 8223  
authority. At least four members of the council shall be 8224  
residents of the municipal corporation, and at least one of the 8225  
two public members appointed by the chief executive officer 8226

shall be a minority. As used in division (A) (1) of this section, 8227  
a "minority" is an individual who is African-American, Hispanic, 8228  
or Native American. 8229

(2) In the case of a county or a municipal corporation 8230  
that is not eligible to designate a zone under section 5709.62 8231  
or 5709.632 of the Revised Code, three members appointed by the 8232  
board of county commissioners; two members from each municipal 8233  
corporation to which the instrument granting the tax exemption 8234  
applies, appointed by the chief executive officer with the 8235  
concurrence of the legislative authority of the respective 8236  
municipal corporations; two members of each township to which 8237  
the instrument granting the tax exemption applies, appointed by 8238  
the board of township trustees of the respective townships; the 8239  
county auditor or the county auditor's designee; and an 8240  
individual appointed by the board of education of each city, 8241  
local, exempted village, and joint vocational school district to 8242  
which the instrument granting the tax exemption applies. At 8243  
least two members of the council shall be residents of the 8244  
municipal corporations or townships to which the instrument 8245  
granting the tax exemption applies. 8246

(3) In the case of a township in which improvements are 8247  
declared a public purpose under section 5709.73 of the Revised 8248  
Code, the board of township trustees; the county auditor or the 8249  
county auditor's designee; and an individual appointed by the 8250  
board of education of each city, local, exempted village, and 8251  
joint vocational school district to which the instrument 8252  
granting the exemption applies. 8253

(B) The county auditor or the county auditor's designee 8254  
shall serve as the chairperson of the council. The council shall 8255  
meet at the call of the chairperson. At the first meeting of the 8256

council, the council shall select a vice-chairperson. Attendance 8257  
by a majority of the members of the council constitutes a quorum 8258  
to conduct the business of the council. 8259

(C) (1) Annually, the tax incentive review council shall 8260  
review all agreements granting exemptions from property taxation 8261  
under Chapter 725. or 1728. or under section 3735.671, 5709.28, 8262  
5709.62, 5709.63, or 5709.632 of the Revised Code, and any 8263  
performance or audit reports required to be submitted pursuant 8264  
to those agreements. The review shall include agreements 8265  
granting such exemptions that were entered into prior to July 8266  
22, 1994, that continue to be in force and applicable to the 8267  
current year's property taxes. 8268

With respect to each agreement, other than an agreement 8269  
entered into under section 5709.28 of the Revised Code, the 8270  
council shall determine whether the owner of the exempted 8271  
property has complied with the agreement, and may take into 8272  
consideration any fluctuations in the business cycle unique to 8273  
the owner's business. 8274

With respect to an agreement entered into under section 8275  
5709.28 of the Revised Code, the council shall consist of the 8276  
members described in division (A) (2) of this section and shall 8277  
determine whether the agreement complies with the requirements 8278  
of section 5709.28 of the Revised Code and whether a withdrawal, 8279  
removal, or conversion of land from an agricultural security 8280  
area established under Chapter 931. of the Revised Code has 8281  
occurred in a manner that makes the exempted property no longer 8282  
eligible for the exemption. 8283

On the basis of the determinations, on or before the first 8284  
day of September of each year, the council shall submit to the 8285  
legislative authority written recommendations for continuation, 8286

modification, or cancellation of each agreement. 8287

(2) Annually, the tax incentive review council shall 8288  
review all exemptions from property taxation resulting from the 8289  
declaration of public purpose improvements pursuant to section 8290  
5709.40, 5709.41, 5709.45, 5709.73, or 5709.78 of the Revised 8291  
Code. The review shall include such exemptions that were granted 8292  
prior to July 22, 1994, that continue to be in force and 8293  
applicable to the current year's property taxes. With respect to 8294  
each improvement for which an exemption is granted, the council 8295  
shall determine the increase in the true value of parcels of 8296  
real property on which improvements have been undertaken as a 8297  
result of the exemption; the value of improvements exempted from 8298  
taxation as a result of the exemption; and the number of new 8299  
employees or employees retained on the site of the improvement 8300  
as a result of the exemption. 8301

Upon the request of a tax incentive review council, the 8302  
county auditor, the housing officer appointed pursuant to 8303  
section 3735.66 of the Revised Code, the owner of a new or 8304  
remodeled structure or improvement, and the legislative 8305  
authority of the county, township, or municipal corporation 8306  
granting the exemption shall supply the council with any 8307  
information reasonably necessary for the council to make the 8308  
determinations required under division (C) of this section, 8309  
including returns or reports filed pursuant to sections 5711.02, 8310  
5711.13, and 5727.08 of the Revised Code. 8311

(D) Annually, the tax incentive review council shall 8312  
review the compliance of each recipient of a tax exemption under 8313  
Chapter 725. or 1728. or section 3735.67, 5709.40, 5709.41, 8314  
5709.45, 5709.62, 5709.63, 5709.632, 5709.73, or 5709.78 of the 8315  
Revised Code with the nondiscriminatory hiring policies 8316

developed by the county, township, or municipal corporation 8317  
under section 5709.832 of the Revised Code. Upon the request of 8318  
the council, the recipient shall provide the council any 8319  
information necessary to perform its review. On the basis of its 8320  
review, the council may submit to the legislative authority 8321  
written recommendations for enhancing compliance with the 8322  
nondiscriminatory hiring policies. 8323

(E) A legislative authority that receives from a tax 8324  
incentive review council written recommendations under division 8325  
(C) (1) or (D) of this section shall, within sixty days after 8326  
receipt, hold a meeting and vote to accept, reject, or modify 8327  
all or any portion of the recommendations. 8328

(F) A tax incentive review council may request from the 8329  
recipient of a tax exemption under Chapter 725. or 1728. or 8330  
section 3735.67, 5709.28, 5709.40, 5709.41, 5709.45, 5709.62, 8331  
5709.63, 5709.632, 5709.73, or 5709.78 of the Revised Code any 8332  
information reasonably necessary for the council to perform its 8333  
review under this section. The request shall be in writing and 8334  
shall be sent to the recipient by certified mail. Within ten 8335  
days after receipt of the request, the recipient shall provide 8336  
to the council the information requested. 8337

**Sec. 5709.93.** (A) As used in this section: 8338

(1) "Taxes charged and payable" means taxes charged and 8339  
payable after the reduction required by section 319.301 of the 8340  
Revised Code but before the reductions required by sections 8341  
319.302 and 323.152 of the Revised Code. 8342

(2) "Threshold per cent" means two per cent for fiscal 8343  
year 2016; and, for fiscal year 2017 and thereafter, the sum of 8344  
the prior year's threshold per cent plus two percentage points. 8345

(3) "Public library" means a county, municipal, school district, or township public library that receives the proceeds of a tax levied under section 5705.23 of the Revised Code.

(4) "Local taxing unit" means a subdivision or taxing unit, as defined in section 5705.01 of the Revised Code, a park district created under Chapter 1545. of the Revised Code, or a township park district established under section 511.23 of the Revised Code, but excludes school districts and joint vocational school districts.

(5) "Municipal current expense allocation" means the sum of the payments received by a municipal corporation in calendar year 2014 for current expense levy losses under division (A)(1)(e)(ii) of section 5727.86 and division (A)(1)(c)(ii) of section 5751.22 of the Revised Code as they existed at that time.

(6) "Current expense allocation" means the sum of the payments received by a local taxing unit or public library in calendar year 2014 for current expense levy losses under division (A)(1) of section 5727.86 and divisions (A)(1) and (2) of section 5751.22 of the Revised Code as they existed at that time, less any reduction required under division (B)(2) of this section.

(7) "TPP inside millage debt levy loss" means payments made to local taxing units in calendar year 2014 under division (A)(3) of section 5751.22 of the Revised Code as that section existed at that time.

(8) "S.B. 3 inside millage debt levy loss" means payments made to local taxing units in calendar year 2014 under section (A)(4) of section 5727.86 of the Revised Code as that section existed at that time.

(9) "Qualifying levy" means a levy for which payment was 8375  
made in calendar year 2014 under division (A) (1) of section 8376  
5727.86 and divisions (A) (1) and (2) of section 5751.22 of the 8377  
Revised Code as they existed at that time. 8378

(10) "Total resources," in the case of county mental 8379  
health and disability related functions, means the sum of the 8380  
amounts in divisions (A) (10) (a) and (b) of this section less any 8381  
reduction required under division (B) (1) of this section. 8382

(a) The sum of the payments received by the county for 8383  
mental health and developmental disability related functions in 8384  
calendar year 2014 under division (A) (1) of section 5727.86 and 8385  
division (A) (1) of section 5751.22 of the Revised Code as they 8386  
existed at that time; 8387

(b) With respect to taxes levied by the county for mental 8388  
health and developmental disability related purposes, the taxes 8389  
charged and payable for such purposes against all property on 8390  
the tax list of real and public utility property for tax year 8391  
2014. 8392

(11) "Total resources," in the case of county senior 8393  
services related functions, means the sum of the amounts in 8394  
divisions (A) (11) (a) and (b) of this section less any reduction 8395  
required under division (B) (1) of this section. 8396

(a) The sum of the payments received by the county for 8397  
senior services related functions in calendar year 2014 under 8398  
division (A) (1) of section 5727.86 and division (A) (1) of 8399  
section 5751.22 of the Revised Code as they existed at that 8400  
time; 8401

(b) With respect to taxes levied by the county for senior 8402  
services related purposes, the taxes charged and payable for 8403

such purposes against all property on the tax list of real and public utility property for tax year 2014.

(12) "Total resources," in the case of county children's services related functions, means the sum of the amounts in divisions (A) (12) (a) and (b) of this section less any reduction required under division (B) (1) of this section.

(a) The sum of the payments received by the county for children's services related functions in calendar year 2014 under division (A) (1) of section 5727.86 and division (A) (1) of section 5751.22 of the Revised Code as they existed at that time;

(b) With respect to taxes levied by the county for children's services related purposes, the taxes charged and payable for such purposes against all property on the tax list of real and public utility property for tax year 2014.

(13) "Total resources," in the case of county public health related functions, means the sum of the amounts in divisions (A) (13) (a) and (b) of this section less any reduction required under division (B) (1) of this section.

(a) The sum of the payments received by the county for public health related functions in calendar year 2014 under division (A) (1) of section 5727.86 and division (A) (1) of section 5751.22 of the Revised Code as they existed at that time;

(b) With respect to taxes levied by the county for public health related purposes, the taxes charged and payable for such purposes against all property on the tax list of real and public utility property for tax year 2014.

(14) "Total resources," in the case of all county



functions not included in divisions (A) (10) to (13) of this 8433  
section, means the sum of the amounts in divisions (A) (14) (a) to 8434  
(e) of this section less any reduction required under division 8435  
(B) (1) or (2) of this section. 8436

(a) The sum of the payments received by the county for all 8437  
other purposes in calendar year 2014 under division (A) (1) of 8438  
section 5727.86 and division (A) (1) of section 5751.22 of the 8439  
Revised Code as they existed at that time; 8440

(b) The county's percentage share of county undivided 8441  
local government fund allocations as certified to the tax 8442  
commissioner for calendar year 2015 by the county auditor under 8443  
division (J) of section 5747.51 of the Revised Code or division 8444  
(F) of section 5747.53 of the Revised Code multiplied by the 8445  
total amount actually distributed in calendar year 2014 from the 8446  
county undivided local government fund; 8447

(c) With respect to taxes levied by the county for all 8448  
other purposes, the taxes charged and payable for such purposes 8449  
against all property on the tax list of real and public utility 8450  
property for tax year 2014, excluding taxes charged and payable 8451  
for the purpose of paying debt charges; 8452

(d) The sum of the amounts distributed to the county in 8453  
calendar year 2014 for the taxes levied pursuant to sections 8454  
5739.021 and 5741.021 of the Revised Code; 8455

(e) The sum of amounts distributed to the county from the 8456  
gross casino revenue county fund from July 2014 through April 8457  
2015. 8458

(15) "Total resources," in the case of a municipal 8459  
corporation, means the sum of the amounts in divisions (A) (15) 8460  
(a) to (h) of this section less any reduction required under 8461

division (B) (1) or (2) of this section.	8462
(a) The sum of the payments received by the municipal corporation in calendar year 2014 for current expense levy losses under division (A) (1) of section 5727.86 and division (A) (1) of section 5751.22 of the Revised Code as they existed at that time;	8463 8464 8465 8466 8467
(b) The municipal corporation's percentage share of county undivided local government fund allocations as certified to the tax commissioner for calendar year 2015 by the county auditor under division (J) of section 5747.51 of the Revised Code or division (F) of section 5747.53 of the Revised Code multiplied by the total amount actually distributed in calendar year 2014 from the county undivided local government fund;	8468 8469 8470 8471 8472 8473 8474
(c) The sum of the amounts distributed to the municipal corporation in calendar year 2014 pursuant to section 5747.50 of the Revised Code;	8475 8476 8477
(d) With respect to taxes levied by the municipal corporation, the taxes charged and payable against all property on the tax list of real and public utility property for municipal current expenses for tax year 2014;	8478 8479 8480 8481
(e) The amount of admissions tax collected by the municipal corporation in calendar year 2013, or if such information has not yet been reported to the tax commissioner, in the most recent year before 2013 for which the municipal corporation has reported data to the commissioner;	8482 8483 8484 8485 8486
(f) The amount of income taxes collected by the municipal corporation in calendar year 2013 as certified to the tax commissioner under section 5747.50 of the Revised Code in 2013, or if such information has not yet been reported to the	8487 8488 8489 8490

commissioner, in the most recent year before 2014 for which the 8491  
municipal corporation has reported such data to the 8492  
commissioner; 8493

(g) The sum of the amounts distributed to the municipal 8494  
corporation from the gross casino revenue host city fund from 8495  
July 2014 through April 2015; 8496

(h) The sum of the amounts distributed to the municipal 8497  
corporation from the gross casino revenue county fund from July 8498  
2014 through April 2015. 8499

(16) "Total resources," in the case of a township, means 8500  
the sum of the amounts in divisions (A) (16) (a) to (c) of this 8501  
section less any reduction required under division (B) (1) or (2) 8502  
of this section. 8503

(a) The sum of the payments received by the township in 8504  
calendar year 2014 pursuant to division (A) (1) of section 8505  
5727.86 of the Revised Code and division (A) (1) of section 8506  
5751.22 of the Revised Code as they existed at that time, 8507  
excluding payments received for debt purposes; 8508

(b) The township's percentage share of county undivided 8509  
local government fund allocations as certified to the tax 8510  
commissioner for calendar year 2015 by the county auditor under 8511  
division (J) of section 5747.51 of the Revised Code or division 8512  
(F) of section 5747.53 of the Revised Code multiplied by the 8513  
total amount actually distributed in calendar year 2014 from the 8514  
county undivided local government fund; 8515

(c) With respect to taxes levied by the township, the 8516  
taxes charged and payable against all property on the tax list 8517  
of real and public utility property for tax year 2014 excluding 8518  
taxes charged and payable for the purpose of paying debt charges 8519

or from levies imposed under section 5705.23 of the Revised Code. 8520  
8521

(17) "Total resources," in the case of a local taxing unit that is not a county, municipal corporation, township, or public library means the sum of the amounts in divisions (A) (17) (a) to (e) of this section less any reduction required under division (B) (1) of this section. 8522  
8523  
8524  
8525  
8526

(a) The sum of the payments received by the local taxing unit in calendar year 2014 pursuant to division (A) (1) of section 5727.86 of the Revised Code and division (A) (1) of section 5751.22 of the Revised Code as they existed at that time; 8527  
8528  
8529  
8530  
8531

(b) The local taxing unit's percentage share of county undivided local government fund allocations as certified to the tax commissioner for calendar year 2015 by the county auditor under division (J) of section 5747.51 of the Revised Code or division (F) of section 5747.53 of the Revised Code multiplied by the total amount actually distributed in calendar year 2014 from the county undivided local government fund; 8532  
8533  
8534  
8535  
8536  
8537  
8538

(c) With respect to taxes levied by the local taxing unit, the taxes charged and payable against all property on the tax list of real and public utility property for tax year 2014 excluding taxes charged and payable for the purpose of paying debt charges or from a levy imposed under section 5705.23 of the Revised Code; 8539  
8540  
8541  
8542  
8543  
8544

(d) The amount received from the tax commissioner during calendar year 2014 for sales or use taxes authorized under sections 5739.023 and 5741.022 of the Revised Code; 8545  
8546  
8547

(e) For institutions of higher education receiving tax 8548

revenue from a local levy, as identified in section 3358.02 of 8549  
the Revised Code, the final state share of instruction 8550  
allocation for fiscal year 2014 as calculated by the chancellor 8551  
of higher education and reported to the state controlling board. 8552

(18) "Total resources," in the case of a county, municipal 8553  
corporation, school district, or township public library that 8554  
receives the proceeds of a tax levied under section 5705.23 of 8555  
the Revised Code, means the sum of the amounts in divisions (A) 8556  
(18) (a) to (d) of this section less any reduction required under 8557  
division (B) (1) of this section. 8558

(a) The sum of the payments received by the county, 8559  
municipal corporation, school district, or township public 8560  
library in calendar year 2014 pursuant to sections 5727.86 and 8561  
5751.22 of the Revised Code, as they existed at that time, for 8562  
fixed-rate levy losses attributable to a tax levied under 8563  
section 5705.23 of the Revised Code for the benefit of the 8564  
public library; 8565

(b) The public library's percentage share of county 8566  
undivided local government fund allocations as certified to the 8567  
tax commissioner for calendar year 2015 by the county auditor 8568  
under division (J) of section 5747.51 of the Revised Code or 8569  
division (F) of section 5747.53 of the Revised Code multiplied 8570  
by the total amount actually distributed in calendar year 2014 8571  
from the county undivided local government fund; 8572

(c) With respect to a tax levied pursuant to section 8573  
5705.23 of the Revised Code for the benefit of the public 8574  
library, the amount of such tax that is charged and payable 8575  
against all property on the tax list of real and public utility 8576  
property for tax year 2014 excluding any tax that is charged and 8577  
payable for the purpose of paying debt charges; 8578

(d) The sum of the amounts distributed to the library 8579  
district from the county public library fund in calendar year 8580  
2014, as reported to the tax commissioner by the county auditor. 8581

(19) "Municipal current expense property tax levies" means 8582  
all property tax levies of a municipality, except those with the 8583  
following levy names: library; airport resurfacing; bond or any 8584  
levy name including the word "bond"; capital improvement or any 8585  
levy name including the word "capital"; debt or any levy name 8586  
including the word "debt"; equipment or any levy name including 8587  
the word "equipment," unless the levy is for combined operating 8588  
and equipment; employee termination fund; fire pension or any 8589  
levy containing the word "pension," including police pensions; 8590  
fireman's fund or any practically similar name; sinking fund; 8591  
road improvements or any levy containing the word "road"; fire 8592  
truck or apparatus; flood or any levy containing the word 8593  
"flood"; conservancy district; county health; note retirement; 8594  
sewage, or any levy containing the words "sewage" or "sewer"; 8595  
park improvement; parkland acquisition; storm drain; street or 8596  
any levy name containing the word "street"; lighting, or any 8597  
levy name containing the word "lighting"; and water. 8598

(20) "Operating fixed-rate levy loss" means, in the case 8599  
of local taxing units other than municipal corporations, fixed- 8600  
rate levy losses of levies imposed for purposes other than 8601  
paying debt charges or, in the case of municipal corporations, 8602  
fixed-rate levy losses of municipal current expense property tax 8603  
levies. 8604

~~(22)~~ (21) (a) "Qualifying municipal corporation" means a 8605  
municipal corporation in the territory of which a qualifying end 8606  
user is located. 8607

(b) "Qualifying end user" means an end user of at least 8608

seven million qualifying kilowatt hours of electricity annually. 8609

(c) "Qualifying kilowatt hours" means kilowatt hours of 8610  
electricity generated by a renewable energy resource, as defined 8611  
in section 5727.01 of the Revised Code, using wind energy and 8612  
the distribution of which is subject to the tax levied under 8613  
section 5727.81 of the Revised Code for any measurement period 8614  
beginning after June 30, 2015. 8615

~~(23)~~(22) Any term used in this section has the same 8616  
meaning as in section 5727.84 or 5751.20 of the Revised Code 8617  
unless otherwise defined by this section. 8618

(B) (1) "Total resources" used to compute payments to be 8619  
made under division (C) of this section shall be reduced to the 8620  
extent that payments distributed in calendar year 2014 were 8621  
attributable to levies no longer charged and payable. 8622

(2) "Current expense allocation" used to compute payments 8623  
to be made under division (C) of this section shall be reduced 8624  
to the extent that payments distributed in calendar year 2014 8625  
were attributable to levies no longer charged and payable. 8626

(C) (1) Except as provided in ~~divisions~~division (D) of 8627  
this section, the tax commissioner shall compute payments for 8628  
operating fixed-rate levy losses of local taxing units and 8629  
public libraries for fiscal year 2016 and each year thereafter 8630  
as prescribed in divisions (C) (1) (a) and (b) ~~and~~ of this 8631  
section: 8632

(a) For public libraries and local taxing units other than 8633  
municipal corporations: 8634

(i) If the ratio of current expense allocation to total 8635  
resources is equal to or less than the threshold per cent, zero; 8636

(ii) If the ratio of current expense allocation to total resources is greater than the threshold per cent, the current expense allocation minus the product of total resources multiplied by the threshold per cent.

(b) For municipal corporations:

(i) If the ratio of the municipal current expense allocation to total resources is equal to or less than the threshold per cent, zero;

(ii) If the ratio of the municipal current expense allocation to total resources is greater than the threshold per cent, the municipal current expense allocation minus the product of total resources multiplied by the threshold per cent.

~~(3)~~ (2) For any local taxing unit or public library with operating fixed-rate levy losses greater than zero, the operating fixed-rate levy loss shall be allocated among all qualifying operating fixed-rate levies in proportion to each such levy's share of the payments received in tax year 2014. In fiscal year 2016 and thereafter, if a levy to which operating fixed-rate levy loss is allocated is no longer charged and payable, the payment to the local taxing unit or public library shall be reduced by the amount allocated to the levy that is no longer charged and payable.

(D) (1) Except as provided in division (D) (2) of this section, the tax commissioner shall make payments to local taxing units equal to the sum of TPP inside millage debt levy loss and S.B. 3 inside millage debt levy loss. No payment shall be made if the levy for which the levy loss is computed is not charged and payable for debt purposes in fiscal year 2016 or any year thereafter.



(2) No payment shall be made for TPP inside millage debt 8666  
levy loss in calendar year 2018 or thereafter. No payment shall 8667  
be made for S.B.3 inside millage debt levy loss in calendar year 8668  
2017 or thereafter. 8669

(E) For a qualifying municipal corporation, the tax 8670  
commissioner shall compute payments for fiscal year 2016 and 8671  
each ensuing fiscal year in an amount equal to the amount of tax 8672  
imposed under section 5727.81 of the Revised Code and paid on 8673  
the basis of qualifying kilowatt hours of electricity 8674  
distributed through the meter of a qualifying end user located 8675  
in the municipal corporation for measurement periods ending in 8676  
the preceding calendar year. The payment shall be computed 8677  
regardless of whether the qualifying municipal corporation 8678  
qualifies for a payment under any other division of this section 8679  
for the fiscal year in which the payment is computed under this 8680  
division. For the purposes of this division, the commissioner 8681  
may require an electric distribution company distributing 8682  
qualifying kilowatt hours or, if the end user is a self- 8683  
assessing purchaser, the end user, to report to the commissioner 8684  
the number of qualifying kilowatt hours distributed through the 8685  
meter of the qualifying end user. 8686

(F) (1) The payments required to be made under divisions 8687  
(C) and (D) of this section shall be paid from the local 8688  
government tangible property tax replacement fund to the county 8689  
undivided income tax fund in the proper county treasury. 8690  
Beginning in August 2015, one-half of the amount determined 8691  
under each of those divisions shall be paid on or before the 8692  
last day of August each year, and one-half shall be paid on or 8693  
before the last day of February each year. Within thirty days 8694  
after receipt of such payments, the county treasurer shall 8695  
distribute amounts determined under this section to the proper 8696

local taxing unit or public library as if they had been levied 8697  
and collected as taxes, and the local taxing unit or public 8698  
library shall allocate the amounts so received among its funds 8699  
in the same proportions as if those amounts had been levied and 8700  
collected as taxes. 8701

(2) On or before the last day of August and of February of 8702  
each fiscal year that follows a calendar year in which taxes are 8703  
paid on the basis of qualifying kilowatt hours of electricity 8704  
distributed through the meter of a qualifying end user located 8705  
in a qualifying municipal corporation, one-half of the payment 8706  
computed under division (E) of this section shall be paid from 8707  
the local government tangible personal property tax replacement 8708  
fund directly to the qualifying municipal corporation. The 8709  
municipal corporation shall credit the payments to a special 8710  
fund created for the purpose of providing grants or other 8711  
financial assistance to the qualifying end user or to compensate 8712  
the municipal corporation for municipal income tax or other tax 8713  
credits or reductions as the legislative authority may grant to 8714  
the qualifying end user. Such grants or other financial 8715  
assistance may be provided for by ordinance or resolution of the 8716  
legislative authority of the qualifying municipal corporation 8717  
and may continue for as long as is provided by the ordinance or 8718  
resolution. 8719

(G) If all or a part of the territories of two or more 8720  
local taxing units are merged, or unincorporated territory of a 8721  
township is annexed by a municipal corporation, the tax 8722  
commissioner shall adjust the payments made under this section 8723  
to each of the local taxing units in proportion to the square 8724  
mileage of the merged or annexed territory as a percentage of 8725  
the total square mileage of the jurisdiction from which the 8726  
territory originated, or as otherwise provided by a written 8727

agreement between the legislative authorities of the local 8728  
taxing units certified to the commissioner not later than the 8729  
first day of June of the calendar year in which the payment is 8730  
to be made. 8731

**Sec. 5713.03.** The county auditor, from the best sources of 8732  
information available, shall determine, as nearly as 8733  
practicable, the true value of the fee simple estate, as if 8734  
unencumbered but subject to any effects from the exercise of 8735  
police powers or from other governmental actions, of each 8736  
separate tract, lot, or parcel of real property and of 8737  
buildings, structures, and improvements located thereon and the 8738  
current agricultural use value of land valued for tax purposes 8739  
in accordance with section 5713.31 of the Revised Code, in every 8740  
district, according to the rules prescribed by this chapter and 8741  
section 5715.01 of the Revised Code, and in accordance with the 8742  
uniform rules and methods of valuing and assessing real property 8743  
as adopted, prescribed, and promulgated by the tax commissioner. 8744  
The auditor shall determine the taxable value of all real 8745  
property by reducing its true or current agricultural use value 8746  
by the percentage ordered by the commissioner. In determining 8747  
the true value of any tract, lot, or parcel of real estate under 8748  
this section, if such tract, lot, or parcel has been the subject 8749  
of an arm's length sale between a willing seller and a willing 8750  
buyer within a reasonable length of time, either before or after 8751  
the tax lien date, the auditor may consider the sale price of 8752  
such tract, lot, or parcel to be the true value for taxation 8753  
purposes. However, the sale price in an arm's length transaction 8754  
between a willing seller and a willing buyer shall not be 8755  
considered the true value of the property sold if subsequent to 8756  
the sale: 8757

(A) The tract, lot, or parcel of real estate loses value 8758

due to some casualty; 8759

(B) An improvement is added to the property. ~~Nothing~~ 8760

Nothing in this section or section 5713.01 of the Revised 8761  
Code and no rule adopted under section 5715.01 of the Revised 8762  
Code shall require the county auditor to change the true value 8763  
in money of any property in any year except a year in which the 8764  
tax commissioner is required to determine under section 5715.24 8765  
of the Revised Code whether the property has been assessed as 8766  
required by law. 8767

The county auditor shall adopt and use a real property 8768  
record approved by the commissioner for each tract, lot, or 8769  
parcel of real property, setting forth the true and taxable 8770  
value of land and, in the case of land valued in accordance with 8771  
section 5713.31 of the Revised Code, its current agricultural 8772  
use value, the number of acres of arable land, permanent pasture 8773  
land, woodland, and wasteland in each tract, lot, or parcel. The 8774  
auditor shall record pertinent information and the true and 8775  
taxable value of each building, structure, or improvement to 8776  
land, which value shall be included as a separate part of the 8777  
total value of each tract, lot, or parcel of real property. 8778

**Sec. 5713.30.** As used in sections 5713.31 to 5713.37 and 8779  
5715.01 of the Revised Code: 8780

(A) "Land devoted exclusively to agricultural use" means: 8781

(1) Tracts, lots, or parcels of land totaling not less 8782  
than ten acres to which, during the three calendar years prior 8783  
to the year in which application is filed under section 5713.31 8784  
of the Revised Code, and through the last day of May of such 8785  
year, one or more of the following apply: 8786

(a) The tracts, lots, or parcels of land were devoted 8787

exclusively to commercial animal or poultry husbandry, 8788  
aquaculture, algaculture meaning the farming of algae, 8789  
apiculture, the cultivation of hemp by a person issued a hemp 8790  
cultivation license under section 928.02 of the Revised Code, 8791  
the production for a commercial purpose of timber, field crops, 8792  
tobacco, fruits, vegetables, nursery stock, ornamental trees, 8793  
sod, or flowers, or the growth of timber for a noncommercial 8794  
purpose, if the land on which the timber is grown is contiguous 8795  
to or part of a parcel of land under common ownership that is 8796  
otherwise devoted exclusively to agricultural use. 8797

(b) The tracts, lots, or parcels of land were devoted 8798  
exclusively to biodiesel production, biomass energy production, 8799  
electric or heat energy production, or biologically derived 8800  
methane gas production if the land on which the production 8801  
facility is located is contiguous to or part of a parcel of land 8802  
under common ownership that is otherwise devoted exclusively to 8803  
agricultural use, provided that at least fifty per cent of the 8804  
feedstock used in the production was derived from parcels of 8805  
land under common ownership or leasehold. 8806

(c) The tracts, lots, or parcels of land were devoted to 8807  
and qualified for payments or other compensation under a land 8808  
retirement or conservation program under an agreement with an 8809  
agency of the federal government. 8810

(2) Tracts, lots, or parcels of land totaling less than 8811  
ten acres that, during the three calendar years prior to the 8812  
year in which application is filed under section 5713.31 of the 8813  
Revised Code and through the last day of May of such year, were 8814  
devoted exclusively to commercial animal or poultry husbandry, 8815  
aquaculture, algaculture meaning the farming of algae, 8816  
apiculture, the cultivation of hemp by a person issued a hemp 8817

cultivation license under section 928.02 of the Revised Code, 8818  
the production for a commercial purpose of field crops, tobacco, 8819  
fruits, vegetables, timber, nursery stock, ornamental trees, 8820  
sod, or flowers where such activities produced an average yearly 8821  
gross income of at least twenty-five hundred dollars during such 8822  
three-year period or where there is evidence of an anticipated 8823  
gross income of such amount from such activities during the tax 8824  
year in which application is made, or were devoted to and 8825  
qualified for payments or other compensation under a land 8826  
retirement or conservation program under an agreement with an 8827  
agency of the federal government; 8828

~~(3) A tract, lot, or parcel of land taxed under sections~~ 8829  
~~5713.22 to 5713.26 of the Revised Code is not land devoted~~ 8830  
~~exclusively to agricultural use.~~ 8831

~~(4)~~ Tracts, lots, or parcels of land, or portions thereof 8832  
that, during the previous three consecutive calendar years have 8833  
been designated as land devoted exclusively to agricultural use, 8834  
but such land has been lying idle or fallow for up to one year 8835  
and no action has occurred to such land that is either 8836  
inconsistent with the return of it to agricultural production or 8837  
converts the land devoted exclusively to agricultural use as 8838  
defined in this section. Such land shall remain designated as 8839  
land devoted exclusively to agricultural use provided that 8840  
beyond one year, but less than three years, the landowner proves 8841  
good cause as determined by the board of revision. 8842

~~(5)~~ (4) Tracts, lots, or parcels of land, or portions 8843  
thereof that, during the previous three consecutive calendar 8844  
years have been designated as land devoted exclusively to 8845  
agricultural use, but such land has been lying idle or fallow 8846  
because of dredged material being stored or deposited on such 8847

land pursuant to a contract between the land's owner and the 8848  
department of natural resources or the United States army corps 8849  
of engineers and no action has occurred to the land that is 8850  
either inconsistent with the return of it to agricultural 8851  
production or converts the land devoted exclusively to 8852  
agricultural use. Such land shall remain designated as land 8853  
devoted exclusively to agricultural use until the last year in 8854  
which dredged material is stored or deposited on the land 8855  
pursuant to such a contract, but not to exceed five years. 8856

"Land devoted exclusively to agricultural use" includes 8857  
tracts, lots, or parcels of land or portions thereof that are 8858  
used for conservation practices, provided that the tracts, lots, 8859  
or parcels of land or portions thereof comprise twenty-five per 8860  
cent or less of the total of the tracts, lots, or parcels of 8861  
land that satisfy the criteria established in division (A) (1), 8862  
(2), ~~(4)~~(3), or ~~(5)~~(4) of this section together with the 8863  
tracts, lots, or parcels of land or portions thereof that are 8864  
used for conservation practices. 8865

Notwithstanding any other provision of law to the 8866  
contrary, the existence of agritourism on a tract, lot, or 8867  
parcel of land that otherwise meets the definition of "land 8868  
devoted exclusively to agricultural use" as defined in this 8869  
division does not disqualify that tract, lot, or parcel from 8870  
valuation under sections 5713.30 to 5713.37 and 5715.01 of the 8871  
Revised Code. 8872

A tract, lot, or parcel of land taxed under sections 8873  
5713.22 to 5713.26 of the Revised Code is not land devoted 8874  
exclusively to agricultural use. 8875

A tract, lot, parcel, or portion thereof on which medical 8876  
marijuana, as defined by section 3796.01 of the Revised Code, is 8877

cultivated or processed is not land devoted exclusively to 8878  
agricultural use. 8879

(B) "Conversion of land devoted exclusively to 8880  
agricultural use" means any of the following: 8881

(1) The failure of the owner of land devoted exclusively 8882  
to agricultural use during the next preceding calendar year to 8883  
file a renewal application under section 5713.31 of the Revised 8884  
Code without good cause as determined by the board of revision; 8885

(2) The failure of the new owner of such land to file an 8886  
initial application under that section without good cause as 8887  
determined by the board of revision; 8888

(3) The failure of such land or portion thereof to qualify 8889  
as land devoted exclusively to agricultural use for the current 8890  
calendar year as requested by an application filed under such 8891  
section; 8892

(4) The failure of the owner of the land described in 8893  
division ~~(A) (4)~~ (A) (3) or ~~(5) (4)~~ of this section to act on such 8894  
land in a manner that is consistent with the return of the land 8895  
to agricultural production after three years. 8896

The construction or installation of an energy facility, as 8897  
defined in section 5727.01 of the Revised Code, on a portion of 8898  
a tract, lot, or parcel of land devoted exclusively to 8899  
agricultural use shall not cause the remaining portion of the 8900  
tract, lot, or parcel to be regarded as a conversion of land 8901  
devoted exclusively to agricultural use if the remaining portion 8902  
of the tract, lot, or parcel continues to be devoted exclusively 8903  
to agricultural use. 8904

(C) "Tax savings" means the difference between the dollar 8905  
amount of real property taxes levied in any year on land valued 8906



and assessed in accordance with its current agricultural use 8907  
value and the dollar amount of real property taxes that would 8908  
have been levied upon such land if it had been valued and 8909  
assessed for such year in accordance with Section 2 of Article 8910  
XII, Ohio Constitution. 8911

(D) "Owner" includes, but is not limited to, any person 8912  
owning a fee simple, fee tail, or life estate or a buyer on a 8913  
land installment contract. 8914

(E) "Conservation practices" are practices used to abate 8915  
soil erosion as required in the management of the farming 8916  
operation, and include, but are not limited to, the 8917  
installation, construction, development, planting, or use of 8918  
grass waterways, terraces, diversions, filter strips, field 8919  
borders, windbreaks, riparian buffers, wetlands, ponds, and 8920  
cover crops for that purpose. 8921

(F) "Wetlands" has the same meaning as in section 6111.02 8922  
of the Revised Code. 8923

(G) "Biodiesel" means a mono-alkyl ester combustible 8924  
liquid fuel that is derived from vegetable oils or animal fats 8925  
or any combination of those reagents and that meets the American 8926  
society for testing and materials specification D6751-03a for 8927  
biodiesel fuel (B100) blend stock distillate fuels. 8928

(H) "Biologically derived methane gas" means gas from the 8929  
anaerobic digestion of organic materials, including animal waste 8930  
and agricultural crops and residues. 8931

(I) "Biomass energy" means energy that is produced from 8932  
organic material derived from plants or animals and available on 8933  
a renewable basis, including, but not limited to, agricultural 8934  
crops, tree crops, crop by-products, and residues. 8935

(J) "Electric or heat energy" means electric or heat energy generated from manure, cornstalks, soybean waste, or other agricultural feedstocks.

(K) "Dredged material" means material that is excavated or dredged from waters of this state. "Dredged material" does not include material resulting from normal farming, silviculture, and ranching activities, such as plowing, cultivating, seeding, and harvesting, for production of food, fiber, and forest products.

(L) "Agritourism" has the same meaning as in section 901.80 of the Revised Code.

**Sec. 5713.351.** If the county auditor has determined under section 5713.35 of the Revised Code that a conversion of land has occurred with respect to any tract, lot, or parcel on the agricultural land tax list because of a failure to file an initial or renewal application, and if the auditor, upon application of the owner and payment by the owner of a twenty-five-dollar fee, finds that the land would be land devoted exclusively to agricultural use for the current year if the board of revision finds the failure arose for good cause, the owner may file a complaint against that determination with the board as provided in section 5715.19 of the Revised Code on the grounds that the tract, lot, or parcel is land devoted exclusively to agricultural use because there was good cause for the owner's failure to file an initial or renewal application. If the board finds that there was such good cause, the application under this section shall be considered an application that was properly filed under section 5713.31 of the Revised Code.

**Sec. 5715.13.** (A) Except as provided in division (B) of

this section, the county board of revision shall not decrease 8966  
any valuation unless a party affected thereby or who is 8967  
authorized to file a complaint under section 5715.19 of the 8968  
Revised Code makes and files with the board a written 8969  
application therefor, verified by oath and signature, showing 8970  
the facts upon which it is claimed such decrease should be made. 8971

(B) The county board of revision may authorize a policy 8972  
for the filing of an electronic complaint under section 5715.19 8973  
of the Revised Code and the filing of an electronic application 8974  
therefor under this section, subject to the approval of the tax 8975  
commissioner. An electronic complaint need not be sworn to, but 8976  
shall contain an electronic verification and shall be subscribed 8977  
to by the person filing the complaint: "I declare under 8978  
penalties of perjury that this complaint has been examined by me 8979  
and to the best of my knowledge and belief is true, correct, and 8980  
complete." 8981

**Sec. 5715.36.** (A) Any expense incurred by the tax 8982  
commissioner as to the annual assessment of real property in any 8983  
taxing district shall be paid out of the treasury of the county 8984  
in which such district is located upon presentation of the order 8985  
of the commissioner certifying the amount thereof to the county 8986  
auditor, who shall thereupon issue a warrant therefor upon the 8987  
general fund of the county and direct the warrant to the county 8988  
treasurer, who shall pay the same. All money paid out of the 8989  
county treasury under authority of this division and section 8990  
5703.30 of the Revised Code shall be charged against the proper 8991  
district, and amounts paid by the county shall be retained by 8992  
the auditor from funds due such district at the time of making 8993  
the semiannual distribution of taxes. 8994

(B) Any expense incurred by the board of tax appeals as to 8995

the hearing of any appeal from a county budget commission with 8996  
respect to the allocation of the local government fund or the 8997  
county public library fund shall be paid out of the treasury of 8998  
the county involved upon presentation of the order of the board 8999  
certifying the amount thereof to the county auditor, who shall 9000  
thereupon issue a warrant therefor upon the general fund of the 9001  
county and direct the warrant to the county treasurer, who shall 9002  
pay the same. At the time the local government fund or the 9003  
county public library fund is distributed, all money which had 9004  
been paid out of the county treasury for such expenses shall be 9005  
deducted by the county auditor from the fund involved in the 9006  
appeal. The amount so deducted by the county auditor shall be 9007  
forthwith returned to the general fund of the county. 9008

(C) An amount equal to the sum of the expenses incurred by 9009  
the board of tax appeals as to any of the following shall be 9010  
paid out of the general fund of the county in which such 9011  
property is located upon presentation of the order of the board 9012  
certifying the amount thereof to the county auditor, who shall 9013  
thereupon issue a warrant therefor upon the general fund of the 9014  
county and direct the warrant to the county treasurer, who shall 9015  
pay the same: 9016

(1) The hearing of any appeal from a county board of 9017  
revision under section 5717.01 of the Revised Code; 9018

(2) An appeal from any finding, computation, 9019  
determination, or order of the tax commissioner made with 9020  
respect to the assessment or exemption of real property under 9021  
~~division (B) of section 5715.61 and~~ section 5717.02 of the 9022  
Revised Code. At the time of each settlement of taxes under 9023  
divisions (A) and (C) of section 321.24 of the Revised Code, 9024  
there shall be deducted from the taxes included in such 9025

settlement and paid into the county general fund in the same 9026  
manner as the fees allowed the county treasurer on amounts 9027  
included in such settlement, the amounts paid out under this 9028  
division since the preceding settlement. Each deduction shall be 9029  
apportioned among the taxing districts within which the property 9030  
that was the subject of the appeal is located in proportion to 9031  
their relative shares of their respective taxes included in the 9032  
settlement. 9033

**Sec. 5721.06.** (A) (1) The form of the notice required to be 9034  
attached to the published delinquent tax list by division (B) (3) 9035  
of section 5721.03 of the Revised Code shall be in substance as 9036  
follows: 9037

"DELINQUENT LAND TAX NOTICE 9038

The lands, lots, and parts of lots returned delinquent by 9039  
the county treasurer of \_\_\_\_\_ county, with the 9040  
taxes, assessments, interest, and penalties, charged against 9041  
them agreeably to law, are contained and described in the 9042  
following list: (Here insert the list with the names of the 9043  
owners of such respective tracts of land or town lots as 9044  
designated on the delinquent tax list. If, prior to seven days 9045  
before the publication of the list, a delinquent tax contract 9046  
has been entered into under section 323.31 of the Revised Code, 9047  
the owner's name may be stricken from the list or designated by 9048  
an asterisk shown in the margin next to the owner's name.) 9049

Notice is hereby given that the whole of such several 9050  
lands, lots, or parts of lots will be certified for foreclosure 9051  
by the county auditor pursuant to law unless the whole of the 9052  
delinquent taxes, assessments, interest, and penalties are paid 9053  
within one year or unless a tax certificate with respect to the 9054  
parcel is sold under section 5721.32 or 5721.33 of the Revised 9055

Code. The names of persons who have entered into a written 9056  
delinquent tax contract with the county treasurer to discharge 9057  
the delinquency are designated by an asterisk or have been 9058  
stricken from the list." 9059

(2) If the county treasurer has certified to the county 9060  
auditor that the treasurer intends to offer for sale or assign a 9061  
tax certificate with respect to one or more parcels of 9062  
delinquent land under section 5721.32 or 5721.33 of the Revised 9063  
Code, the form of the notice shall include the following 9064  
statement, appended after the second paragraph of the notice 9065  
prescribed by division (A) (1) of this section: 9066

"Notice also is hereby given that a tax certificate may be 9067  
offered for sale or assigned under section 5721.32 or 5721.33 of 9068  
the Revised Code with respect to those parcels shown on this 9069  
list. If a tax certificate on a parcel is purchased, the 9070  
purchaser of the tax certificate acquires the state's or its 9071  
taxing district's first lien against the property, and an 9072  
additional interest charge of up to eighteen per cent per annum 9073  
shall be assessed against the parcel. In addition, failure by 9074  
the owner of the parcel to redeem the tax certificate may result 9075  
in foreclosure proceedings against the parcel. No tax 9076  
certificate shall be offered for sale if the owner of the parcel 9077  
has either discharged the lien by paying to the county treasurer 9078  
in cash the amount of delinquent taxes, assessments, penalties, 9079  
interest, and charges charged against the property, or has 9080  
entered into a valid delinquent tax contract pursuant to section 9081  
323.31 of the Revised Code to pay those amounts in 9082  
installments." 9083

(B) The form of the notice required to be attached to the 9084  
published delinquent vacant land tax list by division (B) (3) of 9085

section 5721.03 of the Revised Code shall be in substance as 9086  
follows: 9087

"DELINQUENT VACANT LAND TAX NOTICE 9088

The delinquent vacant lands, returned delinquent by the 9089  
county treasurer of \_\_\_\_\_ county, with the taxes, 9090  
assessments, interest, and penalties charged against them 9091  
according to law, and remaining delinquent for one year, are 9092  
contained and described in the following list: (here insert the 9093  
list with the names of the owners of the respective tracts of 9094  
land as designated on the delinquent vacant land tax list. If, 9095  
prior to seven days before the publication of the list, a 9096  
delinquent tax contract has been entered into under section 9097  
323.31 of the Revised Code, the owner's name may be stricken 9098  
from the list or designated by an asterisk shown in the margin 9099  
next to the owner's name.) 9100

Notice is hereby given that these delinquent vacant lands 9101  
will be certified for foreclosure or foreclosure and forfeiture 9102  
by the county auditor pursuant to law unless the whole of the 9103  
delinquent taxes, assessments, interest, and penalties are paid 9104  
within twenty-eight days after the final publication of this 9105  
notice. The names of persons who have entered into a written 9106  
delinquent tax contract with the county treasurer to discharge 9107  
the delinquency are designated by an asterisk or have been 9108  
stricken from the list." 9109

**Sec. 5721.191.** (A) Subject to division (B) of this 9110  
section, the form for the advertisement of a sale conducted 9111  
pursuant to section 5721.19 of the Revised Code shall be as 9112  
follows: 9113

"Notice of sale under judgment of foreclosure of liens 9114

for delinquent land taxes 9115

In the \_\_\_\_\_ court of \_\_\_\_\_, Ohio 9116

case no. 9117

in the matter of foreclosure of liens for 9118

delinquent land taxes 9119

county treasurer of \_\_\_\_\_, Ohio 9120

Plaintiff, 9121

vs. 9122

parcels of land encumbered with delinquent 9123

tax liens, 9124

Defendants. 9125

9126

Whereas, judgment has been rendered against certain 9127

parcels of real property for taxes, assessments, charges, 9128

penalties, interest, and costs as follows: 9129

(Here set out, for each parcel, the respective permanent 9130

parcel number, full street address, description of the parcel, 9131

name and address of the last known owners of the parcel as shown 9132

on the general tax list, and total amount of the judgment) and; 9133

Whereas, such judgment orders such real property to be 9134

sold or otherwise disposed of according to law by the 9135

undersigned to satisfy the total amount of such judgment; 9136

Now, therefore, public notice is hereby given that I, 9137

\_\_\_\_\_ (officer) of \_\_\_\_\_, 9138

Ohio, will either dispose of such property according to law or 9139



sell such real property at public auction, for cash, to the 9140  
highest bidder of an amount that equals at least (insert here, 9141  
as in the court's order, the fair market value of the parcel as 9142  
determined by the county auditor, or the total amount of the 9143  
judgment, including all taxes, assessments, charges, penalties, 9144  
and interest payable subsequent to the delivery to the 9145  
prosecuting attorney of the delinquent land tax certificate or 9146  
master list of delinquent tracts and prior to the transfer of 9147  
the deed of the property to the purchaser following confirmation 9148  
of sale), between the hours of \_\_\_\_\_ a.m. and \_\_\_\_\_ p.m., 9149  
at (address and location) in \_\_\_\_\_, Ohio, on 9150  
\_\_\_\_\_, the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_ If any 9151  
parcel does not receive a sufficient bid or is not otherwise 9152  
disposed of according to law, it may be offered for sale, under 9153  
the same terms and conditions of the first sale and at the same 9154  
time of day and at the same place, on \_\_\_\_\_, the 9155  
\_\_\_\_\_ day of \_\_\_\_\_, \_\_\_, for an amount that 9156  
equals at least (insert here, as in the court's order, the fair 9157  
market value of the parcel as determined by the county auditor, 9158  
or the total amount of the judgment, including all taxes 9159  
assessments, charges, penalties, and interest payable subsequent 9160  
to the delivery to the prosecuting attorney of the delinquent 9161  
land tax certificate or master list of delinquent tracts and 9162  
prior to the transfer of the deed of the property to the 9163  
purchaser following confirmation of sale)." 9164

(B) If the title search required by division (B) of 9165  
section 5721.18 of the Revised Code that relates to a parcel 9166  
subject to an in rem action under that division, or if the title 9167  
search that relates to a parcel subject to an in personam action 9168  
under division (A) of section 5721.18 of the Revised Code, 9169  
indicates that a federal tax lien exists relative to the parcel, 9170

then the form of the advertisement of sale as described in 9171  
division (A) of this section additionally shall include the 9172  
following statement in boldface type: 9173

"PUBLIC NOTICE IS HEREBY GIVEN THAT (INSERT HERE THE 9174  
DESCRIPTION OF EACH RELEVANT PARCEL) TO BE SOLD AT PUBLIC 9175  
AUCTION IS SUBJECT TO A FEDERAL TAX LIEN THAT MAY NOT BE 9176  
EXTINGUISHED BY THE SALE. 9177

---

(officer)" 9178  
9179

(C) If the proceedings for foreclosure were instituted 9180  
under division (C) of section 5721.18 of the Revised Code, then 9181  
the form of the advertisement of sale as described in division 9182  
(A) of this section additionally shall include the following 9183  
statement in boldface type: 9184

"Public notice is hereby given that (insert here the 9185  
description of each relevant parcel) to be sold at public 9186  
auction will be sold subject to all liens and encumbrances with 9187  
respect to the parcel, other than the liens for land taxes, 9188  
assessments, charges, penalties, and interest for which the lien 9189  
was foreclosed and in satisfaction of which the property is 9190  
sold. 9191

---

(officer)" 9192  
9193

**Sec. 5721.39.** (A) In its judgment of foreclosure rendered 9194  
in actions filed pursuant to section 5721.37 of the Revised 9195  
Code, the court or board of revision shall enter a finding that 9196  
includes all of the following with respect to the certificate 9197  
parcel: 9198

(1) The amount of the sum of the certificate redemption prices for all the tax certificates sold against the parcel;	9199 9200
(2) Interest on the certificate purchase prices of all certificates at the rate of eighteen per cent per year for the period beginning on the day on which the payment was submitted by the certificate holder under division (B) of section 5721.37 of the Revised Code;	9201 9202 9203 9204 9205
(3) The amount paid under division (B) (2) of section 5721.37 of the Revised Code, plus interest at the rate of eighteen per cent per year for the period beginning on the day the certificate holder filed a request for foreclosure or a notice of intent to foreclose under division (A) of that section;	9206 9207 9208 9209 9210 9211
(4) Any delinquent taxes on the parcel that are not covered by a payment under division (B) (2) of section 5721.37 of the Revised Code;	9212 9213 9214
(5) Fees and costs incurred in the foreclosure proceeding instituted against the parcel, including, without limitation, the fees and costs of the prosecuting attorney represented by the fee paid under division (B) (3) of section 5721.37 of the Revised Code, plus interest as provided in division (D) (2) (d) of this section, or the fees and costs of the private attorney representing the certificate holder, and charges paid or incurred in procuring title searches and abstracting services relative to the subject premises.	9215 9216 9217 9218 9219 9220 9221 9222 9223
(B) The court or board of revision may order the certificate parcel to be sold or otherwise transferred according to law, without appraisal and as set forth in the prayer of the complaint, for not less than the amount of its finding, or, in	9224 9225 9226 9227

the event that the true value of the certificate parcel as 9228  
determined by the county auditor is less than the certificate 9229  
redemption price, the court or board or revision may, as prayed 9230  
for in the complaint, issue a decree transferring fee simple 9231  
title free and clear of all subordinate liens to the certificate 9232  
holder or as otherwise provided in sections 323.65 to 323.79 of 9233  
the Revised Code. A decree of the court or board of revision 9234  
transferring fee simple title to the certificate holder is 9235  
forever a bar to all rights of redemption with respect to the 9236  
certificate parcel. 9237

(C) (1) The certificate holder may file a motion with the 9238  
court for an order authorizing a specified private selling 9239  
officer, as defined in section 2329.01 of the Revised Code, to 9240  
sell the parcel at a public auction. If the court authorizes a 9241  
private selling officer to sell the parcel, then upon the filing 9242  
of a praecipe for order of sale with the clerk of the court, the 9243  
clerk of the court shall immediately issue an order of sale to 9244  
the private selling officer authorized by the court. 9245

(2) The officer to whom the order of sale is directed may 9246  
conduct the public auction of the parcel at a physical location 9247  
in the county in which the parcel is located or online. If the 9248  
public auction occurs online, the auction shall be open for 9249  
bidding for seven days. If the parcel is not sold during this 9250  
initial seven-day period, a second online auction shall be held 9251  
not earlier than three days or later than thirty days after the 9252  
end of the first auction. The second online auction shall be 9253  
open for bidding for seven days. 9254

(3) A private selling officer who conducts an auction of 9255  
the parcel under this section may do any of the following: 9256

(a) Market the parcels for sale and hire a title insurance 9257

agent licensed under Chapter 3953. of the Revised Code or title 9258  
insurance company authorized to do business under that chapter 9259  
to assist the private selling officer in performing 9260  
administrative services; 9261

(b) Execute to the purchaser, or to the purchaser's legal 9262  
representatives, a deed of conveyance of the parcel sold in 9263  
conformity with the form set forth in section 5302.31 of the 9264  
Revised Code; 9265

(c) Record on behalf of the purchaser the deed conveying 9266  
title to the parcel sold, notwithstanding that the deed may not 9267  
actually have been delivered to the purchaser prior to its 9268  
recording. 9269

(4) By placing a bid at a sale conducted pursuant to this 9270  
section, a purchaser appoints the private selling officer who 9271  
conducts the sale as agent of the purchaser for the sole purpose 9272  
of accepting delivery of the deed. 9273

(5) The private selling officer who conducts the sale 9274  
shall hire a title insurance agent licensed under Chapter 3953. 9275  
of the Revised Code or title insurance company authorized to do 9276  
business under that chapter to perform title, escrow, and 9277  
closing services related to the sale of the parcel. 9278

(6) Except as otherwise provided in sections 323.65 to 9279  
323.79 of the Revised Code, and the alternative redemption 9280  
period thereunder, each certificate parcel shall be advertised 9281  
and sold by the officer to whom the order of sale is directed in 9282  
the manner provided by law for the sale of real property on 9283  
execution. The advertisement for sale of certificate parcels 9284  
shall be published once a week for three consecutive weeks and 9285  
shall include the date on which a second sale will be conducted 9286

if no bid is accepted at the first sale. Any number of parcels 9287  
may be included in one advertisement. 9288

Except as otherwise provided in sections 323.65 to 323.79 9289  
of the Revised Code, whenever the officer charged to conduct the 9290  
sale offers a certificate parcel for sale at a physical location 9291  
and not online and no bids are made equal to at least the amount 9292  
of the finding of the court or board of revision, the officer 9293  
shall adjourn the sale of the parcel to the second date that was 9294  
specified in the advertisement of sale. The second sale shall be 9295  
held at the same place and commence at the same time as set 9296  
forth in the advertisement of sale. The officer shall offer any 9297  
parcel not sold at the first sale. Upon the conclusion of any 9298  
sale, or if any parcel remains unsold after being offered at two 9299  
sales, the officer conducting the sale shall report the results 9300  
to the court or board of revision. 9301

(D) Upon the confirmation of a sale, the proceeds of the 9302  
sale shall be applied as follows: 9303

(1) The fees and costs incurred in the proceeding filed 9304  
against the parcel pursuant to section 5721.37 of the Revised 9305  
Code shall be paid first, including attorney's fees of the 9306  
certificate holder's attorney payable under division (F) of that 9307  
section, private selling officer's fees and marketing costs, 9308  
title agent's or title company's fees, or the county 9309  
prosecutor's costs covered by the fee paid by the certificate 9310  
holder under division (B) (3) of that section. 9311

(2) Following the payment required by division (D) (1) of 9312  
this section, the certificate holder that filed the notice of 9313  
intent to foreclose or request for foreclosure with the county 9314  
treasurer shall be paid the sum of the following amounts: 9315

(a) The sum of the amount found due for the certificate 9316  
redemption prices of all the tax certificates that are sold 9317  
against the parcel; 9318

(b) Any premium paid by the certificate holder at the time 9319  
of purchase; 9320

(c) Interest on the amounts paid by the certificate holder 9321  
under division (B) (1) of section 5721.37 of the Revised Code at 9322  
the rate of eighteen per cent per year beginning on the day on 9323  
which the payment was submitted by the certificate holder to the 9324  
county treasurer and ending on the day immediately preceding the 9325  
day on which the proceeds of the foreclosure sale are paid to 9326  
the certificate holder; 9327

(d) Interest on the amounts paid by the certificate holder 9328  
under divisions (B) (2) and (3) of section 5721.37 of the Revised 9329  
Code at the rate of eighteen per cent per year beginning on the 9330  
day on which the payment was submitted by the certificate holder 9331  
under divisions (B) (2) and (3) of that section and ending on the 9332  
day immediately preceding the day on which the proceeds of the 9333  
foreclosure sale are paid to the certificate holder pursuant to 9334  
this section, except that such interest shall not accrue for 9335  
more than ~~three six years if the certificate was sold under~~ 9336  
~~section 5721.32 of the Revised Code, or under section 5721.42 of~~ 9337  
~~the Revised Code by the holder of a certificate issued under~~ 9338  
~~section 5721.32 of the Revised Code, or more than six years if~~ 9339  
~~the certificate was sold under section 5721.33 of the Revised~~ 9340  
~~Code, or under section 5721.42 of the Revised Code by the holder~~ 9341  
~~of a certificate issued under section 5721.33 of the Revised~~ 9342  
~~Code,~~ after the day the amounts were paid by the certificate 9343  
holder under divisions (B) (2) and (3) of section 5721.37 of the 9344  
Revised Code; 9345

(e) The amounts paid by the certificate holder under 9346  
divisions (B) (1), (2), and (3) of section 5721.37 of the Revised 9347  
Code. 9348

(3) Following the payment required by division (D) (2) of 9349  
this section, any amount due for taxes, installments of 9350  
assessments, charges, penalties, and interest not covered by the 9351  
tax certificate holder's payment under division (B) (2) of 9352  
section 5721.37 of the Revised Code shall be paid, including all 9353  
taxes, installments of assessments, charges, penalties, and 9354  
interest payable subsequent to the entry of the finding and 9355  
prior to the transfer of the deed of the parcel to the purchaser 9356  
following confirmation of sale. If the proceeds available for 9357  
distribution pursuant to this division are insufficient to pay 9358  
the entire amount of those taxes, installments of assessments, 9359  
charges, penalties, and interest, the proceeds shall be paid to 9360  
each claimant in proportion to the amount of those taxes, 9361  
installments of assessments, charges, penalties, and interest 9362  
that each is due, and those taxes, installments of assessments, 9363  
charges, penalties, and interest are deemed satisfied and shall 9364  
be removed from the tax list and duplicate. 9365

(4) Any residue of money from proceeds of the sale shall 9366  
be disposed of as prescribed by section 5721.20 of the Revised 9367  
Code. 9368

(E) Unless the parcel previously was redeemed pursuant to 9369  
section 5721.25 or 5721.38 of the Revised Code, upon the filing 9370  
of the entry of confirmation of sale, or an order to transfer 9371  
the parcel under sections 323.65 to 323.79 of the Revised Code, 9372  
the title to the parcel is incontestable in the purchaser and is 9373  
free and clear of all liens and encumbrances, except a federal 9374  
tax lien, notice of which lien is properly filed in accordance 9375



with section 317.09 of the Revised Code prior to the date that a 9376  
foreclosure proceeding is instituted pursuant to section 5721.37 9377  
of the Revised Code, and which lien was foreclosed in accordance 9378  
with 28 U.S.C.A. 2410(c), and except for the easements and 9379  
covenants of record running with the land or lots that were 9380  
created prior to the time the taxes or installments of 9381  
assessments, for the nonpayment of which a tax certificate was 9382  
issued and the parcel sold at foreclosure, became due and 9383  
payable. 9384

The title shall not be invalid because of any 9385  
irregularity, informality, or omission of any proceedings under 9386  
this chapter or in any processes of taxation, if such 9387  
irregularity, informality, or omission does not abrogate the 9388  
provision for notice to holders of title, lien, or mortgage to, 9389  
or other interests in, such foreclosed parcels, as prescribed in 9390  
this chapter. 9391

**Sec. 5725.98.** (A) To provide a uniform procedure for 9392  
calculating the amount of tax imposed by section 5725.18 of the 9393  
Revised Code that is due under this chapter, a taxpayer shall 9394  
claim any credits and offsets against tax liability to which it 9395  
is entitled in the following order: 9396

~~(1)~~—The credit for an insurance company or insurance 9397  
company group under section 5729.031 of the Revised Code; 9398

~~(2)~~—The credit for eligible employee training costs under 9399  
section 5725.31 of the Revised Code; 9400

~~(3)~~—The credit for purchasers of qualified low-income 9401  
community investments under section 5725.33 of the Revised Code; 9402

~~(4)~~—The nonrefundable job retention credit under division 9403  
(B) of section 122.171 of the Revised Code; 9404

<del>(5)</del> —The nonrefundable credit for investments in rural business growth funds under section 122.152 of the Revised Code;	9405 9406
<del>(6)</del> —The offset of assessments by the Ohio life and health insurance guaranty association permitted by section 3956.20 of the Revised Code;	9407 9408 9409
<del>(7)</del> —The refundable credit for rehabilitating a historic building under section 5725.34 of the Revised Code;	9410 9411
<del>(8)</del> —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 September 29, 2015, the effective date of the amendment of this section by H.B. 64 of the 131st general assembly;	9412 9413 9414 9415 9416
<del>(9)</del> —The refundable credit for Ohio job creation under section 5725.32 of the Revised Code;	9417 9418
<del>(10)</del> —The refundable credit under section 5725.19 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.	9419 9420 9421 9422
(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 amount of a particular credit may be carried forward if authorized under the section creating that credit. Nothing in this chapter shall be construed to allow a taxpayer to claim, directly or indirectly, a credit more than once for a taxable year.	9423 9424 9425 9426 9427 9428 9429 9430 9431
<b>Sec. 5726.50.</b> (A) A taxpayer may claim a refundable tax credit against the tax imposed under this chapter for each	9432 9433

person included in the annual report of the taxpayer that is 9434  
granted a credit by the tax credit authority under section 9435  
122.17 or former division (B) (2) or (3) of section 122.171 of 9436  
the Revised Code as those divisions existed before ~~the effective~~ 9437  
~~date of the amendment of this section by H.B. 64 of the 131st~~ 9438  
~~general assembly September 29, 2015.~~ Such a credit shall not be 9439  
claimed for any tax year following the calendar year in which a 9440  
relocation of employment positions occurs in violation of an 9441  
agreement entered into under section 122.17 or 122.171 of the 9442  
Revised Code. For the purpose of making tax payments under this 9443  
chapter, taxes equal to the amount of the refundable credit 9444  
shall be considered to be paid on the first day of the tax year. 9445

(B) A taxpayer may claim a nonrefundable tax credit 9446  
against the tax imposed under this chapter for each person 9447  
included in the annual report of the taxpayer that is granted a 9448  
nonrefundable credit by the tax credit authority under division 9449  
(B) of section 122.171 of the Revised Code. A taxpayer may claim 9450  
against the tax imposed by this chapter any unused portion of 9451  
the credits authorized under division (B) of section 5733.0610 9452  
of the Revised Code. 9453

(C) The credits authorized in divisions (A) and (B) of 9454  
this section shall be claimed in the order required under 9455  
section 5726.98 of the Revised Code. If the amount of a credit 9456  
authorized in division (A) of this section exceeds the tax 9457  
otherwise due under section 5726.02 of the Revised Code after 9458  
deducting all other credits preceding the credit in the order 9459  
prescribed in section 5726.98 of the Revised Code, the excess 9460  
shall be refunded to the taxpayer. 9461

**Sec. 5726.98.** (A) To provide a uniform procedure for 9462  
calculating the amount of tax due under section 5726.02 of the 9463

Revised Code, a taxpayer shall claim any credits to which the 9464  
taxpayer is entitled under this chapter in the following order: 9465

~~(1)~~—The nonrefundable job retention credit under division 9466  
(B) of section 5726.50 of the Revised Code; 9467

~~(2)~~—The nonrefundable credit for purchases of qualified 9468  
low-income community investments under section 5726.54 of the 9469  
Revised Code; 9470

~~(3)~~—The nonrefundable credit for qualified research 9471  
expenses under section 5726.56 of the Revised Code; 9472

~~(4)~~—The nonrefundable credit for qualifying dealer in 9473  
intangibles taxes under section 5726.57 of the Revised Code; 9474

~~(5)~~—The refundable credit for rehabilitating an historic 9475  
building under section 5726.52 of the Revised Code; 9476

~~(6)~~—The refundable job retention or job creation credit 9477  
under division (A) of section 5726.50 of the Revised Code; 9478

~~(7)~~—The refundable credit under section 5726.53 of the 9479  
Revised Code for losses on loans made under the Ohio venture 9480  
capital program under sections 150.01 to 150.10 of the Revised 9481  
Code; 9482

~~(8)~~—The refundable motion picture and Broadway theatrical 9483  
production credit under section 5726.55 of the Revised Code. 9484

(B) For any credit except the refundable credits 9485  
enumerated in this section, the amount of the credit for a 9486  
taxable year shall not exceed the tax due after allowing for any 9487  
other credit that precedes it in the order required under this 9488  
section. Any excess amount of a particular credit may be carried 9489  
forward if authorized under the section creating that credit. 9490  
Nothing in this chapter shall be construed to allow a taxpayer 9491

to claim, directly or indirectly, a credit more than once for a 9492  
taxable year. 9493

**Sec. 5727.02.** As used in this chapter, "public utility," 9494  
"electric company," "natural gas company," "pipe-line company," 9495  
"water-works company," "water transportation company," or 9496  
"heating company" does not include any of the following: 9497

(A) (1) Except as provided in division (A) (2) of this 9498  
section, any person that is engaged in some other primary 9499  
business to which the supplying of electricity, heat, natural 9500  
gas, water, water transportation, steam, or air to others is 9501  
incidental. 9502

(2) For tax year 2009 and each tax year thereafter, a 9503  
person that is engaged in some other primary business to which 9504  
the supplying of electricity to others is incidental shall be 9505  
treated as an "electric company" and a "public utility" for 9506  
purposes of this chapter solely to the extent required by 9507  
section 5727.031 of the Revised Code. 9508

(3) For purposes of division (A) of this section and 9509  
section 5727.031 of the Revised Code: 9510

(a) "Supplying of electricity" means generating, 9511  
transmitting, or distributing electricity. 9512

(b) A person that leases to others energy facilities with 9513  
an aggregate nameplate capacity in this state of two hundred 9514  
fifty kilowatts or less per lease is not supplying electricity 9515  
to others. 9516

(c) A person that owns, or leases from another person, 9517  
energy facilities with an aggregate nameplate capacity in this 9518  
state of two hundred fifty kilowatts or less is not supplying 9519  
electricity to others, regardless of whether the owner or lessee 9520

engages in net metering as defined in section 4928.01 of the Revised Code. 9521  
9522

(d) A political subdivision of this state that owns an energy facility is not supplying electricity to others regardless of the nameplate capacity of the facility if the primary purpose of the facility is to supply electricity for the political subdivision's own use. As used in this division, "political subdivision" means a county, township, municipal corporation, or any other body corporate and politic that is responsible for government activities in a geographic area smaller than that of the state. 9523  
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(B) Any person that supplies electricity, natural gas, water, water transportation, steam, or air to its tenants, whether for a separate charge or otherwise; 9532  
9533  
9534

(C) Any person whose primary business in this state consists of producing, refining, or marketing petroleum or its products. 9535  
9536  
9537

(D) Any person whose primary business in this state consists of producing or gathering natural gas rather than supplying or distributing natural gas to consumers. 9538  
9539  
9540

**Sec. 5727.11.** (A) Except as otherwise provided in this section, the true value of all taxable property, except property of a railroad company, required by section 5727.06 of the Revised Code to be assessed by the tax commissioner shall be determined by a method of valuation using cost as capitalized on the public utility's books and records less composite annual allowances as prescribed by the commissioner. If the commissioner finds that application of this method will not result in the determination of true value of the public 9541  
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utility's taxable property, the commissioner may use another 9550  
method of valuation. 9551

(B) (1) Except as provided in division (B) (2) of this 9552  
section, the true value of current gas stored underground is the 9553  
cost of that gas shown on the books and records of the public 9554  
utility on the thirty-first day of December of the preceding 9555  
year. 9556

(2) For tax year 2001 and thereafter, the true value of 9557  
current gas stored underground is the quotient obtained by 9558  
dividing (a) the average value of the current gas stored 9559  
underground, which shall be determined by adding the value of 9560  
the gas on hand at the end of each calendar month in the 9561  
calendar year preceding the tax year, or, if applicable, the 9562  
last day of business of each month for a partial month, divided 9563  
by (b) the total number of months the natural gas company was in 9564  
business during the calendar year prior to the beginning of the 9565  
tax year. ~~with~~ With the approval of the tax commissioner, a 9566  
natural gas company may use a date other than the end of a 9567  
calendar month to value its current gas stored underground. 9568

(C) The true value of noncurrent gas stored underground is 9569  
thirty-five per cent of the cost of that gas shown on the books 9570  
and records of the public utility on the thirty-first day of 9571  
December of the preceding year. 9572

(D) (1) Except as provided in division (D) (2) of this 9573  
section, the true value of the production equipment of an 9574  
electric company and the true value of all taxable property of a 9575  
rural electric company is the equipment's or property's cost as 9576  
capitalized on the company's books and records less fifty per 9577  
cent of that cost as an allowance for depreciation and 9578  
obsolescence. 9579

(2) The true value of the production equipment or energy 9580  
conversion equipment of an electric company, rural electric 9581  
company, or energy company purchased, transferred, or placed 9582  
into service after October 5, 1999, is the purchase price of the 9583  
equipment as capitalized on the company's books and records less 9584  
composite annual allowances as prescribed by the tax 9585  
commissioner. 9586

(E) The true value of taxable property, except property of 9587  
a railroad company, required by section 5727.06 of the Revised 9588  
Code to be assessed by the tax commissioner shall not include 9589  
the allowance for funds used during construction or interest 9590  
during construction that has been capitalized on the public 9591  
utility's books and records as part of the total cost of the 9592  
taxable property. This division shall not apply to the taxable 9593  
property of an electric company or a rural electric company, 9594  
excluding transmission and distribution property, first placed 9595  
into service after December 31, 2000, or to the taxable property 9596  
a person purchases, which includes transfers, if that property 9597  
was used in business by the seller prior to the purchase. 9598

(F) The true value of watercraft owned or operated by a 9599  
water transportation company shall be determined by multiplying 9600  
the true value of the watercraft as determined under division 9601  
(A) of this section by a fraction, the numerator of which is the 9602  
number of revenue-earning miles traveled by the watercraft in 9603  
the waters of this state and the denominator of which is the 9604  
number of revenue-earning miles traveled by the watercraft in 9605  
all waters. 9606

(G) The cost of property subject to a sale and leaseback 9607  
transaction is the cost of the property as capitalized on the 9608  
books and records of the public utility owning the property 9609



immediately prior to the sale and leaseback transaction. 9610

(H) The cost as capitalized on the books and records of a 9611  
public utility includes amounts capitalized that represent 9612  
regulatory assets, if such amounts previously were included on 9613  
the company's books and records as capitalized costs of taxable 9614  
personal property. 9615

(I) Any change in the composite annual allowances as 9616  
prescribed by the commissioner on a prospective basis shall not 9617  
be admissible in any judicial or administrative action or 9618  
proceeding as evidence of value with regard to prior years' 9619  
taxes. Information about the business, property, or transactions 9620  
of any taxpayer obtained by the commissioner for the purpose of 9621  
adopting or modifying the composite annual allowances shall not 9622  
be subject to discovery or disclosure. 9623

**Sec. 5727.23.** On or before the first Monday in October, 9624  
annually, the tax commissioner shall assess the taxable property 9625  
of each public utility and interexchange telecommunications 9626  
company, and for tax year 2009 and thereafter of each public 9627  
utility property lessor. If the taxpayer failed to file its 9628  
annual report required by section 5727.08 of the Revised Code at 9629  
least sixty days prior to the first Monday of October, the 9630  
commissioner may make the assessment under this section within 9631  
sixty days after the taxpayer files the report, but this does 9632  
not preclude the commissioner from making an assessment without 9633  
receiving the report. 9634

The action of the tax commissioner shall be evidenced by a 9635  
preliminary assessment that reflects the taxable value 9636  
apportioned to each county and each taxing district in the 9637  
county. The commissioner may amend the preliminary assessment as 9638  
provided in this section. Each preliminary assessment and 9639

amended preliminary assessment shall be certified to the public 9640  
utility, interexchange telecommunications company, or public 9641  
utility property lessor, and to~~7~~ the auditor of each county to 9642  
which taxable value has been apportioned. 9643

The county auditor shall place the apportioned taxable 9644  
value on the general tax list and duplicate of real and public 9645  
utility property, and taxes shall be levied and collected 9646  
thereon at the same rates and in the same manner as taxes are 9647  
levied and collected on real property in the taxing district in 9648  
question. 9649

Unless a petition for reassessment of an assessment has 9650  
been properly filed pursuant to section 5727.47 of the Revised 9651  
Code, each preliminary assessment and, if amended, each 9652  
preliminary assessment as last amended shall become final ninety 9653  
days after certification of the preliminary assessment or thirty 9654  
days after certification of the amended preliminary assessment, 9655  
whichever is later. If a petition for reassessment is properly 9656  
filed, the assessment shall become final when the tax 9657  
commissioner issues a final determination. 9658

Neither the certification of any preliminary or amended 9659  
assessment nor the expiration of the period of time that makes 9660  
any assessment final constitutes a final determination, 9661  
assessment, reassessment, valuation, finding, computation, or 9662  
order of the commissioner that is appealable under section 9663  
5717.02 of the Revised Code. 9664

**Sec. 5727.32.** (A) For the purpose of the tax imposed by 9665  
section 5727.30 of the Revised Code, the statement required by 9666  
section 5727.31 of the Revised Code shall contain: 9667

(1) The name of the company; 9668

(2) The nature of the company, whether a person,	9669
association, or corporation, and under the laws of what state or	9670
country organized;	9671
(3) The location of its principal office;	9672
(4) The name and post-office address of the president,	9673
secretary, auditor, treasurer, and superintendent or general	9674
manager;	9675
(5) The name and post-office address of the chief officer	9676
or managing agent of the company in this state;	9677
(6) The amount of the excise taxes paid or to be paid with	9678
the reports made during the current calendar year as provided by	9679
section 5727.31 of the Revised Code;	9680
(7) In the case of telegraph companies:	9681
(a) The gross receipts from all sources, whether messages,	9682
telephone tolls, rentals, or otherwise, for business done within	9683
this state, including all sums earned or charged, whether	9684
actually received or not, for the year ending on the thirtieth	9685
day of June, and the company's proportion of gross receipts for	9686
business done by it within this state in connection with other	9687
companies, firms, corporations, persons, or associations, but	9688
excluding all of the following:	9689
(i) All of the receipts derived wholly from interstate	9690
business or business done for or with the federal government;	9691
(ii) The receipts of amounts billed on behalf of other	9692
entities.	9693
(b) The total gross receipts for such period from business	9694
done within this state.	9695

(8) In the case of all public utilities subject to the tax 9696  
imposed by section 5727.30 of the Revised Code, except telegraph 9697  
companies: 9698

(a) The gross receipts of the company, actually received, 9699  
from all sources for business done within this state for the 9700  
year next preceding the first day of May, including the 9701  
company's proportion of gross receipts for business done by it 9702  
within this state in connection with other companies, firms, 9703  
corporations, persons, or associations, but excluding both of 9704  
the following: 9705

(i) Receipts from interstate business or business done for 9706  
the federal government; 9707

(ii) Receipts from sales to another public utility for 9708  
resale, provided such other public utility is subject to the tax 9709  
levied by section 5727.24 or 5727.30 of the Revised Code; 9710

(iii) Receipts of a combined company derived from 9711  
operating as a natural gas company that is subject to the tax 9712  
imposed by section 5727.24 of the Revised Code. 9713

(b) The total gross receipts of the company, for the year 9714  
next preceding the first day of May, in this state from business 9715  
done within the state. 9716

(B) The reports required by section 5727.31 of the Revised 9717  
Code shall contain: 9718

(1) The name and principal mailing address of the company; 9719

(2) The total amount of the gross receipts excise taxes 9720  
charged or levied as based upon its last preceding annual 9721  
statement filed prior to the first day of January of the year in 9722  
which such report is filed; 9723

(3) The amount of the excise taxes due with the report as 9724  
provided by section 5727.31 of the Revised Code. 9725

**Sec. 5727.33.** (A) For the purpose of computing the excise 9726  
tax imposed by section 5727.24 or 5727.30 of the Revised Code, 9727  
the entire gross receipts actually received from all sources for 9728  
business done within this state are taxable gross receipts, 9729  
excluding the receipts described in divisions (B), (C), and (D) 9730  
of this section. The gross receipts for the tax year of each 9731  
telegraph company shall be computed for the period of the first 9732  
day of July prior to the tax year to the thirtieth day of June 9733  
of the tax year. The gross receipts of each natural gas company, 9734  
including a combined company's taxable gross receipts attributed 9735  
to a natural gas company activity, shall be computed in the 9736  
manner required by section 5727.25 of the Revised Code. The 9737  
gross receipts for the tax year of any other public utility 9738  
subject to section 5727.30 of the Revised Code shall be computed 9739  
for the period of the first day of May prior to the tax year to 9740  
the thirtieth day of April of the tax year. 9741

(B) In ascertaining and determining the gross receipts of 9742  
each public utility subject to this section, the following gross 9743  
receipts are excluded: 9744

(1) All receipts derived wholly from interstate business; 9745

(2) All receipts derived wholly from business done for or 9746  
with the federal government; 9747

(3) All receipts from the sale of merchandise; 9748

(4) All receipts from sales to other public utilities, 9749  
except railroad and telegraph companies, for resale, provided 9750  
the other public utility is subject to the tax levied by section 9751  
5727.24 or 5727.30 of the Revised Code. 9752

(C) In ascertaining and determining the gross receipts of 9753  
a natural gas company, receipts billed on behalf of other 9754  
entities are excluded. The tax imposed by section ~~5729.811~~ 9755  
5727.811 of the Revised Code, along with transportation and 9756  
billing and collection fees charged to other entities, shall be 9757  
included in the gross receipts of a natural gas company. 9758

(D) In ascertaining and determining the gross receipts of 9759  
a combined company subject to the tax imposed by section 5727.30 9760  
of the Revised Code, all receipts derived from operating as a 9761  
natural gas company that are subject to the tax imposed by 9762  
section 5727.24 of the Revised Code are excluded. 9763

(E) Except as provided in division (F) of this section, 9764  
the amount ascertained by the commissioner under this section, 9765  
less a deduction of twenty-five thousand dollars, shall be the 9766  
taxable gross receipts of such companies for business done 9767  
within this state for that year. 9768

(F) The amount ascertained under this section, less the 9769  
following deduction, shall be the taxable gross receipts of a 9770  
natural gas company or combined company subject to the tax 9771  
imposed by section 5727.24 of the Revised Code for business done 9772  
within this state: 9773

(1) For a natural gas company that files quarterly returns 9774  
of the tax imposed by section 5727.24 of the Revised Code, six 9775  
thousand two hundred fifty dollars for each quarterly return; 9776

(2) For a natural gas company that files an annual return 9777  
of the tax imposed by section 5727.24 of the Revised Code, 9778  
twenty-five thousand dollars for each annual return; 9779

(3) For a combined company, twenty-five thousand dollars 9780  
on the annual statement filed under section 5727.31 of the 9781

Revised Code. A combined company shall not be entitled to a 9782  
deduction in computing gross receipts subject to the tax imposed 9783  
by section 5727.24 of the Revised Code. 9784

**Sec. 5727.80.** As used in sections 5727.80 to 5727.95 of 9785  
the Revised Code: 9786

(A) "Electric distribution company" means either of the 9787  
following: 9788

(1) A person who distributes electricity through a meter 9789  
of an end user in this state or to an unmetered location in this 9790  
state; 9791

(2) The end user of electricity in this state, if the end 9792  
user obtains electricity that is not distributed or transmitted 9793  
to the end user by an electric distribution company that is 9794  
required to remit the tax imposed by section 5727.81 of the 9795  
Revised Code. 9796

"Electric distribution company" does not include an end 9797  
user of electricity in this state who self-generates electricity 9798  
that is used directly by that end user on the same site that the 9799  
electricity is generated or a person that donates all of the 9800  
electricity the person generates to a political subdivision of 9801  
the state. Division (A) (2) of this section shall not apply to a 9802  
political subdivision in this state that is the end user of 9803  
electricity that is donated to the political subdivision. 9804

(B) "Kilowatt hour" means one thousand watt hours of 9805  
electricity. 9806

(C) For an electric distribution company, "meter of an end 9807  
user in this state" means the last meter used to measure the 9808  
kilowatt hours distributed by an electric distribution company 9809  
to a location in this state, or the last meter located outside 9810

of this state that is used to measure the kilowatt hours 9811  
consumed at a location in this state. 9812

(D) "Person" has the same meaning as in section 5701.01 of 9813  
the Revised Code, but also includes a political subdivision of 9814  
the state. 9815

(E) "Municipal electric utility" means a municipal 9816  
corporation that owns or operates a system for the distribution 9817  
of electricity. 9818

(F) "Qualified end user" means an end user of electricity 9819  
that satisfies either of the following criteria: 9820

(1) The end user uses more than three million kilowatt 9821  
hours of electricity at one manufacturing location in this state 9822  
for a calendar day for use in a qualifying manufacturing 9823  
process. 9824

(2) The end user uses electricity at a manufacturing 9825  
location in this state for use in a chlor-alkali manufacturing 9826  
process but, if the end user uses electricity distributed by a 9827  
municipal electric utility, the end user can only be a 9828  
"qualified end user" upon obtaining the consent of the 9829  
legislative authority of the municipal corporation that owns or 9830  
operates the utility. 9831

(G) "Qualified regeneration" means a process to convert 9832  
electricity to a form of stored energy by means such as using 9833  
electricity to compress air for storage or to pump water to an 9834  
elevated storage reservoir, if such stored energy is 9835  
subsequently used to generate electricity for sale to others 9836  
primarily during periods when there is peak demand for 9837  
electricity. 9838

(H) "Qualified regeneration meter" means the last meter 9839



used to measure electricity used in a qualified regeneration process. 9840  
9841

(I) "Qualifying manufacturing process" means an 9842  
electrochemical manufacturing process or a chlor-alkali 9843  
manufacturing process. 9844

(J) "Self-assessing purchaser" means a purchaser that 9845  
meets all the requirements of, and pays the excise tax in 9846  
accordance with, division (C) of section 5727.81 of the Revised 9847  
Code. 9848

(K) "Natural gas distribution company" means a natural gas 9849  
company or a combined company, ~~as defined in section 5727.01 of~~ 9850  
~~the Revised Code,~~ that is subject to the excise tax imposed by 9851  
section 5727.24 of the Revised Code and that distributes natural 9852  
gas through a meter of an end user in this state or to an 9853  
unmetered location in this state. 9854

(L) "MCF" means one thousand cubic feet. 9855

(M) For a natural gas distribution company, "meter of an 9856  
end user in this state" means the last meter used to measure the 9857  
MCF of natural gas distributed by a natural gas distribution 9858  
company to a location in this state, or the last meter located 9859  
outside of this state that is used to measure the natural gas 9860  
consumed at a location in this state. 9861

(N) "Flex customer" means an industrial or a commercial 9862  
facility that has consumed more than one billion cubic feet of 9863  
natural gas a year at a single location during any of the 9864  
previous five years, or an industrial or a commercial end user 9865  
of natural gas that purchases natural gas distribution services 9866  
from a natural gas distribution company at discounted rates or 9867  
charges established in any of the following: 9868

(1) A special arrangement subject to review and regulation 9869  
by the public utilities commission under section 4905.31 of the 9870  
Revised Code; 9871

(2) A special arrangement with a natural gas distribution 9872  
company pursuant to a municipal ordinance; 9873

(3) A variable rate schedule that permits rates to vary 9874  
between defined amounts, provided that the schedule is on file 9875  
with the public utilities commission. 9876

An end user that meets this definition on January 1, 2000, 9877  
or thereafter is a "flex customer" for purposes of determining 9878  
the rate of taxation under division (D) of section 5727.811 of 9879  
the Revised Code. 9880

(O) "Electrochemical manufacturing process" means the 9881  
performance of an electrochemical reaction in which electrons 9882  
from direct current electricity remain a part of the product 9883  
being manufactured. "Electrochemical manufacturing process" does 9884  
not include a chlor-alkali manufacturing process. 9885

(P) "Chlor-alkali manufacturing process" means a process 9886  
that uses electricity to produce chlorine and other chemicals 9887  
through the electrolysis of a salt solution. 9888

**Sec. 5727.83.** (A) A natural gas distribution company, an 9889  
electric distribution company, or a self-assessing purchaser 9890  
shall remit each tax payment by electronic funds transfer as 9891  
prescribed by divisions (B) and (C) of this section. 9892

The tax commissioner shall notify each natural gas 9893  
distribution company, electric distribution company, and self- 9894  
assessing purchaser of the obligation to remit taxes by 9895  
electronic funds transfer, shall maintain an updated list of 9896  
those companies and purchasers, and shall timely certify to the 9897

treasurer of state the list and any additions thereto or 9898  
deletions therefrom. Failure by the tax commissioner to notify a 9899  
company or self-assessing purchaser subject to this section to 9900  
remit taxes by electronic funds transfer does not relieve the 9901  
company or self-assessing purchaser of its obligation to remit 9902  
taxes in that manner. 9903

(B) A natural gas distribution company, an electric 9904  
distribution company, or a self-assessing purchaser required by 9905  
this section to remit payments by electronic funds transfer 9906  
shall remit such payments to the treasurer of state in the 9907  
manner prescribed by rules adopted by the treasurer of state 9908  
under section 113.061 of the Revised Code, and on or before the 9909  
dates specified under section 5727.82 of the Revised Code. The 9910  
payment of taxes by electronic funds transfer does not affect a 9911  
company's or self-assessing purchaser's obligation to file a 9912  
return as required under section 5727.82 of the Revised Code. 9913

(C) A natural gas distribution company, an electric 9914  
distribution company, or a self-assessing purchaser required by 9915  
this section to remit taxes by electronic funds transfer may 9916  
apply to the treasurer of state in the manner prescribed by the 9917  
treasurer of state to be excused from that requirement. The 9918  
treasurer of state may excuse the company or self-assessing 9919  
purchaser from remittance by electronic funds transfer for good 9920  
cause shown for the period of time requested by the company or 9921  
self-assessing purchaser or for a portion of that period. The 9922  
treasurer of state shall notify the tax commissioner and the 9923  
company or self-assessing purchaser of the treasurer of state's 9924  
decision as soon as is practicable. 9925

(D) If a natural gas distribution company, an electric 9926  
distribution company, or a self-assessing purchaser required by 9927

this section to remit taxes by electronic funds transfer remits 9928  
those taxes by some means other than by electronic funds 9929  
transfer as prescribed by this section and the rules adopted by 9930  
the treasurer of state, and the treasurer of state determines 9931  
that such failure was not due to reasonable cause or was due to 9932  
willful neglect, the treasurer of state shall notify the tax 9933  
commissioner of the failure to remit by electronic funds 9934  
transfer and shall provide the commissioner with any information 9935  
used in making that determination. The tax commissioner may 9936  
collect an additional charge by assessment in the manner 9937  
prescribed by section 5727.89 of the Revised Code. The 9938  
additional charge shall equal five per cent of the amount of the 9939  
taxes required to be paid by electronic funds transfer, but 9940  
shall not exceed five thousand dollars. Any additional charge 9941  
assessed under this section is in addition to any other penalty 9942  
or charge imposed under this chapter, and shall be considered as 9943  
revenue arising from the tax imposed under this chapter. The tax 9944  
commissioner may abate all or a portion of such a charge and may 9945  
adopt rules governing such abatements. 9946

No additional charge shall be assessed under this division 9947  
against a natural gas distribution company, an electric 9948  
distribution company, or a self-assessing purchaser that has 9949  
been notified of its obligation to remit taxes under this 9950  
section and that remits its first two tax payments after such 9951  
notification by some means other than electronic funds transfer. 9952  
The additional charge may be assessed upon the remittance of any 9953  
subsequent tax payment that the company or purchaser remits by 9954  
~~some~~ some means other than electronic funds transfer. 9955

**Sec. 5727.84.** No determinations, computations, 9956  
certifications, or payments shall be made under this section 9957  
after June 30, 2015. 9958

(A) As used in this section and sections 5727.85~~, and~~  
5727.86~~, and 5727.87~~ of the Revised Code: 9959  
9960

(1) "School district" means a city, local, or exempted  
village school district. 9961  
9962

(2) "Joint vocational school district" means a joint 9963  
vocational school district created under section 3311.16 of the 9964  
Revised Code, and includes a cooperative education school 9965  
district created under section 3311.52 or 3311.521 of the 9966  
Revised Code and a county school financing district created 9967  
under section 3311.50 of the Revised Code. 9968

(3) "Local taxing unit" means a subdivision or taxing 9969  
unit, as defined in section 5705.01 of the Revised Code, a park 9970  
district created under Chapter 1545. of the Revised Code, or a 9971  
township park district established under section 511.23 of the 9972  
Revised Code, but excludes school districts and joint vocational 9973  
school districts. 9974

(4) "State education aid," for a school district, means 9975  
the following: 9976

(a) For fiscal years prior to fiscal year 2010, the sum of 9977  
state aid amounts computed for the district under former 9978  
sections 3317.029, 3317.052, and 3317.053 of the Revised Code 9979  
and the following provisions, as they existed for the applicable 9980  
fiscal year: divisions (A), (C) (1), (C) (4), (D), (E), and (F) of 9981  
section 3317.022; divisions (B), (C), and (D) of section 9982  
3317.023; divisions (G), (L), and (N) of section 3317.024; and 9983  
sections 3317.0216, 3317.0217, 3317.04, and 3317.05 of the 9984  
Revised Code; and the adjustments required by: division (C) of 9985  
section 3310.08; division (C) (2) of section 3310.41; division 9986  
(C) of section 3314.08; division (D) (2) of section 3314.091; 9987

division (D) of former section 3314.13; divisions (E), (K), (L), 9988  
(M), and (N) of section 3317.023; division (C) of section 9989  
3317.20; and sections 3313.979 and 3313.981 of the Revised Code. 9990  
However, when calculating state education aid for a school 9991  
district for fiscal years 2008 and 2009, include the amount 9992  
computed for the district under Section 269.20.80 of H.B. 119 of 9993  
the 127th general assembly, as subsequently amended, instead of 9994  
division (D) of section 3317.022 of the Revised Code; and 9995  
include amounts calculated under Section 269.30.80 of H.B. 119 9996  
of the 127th general assembly, as subsequently amended. 9997

(b) For fiscal years 2010 and 2011, the sum of the amounts 9998  
computed for the district under former sections 3306.052, 9999  
3306.12, 3306.13, 3306.19, 3306.191, 3306.192, 3317.052, and 10000  
3317.053 of the Revised Code and the following provisions, as 10001  
they existed for the applicable fiscal year: division (G) of 10002  
section 3317.024; section 3317.05 of the Revised Code; and the 10003  
adjustments required by division (C) of section 3310.08; 10004  
division (C) (2) of section 3310.41; division (C) of section 10005  
3314.08; division (D) (2) of section 3314.091; division (D) of 10006  
former section 3314.13; divisions (E), (K), (L), (M), and (N) of 10007  
section 3317.023; division (C) of section 3317.20; and sections 10008  
3313.979, 3313.981, and 3326.33 of the Revised Code. 10009

(c) For fiscal years 2012 and 2013, the amount paid in 10010  
accordance with the section of H.B. 153 of the 129th general 10011  
assembly entitled "FUNDING FOR CITY, EXEMPTED VILLAGE, AND LOCAL 10012  
SCHOOL DISTRICTS" and the adjustments required by division (C) 10013  
of section 3310.08; division (C) (2) of section 3310.41; section 10014  
3310.55; division (C) of section 3314.08; division (D) (2) of 10015  
section 3314.091; division (D) of former section 3314.13; 10016  
divisions (B), (H), (I), (J), and (K) of section 3317.023; 10017  
division (C) of section 3317.20; and sections 3313.979 and 10018

3313.981 of the Revised Code; 10019

(d) For fiscal year 2014 and each fiscal year thereafter, 10020  
the sum of amounts computed for and paid to the district under 10021  
section 3317.022 of the Revised Code; and the adjustments 10022  
required by division (C) of section 3310.08, division (C)(2) of 10023  
section 3310.41, section 3310.55, division (C) of section 10024  
3314.08, division (D)(2) of section 3314.091, divisions (B), 10025  
(H), (J), and (K) of section 3317.023, and sections 3313.978, 10026  
3313.981, 3317.0212, 3317.0213, 3317.0214, and 3326.33 of the 10027  
Revised Code. However, for fiscal years 2014 and 2015, the 10028  
amount computed for the district under the section of this act 10029  
entitled "TRANSITIONAL AID FOR CITY, LOCAL, AND EXEMPTED VILLAGE 10030  
SCHOOL DISTRICTS" also shall be included. 10031

(5) "State education aid," for a joint vocational school 10032  
district, means the following: 10033

(a) For fiscal years prior to fiscal year 2010, the sum of 10034  
the state aid amounts computed for the district under division 10035  
(N) of section 3317.024 and section 3317.16 of the Revised Code. 10036  
However, when calculating state education aid for a joint 10037  
vocational school district for fiscal years 2008 and 2009, 10038  
include the amount computed for the district under Section 10039  
269.30.90 of H.B. 119 of the 127th general assembly, as 10040  
subsequently amended. 10041

(b) For fiscal years 2010 and 2011, the amount computed 10042  
for the district in accordance with the section of H.B. 1 of the 10043  
128th general assembly entitled "FUNDING FOR JOINT VOCATIONAL 10044  
SCHOOL DISTRICTS." 10045

(c) For fiscal years 2012 and 2013, the amount paid in 10046  
accordance with the section of H.B. 153 of the 129th general 10047

assembly entitled "FUNDING FOR JOINT VOCATIONAL SCHOOL 10048  
DISTRICTS." 10049

(d) For fiscal year 2014 and each fiscal year thereafter, 10050  
the amount computed for the district under section 3317.16 of 10051  
the Revised Code; except that, for fiscal years 2014 and 2015, 10052  
the amount computed for the district under the section of this 10053  
act entitled "TRANSITIONAL AID FOR JOINT VOCATIONAL SCHOOL 10054  
DISTRICTS" shall be included. 10055

(6) "State education aid offset" means the amount 10056  
determined for each school district or joint vocational school 10057  
district under division (A) (1) of section 5727.85 of the Revised 10058  
Code. 10059

(7) "Recognized valuation" means the amount computed for a 10060  
school district pursuant to section 3317.015 of the Revised 10061  
Code. 10062

(8) "Electric company tax value loss" means the amount 10063  
determined under division (D) of this section. 10064

(9) "Natural gas company tax value loss" means the amount 10065  
determined under division (E) of this section. 10066

(10) "Tax value loss" means the sum of the electric 10067  
company tax value loss and the natural gas company tax value 10068  
loss. 10069

(11) "Fixed-rate levy" means any tax levied on property 10070  
other than a fixed-sum levy. 10071

(12) "Fixed-rate levy loss" means the amount determined 10072  
under division (G) of this section. 10073

(13) "Fixed-sum levy" means a tax levied on property at 10074  
whatever rate is required to produce a specified amount of tax 10075



money or levied in excess of the ten-mill limitation to pay debt 10076  
charges, and includes school district emergency levies charged 10077  
and payable pursuant to section 5705.194 of the Revised Code. 10078

(14) "Fixed-sum levy loss" means the amount determined 10079  
under division (H) of this section. 10080

(15) "Consumer price index" means the consumer price index 10081  
(all items, all urban consumers) prepared by the bureau of labor 10082  
statistics of the United States department of labor. 10083

(16) "Total resources" and "total library resources" have 10084  
the same meanings as in section 5751.20 of the Revised Code. 10085

(17) "2011 current expense S.B. 3 allocation" means the 10086  
sum of payments received by a school district or joint 10087  
vocational school district in fiscal year 2011 for current 10088  
expense levy losses pursuant to division (C) (2) of section 10089  
5727.85 of the Revised Code. If a fixed-rate levy eligible for 10090  
reimbursement is not charged and payable in any year after tax 10091  
year 2010, "2011 current expense S.B. 3 allocation" used to 10092  
compute payments to be made under division (C) (3) of section 10093  
5727.85 of the Revised Code in the tax years following the last 10094  
year the levy is charged and payable shall be reduced to the 10095  
extent that those payments are attributable to the fixed-rate 10096  
levy loss of that levy. 10097

(18) "2010 current expense S.B. 3 allocation" means the 10098  
sum of payments received by a municipal corporation in calendar 10099  
year 2010 for current expense levy losses pursuant to division 10100  
(A) (1) of section 5727.86 of the Revised Code, excluding any 10101  
such payments received for current expense levy losses 10102  
attributable to a tax levied under section 5705.23 of the 10103  
Revised Code. If a fixed-rate levy eligible for reimbursement is 10104

not charged and payable in any year after tax year 2010, "2010  
current expense S.B. 3 allocation" used to compute payments to  
be made under division (A) (1) (d) or (e) of section 5727.86 of  
the Revised Code in the tax years following the last year the  
levy is charged and payable shall be reduced to the extent that  
those payments are attributable to the fixed-rate levy loss of  
that levy.

(19) "2010 S.B. 3 allocation" means the sum of payments  
received by a local taxing unit during calendar year 2010  
pursuant to division (A) (1) of section 5727.86 of the Revised  
Code, excluding any such payments received for fixed-rate levy  
losses attributable to a tax levied under section 5705.23 of the  
Revised Code. If a fixed-rate levy eligible for reimbursement is  
not charged and payable in any year after tax year 2010, "2010  
S.B. 3 allocation" used to compute payments to be made under  
division (A) (1) (d) or (e) of section 5727.86 of the Revised Code  
in the tax years following the last year the levy is charged and  
payable shall be reduced to the extent that those payments are  
attributable to the fixed-rate levy loss of that levy.

(20) "Total S.B. 3 allocation" means, in the case of a  
school district or joint vocational school district, the sum of  
the payments received in fiscal year 2011 pursuant to divisions  
(C) (2) and (D) of section 5727.85 of the Revised Code. In the  
case of a local taxing unit, "total S.B. 3 allocation" means the  
sum of payments received by the unit in calendar year 2010  
pursuant to divisions (A) (1) and (4) of section 5727.86 of the  
Revised Code, excluding any such payments received for fixed-  
rate levy losses attributable to a tax levied under section  
5705.23 of the Revised Code. If a fixed-rate levy eligible for  
reimbursement is not charged and payable in any year after tax  
year 2010, "total S.B. 3 allocation" used to compute payments to

be made under division (C) (3) of section 5727.85 or division (A) 10136  
(1) (d) or (e) of section 5727.86 of the Revised Code in the tax 10137  
years following the last year the levy is charged and payable 10138  
shall be reduced to the extent that those payments are 10139  
attributable to the fixed-rate levy loss of that levy as would 10140  
be computed under division (C) (2) of section 5727.85 or division 10141  
(A) (1) (b) of section 5727.86 of the Revised Code. 10142

(21) "2011 non-current expense S.B. 3 allocation" means 10143  
the difference of a school district's or joint vocational school 10144  
district's total S.B. 3 allocation minus the sum of the school 10145  
district's 2011 current expense S.B. 3 allocation and the 10146  
portion of the school district's total S.B. 3 allocation 10147  
constituting reimbursement for debt levies pursuant to division 10148  
(D) of section 5727.85 of the Revised Code. 10149

(22) "2010 non-current expense S.B. 3 allocation" means 10150  
the difference of a municipal corporation's total S.B. 3 10151  
allocation minus the sum of its 2010 current expense S.B. 3 10152  
allocation and the portion of its total S.B. 3 allocation 10153  
constituting reimbursement for debt levies pursuant to division 10154  
(A) (4) of section 5727.86 of the Revised Code. 10155

(23) "S.B. 3 allocation for library purposes" means, in 10156  
the case of a county, municipal corporation, school district, or 10157  
township public library that receives the proceeds of a tax 10158  
levied under section 5705.23 of the Revised Code, the sum of the 10159  
payments received by the public library in calendar year 2010 10160  
pursuant to section 5727.86 of the Revised Code for fixed-rate 10161  
levy losses attributable to a tax levied under section 5705.23 10162  
of the Revised Code. If a fixed-rate levy authorized under 10163  
section 5705.23 of the Revised Code that is eligible for 10164  
reimbursement is not charged and payable in any year after tax 10165

year 2010, "S.B. 3 allocation for library purposes" used to 10166  
 compute payments to be made under division (A) (1) (f) of section 10167  
 5727.86 of the Revised Code in the tax years following the last 10168  
 year the levy is charged and payable shall be reduced to the 10169  
 extent that those payments are attributable to the fixed-rate 10170  
 levy loss of that levy as would be computed under division (A) 10171  
 (1) (b) of section 5727.86 of the Revised Code. 10172

(24) "Threshold per cent" means, in the case of a school 10173  
 district or joint vocational school district, two per cent for 10174  
 fiscal year 2012 and four per cent for fiscal years 2013 and 10175  
 thereafter. In the case of a local taxing unit or public library 10176  
 that receives the proceeds of a tax levied under section 5705.23 10177  
 of the Revised Code, "threshold per cent" means two per cent for 10178  
 calendar year 2011, four per cent for calendar year 2012, and 10179  
 six per cent for calendar years 2013 and thereafter. 10180

(B) The kilowatt-hour tax receipts fund is hereby created 10181  
 in the state treasury and shall consist of money arising from 10182  
 the tax imposed by section 5727.81 of the Revised Code. All 10183  
 money in the kilowatt-hour tax receipts fund shall be credited 10184  
 as follows: 10185

10186

	1	2	3	4
A	Fiscal Year	General Revenue Fund	School District Property Tax Replacement Fund	Local Government Property Tax Replacement Fund
B	2001-2011	63.0%	25.4%	11.6%

C 2012-2015 88.0% 9.0% 3.0%

(C) The natural gas tax receipts fund is hereby created in 10187  
the state treasury and shall consist of money arising from the 10188  
tax imposed by section 5727.811 of the Revised Code. All money 10189  
in the fund shall be credited as follows for fiscal years before 10190  
fiscal year 2012: 10191

(1) Sixty-eight and seven-tenths per cent shall be 10192  
credited to the school district property tax replacement fund 10193  
for the purpose of making the payments described in section 10194  
5727.85 of the Revised Code. 10195

(2) Thirty-one and three-tenths per cent shall be credited 10196  
to the local government property tax replacement fund for the 10197  
purpose of making the payments described in section 5727.86 of 10198  
the Revised Code. 10199

(D) Not later than January 1, 2002, the tax commissioner 10200  
shall determine for each taxing district its electric company 10201  
tax value loss, which is the sum of the applicable amounts 10202  
described in divisions (D) (1) to (4) of this section: 10203

(1) The difference obtained by subtracting the amount 10204  
described in division (D) (1) (b) from the amount described in 10205  
division (D) (1) (a) of this section. 10206

(a) The value of electric company and rural electric 10207  
company tangible personal property as assessed by the tax 10208  
commissioner for tax year 1998 on a preliminary assessment, or 10209  
an amended preliminary assessment if issued prior to March 1, 10210  
1999, and as apportioned to the taxing district for tax year 10211  
1998; 10212

(b) The value of electric company and rural electric 10213

company tangible personal property as assessed by the tax 10214  
commissioner for tax year 1998 had the property been apportioned 10215  
to the taxing district for tax year 2001, and assessed at the 10216  
rates in effect for tax year 2001. 10217

(2) The difference obtained by subtracting the amount 10218  
described in division (D) (2) (b) from the amount described in 10219  
division (D) (2) (a) of this section. 10220

(a) The three-year average for tax years 1996, 1997, and 10221  
1998 of the assessed value from nuclear fuel materials and 10222  
assemblies assessed against a person under Chapter 5711. of the 10223  
Revised Code from the leasing of them to an electric company for 10224  
those respective tax years, as reflected in the preliminary 10225  
assessments; 10226

(b) The three-year average assessed value from nuclear 10227  
fuel materials and assemblies assessed under division (D) (2) (a) 10228  
of this section for tax years 1996, 1997, and 1998, as reflected 10229  
in the preliminary assessments, using an assessment rate of 10230  
twenty-five per cent. 10231

(3) In the case of a taxing district having a nuclear 10232  
power plant within its territory, any amount, resulting in an 10233  
electric company tax value loss, obtained by subtracting the 10234  
amount described in division (D) (1) of this section from the 10235  
difference obtained by subtracting the amount described in 10236  
division (D) (3) (b) of this section from the amount described in 10237  
division (D) (3) (a) of this section. 10238

(a) The value of electric company tangible personal 10239  
property as assessed by the tax commissioner for tax year 2000 10240  
on a preliminary assessment, or an amended preliminary 10241  
assessment if issued prior to March 1, 2001, and as apportioned 10242

to the taxing district for tax year 2000;	10243
(b) The value of electric company tangible personal	10244
property as assessed by the tax commissioner for tax year 2001	10245
on a preliminary assessment, or an amended preliminary	10246
assessment if issued prior to March 1, 2002, and as apportioned	10247
to the taxing district for tax year 2001.	10248
(4) In the case of a taxing district having a nuclear	10249
power plant within its territory, the difference obtained by	10250
subtracting the amount described in division (D) (4) (b) of this	10251
section from the amount described in division (D) (4) (a) of this	10252
section, provided that such difference is greater than ten per	10253
cent of the amount described in division (D) (4) (a) of this	10254
section.	10255
(a) The value of electric company tangible personal	10256
property as assessed by the tax commissioner for tax year 2005	10257
on a preliminary assessment, or an amended preliminary	10258
assessment if issued prior to March 1, 2006, and as apportioned	10259
to the taxing district for tax year 2005;	10260
(b) The value of electric company tangible personal	10261
property as assessed by the tax commissioner for tax year 2006	10262
on a preliminary assessment, or an amended preliminary	10263
assessment if issued prior to March 1, 2007, and as apportioned	10264
to the taxing district for tax year 2006.	10265
(E) Not later than January 1, 2002, the tax commissioner	10266
shall determine for each taxing district its natural gas company	10267
tax value loss, which is the sum of the amounts described in	10268
divisions (E) (1) and (2) of this section:	10269
(1) The difference obtained by subtracting the amount	10270
described in division (E) (1) (b) from the amount described in	10271

division (E) (1) (a) of this section.	10272
(a) The value of all natural gas company tangible personal property, other than property described in division (E) (2) of this section, as assessed by the tax commissioner for tax year 1999 on a preliminary assessment, or an amended preliminary assessment if issued prior to March 1, 2000, and apportioned to the taxing district for tax year 1999;	10273 10274 10275 10276 10277 10278
(b) The value of all natural gas company tangible personal property, other than property described in division (E) (2) of this section, as assessed by the tax commissioner for tax year 1999 had the property been apportioned to the taxing district for tax year 2001, and assessed at the rates in effect for tax year 2001.	10279 10280 10281 10282 10283 10284
(2) The difference in the value of current gas obtained by subtracting the amount described in division (E) (2) (b) from the amount described in division (E) (2) (a) of this section.	10285 10286 10287
(a) The three-year average assessed value of current gas as assessed by the tax commissioner for tax years 1997, 1998, and 1999 on a preliminary assessment, or an amended preliminary assessment if issued prior to March 1, 2001, and as apportioned in the taxing district for those respective years;	10288 10289 10290 10291 10292
(b) The three-year average assessed value from current gas under division (E) (2) (a) of this section for tax years 1997, 1998, and 1999, as reflected in the preliminary assessment, using an assessment rate of twenty-five per cent.	10293 10294 10295 10296
(F) The tax commissioner may request that natural gas companies, electric companies, and rural electric companies file a report to help determine the tax value loss under divisions (D) and (E) of this section. The report shall be filed within	10297 10298 10299 10300



thirty days of the commissioner's request. A company that fails 10301  
to file the report or does not timely file the report is subject 10302  
to the penalty in section 5727.60 of the Revised Code. 10303

(G) Not later than January 1, 2002, the tax commissioner 10304  
shall determine for each school district, joint vocational 10305  
school district, and local taxing unit its fixed-rate levy loss, 10306  
which is the sum of its electric company tax value loss 10307  
multiplied by the tax rate in effect in tax year 1998 for fixed- 10308  
rate levies and its natural gas company tax value loss 10309  
multiplied by the tax rate in effect in tax year 1999 for fixed- 10310  
rate levies. 10311

(H) Not later than January 1, 2002, the tax commissioner 10312  
shall determine for each school district, joint vocational 10313  
school district, and local taxing unit its fixed-sum levy loss, 10314  
which is the amount obtained by subtracting the amount described 10315  
in division (H) (2) of this section from the amount described in 10316  
division (H) (1) of this section: 10317

(1) The sum of the electric company tax value loss 10318  
multiplied by the tax rate in effect in tax year 1998, and the 10319  
natural gas company tax value loss multiplied by the tax rate in 10320  
effect in tax year 1999, for fixed-sum levies for all taxing 10321  
districts within each school district, joint vocational school 10322  
district, and local taxing unit. For the years 2002 through 10323  
2006, this computation shall include school district emergency 10324  
levies that existed in 1998 in the case of the electric company 10325  
tax value loss, and 1999 in the case of the natural gas company 10326  
tax value loss, and all other fixed-sum levies that existed in 10327  
1998 in the case of the electric company tax value loss and 1999 10328  
in the case of the natural gas company tax value loss and 10329  
continue to be charged in the tax year preceding the 10330

distribution year. For the years 2007 through 2016 in the case 10331  
of school district emergency levies, and for all years after 10332  
2006 in the case of all other fixed-sum levies, this computation 10333  
shall exclude all fixed-sum levies that existed in 1998 in the 10334  
case of the electric company tax value loss and 1999 in the case 10335  
of the natural gas company tax value loss, but are no longer in 10336  
effect in the tax year preceding the distribution year. For the 10337  
purposes of this section, an emergency levy that existed in 1998 10338  
in the case of the electric company tax value loss, and 1999 in 10339  
the case of the natural gas company tax value loss, continues to 10340  
exist in a year beginning on or after January 1, 2007, but 10341  
before January 1, 2017, if, in that year, the board of education 10342  
levies a school district emergency levy for an annual sum at 10343  
least equal to the annual sum levied by the board in tax year 10344  
1998 or 1999, respectively, less the amount of the payment 10345  
certified under this division for 2002. 10346

(2) The total taxable value in tax year 1999 less the tax 10347  
value loss in each school district, joint vocational school 10348  
district, and local taxing unit multiplied by one-fourth of one 10349  
mill. 10350

If the amount computed under division (H) of this section 10351  
for any school district, joint vocational school district, or 10352  
local taxing unit is greater than zero, that amount shall equal 10353  
the fixed-sum levy loss reimbursed pursuant to division (F) of 10354  
section 5727.85 of the Revised Code or division (A) (2) of 10355  
section 5727.86 of the Revised Code, and the one-fourth of one 10356  
mill that is subtracted under division (H) (2) of this section 10357  
shall be apportioned among all contributing fixed-sum levies in 10358  
the proportion of each levy to the sum of all fixed-sum levies 10359  
within each school district, joint vocational school district, 10360  
or local taxing unit. 10361

(I) Notwithstanding divisions (D), (E), (G), and (H) of this section, in computing the tax value loss, fixed-rate levy loss, and fixed-sum levy loss, the tax commissioner shall use the greater of the 1998 tax rate or the 1999 tax rate in the case of levy losses associated with the electric company tax value loss, but the 1999 tax rate shall not include for this purpose any tax levy approved by the voters after June 30, 1999, and the tax commissioner shall use the greater of the 1999 or the 2000 tax rate in the case of levy losses associated with the natural gas company tax value loss.

(J) Not later than January 1, 2002, the tax commissioner shall certify to the department of education the tax value loss determined under divisions (D) and (E) of this section for each taxing district, the fixed-rate levy loss calculated under division (G) of this section, and the fixed-sum levy loss calculated under division (H) of this section. The calculations under divisions (G) and (H) of this section shall separately display the levy loss for each levy eligible for reimbursement.

(K) Not later than September 1, 2001, the tax commissioner shall certify the amount of the fixed-sum levy loss to the county auditor of each county in which a school district with a fixed-sum levy loss has territory.

**Sec. 5729.98.** (A) To provide a uniform procedure for calculating the amount of tax due under this chapter, a taxpayer shall claim any credits and offsets against tax liability to which it is entitled in the following order:

~~(1)~~—The credit for an insurance company or insurance company group under section 5729.031 of the Revised Code;

~~(2)~~—The credit for eligible employee training costs under

section 5729.07 of the Revised Code;	10391
<del>(3)</del> —The credit for purchases of qualified low-income community investments under section 5729.16 of the Revised Code;	10392 10393
<del>(4)</del> —The nonrefundable job retention credit under division (B) of section 122.171 of the Revised Code;	10394 10395
<del>(5)</del> —The nonrefundable credit for investments in rural business growth funds under section 122.152 of the Revised Code;	10396 10397
<del>(6)</del> —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;	10398 10399 10400
<del>(7)</del> —The refundable credit for rehabilitating a historic building under section 5729.17 of the Revised Code;	10401 10402
<del>(8)</del> —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 September 29, 2015, the effective date of the amendment of this section by H.B. 64 of the 131st general assembly;	10403 10404 10405 10406 10407
<del>(9)</del> —The refundable credit for Ohio job creation under section 5729.032 of the Revised Code;	10408 10409
<del>(10)</del> —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.	10410 10411 10412 10413
(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 amount of a particular credit may be carried	10414 10415 10416 10417 10418

forward if authorized under the section creating that credit. 10419  
Nothing in this chapter shall be construed to allow a taxpayer 10420  
to claim, directly or indirectly, a credit more than once for a 10421  
taxable year. 10422

**Sec. 5733.042.** (A) As used in this section: 10423

(1) "Affiliated group" has the same meaning as in section 10424  
1504 of the Internal Revenue Code. 10425

(2) "Asset value" means the adjusted basis of assets as 10426  
determined in accordance with Subchapter O of the Internal 10427  
Revenue Code and the Treasury Regulations thereunder. 10428

(3) "Intangible expenses and costs" include expenses, 10429  
losses, and costs for, related to, or in connection directly or 10430  
indirectly with the direct or indirect acquisition of, the 10431  
direct or indirect use of, the direct or indirect maintenance or 10432  
management of, the direct or indirect ownership of, the direct 10433  
or indirect sale of, the direct or indirect exchange of, or any 10434  
other direct or indirect disposition of intangible property to 10435  
the extent such amounts are allowed as deductions or costs in 10436  
determining taxable income before operating loss deduction and 10437  
special deductions for the taxable year under the Internal 10438  
Revenue Code. Such expenses and costs include, but are not 10439  
limited to, losses related to or incurred in connection directly 10440  
or indirectly with factoring transactions, losses related to or 10441  
incurred in connection directly or indirectly with discounting 10442  
transactions, royalty, patent, technical, and copyright fees, 10443  
licensing fees, and other similar expenses and costs. 10444

(4) "Interest expenses and costs" include but are not 10445  
limited to amounts directly or indirectly allowed as deductions 10446  
under section 163 of the Internal Revenue Code for purposes of 10447

determining taxable income under the Internal Revenue Code. 10448

(5) "Member" has the same meaning as in U.S. Treasury 10449  
Regulation section 1.1502-1. 10450

(6) "Related member" means a person that, with respect to 10451  
the taxpayer during all or any portion of the taxable year, is a 10452  
"related entity" as defined in division (I) (12) (c) of section 10453  
5733.04 of the Revised Code, is a component member as defined in 10454  
section 1563(b) of the Internal Revenue Code, or is a person to 10455  
or from whom there is attribution of stock ownership in 10456  
accordance with section 1563(e) of the Internal Revenue Code 10457  
except, for purposes of determining whether a person is a 10458  
related member under this division, "twenty per cent" shall be 10459  
substituted for "5 per cent" wherever "5 per cent" appears in 10460  
section 1563(e) of the Internal Revenue Code. 10461

(B) This section applies to all corporations for tax years 10462  
1999 and thereafter. For tax years prior to 1999, this section 10463  
applies only to a corporation that has, or is a member of an 10464  
affiliated group that has, or is a member of an affiliated group 10465  
with another member that has, one or more of the following: 10466

(1) Gross sales, including sales to other members of the 10467  
affiliated group, during the taxable year of at least fifty 10468  
million dollars; 10469

(2) Total assets whose asset value at any time during the 10470  
taxable year is at least twenty-five million dollars; 10471

(3) Taxable income before operating loss deduction and 10472  
special deductions during the taxable year of at least five 10473  
hundred thousand dollars. 10474

(C) For purposes of computing its net income under 10475  
division (I) of section 5733.04 of the Revised Code, the 10476

corporation shall add interest expenses and costs and intangible 10477  
expenses and costs directly or indirectly paid, accrued, or 10478  
incurred to, or in connection directly or indirectly with one or 10479  
more direct or indirect transactions with, one or more of the 10480  
following related members: 10481

(1) Any related member whose activities, in any one state, 10482  
are primarily limited to the maintenance and management of 10483  
intangible investments or of the intangible investments of 10484  
corporations, business trusts, or other entities registered as 10485  
investment companies under the "Investment Company Act of 1940," 10486  
15 U.S.C. 80a-1 et seq., as amended, and the collection and 10487  
distribution of the income from such investments or from 10488  
tangible property physically located outside such state. For 10489  
purposes of division (C)(1) of this section, "intangible 10490  
investments" includes, without limitation, investments in 10491  
stocks, bonds, notes, and other debt obligations, including debt 10492  
obligations of related members, interests in partnerships, 10493  
patents, patent applications, trademarks, trade names, and 10494  
similar types of intangible assets. 10495

(2) Any related member that is a personal holding company 10496  
as defined in section 542 of the Internal Revenue Code without 10497  
regard to the stock ownership requirements set forth in section 10498  
542(a)(2) of the Internal Revenue Code; 10499

(3) Any related member that is not a corporation and is 10500  
directly, indirectly, constructively, or beneficially owned in 10501  
whole or in part by a personal holding company as defined in 10502  
section 542 of the Internal Revenue Code without regard to the 10503  
stock ownership requirements set forth in section 542(a)(2) of 10504  
the Internal Revenue Code; 10505

(4) Any related member that is a foreign personal holding 10506

company as defined in section 552 of the Internal Revenue Code; 10507

(5) Any related member that is not a corporation and is 10508  
directly, indirectly, constructively, or beneficially owned in 10509  
whole or in part by a foreign personal holding company as 10510  
defined in section 552 of the Internal Revenue Code; 10511

(6) Any related member if that related member or another 10512  
related member directly or indirectly paid, accrued, or incurred 10513  
to, or in connection directly or indirectly with one or more 10514  
direct or indirect transactions with, another related member any 10515  
interest expenses and costs or intangible expenses and costs in 10516  
an amount less than, equal to, or greater than such amounts 10517  
received from the corporation. Division (C) (6) of this section 10518  
applies only if, within a one-hundred-twenty-month period 10519  
commencing three years prior to the beginning of the tax year, a 10520  
related member directly or indirectly paid, accrued, or incurred 10521  
such amounts or losses with respect to one or more direct or 10522  
indirect transactions with an entity described in divisions (C) 10523  
(1) to (5) of this section. A rebuttable presumption exists that 10524  
a related member did so pay, accrue, or incur such amounts or 10525  
losses with respect to one or more direct or indirect 10526  
transactions with an entity described in divisions (C) (1) to (5) 10527  
of this section. A corporation can rebut this presumption only 10528  
with a preponderance of the evidence to the contrary. 10529

(7) Any related member that, with respect to indebtedness 10530  
directly or indirectly owed by the corporation to the related 10531  
member, directly or indirectly charged or imposed on the 10532  
corporation an excess interest rate. If the related member has 10533  
charged or imposed on the corporation an excess interest rate, 10534  
the adjustment required by division (C) (7) of this section with 10535  
respect to such interest expenses and costs directly or 10536



indirectly paid, accrued, or incurred to the related member in 10537  
connection with such indebtedness does not include so much of 10538  
such interest expenses and costs that the corporation would have 10539  
directly or indirectly paid, accrued, or incurred if the related 10540  
member had charged or imposed the highest possible interest rate 10541  
that would not have been an excess interest rate. For purposes 10542  
of division (C) (7) of this section, an excess interest rate is 10543  
an annual rate that exceeds by more than three per cent the 10544  
greater of the rate per annum prescribed by section 5703.47 of 10545  
the Revised Code in effect at the time of the origination of the 10546  
indebtedness, or the rate per annum prescribed by section 10547  
5703.47 of the Revised Code in effect at the time the 10548  
corporation paid, accrued, or incurred the interest expense or 10549  
cost to the related member. 10550

(D) (1) In making the adjustment required by division (C) 10551  
of this section, the corporation shall make the adjustment 10552  
required by section 5733.057 of the Revised Code. The 10553  
adjustments required by division (C) of this section are not 10554  
required if either of the following applies: 10555

(a) The corporation establishes by clear and convincing 10556  
evidence that the adjustments are unreasonable. 10557

(b) The corporation and the tax commissioner agree in 10558  
writing to the application or use of alternative adjustments and 10559  
computations to more properly reflect the base required to be 10560  
determined in accordance with division (B) of section 5733.05 of 10561  
the Revised Code. Nothing in division (D) (1) (b) of this section 10562  
shall be construed to limit or negate the tax commissioner's 10563  
authority to otherwise enter into agreements and compromises 10564  
otherwise allowed by law. 10565

(2) The adjustments required by divisions (C) (1) to (5) of 10566

this section do not apply to such portion of interest expenses 10567  
and costs and intangible expenses and costs that the corporation 10568  
can establish by the preponderance of the evidence meets both of 10569  
the following: 10570

(a) The related member during the same taxable year 10571  
directly or indirectly paid, accrued, or incurred such portion 10572  
to a person who is not a related member. 10573

(b) The transaction giving rise to the interest expenses 10574  
and costs or the intangible expenses and costs between the 10575  
corporation and the related member did not have as a principal 10576  
purpose the avoidance of any portion of the tax due under this 10577  
chapter. 10578

(3) The adjustments required by division (C) (6) of this 10579  
section do not apply to such portion of interest expenses and 10580  
costs and intangible expenses and costs that the corporation can 10581  
establish by the preponderance of the evidence meets both of the 10582  
following: 10583

(a) The entity described in any of divisions (C) (1) to (6) 10584  
of this section to whom the related member directly or 10585  
indirectly paid, accrued, or incurred such portion, in turn 10586  
during the same taxable year directly or indirectly paid, 10587  
accrued or incurred such portion to a person who is not a 10588  
related member, and 10589

(b) The transaction or transactions giving rise to the 10590  
interest expenses and costs or the intangible expenses and costs 10591  
between the corporation, the related member, and the entity 10592  
described in any of divisions (C) (1) to (5) of this section did 10593  
not have as a principal purpose the avoidance of any portion of 10594  
the tax due under this chapter. 10595

(4) The adjustments required by division (C) of this 10596  
section apply except to the extent that the increased tax, if 10597  
any, attributable to such adjustments would have been avoided if 10598  
both the corporation and the related member had been eligible to 10599  
make and had timely made the election to combine in accordance 10600  
with division (B) of section 5733.052 of the Revised Code. 10601

(E) Except as otherwise provided in division (F) of this 10602  
section, if, on the day that is one year after the day the 10603  
corporation files its report, the corporation has not made the 10604  
adjustment required by this section or has not fully paid the 10605  
tax and interest, if any, imposed by this chapter and 10606  
attributable to such adjustment, the corporation is subject to a 10607  
penalty equal to twice the interest charged under division (A) 10608  
of section 5733.26 of the Revised Code for the delinquent 10609  
payment of such tax and interest. For the purpose of the 10610  
computation of the penalty imposed by this division, such 10611  
penalty shall be deemed to be part of the tax due on the dates 10612  
prescribed by this chapter without regard to the one-year period 10613  
set forth in this division. The penalty imposed by this division 10614  
is not in lieu of but is in addition to all other penalties, 10615  
other similar charges, and interest imposed by this chapter. The 10616  
tax commissioner may waive, abate, modify, or refund, with 10617  
interest, all or any portion of the penalty imposed by this 10618  
division only if the corporation establishes beyond a reasonable 10619  
doubt that both the failure to fully comply with this section 10620  
and the failure to fully pay such tax and interest within one 10621  
year after the date the corporation files its report were not in 10622  
any part attributable to the avoidance of any portion of the tax 10623  
imposed by section 5733.06 of the Revised Code. 10624

(F) (1) For purposes of this division, "tax differential" 10625  
means the difference between the tax that is imposed by section 10626

5733.06 of the Revised Code and that is attributable to the 10627  
adjustment required by this section and the amount paid that is 10628  
so attributable, prior to the day that is one year after the day 10629  
the corporation files its report. 10630

(2) The penalty imposed by division (E) of this section 10631  
does not apply if the tax differential meets both of the 10632  
following requirements: 10633

(a) The tax differential is less than ten per cent of the 10634  
tax imposed by section 5733.06 of the Revised Code; and 10635

(b) The difference is less than fifty thousand dollars. 10636

(3) Nothing in division (F) of this section shall be 10637  
construed to waive, abate, or modify any other penalties, other 10638  
similar charges, or interest imposed by other sections of this 10639  
chapter. 10640

(G) Nothing in this section shall require a corporation to 10641  
add to its net income more than once any amount of interest 10642  
expenses and costs or intangible expenses and costs that the 10643  
corporation pays, accrues, or incurs to a related member 10644  
described in division (C) of this section. 10645

**Sec. 5733.05.** As used in this section, "qualified 10646  
research" means laboratory research, experimental research, and 10647  
other similar types of research; research in developing or 10648  
improving a product; or research in developing or improving the 10649  
means of producing a product. It does not include market 10650  
research, consumer surveys, efficiency surveys, management 10651  
studies, ordinary testing or inspection of materials or products 10652  
for quality control, historical research, or literary research. 10653  
"Product" as used in this paragraph does not include services or 10654  
intangible property. 10655

The annual report determines the value of the issued and outstanding shares of stock of the taxpayer, which under division (A) or divisions (B) and (C) of this section is the base or measure of the franchise tax liability. Such determination shall be made as of the date shown by the report to have been the beginning of the corporation's annual accounting period that includes the first day of January of the tax year. For the purposes of this chapter, the value of the issued and outstanding shares of stock of any corporation that is a financial institution shall be deemed to be the value as calculated in accordance with division (A) of this section. For the purposes of this chapter, the value of the issued and outstanding shares of stock of any corporation that is not a financial institution shall be deemed to be the values as calculated in accordance with divisions (B) and (C) of this section. Except as otherwise required by this section or section 5733.056 of the Revised Code, the value of a taxpayer's issued and outstanding shares of stock under division (A) or (C) of this section does not include any amount that is treated as a liability under generally accepted accounting principles.

(A) The total value, as shown by the books of the financial institution, of its capital, surplus, whether earned or unearned, undivided profits, and reserves shall be determined as prescribed by section 5733.056 of the Revised Code for tax years 1998 and thereafter.

(B) The sum of the corporation's net income during the corporation's taxable year, allocated or apportioned to this state as prescribed in divisions (B)(1) and (2) of this section, and subject to sections 5733.052, 5733.053, 5733.057, 5733.058, 5733.059, and 5733.0510 of the Revised Code:

(1) The net nonbusiness income allocated or apportioned to 10686  
this state as provided by section 5733.051 of the Revised Code. 10687

(2) The amount of Ohio apportioned net business income, 10688  
which shall be calculated by multiplying the corporation's net 10689  
business income by a fraction. The numerator of the fraction is 10690  
the sum of the following products: the property factor 10691  
multiplied by twenty, the payroll factor multiplied by twenty, 10692  
and the sales factor multiplied by sixty. The denominator of the 10693  
fraction is one hundred, provided that the denominator shall be 10694  
reduced by twenty if the property factor has a denominator of 10695  
zero, by twenty if the payroll factor has a denominator of zero, 10696  
and by sixty if the sales factor has a denominator of zero. 10697

The property, payroll, and sales factors shall be 10698  
determined as follows, but the numerator and the denominator of 10699  
the factors shall not include the portion of any property, 10700  
payroll, and sales otherwise includible in the factors to the 10701  
extent that the portion relates to, or is used in connection 10702  
with, the production of nonbusiness income allocated under 10703  
section 5733.051 of the Revised Code: 10704

(a) The property factor is a fraction computed as follows: 10705

The numerator of the fraction is the average value of the 10706  
corporation's real and tangible personal property owned or 10707  
rented, and used in the trade or business in this state during 10708  
the taxable year, and the denominator of the fraction is the 10709  
average value of all the corporation's real and tangible 10710  
personal property owned or rented, and used in the trade or 10711  
business everywhere during such year. Real and tangible personal 10712  
property used in the trade or business includes, but is not 10713  
limited to, real and tangible personal property that the 10714  
corporation rents, subrents, leases, or subleases to others if 10715

the income or loss from such rentals, subrentals, leases, or 10716  
subleases is business income. There shall be excluded from the 10717  
numerator and denominator of the fraction the original cost of 10718  
all of the following property within Ohio: property with respect 10719  
to which a "pollution control facility" certificate has been 10720  
issued pursuant to section 5709.21 of the Revised Code; property 10721  
with respect to which an "industrial water pollution control 10722  
certificate" has been issued pursuant to that section or former 10723  
section 6111.31 of the Revised Code; and property used 10724  
exclusively during the taxable year for qualified research. 10725

(i) Property owned by the corporation is valued at its 10726  
original cost. Property rented by the corporation is valued at 10727  
eight times the net annual rental rate. "Net annual rental rate" 10728  
means the annual rental rate paid by the corporation less any 10729  
annual rental rate received by the corporation from subrentals. 10730

(ii) The average value of property shall be determined by 10731  
averaging the values at the beginning and the end of the taxable 10732  
year, but the tax commissioner may require the averaging of 10733  
monthly values during the taxable year, if reasonably required 10734  
to reflect properly the average value of the corporation's 10735  
property. 10736

(b) The payroll factor is a fraction computed as follows: 10737

The numerator of the fraction is the total amount paid in 10738  
this state during the taxable year by the corporation for 10739  
compensation, and the denominator of the fraction is the total 10740  
compensation paid everywhere by the corporation during such 10741  
year. There shall be excluded from the numerator and the 10742  
denominator of the payroll factor the total compensation paid in 10743  
this state to employees who are primarily engaged in qualified 10744  
research. 10745

(i) Compensation means any form of remuneration paid to an employee for personal services. 10746  
10747

(ii) Compensation is paid in this state if: (I) the recipient's service is performed entirely within this state, 10748  
10749  
(II) the recipient's service is performed both within and without this state, but the service performed without this state is incidental to the recipient's service within this state, 10750  
10751  
(III) some of the service is performed within this state and either the base of operations, or if there is no base of operations, the place from which the service is directed or controlled is within this state, or the base of operations or the place from which the service is directed or controlled is not in any state in which some part of the service is performed, but the recipient's residence is in this state. 10752  
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(iii) Compensation is paid in this state to any employee of a common or contract motor carrier corporation, who performs the employee's regularly assigned duties on a motor vehicle in more than one state, in the same ratio by which the mileage traveled by such employee within the state bears to the total mileage traveled by such employee everywhere during the taxable year. 10760  
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(c) The sales factor is a fraction computed as follows: 10767

Except as provided in this section, the numerator of the fraction is the total sales in this state by the corporation during the taxable year or part thereof, and the denominator of the fraction is the total sales by the corporation everywhere during such year or part thereof. In computing the numerator and denominator of the fraction, the following shall be eliminated from the fraction: receipts and any related gains or losses from the sale or other disposal of excluded assets; dividends or 10768  
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distributions; and interest or other similar amounts received 10776  
for the use of, or for the forbearance of the use of, money. 10777  
Also, in computing the numerator and denominator of the sales 10778  
factor, in the case of a corporation owning at least eighty per 10779  
cent of the issued and outstanding common stock of one or more 10780  
insurance companies or public utilities, except an electric 10781  
company and a combined company, and, for tax years 2005 and 10782  
thereafter, a telephone company, or owning at least twenty-five 10783  
per cent of the issued and outstanding common stock of one or 10784  
more financial institutions, receipts received by the 10785  
corporation from such utilities, insurance companies, and 10786  
financial institutions shall be eliminated. As used in this 10787  
division, "excluded assets" means property that is either: 10788  
intangible property, other than trademarks, trade names, 10789  
patents, copyrights, and similar intellectual property; or 10790  
tangible personal property or real property where that property 10791  
is a capital asset or an asset described in section 1231 of the 10792  
Internal Revenue Code, without regard to the holding period 10793  
specified therein. 10794

(i) For the purpose of this section and section 5733.03 of 10795  
the Revised Code, receipts not eliminated or excluded from the 10796  
fraction shall be situated as follows: 10797

Receipts from rents and royalties from real property 10798  
located in this state shall be situated to this state. 10799

Receipts from rents and royalties of tangible personal 10800  
property, to the extent the tangible personal property is used 10801  
in this state, shall be situated to this state. 10802

Receipts from the sale of electricity and of electric 10803  
transmission and distribution services shall be situated to this 10804  
state in the manner provided under section 5733.059 of the 10805

Revised Code. 10806

Receipts from the sale of real property located in this 10807  
state shall be sitused to this state. 10808

Receipts from the sale of tangible personal property shall 10809  
be sitused to this state if such property is received in this 10810  
state by the purchaser. In the case of delivery of tangible 10811  
personal property by common carrier or by other means of 10812  
transportation, the place at which such property is ultimately 10813  
received after all transportation has been completed shall be 10814  
considered as the place at which such property is received by 10815  
the purchaser. Direct delivery in this state, other than for 10816  
purposes of transportation, to a person or firm designated by a 10817  
purchaser constitutes delivery to the purchaser in this state, 10818  
and direct delivery outside this state to a person or firm 10819  
designated by a purchaser does not constitute delivery to the 10820  
purchaser in this state, regardless of where title passes or 10821  
other conditions of sale. 10822

(ii) Receipts from all other sales not eliminated or 10823  
excluded from the fraction shall be sitused to this state as 10824  
follows: 10825

Receipts from the sale, exchange, disposition, or other 10826  
grant of the right to use trademarks, trade names, patents, 10827  
copyrights, and similar intellectual property shall be sitused 10828  
to this state to the extent that the receipts are based on the 10829  
amount of use of that property in this state. If the receipts 10830  
are not based on the amount of use of that property, but rather 10831  
on the right to use the property and the payor has the right to 10832  
use the property in this state, then the receipts from the sale, 10833  
exchange, disposition, or other grant of the right to use such 10834  
property shall be sitused to this state to the extent the 10835

receipts are based on the right to use the property in this 10836  
state. 10837

Receipts from the sale of services, and receipts from any 10838  
other sales not eliminated or excluded from the sales factor and 10839  
not otherwise situated under division (B) (2) (c) of this section, 10840  
shall be situated to this state in the proportion to the 10841  
purchaser's benefit, with respect to the sale, in this state to 10842  
the purchaser's benefit, with respect to the sale, everywhere. 10843  
The physical location where the purchaser ultimately uses or 10844  
receives the benefit of what was purchased shall be paramount in 10845  
determining the proportion of the benefit in this state to the 10846  
benefit everywhere. 10847

(iii) Income from receipts eliminated or excluded from the 10848  
sales factor under division (B) (2) (c) of this section shall not 10849  
be presumed to be nonbusiness income. 10850

(d) If the allocation and apportionment provisions of 10851  
division (B) of this section do not fairly represent the extent 10852  
of the taxpayer's business activity in this state, the taxpayer 10853  
may request, which request must be in writing and must accompany 10854  
the report, a timely filed petition for reassessment, or a 10855  
timely filed amended report, or the tax commissioner may 10856  
require, in respect to all or any part of the taxpayer's 10857  
allocated or apportioned base, if reasonable, any one or more of 10858  
the following: 10859

(i) Separate accounting; 10860

(ii) The exclusion of any one or more of the factors; 10861

(iii) The inclusion of one or more additional factors that 10862  
will fairly represent the taxpayer's allocated or apportioned 10863  
base in this state. 10864

An alternative method will be effective only with approval 10865  
by the tax commissioner. 10866

Nothing in this section shall be construed to extend any 10867  
statute of limitations set forth in this chapter. 10868

(e) The tax commissioner may adopt rules providing for 10869  
alternative allocation and apportionment methods, and 10870  
alternative calculations of a corporation's base, that apply to 10871  
corporations engaged in telecommunications. 10872

(C) (1) The total value, as shown on the books of each 10873  
corporation that is not a ~~qualified~~ qualifying holding company, 10874  
of the net book value of the corporation's assets less the net 10875  
carrying value of its liabilities, and excluding from the 10876  
corporation's assets land devoted exclusively to agricultural 10877  
use as of the first Monday of June in the corporation's taxable 10878  
year as determined by the county auditor of the county in which 10879  
the land is located pursuant to section 5713.31 of the Revised 10880  
Code, and making any adjustment required by division (D) of this 10881  
section. For the purposes of determining that total value, any 10882  
reserves shown on the corporation's books shall be considered 10883  
liabilities or contra assets, as the case may be, except for any 10884  
reserves that are deemed appropriations of retained earnings 10885  
under generally accepted accounting principles. 10886

(2) The base upon which the tax is levied under division 10887  
(C) of section 5733.06 of the Revised Code shall be computed by 10888  
multiplying the amount determined under division (C) (1) of this 10889  
section by the fraction determined under divisions (B) (2) (a) to 10890  
(c) of this section and, if applicable, divisions (B) (2) (d) (ii) 10891  
and (iii) of this section, and without regard to section 10892  
5733.052 of the Revised Code, but substituting "net worth" for 10893  
"net income" wherever "net income" appears in division (B) (2) (c) 10894

in this section. For purposes of division (C) (2) of this 10895  
section, the numerator and denominator of each of the fractions 10896  
shall include the portion of any real and tangible personal 10897  
property, payroll, and sales, respectively, relating to, or used 10898  
in connection with the production of, net nonbusiness income 10899  
allocated under section 5733.051 of the Revised Code. Nothing in 10900  
this division shall allow any amount to be included in the 10901  
numerator or denominator more than once. 10902

(D) (1) If, on the last day of the taxpayer's taxable year 10903  
preceding the tax year, the taxpayer is a related member to a 10904  
corporation that elects to be a qualifying holding company for 10905  
the tax year beginning after the last day of the taxpayer's 10906  
taxable year, or if, on the last day of the taxpayer's taxable 10907  
year preceding the tax year, a corporation that elects to be a 10908  
qualifying holding company for the tax year beginning after the 10909  
last day of the taxpayer's taxable year is a related member to 10910  
the taxpayer, then the taxpayer's total value for the purposes 10911  
of division (C) of this section shall be adjusted by the 10912  
qualifying amount. Except as otherwise provided under division 10913  
(D) (2) of this section, "qualifying amount" means the amount 10914  
that, when added to the taxpayer's total value, and when 10915  
subtracted from the net carrying value of the taxpayer's 10916  
liabilities computed without regard to division (C) (2) of this 10917  
section, or when subtracted from the taxpayer's total value and 10918  
when added to the net carrying value of the taxpayer's 10919  
liabilities computed without regard to division (D) of this 10920  
section, results in the taxpayer's debt-to-equity ratio equaling 10921  
the debt-to-equity ratio of the qualifying controlled group on 10922  
the last day of the taxable year ending prior to the first day 10923  
of the tax year computed on a consolidated basis in accordance 10924  
with general accepted accounting principles. For the purposes of 10925

division (D) (1) of this section, the corporation's total value, 10926  
after the adjustment required by that division, shall not exceed 10927  
the net book value of the corporation's assets. 10928

(2) (a) The amount added to the taxpayer's total value and 10929  
subtracted from the net carrying value of the taxpayer's 10930  
liabilities shall not exceed the amount of the net carrying 10931  
value of the taxpayer's liabilities owed to the taxpayer's 10932  
related members. 10933

(b) A liability owed to the taxpayer's related members 10934  
includes, but is not limited to, any amount that the corporation 10935  
owes to a person that is not a related member if the 10936  
corporation's related member or related members in whole or in 10937  
part guarantee any portion or all of that amount, or pledge, 10938  
hypothecate, mortgage, or carry out any similar transactions to 10939  
secure any portion or all of that amount. 10940

(3) The base upon which the tax is levied under division 10941  
(C) of section 5733.06 of the Revised Code shall be computed by 10942  
multiplying the amount determined under divisions (C) and (D) of 10943  
this section but without regard to section 5733.052 of the 10944  
Revised Code. 10945

(4) For purposes of division (D) of this section, "related 10946  
member" has the same meaning as in section 5733.042 of the 10947  
Revised Code. 10948

**Sec. 5733.052.** (A) At the discretion of the tax 10949  
commissioner, any taxpayer that owns or controls either directly 10950  
or indirectly more than fifty per cent of the capital stock with 10951  
voting rights of one or more other corporations, or has more 10952  
than fifty per cent of its capital stock with voting rights 10953  
owned or controlled either directly or indirectly by another 10954

corporation, or by related interests that own or control either 10955  
directly or indirectly more than fifty per cent of the capital 10956  
stock with voting rights of one or more other corporations, may 10957  
be required or permitted, for purposes of computing the value of 10958  
its issued and outstanding shares of stock under division (B) of 10959  
section 5733.05 of the Revised Code, to combine its net income 10960  
with the net income of any such other corporations. 10961

(B) A combination of net income may also be made at the 10962  
election of any two or more taxpayers each having income, other 10963  
than dividend or distribution income, from sources within Ohio, 10964  
provided the ownership or control requirements contained in ~~the~~ 10965  
division (A) of this section are satisfied and such combination 10966  
is elected in a timely report which sets forth such information 10967  
as the commissioner requires. This election, once made by two or 10968  
more such taxpayers, may not be changed by such taxpayers with 10969  
respect to amended reports or reports for future years without 10970  
the written consent of the commissioner. As used in this 10971  
section, "income from sources within Ohio" means income that 10972  
would be allocated or apportioned to Ohio if the taxpayer 10973  
computed its franchise tax without regard to this section. 10974

(C) No combination of net income under division (A) of 10975  
this section shall be required unless the commissioner 10976  
determines that, in order to properly reflect income, such a 10977  
combination is necessary because of intercorporate transactions 10978  
and the tax liability imposed by section 5733.06 of the Revised 10979  
Code. 10980

(D) In case of a combination of income, the net income of 10981  
each taxpayer shall be measured by the combined net income of 10982  
all the corporations included in the combination. For purposes 10983  
of such measurement, each corporation's net income shall be 10984

determined in the same manner as if the corporation were a taxpayer under this chapter. In computing combined net income, intercorporate transactions, including dividends or distributions, between corporations included in the combination shall be eliminated. If the computation of net income on a combination of income involves the use of any of the formulas set forth in this chapter, the factors used in the formulas shall be the combined totals of the factors for each corporation included in the combination after the elimination of any intercorporate transactions. The exemptions and deductions permitted under this chapter shall be taken in the same manner as if each corporation filed a separate report.

(E) For purposes of division (B) of section 5733.05 of the Revised Code, each taxpayer's net income allocated or apportioned to this state shall be computed as follows: to compute the taxpayer's net income allocated to this state for purposes of division (B)(1) of section 5733.05 of the Revised Code, the taxpayer's net income for sources allocated under section 5733.051 of the Revised Code shall be separately determined, eliminating intercorporate transactions, and allocated to this state as provided by section 5733.051 of the Revised Code. To compute the taxpayer's net income apportioned to this state for purposes of division (B)(2) of section 5733.05 of the Revised Code, the combined net income, other than net income from sources allocated under section 5733.051 of the Revised Code, shall be apportioned to Ohio and then prorated to the taxpayer on the basis of its proportionate part of the factors used to apportion the total of such net income to Ohio.

**Sec. 5733.055.** (A) As used in this section:

(1) "Ceiling amount" means the excess of the amount



described in division (A) (1) (a) of this section over the amount 11015  
described in division (A) (1) (b) of this section: 11016

(a) The amount of income allocated and apportioned to this 11017  
state in accordance with this chapter but without regard to and 11018  
without application of the adjustments required by this section; 11019

(b) The amount of income allocated and apportioned to this 11020  
state in accordance with this chapter but without regard to and 11021  
without application of the adjustments required by both this 11022  
section and division (I) (13) of section 5733.04 of the Revised 11023  
Code. 11024

(2) "Income adjustment amount" means the sum of the 11025  
amounts described in divisions (A) (2) (a) and (b) of this 11026  
section: 11027

(a) The related member's net interest income actually 11028  
allocated and apportioned to other states that impose a tax on 11029  
or measured by income, in accordance with the other states' 11030  
allocation and apportionment rules; 11031

(b) The related member's net intangible income actually 11032  
allocated and apportioned to other states that impose a tax on 11033  
or measured by income, in accordance with the other states' 11034  
allocation and apportionment rules. 11035

For purposes of division (A) (2) of this section, "other 11036  
states" does not include those states under whose laws the 11037  
taxpayer files or could have elected to file with the related 11038  
member, or the related member files or could have elected to 11039  
file with another related member, a combined income tax report 11040  
or return, a consolidated income tax report or return, or any 11041  
other report or return where such report or return is due 11042  
because of the imposition of a tax measured on or by income and 11043

such report or return results in the elimination of the tax 11044  
effects from transactions directly or indirectly between either 11045  
the taxpayer and the related member or between the related 11046  
member and another corporation if such other corporation, during 11047  
a one-hundred-twenty-month period commencing three years prior 11048  
to the beginning of the tax year, directly or indirectly paid, 11049  
accrued, or incurred intangible expenses and costs or interest 11050  
expenses and costs to an entity described in divisions (C) (1) to 11051  
(5) of section 5733.042 of the Revised Code. 11052

(3) "Intangible expenses and costs" has the same meaning 11053  
as in division (A) (3) of section 5733.042 of the Revised Code. 11054

(4) "Interest expenses and costs" has the same meaning as 11055  
in division (A) (4) of section 5733.042 of the Revised Code. 11056

(5) "Intangible income and revenue" are those amounts 11057  
earned or received by a related member from a taxpayer for the 11058  
taxpayer's use of intangible property. Such amounts include, but 11059  
are not limited to, royalty, patent, technical, and copyright 11060  
fees, licensing fees, and other similar income and revenue. 11061

(6) "Interest income and revenue" are those amounts earned 11062  
or received by a related member from a taxpayer to the extent 11063  
such amounts are allowed as deductions under section 163 of the 11064  
Internal Revenue Code for purposes of determining the taxpayer's 11065  
taxable income under the Internal Revenue Code. 11066

(7) "Net intangible income" means intangible income and 11067  
revenue reduced by intangible expenses and costs paid or accrued 11068  
directly or indirectly to a related member described in any of 11069  
divisions (C) (1) to (7) of section 5747.042 of the Revised Code. 11070

(8) "Net interest income" means interest income and 11071  
revenue reduced by interest expenses and costs paid or accrued 11072

directly or indirectly to a related member described in any of 11073  
divisions (C) (1) to (7) of section ~~5747.042~~5733.042 of the 11074  
Revised Code. 11075

(B) Except as set forth in division (C) of this section, a 11076  
deduction from the corporation's net income allocated and 11077  
apportioned to this state shall be allowed in an amount equal to 11078  
the income adjustment amount described in division (A) (2) of 11079  
this section. However, in no case shall the deduction be greater 11080  
than the ceiling amount described in division (A) (1) of this 11081  
section. 11082

(C) The deduction provided by division (B) of this section 11083  
is available to the taxpayer only if the taxpayer establishes 11084  
with clear and convincing evidence that the intangible expenses 11085  
and costs and the interest expenses and costs paid, accrued, or 11086  
incurred by the corporation to a related member did not have as 11087  
a principal purpose the avoidance of any portion of the tax 11088  
imposed by section 5733.06 of the Revised Code. 11089

**Sec. 5733.40.** As used in sections 5733.40 and 5733.41 and 11090  
Chapter 5747. of the Revised Code: 11091

(A) (1) "Adjusted qualifying amount" means either of the 11092  
following: 11093

(a) The sum of each qualifying investor's distributive 11094  
share of the income, gain, expense, or loss of a qualifying 11095  
pass-through entity for the qualifying taxable year of the 11096  
qualifying pass-through entity multiplied by the apportionment 11097  
fraction defined in division (B) of this section, subject to 11098  
section 5733.401 of the Revised Code and divisions (A) (2) to (7) 11099  
of this section; 11100

(b) The sum of each qualifying beneficiary's share of the 11101

qualifying net income and qualifying net gain distributed by a 11102  
qualifying trust for the qualifying taxable year of the 11103  
qualifying trust multiplied by the apportionment fraction 11104  
defined in division (B) of this section, subject to section 11105  
5733.401 of the Revised Code and divisions (A) (2) to (7) of this 11106  
section. 11107

(2) The sum shall exclude any amount which, pursuant to 11108  
the Constitution of the United States, the Constitution of Ohio, 11109  
or any federal law is not subject to a tax on or measured by net 11110  
income. 11111

(3) For the purposes of Chapters 5733. and 5747. of the 11112  
Revised Code, the profit or net income of the qualifying entity 11113  
shall be increased by disallowing all amounts representing 11114  
expenses, other than amounts described in division (A) (7) of 11115  
this section, that the qualifying entity paid to or incurred 11116  
with respect to direct or indirect transactions with one or more 11117  
related members, excluding the cost of goods sold calculated in 11118  
accordance with section 263A of the Internal Revenue Code and 11119  
United States department of the treasury regulations issued 11120  
thereunder. Nothing in division (A) (3) of this section shall be 11121  
construed to limit solely to this chapter the application of 11122  
section 263A of the Internal Revenue Code and United States 11123  
department of the treasury regulations issued thereunder. 11124

(4) For the purposes of Chapters 5733. and 5747. of the 11125  
Revised Code, the profit or net income of the qualifying entity 11126  
shall be increased by disallowing all recognized losses, other 11127  
than losses from sales of inventory the cost of which is 11128  
calculated in accordance with section 263A of the Internal 11129  
Revenue Code and United States department of the treasury 11130  
regulations issued thereunder, with respect to all direct or 11131

indirect transactions with one or more related members. For the 11132  
purposes of Chapters 5733. and 5747. of the Revised Code, losses 11133  
from the sales of such inventory shall be allowed only to the 11134  
extent calculated in accordance with section 482 of the Internal 11135  
Revenue Code and United States department of the treasury 11136  
regulations issued thereunder. Nothing in division (A) (4) of 11137  
this section shall be construed to limit solely to this section 11138  
the application of section 263A and section 482 of the Internal 11139  
Revenue Code and United States department of the treasury 11140  
regulations issued thereunder. 11141

(5) The sum shall be increased or decreased by an amount 11142  
equal to the qualifying investor's or qualifying beneficiary's 11143  
distributive or proportionate share of the amount that the 11144  
qualifying entity would be required to add or deduct under 11145  
divisions ~~(A) (20)~~ (A) (17) and ~~(21)~~ (18) of section 5747.01 of 11146  
the Revised Code if the qualifying entity were a taxpayer for 11147  
the purposes of Chapter 5747. of the Revised Code. 11148

(6) The sum shall be computed without regard to section 11149  
5733.051 or division (D) of section 5733.052 of the Revised 11150  
Code. 11151

(7) For the purposes of Chapters 5733. and 5747. of the 11152  
Revised Code, guaranteed payments or compensation paid to 11153  
investors by a qualifying entity that is not subject to the tax 11154  
imposed by section 5733.06 of the Revised Code shall be 11155  
considered a distributive share of income of the qualifying 11156  
entity. Division (A) (7) of this section applies only to such 11157  
payments or such compensation paid to an investor who at any 11158  
time during the qualifying entity's taxable year holds at least 11159  
a twenty per cent direct or indirect interest in the profits or 11160  
capital of the qualifying entity. For the purposes of this 11161

division, guaranteed payments and compensation shall be 11162  
considered to be paid to an investor by a qualifying entity if 11163  
the qualifying entity in which the investor holds at least a 11164  
twenty per cent direct or indirect interest is a client employer 11165  
of a professional employer organization, as those terms are 11166  
defined in section 4125.01 of the Revised Code, and the 11167  
guaranteed payments or compensation are paid to the investor by 11168  
that professional employer organization. 11169

(B) "Apportionment fraction" means: 11170

(1) With respect to a qualifying pass-through entity other 11171  
than a financial institution, the fraction calculated pursuant 11172  
to division (B) (2) of section 5733.05 of the Revised Code as if 11173  
the qualifying pass-through entity were a corporation subject to 11174  
the tax imposed by section 5733.06 of the Revised Code; 11175

(2) With respect to a qualifying pass-through entity that 11176  
is a financial institution, the fraction calculated pursuant to 11177  
division (C) of section 5733.056 of the Revised Code as if the 11178  
qualifying pass-through entity were a financial institution 11179  
subject to the tax imposed by section 5733.06 of the Revised 11180  
Code. 11181

(3) With respect to a qualifying trust, the fraction 11182  
calculated pursuant to division (B) (2) of section 5733.05 of the 11183  
Revised Code as if the qualifying trust were a corporation 11184  
subject to the tax imposed by section 5733.06 of the Revised 11185  
Code, except that the property, payroll, and sales fractions 11186  
shall be calculated by including in the numerator and 11187  
denominator of the fractions only the property, payroll, and 11188  
sales, respectively, directly related to the production of 11189  
income or gain from acquisition, ownership, use, maintenance, 11190  
management, or disposition of tangible personal property located 11191

in this state at any time during the qualifying trust's 11192  
qualifying taxable year or of real property located in this 11193  
state. 11194

(C) "Qualifying beneficiary" means any individual that, 11195  
during the qualifying taxable year of a qualifying trust, is a 11196  
beneficiary of that trust, but does not include an individual 11197  
who is a resident taxpayer for the purposes of Chapter 5747. of 11198  
the Revised Code for the entire qualifying taxable year of the 11199  
qualifying trust. 11200

(D) "Fiscal year" means an accounting period ending on any 11201  
day other than the thirty-first day of December. 11202

(E) "Individual" means a natural person. 11203

(F) "Month" means a calendar month. 11204

(G) ~~"Partnership" has the same meaning as in section~~ 11205  
~~5747.01 of the Revised Code.~~ "Distributive share" includes the 11206  
sum of the income, gain, expense, or loss of a disregarded 11207  
entity or qualified subchapter S subsidiary. 11208

(H) "Investor" means any person that, during any portion 11209  
of a taxable year of a qualifying pass-through entity, is a 11210  
partner, member, shareholder, or investor in that qualifying 11211  
pass-through entity. 11212

(I) Except as otherwise provided in section 5733.402 or 11213  
5747.401 of the Revised Code, "qualifying investor" means any 11214  
investor except those described in divisions (I)(1) to (9) of 11215  
this section. 11216

(1) An investor satisfying one of the descriptions under 11217  
section 501(a) or (c) of the Internal Revenue Code, a 11218  
partnership with equity securities registered with the United 11219

States securities and exchange commission under section 12 of 11220  
the "Securities Exchange Act of 1934," as amended, or an 11221  
investor described in division (F) of section 3334.01, or 11222  
division (A) or (C) of section 5733.09 of the Revised Code for 11223  
the entire qualifying taxable year of the qualifying pass- 11224  
through entity. 11225

(2) An investor who is either an individual or an estate 11226  
and is a resident taxpayer for the purposes of section 5747.01 11227  
of the Revised Code for the entire qualifying taxable year of 11228  
the qualifying pass-through entity. 11229

(3) An investor who is an individual for whom the 11230  
qualifying pass-through entity makes a good faith and reasonable 11231  
effort to comply fully and timely with the filing and payment 11232  
requirements set forth in division (D) of section 5747.08 of the 11233  
Revised Code and section 5747.09 of the Revised Code with 11234  
respect to the individual's adjusted qualifying amount for the 11235  
entire qualifying taxable year of the qualifying pass-through 11236  
entity. 11237

(4) An investor that is another qualifying pass-through 11238  
entity having only investors described in division (I) (1), (2), 11239  
(3), or (6) of this section during the three-year period 11240  
beginning twelve months prior to the first day of the qualifying 11241  
taxable year of the qualifying pass-through entity. 11242

(5) An investor that is another pass-through entity having 11243  
no investors other than individuals and estates during the 11244  
qualifying taxable year of the qualifying pass-through entity in 11245  
which it is an investor, and that makes a good faith and 11246  
reasonable effort to comply fully and timely with the filing and 11247  
payment requirements set forth in division (D) of section 11248  
5747.08 of the Revised Code and section 5747.09 of the Revised 11249



Code with respect to investors that are not resident taxpayers 11250  
of this state for the purposes of Chapter 5747. of the Revised 11251  
Code for the entire qualifying taxable year of the qualifying 11252  
pass-through entity in which it is an investor. 11253

(6) An investor that is ~~a financial institution required~~ 11254  
~~to calculate the tax in accordance with division (E) of section~~ 11255  
~~5733.06 of the Revised Code on the first day of January of the~~ 11256  
~~calendar year immediately following the last day of the~~ 11257  
~~financial institution's calendar or fiscal year in which ends~~ 11258  
~~the taxpayer's taxable year~~ treated as a C corporation for 11259  
federal income tax purposes for the entire qualifying taxable 11260  
year of the qualifying pass-through entity in which it is an 11261  
investor. 11262

(7) An investor other than an individual that satisfies 11263  
all the following: 11264

(a) The investor submits a written statement to the 11265  
qualifying pass-through entity stating that the investor 11266  
irrevocably agrees that the investor has nexus with this state 11267  
under the Constitution of the United States and is subject to 11268  
and liable for the tax calculated under division (A) or (B) of 11269  
section 5733.06 of the Revised Code with respect to the 11270  
investor's adjusted qualifying amount for the entire qualifying 11271  
taxable year of the qualifying pass-through entity. The 11272  
statement is subject to the penalties of perjury, shall be 11273  
retained by the qualifying pass-through entity for no fewer than 11274  
seven years, and shall be delivered to the tax commissioner upon 11275  
request. 11276

(b) The investor makes a good faith and reasonable effort 11277  
to comply timely and fully with all the reporting and payment 11278  
requirements set forth in Chapter 5733. of the Revised Code with 11279

respect to the investor's adjusted qualifying amount for the 11280  
entire qualifying taxable year of the qualifying pass-through 11281  
entity. 11282

(c) Neither the investor nor the qualifying pass-through 11283  
entity in which it is an investor, before, during, or after the 11284  
qualifying pass-through entity's qualifying taxable year, 11285  
carries out any transaction or transactions with one or more 11286  
related members of the investor or the qualifying pass-through 11287  
entity resulting in a reduction or deferral of tax imposed by 11288  
Chapter 5733. of the Revised Code with respect to all or any 11289  
portion of the investor's adjusted qualifying amount for the 11290  
qualifying pass-through entity's taxable year, or that 11291  
constitute a sham, lack economic reality, or are part of a 11292  
series of transactions the form of which constitutes a step 11293  
transaction or transactions or does not reflect the substance of 11294  
those transactions. 11295

(8) Any other investor that the tax commissioner may 11296  
designate by rule. The tax commissioner may adopt rules 11297  
including a rule defining "qualifying investor" or "qualifying 11298  
beneficiary" and governing the imposition of the withholding tax 11299  
imposed by section 5747.41 of the Revised Code with respect to 11300  
an individual who is a resident taxpayer for the purposes of 11301  
Chapter 5747. of the Revised Code for only a portion of the 11302  
qualifying taxable year of the qualifying entity. 11303

(9) An investor that is a trust or fund the beneficiaries 11304  
of which, during the qualifying taxable year of the qualifying 11305  
pass-through entity, are limited to the following: 11306

(a) A person that is or may be the beneficiary of a trust 11307  
subject to Subchapter D of Chapter 1 of Subtitle A of the 11308  
Internal Revenue Code. 11309

(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 11341  
shall be construed to limit solely to this section the 11342  
application of the doctrines referred to in this paragraph. 11343

(J) "Qualifying net gain" means any recognized net gain 11344  
with respect to the acquisition, ownership, use, maintenance, 11345  
management, or disposition of tangible personal property located 11346  
in this state at any time during a trust's qualifying taxable 11347  
year or real property located in this state. 11348

(K) "Qualifying net income" means any recognized income, 11349  
net of related deductible expenses, other than distributions 11350  
deductions with respect to the acquisition, ownership, use, 11351  
maintenance, management, or disposition of tangible personal 11352  
property located in this state at any time during the trust's 11353  
qualifying taxable year or real property located in this state. 11354

(L) "Qualifying entity" means a qualifying pass-through 11355  
entity or a qualifying trust. 11356

(M) "Qualifying trust" means a trust subject to subchapter 11357  
J of the Internal Revenue Code that, during any portion of the 11358  
trust's qualifying taxable year, has income or gain from the 11359  
acquisition, management, ownership, use, or disposition of 11360  
tangible personal property located in this state at any time 11361  
during the trust's qualifying taxable year or real property 11362  
located in this state. "Qualifying trust" does not include a 11363  
person described in section 501(c) of the Internal Revenue Code 11364  
or a person described in division (C) of section 5733.09 of the 11365  
Revised Code. 11366

(N) "Qualifying pass-through entity" means a pass-through 11367  
entity as defined in section 5733.04 of the Revised Code, 11368  
excluding: a person described in section 501(c) of the Internal 11369

Revenue Code; a partnership with equity securities registered 11370  
with the United States securities and exchange commission under 11371  
section 12 of the Securities Exchange Act of 1934, as amended; 11372  
or a person described in division (C) of section 5733.09 of the 11373  
Revised Code. 11374

(O) "Quarter" means the first three months, the second 11375  
three months, the third three months, or the last three months 11376  
of a qualifying entity's qualifying taxable year. 11377

(P) "Related member" has the same meaning as in division 11378  
(A) (6) of section 5733.042 of the Revised Code without regard to 11379  
division (B) of that section. However, for the purposes of 11380  
divisions (A) (3) and (4) of this section only, "related member" 11381  
has the same meaning as in division (A) (6) of section 5733.042 11382  
of the Revised Code without regard to division (B) of that 11383  
section, but shall be applied by substituting "forty per cent" 11384  
for "twenty per cent" wherever "twenty per cent" appears in 11385  
division (A) of that section. 11386

(Q) "Return" or "report" means the notifications and 11387  
reports required to be filed pursuant to sections 5747.42 to 11388  
5747.45 of the Revised Code for the purpose of reporting the tax 11389  
imposed under section 5733.41 or 5747.41 of the Revised Code, 11390  
and included declarations of estimated tax when so required. 11391

(R) "Qualifying taxable year" means the calendar year or 11392  
the qualifying entity's fiscal year ending during the calendar 11393  
year, or fractional part thereof, for which the adjusted 11394  
qualifying amount is calculated pursuant to sections 5733.40 and 11395  
5733.41 or sections 5747.40 to 5747.453 of the Revised Code. 11396

~~(S) "Distributive share" includes the sum of the income,~~ 11397  
~~gain, expense, or loss of a disregarded entity or qualified~~ 11398

<del>subchapter S subsidiary.</del>	11399
<b>Sec. 5733.98.</b> (A) To provide a uniform procedure for	11400
calculating the amount of tax imposed by section 5733.06 of the	11401
Revised Code that is due under this chapter, a taxpayer shall	11402
claim any credits to which it is entitled in the following	11403
order, except as otherwise provided in section 5733.058 of the	11404
Revised Code:	11405
<del>(1)</del> For tax year 2005, the credit for taxes paid by a	11406
qualifying pass-through entity allowed under section 5733.0611	11407
of the Revised Code;	11408
<del>(2)</del> The credit allowed for financial institutions under	11409
section 5733.45 of the Revised Code;	11410
<del>(3)</del> The credit for qualifying affiliated groups under	11411
section 5733.068 of the Revised Code;	11412
<del>(4)</del> The subsidiary corporation credit under section	11413
5733.067 of the Revised Code;	11414
<del>(5)</del> The credit for recycling and litter prevention	11415
donations under section 5733.064 of the Revised Code;	11416
<del>(6)</del> The credit for employers that enter into agreements	11417
with child day-care centers under section 5733.36 of the Revised	11418
Code;	11419
<del>(7)</del> The credit for employers that reimburse employee child	11420
care expenses under section 5733.38 of the Revised Code;	11421
<del>(8)</del> The credit for purchases of lights and reflectors	11422
under section 5733.44 of the Revised Code;	11423
<del>(9)</del> The nonrefundable job retention credit under division	11424
(B) of section 5733.0610 of the Revised Code;	11425

<del>(10)</del> —The second credit for purchases of new manufacturing machinery and equipment under section 5733.33 of the Revised Code;	11426 11427 11428
<del>(11)</del> —The job training credit under section 5733.42 of the Revised Code;	11429 11430
<del>(12)</del> —The credit for qualified research expenses under section 5733.351 of the Revised Code;	11431 11432
<del>(13)</del> —The enterprise zone credit under section 5709.66 of the Revised Code;	11433 11434
<del>(14)</del> —The credit for the eligible costs associated with a voluntary action under section 5733.34 of the Revised Code;	11435 11436
<del>(15)</del> —The credit for employers that establish on-site child day-care centers under section 5733.37 of the Revised Code;	11437 11438
<del>(16)</del> The ethanol plant investment credit under section 5733.46 of the Revised Code;	11439 11440
<del>(17)</del> —The credit for purchases of qualifying grape production property under section 5733.32 of the Revised Code;	11441 11442
<del>(18)</del> —The export sales credit under section 5733.069 of the Revised Code;	11443 11444
<del>(19)</del> —The enterprise zone credits under section 5709.65 of the Revised Code;	11445 11446
<del>(20)</del> —The credit for using Ohio coal under section 5733.39 of the Revised Code;	11447 11448
<del>(21)</del> —The credit for purchases of qualified low-income community investments under section 5733.58 of the Revised Code;	11449 11450
<del>(22)</del> —The credit for small telephone companies under section 5733.57 of the Revised Code;	11451 11452

<del>(23)</del> —The credit for eligible nonrecurring 9-1-1 charges	11453
under section 5733.55 of the Revised Code;	11454
<del>(24)</del> —For tax year 2005, the credit for providing programs	11455
to aid the communicatively impaired under division (A) of	11456
section 5733.56 of the Revised Code;	11457
<del>(25)</del> —The research and development credit under section	11458
5733.352 of the Revised Code;	11459
<del>(26)</del> —For tax years 2006 and subsequent tax years, the	11460
credit for taxes paid by a qualifying pass-through entity	11461
allowed under section 5733.0611 of the Revised Code;	11462
<del>(27)</del> —The refundable credit for rehabilitating a historic	11463
building under section 5733.47 of the Revised Code;	11464
<del>(28)</del> —The refundable jobs creation credit or job retention	11465
credit under division (A) of section 5733.0610 of the Revised	11466
Code;	11467
<del>(29)</del> —The refundable credit for tax withheld under division	11468
(B) (2) of section 5747.062 of the Revised Code;	11469
<del>(30)</del> —The refundable credit under section 5733.49 of the	11470
Revised Code for losses on loans made to the Ohio venture	11471
capital program under sections 150.01 to 150.10 of the Revised	11472
Code;	11473
<del>(31)</del> —For tax years 2006, 2007, and 2008, the refundable	11474
credit allowable under division (B) of section 5733.56 of the	11475
Revised Code;	11476
<del>(32)</del> —The refundable motion picture and Broadway theatrical	11477
production credit under section 5733.59 of the Revised Code.	11478
(B) For any credit except the refundable credits	11479



enumerated in this section, the amount of the credit for a tax 11480  
year shall not exceed the tax due after allowing for any other 11481  
credit that precedes it in the order required under this 11482  
section. Any excess amount of a particular credit may be carried 11483  
forward if authorized under the section creating that credit. 11484

**Sec. 5735.026.** (A) The tax commissioner, for the purposes 11485  
of administering this chapter, shall issue an exporter license 11486  
to a person that receives motor fuel in this state and exports 11487  
that fuel out of this state and that demonstrates to the tax 11488  
commissioner's satisfaction that the person is an exporter. 11489

(B) To obtain an exporter license, a person shall file, 11490  
under oath, an application with the commissioner in such form as 11491  
the commissioner prescribes. The application shall set forth the 11492  
following information: 11493

(1) The name under which the exporter will transact 11494  
business within the state; 11495

(2) The location, including street number address, of the 11496  
exporter's principal office or place of business; 11497

(3) The name and address of the owner, or the names and 11498  
addresses of the partners if such exporter is a partnership, or 11499  
the names and addresses of the principal officers if the 11500  
exporter is a corporation or an association; 11501

(4) A certified copy of the certificate or license issued 11502  
by the ~~Secretary of State~~ secretary of state showing that the 11503  
corporation is authorized to transact business in this state if 11504  
the exporter is a corporation organized under the laws of 11505  
another state, territory, or country; 11506

(5) For an exporter described in division (DD) (1) of 11507  
section 5735.01 of the Revised Code, a copy of the applicant's 11508

license or certificate to collect and remit motor fuel taxes or 11509  
sell or distribute motor fuel in the specified destination state 11510  
or states for which the license or certificate is to be issued; 11511

(6) Any other information the commissioner may require. 11512

(C) (1) After a hearing as provided in division (C) (2) of 11513  
this section, the commissioner may refuse to issue a license to 11514  
transact business as an exporter of motor fuel in the following 11515  
circumstances: 11516

(a) The applicant has previously had a license issued 11517  
under this chapter canceled for cause by the commissioner; 11518

(b) The commissioner believes that an application is not 11519  
filed in good faith; 11520

(c) The applicant has previously violated any provision of 11521  
this chapter; 11522

(d) The application is filed as a subterfuge by the 11523  
applicant for the real person in interest who has previously had 11524  
a license issued under this chapter canceled for cause by the 11525  
commissioner or who has violated any provision of this chapter. 11526

(2) The commissioner shall conduct a hearing before 11527  
refusing to issue a license to transact business as an exporter 11528  
in any of the circumstances described in division (C) (1) of this 11529  
section. The applicant shall be given five days' notice, in 11530  
writing, of the hearing. The applicant may appear in person or 11531  
be represented by counsel, and may present testimony at the 11532  
hearing. 11533

(D) When an application in proper form has been accepted 11534  
for filing, the commissioner shall issue to such exporter a 11535  
license to transact business as an exporter of motor fuel in 11536

this state, subject to cancellation of such license as provided 11537  
by law. 11538

(E) No person shall make a false or fraudulent statement 11539  
on the application required by this section. 11540

**Sec. 5735.06.** (A) On or before the last day of each month, 11541  
each motor fuel dealer shall file with the tax commissioner a 11542  
report for the preceding calendar month on a form prescribed by 11543  
the commissioner for that purpose. The report shall include the 11544  
following information: 11545

(1) An itemized statement of the number of gallons of all 11546  
motor fuel received during the preceding calendar month by such 11547  
motor fuel dealer, which has been produced, refined, prepared, 11548  
distilled, manufactured, blended, or compounded by such motor 11549  
fuel dealer in the state; 11550

(2) An itemized statement of the number of gallons of all 11551  
motor fuel received by such motor fuel dealer in the state from 11552  
any source during the preceding calendar month, other than motor 11553  
fuel included in division (A)(1) of this section, together with 11554  
a statement showing the date of receipt of such motor fuel; the 11555  
name of the person from whom purchased or received; the date of 11556  
receipt of each shipment of motor fuel; the point of origin and 11557  
the point of destination of each shipment; the quantity of each 11558  
of said purchases or shipments; the name of the carrier; the 11559  
number of gallons contained in each car if shipped by rail; the 11560  
point of origin, destination, and shipper if shipped by pipe 11561  
line; or the name and owner of the boat, barge, or vessel if 11562  
shipped by water; 11563

(3) An itemized statement of the number of gallons of 11564  
motor fuel which such motor fuel dealer has during the preceding 11565

calendar month: 11566

(a) For motor fuel other than gasoline sold for use other 11567  
than for operating motor vehicles on the public highways or on 11568  
waters within the boundaries of this state; 11569

(b) Exported from this state to any other state or foreign 11570  
country as provided in division (A) (4) of section 5735.05 of the 11571  
Revised Code; 11572

(c) Sold to the United States government or any of its 11573  
agencies; 11574

(d) Sold for delivery to motor fuel dealers; 11575

(e) Sold exclusively for use in the operation of aircraft; 11576

(4) Such other information incidental to the enforcement 11577  
of the motor fuel laws of the state as the commissioner 11578  
requires. 11579

(B) The report shall show the tax due, computed as 11580  
follows: 11581

(1) The following deductions shall be made from the total 11582  
number of gallons of motor fuel received by the motor fuel 11583  
dealer within the state during the preceding calendar month: 11584

(a) The total number of gallons of motor fuel received by 11585  
the motor fuel dealer within the state and sold or otherwise 11586  
disposed of during the preceding calendar month as set forth in 11587  
section 5735.05 of the Revised Code; 11588

(b) The total number of gallons received during the 11589  
preceding calendar month and sold or otherwise disposed of to 11590  
another licensed motor fuel dealer pursuant to section 5735.05 11591  
of the Revised Code; 11592

(c) To cover the costs of the motor fuel dealer in 11593  
compiling the report, and evaporation, shrinkage, or other 11594  
unaccounted-for losses: 11595

(i) If the report is timely filed and the tax is timely 11596  
paid, three per cent of the total number of gallons of motor 11597  
fuel received by the motor fuel dealer within the state during 11598  
the preceding calendar month less the total number of gallons 11599  
deducted under divisions (B) (1) (a) and (b) of this section, less 11600  
one per cent of the total number of gallons of motor fuel that 11601  
were sold to a retail dealer during the preceding calendar 11602  
month; 11603

(ii) If the report required by division (A) of this 11604  
section is not timely filed and the tax is not timely paid, no 11605  
deduction shall be allowed; 11606

(iii) If the report is incomplete, no deduction shall be 11607  
allowed for any fuel on which the tax is not timely reported and 11608  
paid; 11609

(2) The number of gallons remaining after the deductions 11610  
have been made shall be multiplied ~~separately by each of the~~ 11611  
~~following amounts:~~ 11612

~~(a) The cents per gallon rate;~~ 11613

~~(b) Two cents.~~ 11614

~~The sum of the products prescribed by section 5735.05 of~~ 11615  
~~the Revised Code. The product obtained in divisions (B) (2) (a)~~ 11616  
~~and (b) of this section shall be the amount of motor fuel tax~~ 11617  
~~for the preceding calendar month.~~ 11618

(C) The report shall be filed together with payment of the 11619  
tax shown on the report to be due. The commissioner may extend 11620

the time for filing reports and may remit all or part of 11621  
penalties which may become due under sections 5735.01 to 5735.99 11622  
of the Revised Code. For purposes of this section and sections 11623  
5735.062 and 5735.12 of the Revised Code, a report required to 11624  
be filed under this section and payment of the tax due under 11625  
this chapter are considered filed when received by the tax 11626  
commissioner. 11627

(D) The tax commissioner may require a motor fuel dealer 11628  
to file a report for a period other than one month. Such a 11629  
report, together with payment of the tax, shall be filed not 11630  
later than thirty days after the last day of the prescribed 11631  
reporting period. 11632

(E) No person required by this section to file a tax 11633  
report shall file a false or fraudulent tax report or supporting 11634  
schedule. 11635

**Sec. 5739.01.** As used in this chapter: 11636

(A) "Person" includes individuals, receivers, assignees, 11637  
trustees in bankruptcy, estates, firms, partnerships, 11638  
associations, joint-stock companies, joint ventures, clubs, 11639  
societies, corporations, the state and its political 11640  
subdivisions, and combinations of individuals of any form. 11641

(B) "Sale" and "selling" include all of the following 11642  
transactions for a consideration in any manner, whether 11643  
absolutely or conditionally, whether for a price or rental, in 11644  
money or by exchange, and by any means whatsoever: 11645

(1) All transactions by which title or possession, or 11646  
both, of tangible personal property, is or is to be transferred, 11647  
or a license to use or consume tangible personal property is or 11648  
is to be granted; 11649

(2) All transactions by which lodging by a hotel is or is to be furnished to transient guests;	11650 11651
(3) All transactions by which:	11652
(a) An item of tangible personal property is or is to be repaired, except property, the purchase of which would not be subject to the tax imposed by section 5739.02 of the Revised Code;	11653 11654 11655 11656
(b) An item of tangible personal property is or is to be installed, except property, the purchase of which would not be subject to the tax imposed by section 5739.02 of the Revised Code or property that is or is to be incorporated into and will become a part of a production, transmission, transportation, or distribution system for the delivery of a public utility service;	11657 11658 11659 11660 11661 11662 11663
(c) The service of washing, cleaning, waxing, polishing, or painting a motor vehicle is or is to be furnished;	11664 11665
(d) <del>Until August 1, 2003, industrial laundry cleaning services are or are to be provided and, on and after August 1, 2003, laundry</del> <u>Laundry</u> and dry cleaning services are or are to be provided;	11666 11667 11668 11669
(e) Automatic data processing, computer services, or electronic information services are or are to be provided for use in business when the true object of the transaction is the receipt by the consumer of automatic data processing, computer services, or electronic information services rather than the receipt of personal or professional services to which automatic data processing, computer services, or electronic information services are incidental or supplemental. Notwithstanding any other provision of this chapter, such transactions that occur	11670 11671 11672 11673 11674 11675 11676 11677 11678

between members of an affiliated group are not sales. An 11679  
"affiliated group" means two or more persons related in such a 11680  
way that one person owns or controls the business operation of 11681  
another member of the group. In the case of corporations with 11682  
stock, one corporation owns or controls another if it owns more 11683  
than fifty per cent of the other corporation's common stock with 11684  
voting rights. 11685

(f) Telecommunications service, including prepaid calling 11686  
service, prepaid wireless calling service, or ancillary service, 11687  
is or is to be provided, but not including coin-operated 11688  
telephone service; 11689

(g) Landscaping and lawn care service is or is to be 11690  
provided; 11691

(h) Private investigation and security service is or is to 11692  
be provided; 11693

(i) Information services or tangible personal property is 11694  
provided or ordered by means of a nine hundred telephone call; 11695

(j) Building maintenance and janitorial service is or is 11696  
to be provided; 11697

(k) Employment service is or is to be provided; 11698

(l) Employment placement service is or is to be provided; 11699

(m) Exterminating service is or is to be provided; 11700

(n) Physical fitness facility service is or is to be 11701  
provided; 11702

(o) Recreation and sports club service is or is to be 11703  
provided; 11704

(p) ~~On and after August 1, 2003, satellite~~ Satellite 11705



broadcasting service is or is to be provided; 11706

(q) ~~On and after August 1, 2003, personal~~ Personal care 11707  
service is or is to be provided to an individual. As used in 11708  
this division, "personal care service" includes skin care, the 11709  
application of cosmetics, manicuring, pedicuring, hair removal, 11710  
tattooing, body piercing, tanning, massage, and other similar 11711  
services. "Personal care service" does not include a service 11712  
provided by or on the order of a licensed physician or licensed 11713  
chiropractor, or the cutting, coloring, or styling of an 11714  
individual's hair. 11715

(r) ~~On and after August 1, 2003, the~~ The transportation of 11716  
persons by motor vehicle or aircraft is or is to be provided, 11717  
when the transportation is entirely within this state, except 11718  
for transportation provided by an ambulance service, by a 11719  
transit bus, as defined in section 5735.01 of the Revised Code, 11720  
and transportation provided by a citizen of the United States 11721  
holding a certificate of public convenience and necessity issued 11722  
under 49 U.S.C. 41102; 11723

(s) ~~On and after August 1, 2003, motor~~ Motor vehicle 11724  
towing service is or is to be provided. As used in this 11725  
division, "motor vehicle towing service" means the towing or 11726  
conveyance of a wrecked, disabled, or illegally parked motor 11727  
vehicle. 11728

(t) ~~On and after August 1, 2003, snow~~ Snow removal service 11729  
is or is to be provided. As used in this division, "snow removal 11730  
service" means the removal of snow by any mechanized means, but 11731  
does not include the providing of such service by a person that 11732  
has less than five thousand dollars in sales of such service 11733  
during the calendar year. 11734

(u) Electronic publishing service is or is to be provided 11735  
to a consumer for use in business, except that such transactions 11736  
occurring between members of an affiliated group, as defined in 11737  
division (B) (3) (e) of this section, are not sales. 11738

(4) All transactions by which printed, imprinted, 11739  
overprinted, lithographic, multilithic, blueprinted, 11740  
photostatic, or other productions or reproductions of written or 11741  
graphic matter are or are to be furnished or transferred; 11742

(5) The production or fabrication of tangible personal 11743  
property for a consideration for consumers who furnish either 11744  
directly or indirectly the materials used in the production of 11745  
fabrication work; and include the furnishing, preparing, or 11746  
serving for a consideration of any tangible personal property 11747  
consumed on the premises of the person furnishing, preparing, or 11748  
serving such tangible personal property. Except as provided in 11749  
section 5739.03 of the Revised Code, a construction contract 11750  
pursuant to which tangible personal property is or is to be 11751  
incorporated into a structure or improvement on and becoming a 11752  
part of real property is not a sale of such tangible personal 11753  
property. The construction contractor is the consumer of such 11754  
tangible personal property, provided that the sale and 11755  
installation of carpeting, the sale and installation of 11756  
agricultural land tile, the sale and erection or installation of 11757  
portable grain bins, or the provision of landscaping and lawn 11758  
care service and the transfer of property as part of such 11759  
service is never a construction contract. 11760

As used in division (B) (5) of this section: 11761

(a) "Agricultural land tile" means fired clay or concrete 11762  
tile, or flexible or rigid perforated plastic pipe or tubing, 11763  
incorporated or to be incorporated into a subsurface drainage 11764

system appurtenant to land used or to be used primarily in 11765  
production by farming, agriculture, horticulture, or 11766  
floriculture. The term does not include such materials when they 11767  
are or are to be incorporated into a drainage system appurtenant 11768  
to a building or structure even if the building or structure is 11769  
used or to be used in such production. 11770

(b) "Portable grain bin" means a structure that is used or 11771  
to be used by a person engaged in farming or agriculture to 11772  
shelter the person's grain and that is designed to be 11773  
disassembled without significant damage to its component parts. 11774

(6) All transactions in which all of the shares of stock 11775  
of a closely held corporation are transferred, or an ownership 11776  
interest in a pass-through entity, as defined in section 5733.04 11777  
of the Revised Code, is transferred, if the corporation or pass- 11778  
through entity is not engaging in business and its entire assets 11779  
consist of boats, planes, motor vehicles, or other tangible 11780  
personal property operated primarily for the use and enjoyment 11781  
of the shareholders or owners; 11782

(7) All transactions in which a warranty, maintenance or 11783  
service contract, or similar agreement by which the vendor of 11784  
the warranty, contract, or agreement agrees to repair or 11785  
maintain the tangible personal property of the consumer is or is 11786  
to be provided; 11787

(8) The transfer of copyrighted motion picture films used 11788  
solely for advertising purposes, except that the transfer of 11789  
such films for exhibition purposes is not a sale; 11790

(9) ~~On and after August 1, 2003, all~~ All transactions by 11791  
which tangible personal property is or is to be stored, except 11792  
such property that the consumer of the storage holds for sale in 11793

the regular course of business; 11794

(10) All transactions in which "guaranteed auto 11795  
protection" is provided whereby a person promises to pay to the 11796  
consumer the difference between the amount the consumer receives 11797  
from motor vehicle insurance and the amount the consumer owes to 11798  
a person holding title to or a lien on the consumer's motor 11799  
vehicle in the event the consumer's motor vehicle suffers a 11800  
total loss under the terms of the motor vehicle insurance policy 11801  
or is stolen and not recovered, if the protection and its price 11802  
are included in the purchase or lease agreement; 11803

(11) (a) Except as provided in division (B) (11) (b) of this 11804  
section, ~~on and after October 1, 2009,~~ all transactions by which 11805  
health care services are paid for, reimbursed, provided, 11806  
delivered, arranged for, or otherwise made available by a 11807  
medicaid health insuring corporation pursuant to the 11808  
corporation's contract with the state. 11809

(b) If the centers for medicare and medicaid services of 11810  
the United States department of health and human services 11811  
determines that the taxation of transactions described in 11812  
division (B) (11) (a) of this section constitutes an impermissible 11813  
health care-related tax under the "Social Security Act," section 11814  
1903(w), 42 U.S.C. 1396b(w), and regulations adopted thereunder, 11815  
the medicaid director shall notify the tax commissioner of that 11816  
determination. Beginning with the first day of the month 11817  
following that notification, the transactions described in 11818  
division (B) (11) (a) of this section are not sales for the 11819  
purposes of this chapter or Chapter 5741. of the Revised Code. 11820  
The tax commissioner shall order that the collection of taxes 11821  
under sections 5739.02, 5739.021, 5739.023, 5739.026, 5741.02, 11822  
5741.021, 5741.022, and 5741.023 of the Revised Code shall cease 11823

for transactions occurring on or after that date. 11824

(12) All transactions by which a specified digital product 11825  
is provided for permanent use or less than permanent use, 11826  
regardless of whether continued payment is required. 11827

Except as provided in this section, "sale" and "selling" 11828  
do not include transfers of interest in leased property where 11829  
the original lessee and the terms of the original lease 11830  
agreement remain unchanged, or professional, insurance, or 11831  
personal service transactions that involve the transfer of 11832  
tangible personal property as an inconsequential element, for 11833  
which no separate charges are made. 11834

(C) "Vendor" means the person providing the service or by 11835  
whom the transfer effected or license given by a sale is or is 11836  
to be made or given and, for sales described in division (B)(3) 11837  
(i) of this section, the telecommunications service vendor that 11838  
provides the nine hundred telephone service; if two or more 11839  
persons are engaged in business at the same place of business 11840  
under a single trade name in which all collections on account of 11841  
sales by each are made, such persons shall constitute a single 11842  
vendor. 11843

Physicians, dentists, hospitals, and veterinarians who are 11844  
engaged in selling tangible personal property as received from 11845  
others, such as eyeglasses, mouthwashes, dentifrices, or similar 11846  
articles, are vendors. Veterinarians who are engaged in 11847  
transferring to others for a consideration drugs, the dispensing 11848  
of which does not require an order of a licensed veterinarian or 11849  
physician under federal law, are vendors. 11850

The operator of any peer-to-peer car sharing program shall 11851  
be considered to be the vendor. 11852

(D) (1) "Consumer" means the person for whom the service is provided, to whom the transfer effected or license given by a sale is or is to be made or given, to whom the service described in division (B) (3) (f) or (i) of this section is charged, or to whom the admission is granted.

(2) Physicians, dentists, hospitals, and blood banks operated by nonprofit institutions and persons licensed to practice veterinary medicine, surgery, and dentistry are consumers of all tangible personal property and services purchased by them in connection with the practice of medicine, dentistry, the rendition of hospital or blood bank service, or the practice of veterinary medicine, surgery, and dentistry. In addition to being consumers of drugs administered by them or by their assistants according to their direction, veterinarians also are consumers of drugs that under federal law may be dispensed only by or upon the order of a licensed veterinarian or physician, when transferred by them to others for a consideration to provide treatment to animals as directed by the veterinarian.

(3) A person who performs a facility management, or similar service contract for a contractee is a consumer of all tangible personal property and services purchased for use in connection 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 11883  
purpose is a sale. 11884

(b) In the case of a person who produces, rather than 11885  
purchases, printed matter for the purpose of distributing it or 11886  
having it distributed to the public or to a designated segment 11887  
of the public, free of charge, that person is the consumer of 11888  
all tangible personal property and services purchased for use or 11889  
consumption in the production of that printed matter. That 11890  
person is not entitled to claim exemption under division (B) (42) 11891  
(f) of section 5739.02 of the Revised Code for any material 11892  
incorporated into the printed matter or any equipment, supplies, 11893  
or services primarily used to produce the printed matter. 11894

(c) The distribution of printed matter to the public or to 11895  
a designated segment of the public, free of charge, is not a 11896  
sale to the members of the public to whom the printed matter is 11897  
distributed or to any persons who purchase space in the printed 11898  
matter for advertising or other purposes. 11899

(5) A person who makes sales of any of the services listed 11900  
in division (B) (3) of this section is the consumer of any 11901  
tangible personal property used in performing the service. The 11902  
purchase of that property is not subject to the resale exception 11903  
under division (E) of this section. 11904

(6) A person who engages in highway transportation for 11905  
hire is the consumer of all packaging materials purchased by 11906  
that person and used in performing the service, except for 11907  
packaging materials sold by such person in a transaction 11908  
separate from the service. 11909

(7) In the case of a transaction for health care services 11910  
under division (B) (11) of this section, a medicaid health 11911

insuring corporation is the consumer of such services. The 11912  
purchase of such services by a medicaid health insuring 11913  
corporation is not subject to the exception for resale under 11914  
division (E) of this section or to the exemptions provided under 11915  
divisions (B) (12), (18), (19), and (22) of section 5739.02 of 11916  
the Revised Code. 11917

(E) "Retail sale" and "sales at retail" include all sales, 11918  
except those in which the purpose of the consumer is to resell 11919  
the thing transferred or benefit of the service provided, by a 11920  
person engaging in business, in the form in which the same is, 11921  
or is to be, received by the person. 11922

(F) "Business" includes any activity engaged in by any 11923  
person with the object of gain, benefit, or advantage, either 11924  
direct or indirect. "Business" does not include the activity of 11925  
a person in managing and investing the person's own funds. 11926

(G) "Engaging in business" means commencing, conducting, 11927  
or continuing in business, and liquidating a business when the 11928  
liquidator thereof holds itself out to the public as conducting 11929  
such business. Making a casual sale is not engaging in business. 11930

(H) (1) (a) "Price," except as provided in divisions (H) (2), 11931  
(3), and (4) of this section, means the total amount of 11932  
consideration, including cash, credit, property, and services, 11933  
for which tangible personal property or services are sold, 11934  
leased, or rented, valued in money, whether received in money or 11935  
otherwise, without any deduction for any of the following: 11936

(i) The vendor's cost of the property sold; 11937

(ii) The cost of materials used, labor or service costs, 11938  
interest, losses, all costs of transportation to the vendor, all 11939  
taxes imposed on the vendor, including the tax imposed under 11940



Chapter 5751. of the Revised Code, and any other expense of the vendor; 11941  
11942

(iii) Charges by the vendor for any services necessary to complete the sale; 11943  
11944

(iv) ~~On and after August 1, 2003, delivery~~ Delivery charges. As used in this division, "delivery charges" means 11945  
charges by the vendor for preparation and delivery to a location 11946  
designated by the consumer of tangible personal property or a 11947  
service, including transportation, shipping, postage, handling, 11948  
crating, and packing. 11949  
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(v) Installation charges; 11951

(vi) Credit for any trade-in. 11952

(b) "Price" includes consideration received by the vendor from a third party, if the vendor actually receives the consideration from a party other than the consumer, and the consideration is directly related to a price reduction or discount on the sale; the vendor has an obligation to pass the price reduction or discount through to the consumer; the amount of the consideration attributable to the sale is fixed and determinable by the vendor at the time of the sale of the item to the consumer; and one of the following criteria is met: 11953  
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(i) The consumer presents a coupon, certificate, or other document to the vendor to claim a price reduction or discount where the coupon, certificate, or document is authorized, distributed, or granted by a third party with the understanding that the third party will reimburse any vendor to whom the coupon, certificate, or document is presented; 11962  
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(ii) The consumer identifies the consumer's self to the seller as a member of a group or organization entitled to a 11968  
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price reduction or discount. A preferred customer card that is 11970  
available to any patron does not constitute membership in such a 11971  
group or organization. 11972

(iii) The price reduction or discount is identified as a 11973  
third party price reduction or discount on the invoice received 11974  
by the consumer, or on a coupon, certificate, or other document 11975  
presented by the consumer. 11976

(c) "Price" does not include any of the following: 11977

(i) Discounts, including cash, term, or coupons that are 11978  
not reimbursed by a third party that are allowed by a vendor and 11979  
taken by a consumer on a sale; 11980

(ii) Interest, financing, and carrying charges from credit 11981  
extended on the sale of tangible personal property or services, 11982  
if the amount is separately stated on the invoice, bill of sale, 11983  
or similar document given to the purchaser; 11984

(iii) Any taxes legally imposed directly on the consumer 11985  
that are separately stated on the invoice, bill of sale, or 11986  
similar document given to the consumer. For the purpose of this 11987  
division, the tax imposed under Chapter 5751. of the Revised 11988  
Code is not a tax directly on the consumer, even if the tax or a 11989  
portion thereof is separately stated. 11990

(iv) Notwithstanding divisions (H) (1) (b) (i) to (iii) of 11991  
this section, any discount allowed by an automobile manufacturer 11992  
to its employee, or to the employee of a supplier, on the 11993  
purchase of a new motor vehicle from a new motor vehicle dealer 11994  
in this state. 11995

(v) The dollar value of a gift card that is not sold by a 11996  
vendor or purchased by a consumer and that is redeemed by the 11997  
consumer in purchasing tangible personal property or services if 11998

the vendor is not reimbursed and does not receive compensation 11999  
from a third party to cover all or part of the gift card value. 12000  
For the purposes of this division, a gift card is not sold by a 12001  
vendor or purchased by a consumer if it is distributed pursuant 12002  
to an awards, loyalty, or promotional program. Past and present 12003  
purchases of tangible personal property or services by the 12004  
consumer shall not be treated as consideration exchanged for a 12005  
gift card. 12006

(2) In the case of a sale of any new motor vehicle by a 12007  
new motor vehicle dealer, as defined in section 4517.01 of the 12008  
Revised Code, in which another motor vehicle is accepted by the 12009  
dealer as part of the consideration received, "price" has the 12010  
same meaning as in division (H)(1) of this section, reduced by 12011  
the credit afforded the consumer by the dealer for the motor 12012  
vehicle received in trade. 12013

(3) In the case of a sale of any watercraft or outboard 12014  
motor by a watercraft dealer licensed in accordance with section 12015  
1547.543 of the Revised Code, in which another watercraft, 12016  
watercraft and trailer, or outboard motor is accepted by the 12017  
dealer as part of the consideration received, "price" has the 12018  
same meaning as in division (H)(1) of this section, reduced by 12019  
the credit afforded the consumer by the dealer for the 12020  
watercraft, watercraft and trailer, or outboard motor received 12021  
in trade. As used in this division, "watercraft" includes an 12022  
outdrive unit attached to the watercraft. 12023

(4) In the case of transactions for health care services 12024  
under division (B)(11) of this section, "price" means the amount 12025  
of managed care premiums received each month by a medicaid 12026  
health insuring corporation. 12027

(I) "Receipts" means the total amount of the prices of the 12028

sales of vendors, provided that the dollar value of gift cards 12029  
distributed pursuant to an awards, loyalty, or promotional 12030  
program, and cash discounts allowed and taken on sales at the 12031  
time they are consummated are not included, minus any amount 12032  
deducted as a bad debt pursuant to section 5739.121 of the 12033  
Revised Code. "Receipts" does not include the sale price of 12034  
property returned or services rejected by consumers when the 12035  
full sale price and tax are refunded either in cash or by 12036  
credit. 12037

(J) "Place of business" means any location at which a 12038  
person engages in business. 12039

(K) "Premises" includes any real property or portion 12040  
thereof upon which any person engages in selling tangible 12041  
personal property at retail or making retail sales and also 12042  
includes any real property or portion thereof designated for, or 12043  
devoted to, use in conjunction with the business engaged in by 12044  
such person. 12045

(L) "Casual sale" means a sale of an item of tangible 12046  
personal property that was obtained by the person making the 12047  
sale, through purchase or otherwise, for the person's own use 12048  
and was previously subject to any state's taxing jurisdiction on 12049  
its sale or use, and includes such items acquired for the 12050  
seller's use that are sold by an auctioneer employed directly by 12051  
the person for such purpose, provided the location of such sales 12052  
is not the auctioneer's permanent place of business. As used in 12053  
this division, "permanent place of business" includes any 12054  
location where such auctioneer has conducted more than two 12055  
auctions during the year. 12056

(M) "Hotel" means every establishment kept, used, 12057  
maintained, advertised, or held out to the public to be a place 12058

where sleeping accommodations are offered to guests, in which 12059  
five or more rooms are used for the accommodation of such 12060  
guests, whether the rooms are in one or several structures, 12061  
except as otherwise provided in ~~division (G) of section 5739.09-~~ 12062  
5739.091 of the Revised Code. 12063

(N) "Transient guests" means persons occupying a room or 12064  
rooms for sleeping accommodations for less than thirty 12065  
consecutive days. 12066

(O) "Making retail sales" means the effecting of 12067  
transactions wherein one party is obligated to pay the price and 12068  
the other party is obligated to provide a service or to transfer 12069  
title to or possession of the item sold. "Making retail sales" 12070  
does not include the preliminary acts of promoting or soliciting 12071  
the retail sales, other than the distribution of printed matter 12072  
which displays or describes and prices the item offered for 12073  
sale, nor does it include delivery of a predetermined quantity 12074  
of tangible personal property or transportation of property or 12075  
personnel to or from a place where a service is performed. 12076

(P) "Used directly in the rendition of a public utility 12077  
service" means that property that is to be incorporated into and 12078  
will become a part of the consumer's production, transmission, 12079  
transportation, or distribution system and that retains its 12080  
classification as tangible personal property after such 12081  
incorporation; fuel or power used in the production, 12082  
transmission, transportation, or distribution system; and 12083  
tangible personal property used in the repair and maintenance of 12084  
the production, transmission, transportation, or distribution 12085  
system, including only such motor vehicles as are specially 12086  
designed and equipped for such use. Tangible personal property 12087  
and services used primarily in providing highway transportation 12088

for hire are not used directly in the rendition of a public 12089  
utility service. In this definition, "public utility" includes a 12090  
citizen of the United States holding, and required to hold, a 12091  
certificate of public convenience and necessity issued under 49 12092  
U.S.C. 41102. 12093

(Q) "Refining" means removing or separating a desirable 12094  
product from raw or contaminated materials by distillation or 12095  
physical, mechanical, or chemical processes. 12096

(R) "Assembly" and "assembling" mean attaching or fitting 12097  
together parts to form a product, but do not include packaging a 12098  
product. 12099

(S) "Manufacturing operation" means a process in which 12100  
materials are changed, converted, or transformed into a 12101  
different state or form from which they previously existed and 12102  
includes refining materials, assembling parts, and preparing raw 12103  
materials and parts by mixing, measuring, blending, or otherwise 12104  
committing such materials or parts to the manufacturing process. 12105  
"Manufacturing operation" does not include packaging. 12106

(T) "Fiscal officer" means, with respect to a regional 12107  
transit authority, the secretary-treasurer thereof, and with 12108  
respect to a county that is a transit authority, the fiscal 12109  
officer of the county transit board if one is appointed pursuant 12110  
to section 306.03 of the Revised Code or the county auditor if 12111  
the board of county commissioners operates the county transit 12112  
system. 12113

(U) "Transit authority" means a regional transit authority 12114  
created pursuant to section 306.31 of the Revised Code or a 12115  
county in which a county transit system is created pursuant to 12116  
section 306.01 of the Revised Code. For the purposes of this 12117

chapter, a transit authority must extend to at least the entire 12118  
area of a single county. A transit authority that includes 12119  
territory in more than one county must include all the area of 12120  
the most populous county that is a part of such transit 12121  
authority. County population shall be measured by the most 12122  
recent census taken by the United States census bureau. 12123

(V) "Legislative authority" means, with respect to a 12124  
regional transit authority, the board of trustees thereof, and 12125  
with respect to a county that is a transit authority, the board 12126  
of county commissioners. 12127

(W) "Territory of the transit authority" means all of the 12128  
area included within the territorial boundaries of a transit 12129  
authority as they from time to time exist. Such territorial 12130  
boundaries must at all times include all the area of a single 12131  
county or all the area of the most populous county that is a 12132  
part of such transit authority. County population shall be 12133  
measured by the most recent census taken by the United States 12134  
census bureau. 12135

(X) "Providing a service" means providing or furnishing 12136  
anything described in division (B) (3) of this section for 12137  
consideration. 12138

(Y) (1) (a) "Automatic data processing" means processing of 12139  
others' data, including keypunching or similar data entry 12140  
services together with verification thereof, or providing access 12141  
to computer equipment for the purpose of processing data. 12142

(b) "Computer services" means providing services 12143  
consisting of specifying computer hardware configurations and 12144  
evaluating technical processing characteristics, computer 12145  
programming, and training of computer programmers and operators, 12146

provided in conjunction with and to support the sale, lease, or 12147  
operation of taxable computer equipment or systems. 12148

(c) "Electronic information services" means providing 12149  
access to computer equipment by means of telecommunications 12150  
equipment for the purpose of either of the following: 12151

(i) Examining or acquiring data stored in or accessible to 12152  
the computer equipment; 12153

(ii) Placing data into the computer equipment to be 12154  
retrieved by designated recipients with access to the computer 12155  
equipment. 12156

~~For transactions occurring on or after the effective date~~ 12157  
~~of the amendment of this section by H.B. 157 of the 127th~~ 12158  
~~general assembly, December 21, 2007, "electronic~~ "Electronic 12159  
information services" does not include electronic publishing. 12160

(d) "Automatic data processing, computer services, or 12161  
electronic information services" shall not include personal or 12162  
professional services. 12163

(2) As used in divisions (B) (3) (e) and (Y) (1) of this 12164  
section, "personal and professional services" means all services 12165  
other than automatic data processing, computer services, or 12166  
electronic information services, including but not limited to: 12167

(a) Accounting and legal services such as advice on tax 12168  
matters, asset management, budgetary matters, quality control, 12169  
information security, and auditing and any other situation where 12170  
the service provider receives data or information and studies, 12171  
alters, analyzes, interprets, or adjusts such material; 12172

(b) Analyzing business policies and procedures; 12173

(c) Identifying management information needs; 12174



(d) Feasibility studies, including economic and technical analysis of existing or potential computer hardware or software needs and alternatives; 12175  
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(e) Designing policies, procedures, and custom software for collecting business information, and determining how data should be summarized, sequenced, formatted, processed, controlled, and reported so that it will be meaningful to management; 12178  
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(f) Developing policies and procedures that document how business events and transactions are to be authorized, executed, and controlled; 12183  
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(g) Testing of business procedures; 12186

(h) Training personnel in business procedure applications; 12187

(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; 12188  
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(j) Providing debt collection services by any oral, written, graphic, or electronic means; 12195  
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(k) Providing digital advertising services. 12197

The services listed in divisions (Y) (2) (a) to (k) of this section are not automatic data processing or computer services. 12198  
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(Z) "Highway transportation for hire" means the transportation of personal property belonging to others for consideration by any of the following: 12200  
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(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 but who could not have engaged in such transportation on December 11, 1985, unless the person was the holder of a permit or certificate of the types described in division (Z) (1) of this section;

(3) A person who leases a motor vehicle to and operates it for a person described by division (Z) (1) or (2) of this section.

(AA) (1) "Telecommunications service" means the electronic transmission, conveyance, or routing of voice, data, audio, video, or any other information or signals to a point, or between or among points. "Telecommunications service" includes such transmission, conveyance, or routing in which computer processing applications are used to act on the form, code, or protocol of the content for purposes of transmission, conveyance, or routing without regard to whether the service is referred to as voice-over internet protocol service or is classified by the federal communications commission as enhanced or value-added. "Telecommunications service" does not include any of the following:

(a) Data processing and information services that allow data to be generated, acquired, stored, processed, or retrieved and delivered by an electronic transmission to a consumer where

the consumer's primary purpose for the underlying transaction is	12233
the processed data or information;	12234
(b) Installation or maintenance of wiring or equipment on	12235
a customer's premises;	12236
(c) Tangible personal property;	12237
(d) Advertising, including directory advertising;	12238
(e) Billing and collection services provided to third	12239
parties;	12240
(f) Internet access service;	12241
(g) Radio and television audio and video programming	12242
services, regardless of the medium, including the furnishing of	12243
transmission, conveyance, and routing of such services by the	12244
programming service provider. Radio and television audio and	12245
video programming services include, but are not limited to,	12246
cable service, as defined in 47 U.S.C. 522(6), and audio and	12247
video programming services delivered by commercial mobile radio	12248
service providers, as defined in 47 C.F.R. 20.3;	12249
(h) Ancillary service;	12250
(i) Digital products delivered electronically, including	12251
software, music, video, reading materials, or ring tones.	12252
(2) "Ancillary service" means a service that is associated	12253
with or incidental to the provision of telecommunications	12254
service, including conference bridging service, detailed	12255
telecommunications billing service, directory assistance,	12256
vertical service, and voice mail service. As used in this	12257
division:	12258
(a) "Conference bridging service" means an ancillary	12259

service that links two or more participants of an audio or video conference call, including providing a telephone number. 12260  
12261  
"Conference bridging service" does not include 12262  
telecommunications services used to reach the conference bridge. 12263

(b) "Detailed telecommunications billing service" means an ancillary service of separately stating information pertaining to individual calls on a customer's billing statement. 12264  
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(c) "Directory assistance" means an ancillary service of providing telephone number or address information. 12267  
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(d) "Vertical service" means an ancillary service that is offered in connection with one or more telecommunications services, which offers advanced calling features that allow customers to identify callers and manage multiple calls and call connections, including conference bridging service. 12269  
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(e) "Voice mail service" means an ancillary service that enables the customer to store, send, or receive recorded messages. "Voice mail service" does not include any vertical services that the customer may be required to have in order to utilize the voice mail service. 12274  
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(3) "900 service" means an inbound toll telecommunications service purchased by a subscriber that allows the subscriber's customers to call in to the subscriber's prerecorded announcement or live service, and which is typically marketed under the name "900 service" and any subsequent numbers designated by the federal communications commission. "900 service" does not include the charge for collection services provided by the seller of the telecommunications service to the subscriber, or services or products sold by the subscriber to the subscriber's customer. 12279  
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(4) "Prepaid calling service" means the right to access 12289  
exclusively telecommunications services, which must be paid for 12290  
in advance and which enables the origination of calls using an 12291  
access number or authorization code, whether manually or 12292  
electronically dialed, and that is sold in predetermined units 12293  
or dollars of which the number declines with use in a known 12294  
amount. 12295

(5) "Prepaid wireless calling service" means a 12296  
telecommunications service that provides the right to utilize 12297  
mobile telecommunications service as well as other non- 12298  
telecommunications services, including the download of digital 12299  
products delivered electronically, and content and ancillary 12300  
services, that must be paid for in advance and that is sold in 12301  
predetermined units or dollars of which the number declines with 12302  
use in a known amount. 12303

(6) "Value-added non-voice data service" means a 12304  
telecommunications service in which computer processing 12305  
applications are used to act on the form, content, code, or 12306  
protocol of the information or data primarily for a purpose 12307  
other than transmission, conveyance, or routing. 12308

(7) "Coin-operated telephone service" means a 12309  
telecommunications service paid for by inserting money into a 12310  
telephone accepting direct deposits of money to operate. 12311

(8) "Customer" has the same meaning as in section 5739.034 12312  
of the Revised Code. 12313

(BB) "Laundry and dry cleaning services" means removing 12314  
soil or dirt from towels, linens, articles of clothing, or other 12315  
fabric items that belong to others and supplying towels, linens, 12316  
articles of clothing, or other fabric items. "Laundry and dry 12317

cleaning services" does not include the provision of self- 12318  
service facilities for use by consumers to remove soil or dirt 12319  
from towels, linens, articles of clothing, or other fabric 12320  
items. 12321

(CC) "Magazines distributed as controlled circulation 12322  
publications" means magazines containing at least twenty-four 12323  
pages, at least twenty-five per cent editorial content, issued 12324  
at regular intervals four or more times a year, and circulated 12325  
without charge to the recipient, provided that such magazines 12326  
are not owned or controlled by individuals or business concerns 12327  
which conduct such publications as an auxiliary to, and 12328  
essentially for the advancement of the main business or calling 12329  
of, those who own or control them. 12330

(DD) "Landscaping and lawn care service" means the 12331  
services of planting, seeding, sodding, removing, cutting, 12332  
trimming, pruning, mulching, aerating, applying chemicals, 12333  
watering, fertilizing, and providing similar services to 12334  
establish, promote, or control the growth of trees, shrubs, 12335  
flowers, grass, ground cover, and other flora, or otherwise 12336  
maintaining a lawn or landscape grown or maintained by the owner 12337  
for ornamentation or other nonagricultural purpose. However, 12338  
"landscaping and lawn care service" does not include the 12339  
providing of such services by a person who has less than five 12340  
thousand dollars in sales of such services during the calendar 12341  
year. 12342

(EE) "Private investigation and security service" means 12343  
the performance of any activity for which the provider of such 12344  
service is required to be licensed pursuant to Chapter 4749. of 12345  
the Revised Code, or would be required to be so licensed in 12346  
performing such services in this state, and also includes the 12347

services of conducting polygraph examinations and of monitoring 12348  
or overseeing the activities on or in, or the condition of, the 12349  
consumer's home, business, or other facility by means of 12350  
electronic or similar monitoring devices. "Private investigation 12351  
and security service" does not include special duty services 12352  
provided by off-duty police officers, deputy sheriffs, and other 12353  
peace officers regularly employed by the state or a political 12354  
subdivision. 12355

(FF) "Information services" means providing conversation, 12356  
giving consultation or advice, playing or making a voice or 12357  
other recording, making or keeping a record of the number of 12358  
callers, and any other service provided to a consumer by means 12359  
of a nine hundred telephone call, except when the nine hundred 12360  
telephone call is the means by which the consumer makes a 12361  
contribution to a recognized charity. 12362

(GG) "Research and development" means designing, creating, 12363  
or formulating new or enhanced products, equipment, or 12364  
manufacturing processes, and also means conducting scientific or 12365  
technological inquiry and experimentation in the physical 12366  
sciences with the goal of increasing scientific knowledge which 12367  
may reveal the bases for new or enhanced products, equipment, or 12368  
manufacturing processes. 12369

(HH) "Qualified research and development equipment" means 12370  
capitalized tangible personal property, and leased personal 12371  
property that would be capitalized if purchased, used by a 12372  
person primarily to perform research and development. Tangible 12373  
personal property primarily used in testing, as defined in 12374  
division (A)(4) of section 5739.011 of the Revised Code, or used 12375  
for recording or storing test results, is not qualified research 12376  
and development equipment unless such property is primarily used 12377

by the consumer in testing the product, equipment, or 12378  
manufacturing process being created, designed, or formulated by 12379  
the consumer in the research and development activity or in 12380  
recording or storing such test results. 12381

(II) "Building maintenance and janitorial service" means 12382  
cleaning the interior or exterior of a building and any tangible 12383  
personal property located therein or thereon, including any 12384  
services incidental to such cleaning for which no separate 12385  
charge is made. However, "building maintenance and janitorial 12386  
service" does not include the providing of such service by a 12387  
person who has less than five thousand dollars in sales of such 12388  
service during the calendar year. As used in this division, 12389  
"cleaning" does not include sanitation services necessary for an 12390  
establishment described in 21 U.S.C. 608 to comply with rules 12391  
and regulations adopted pursuant to that section. 12392

(JJ) "Employment service" means providing or supplying 12393  
personnel, on a temporary or long-term basis, to perform work or 12394  
labor under the supervision or control of another, when the 12395  
personnel so provided or supplied receive their wages, salary, 12396  
or other compensation from the provider or supplier of the 12397  
employment service or from a third party that provided or 12398  
supplied the personnel to the provider or supplier. "Employment 12399  
service" does not include: 12400

(1) Acting as a contractor or subcontractor, where the 12401  
personnel performing the work are not under the direct control 12402  
of the purchaser. 12403

(2) Medical and health care services. 12404

(3) Supplying personnel to a purchaser pursuant to a 12405  
contract of at least one year between the service provider and 12406



the purchaser that specifies that each employee covered under 12407  
the contract is assigned to the purchaser on a permanent basis. 12408

(4) Transactions between members of an affiliated group, 12409  
as defined in division (B)(3)(e) of this section. 12410

(5) Transactions where the personnel so provided or 12411  
supplied by a provider or supplier to a purchaser of an 12412  
employment service are then provided or supplied by that 12413  
purchaser to a third party as an employment service, except 12414  
"employment service" does include the transaction between that 12415  
purchaser and the third party. 12416

(KK) "Employment placement service" means locating or 12417  
finding employment for a person or finding or locating an 12418  
employee to fill an available position. 12419

(LL) "Exterminating service" means eradicating or 12420  
attempting to eradicate vermin infestations from a building or 12421  
structure, or the area surrounding a building or structure, and 12422  
includes activities to inspect, detect, or prevent vermin 12423  
infestation of a building or structure. 12424

(MM) "Physical fitness facility service" means all 12425  
transactions by which a membership is granted, maintained, or 12426  
renewed, including initiation fees, membership dues, renewal 12427  
fees, monthly minimum fees, and other similar fees and dues, by 12428  
a physical fitness facility such as an athletic club, health 12429  
spa, or gymnasium, which entitles the member to use the facility 12430  
for physical exercise. 12431

(NN) "Recreation and sports club service" means all 12432  
transactions by which a membership is granted, maintained, or 12433  
renewed, including initiation fees, membership dues, renewal 12434  
fees, monthly minimum fees, and other similar fees and dues, by 12435

a recreation and sports club, which entitles the member to use 12436  
the facilities of the organization. "Recreation and sports club" 12437  
means an organization that has ownership of, or controls or 12438  
leases on a continuing, long-term basis, the facilities used by 12439  
its members and includes an aviation club, gun or shooting club, 12440  
yacht club, card club, swimming club, tennis club, golf club, 12441  
country club, riding club, amateur sports club, or similar 12442  
organization. 12443

(OO) "Livestock" means farm animals commonly raised for 12444  
food, food production, or other agricultural purposes, 12445  
including, but not limited to, cattle, sheep, goats, swine, 12446  
poultry, and captive deer. "Livestock" does not include 12447  
invertebrates, amphibians, reptiles, domestic pets, animals for 12448  
use in laboratories or for exhibition, or other animals not 12449  
commonly raised for food or food production. 12450

(PP) "Livestock structure" means a building or structure 12451  
used exclusively for the housing, raising, feeding, or 12452  
sheltering of livestock, and includes feed storage or handling 12453  
structures and structures for livestock waste handling. 12454

(QQ) "Horticulture" means the growing, cultivation, and 12455  
production of flowers, fruits, herbs, vegetables, sod, 12456  
mushrooms, and nursery stock. As used in this division, "nursery 12457  
stock" has the same meaning as in section 927.51 of the Revised 12458  
Code. 12459

(RR) "Horticulture structure" means a building or 12460  
structure used exclusively for the commercial growing, raising, 12461  
or overwintering of horticultural products, and includes the 12462  
area used for stocking, storing, and packing horticultural 12463  
products when done in conjunction with the production of those 12464  
products. 12465

(SS) "Newspaper" means an unbound publication bearing a title or name that is regularly published, at least as frequently as biweekly, and distributed from a fixed place of business to the public in a specific geographic area, and that contains a substantial amount of news matter of international, national, or local events of interest to the general public.

(TT) (1) "Feminine hygiene products" means tampons, panty liners, menstrual cups, sanitary napkins, and other similar tangible personal property designed for feminine hygiene in connection with the human menstrual cycle, but does not include grooming and hygiene products.

(2) "Grooming and hygiene products" means soaps and cleaning solutions, shampoo, toothpaste, mouthwash, antiperspirants, and sun tan lotions and screens, regardless of whether any of these products are over-the-counter drugs.

(3) "Over-the-counter drugs" means a drug that contains a label that identifies the product as a drug as required by 21 C.F.R. 201.66, which label includes a drug facts panel or a statement of the active ingredients with a list of those ingredients contained in the compound, substance, or preparation.

(UU) (1) "Lease" or "rental" means any transfer of the possession or control of tangible personal property for a fixed or indefinite term, for consideration. "Lease" or "rental" includes future options to purchase or extend, and agreements described in 26 U.S.C. 7701(h) (1) covering motor vehicles and trailers where the amount of consideration may be increased or decreased by reference to the amount realized upon the sale or disposition of the property. "Lease" or "rental" does not include:

(a) A transfer of possession or control of tangible	12496
personal property under a security agreement or a deferred	12497
payment plan that requires the transfer of title upon completion	12498
of the required payments;	12499
(b) A transfer of possession or control of tangible	12500
personal property under an agreement that requires the transfer	12501
of title upon completion of required payments and payment of an	12502
option price that does not exceed the greater of one hundred	12503
dollars or one per cent of the total required payments;	12504
(c) Providing tangible personal property along with an	12505
operator for a fixed or indefinite period of time, if the	12506
operator is necessary for the property to perform as designed.	12507
For purposes of this division, the operator must do more than	12508
maintain, inspect, or set up the tangible personal property.	12509
(2) "Lease" and "rental," as defined in division (UU) of	12510
this section, shall not apply to leases or rentals that exist	12511
before June 26, 2003.	12512
(3) "Lease" and "rental" have the same meaning as in	12513
division (UU) (1) of this section regardless of whether a	12514
transaction is characterized as a lease or rental under	12515
generally accepted accounting principles, the Internal Revenue	12516
Code, Title XIII of the Revised Code, or other federal, state,	12517
or local laws.	12518
(VV) "Mobile telecommunications service" has the same	12519
meaning as in the "Mobile Telecommunications Sourcing Act," Pub.	12520
L. No. 106-252, 114 Stat. 631 (2000), 4 U.S.C.A. 124(7), as	12521
amended, and, on and after August 1, 2003, includes related fees	12522
and ancillary services, including universal service fees,	12523
detailed billing service, directory assistance, service	12524

initiation, voice mail service, and vertical services, such as 12525  
caller ID and three-way calling. 12526

(WW) "Certified service provider" has the same meaning as 12527  
in section 5740.01 of the Revised Code. 12528

(XX) "Satellite broadcasting service" means the 12529  
distribution or broadcasting of programming or services by 12530  
satellite directly to the subscriber's receiving equipment 12531  
without the use of ground receiving or distribution equipment, 12532  
except the subscriber's receiving equipment or equipment used in 12533  
the uplink process to the satellite, and includes all service 12534  
and rental charges, premium channels or other special services, 12535  
installation and repair service charges, and any other charges 12536  
having any connection with the provision of the satellite 12537  
broadcasting service. 12538

(YY) "Tangible personal property" means personal property 12539  
that can be seen, weighed, measured, felt, or touched, or that 12540  
is in any other manner perceptible to the senses. For purposes 12541  
of this chapter and Chapter 5741. of the Revised Code, "tangible 12542  
personal property" includes motor vehicles, electricity, water, 12543  
gas, steam, and prewritten computer software. 12544

(ZZ) "Municipal gas utility" means a municipal corporation 12545  
that owns or operates a system for the distribution of natural 12546  
gas. 12547

(AAA) "Computer" means an electronic device that accepts 12548  
information in digital or similar form and manipulates it for a 12549  
result based on a sequence of instructions. 12550

(BBB) "Computer software" means a set of coded 12551  
instructions designed to cause a computer or automatic data 12552  
processing equipment to perform a task. 12553

(CCC) "Delivered electronically" means delivery of 12554  
computer software from the seller to the purchaser by means 12555  
other than tangible storage media. 12556

(DDD) "Prewritten computer software" means computer 12557  
software, including prewritten upgrades, that is not designed 12558  
and developed by the author or other creator to the 12559  
specifications of a specific purchaser. The combining of two or 12560  
more prewritten computer software programs or prewritten 12561  
portions thereof does not cause the combination to be other than 12562  
prewritten computer software. "Prewritten computer software" 12563  
includes software designed and developed by the author or other 12564  
creator to the specifications of a specific purchaser when it is 12565  
sold to a person other than the purchaser. If a person modifies 12566  
or enhances computer software of which the person is not the 12567  
author or creator, the person shall be deemed to be the author 12568  
or creator only of such person's modifications or enhancements. 12569  
Prewritten computer software or a prewritten portion thereof 12570  
that is modified or enhanced to any degree, where such 12571  
modification or enhancement is designed and developed to the 12572  
specifications of a specific purchaser, remains prewritten 12573  
computer software; provided, however, that where there is a 12574  
reasonable, separately stated charge or an invoice or other 12575  
statement of the price given to the purchaser for the 12576  
modification or enhancement, the modification or enhancement 12577  
shall not constitute prewritten computer software. 12578

(EEE) (1) "Food" means substances, whether in liquid, 12579  
concentrated, solid, frozen, dried, or dehydrated form, that are 12580  
sold for ingestion or chewing by humans and are consumed for 12581  
their taste or nutritional value. "Food" does not include 12582  
alcoholic beverages, dietary supplements, soft drinks, or 12583  
tobacco. 12584

(2) As used in division (EEE) (1) of this section:	12585
(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.	12586 12587 12588
(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:	12589 12590 12591 12592 12593 12594 12595 12596 12597 12598
(i) A vitamin;	12599
(ii) A mineral;	12600
(iii) An herb or other botanical;	12601
(iv) An amino acid;	12602
(v) A dietary substance for use by humans to supplement the diet by increasing the total dietary intake;	12603 12604
(vi) A concentrate, metabolite, constituent, extract, or combination of any ingredient described in divisions (EEE) (2) (b) (i) to (v) of this section.	12605 12606 12607
(c) "Soft drinks" means nonalcoholic beverages that contain natural or artificial sweeteners. "Soft drinks" does not include beverages that contain milk or milk products, soy, rice, or similar milk substitutes, or that contains greater than fifty per cent vegetable or fruit juice by volume.	12608 12609 12610 12611 12612

(d) "Tobacco" means cigarettes, cigars, chewing or pipe tobacco, or any other item that contains tobacco. 12613  
12614

(FFF) "Drug" means a compound, substance, or preparation, 12615  
and any component of a compound, substance, or preparation, 12616  
other than food, dietary supplements, or alcoholic beverages 12617  
that is recognized in the official United States pharmacopoeia, 12618  
official homeopathic pharmacopoeia of the United States, or 12619  
official national formulary, and supplements to them; is 12620  
intended for use in the diagnosis, cure, mitigation, treatment, 12621  
or prevention of disease; or is intended to affect the structure 12622  
or any function of the body. 12623

(GGG) "Prescription" means an order, formula, or recipe 12624  
issued in any form of oral, written, electronic, or other means 12625  
of transmission by a duly licensed practitioner authorized by 12626  
the laws of this state to issue a prescription. 12627

(HHH) "Durable medical equipment" means equipment, 12628  
including repair and replacement parts for such equipment, that 12629  
can withstand repeated use, is primarily and customarily used to 12630  
serve a medical purpose, generally is not useful to a person in 12631  
the absence of illness or injury, and is not worn in or on the 12632  
body. "Durable medical equipment" does not include mobility 12633  
enhancing equipment. 12634

(III) "Mobility enhancing equipment" means equipment, 12635  
including repair and replacement parts for such equipment, that 12636  
is primarily and customarily used to provide or increase the 12637  
ability to move from one place to another and is appropriate for 12638  
use either in a home or a motor vehicle, that is not generally 12639  
used by persons with normal mobility, and that does not include 12640  
any motor vehicle or equipment on a motor vehicle normally 12641  
provided by a motor vehicle manufacturer. "Mobility enhancing 12642



equipment" does not include durable medical equipment. 12643

(JJJ) "Prosthetic device" means a replacement, corrective, 12644  
or supportive device, including repair and replacement parts for 12645  
the device, worn on or in the human body to artificially replace 12646  
a missing portion of the body, prevent or correct physical 12647  
deformity or malfunction, or support a weak or deformed portion 12648  
of the body. As used in this division, before July 1, 2019, 12649  
"prosthetic device" does not include corrective eyeglasses, 12650  
contact lenses, or dental prosthesis. On or after July 1, 2019, 12651  
"prosthetic device" does not include dental prosthesis but does 12652  
include corrective eyeglasses or contact lenses. 12653

(KKK) (1) "Fractional aircraft ownership program" means a 12654  
program in which persons within an affiliated group sell and 12655  
manage fractional ownership program aircraft, provided that at 12656  
least one hundred airworthy aircraft are operated in the program 12657  
and the program meets all of the following criteria: 12658

(a) Management services are provided by at least one 12659  
program manager within an affiliated group on behalf of the 12660  
fractional owners. 12661

(b) Each program aircraft is owned or possessed by at 12662  
least one fractional owner. 12663

(c) Each fractional owner owns or possesses at least a 12664  
one-sixteenth interest in at least one fixed-wing program 12665  
aircraft. 12666

(d) A dry-lease aircraft interchange arrangement is in 12667  
effect among all of the fractional owners. 12668

(e) Multi-year program agreements are in effect regarding 12669  
the fractional ownership, management services, and dry-lease 12670  
aircraft interchange arrangement aspects of the program. 12671

- (2) As used in division (KKK) (1) of this section: 12672
- (a) "Affiliated group" has the same meaning as in division 12673  
(B) (3) (e) of this section. 12674
- (b) "Fractional owner" means a person that owns or 12675  
possesses at least a one-sixteenth interest in a program 12676  
aircraft and has entered into the agreements described in 12677  
division (KKK) (1) (e) of this section. 12678
- (c) "Fractional ownership program aircraft" or "program 12679  
aircraft" means a turbojet aircraft that is owned or possessed 12680  
by a fractional owner and that has been included in a dry-lease 12681  
aircraft interchange arrangement and agreement under divisions 12682  
(KKK) (1) (d) and (e) of this section, or an aircraft a program 12683  
manager owns or possesses primarily for use in a fractional 12684  
aircraft ownership program. 12685
- (d) "Management services" means administrative and 12686  
aviation support services furnished under a fractional aircraft 12687  
ownership program in accordance with a management services 12688  
agreement under division (KKK) (1) (e) of this section, and 12689  
offered by the program manager to the fractional owners, 12690  
including, at a minimum, the establishment and implementation of 12691  
safety guidelines; the coordination of the scheduling of the 12692  
program aircraft and crews; program aircraft maintenance; 12693  
program aircraft insurance; crew training for crews employed, 12694  
furnished, or contracted by the program manager or the 12695  
fractional owner; the satisfaction of record-keeping 12696  
requirements; and the development and use of an operations 12697  
manual and a maintenance manual for the fractional aircraft 12698  
ownership program. 12699
- (e) "Program manager" means the person that offers 12700

management services to fractional owners pursuant to a 12701  
management services agreement under division (KKK) (1) (e) of this 12702  
section. 12703

(LLL) "Electronic publishing" means providing access to 12704  
one or more of the following primarily for business customers, 12705  
including the federal government or a state government or a 12706  
political subdivision thereof, to conduct research: news; 12707  
business, financial, legal, consumer, or credit materials; 12708  
editorials, columns, reader commentary, or features; photos or 12709  
images; archival or research material; legal notices, identity 12710  
verification, or public records; scientific, educational, 12711  
instructional, technical, professional, trade, or other literary 12712  
materials; or other similar information which has been gathered 12713  
and made available by the provider to the consumer in an 12714  
electronic format. Providing electronic publishing includes the 12715  
functions necessary for the acquisition, formatting, editing, 12716  
storage, and dissemination of data or information that is the 12717  
subject of a sale. 12718

(MMM) "Medicaid health insuring corporation" means a 12719  
health insuring corporation that holds a certificate of 12720  
authority under Chapter 1751. of the Revised Code and is under 12721  
contract with the department of medicaid pursuant to section 12722  
5167.10 of the Revised Code. 12723

(NNN) "Managed care premium" means any premium, 12724  
capitation, or other payment a medicaid health insuring 12725  
corporation receives for providing or arranging for the 12726  
provision of health care services to its members or enrollees 12727  
residing in this state. 12728

(OOO) "Captive deer" means deer and other cervidae that 12729  
have been legally acquired, or their offspring, that are 12730

privately owned for agricultural or farming purposes. 12731

(PPP) "Gift card" means a document, card, certificate, or 12732  
other record, whether tangible or intangible, that may be 12733  
redeemed by a consumer for a dollar value when making a purchase 12734  
of tangible personal property or services. 12735

(QQQ) "Specified digital product" means an electronically 12736  
transferred digital audiovisual work, digital audio work, or 12737  
digital book. 12738

As used in division (QQQ) of this section: 12739

(1) "Digital audiovisual work" means a series of related 12740  
images that, when shown in succession, impart an impression of 12741  
motion, together with accompanying sounds, if any. 12742

(2) "Digital audio work" means a work that results from 12743  
the fixation of a series of musical, spoken, or other sounds, 12744  
including digitized sound files that are downloaded onto a 12745  
device and that may be used to alert the customer with respect 12746  
to a communication. 12747

(3) "Digital book" means a work that is generally 12748  
recognized in the ordinary and usual sense as a book. 12749

(4) "Electronically transferred" means obtained by the 12750  
purchaser by means other than tangible storage media. 12751

(RRR) "Digital advertising services" means providing 12752  
access, by means of telecommunications equipment, to computer 12753  
equipment that is used to enter, upload, download, review, 12754  
manipulate, store, add, or delete data for the purpose of 12755  
electronically displaying, delivering, placing, or transferring 12756  
promotional advertisements to potential customers about products 12757  
or services or about industry or business brands. 12758

(SSS) "Peer-to-peer car sharing program" has the same meaning as in section 4516.01 of the Revised Code.

**Sec. 5739.011.** (A) As used in this section:

(1) "Manufacturer" means a person who is engaged in manufacturing, processing, assembling, or refining a product for sale and, solely for the purposes of division (B) (12) of this section, a person who meets all the qualifications of that division.

(2) "Manufacturing facility" means a single location where a manufacturing operation is conducted, including locations consisting of one or more buildings or structures in a contiguous area owned or controlled by the manufacturer.

(3) "Materials handling" means the movement of the product being or to be manufactured, during which movement the product is not undergoing any substantial change or alteration in its state or form.

(4) "Testing" means a process or procedure to identify the properties or assure the quality of a material or product.

(5) "Completed product" means a manufactured item that is in the form and condition as it will be sold by the manufacturer. An item is completed when all processes that change or alter its state or form or enhance its value are finished, even though the item subsequently will be tested to ensure its quality or be packaged for storage or shipment.

(6) "Continuous manufacturing operation" means the process in which raw materials or components are moved through the steps whereby manufacturing occurs. Materials handling of raw materials or parts from the point of receipt or preproduction storage or of a completed product, to or from storage, to or

from packaging, or to the place from which the completed product 12788  
will be shipped, is not a part of a continuous manufacturing 12789  
operation. 12790

(7) "Food" has the same meaning as in section 3717.01 of 12791  
the Revised Code. 12792

(B) For purposes of division (B) (42) (g) of section 5739.02 12793  
of the Revised Code, the "thing transferred" includes, but is 12794  
not limited to, any of the following: 12795

(1) Production machinery and equipment that act upon the 12796  
product or machinery and equipment that treat the materials or 12797  
parts in preparation for the manufacturing operation; 12798

(2) Materials handling equipment that moves the product 12799  
through a continuous manufacturing operation; equipment that 12800  
temporarily stores the product during the manufacturing 12801  
operation; or, excluding motor vehicles licensed to operate on 12802  
public highways, equipment used in intraplant or interplant 12803  
transfers of work in process where the plant or plants between 12804  
which such transfers occur are manufacturing facilities operated 12805  
by the same person; 12806

(3) Catalysts, solvents, water, acids, oil, and similar 12807  
consumables that interact with the product and that are an 12808  
integral part of the manufacturing operation; 12809

(4) Machinery, equipment, and other tangible personal 12810  
property used during the manufacturing operation that control, 12811  
physically support, produce power for, lubricate, or are 12812  
otherwise necessary for the functioning of production machinery 12813  
and equipment and the continuation of the manufacturing 12814  
operation; 12815

(5) Machinery, equipment, fuel, power, material, parts, 12816

and other tangible personal property used to manufacture 12817  
machinery, equipment, or other tangible personal property used 12818  
in manufacturing a product for sale; 12819

(6) Machinery, equipment, and other tangible personal 12820  
property used by a manufacturer to test raw materials, the 12821  
product being manufactured, or the completed product; 12822

(7) Machinery and equipment used to handle or temporarily 12823  
store scrap that is intended to be reused in the manufacturing 12824  
operation at the same manufacturing facility; 12825

(8) Coke, gas, water, steam, and similar substances used 12826  
in the manufacturing operation; machinery and equipment used 12827  
for, and fuel consumed in, producing or extracting those 12828  
substances; machinery, equipment, and other tangible personal 12829  
property used to treat, filter, pump, or otherwise make the 12830  
substance suitable for use in the manufacturing operation; and 12831  
machinery and equipment used for, and fuel consumed in, 12832  
producing electricity for use in the manufacturing operation; 12833

(9) Machinery, equipment, and other tangible personal 12834  
property used to transport or transmit electricity, coke, gas, 12835  
water, steam, or similar substances used in the manufacturing 12836  
operation from the point of generation, if produced by the 12837  
manufacturer, or from the point where the substance enters the 12838  
manufacturing facility, if purchased by the manufacturer, to the 12839  
manufacturing operation; 12840

(10) Machinery, equipment, and other tangible personal 12841  
property that treats, filters, cools, refines, or otherwise 12842  
renders water, steam, acid, oil, solvents, or similar substances 12843  
used in the manufacturing operation reusable, provided that the 12844  
substances are intended for reuse and not for disposal, sale, or 12845

transportation from the manufacturing facility;	12846
(11) Parts, components, and repair and installation	12847
services for items described in division (B) of this section;	12848
(12) Machinery and equipment, detergents, supplies,	12849
solvents, and any other tangible personal property located at a	12850
manufacturing facility that are used in the process of removing	12851
soil, dirt, or other contaminants from, or otherwise preparing	12852
in a suitable condition for use, towels, linens, articles of	12853
clothing, floor mats, mop heads, or other similar items, to be	12854
supplied to a consumer as part of laundry and dry cleaning	12855
<del>services as defined in division (BB) of section 5739.01 of the</del>	12856
<del>Revised Code</del> , only when the towels, linens, articles of	12857
clothing, floor mats, mop heads, or other similar items belong	12858
to the provider of the services;	12859
(13) Equipment and supplies used to clean processing	12860
equipment that is part of a continuous manufacturing operation	12861
to produce food for human consumption.	12862
(C) For purposes of division (B) (42) (g) of section 5739.02	12863
of the Revised Code, the "thing transferred" does not include	12864
any of the following:	12865
(1) Tangible personal property used in administrative,	12866
personnel, security, inventory control, record-keeping,	12867
ordering, billing, or similar functions;	12868
(2) Tangible personal property used in storing raw	12869
materials or parts prior to the commencement of the	12870
manufacturing operation or used to handle or store a completed	12871
product, including storage that actively maintains a completed	12872
product in a marketable state or form;	12873
(3) Tangible personal property used to handle or store	12874



scrap or waste intended for disposal, sale, or other	12875
disposition, other than reuse in the manufacturing operation at	12876
the same manufacturing facility;	12877
(4) Tangible personal property that is or is to be	12878
incorporated into realty;	12879
(5) Machinery, equipment, and other tangible personal	12880
property used for ventilation, dust or gas collection, humidity	12881
or temperature regulation, or similar environmental control,	12882
except machinery, equipment, and other tangible personal	12883
property that totally regulates the environment in a special and	12884
limited area of the manufacturing facility where the regulation	12885
is essential for production to occur;	12886
(6) Tangible personal property used for the protection and	12887
safety of workers, unless the property is attached to or	12888
incorporated into machinery and equipment used in a continuous	12889
manufacturing operation;	12890
(7) Tangible personal property used to store fuel, water,	12891
solvents, acid, oil, or similar items consumed in the	12892
manufacturing operation;	12893
(8) Except as provided in division (B) (13) of this	12894
section, machinery, equipment, and other tangible personal	12895
property used to clean, repair, or maintain real or personal	12896
property in the manufacturing facility;	12897
(9) Motor vehicles registered for operation on public	12898
highways.	12899
(D) For purposes of division (B) (42) (g) of section 5739.02	12900
of the Revised Code, if the "thing transferred" is a machine	12901
used by a manufacturer in both a taxable and an exempt manner,	12902
it shall be totally taxable or totally exempt from taxation	12903

based upon its quantified primary use. If the "things 12904  
transferred" are fungibles, they shall be taxed based upon the 12905  
proportion of the fungibles used in a taxable manner. 12906

**Sec. 5739.02.** For the purpose of providing revenue with 12907  
which to meet the needs of the state, for the use of the general 12908  
revenue fund of the state, for the purpose of securing a 12909  
thorough and efficient system of common schools throughout the 12910  
state, for the purpose of affording revenues, in addition to 12911  
those from general property taxes, permitted under 12912  
constitutional limitations, and from other sources, for the 12913  
support of local governmental functions, and for the purpose of 12914  
reimbursing the state for the expense of administering this 12915  
chapter, an excise tax is hereby levied on each retail sale made 12916  
in this state. 12917

(A) (1) The tax shall be collected as provided in section 12918  
5739.025 of the Revised Code. The rate of the tax shall be five 12919  
and three-fourths per cent. The tax applies and is collectible 12920  
when the sale is made, regardless of the time when the price is 12921  
paid or delivered. 12922

(2) In the case of the lease or rental, with a fixed term 12923  
of more than thirty days or an indefinite term with a minimum 12924  
period of more than thirty days, of any motor vehicles designed 12925  
by the manufacturer to carry a load of not more than one ton, 12926  
watercraft, outboard motor, or aircraft, or of any tangible 12927  
personal property, other than motor vehicles designed by the 12928  
manufacturer to carry a load of more than one ton, to be used by 12929  
the lessee or renter primarily for business purposes, the tax 12930  
shall be collected by the vendor at the time the lease or rental 12931  
is consummated and shall be calculated by the vendor on the 12932  
basis of the total amount to be paid by the lessee or renter 12933

under the lease agreement. If the total amount of the 12934  
consideration for the lease or rental includes amounts that are 12935  
not calculated at the time the lease or rental is executed, the 12936  
tax shall be calculated and collected by the vendor at the time 12937  
such amounts are billed to the lessee or renter. In the case of 12938  
an open-end lease or rental, the tax shall be calculated by the 12939  
vendor on the basis of the total amount to be paid during the 12940  
initial fixed term of the lease or rental, and for each 12941  
subsequent renewal period as it comes due. As used in this 12942  
division, "motor vehicle" has the same meaning as in section 12943  
4501.01 of the Revised Code, and "watercraft" includes an 12944  
outdrive unit attached to the watercraft. 12945

A lease with a renewal clause and a termination penalty or 12946  
similar provision that applies if the renewal clause is not 12947  
exercised is presumed to be a sham transaction. In such a case, 12948  
the tax shall be calculated and paid on the basis of the entire 12949  
length of the lease period, including any renewal periods, until 12950  
the termination penalty or similar provision no longer applies. 12951  
The taxpayer shall bear the burden, by a preponderance of the 12952  
evidence, that the transaction or series of transactions is not 12953  
a sham transaction. 12954

(3) Except as provided in division (A) (2) of this section, 12955  
in the case of a sale, the price of which consists in whole or 12956  
in part of the lease or rental of tangible personal property, 12957  
the tax shall be measured by the installments of that lease or 12958  
rental. 12959

(4) In the case of a sale of a physical fitness facility 12960  
service or recreation and sports club service, the price of 12961  
which consists in whole or in part of a membership for the 12962  
receipt of the benefit of the service, the tax applicable to the 12963

sale shall be measured by the installments thereof.	12964
(B) The tax does not apply to the following:	12965
(1) Sales to the state or any of its political subdivisions, or to any other state or its political subdivisions if the laws of that state exempt from taxation sales made to this state and its political subdivisions;	12966 12967 12968 12969
(2) Sales of food for human consumption off the premises where sold;	12970 12971
(3) Sales of food sold to students only in a cafeteria, dormitory, fraternity, or sorority maintained in a private, public, or parochial school, college, or university;	12972 12973 12974
(4) Sales of newspapers and sales or transfers of magazines distributed as controlled circulation publications;	12975 12976
(5) The furnishing, preparing, or serving of meals without charge by an employer to an employee provided the employer records the meals as part compensation for services performed or work done;	12977 12978 12979 12980
(6) (a) Sales of motor fuel upon receipt, use, distribution, or sale of which in this state a tax is imposed by the law of this state, but this exemption shall not apply to the sale of motor fuel on which a refund of the tax is allowable under division (A) of section 5735.14 of the Revised Code; and the tax commissioner may deduct the amount of tax levied by this section applicable to the price of motor fuel when granting a refund of motor fuel tax pursuant to division (A) of section 5735.14 of the Revised Code and shall cause the amount deducted to be paid into the general revenue fund of this state;	12981 12982 12983 12984 12985 12986 12987 12988 12989 12990
(b) Sales of motor fuel other than that described in	12991

division (B) (6) (a) of this section and used for powering a 12992  
refrigeration unit on a vehicle other than one used primarily to 12993  
provide comfort to the operator or occupants of the vehicle. 12994

(7) Sales of natural gas by a natural gas company or 12995  
municipal gas utility, of water by a water-works company, or of 12996  
steam by a heating company, if in each case the thing sold is 12997  
delivered to consumers through pipes or conduits, and all sales 12998  
of communications services by a telegraph company, all terms as 12999  
defined in section 5727.01 of the Revised Code, and sales of 13000  
electricity delivered through wires; 13001

(8) Casual sales by a person, or auctioneer employed 13002  
directly by the person to conduct such sales, except as to such 13003  
sales of motor vehicles, watercraft or outboard motors required 13004  
to be titled under section 1548.06 of the Revised Code, 13005  
watercraft documented with the United States coast guard, 13006  
snowmobiles, and all-purpose vehicles as defined in section 13007  
4519.01 of the Revised Code; 13008

(9) (a) Sales of services or tangible personal property, 13009  
other than motor vehicles, mobile homes, and manufactured homes, 13010  
by churches, organizations exempt from taxation under section 13011  
501(c) (3) of the Internal Revenue Code of 1986, or nonprofit 13012  
organizations operated exclusively for charitable purposes as 13013  
defined in division (B) (12) of this section, provided that the 13014  
number of days on which such tangible personal property or 13015  
services, other than items never subject to the tax, are sold 13016  
does not exceed six in any calendar year, except as otherwise 13017  
provided in division (B) (9) (b) of this section. If the number of 13018  
days on which such sales are made exceeds six in any calendar 13019  
year, the church or organization shall be considered to be 13020  
engaged in business and all subsequent sales by it shall be 13021

subject to the tax. In counting the number of days, all sales by groups within a church or within an organization shall be considered to be sales of that church or organization.

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

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

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

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

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

legislation; sales to offices administering one or more homes 13051  
for the aged or one or more hospital facilities exempt under 13052  
section 140.08 of the Revised Code; and sales to organizations 13053  
described in division (D) of section 5709.12 of the Revised 13054  
Code. 13055

"Charitable purposes" means the relief of poverty; the 13056  
improvement of health through the alleviation of illness, 13057  
disease, or injury; the operation of an organization exclusively 13058  
for the provision of professional, laundry, printing, and 13059  
purchasing services to hospitals or charitable institutions; the 13060  
operation of a home for the aged, as defined in section 5701.13 13061  
of the Revised Code; the operation of a radio or television 13062  
broadcasting station that is licensed by the federal 13063  
communications commission as a noncommercial educational radio 13064  
or television station; the operation of a nonprofit animal 13065  
adoption service or a county humane society; the promotion of 13066  
education by an institution of learning that maintains a faculty 13067  
of qualified instructors, teaches regular continuous courses of 13068  
study, and confers a recognized diploma upon completion of a 13069  
specific curriculum; the operation of a parent-teacher 13070  
association, booster group, or similar organization primarily 13071  
engaged in the promotion and support of the curricular or 13072  
extracurricular activities of a primary or secondary school; the 13073  
operation of a community or area center in which presentations 13074  
in music, dramatics, the arts, and related fields are made in 13075  
order to foster public interest and education therein; the 13076  
production of performances in music, dramatics, and the arts; or 13077  
the promotion of education by an organization engaged in 13078  
carrying on research in, or the dissemination of, scientific and 13079  
technological knowledge and information primarily for the 13080  
public. 13081

Nothing in this division shall be deemed to exempt sales 13082  
to any organization for use in the operation or carrying on of a 13083  
trade or business, or sales to a home for the aged for use in 13084  
the operation of independent living facilities as defined in 13085  
division (A) of section 5709.12 of the Revised Code. 13086

(13) Building and construction materials and services sold 13087  
to construction contractors for incorporation into a structure 13088  
or improvement to real property under a construction contract 13089  
with this state or a political subdivision of this state, or 13090  
with the United States government or any of its agencies; 13091  
building and construction materials and services sold to 13092  
construction contractors for incorporation into a structure or 13093  
improvement to real property that are accepted for ownership by 13094  
this state or any of its political subdivisions, or by the 13095  
United States government or any of its agencies at the time of 13096  
completion of the structures or improvements; building and 13097  
construction materials sold to construction contractors for 13098  
incorporation into a horticulture structure or livestock 13099  
structure for a person engaged in the business of horticulture 13100  
or producing livestock; building materials and services sold to 13101  
a construction contractor for incorporation into a house of 13102  
public worship or religious education, or a building used 13103  
exclusively for charitable purposes under a construction 13104  
contract with an organization whose purpose is as described in 13105  
division (B) (12) of this section; building materials and 13106  
services sold to a construction contractor for incorporation 13107  
into a building under a construction contract with an 13108  
organization exempt from taxation under section 501(c) (3) of the 13109  
Internal Revenue Code of 1986 when the building is to be used 13110  
exclusively for the organization's exempt purposes; building and 13111  
construction materials sold for incorporation into the original 13112



construction of a sports facility under section 307.696 of the Revised Code; building and construction materials and services sold to a construction contractor for incorporation into real property outside this state if such materials and services, when sold to a construction contractor in the state in which the real property is located for incorporation into real property in that state, would be exempt from a tax on sales levied by that state; building and construction materials for incorporation into a transportation facility pursuant to a public-private agreement entered into under sections 5501.70 to 5501.83 of the Revised Code; and, until one calendar year after the construction of a convention center that qualifies for property tax exemption under section 5709.084 of the Revised Code is completed, building and construction materials and services sold to a construction contractor for incorporation into the real property comprising that convention center;

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

(15) Sales to persons primarily engaged in any of the activities mentioned in division (B)(42)(a), (g), or (h) of this section, to persons engaged in making retail sales, or to persons who purchase for sale from a manufacturer tangible personal property that was produced by the manufacturer in accordance with specific designs provided by the purchaser, of packages, including material, labels, and parts for packages, and of machinery, equipment, and material for use primarily in packaging tangible personal property produced for sale, including any machinery, equipment, and supplies used to make labels or packages, to prepare packages or products for

labeling, or to label packages or products, by or on the order 13144  
of the person doing the packaging, or sold at retail. "Packages" 13145  
includes bags, baskets, cartons, crates, boxes, cans, bottles, 13146  
bindings, wrappings, and other similar devices and containers, 13147  
but does not include motor vehicles or bulk tanks, trailers, or 13148  
similar devices attached to motor vehicles. "Packaging" means 13149  
placing in a package. Division (B) (15) of this section does not 13150  
apply to persons engaged in highway transportation for hire. 13151

(16) Sales of food to persons using supplemental nutrition 13152  
assistance program benefits to purchase the food. As used in 13153  
this division, "food" has the same meaning as in 7 U.S.C. 2012 13154  
and federal regulations adopted pursuant to the Food and 13155  
Nutrition Act of 2008. 13156

(17) Sales to persons engaged in farming, agriculture, 13157  
horticulture, or floriculture, of tangible personal property for 13158  
use or consumption primarily in the production by farming, 13159  
agriculture, horticulture, or floriculture of other tangible 13160  
personal property for use or consumption primarily in the 13161  
production of tangible personal property for sale by farming, 13162  
agriculture, horticulture, or floriculture; or material and 13163  
parts for incorporation into any such tangible personal property 13164  
for use or consumption in production; and of tangible personal 13165  
property for such use or consumption in the conditioning or 13166  
holding of products produced by and for such use, consumption, 13167  
or sale by persons engaged in farming, agriculture, 13168  
horticulture, or floriculture, except where such property is 13169  
incorporated into real property; 13170

(18) Sales of drugs for a human being that may be 13171  
dispensed only pursuant to a prescription; insulin as recognized 13172  
in the official United States pharmacopoeia; urine and blood 13173

testing materials when used by diabetics or persons with	13174
hypoglycemia to test for glucose or acetone; hypodermic syringes	13175
and needles when used by diabetics for insulin injections;	13176
epoetin alfa when purchased for use in the treatment of persons	13177
with medical disease; hospital beds when purchased by hospitals,	13178
nursing homes, or other medical facilities; and medical oxygen	13179
and medical oxygen-dispensing equipment when purchased by	13180
hospitals, nursing homes, or other medical facilities;	13181
(19) Sales of prosthetic devices, durable medical	13182
equipment for home use, or mobility enhancing equipment, when	13183
made pursuant to a prescription and when such devices or	13184
equipment are for use by a human being.	13185
(20) Sales of emergency and fire protection vehicles and	13186
equipment to nonprofit organizations for use solely in providing	13187
fire protection and emergency services, including trauma care	13188
and emergency medical services, for political subdivisions of	13189
the state;	13190
(21) Sales of tangible personal property manufactured in	13191
this state, if sold by the manufacturer in this state to a	13192
retailer for use in the retail business of the retailer outside	13193
of this state and if possession is taken from the manufacturer	13194
by the purchaser within this state for the sole purpose of	13195
immediately removing the same from this state in a vehicle owned	13196
by the purchaser;	13197
(22) Sales of services provided by the state or any of its	13198
political subdivisions, agencies, instrumentalities,	13199
institutions, or authorities, or by governmental entities of the	13200
state or any of its political subdivisions, agencies,	13201
instrumentalities, institutions, or authorities;	13202

(23) Sales of motor vehicles to nonresidents of this state	13203
under the circumstances described in division (B) of section	13204
5739.029 of the Revised Code;	13205
(24) Sales to persons engaged in the preparation of eggs	13206
for sale of tangible personal property used or consumed directly	13207
in such preparation, including such tangible personal property	13208
used for cleaning, sanitizing, preserving, grading, sorting, and	13209
classifying by size; packages, including material and parts for	13210
packages, and machinery, equipment, and material for use in	13211
packaging eggs for sale; and handling and transportation	13212
equipment and parts therefor, except motor vehicles licensed to	13213
operate on public highways, used in intraplant or interplant	13214
transfers or shipment of eggs in the process of preparation for	13215
sale, when the plant or plants within or between which such	13216
transfers or shipments occur are operated by the same person.	13217
"Packages" includes containers, cases, baskets, flats, fillers,	13218
filler flats, cartons, closure materials, labels, and labeling	13219
materials, and "packaging" means placing therein.	13220
(25) (a) Sales of water to a consumer for residential use;	13221
(b) Sales of water by a nonprofit corporation engaged	13222
exclusively in the treatment, distribution, and sale of water to	13223
consumers, if such water is delivered to consumers through pipes	13224
or tubing.	13225
(26) Fees charged for inspection or reinspection of motor	13226
vehicles under section 3704.14 of the Revised Code;	13227
(27) Sales to persons licensed to conduct a food service	13228
operation pursuant to section 3717.43 of the Revised Code, of	13229
tangible personal property primarily used directly for the	13230
following:	13231

(a) To prepare food for human consumption for sale;	13232
(b) To preserve food that has been or will be prepared for human consumption for sale by the food service operator, not including tangible personal property used to display food for selection by the consumer;	13233 13234 13235 13236
(c) To clean tangible personal property used to prepare or serve food for human consumption for sale.	13237 13238
(28) Sales of animals by nonprofit animal adoption services or county humane societies;	13239 13240
(29) Sales of services to a corporation described in division (A) of section 5709.72 of the Revised Code, and sales of tangible personal property that qualifies for exemption from taxation under section 5709.72 of the Revised Code;	13241 13242 13243 13244
(30) Sales and installation of agricultural land tile, as defined in division (B) (5) (a) of section 5739.01 of the Revised Code;	13245 13246 13247
(31) Sales and erection or installation of portable grain bins, as defined in division (B) (5) (b) of section 5739.01 of the Revised Code;	13248 13249 13250
(32) The sale, lease, repair, and maintenance of, parts for, or items attached to or incorporated in, motor vehicles that are primarily used for transporting tangible personal property belonging to others by a person engaged in highway transportation for hire, except for packages and packaging used for the transportation of tangible personal property;	13251 13252 13253 13254 13255 13256
(33) Sales to the state headquarters of any veterans' organization in this state that is either incorporated and issued a charter by the congress of the United States or is	13257 13258 13259

recognized by the United States veterans administration, for use 13260  
by the headquarters; 13261

(34) Sales to a telecommunications service vendor, mobile 13262  
telecommunications service vendor, or satellite broadcasting 13263  
service vendor of tangible personal property and services used 13264  
directly and primarily in transmitting, receiving, switching, or 13265  
recording any interactive, one- or two-way electromagnetic 13266  
communications, including voice, image, data, and information, 13267  
through the use of any medium, including, but not limited to, 13268  
poles, wires, cables, switching equipment, computers, and record 13269  
storage devices and media, and component parts for the tangible 13270  
personal property. The exemption provided in this division shall 13271  
be in lieu of all other exemptions under division (B) (42) (a) or 13272  
(n) of this section to which the vendor may otherwise be 13273  
entitled, based upon the use of the thing purchased in providing 13274  
the telecommunications, mobile telecommunications, or satellite 13275  
broadcasting service. 13276

(35) (a) Sales where the purpose of the consumer is to use 13277  
or consume the things transferred in making retail sales and 13278  
consisting of newspaper inserts, catalogues, coupons, flyers, 13279  
gift certificates, or other advertising material that prices and 13280  
describes tangible personal property offered for retail sale. 13281

(b) Sales to direct marketing vendors of preliminary 13282  
materials such as photographs, artwork, and typesetting that 13283  
will be used in printing advertising material; and of printed 13284  
matter that offers free merchandise or chances to win sweepstake 13285  
prizes and that is mailed to potential customers with 13286  
advertising material described in division (B) (35) (a) of this 13287  
section; 13288

(c) Sales of equipment such as telephones, computers, 13289

facsimile machines, and similar tangible personal property 13290  
primarily used to accept orders for direct marketing retail 13291  
sales. 13292

(d) Sales of automatic food vending machines that preserve 13293  
food with a shelf life of forty-five days or less by 13294  
refrigeration and dispense it to the consumer. 13295

For purposes of division (B) (35) of this section, "direct 13296  
marketing" means the method of selling where consumers order 13297  
tangible personal property by United States mail, delivery 13298  
service, or telecommunication and the vendor delivers or ships 13299  
the tangible personal property sold to the consumer from a 13300  
warehouse, catalogue distribution center, or similar fulfillment 13301  
facility by means of the United States mail, delivery service, 13302  
or common carrier. 13303

(36) Sales to a person engaged in the business of 13304  
horticulture or producing livestock of materials to be 13305  
incorporated into a horticulture structure or livestock 13306  
structure; 13307

(37) Sales of personal computers, computer monitors, 13308  
computer keyboards, modems, and other peripheral computer 13309  
equipment to an individual who is licensed or certified to teach 13310  
in an elementary or a secondary school in this state for use by 13311  
that individual in preparation for teaching elementary or 13312  
secondary school students; 13313

(38) Sales of tangible personal property that is not 13314  
required to be registered or licensed under the laws of this 13315  
state to a citizen of a foreign nation that is not a citizen of 13316  
the United States, provided the property is delivered to a 13317  
person in this state that is not a related member of the 13318

purchaser, is physically present in this state for the sole 13319  
purpose of temporary storage and package consolidation, and is 13320  
subsequently delivered to the purchaser at a delivery address in 13321  
a foreign nation. As used in division (B) (38) of this section, 13322  
"related member" has the same meaning as in section 5733.042 of 13323  
the Revised Code, and "temporary storage" means the storage of 13324  
tangible personal property for a period of not more than sixty 13325  
days. 13326

(39) Sales of used manufactured homes and used mobile 13327  
homes, as defined in section 5739.0210 of the Revised Code, made 13328  
on or after January 1, 2000; 13329

(40) Sales of tangible personal property and services to a 13330  
provider of electricity used or consumed directly and primarily 13331  
in generating, transmitting, or distributing electricity for use 13332  
by others, including property that is or is to be incorporated 13333  
into and will become a part of the consumer's production, 13334  
transmission, or distribution system and that retains its 13335  
classification as tangible personal property after 13336  
incorporation; fuel or power used in the production, 13337  
transmission, or distribution of electricity; energy conversion 13338  
equipment as defined in section 5727.01 of the Revised Code; and 13339  
tangible personal property and services used in the repair and 13340  
maintenance of the production, transmission, or distribution 13341  
system, including only those motor vehicles as are specially 13342  
designed and equipped for such use. The exemption provided in 13343  
this division shall be in lieu of all other exemptions in 13344  
division (B) (42) (a) or (n) of this section to which a provider 13345  
of electricity may otherwise be entitled based on the use of the 13346  
tangible personal property or service purchased in generating, 13347  
transmitting, or distributing electricity. 13348



(41) Sales to a person providing services under division	13349
(B) (3) (r) of section 5739.01 of the Revised Code of tangible	13350
personal property and services used directly and primarily in	13351
providing taxable services under that section.	13352
(42) Sales where the purpose of the purchaser is to do any	13353
of the following:	13354
(a) To incorporate the thing transferred as a material or	13355
a part into tangible personal property to be produced for sale	13356
by manufacturing, assembling, processing, or refining; or to use	13357
or consume the thing transferred directly in producing tangible	13358
personal property for sale by mining, including, without	13359
limitation, the extraction from the earth of all substances that	13360
are classed geologically as minerals, or directly in the	13361
rendition of a public utility service, except that the sales tax	13362
levied by this section shall be collected upon all meals,	13363
drinks, and food for human consumption sold when transporting	13364
persons. This paragraph does not exempt from "retail sale" or	13365
"sales at retail" the sale of tangible personal property that is	13366
to be incorporated into a structure or improvement to real	13367
property.	13368
(b) To hold the thing transferred as security for the	13369
performance of an obligation of the vendor;	13370
(c) To resell, hold, use, or consume the thing transferred	13371
as evidence of a contract of insurance;	13372
(d) To use or consume the thing directly in commercial	13373
fishing;	13374
(e) To incorporate the thing transferred as a material or	13375
a part into, or to use or consume the thing transferred directly	13376
in the production of, magazines distributed as controlled	13377

circulation publications;	13378
(f) To use or consume the thing transferred in the production and preparation in suitable condition for market and sale of printed, imprinted, overprinted, lithographic, multilithic, blueprinted, photostatic, or other productions or reproductions of written or graphic matter;	13379 13380 13381 13382 13383
(g) To use the thing transferred, as described in section 5739.011 of the Revised Code, primarily in a manufacturing operation to produce tangible personal property for sale;	13384 13385 13386
(h) To use the benefit of a warranty, maintenance or service contract, or similar agreement, as described in division (B) (7) of section 5739.01 of the Revised Code, to repair or maintain tangible personal property, if all of the property that is the subject of the warranty, contract, or agreement would not be subject to the tax imposed by this section;	13387 13388 13389 13390 13391 13392
(i) To use the thing transferred as qualified research and development equipment;	13393 13394
(j) To use or consume the thing transferred primarily in storing, transporting, mailing, or otherwise handling purchased sales inventory in a warehouse, distribution center, or similar facility when the inventory is primarily distributed outside this state to retail stores of the person who owns or controls the warehouse, distribution center, or similar facility, to retail stores of an affiliated group of which that person is a member, or by means of direct marketing. This division does not apply to motor vehicles registered for operation on the public highways. As used in this division, "affiliated group" has the same meaning as in division (B) (3) (e) of section 5739.01 of the Revised Code and "direct marketing" has the same meaning as in	13395 13396 13397 13398 13399 13400 13401 13402 13403 13404 13405 13406

division (B) (35) of this section. 13407

(k) To use or consume the thing transferred to fulfill a 13408  
contractual obligation incurred by a warrantor pursuant to a 13409  
warranty provided as a part of the price of the tangible 13410  
personal property sold or by a vendor of a warranty, maintenance 13411  
or service contract, or similar agreement the provision of which 13412  
is defined as a sale under division (B) (7) of section 5739.01 of 13413  
the Revised Code; 13414

(l) To use or consume the thing transferred in the 13415  
production of a newspaper for distribution to the public; 13416

(m) To use tangible personal property to perform a service 13417  
listed in division (B) (3) of section 5739.01 of the Revised 13418  
Code, if the property is or is to be permanently transferred to 13419  
the consumer of the service as an integral part of the 13420  
performance of the service; 13421

(n) To use or consume the thing transferred primarily in 13422  
producing tangible personal property for sale by farming, 13423  
agriculture, horticulture, or floriculture. Persons engaged in 13424  
rendering farming, agriculture, horticulture, or floriculture 13425  
services for others are deemed engaged primarily in farming, 13426  
agriculture, horticulture, or floriculture. This paragraph does 13427  
not exempt from "retail sale" or "sales at retail" the sale of 13428  
tangible personal property that is to be incorporated into a 13429  
structure or improvement to real property. 13430

(o) To use or consume the thing transferred in acquiring, 13431  
formatting, editing, storing, and disseminating data or 13432  
information by electronic publishing; 13433

(p) To provide the thing transferred to the owner or 13434  
lessee of a motor vehicle that is being repaired or serviced, if 13435

the thing transferred is a rented motor vehicle and the 13436  
purchaser is reimbursed for the cost of the rented motor vehicle 13437  
by a manufacturer, warrantor, or provider of a maintenance, 13438  
service, or other similar contract or agreement, with respect to 13439  
the motor vehicle that is being repaired or serviced; 13440

(q) To use or consume the thing transferred directly in 13441  
production of crude oil and natural gas for sale. Persons 13442  
engaged in rendering production services for others are deemed 13443  
engaged in production. 13444

As used in division (B) (42) (q) of this section, 13445  
"production" means operations and tangible personal property 13446  
directly used to expose and evaluate an underground reservoir 13447  
that may contain hydrocarbon resources, prepare the wellbore for 13448  
production, and lift and control all substances yielded by the 13449  
reservoir to the surface of the earth. 13450

(i) For the purposes of division (B) (42) (q) of this 13451  
section, the "thing transferred" includes, but is not limited 13452  
to, any of the following: 13453

(I) Services provided in the construction of permanent 13454  
access roads, services provided in the construction of the well 13455  
site, and services provided in the construction of temporary 13456  
impoundments; 13457

(II) Equipment and rigging used for the specific purpose 13458  
of creating with integrity a wellbore pathway to underground 13459  
reservoirs; 13460

(III) Drilling and workover services used to work within a 13461  
subsurface wellbore, and tangible personal property directly 13462  
used in providing such services; 13463

(IV) Casing, tubulars, and float and centralizing 13464

equipment;	13465
(V) Trailers to which production equipment is attached;	13466
(VI) Well completion services, including cementing of casing, and tangible personal property directly used in providing such services;	13467 13468 13469
(VII) Wireline evaluation, mud logging, and perforation services, and tangible personal property directly used in providing such services;	13470 13471 13472
(VIII) Reservoir stimulation, hydraulic fracturing, and acidizing services, and tangible personal property directly used in providing such services, including all material pumped downhole;	13473 13474 13475 13476
(IX) Pressure pumping equipment;	13477
(X) Artificial lift systems equipment;	13478
(XI) Wellhead equipment and well site equipment used to separate, stabilize, and control hydrocarbon phases and produced water;	13479 13480 13481
(XII) Tangible personal property directly used to control production equipment.	13482 13483
(ii) For the purposes of division (B) (42) (q) of this section, the "thing transferred" does not include any of the following:	13484 13485 13486
(I) Tangible personal property used primarily in the exploration and production of any mineral resource regulated under Chapter 1509. of the Revised Code other than oil or gas;	13487 13488 13489
(II) Tangible personal property used primarily in storing, holding, or delivering solutions or chemicals used in well	13490 13491

stimulation as defined in section 1509.01 of the Revised Code;	13492
(III) Tangible personal property used primarily in	13493
preparing, installing, or reclaiming foundations for drilling or	13494
pumping equipment or well stimulation material tanks;	13495
(IV) Tangible personal property used primarily in	13496
transporting, delivering, or removing equipment to or from the	13497
well site or storing such equipment before its use at the well	13498
site;	13499
(V) Tangible personal property used primarily in gathering	13500
operations occurring off the well site, including gathering	13501
pipelines transporting hydrocarbon gas or liquids away from a	13502
crude oil or natural gas production facility;	13503
(VI) Tangible personal property that is to be incorporated	13504
into a structure or improvement to real property;	13505
(VII) Well site fencing, lighting, or security systems;	13506
(VIII) Communication devices or services;	13507
(IX) Office supplies;	13508
(X) Trailers used as offices or lodging;	13509
(XI) Motor vehicles of any kind;	13510
(XII) Tangible personal property used primarily for the	13511
storage of drilling byproducts and fuel not used for production;	13512
(XIII) Tangible personal property used primarily as a	13513
safety device;	13514
(XIV) Data collection or monitoring devices;	13515
(XV) Access ladders, stairs, or platforms attached to	13516
storage tanks.	13517

The enumeration of tangible personal property in division (B) (42) (q) (ii) of this section is not intended to be exhaustive, and any tangible personal property not so enumerated shall not necessarily be construed to be a "thing transferred" for the purposes of division (B) (42) (q) of this section.

The commissioner shall adopt and promulgate rules under sections 119.01 to 119.13 of the Revised Code that the commissioner deems necessary to administer division (B) (42) (q) of this section.

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

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

(44) Sales of replacement and modification parts for engines, airframes, instruments, and interiors in, and paint for, aircraft used primarily in a fractional aircraft ownership program, and sales of services for the repair, modification, and maintenance of such aircraft, and machinery, equipment, and supplies primarily used to provide those services.

(45) Sales of telecommunications service that is used directly and primarily to perform the functions of a call center. As used in this division, "call center" means any physical location where telephone calls are placed or received

in high volume for the purpose of making sales, marketing, 13547  
customer service, technical support, or other specialized 13548  
business activity, and that employs at least fifty individuals 13549  
that engage in call center activities on a full-time basis, or 13550  
sufficient individuals to fill fifty full-time equivalent 13551  
positions. 13552

(46) Sales by a telecommunications service vendor of 900 13553  
service to a subscriber. This division does not apply to 13554  
information services, ~~as defined in division (FF) of section~~ 13555  
~~5739.01 of the Revised Code.~~ 13556

(47) Sales of value-added non-voice data service. This 13557  
division does not apply to any similar service that is not 13558  
otherwise a telecommunications service. 13559

~~(48) (a) Sales of machinery, equipment, and software to a~~ 13560  
~~qualified direct selling entity for use in a warehouse or~~ 13561  
~~distribution center primarily for storing, transporting, or~~ 13562  
~~otherwise handling inventory that is held for sale to~~ 13563  
~~independent salespersons who operate as direct sellers and that~~ 13564  
~~is held primarily for distribution outside this state;~~ 13565

~~(b) As used in division (B) (48) (a) of this section:~~ 13566

~~(i) "Direct seller" means a person selling consumer~~ 13567  
~~products to individuals for personal or household use and not~~ 13568  
~~from a fixed retail location, including selling such product at~~ 13569  
~~in-home product demonstrations, parties, and other one-on-one~~ 13570  
~~selling.~~ 13571

~~(ii) "Qualified direct selling entity" means an entity~~ 13572  
~~selling to direct sellers at the time the entity enters into a~~ 13573  
~~tax credit agreement with the tax credit authority pursuant to~~ 13574  
~~section 122.17 of the Revised Code, provided that the agreement~~ 13575



~~was entered into on or after January 1, 2007. Neither  
contingencies relevant to the granting of, nor later  
developments with respect to, the tax credit shall impair the  
status of the qualified direct selling entity under division (B)  
(48) of this section after execution of the tax credit agreement  
by the tax credit authority.~~

~~(c) Division (B) (48) of this section is limited to  
machinery, equipment, and software first stored, used, or  
consumed in this state within the period commencing June 24,  
2008, and ending on the date that is five years after that date—  
Sales of feminine hygiene products.~~

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

(50) Sales of full flight simulators that are used for  
pilot or flight-crew training, sales of repair or replacement  
parts or components, and sales of repair or maintenance services  
for such full flight simulators. "Full flight simulator" means a  
replica of a specific type, or make, model, and series of  
aircraft cockpit. It includes the assemblage of equipment and  
computer programs necessary to represent aircraft operations in  
ground and flight conditions, a visual system providing an out-  
of-the-cockpit view, and a system that provides cues at least  
equivalent to those of a three-degree-of-freedom motion system,  
and has the full range of capabilities of the systems installed

in the device as described in appendices A and B of part 60 of 13606  
chapter 1 of title 14 of the Code of Federal Regulations. 13607

(51) Any transfer or lease of tangible personal property 13608  
between the state and JobsOhio in accordance with section 13609  
4313.02 of the Revised Code. 13610

(52) (a) Sales to a qualifying corporation. 13611

(b) As used in division (B) (52) of this section: 13612

(i) "Qualifying corporation" means a nonprofit corporation 13613  
organized in this state that leases from an eligible county 13614  
land, buildings, structures, fixtures, and improvements to the 13615  
land that are part of or used in a public recreational facility 13616  
used by a major league professional athletic team or a class A 13617  
to class AAA minor league affiliate of a major league 13618  
professional athletic team for a significant portion of the 13619  
team's home schedule, provided the following apply: 13620

(I) The facility is leased from the eligible county 13621  
pursuant to a lease that requires substantially all of the 13622  
revenue from the operation of the business or activity conducted 13623  
by the nonprofit corporation at the facility in excess of 13624  
operating costs, capital expenditures, and reserves to be paid 13625  
to the eligible county at least once per calendar year. 13626

(II) Upon dissolution and liquidation of the nonprofit 13627  
corporation, all of its net assets are distributable to the 13628  
board of commissioners of the eligible county from which the 13629  
corporation leases the facility. 13630

(ii) "Eligible county" has the same meaning as in section 13631  
307.695 of the Revised Code. 13632

(53) Sales to or by a cable service provider, video 13633

service provider, or radio or television broadcast station 13634  
regulated by the federal government of cable service or 13635  
programming, video service or programming, audio service or 13636  
programming, or electronically transferred digital audiovisual 13637  
or audio work. As used in division (B) (53) of this section, 13638  
"cable service" and "cable service provider" have the same 13639  
meanings as in section 1332.01 of the Revised Code, and "video 13640  
service," "video service provider," and "video programming" have 13641  
the same meanings as in section 1332.21 of the Revised Code. 13642

(54) Sales of a digital audio work electronically 13643  
transferred for delivery through use of a machine, such as a 13644  
juke box, that does all of the following: 13645

(a) Accepts direct payments to operate; 13646

(b) Automatically plays a selected digital audio work for 13647  
a single play upon receipt of a payment described in division 13648  
(B) (54) (a) of this section; 13649

(c) Operates exclusively for the purpose of playing 13650  
digital audio works in a commercial establishment. 13651

(55) (a) Sales of the following occurring on the first 13652  
Friday of August and the following Saturday and Sunday of each 13653  
year, beginning in 2018: 13654

(i) An item of clothing, the price of which is seventy- 13655  
five dollars or less; 13656

(ii) An item of school supplies, the price of which is 13657  
twenty dollars or less; 13658

(iii) An item of school instructional material, the price 13659  
of which is twenty dollars or less. 13660

(b) As used in division (B) (55) of this section: 13661

(i) "Clothing" means all human wearing apparel suitable 13662  
for general use. "Clothing" includes, but is not limited to, 13663  
aprons, household and shop; athletic supporters; baby receiving 13664  
blankets; bathing suits and caps; beach capes and coats; belts 13665  
and suspenders; boots; coats and jackets; costumes; diapers, 13666  
children and adult, including disposable diapers; earmuffs; 13667  
footlets; formal wear; garters and garter belts; girdles; gloves 13668  
and mittens for general use; hats and caps; hosiery; insoles for 13669  
shoes; lab coats; neckties; overshoes; pantyhose; rainwear; 13670  
rubber pants; sandals; scarves; shoes and shoe laces; slippers; 13671  
sneakers; socks and stockings; steel-toed shoes; underwear; 13672  
uniforms, athletic and nonathletic; and wedding apparel. 13673  
"Clothing" does not include items purchased for use in a trade 13674  
or business; clothing accessories or equipment; protective 13675  
equipment; sports or recreational equipment; belt buckles sold 13676  
separately; costume masks sold separately; patches and emblems 13677  
sold separately; sewing equipment and supplies including, but 13678  
not limited to, knitting needles, patterns, pins, scissors, 13679  
sewing machines, sewing needles, tape measures, and thimbles; 13680  
and sewing materials that become part of "clothing" including, 13681  
but not limited to, buttons, fabric, lace, thread, yarn, and 13682  
zippers. 13683

(ii) "School supplies" means items commonly used by a 13684  
student in a course of study. "School supplies" includes only 13685  
the following items: binders; book bags; calculators; cellophane 13686  
tape; blackboard chalk; compasses; composition books; crayons; 13687  
erasers; folders, expandable, pocket, plastic, and manila; glue, 13688  
paste, and paste sticks; highlighters; index cards; index card 13689  
boxes; legal pads; lunch boxes; markers; notebooks; paper, 13690  
loose-leaf ruled notebook paper, copy paper, graph paper, 13691  
tracing paper, manila paper, colored paper, poster board, and 13692

construction paper; pencil boxes and other school supply boxes; 13693  
pencil sharpeners; pencils; pens; protractors; rulers; scissors; 13694  
and writing tablets. "School supplies" does not include any item 13695  
purchased for use in a trade or business. 13696

(iii) "School instructional material" means written 13697  
material commonly used by a student in a course of study as a 13698  
reference and to learn the subject being taught. "School 13699  
instructional material" includes only the following items: 13700  
reference books, reference maps and globes, textbooks, and 13701  
workbooks. "School instructional material" does not include any 13702  
material purchased for use in a trade or business. 13703

(56) (a) Sales of diapers or incontinence underpads sold 13704  
pursuant to a prescription, for the benefit of a medicaid 13705  
recipient with a diagnosis of incontinence, and by a medicaid 13706  
provider that maintains a valid provider agreement under section 13707  
5164.30 of the Revised Code with the department of medicaid, 13708  
provided that the medicaid program covers diapers or 13709  
incontinence underpads as an incontinence garment. 13710

(b) As used in division (B) (56) (a) of this section: 13711

(i) "Diaper" means an absorbent garment worn by humans who 13712  
are incapable of, or have difficulty, controlling their bladder 13713  
or bowel movements. 13714

(ii) "Incontinence underpad" means an absorbent product, 13715  
not worn on the body, designed to protect furniture or other 13716  
tangible personal property from soiling or damage due to human 13717  
incontinence. 13718

~~(57) Sales of feminine hygiene products.~~ 13719

(C) For the purpose of the proper administration of this 13720  
chapter, and to prevent the evasion of the tax, it is presumed 13721

that all sales made in this state are subject to the tax until 13722  
the contrary is established. 13723

~~(D) The levy of this tax on retail sales of recreation and 13724  
sports club service shall not prevent a municipal corporation 13725  
from levying any tax on recreation and sports club dues or on 13726  
any income generated by recreation and sports club dues. 13727~~

~~(E)~~ The tax collected by the vendor from the consumer 13728  
under this chapter is not part of the price, but is a tax 13729  
collection for the benefit of the state, and of counties levying 13730  
an additional sales tax pursuant to section 5739.021 or 5739.026 13731  
of the Revised Code and of transit authorities levying an 13732  
additional sales tax pursuant to section 5739.023 of the Revised 13733  
Code. Except for the discount authorized under section 5739.12 13734  
of the Revised Code and the effects of any rounding pursuant to 13735  
section 5703.055 of the Revised Code, no person other than the 13736  
state or such a county or transit authority shall derive any 13737  
benefit from the collection or payment of the tax levied by this 13738  
section or section 5739.021, 5739.023, or 5739.026 of the 13739  
Revised Code. 13740

**Sec. 5739.021.** (A) For the purpose of providing additional 13741  
general revenues for the county, supporting criminal and 13742  
administrative justice services in the county, funding a 13743  
regional transportation improvement project under section 13744  
5595.06 of the Revised Code, or any combination of the 13745  
foregoing, and to pay the expenses of administering such levy, 13746  
any county may levy a tax at the rate of not more than one per 13747  
cent upon every retail sale made in the county, except sales of 13748  
watercraft and outboard motors required to be titled pursuant to 13749  
Chapter 1548. of the Revised Code and sales of motor vehicles, 13750  
and may increase the rate of an existing tax to not more than 13751

one per cent. The rate of any tax levied pursuant to this 13752  
section shall be a multiple of one-twentieth of one per cent. 13753  
The rate levied under this section in any county other than a 13754  
county that adopted a charter under Article X, Section 3, Ohio 13755  
Constitution, may exceed one per cent, but may not exceed one 13756  
and one-half per cent minus the amount by which the rate levied 13757  
under section 5739.023 of the Revised Code by the county transit 13758  
authority exceeds one per cent. 13759

The tax shall be levied and the rate increased pursuant to 13760  
a resolution of the board of county commissioners. The 13761  
resolution shall state the purpose for which the tax is to be 13762  
levied and the number of years for which the tax is to be 13763  
levied, or that it is for a continuing period of time. If the 13764  
tax is to be levied for the purpose of providing additional 13765  
general revenues and for the purpose of supporting criminal and 13766  
administrative justice services, the resolution shall state the 13767  
rate or amount of the tax to be apportioned to each such 13768  
purpose. The rate or amount may be different for each year the 13769  
tax is to be levied, but the rates or amounts actually 13770  
apportioned each year shall not be different from that stated in 13771  
the resolution for that year. Any amount by which the rate of 13772  
the tax exceeds one per cent shall be apportioned exclusively 13773  
for the construction, acquisition, equipping, or repair of a 13774  
detention facility in the county. 13775

If the resolution is adopted as an emergency measure 13776  
necessary for the immediate preservation of the public peace, 13777  
health, or safety, it must receive an affirmative vote of all of 13778  
the members of the board of county commissioners and shall state 13779  
the reasons for such necessity. The board shall deliver a 13780  
certified copy of the resolution to the tax commissioner, not 13781  
later than the sixty-fifth day prior to the date on which the 13782

tax is to become effective, which shall be the first day of the 13783  
calendar quarter. A resolution proposing to levy a tax at a rate 13784  
that would cause the rate levied under this section to exceed 13785  
one per cent may not be adopted as an emergency measure. 13786

Prior to the adoption of any resolution under this 13787  
section, the board of county commissioners shall conduct two 13788  
public hearings on the resolution, the second hearing to be not 13789  
less than three nor more than ten days after the first. Notice 13790  
of the date, time, and place of the hearings shall be given by 13791  
publication in a newspaper of general circulation in the county, 13792  
or as provided in section 7.16 of the Revised Code, once a week 13793  
on the same day of the week for two consecutive weeks, the 13794  
second publication being not less than ten nor more than thirty 13795  
days prior to the first hearing. 13796

Except as provided in division (B) (1) or (3) of this 13797  
section, the resolution shall be subject to a referendum as 13798  
provided in sections 305.31 to 305.41 of the Revised Code. 13799

If a petition for a referendum is filed, the county 13800  
auditor with whom the petition was filed shall, within five 13801  
days, notify the board of county commissioners and the tax 13802  
commissioner of the filing of the petition by certified mail. If 13803  
the board of elections with which the petition was filed 13804  
declares the petition invalid, the board of elections, within 13805  
five days, shall notify the board of county commissioners and 13806  
the tax commissioner of that declaration by certified mail. If 13807  
the petition is declared to be invalid, the effective date of 13808  
the tax or increased rate of tax levied by this section shall be 13809  
the first day of a calendar quarter following the expiration of 13810  
sixty-five days from the date the commissioner receives notice 13811  
from the board of elections that the petition is invalid. 13812



(B) (1) A resolution that is not adopted as an emergency 13813  
measure may direct the board of elections to submit the question 13814  
of levying the tax or increasing the rate of tax to the electors 13815  
of the county at a special election held on the date specified 13816  
by the board of county commissioners in the resolution, provided 13817  
that the election occurs not less than ninety days after a 13818  
certified copy of such resolution is transmitted to the board of 13819  
elections and the election is not held in ~~February or~~ August of 13820  
any year. A resolution proposing to levy a tax at a rate that 13821  
would cause the rate levied under this section to exceed one per 13822  
cent may not go into effect unless the question is submitted to 13823  
electors under this division. Upon transmission of the 13824  
resolution to the board of elections, the board of county 13825  
commissioners shall notify the tax commissioner in writing of 13826  
the levy question to be submitted to the electors. No resolution 13827  
adopted under this division shall go into effect unless approved 13828  
by a majority of those voting upon it, and, except as provided 13829  
in division (B) (3) of this section, shall become effective on 13830  
the first day of a calendar quarter following the expiration of 13831  
sixty-five days from the date the tax commissioner receives 13832  
notice from the board of elections of the affirmative vote. 13833

(2) A resolution that is adopted as an emergency measure 13834  
shall go into effect as provided in division (A) of this 13835  
section, but may direct the board of elections to submit the 13836  
question of repealing the tax or increase in the rate of the tax 13837  
to the electors of the county at the next general election in 13838  
the county occurring not less than ninety days after a certified 13839  
copy of the resolution is transmitted to the board of elections. 13840  
Upon transmission of the resolution to the board of elections, 13841  
the board of county commissioners shall notify the tax 13842  
commissioner in writing of the levy question to be submitted to 13843

the electors. The ballot question shall be the same as that 13844  
prescribed in section 5739.022 of the Revised Code. The board of 13845  
elections shall notify the board of county commissioners and the 13846  
tax commissioner of the result of the election immediately after 13847  
the result has been declared. If a majority of the qualified 13848  
electors voting on the question of repealing the tax or increase 13849  
in the rate of the tax vote for repeal of the tax or repeal of 13850  
the increase, the board of county commissioners, on the first 13851  
day of a calendar quarter following the expiration of sixty-five 13852  
days after the date the board and tax commissioner receive 13853  
notice of the result of the election, shall, in the case of a 13854  
repeal of the tax, cease to levy the tax, or, in the case of a 13855  
repeal of an increase in the rate of the tax, cease to levy the 13856  
increased rate and levy the tax at the rate at which it was 13857  
imposed immediately prior to the increase in rate. 13858

(3) If a vendor makes a sale in this state by printed 13859  
catalog and the consumer computed the tax on the sale based on 13860  
local rates published in the catalog, any tax levied or repealed 13861  
or rate changed under this section shall not apply to such a 13862  
sale until the first day of a calendar quarter following the 13863  
expiration of one hundred twenty days from the date of notice by 13864  
the tax commissioner pursuant to division (H) of this section. 13865

(C) If a resolution is rejected at a referendum or if a 13866  
resolution adopted after January 1, 1982, as an emergency 13867  
measure is repealed by the electors pursuant to division (B) (2) 13868  
of this section or section 5739.022 of the Revised Code, then 13869  
for one year after the date of the election at which the 13870  
resolution was rejected or repealed the board of county 13871  
commissioners may not adopt any resolution authorized by this 13872  
section as an emergency measure. 13873

(D) The board of county commissioners, at any time while a tax levied under this section is in effect, may by resolution reduce the rate at which the tax is levied to a lower rate authorized by this section. Any reduction in the rate at which the tax is levied shall be made effective on the first day of a calendar quarter next following the sixty-fifth day after a certified copy of the resolution is delivered to the tax commissioner.

(E) The tax on every retail sale subject to a tax levied pursuant to this section shall be in addition to the tax levied by section 5739.02 of the Revised Code and any tax levied pursuant to section 5739.023 or 5739.026 of the Revised Code.

A county that levies a tax pursuant to this section shall levy a tax at the same rate pursuant to section 5741.021 of the Revised Code.

The additional tax levied by the county shall be collected pursuant to section 5739.025 of the Revised Code. If the additional tax or some portion thereof is levied for the purpose of criminal and administrative justice services or specifically for the purpose of constructing, acquiring, equipping, or repairing a detention facility, the revenue from the tax, or the amount or rate apportioned to that purpose, shall be credited to one or more special funds created in the county treasury for receipt of that revenue.

Any tax levied pursuant to this section is subject to the exemptions provided in section 5739.02 of the Revised Code and in addition shall not be applicable to sales not within the taxing power of a county under the Constitution of the United States or the Ohio Constitution.

(F) For purposes of this section, a copy of a resolution is "certified" when it contains a written statement attesting that the copy is a true and exact reproduction of the original resolution.

(G) If a board of commissioners intends to adopt a resolution to levy a tax in whole or in part for the purpose of criminal and administrative justice services, the board shall prepare and make available at the first public hearing at which the resolution is considered a statement containing the following information:

(1) For each of the two preceding fiscal years, the amount of expenditures made by the county from the county general fund for the purpose of criminal and administrative justice services;

(2) For the fiscal year in which the resolution is adopted, the board's estimate of the amount of expenditures to be made by the county from the county general fund for the purpose of criminal and administrative justice services;

(3) For each of the two fiscal years after the fiscal year in which the resolution is adopted, the board's preliminary plan for expenditures to be made from the county general fund for the purpose of criminal and administrative justice services, both under the assumption that the tax will be imposed for that purpose and under the assumption that the tax would not be imposed for that purpose, and for expenditures to be made from the special fund created under division (E) of this section under the assumption that the tax will be imposed for that purpose.

The board shall prepare the statement and the preliminary plan using the best information available to the board at the

time the statement is prepared. Neither the statement nor the preliminary plan shall be used as a basis to challenge the validity of the tax in any court of competent jurisdiction, nor shall the statement or preliminary plan limit the authority of the board to appropriate, pursuant to section 5705.38 of the Revised Code, an amount different from that specified in the preliminary plan.

(H) Upon receipt from a board of county commissioners of a certified copy of a resolution required by division (A) or (D) of this section, or from the board of elections of a notice of the results of an election required by division (A) or (B) (1) or (2) of this section, the tax commissioner shall provide notice of a tax rate change in a manner that is reasonably accessible to all affected vendors. The commissioner shall provide this notice at least sixty days prior to the effective date of the rate change. The commissioner, by rule, may establish the method by which notice will be provided.

(I) As used in this section:

(1) "Criminal and administrative justice services" means the exercise by the county sheriff of all powers and duties vested in that office by law; the exercise by the county prosecuting attorney of all powers and duties vested in that office by law; the exercise by any court in the county of all powers and duties vested in that court; the exercise by the clerk of the court of common pleas, any clerk of a municipal court having jurisdiction throughout the county, or the clerk of any county court of all powers and duties vested in the clerk by law except, in the case of the clerk of the court of common pleas, the titling of motor vehicles or watercraft pursuant to Chapter 1548. or 4505. of the Revised Code; the exercise by the

county coroner of all powers and duties vested in that office by 13962  
law; making payments to any other public agency or a private, 13963  
nonprofit agency, the purposes of which in the county include 13964  
the diversion, adjudication, detention, or rehabilitation of 13965  
criminals or juvenile offenders; the operation and maintenance 13966  
of any detention facility; and the construction, acquisition, 13967  
equipping, or repair of such a detention facility. 13968

(2) "Detention facility" has the same meaning as in 13969  
section 2921.01 of the Revised Code. 13970

(3) "Construction, acquisition, equipping, or repair" of a 13971  
detention facility includes the payment of any debt charges 13972  
incurred in the issuance of securities pursuant to Chapter 133. 13973  
of the Revised Code for the purpose of constructing, acquiring, 13974  
equipping, or repairing such a facility. 13975

**Sec. 5739.028.** As used in this section "sports facility" 13976  
and "constructing" have the same meanings as in division (A) (8) 13977  
of section 5739.026 of the Revised Code. 13978

This section applies only to taxes levied pursuant to 13979  
sections 5739.023 and 5741.022 of the Revised Code by a regional 13980  
transit authority created under section 306.31 of the Revised 13981  
Code for a continuing period of time and at an aggregate rate, 13982  
~~on the effective date of this section July 19, 1995,~~ greater 13983  
than one-half of one per cent on every retail sale made in the 13984  
territory of the transit authority. 13985

The board of county commissioners of the most populous 13986  
county in the territory of a regional transit authority levying 13987  
a tax to which this section applies may adopt a resolution not 13988  
later than one hundred eighty days after ~~the effective date of~~ 13989  
~~this section July 19, 1995,~~ proposing to reduce the rate of such 13990

a tax and to increase by the same extent the rate of tax levied 13991  
under sections 5739.026 and 5741.023 of the Revised Code for the 13992  
purpose of constructing or renovating a sports facility. The 13993  
total reduction in the rate of taxes levied by a transit 13994  
authority and the increase in the rate of tax levied for the 13995  
purpose of constructing or renovating a sports facility shall 13996  
not exceed one-tenth of one per cent upon retail sales made in 13997  
the territory of the transit authority; provided, the amount of 13998  
taxes received by the county for the purpose of constructing or 13999  
renovating a sports facility under this section shall not exceed 14000  
four million five hundred thousand dollars in any calendar year. 14001  
Any amounts received by a county in a calendar year in excess of 14002  
four million five hundred thousand dollars pursuant to this 14003  
section shall be paid to the transit authority by the county 14004  
within forty-five days following receipt by the county. 14005

The resolution shall specify that the rate of tax levied 14006  
by the transit authority will be reduced and that a tax will be 14007  
levied at the same rate for the purpose of constructing or 14008  
renovating a sports facility; the rate by which the tax levied 14009  
by the transit authority will be reduced and by which the tax 14010  
levied for the purpose of constructing or renovating a sports 14011  
facility will be increased; the date the rates levied for those 14012  
purposes will be reduced and increased, respectively; and the 14013  
number of years the rate levied by a transit authority will be 14014  
reduced and the rate levied for constructing or renovating a 14015  
sports facility will be increased. The date the rate levied by 14016  
the transit authority will be reduced and the rate levied for 14017  
the purpose of constructing or renovating a sports facility will 14018  
be increased shall not be earlier than the first day of the 14019  
month that begins at least sixty days after the day the election 14020  
on the question is conducted unless the board of county 14021

commissioners levies a tax under one or more of sections 14022  
307.697, 4301.421, 5743.024, and 5743.323 of the Revised Code on 14023  
~~the effective date of this section~~ July 19, 1995, in which case 14024  
the date the rate levied by the transit authority will be 14025  
reduced and the rate levied for the purpose of constructing or 14026  
renovating a sports facility will be increased shall not be 14027  
earlier than the first day following the latest day on which any 14028  
of the taxes levied under one of those sections on ~~the effective~~ 14029  
~~date of this amendment~~ July 19, 1995, may be levied as 14030  
prescribed by the resolution levying that tax. The number of 14031  
years the rate of the existing tax may be reduced and the rate 14032  
of tax may be levied for constructing or renovating a sports 14033  
facility may be any number of years as specified in the 14034  
resolution, or for a continuing period of time if so specified 14035  
in the resolution. 14036

Before a resolution adopted under this section may take 14037  
effect, the board of county commissioners shall submit the 14038  
resolution to the approval of the electors of the county, and 14039  
the resolution shall be approved by a majority of voters voting 14040  
on the question. Upon adoption of the resolution, the board of 14041  
county commissioners shall certify a copy of the resolution to 14042  
the board of elections of the county and to the tax 14043  
commissioner, and the board of elections shall submit the 14044  
question at a special election held on the date specified by the 14045  
board of county commissioners in the resolution, provided that 14046  
the election occurs not less than seventy-five days after the 14047  
resolution is certified to the board of elections and the 14048  
election is not held in ~~February or~~ August of any year. The 14049  
board of county commissioners shall certify the copy of the 14050  
resolution to the board of elections in the manner prescribed 14051  
under section 3505.071 of the Revised Code. The board of 14052



elections shall certify the results of the election to the board 14053  
of county commissioners and to the tax commissioner. If the 14054  
question is approved by a majority of electors voting on the 14055  
question, the rate of tax imposed under sections 5739.023 and 14056  
5741.022 of the Revised Code shall be reduced, and the rate of 14057  
tax levied for constructing or renovating a sports facility 14058  
under sections 5739.026 and 5741.023 of the Revised Code shall 14059  
be increased by the same amount, on the date specified in the 14060  
resolution. 14061

If revenue from a tax levied under sections 5739.023 and 14062  
5741.022 of the Revised Code and subject to reduction under this 14063  
section is pledged to the payment of bonds, notes, or notes in 14064  
anticipation of bonds, the board of county commissioners 14065  
adopting a resolution under this section shall provide 14066  
sufficient revenue from the tax for the repayment of debt 14067  
charges on those bonds or notes, unless an adequate substitute 14068  
for payment of those charges is provided by the transit 14069  
authority. 14070

**Sec. 5739.03.** (A) Except as provided in section 5739.05 or 14071  
section 5739.051 of the Revised Code, the tax imposed by or 14072  
pursuant to section 5739.02, 5739.021, 5739.023, or 5739.026 of 14073  
the Revised Code shall be paid by the consumer to the vendor, 14074  
and each vendor shall collect from the consumer, as a trustee 14075  
for the state of Ohio, the full and exact amount of the tax 14076  
payable on each taxable sale, in the manner and at the times 14077  
provided as follows: 14078

(1) If the price is, at or prior to the provision of the 14079  
service or the delivery of possession of the thing sold to the 14080  
consumer, paid in currency passed from hand to hand by the 14081  
consumer or the consumer's agent to the vendor or the vendor's 14082

agent, the vendor or the vendor's agent shall collect the tax 14083  
with and at the same time as the price; 14084

(2) If the price is otherwise paid or to be paid, the 14085  
vendor or the vendor's agent shall, at or prior to the provision 14086  
of the service or the delivery of possession of the thing sold 14087  
to the consumer, charge the tax imposed by or pursuant to 14088  
section 5739.02, 5739.021, 5739.023, or 5739.026 of the Revised 14089  
Code to the account of the consumer, which amount shall be 14090  
collected by the vendor from the consumer in addition to the 14091  
price. Such sale shall be reported on and the amount of the tax 14092  
applicable thereto shall be remitted with the return for the 14093  
period in which the sale is made, and the amount of the tax 14094  
shall become a legal charge in favor of the vendor and against 14095  
the consumer. 14096

(B) (1) (a) If any sale is claimed to be exempt under 14097  
division (E) of section 5739.01 of the Revised Code or under 14098  
section 5739.02 of the Revised Code, with the exception of 14099  
divisions (B) (1) to (11), (28), (48), or (55), ~~or (57)~~ of 14100  
section 5739.02 of the Revised Code, or if the consumer claims 14101  
the transaction is not a taxable sale due to one or more of the 14102  
exclusions provided under divisions (JJ) (1) to (5) of section 14103  
5739.01 of the Revised Code, the consumer must provide to the 14104  
vendor, and the vendor must obtain from the consumer, a 14105  
certificate specifying the reason that the sale is not legally 14106  
subject to the tax. The certificate shall be in such form, and 14107  
shall be provided either in a hard copy form or electronic form, 14108  
as the tax commissioner prescribes. 14109

(b) A vendor that obtains a fully completed exemption 14110  
certificate from a consumer is relieved of liability for 14111  
collecting and remitting tax on any sale covered by that 14112

certificate. If it is determined the exemption was improperly 14113  
claimed, the consumer shall be liable for any tax due on that 14114  
sale under section 5739.02, 5739.021, 5739.023, or 5739.026 or 14115  
Chapter 5741. of the Revised Code. Relief under this division 14116  
from liability does not apply to any of the following: 14117

(i) A vendor that fraudulently fails to collect tax; 14118

(ii) A vendor that solicits consumers to participate in 14119  
the unlawful claim of an exemption; 14120

(iii) A vendor that accepts an exemption certificate from 14121  
a consumer that claims an exemption based on who purchases or 14122  
who sells property or a service, when the subject of the 14123  
transaction sought to be covered by the exemption certificate is 14124  
actually received by the consumer at a location operated by the 14125  
vendor in this state, and this state has posted to its web site 14126  
an exemption certificate form that clearly and affirmatively 14127  
indicates that the claimed exemption is not available in this 14128  
state; 14129

(iv) A vendor that accepts an exemption certificate from a 14130  
consumer who claims a multiple points of use exemption under 14131  
division (D) of section 5739.033 of the Revised Code, if the 14132  
item purchased is tangible personal property, other than 14133  
prewritten computer software. 14134

(2) The vendor shall maintain records, including exemption 14135  
certificates, of all sales on which a consumer has claimed an 14136  
exemption, and provide them to the tax commissioner on request. 14137

(3) The tax commissioner may establish an identification 14138  
system whereby the commissioner issues an identification number 14139  
to a consumer that is exempt from payment of the tax. The 14140  
consumer must present the number to the vendor, if any sale is 14141

claimed to be exempt as provided in this section. 14142

(4) If no certificate is provided or obtained within 14143  
ninety days after the date on which such sale is consummated, it 14144  
shall be presumed that the tax applies. Failure to have so 14145  
provided or obtained a certificate shall not preclude a vendor, 14146  
within one hundred twenty days after the tax commissioner gives 14147  
written notice of intent to levy an assessment, from either 14148  
establishing that the sale is not subject to the tax, or 14149  
obtaining, in good faith, a fully completed exemption 14150  
certificate. 14151

(5) Certificates need not be obtained nor provided where 14152  
the identity of the consumer is such that the transaction is 14153  
never subject to the tax imposed or where the item of tangible 14154  
personal property sold or the service provided is never subject 14155  
to the tax imposed, regardless of use, or when the sale is in 14156  
interstate commerce. 14157

(6) If a transaction is claimed to be exempt under 14158  
division (B) (13) of section 5739.02 of the Revised Code, the 14159  
contractor shall obtain certification of the claimed exemption 14160  
from the contractee. This certification shall be in addition to 14161  
an exemption certificate provided by the contractor to the 14162  
vendor. A contractee that provides a certification under this 14163  
division shall be deemed to be the consumer of all items 14164  
purchased by the contractor under the claim of exemption, if it 14165  
is subsequently determined that the exemption is not properly 14166  
claimed. The certification shall be in such form as the tax 14167  
commissioner prescribes. 14168

(C) As used in this division, "contractee" means a person 14169  
who seeks to enter or enters into a contract or agreement with a 14170  
contractor or vendor for the construction of real property or 14171

for the sale and installation onto real property of tangible 14172  
personal property. 14173

Any contractor or vendor may request from any contractee a 14174  
certification of what portion of the property to be transferred 14175  
under such contract or agreement is to be incorporated into the 14176  
realty and what portion will retain its status as tangible 14177  
personal property after installation is completed. The 14178  
contractor or vendor shall request the certification by 14179  
certified mail delivered to the contractee, return receipt 14180  
requested. Upon receipt of such request and prior to entering 14181  
into the contract or agreement, the contractee shall provide to 14182  
the contractor or vendor a certification sufficiently detailed 14183  
to enable the contractor or vendor to ascertain the resulting 14184  
classification of all materials purchased or fabricated by the 14185  
contractor or vendor and transferred to the contractee. This 14186  
requirement applies to a contractee regardless of whether the 14187  
contractee holds a direct payment permit under section 5739.031 14188  
of the Revised Code or provides to the contractor or vendor an 14189  
exemption certificate as provided under this section. 14190

For the purposes of the taxes levied by this chapter and 14191  
Chapter 5741. of the Revised Code, the contractor or vendor may 14192  
in good faith rely on the contractee's certification. 14193  
Notwithstanding division (B) of section 5739.01 of the Revised 14194  
Code, if the tax commissioner determines that certain property 14195  
certified by the contractee as tangible personal property 14196  
pursuant to this division is, in fact, real property, the 14197  
contractee shall be considered to be the consumer of all 14198  
materials so incorporated into that real property and shall be 14199  
liable for the applicable tax, and the contractor or vendor 14200  
shall be excused from any liability on those materials. 14201

If a contractee fails to provide such certification upon 14202  
the request of the contractor or vendor, the contractor or 14203  
vendor shall comply with the provisions of this chapter and 14204  
Chapter 5741. of the Revised Code without the certification. If 14205  
the tax commissioner determines that such compliance has been 14206  
performed in good faith and that certain property treated as 14207  
tangible personal property by the contractor or vendor is, in 14208  
fact, real property, the contractee shall be considered to be 14209  
the consumer of all materials so incorporated into that real 14210  
property and shall be liable for the applicable tax, and the 14211  
construction contractor or vendor shall be excused from any 14212  
liability on those materials. 14213

This division does not apply to any contract or agreement 14214  
where the tax commissioner determines as a fact that a 14215  
certification under this division was made solely on the 14216  
decision or advice of the contractor or vendor. 14217

(D) Notwithstanding division (B) of section 5739.01 of the 14218  
Revised Code, whenever the total rate of tax imposed under this 14219  
chapter is increased after the date after a construction 14220  
contract is entered into, the contractee shall reimburse the 14221  
construction contractor for any additional tax paid on tangible 14222  
property consumed or services received pursuant to the contract. 14223

(E) A vendor who files a petition for reassessment 14224  
contesting the assessment of tax on sales for which the vendor 14225  
obtained no valid exemption certificates and for which the 14226  
vendor failed to establish that the sales were properly not 14227  
subject to the tax during the one-hundred-twenty-day period 14228  
allowed under division (B) of this section, may present to the 14229  
tax commissioner additional evidence to prove that the sales 14230  
were properly subject to a claim of exception or exemption. The 14231

vendor shall file such evidence within ninety days of the 14232  
receipt by the vendor of the notice of assessment, except that, 14233  
upon application and for reasonable cause, the period for 14234  
submitting such evidence shall be extended thirty days. 14235

The commissioner shall consider such additional evidence 14236  
in reaching the final determination on the assessment and 14237  
petition for reassessment. 14238

(F) Whenever a vendor refunds the price, minus any 14239  
separately stated delivery charge, of an item of tangible 14240  
personal property on which the tax imposed under this chapter 14241  
has been paid, the vendor shall also refund the amount of tax 14242  
paid, minus the amount of tax attributable to the delivery 14243  
charge. 14244

**Sec. 5739.034.** (A) As used in this section: 14245

(1) "Air-to-ground radiotelephone service" means a radio 14246  
service, as defined in 47 C.F.R. 22.99, in which common carriers 14247  
are authorized to offer and provide radio telecommunications 14248  
service for hire to subscribers in aircraft. 14249

(2) "Call-by-call basis" means any method of charging for 14250  
telecommunications services where the price is measured by 14251  
individual calls. 14252

(3) "Customer" means the person or entity that contracts 14253  
with a seller of telecommunications service. If the end user of 14254  
telecommunications service is not the contracting party, the end 14255  
user of the telecommunications service is the customer of the 14256  
telecommunications service. "Customer" does not include a 14257  
reseller of telecommunications service or of mobile 14258  
telecommunications service of a serving carrier under an 14259  
agreement to serve the customer outside the home service 14260

provider's licensed service area. 14261

(4) "End user" means the person who utilizes the 14262  
telecommunications service. In the case of a person other than 14263  
an individual, "end user" means the individual who utilizes the 14264  
service on behalf of the person. 14265

(5) "Home service provider" has the same meaning as in the 14266  
"Mobile Telecommunications Sourcing Act," Pub. L. No. 106-252, 14267  
114 Stat. 631 (2000), 4 U.S.C. 124(5), as amended. 14268

(6) "Place of primary use" means the street address 14269  
representative of where the customer's use of the 14270  
telecommunications service primarily occurs, which must be the 14271  
residential street address or the primary business street 14272  
address of the customer. In the case of mobile 14273  
telecommunications services, "place of primary use" must be 14274  
within the licensed service area of the home service provider. 14275

(7) "Post-paid calling service" means the 14276  
telecommunications service obtained by making a payment on a 14277  
call-by-call basis either through the use of a credit card or 14278  
payment mechanism such as a bank card, travel card, credit card, 14279  
or debit card, or by charge made to a telephone number that is 14280  
not associated with the origination or termination of the 14281  
telecommunications service. "Post-paid calling service" includes 14282  
a telecommunications service, except a prepaid wireless calling 14283  
service, that would be a prepaid calling service, but for the 14284  
fact that it is not exclusively a telecommunications service. 14285

(8) ~~"Prepaid calling service" and "prepaid wireless~~ 14286  
~~calling service" have the same meanings as in section 5739.01 of~~ 14287  
~~the Revised Code.~~ 14288

~~(9) "Service address" means:~~ 14289



(a) The location of the telecommunications equipment to 14290  
which a customer's call is charged and from which the call 14291  
originates or terminates, regardless of where the call is billed 14292  
or paid. 14293

(b) If the location in division (A) ~~(9)~~ (8) (a) of this 14294  
section is not known, "service address" means the origination 14295  
point of the signal of the telecommunications service first 14296  
identified by either the seller's telecommunications system or 14297  
in information received by the seller from its service provider, 14298  
where the system used to transport such signals is not that of 14299  
the seller. 14300

(c) If the locations in divisions (A) ~~(9)~~ (8) (a) and (b) of 14301  
this section are not known, "service address" means the location 14302  
of the customer's place of primary use. 14303

~~(10)~~ (9) "Private communication service" means a 14304  
telecommunications service that entitles a customer to exclusive 14305  
or priority use of a communications channel or group of channels 14306  
between or among termination points, regardless of the manner in 14307  
which the channel or channels are connected, and includes 14308  
switching capacity, extension lines, stations, and any other 14309  
associated services that are provided in connection with the use 14310  
of such channel or channels. 14311

(B) The amount of tax due pursuant to sections 5739.02, 14312  
5739.021, 5739.023, and 5739.026 of the Revised Code on sales of 14313  
telecommunications service, information service, or mobile 14314  
telecommunications service, is the sum of the taxes imposed 14315  
pursuant to those sections at the sourcing location of the sale 14316  
as determined under this section. 14317

(C) Except for the telecommunications services described 14318

in division (E) of this section, the sale of telecommunications 14319  
service sold on a call-by-call basis shall be sourced to each 14320  
level of taxing jurisdiction where the call originates and 14321  
terminates in that jurisdiction, or each level of taxing 14322  
jurisdiction where the call either originates or terminates and 14323  
in which the service address also is located. 14324

(D) Except for the telecommunications services described 14325  
in division (E) of this section, a sale of telecommunications 14326  
services sold on a basis other than a call-by-call basis shall 14327  
be sourced to the customer's place of primary use. 14328

(E) The sale of the following telecommunications services 14329  
shall be sourced to each level of taxing jurisdiction, as 14330  
follows: 14331

(1) A sale of mobile telecommunications service, other 14332  
than air-to-ground radiotelephone service and prepaid calling 14333  
service, shall be sourced to the customer's place of primary use 14334  
as required by the Mobile Telecommunications Sourcing Act. 14335

(2) A sale of post-paid calling service shall be sourced 14336  
to the origination point of the telecommunications signal as 14337  
first identified by the service provider's telecommunications 14338  
system, or information received by the seller from its service 14339  
provider, where the system used to transport such signals is not 14340  
that of the seller. 14341

(3) A sale of prepaid calling service or prepaid wireless 14342  
calling service shall be sourced under division (C) of section 14343  
5739.033 of the Revised Code. But in the case of prepaid 14344  
wireless calling service, in lieu of sourcing the sale of the 14345  
service under division (C) (5) of section 5739.033 of the Revised 14346  
Code, the service provider may elect to source the sale to the 14347

location associated with the mobile telephone number. 14348

(4) A sale of a private communication service shall be 14349  
sourced as follows: 14350

(a) Service for a separate charge related to a customer 14351  
channel termination point shall be sourced to each level of 14352  
jurisdiction in which the customer channel termination point is 14353  
located; 14354

(b) Service where all customer channel termination points 14355  
are located entirely within one jurisdiction or level of 14356  
jurisdiction shall be sourced in the jurisdiction in which the 14357  
customer channel termination points are located; 14358

(c) Service for segments of a channel between two customer 14359  
channel termination points located in different jurisdictions 14360  
and which segments of a channel are separately charged shall be 14361  
sourced fifty per cent in each level of jurisdiction in which 14362  
the customer channel termination points are located; 14363

(d) Service for segments of a channel located in more than 14364  
one jurisdiction or level of jurisdiction and which segments are 14365  
not separately billed shall be sourced in each jurisdiction 14366  
based on the percentage determined by dividing the number of 14367  
customer channel termination points in the jurisdiction by the 14368  
total number of customer channel termination points. 14369

~~Sec. 5739.08. The levy of an excise tax on transactions by 14370  
which lodging by a hotel is or is to be furnished to transient 14371  
guests pursuant to section 5739.02 and division (B) of section 14372  
5739.01 of the Revised Code does not prevent any of the 14373  
following: 14374~~

(A) A municipal corporation or township ~~from levying may~~ 14375  
levy an excise tax for any lawful purpose not to exceed three 14376

per cent on transactions by which lodging by a hotel is or is to 14377  
be furnished to transient guests in addition to the tax levied 14378  
by section 5739.02 of the Revised Code. If a municipal 14379  
corporation or township repeals a tax imposed under division (A) 14380  
of this section, and a county in which the municipal corporation 14381  
or township has territory has a tax imposed under division ~~(C)~~ 14382  
(M) of section 5739.09 of the Revised Code in effect, the 14383  
municipal corporation or township may not reimpose its tax as 14384  
long as that county tax remains in effect. A municipal 14385  
corporation or township in which a tax is levied under division 14386  
(B) (2) of section 351.021 of the Revised Code may not increase 14387  
the rate of its tax levied under division (A) of this section to 14388  
any rate that would cause the total taxes levied under both of 14389  
those divisions to exceed three per cent on any lodging 14390  
transaction within the municipal corporation or township. 14391

~~(B) A municipal corporation or a township from levying an 14392  
additional excise tax not to exceed three per cent on such 14393  
transactions pursuant to division (B) of section 5739.09 of the 14394  
Revised Code. Such tax is in addition to any tax imposed under 14395  
division (A) of this section. 14396~~

~~(C) A county from levying an excise tax pursuant to 14397  
division (A) of section 5739.09 of the Revised Code; 14398~~

~~(D) A county from levying an excise tax not to exceed 14399  
three per cent of such transactions pursuant to division (C) of 14400  
section 5739.09 of the Revised Code. Such a tax is in addition 14401  
to any tax imposed under division (C) of this section. 14402~~

~~(E) A convention facilities authority, as defined in 14403  
division (A) of section 351.01 of the Revised Code, from levying 14404  
the excise taxes provided for in divisions (B) and (C) of 14405  
section 351.021 of the Revised Code; 14406~~

~~(F) A county from levying an excise tax not to exceed one and one-half per cent of such transactions pursuant to division (D) of section 5739.09 of the Revised Code. Such tax is in addition to any tax imposed under division (C) or (D) of this section.~~ 14407  
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~~(G) A county from levying an excise tax not to exceed one and one-half per cent of such transactions pursuant to division (E) of section 5739.09 of the Revised Code. Such a tax is in addition to any tax imposed under division (C), (D), or (F) of this section.~~ 14412  
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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) of section 5739.09 of the Revised Code may, by ordinance or resolution, levy an additional excise tax not to exceed three per cent on transactions by which lodging by a hotel is or is to be furnished to transient guests. The 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 14417  
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does not exceed the rate per annum prescribed pursuant to 14438  
section 5703.47 of the Revised Code. The levy of a tax under 14439  
this division is in addition to any tax imposed on the same 14440  
transaction by a municipal corporation or a township under 14441  
division (A) of this section. 14442

(C) (1) As used in division (C) of this section, "cost" has 14443  
the same meaning as in section 351.01 of the Revised Code, and 14444  
"convention center" has the same meaning as in section 307.695 14445  
of the Revised Code. 14446

(2) The legislative authority of the most populous 14447  
municipal corporation located wholly or partly in a county in 14448  
which the board of county commissioners has levied a tax under 14449  
division (D) of section 5739.09 of the Revised Code may amend, 14450  
on or before September 30, 2002, that municipal corporation's 14451  
ordinance or resolution that levies an excise tax on 14452  
transactions by which lodging by a hotel is or is to be 14453  
furnished to transient guests, to provide for all of the 14454  
following: 14455

(a) That the rate of the tax shall be increased by not 14456  
more than an additional one per cent on each transaction; 14457

(b) That all of the revenue from the increase in rate 14458  
shall be pledged and contributed to a convention facilities 14459  
authority established by the board of county commissioners under 14460  
Chapter 351. of the Revised Code on or before May 15, 2002, and 14461  
be used to pay costs of constructing, expanding, maintaining, 14462  
operating, or promoting a convention center in the county, 14463  
including paying bonds, or notes issued in anticipation of 14464  
bonds, as provided by that chapter; 14465

(c) That the increase in rate shall not be subject to 14466

diminution by initiative or referendum or by law while any 14467  
bonds, or notes in anticipation of bonds, issued by the 14468  
authority under Chapter 351. of the Revised Code to which the 14469  
revenue is pledged, remain outstanding in accordance with their 14470  
terms, unless provision is made by law, by the board of county 14471  
commissioners, or by the legislative authority, for an adequate 14472  
substitute therefor that is satisfactory to the trustee if a 14473  
trust agreement secures the bonds. 14474

(3) The legislative authority of a municipal corporation 14475  
that, pursuant to division (C) (2) of this section, has amended 14476  
its ordinance or resolution to increase the rate of the tax 14477  
authorized by division (B) of this section may further amend the 14478  
ordinance or resolution to provide that the revenue referred to 14479  
in division (C) (2) (b) of this section shall be pledged and 14480  
contributed both to a convention facilities authority to pay the 14481  
costs of constructing, expanding, maintaining, or operating one 14482  
or more convention centers in the county, including paying 14483  
bonds, or notes issued in anticipation of bonds, as provided in 14484  
Chapter 351. of the Revised Code, and to a convention and 14485  
visitors' bureau to pay the costs of promoting one or more 14486  
convention centers in the county. 14487

(D) As used in division (D) of this section, "eligible 14488  
municipal corporation" means a municipal corporation that, on 14489  
September 29, 2017, levied a tax under division (B) of this 14490  
section at a rate of three per cent and that is located in a 14491  
county that, on that date, levied a tax under division (A) of 14492  
section 5739.09 of the Revised Code at a rate of three per cent 14493  
and that has, according to the most recent federal decennial 14494  
census, a population exceeding three hundred thousand but not 14495  
greater than three hundred fifty thousand. 14496

The legislative authority of an eligible municipal corporation may amend, on or before December 31, 2017, 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 the following: 14497  
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(1) That the rate of the tax shall be increased by not more than an additional three per cent on each transaction; 14503  
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(2) That all of the revenue from the increase in rate shall be used by the municipal corporation for economic development and tourism-related purposes. 14505  
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14507

**Sec. 5739.09.** (A) (1) A board of county commissioners may, 14508  
by resolution adopted by a majority of the members of the board, 14509  
levy an excise tax not to exceed three per cent on transactions 14510  
by which lodging by a hotel is or is to be furnished to 14511  
transient guests. The board shall establish all regulations 14512  
necessary to provide for the administration and allocation of 14513  
the tax. The regulations may prescribe the time for payment of 14514  
the tax, and may provide for the imposition of a penalty or 14515  
interest, or both, for late payments, provided that the penalty 14516  
does not exceed ten per cent of the amount of tax due, and the 14517  
rate at which interest accrues does not exceed the rate per 14518  
annum prescribed pursuant to section 5703.47 of the Revised 14519  
Code. Except as otherwise provided in divisions (A) (2), (3), 14520  
(4), (5), (6), (7), (8), (9), (10), (11), and (12) of this 14521  
section, the regulations shall provide, after deducting the real 14522  
and actual costs of administering the tax, for the return to 14523  
each municipal corporation or township that does not levy an 14524  
excise tax on the transactions, a uniform percentage of the tax 14525  
collected in the municipal corporation or in the unincorporated 14526



portion of the township from each transaction, not to exceed 14527  
thirty-three and one-third per cent. ~~The~~ Except as provided in 14528  
this section, the remainder of the revenue arising from the tax 14529  
shall be deposited in a separate fund and shall be spent solely 14530  
to make contributions to the convention and visitors' bureau 14531  
operating within the county, including a pledge and contribution 14532  
of any portion of the remainder pursuant to an agreement 14533  
authorized by section 307.678 or 307.695 of the Revised Code, ~~—~~ 14534  
~~provided that if—.~~ 14535

(2) If the board of county commissioners of an eligible 14536  
county as defined in section 307.678 or 307.695 of the Revised 14537  
Code adopts a resolution amending a resolution levying a tax 14538  
under ~~this~~ division (A) of this section to provide that revenue 14539  
from the tax shall be used by the board as described in either 14540  
division (D) of section 307.678 or division (H) of section 14541  
307.695 of the Revised Code, the remainder of the revenue shall 14542  
be used as described in the resolution making that amendment. 14543  
~~Except—~~ 14544

(3) Except as provided in division ~~(A) (2), (3), (4), (5),~~ 14545  
~~(6), (7), (8), (9), (10), or (11)~~ (B), (C), (D), (E), (F), (G), 14546  
(H), (I), (J), (K), or (H) (Q) of this section, on and after May 14547  
10, 1994, a board of county commissioners may not levy an excise 14548  
tax pursuant to ~~this~~ division (A) of this section in any 14549  
municipal corporation or township located wholly or partly 14550  
within the county that has in effect an ordinance or resolution 14551  
levying an excise tax pursuant to division (B) of ~~this~~ section 14552  
5739.08 of the Revised Code. ~~The—~~ 14553

(4) The board of a county that has levied a tax under 14554  
division ~~(C)~~ (M) of this section may, by resolution adopted 14555  
within ninety days after July 15, 1985, by a majority of the 14556

members of the board, amend the resolution levying a tax under 14557  
~~this division (A) of this section~~ to provide for a portion of 14558  
that tax to be pledged and contributed in accordance with an 14559  
agreement entered into under section 307.695 of the Revised 14560  
Code. A tax, any revenue from which is pledged pursuant to such 14561  
an agreement, shall remain in effect at the rate at which it is 14562  
imposed for the duration of the period for which the revenue 14563  
from the tax has been so pledged. 14564

(5) The board of county commissioners of an eligible 14565  
county as defined in section 307.695 of the Revised Code may, by 14566  
resolution adopted by a majority of the members of the board, 14567  
amend a resolution levying a tax under ~~this division (A) of this~~ 14568  
section to provide that the revenue from the tax shall be used 14569  
by the board as described in division (H) of section 307.695 of 14570  
the Revised Code, in which case the tax shall remain in effect 14571  
at the rate at which it was imposed for the duration of any 14572  
agreement entered into by the board under section 307.695 of the 14573  
Revised Code, the duration during which any securities issued by 14574  
the board under that section are outstanding, or the duration of 14575  
the period during which the board owns a project as defined in 14576  
section 307.695 of the Revised Code, whichever duration is 14577  
longest. 14578

(6) The board of county commissioners of an eligible 14579  
county as defined in section 307.678 of the Revised Code may, by 14580  
resolution, amend a resolution levying a tax under ~~this division~~ 14581  
(A) of this section to provide that revenue from the tax, not to 14582  
exceed five hundred thousand dollars each year, may be used as 14583  
described in division (E) of section 307.678 of the Revised 14584  
Code. 14585

(7) Notwithstanding division ~~(A)(1)~~ (A) of this section, 14586

the board of county commissioners of a county described in 14587  
division ~~(A) (8) (a)~~ (H) (1) of this section may, by resolution, 14588  
amend a resolution levying a tax under ~~this~~ division (A) of this 14589  
section to provide that all or a portion of the revenue from the 14590  
tax, including any revenue otherwise required to be returned to 14591  
townships or municipal corporations under ~~this~~ that division, 14592  
may be used or pledged for the payment of debt service on 14593  
securities issued to pay the costs of constructing, operating, 14594  
and maintaining sports facilities described in division ~~(A) (8)~~ 14595  
~~(b)~~ (H) (2) of this section. 14596

(8) The board of county commissioners of a county 14597  
described in division ~~(A) (9)~~ (I) of this section may, by 14598  
resolution, amend a resolution levying a tax under ~~this~~ division 14599  
(A) of this section to provide that all or a portion of the 14600  
revenue from the tax may be used for the purposes described in 14601  
section 307.679 of the Revised Code. 14602

~~(2)~~ (B) A board of county commissioners that levies an 14603  
excise tax under division ~~(A) (1)~~ (A) of this section on June 30, 14604  
1997, at a rate of three per cent, and that has pledged revenue 14605  
from the tax to an agreement entered into under section 307.695 14606  
of the Revised Code or, in the case of the board of county 14607  
commissioners of an eligible county as defined in section 14608  
307.695 of the Revised Code, has amended a resolution levying a 14609  
tax under division ~~(C)~~ (M) of this section to provide that 14610  
proceeds from the tax shall be used by the board as described in 14611  
division (H) of section 307.695 of the Revised Code, may, at any 14612  
time by a resolution adopted by a majority of the members of the 14613  
board, amend the resolution levying a tax under division ~~(A) (1)~~ 14614  
(A) of this section to provide for an increase in the rate of 14615  
that tax up to seven per cent on each transaction; to provide 14616  
that revenue from the increase in the rate shall be used as 14617

described in division (H) of section 307.695 of the Revised Code 14618  
or be spent solely to make contributions to the convention and 14619  
visitors' bureau operating within the county to be used 14620  
specifically for promotion, advertising, and marketing of the 14621  
region in which the county is located; and to provide that the 14622  
rate in excess of the three per cent levied under division ~~(A)~~ 14623  
~~(1)~~ (A) of this section shall remain in effect at the rate at 14624  
which it is imposed for the duration of the period during which 14625  
any agreement is in effect that was entered into under section 14626  
307.695 of the Revised Code by the board of county commissioners 14627  
levying a tax under division ~~(A) (1)~~ (A) of this section, the 14628  
duration of the period during which any securities issued by the 14629  
board under division (I) of section 307.695 of the Revised Code 14630  
are outstanding, or the duration of the period during which the 14631  
board owns a project as defined in section 307.695 of the 14632  
Revised Code, whichever duration is longest. The amendment also 14633  
shall provide that no portion of that revenue need be returned 14634  
to townships or municipal corporations as would otherwise be 14635  
required under division ~~(A) (1)~~ (A) of this section. 14636

~~(3)~~ (C) (1) As used in division (C) of this section, "cost" 14637  
and "facility" have the same meanings as in section 351.01 of 14638  
the Revised Code, and "convention center" has the same meaning 14639  
as in section 307.695 of the Revised Code. 14640

(2) A board of county commissioners that levies a tax 14641  
under division ~~(A) (1)~~ (A) of this section on March 18, 1999, at 14642  
a rate of three per cent may, by resolution adopted not later 14643  
than forty-five days after March 18, 1999, amend the resolution 14644  
levying the tax to provide for all of the following: 14645

(a) That the rate of the tax shall be increased by not 14646  
more than an additional four per cent on each transaction; 14647

(b) That all of the revenue from the increase in the rate 14648  
shall be pledged and contributed to a convention facilities 14649  
authority established by the board of county commissioners under 14650  
Chapter 351. of the Revised Code on or before November 15, 1998, 14651  
and used to pay costs of constructing, maintaining, operating, 14652  
and promoting a facility in the county, including paying bonds, 14653  
or notes issued in anticipation of bonds, as provided by that 14654  
chapter; 14655

(c) That no portion of the revenue arising from the 14656  
increase in rate need be returned to municipal corporations or 14657  
townships as otherwise required under division ~~(A)(1)~~ (A) of 14658  
this section; 14659

(d) That the increase in rate shall not be subject to 14660  
diminution by initiative or referendum or by law while any 14661  
bonds, or notes in anticipation of bonds, issued by the 14662  
authority under Chapter 351. of the Revised Code to which the 14663  
revenue is pledged, remain outstanding in accordance with their 14664  
terms, unless provision is made by law or by the board of county 14665  
commissioners for an adequate substitute therefor that is 14666  
satisfactory to the trustee if a trust agreement secures the 14667  
bonds. 14668

(3) Division ~~(A)(3)~~ (C) of this section does not apply to 14669  
the board of county commissioners of any county in which a 14670  
convention center or facility exists or is being constructed on 14671  
November 15, 1998, or of any county in which a convention 14672  
facilities authority levies a tax pursuant to section 351.021 of 14673  
the Revised Code on that date. 14674

~~As used in division (A)(3) of this section, "cost" and 14675  
"facility" have the same meanings as in section 351.01 of the 14676  
Revised Code, and "convention center" has the same meaning as in 14677~~

~~section 307.695 of the Revised Code.~~ 14678

~~(4)(a)(D)(1)~~ (D)(1) As used in division (D) of this section, 14679  
"cost" has the same meaning as in section 351.01 of the Revised 14680  
Code, and "convention center" has the same meaning as in section 14681  
307.695 of the Revised Code. 14682

(2) A board of county commissioners that levies a tax 14683  
under division ~~(A)(1)~~ (A) of this section on June 30, 2002, at a 14684  
rate of three per cent may, by resolution adopted not later than 14685  
September 30, 2002, amend the resolution levying the tax to 14686  
provide for all of the following: 14687

~~(i)(a)~~ (a) That the rate of the tax shall be increased by not 14688  
more than an additional three and one-half per cent on each 14689  
transaction; 14690

~~(ii)(b)~~ (b) That all of the revenue from the increase in rate 14691  
shall be pledged and contributed to a convention facilities 14692  
authority established by the board of county commissioners under 14693  
Chapter 351. of the Revised Code on or before May 15, 2002, and 14694  
be used to pay costs of constructing, expanding, maintaining, 14695  
operating, or promoting a convention center in the county, 14696  
including paying bonds, or notes issued in anticipation of 14697  
bonds, as provided by that chapter; 14698

~~(iii)(c)~~ (c) That no portion of the revenue arising from the 14699  
increase in rate need be returned to municipal corporations or 14700  
townships as otherwise required under division ~~(A)(1)~~ (A) of 14701  
this section; 14702

~~(iv)(d)~~ (d) That the increase in rate shall not be subject to 14703  
diminution by initiative or referendum or by law while any 14704  
bonds, or notes in anticipation of bonds, issued by the 14705  
authority under Chapter 351. of the Revised Code to which the 14706

revenue is pledged, remain outstanding in accordance with their 14707  
terms, unless provision is made by law or by the board of county 14708  
commissioners for an adequate substitute therefor that is 14709  
satisfactory to the trustee if a trust agreement secures the 14710  
bonds. 14711

~~(b)~~ (3) Any board of county commissioners that, pursuant 14712  
to division ~~(A) (4) (a)~~ (D) (2) of this section, has amended a 14713  
resolution levying the tax authorized by division ~~(A) (1)~~ (A) of 14714  
this section may further amend the resolution to provide that 14715  
the revenue referred to in division ~~(A) (4) (a) (ii)~~ (D) (2) (b) of 14716  
this section shall be pledged and contributed both to a 14717  
convention facilities authority to pay the costs of 14718  
constructing, expanding, maintaining, or operating one or more 14719  
convention centers in the county, including paying bonds, or 14720  
notes issued in anticipation of bonds, as provided in Chapter 14721  
351. of the Revised Code, and to a convention and visitors' 14722  
bureau to pay the costs of promoting one or more convention 14723  
centers in the county. 14724

~~As used in division (A) (4) of this section, "cost" has the 14725  
same meaning as in section 351.01 of the Revised Code, and 14726  
"convention center" has the same meaning as in section 307.695 14727  
of the Revised Code. 14728~~

~~(5) (a)~~ (E) (1) As used in division ~~(A) (5)~~ (E) of this 14729  
section: 14730

~~(i)~~ (a) "Port authority" means a port authority created 14731  
under Chapter 4582. of the Revised Code. 14732

~~(ii)~~ (b) "Port authority military-use facility" means port 14733  
authority facilities on which or adjacent to which is located an 14734  
installation of the armed forces of the United States, a reserve 14735

component thereof, or the national guard and at least part of 14736  
which is made available for use, for consideration, by the armed 14737  
forces of the United States, a reserve component thereof, or the 14738  
national guard. 14739

~~(b)~~ (2) For the purpose of contributing revenue to pay 14740  
operating expenses of a port authority that operates a port 14741  
authority military-use facility, the board of county 14742  
commissioners of a county that created, participated in the 14743  
creation of, or has joined such a port authority may do one or 14744  
both of the following: 14745

~~(i)~~ (a) Amend a resolution previously adopted under 14746  
division ~~(A) (1)~~ (A) of this section to designate some or all of 14747  
the revenue from the tax levied under the resolution to be used 14748  
for that purpose, notwithstanding that division; 14749

~~(ii)~~ (b) Amend a resolution previously adopted under 14750  
division ~~(A) (1)~~ (A) of this section to increase the rate of the 14751  
tax by not more than an additional two per cent and use the 14752  
revenue from the increase exclusively for that purpose. 14753

~~(e)~~ (3) If a board of county commissioners amends a 14754  
resolution to increase the rate of a tax as authorized in 14755  
division ~~(A) (5) (b) (ii)~~ (E) (2) (b) of this section, the board also 14756  
may amend the resolution to specify that the increase in rate of 14757  
the tax does not apply to "hotels," as otherwise defined in 14758  
section 5739.01 of the Revised Code, having fewer rooms used for 14759  
the accommodation of guests than a number of rooms specified by 14760  
the board. 14761

~~(6)~~ (F) (1) A board of county commissioners of a county 14762  
organized under a county charter adopted pursuant to Article X, 14763  
Section 3, Ohio Constitution, and that levies an excise tax 14764



under division ~~(A)(1)~~(A) of this section at a rate of three per cent and levies an additional excise tax under division ~~(E)~~(O) of this section at a rate of one and one-half per cent may, by resolution adopted not later than January 1, 2008, by a majority of the members of the board, amend the resolution levying a tax under division ~~(A)(1)~~(A) of this section to provide for an increase in the rate of that tax by not more than an additional one per cent on transactions by which lodging by a hotel is or is to be furnished to transient guests. Notwithstanding divisions ~~(A)(1)~~(A) and ~~(E)~~(O) of this section, the resolution shall provide that all of the revenue from the increase in rate, after deducting the real and actual costs of administering the tax, shall be used to pay the costs of improving, expanding, equipping, financing, or operating a convention center by a convention and visitors' bureau in the county. ~~The~~

(2) ~~The~~ increase in rate shall remain in effect for the period specified in the resolution, not to exceed ten years, and may be extended for an additional period of time not to exceed ten years thereafter by a resolution adopted by a majority of the members of the board. ~~The~~

(3) ~~The~~ increase in rate shall be subject to the regulations adopted under division ~~(A)(1)~~(A) of this section, except that the resolution may provide that no portion of the revenue from the increase in the rate shall be returned to townships or municipal corporations as would otherwise be required under that division.

~~(7)~~(G) (1) Division ~~(A)(7)~~(G) of this section applies only to a county with a population greater than sixty-five thousand and less than seventy thousand according to the most recent federal decennial census and in which, on December 31,

2006, an excise tax is levied under division ~~(A)(1)~~ (A) of this 14795  
section at a rate not less than and not greater than three per 14796  
cent, and in which the most recent increase in the rate of that 14797  
tax was enacted or took effect in November 1984. 14798

(2) The board of county commissioners of a county to which 14799  
~~this~~ division (G) of this section applies, by resolution adopted 14800  
by a majority of the members of the board, may increase the rate 14801  
of the tax by not more than one per cent on transactions by 14802  
which lodging by a hotel is or is to be furnished to transient 14803  
guests. The increase in rate shall be for the purpose of paying 14804  
expenses deemed necessary by the convention and visitors' bureau 14805  
operating in the county to promote travel and tourism. ~~The~~ 14806

(3) The increase in rate shall remain in effect for the 14807  
period specified in the resolution, not to exceed twenty years, 14808  
provided that the increase in rate may not continue beyond the 14809  
time when the purpose for which the increase is levied ceases to 14810  
exist. If revenue from the increase in rate is pledged to the 14811  
payment of debt charges on securities, the increase in rate is 14812  
not subject to diminution by initiative or referendum or by law 14813  
for so long as the securities are outstanding, unless provision 14814  
is made by law or by the board of county commissioners for an 14815  
adequate substitute for that revenue that is satisfactory to the 14816  
trustee if a trust agreement secures payment of the debt 14817  
charges. ~~The~~ 14818

(4) The increase in rate shall be subject to the 14819  
regulations adopted under division ~~(A)(1)~~ (A) of this section, 14820  
except that the resolution may provide that no portion of the 14821  
revenue from the increase in the rate shall be returned to 14822  
townships or municipal corporations as would otherwise be 14823  
required under division ~~(A)(1)~~ (A) of this section. ~~A~~ 14824

(5) A resolution adopted under division ~~(A) (7)~~ (G) of this section is subject to referendum under sections 305.31 to 305.99 of the Revised Code.

~~(8) (a)~~ (H) (1) Division ~~(A) (8)~~ (H) of this section applies only to a county satisfying all of the following:

~~(i)~~ (a) 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)~~ (b) An amusement park with an average yearly attendance in excess of two million guests is located in the county.

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

~~(b)~~ (2) The board of county commissioners of a county to which ~~this~~ division (H) of this section applies, by resolution adopted by a majority of the members of the board, may increase the rate of the tax by not more than one per cent on transactions by which lodging by a hotel is or is to be furnished to transient guests. The increase in rate shall be used to pay the costs of constructing and maintaining facilities owned by the county or by a port authority created under Chapter 4582. of the Revised Code, and designed to host sporting events and expenses deemed necessary by the convention and visitors' bureau operating in the county to promote travel and tourism with reference to the sports facilities, and to pay or pledge to the payment of debt service on securities issued to pay the costs of constructing, operating, and maintaining the sports

facilities. ~~The~~ 14854

(3) The increase in rate shall remain in effect for the 14855  
period specified in the resolution. If revenue from the increase 14856  
in rate is pledged to the payment of debt charges on securities, 14857  
the increase in rate is not subject to diminution by initiative 14858  
or referendum or by law for so long as the securities are 14859  
outstanding, unless provision is made by law or by the board of 14860  
county commissioners for an adequate substitute for that revenue 14861  
that is satisfactory to the trustee if a trust agreement secures 14862  
payment of the debt charges. ~~The~~ 14863

(4) The increase in rate shall be subject to the 14864  
regulations adopted under division ~~(A)(1)~~ (A) of this section, 14865  
except that the resolution may provide that no portion of the 14866  
revenue from the increase in the rate shall be returned to 14867  
townships or municipal corporations as would otherwise be 14868  
required under division ~~(A)(1)~~ (A) of this section. 14869

~~(9)~~ (I)(1) The board of county commissioners of a county 14870  
with a population greater than seventy-five thousand and less 14871  
than seventy-eight thousand, by resolution adopted by a majority 14872  
of the members of the board not later than October 15, 2015, may 14873  
increase the rate of the tax by not more than one per cent on 14874  
transactions by which lodging by a hotel is or is to be 14875  
furnished to transient guests. The increase in rate shall be for 14876  
the purposes described in section 307.679 of the Revised Code or 14877  
for the promotion of travel and tourism in the county, including 14878  
travel and tourism to sports facilities. ~~The~~ 14879

(2) The increase in rate shall remain in effect for the 14880  
period specified in the resolution and as necessary to fulfill 14881  
the county's obligations under a cooperative agreement entered 14882  
into under section 307.679 of the Revised Code. If the 14883

resolution is adopted by the board before September 29, 2015, 14884  
but after that enactment becomes law, the increase in rate shall 14885  
become effective beginning on September 29, 2015. If revenue 14886  
from the increase in rate is pledged to the payment of debt 14887  
charges on securities, or to substitute for other revenues 14888  
pledged to the payment of such debt, the increase in rate is not 14889  
subject to diminution by initiative or referendum or by law for 14890  
so long as the securities are outstanding, unless provision is 14891  
made by law or by the board of county commissioners for an 14892  
adequate substitute for that revenue that is satisfactory to the 14893  
trustee if a trust agreement secures payment of the debt 14894  
charges. ~~The~~ 14895

(3) The increase in rate shall be subject to the 14896  
regulations adopted under division ~~(A)(1)~~ (A) of this section, 14897  
except that no portion of the revenue from the increase in the 14898  
rate shall be returned to townships or municipal corporations as 14899  
would otherwise be required under division ~~(A)(1)~~ (A) of this 14900  
section. 14901

~~(10)~~ (J)(1) Division ~~(A)(10)~~ (J) of this section applies 14902  
only to counties satisfying either of the following: 14903

(a) A county that, on July 1, 2015, does not levy an 14904  
excise tax under division ~~(A)(1)~~ (A) of this section and that 14905  
has a population of at least thirty-nine thousand but not more 14906  
than forty thousand according to the 2010 federal decennial 14907  
census; 14908

(b) A county that, on July 1, 2015, levies an excise tax 14909  
under division ~~(A)(1)~~ (A) of this section at a rate of three per 14910  
cent and that has a population of at least seventy-one thousand 14911  
but not more than seventy-five thousand according to 2010 14912  
federal decennial census. 14913

(2) The board of county commissioners of a county to which 14914  
division ~~(A) (10)~~ (J) of this section applies, by resolution 14915  
adopted by a majority of the members of the board, may levy an 14916  
excise tax at a rate not to exceed three per cent on 14917  
transactions by which lodging by a hotel is or is to be 14918  
furnished to transient guests for the purpose of acquiring, 14919  
constructing, equipping, or repairing permanent improvements, as 14920  
defined in section 133.01 of the Revised Code. ~~It~~ 14921

(3) If the board does not levy a tax under division ~~(A) (1)~~ 14922  
(A) of this section, the board shall establish regulations 14923  
necessary to provide for the administration of the tax, which 14924  
may prescribe the time for payment of the tax and the imposition 14925  
of penalty or interest subject to the limitations on penalty and 14926  
interest provided in division ~~(A) (1)~~ (A) of this section. No 14927  
portion of the revenue shall be returned to townships or 14928  
municipal corporations in the county unless otherwise provided 14929  
by resolution of the board. ~~The~~ 14930

(4) The tax shall apply throughout the territory of the 14931  
county, including in any township or municipal corporation 14932  
levying an excise tax under ~~division (B) of this section or~~ 14933  
division (A) or (B) of section 5739.08 of the Revised Code. The 14934  
levy of the tax is subject to referendum as provided under 14935  
section 305.31 of the Revised Code. 14936

(5) The tax shall remain in effect for the period 14937  
specified in the resolution. If revenue from the increase in 14938  
rate is pledged to the payment of debt charges on securities, 14939  
the increase in rate is not subject to diminution by initiative 14940  
or referendum or by law for so long as the securities are 14941  
outstanding unless provision is made by law or by the board for 14942  
an adequate substitute for that revenue that is satisfactory to 14943

the trustee if a trust agreement secures payment of the debt 14944  
charges. 14945

~~(11)~~ (K) (1) The board of county commissioners of an 14946  
eligible county, as defined in section 307.678 of the Revised 14947  
Code, that levies an excise tax under division ~~(A) (1)~~ (A) of 14948  
this section on July 1, 2017, at a rate of three per cent may, 14949  
by resolution adopted by a majority of the members of the board, 14950  
amend the resolution levying the tax to increase the rate of the 14951  
tax by not more than an additional three per cent on each 14952  
transaction. ~~No~~ 14953

(2) ~~No~~ portion of the revenue shall be returned to 14954  
townships or municipal corporations in the county unless 14955  
otherwise provided by resolution of the board. Otherwise, the 14956  
revenue from the increase in the rate shall be distributed and 14957  
used in the same manner described under division ~~(A) (1)~~ (A) of 14958  
this section or distributed or used to provide credit 14959  
enhancement facilities as authorized under section 307.678 of 14960  
the Revised Code. ~~The~~ 14961

(3) ~~The~~ increase in rate shall remain in effect for the 14962  
period specified in the resolution. If revenue from the increase 14963  
in rate is pledged to the payment of debt charges on securities, 14964  
the increase in rate is not subject to diminution by initiative 14965  
or referendum or by law for so long as the securities are 14966  
outstanding unless provision is made by law or by the board for 14967  
an adequate substitute for that revenue that is satisfactory to 14968  
the trustee if a trust agreement secures payment of the debt 14969  
charges. 14970

~~(12) (a)~~ (L) (1) As used in ~~this~~ division (L) of this 14971  
section: 14972

~~(i)~~ (a) "Eligible county" means a county that has a 14973  
population greater than one hundred ninety thousand and less 14974  
than two hundred thousand according to the 2010 federal 14975  
decennial census and that levies an excise tax under division 14976  
~~(A)(1)~~ (A) of this section at a rate of three per cent. 14977

~~(ii)~~ (b) "Professional sports facility" means a sports 14978  
facility that is intended to house major or minor league 14979  
professional athletic teams, including a stadium, together with 14980  
all parking facilities, walkways, and other auxiliary 14981  
facilities, real and personal property, property rights, 14982  
easements, and interests that may be appropriate for, or used in 14983  
connection with, the operation of the facility. 14984

~~(b)~~ (2) Subject to division ~~(A)(12)(c)~~ (L)(3) of this 14985  
section, the board of county commissioners of an eligible 14986  
county, by resolution adopted by a majority of the members of 14987  
the board, may increase the rate of the tax by not more than one 14988  
per cent on transactions by which lodging by a hotel is or is to 14989  
be furnished to transient guests. Revenue from the increase in 14990  
rate shall be used for the purposes of paying the costs of 14991  
constructing, improving, and maintaining a professional sports 14992  
facility in the county and paying expenses considered necessary 14993  
by the convention and visitors' bureau operating in the county 14994  
to promote travel and tourism with respect to that professional 14995  
sports facility. The tax shall take effect only after the 14996  
convention and visitors' bureau enters into a contract for the 14997  
construction, improvement, or maintenance of a professional 14998  
sports facility that is or will be located on property acquired, 14999  
in whole or in part, with revenue from the increased rate, and 15000  
thereafter shall remain in effect for the period specified in 15001  
the resolution. If revenue from the increase in rate is pledged 15002  
to the payment of debt charges on securities, the increase in 15003



rate is not subject to diminution by initiative or referendum or 15004  
by law for so long as the securities are outstanding, unless a 15005  
provision is made by law or by the board of county commissioners 15006  
for an adequate substitute for that revenue that is satisfactory 15007  
to the trustee if a trust agreement secures payment of the debt 15008  
charges. The increase in rate shall be subject to the 15009  
regulations adopted under division ~~(A) (1)~~ (A) of this section, 15010  
except that the resolution may provide that no portion of the 15011  
revenue from the increase in the rate shall be returned to 15012  
townships or municipal corporations as would otherwise be 15013  
required under division ~~(A) (1)~~ (A) of this section. 15014

~~(e) (3)~~ If, on December 31, 2019, the convention and 15015  
visitors' bureau has not entered into a contract for the 15016  
construction, improvement, or maintenance of a professional 15017  
sports facility that is or will be located on property acquired, 15018  
in whole or in part, with revenue from the increased rate, the 15019  
authority to levy the tax under division ~~(A) (12) (b)~~ (L) (2) of 15020  
this section is hereby repealed on that date. 15021

~~(B) (1) The legislative authority of a municipal~~ 15022  
~~corporation or the board of trustees of a township that is not~~ 15023  
~~wholly or partly located in a county that has in effect a~~ 15024  
~~resolution levying an excise tax pursuant to division (A) (1) of~~ 15025  
~~this section may, by ordinance or resolution, levy an excise tax~~ 15026  
~~not to exceed three per cent on transactions by which lodging by~~ 15027  
~~a hotel is or is to be furnished to transient guests. The~~ 15028  
~~legislative authority of the municipal corporation or the board~~ 15029  
~~of trustees of the township shall deposit at least fifty per~~ 15030  
~~cent of the revenue from the tax levied pursuant to this~~ 15031  
~~division into a separate fund, which shall be spent solely to~~ 15032  
~~make contributions to convention and visitors' bureaus operating~~ 15033  
~~within the county in which the municipal corporation or township~~ 15034

~~is wholly or partly located, and the balance of that revenue— 15035  
shall be deposited in the general fund. The municipal— 15036  
corporation or township shall establish all regulations— 15037  
necessary to provide for the administration and allocation of— 15038  
the tax. The regulations may prescribe the time for payment of— 15039  
the tax, and may provide for the imposition of a penalty or— 15040  
interest, or both, for late payments, provided that the penalty— 15041  
does not exceed ten per cent of the amount of tax due, and the— 15042  
rate at which interest accrues does not exceed the rate per— 15043  
annum prescribed pursuant to section 5703.47 of the Revised— 15044  
Code. The levy of a tax under this division is in addition to— 15045  
any tax imposed on the same transaction by a municipal— 15046  
corporation or a township as authorized by division (A) of— 15047  
section 5739.08 of the Revised Code.— 15048~~

~~(2) (a) The legislative authority of the most populous— 15049  
municipal corporation located wholly or partly in a county in— 15050  
which the board of county commissioners has levied a tax under— 15051  
division (A) (4) of this section may amend, on or before— 15052  
September 30, 2002, that municipal corporation's ordinance or— 15053  
resolution that levies an excise tax on transactions by which— 15054  
lodging by a hotel is or is to be furnished to transient guests,— 15055  
to provide for all of the following:— 15056~~

~~(i) That the rate of the tax shall be increased by not— 15057  
more than an additional one per cent on each transaction;— 15058~~

~~(ii) That all of the revenue from the increase in rate— 15059  
shall be pledged and contributed to a convention facilities— 15060  
authority established by the board of county commissioners under— 15061  
Chapter 351. of the Revised Code on or before May 15, 2002, and— 15062  
be used to pay costs of constructing, expanding, maintaining,— 15063  
operating, or promoting a convention center in the county,— 15064~~

~~including paying bonds, or notes issued in anticipation of  
bonds, as provided by that chapter;~~ 15065  
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~~(iii) That the increase in rate shall not be subject to  
diminution by initiative or referendum or by law while any  
bonds, or notes in anticipation of bonds, issued by the  
authority under Chapter 351. of the Revised Code to which the  
revenue is pledged, remain outstanding in accordance with their  
terms, unless provision is made by law, by the board of county  
commissioners, or by the legislative authority, for an adequate  
substitute therefor that is satisfactory to the trustee if a  
trust agreement secures the bonds.~~ 15067  
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~~(b) The legislative authority of a municipal corporation  
that, pursuant to division (B) (2) (a) of this section, has  
amended its ordinance or resolution to increase the rate of the  
tax authorized by division (B) (1) of this section may further  
amend the ordinance or resolution to provide that the revenue  
referred to in division (B) (2) (a) (ii) of this section shall be  
pledged and contributed both to a convention facilities  
authority to pay the costs of constructing, expanding,  
maintaining, or operating one or more convention centers in the  
county, including paying bonds, or notes issued in anticipation  
of bonds, as provided in Chapter 351. of the Revised Code, and  
to a convention and visitors' bureau to pay the costs of  
promoting one or more convention centers in the county.~~ 15076  
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~~As used in division (B) (2) of this section, "cost" has the  
same meaning as in section 351.01 of the Revised Code, and  
"convention center" has the same meaning as in section 307.695  
of the Revised Code.~~ 15089  
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~~(3) The legislative authority of an eligible municipal  
corporation may amend, on or before December 31, 2017, that~~ 15093  
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~~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 the  
following:~~

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

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

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

~~(C)~~ (M) (1) For the purposes described in section 307.695  
of the Revised Code and to cover the costs of administering the  
tax, a board of county commissioners of a county where a tax  
imposed under division ~~(A) (1)~~ (A) of this section is in effect  
may, by resolution adopted within ninety days after July 15,  
1985, by a majority of the members of the board, levy an  
additional excise tax not to exceed three per cent on  
transactions by which lodging by a hotel is or is to be  
furnished to transient guests. The tax authorized by ~~this~~  
division (M) of this section shall be in addition to any tax  
that is levied pursuant to ~~division~~ divisions (A) to (L) of this

section, but it shall not apply to transactions subject to a tax 15125  
levied by a municipal corporation or township pursuant to ~~the~~ 15126  
~~authorization granted by division (A) of~~ section 5739.08 of the 15127  
Revised Code. ~~The~~ 15128

(2) The board shall establish all regulations necessary to 15129  
provide for the administration and allocation of the tax. The 15130  
regulations may prescribe the time for payment of the tax, and 15131  
may provide for the imposition of a penalty or interest, or 15132  
both, for late payments, provided that the penalty does not 15133  
exceed ten per cent of the amount of tax due, and the rate at 15134  
which interest accrues does not exceed the rate per annum 15135  
prescribed pursuant to section 5703.47 of the Revised Code. ~~All~~ 15136

(3) All revenues arising from the tax shall be expended in 15137  
accordance with section 307.695 of the Revised Code. The board 15138  
of county commissioners of an eligible county as defined in 15139  
section 307.695 of the Revised Code may, by resolution adopted 15140  
by a majority of the members of the board, amend the resolution 15141  
levying a tax under this division to provide that the revenue 15142  
from the tax shall be used by the board as described in division 15143  
(H) of section 307.695 of the Revised Code. ~~A~~ 15144

(4) A tax imposed under this division shall remain in 15145  
effect at the rate at which it is imposed for the duration of 15146  
the period during which any agreement entered into by the board 15147  
under section 307.695 of the Revised Code is in effect, the 15148  
duration of the period during which any securities issued by the 15149  
board under division (I) of section 307.695 of the Revised Code 15150  
are outstanding, or the duration of the period during which the 15151  
board owns a project as defined in section 307.695 of the 15152  
Revised Code, whichever duration is longest. 15153

~~(D)~~ (N) (1) For the purpose of providing contributions 15154

under division (B) (1) of section 307.671 of the Revised Code to 15155  
enable the acquisition, construction, and equipping of a port 15156  
authority educational and cultural facility in the county and, 15157  
to the extent provided for in the cooperative agreement 15158  
authorized by that section, for the purpose of paying debt 15159  
service charges on bonds, or notes in anticipation of bonds, 15160  
described in division (B) (1) (b) of that section, a board of 15161  
county commissioners, by resolution adopted within ninety days 15162  
after December 22, 1992, by a majority of the members of the 15163  
board, may levy an additional excise tax not to exceed one and 15164  
one-half per cent on transactions by which lodging by a hotel is 15165  
or is to be furnished to transient guests. The excise tax 15166  
authorized by ~~this~~ division (N) of this section shall be in 15167  
addition to any tax that is levied pursuant to divisions (A), ~~—~~ 15168  
~~(B), and (C)~~ to (M) of this section, to any excise tax levied 15169  
pursuant to section 5739.08 of the Revised Code, and to any 15170  
excise tax levied pursuant to section 351.021 of the Revised 15171  
Code. ~~The~~ 15172

(2) The board of county commissioners shall establish all 15173  
regulations necessary to provide for the administration and 15174  
allocation of the tax that are not inconsistent with this 15175  
section or section 307.671 of the Revised Code. The regulations 15176  
may prescribe the time for payment of the tax, and may provide 15177  
for the imposition of a penalty or interest, or both, for late 15178  
payments, provided that the penalty does not exceed ten per cent 15179  
of the amount of tax due, and the rate at which interest accrues 15180  
does not exceed the rate per annum prescribed pursuant to 15181  
section 5703.47 of the Revised Code. ~~All~~ 15182

(3) All revenues arising from the tax shall be expended in 15183  
accordance with section 307.671 of the Revised Code and division 15184  
~~(D)~~ (N) of this section. The levy of a tax imposed under ~~this~~ 15185

division (N) of this section may not commence prior to the first 15186  
day of the month next following the execution of the cooperative 15187  
agreement authorized by section 307.671 of the Revised Code by 15188  
all parties to that agreement. ~~The~~ 15189

(4) The tax shall remain in effect at the rate at which it 15190  
is imposed for the period of time described in division (C) of 15191  
section 307.671 of the Revised Code for which the revenue from 15192  
the tax has been pledged by the county to the corporation 15193  
pursuant to that section, but, to any extent provided for in the 15194  
cooperative agreement, for no lesser period than the period of 15195  
time required for payment of the debt service charges on bonds, 15196  
or notes in anticipation of bonds, described in division (B)(1) 15197  
(b) of that section. 15198

~~(E)-(O) (1)~~ For the purpose of paying the costs of 15199  
acquiring, constructing, equipping, and improving a municipal 15200  
educational and cultural facility, including debt service 15201  
charges on bonds provided for in division (B) of section 307.672 15202  
of the Revised Code, and for any additional purposes determined 15203  
by the county in the resolution levying the tax or amendments to 15204  
the resolution, including subsequent amendments providing for 15205  
paying costs of acquiring, constructing, renovating, 15206  
rehabilitating, equipping, and improving a port authority 15207  
educational and cultural performing arts facility, as defined in 15208  
section 307.674 of the Revised Code, and including debt service 15209  
charges on bonds provided for in division (B) of section 307.674 15210  
of the Revised Code, the legislative authority of a county, by 15211  
resolution adopted within ninety days after June 30, 1993, by a 15212  
majority of the members of the legislative authority, may levy 15213  
an additional excise tax not to exceed one and one-half per cent 15214  
on transactions by which lodging by a hotel is or is to be 15215  
furnished to transient guests. The excise tax authorized by ~~this~~ 15216

division (O) of this section shall be in addition to any tax 15217  
that is levied pursuant to divisions (A), ~~(B)~~, ~~(C)~~, and ~~(D)~~ to 15218  
(N) of this section, to any excise tax levied pursuant to 15219  
section 5739.08 of the Revised Code, and to any excise tax 15220  
levied pursuant to section 351.021 of the Revised Code. ~~The~~ 15221

(2) The legislative authority of the county shall 15222  
establish all regulations necessary to provide for the 15223  
administration and allocation of the tax. The regulations may 15224  
prescribe the time for payment of the tax, and may provide for 15225  
the imposition of a penalty or interest, or both, for late 15226  
payments, provided that the penalty does not exceed ten per cent 15227  
of the amount of tax due, and the rate at which interest accrues 15228  
does not exceed the rate per annum prescribed pursuant to 15229  
section 5703.47 of the Revised Code. ~~All~~ 15230

(3) All revenues arising from the tax shall be expended in 15231  
accordance with section 307.672 of the Revised Code and this 15232  
division. The levy of a tax imposed under this division shall 15233  
not commence prior to the first day of the month next following 15234  
the execution of the cooperative agreement authorized by section 15235  
307.672 of the Revised Code by all parties to that agreement. 15236  
The tax shall remain in effect at the rate at which it is 15237  
imposed for the period of time determined by the legislative 15238  
authority of the county. That period of time shall not exceed 15239  
fifteen years, except that the legislative authority of a county 15240  
with a population of less than two hundred fifty thousand 15241  
according to the most recent federal decennial census, by 15242  
resolution adopted by a majority of its members before the 15243  
original tax expires, may extend the duration of the tax for an 15244  
additional period of time. The additional period of time by 15245  
which a legislative authority extends a tax levied under ~~this~~ 15246  
division (O) of this section shall not exceed fifteen years. 15247



~~(F)~~ (P) (1) The legislative authority of a county that has 15248  
levied a tax under division ~~(E)~~ (O) of this section may, by 15249  
resolution adopted within one hundred eighty days after January 15250  
4, 2001, by a majority of the members of the legislative 15251  
authority, amend the resolution levying a tax under that 15252  
division to provide for the use of the proceeds of that tax, to 15253  
the extent that it is no longer needed for its original purpose 15254  
as determined by the parties to a cooperative agreement 15255  
amendment pursuant to division (D) of section 307.672 of the 15256  
Revised Code, to pay costs of acquiring, constructing, 15257  
renovating, rehabilitating, equipping, and improving a port 15258  
authority educational and cultural performing arts facility, 15259  
including debt service charges on bonds provided for in division 15260  
(B) of section 307.674 of the Revised Code, and to pay all 15261  
obligations under any guaranty agreements, reimbursement 15262  
agreements, or other credit enhancement agreements described in 15263  
division (C) of section 307.674 of the Revised Code. ~~The~~ 15264

(2) The resolution may also provide for the extension of 15265  
the tax at the same rate for the longer of the period of time 15266  
determined by the legislative authority of the county, but not 15267  
to exceed an additional twenty-five years, or the period of time 15268  
required to pay all debt service charges on bonds provided for 15269  
in division (B) of section 307.672 of the Revised Code and on 15270  
port authority revenue bonds provided for in division (B) of 15271  
section 307.674 of the Revised Code. ~~All~~ 15272

(3) All revenues arising from the amendment and extension 15273  
of the tax shall be expended in accordance with section 307.674 15274  
of the Revised Code, ~~this division,~~ and ~~division (E)~~ divisions 15275  
(O) and (P) of this section. 15276

~~(G)~~ For purposes of a tax levied by a county, township, or 15277

~~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 (C) (2) of  
this section, two or more structures are under the same  
ownership if they are owned by the same person, or if they are  
owned by two or more persons the majority of the ownership  
interests of which are owned by the same person.~~

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

~~(H) (1) (Q) (1) As used in this division (Q) of this  
section:~~

(a) "Convention facilities authority" has the same meaning 15308  
as in section 351.01 of the Revised Code. 15309

(b) "Convention center" has the same meaning as in section 15310  
307.695 of the Revised Code. 15311

(2) Notwithstanding any contrary provision of division ~~(D)~~ 15312  
(N) of this section, the legislative authority of a county with 15313  
a population of one million or more according to the most recent 15314  
federal decennial census that has levied a tax under division 15315  
~~(D)~~(N) of this section may, by resolution adopted by a majority 15316  
of the members of the legislative authority, provide for the 15317  
extension of such levy and may provide that the proceeds of that 15318  
tax, to the extent that they are no longer needed for their 15319  
original purpose as defined by a cooperative agreement entered 15320  
into under section 307.671 of the Revised Code, shall be 15321  
deposited into the county general revenue fund. The resolution 15322  
shall provide for the extension of the tax at a rate not to 15323  
exceed the rate specified in division ~~(D)~~(N) of this section 15324  
for a period of time determined by the legislative authority of 15325  
the county, but not to exceed an additional forty years. 15326

(3) The legislative authority of a county with a 15327  
population of one million or more that has levied a tax under 15328  
division ~~(A)(1)~~(A) of this section may, by resolution adopted 15329  
by a majority of the members of the legislative authority, 15330  
increase the rate of the tax levied by such county under 15331  
division ~~(A)(1)~~(A) of this section to a rate not to exceed five 15332  
per cent on transactions by which lodging by a hotel is or is to 15333  
be furnished to transient guests. Notwithstanding any contrary 15334  
provision of division ~~(A)(1)~~(A) of this section, the resolution 15335  
may provide that all collections resulting from the rate levied 15336  
in excess of three per cent, after deducting the real and actual 15337

costs of administering the tax, shall be deposited in the county general fund. 15338  
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(4) The legislative authority of a county with a population of one million or more that has levied a tax under division ~~(A)(1)~~(A) of this section may, by resolution adopted on or before August 30, 2004, by a majority of the members of the legislative authority, provide that all or a portion of the proceeds of the tax levied under division ~~(A)(1)~~(A) of this section, after deducting the real and actual costs of administering the tax and the amounts required to be returned to townships and municipal corporations with respect to the first three per cent levied under division ~~(A)(1)~~(A) of this section, shall be deposited in the county general fund, provided that such proceeds shall be used to satisfy any pledges made in connection with an agreement entered into under section 307.695 of the Revised Code. 15340  
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(5) No amount collected from a tax levied, extended, or required to be deposited in the county general fund under division ~~(H)~~(Q) of this section shall be contributed to a convention facilities authority, corporation, or other entity created after July 1, 2003, for the principal purpose of constructing, improving, expanding, equipping, financing, or operating a convention center unless the mayor of the municipal corporation in which the convention center is to be operated by that convention facilities authority, corporation, or other entity has consented to the creation of that convention facilities authority, corporation, or entity. Notwithstanding any contrary provision of section 351.04 of the Revised Code, if a tax is levied by a county under division ~~(H)~~(Q) of this section, the board of county commissioners of that county may determine the manner of selection, the qualifications, the 15354  
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number, and terms of office of the members of the board of 15369  
directors of any convention facilities authority, corporation, 15370  
or other entity described in division ~~(H) (5)~~ (Q) (5) of this 15371  
section. 15372

(6) (a) No amount collected from a tax levied, extended, or 15373  
required to be deposited in the county general fund under 15374  
division ~~(H)~~ (Q) of this section may be used for any purpose 15375  
other than paying the direct and indirect costs of constructing, 15376  
improving, expanding, equipping, financing, or operating a 15377  
convention center and for the real and actual costs of 15378  
administering the tax, unless, prior to the adoption of the 15379  
resolution of the legislative authority of the county 15380  
authorizing the levy, extension, increase, or deposit, the 15381  
county and the mayor of the most populous municipal corporation 15382  
in that county have entered into an agreement as to the use of 15383  
such amounts, provided that such agreement has been approved by 15384  
a majority of the mayors of the other municipal corporations in 15385  
that county. The agreement shall provide that the amounts to be 15386  
used for purposes other than paying the convention center or 15387  
administrative costs described in division ~~(H) (6) (a)~~ (Q) (6) (a) 15388  
of this section be used only for the direct and indirect costs 15389  
of capital improvements, including the financing of capital 15390  
improvements. 15391

(b) If the county in which the tax is levied has an 15392  
association of mayors and city managers, the approval of that 15393  
association of an agreement described in division ~~(H) (6) (a)~~ (Q) 15394  
(6) (a) of this section shall be considered to be the approval of 15395  
the majority of the mayors of the other municipal corporations 15396  
for purposes of that division. 15397

(7) Each year, the auditor of state shall conduct an audit 15398

of the uses of any amounts collected from taxes levied, 15399  
extended, or deposited under division ~~(H)~~(Q) of this section 15400  
and shall prepare a report of the auditor of state's findings. 15401  
The auditor of state shall submit the report to the legislative 15402  
authority of the county that has levied, extended, or deposited 15403  
the tax, the speaker of the house of representatives, the 15404  
president of the senate, and the leaders of the minority parties 15405  
of the house of representatives and the senate. 15406

~~(I)~~(1)~~(R)~~(1) As used in ~~this~~ division (R) of this 15407  
section: 15408

(a) "Convention facilities authority" has the same meaning 15409  
as in section 351.01 of the Revised Code. 15410

(b) "Convention center" has the same meaning as in section 15411  
307.695 of the Revised Code. 15412

(2) Notwithstanding any contrary provision of division ~~(D)~~ 15413  
(N) of this section, the legislative authority of a county with 15414  
a population of one million two hundred thousand or more 15415  
according to the most recent federal decennial census or the 15416  
most recent annual population estimate published or released by 15417  
the United States census bureau at the time the resolution is 15418  
adopted placing the levy on the ballot, that has levied a tax 15419  
under division ~~(D)~~(N) of this section may, by resolution 15420  
adopted by a majority of the members of the legislative 15421  
authority, provide for the extension of such levy and may 15422  
provide that the proceeds of that tax, to the extent that the 15423  
proceeds are no longer needed for their original purpose as 15424  
defined by a cooperative agreement entered into under section 15425  
307.671 of the Revised Code and after deducting the real and 15426  
actual costs of administering the tax, shall be used for paying 15427  
the direct and indirect costs of constructing, improving, 15428

expanding, equipping, financing, or operating a convention 15429  
center. The resolution shall provide for the extension of the 15430  
tax at a rate not to exceed the rate specified in division ~~(D)~~ 15431  
(N) of this section for a period of time determined by the 15432  
legislative authority of the county, but not to exceed an 15433  
additional forty years. 15434

(3) The legislative authority of a county with a 15435  
population of one million two hundred thousand or more that has 15436  
levied a tax under division ~~(A) (1)~~ (A) of this section may, by 15437  
resolution adopted by a majority of the members of the 15438  
legislative authority, increase the rate of the tax levied by 15439  
such county under division ~~(A) (1)~~ (A) of this section to a rate 15440  
not to exceed five per cent on transactions by which lodging by 15441  
a hotel is or is to be furnished to transient guests. 15442  
Notwithstanding any contrary provision of division ~~(A) (1)~~ (A) of 15443  
this section, the resolution shall provide that all collections 15444  
resulting from the rate levied in excess of three per cent, 15445  
after deducting the real and actual costs of administering the 15446  
tax, shall be used for paying the direct and indirect costs of 15447  
constructing, improving, expanding, equipping, financing, or 15448  
operating a convention center. 15449

(4) The legislative authority of a county with a 15450  
population of one million two hundred thousand or more that has 15451  
levied a tax under division ~~(A) (1)~~ (A) of this section may, by 15452  
resolution adopted on or before July 1, 2008, by a majority of 15453  
the members of the legislative authority, provide that all or a 15454  
portion of the proceeds of the tax levied under division ~~(A) (1)~~ 15455  
(A) of this section, after deducting the real and actual costs 15456  
of administering the tax and the amounts required to be returned 15457  
to townships and municipal corporations with respect to the 15458  
first three per cent levied under division ~~(A) (1)~~ (A) of this 15459

section, shall be used to satisfy any pledges made in connection 15460  
with an agreement entered into under section 307.695 of the 15461  
Revised Code or shall otherwise be used for paying the direct 15462  
and indirect costs of constructing, improving, expanding, 15463  
equipping, financing, or operating a convention center. 15464

(5) Any amount collected from a tax levied or extended 15465  
under division ~~(I)~~(R) of this section may be contributed to a 15466  
convention facilities authority created before July 1, 2005, but 15467  
no amount collected from a tax levied or extended under division 15468  
~~(I)~~(R) of this section may be contributed to a convention 15469  
facilities authority, corporation, or other entity created after 15470  
July 1, 2005, unless the mayor of the municipal corporation in 15471  
which the convention center is to be operated by that convention 15472  
facilities authority, corporation, or other entity has consented 15473  
to the creation of that convention facilities authority, 15474  
corporation, or entity. 15475

~~(J)(1) Except as provided in division (J)(2) of this 15476  
section, money collected by a county and distributed under this 15477  
section to a convention and visitors' bureau in existence as of 15478  
June 30, 2013, the effective date of H.B. 59 of the 130th 15479  
general assembly, except for any such money pledged, as of that 15480  
effective date, to the payment of debt service charges on bonds, 15481  
notes, securities, or lease agreements, shall be used solely for 15482  
tourism sales, marketing and promotion, and their associated 15483  
costs, including, but not limited to, operational and 15484  
administrative costs of the bureau, sales and marketing, and 15485  
maintenance of the physical bureau structure. 15486~~

~~(2) A convention and visitors' bureau that has entered 15487  
into an agreement under section 307.678 of the Revised Code may 15488  
use revenue it receives from a tax levied under division (A)(1) 15489~~



~~of this section as described in division (E) of section 307.678~~ 15490  
~~of the Revised Code.~~ 15491

~~(K)~~ (S) As used in division (S) of this section, 15492  
"soldiers' memorial" means a memorial constructed and funded 15493  
under Chapter 345. of the Revised Code. 15494

The board of county commissioners of a county with a 15495  
population between one hundred three thousand and one hundred 15496  
seven thousand according to the most recent federal decennial 15497  
census, by resolution adopted by a majority of the members of 15498  
the board within six months after September 15, 2014, ~~the~~ 15499  
~~effective date of H.B. 483 of the 130th general assembly,~~ may 15500  
levy a tax not to exceed three per cent on transactions by which 15501  
a hotel is or is to be furnished to transient guests. The 15502  
purpose of the tax shall be to pay the costs of expanding, 15503  
maintaining, or operating a soldiers' memorial and the costs of 15504  
administering the tax. All revenue arising from the tax shall be 15505  
credited to one or more special funds in the county treasury and 15506  
shall be spent solely for the purposes of paying those costs. 15507  
~~The~~ 15508

The board of county commissioners shall adopt all rules 15509  
necessary to provide for the administration of the tax subject 15510  
to the same limitations on imposing penalty or interest under 15511  
division ~~(A)(1)~~ (A) of this section. 15512

~~As used in this division "soldiers' memorial" means a~~ 15513  
~~memorial constructed and funded under Chapter 345. of the~~ 15514  
~~Revised Code.~~ 15515

~~(L)~~ (T) As used in division (T) of this section, "eligible 15516  
county" means a county in which a county agricultural society or 15517  
independent agricultural society is organized under section 15518

1711.01 or 1711.02 of the Revised Code, provided the 15519  
agricultural society owns a facility or site in the county at 15520  
which an annual harness horse race is conducted where one-day 15521  
attendance equals at least forty thousand attendees. 15522

A board of county commissioners of an eligible county, by 15523  
resolution adopted by a majority of the members of the board, 15524  
may levy an excise tax at the rate of up to three per cent on 15525  
transactions by which lodging by a hotel is or is to be 15526  
furnished to transient guests for the purpose of paying the 15527  
costs of permanent improvements at sites at which one or more 15528  
agricultural societies conduct fairs or exhibits, paying the 15529  
costs of maintaining or operating such permanent improvements, 15530  
and paying the costs of administering the tax. ~~A-~~ 15531

A resolution adopted under ~~this~~ division (T) of this 15532  
section, other than a resolution that only extends the period of 15533  
time for which the tax is levied, shall direct the board of 15534  
elections to submit the question of the proposed lodging tax to 15535  
the electors of the county at a special election held on the 15536  
date specified by the board in the resolution, provided that the 15537  
election occurs not less than ninety days after a certified copy 15538  
of the resolution is transmitted to the board of elections. A 15539  
resolution submitted to the electors under ~~this~~ division (T) of 15540  
this section shall not go into effect unless it is approved by a 15541  
majority of those voting upon it. The resolution takes effect on 15542  
the date the board of county commissioners receives notification 15543  
from the board of elections of an affirmative vote. 15544

The tax shall remain in effect for the period specified in 15545  
the resolution, not to exceed five years, and may be extended 15546  
for an additional period of time not to exceed fifteen years 15547  
thereafter by a resolution adopted by a majority of the members 15548

of the board. A resolution extending the period of time for 15549  
which the tax is in effect is not subject to approval of the 15550  
electors of the county, but is subject to referendum under 15551  
sections 305.31 to 305.99 of the Revised Code. All revenue 15552  
arising from the tax shall be credited to one or more special 15553  
funds in the county treasury and shall be spent solely for the 15554  
purposes of paying the costs of such permanent improvements and 15555  
maintaining or operating the improvements. Revenue allocated for 15556  
the use of a county agricultural society may be credited to the 15557  
county agricultural society fund created in section 1711.16 of 15558  
the Revised Code upon appropriation by the board. If revenue is 15559  
credited to that fund, it shall be expended only as provided in 15560  
that section. 15561

The board of county commissioners shall adopt all rules 15562  
necessary to provide for the administration of the tax. The 15563  
rules may prescribe the time for payment of the tax, and may 15564  
provide for the imposition or penalty or interest, or both, for 15565  
late payments, provided that the penalty does not exceed ten per 15566  
cent of the amount of tax due, and the rate at which interest 15567  
accrues does not exceed the rate per annum prescribed in section 15568  
5703.47 of the Revised Code. 15569

~~As used in this division, "eligible county" means a county 15570  
in which a county agricultural society or independent 15571  
agricultural society is organized under section 1711.01 or 15572  
1711.02 of the Revised Code, provided the agricultural society 15573  
owns a facility or site in the county at which an annual harness 15574  
horse race is conducted where one day attendance equals at least 15575  
forty thousand attendees. 15576~~

~~(M)~~ (U) As used in ~~this~~ this division (U) of this section, 15577  
"eligible county" means a county in which a tax is levied under 15578

division (A) of this section at a rate of three per cent and 15579  
whose territory includes a part of Lake Erie the shoreline of 15580  
which represents at least fifty per cent of the linear length of 15581  
the county's border with other counties of this state. 15582

The board of county commissioners of an eligible county 15583  
that has entered into an agreement with a port authority in the 15584  
county under section 4582.56 of the Revised Code may levy an 15585  
additional lodging tax on transactions by which lodging by a 15586  
hotel is or is to be furnished to transient guests for the 15587  
purpose of financing lakeshore improvement projects constructed 15588  
or financed by the port authority under that section. The 15589  
resolution levying the tax shall specify the purpose of the tax, 15590  
the rate of the tax, which shall not exceed two per cent, and 15591  
the number of years the tax will be levied or that it will be 15592  
levied for a continuing period of time. The tax shall be 15593  
administered pursuant to the regulations adopted by the board 15594  
under division (A) of this section, except that all the proceeds 15595  
of the tax levied under this division shall be pledged to the 15596  
payment of the costs, including debt charges, of lakeshore 15597  
improvements undertaken by a port authority pursuant to the 15598  
agreement under section 4582.56 of the Revised Code. No revenue 15599  
from the tax may be used to pay the current expenses of the port 15600  
authority. 15601

A resolution levying a tax under ~~this~~ division (U) of this 15602  
section is subject to referendum under sections 305.31 to 305.41 15603  
and 305.99 of the Revised Code. 15604

~~(N) (1) (a)~~ (V) (1) As used in division (V) of this section: 15605

(a) "Tourism development district" means a district 15606  
designated by a municipal corporation under section 715.014 of 15607  
the Revised Code or by a township under section 503.56 of the 15608

<u>Revised Code.</u>	15609
<u>(b) "Lodging tax" means a tax levied pursuant to this section or section 5739.08 of the Revised Code.</u>	15610 15611
<u>(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.</u>	15612 15613 15614 15615
<u>(d) "Eligible county" has the same meaning as in section 307.678 of the Revised Code.</u>	15616 15617
<u>(2) (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 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:</u>	15618 15619 15620 15621 15622 15623 15624
<u>(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;</u>	15625 15626 15627 15628
<u>(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.</u>	15629 15630 15631 15632
<u>(b) Notwithstanding division (A) of this section, any ordinance or resolution levying a lodging tax adopted on or after 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</u>	15633 15634 15635 15636 15637

development district lodging tax proceeds from that tax be used 15638  
exclusively to foster and develop tourism in the tourism 15639  
development district. 15640

(c) A county shall not use any of the proceeds described 15641  
in division ~~(N) (1) (a) (i)~~ (V) (2) (a) (i) or ~~(N) (1) (b)~~ (V) (2) (b) of 15642  
this section unless the convention and visitors' bureau 15643  
operating within the county approves the manner in which such 15644  
proceeds are used to foster and develop tourism in the tourism 15645  
development district. Upon obtaining such approval, the county 15646  
may pay such proceeds to the bureau to use for the agreed-upon 15647  
purpose. 15648

A municipal corporation or township shall not use any of 15649  
the proceeds described in division ~~(N) (1) (a) (ii)~~ (V) (2) (a) (ii) 15650  
or ~~(N) (1) (b)~~ (V) (2) (b) of this section unless the convention and 15651  
visitors' bureau operating within the municipal corporation or 15652  
township approves the manner in which such proceeds are used to 15653  
foster and develop tourism in the tourism development district. 15654  
Upon obtaining such approval, the municipal corporation or 15655  
township may pay such proceeds to the bureau to use for the 15656  
agreed-upon purpose. 15657

~~(2) (a)~~ (3) (a) Notwithstanding division (A) of this 15658  
section, the board of county commissioners of an eligible county 15659  
that levies a lodging tax on March 23, 2018, may amend the 15660  
resolution levying that tax to require that all or a portion of 15661  
the proceeds of that tax otherwise required to be spent solely 15662  
to make contributions to the convention and visitors' bureau 15663  
operating within the county shall be used to foster and develop 15664  
tourism in a tourism development district. 15665

(b) Notwithstanding division (A) of this section, the 15666  
board of county commissioners of an eligible county that adopts 15667

a resolution levying a lodging tax on or after March 23, 2018, 15668  
may require that all or a portion of the proceeds of that tax 15669  
otherwise required to be spent solely to make contributions to 15670  
the convention and visitors' bureau operating within the county 15671  
pursuant to division (A) of this section shall be used to foster 15672  
and develop tourism in a tourism development district. 15673

(c) A county shall not use any of the proceeds in the 15674  
manner described in division ~~(N) (2) (a)~~ (V) (3) (a) or (b) of this 15675  
section unless the convention and visitors' bureau operating 15676  
within the county approves the manner in which such proceeds are 15677  
used to foster and develop tourism in the tourism development 15678  
district. Upon obtaining such approval, the county may pay such 15679  
proceeds to the bureau to use for the agreed upon purpose. 15680

~~(3) As used in division (N) of this section:—~~ 15681

~~(a) "Tourism development district" means a district 15682  
designated by a municipal corporation under section 715.014 of 15683  
the Revised Code or by a township under section 503.56 of the 15684  
Revised Code.—~~ 15685

~~(b) "Lodging tax" means a tax levied pursuant to this 15686  
section or section 5739.08 of the Revised Code.—~~ 15687

~~(c) "Tourism development district lodging tax proceeds" 15688  
means all proceeds of a lodging tax derived from transactions by 15689  
which lodging by a hotel located in a tourism development 15690  
district is or is to be provided to transient guests.—~~ 15691

~~(d) "Eligible county" has the same meaning as in section 15692  
307.678 of the Revised Code.—~~ 15693

Sec. 5739.091. (A) For the purposes of a tax levied by a 15694  
county, township, or municipal corporation under section 5739.08 15695  
or 5739.09 of the Revised Code, a board of county commissioners, 15696

board of township trustees, or the legislative authority of a 15697  
municipal corporation may adopt a resolution or ordinance at any 15698  
time specifying that "hotel," as otherwise defined in section 15699  
5739.01 of the Revised Code, includes the following: 15700

(1) Establishments in which fewer than five rooms are used 15701  
for the accommodation of guests; 15702

(2) Establishments at which rooms are used for the 15703  
accommodation of guests regardless of whether each room is 15704  
accessible through its own keyed entry or several rooms are 15705  
accessible through the same keyed entry; and, in determining the 15706  
number of rooms, all rooms are included regardless of the number 15707  
of structures in which the rooms are situated or the number of 15708  
parcels of land on which the structures are located if the 15709  
structures are under the same ownership and the structures are 15710  
not identified in advertisements of the accommodations as 15711  
distinct establishments. For the purposes of division (A) (2) of 15712  
this section, two or more structures are under the same 15713  
ownership if they are owned by the same person, or if they are 15714  
owned by two or more persons the majority of the ownership 15715  
interests of which are owned by the same person. 15716

(B) The resolution or ordinance may apply to a tax imposed 15717  
pursuant to section 5739.08 or 5739.09 of the Revised Code prior 15718  
to the adoption of the resolution or ordinance if the resolution 15719  
or ordinance so states, but the tax shall not apply to 15720  
transactions by which lodging by such an establishment is 15721  
provided to transient guests prior to the adoption of the 15722  
resolution or ordinance. 15723

**Sec. 5739.092.** (A) Except as provided in division (B) of 15724  
this section, money collected by a county and distributed under 15725  
section 5739.09 of the Revised Code to a convention and 15726



visitors' bureau in existence as of June 30, 2013, except for 15727  
any such money pledged, as of that date, to the payment of debt 15728  
service charges on bonds, notes, securities, or lease 15729  
agreements, shall be used solely for tourism sales, marketing 15730  
and promotion, and their associated costs, including operational 15731  
and administrative costs of the bureau, sales and marketing, and 15732  
maintenance of the physical bureau structure. 15733

(B) A convention and visitors' bureau that has entered 15734  
into an agreement under section 307.678 of the Revised Code may 15735  
use revenue it receives from a tax levied under division (A) of 15736  
section 5739.09 of the Revised Code as described in division (E) 15737  
of section 307.678 of the Revised Code. 15738

**Sec. 5739.21.** (A) One hundred per cent of all money 15739  
deposited into the state treasury under sections 5739.01 to 15740  
5739.31 of the Revised Code that is not required to be 15741  
distributed as provided in section 5739.102 of the Revised Code 15742  
or division (B) of this section shall be credited to the general 15743  
revenue fund. 15744

(B) (1) In any case where any county or transit authority 15745  
has levied a tax or taxes pursuant to section 5739.021, 15746  
5739.023, or 5739.026 of the Revised Code, the tax commissioner 15747  
shall, within forty-five days after the end of each month, 15748  
determine and certify to the director of budget and management 15749  
the amount of the proceeds of such tax or taxes received during 15750  
that month from billings and assessments, or associated with tax 15751  
returns or reports filed during that month, to be returned to 15752  
the county or transit authority levying the tax or taxes. The 15753  
amount to be returned to each county and transit authority shall 15754  
be a fraction of the aggregate amount of money collected with 15755  
respect to each area in which one or more of such taxes are 15756

concurrently in effect with the tax levied by section 5739.02 of 15757  
the Revised Code. The numerator of the fraction is the rate of 15758  
the tax levied by the county or transit authority and the 15759  
denominator of the fraction is the aggregate rate of such taxes 15760  
applicable to such area. The amount to be returned to each 15761  
county or transit authority shall be reduced by the amount of 15762  
any refunds of county or transit authority tax paid pursuant to 15763  
section 5739.07 of the Revised Code during the same month, or 15764  
transfers made pursuant to division (B) (2) of section 5703.052 15765  
of the Revised Code. 15766

(2) On a periodic basis, using the best information 15767  
available, the tax commissioner shall distribute any amount of a 15768  
county or transit authority tax that cannot be distributed under 15769  
division (B) (1) of this section. Through audit or other means, 15770  
the commissioner shall attempt to obtain the information 15771  
necessary to make the distribution as provided under that 15772  
division and, on receipt of that information, shall make 15773  
adjustments to distributions previously made under this 15774  
division. 15775

(3) ~~Beginning July 1, 2008, eight~~ Eight and thirty-three 15776  
one-hundredths of one per cent of the revenue collected from the 15777  
tax due under division (A) of section 5739.029 of the Revised 15778  
Code shall be distributed to the county where the sale of the 15779  
motor vehicle is situated under section ~~5739.035~~ 5739.033 of the 15780  
Revised Code. The amount to be so distributed to the county 15781  
shall be apportioned on the basis of the rates of taxes the 15782  
county levies pursuant to sections 5739.021 and 5739.026 of the 15783  
Revised Code, as applicable, and shall be credited to the funds 15784  
of the county as provided in divisions (A) and (B) of section 15785  
5739.211 of the Revised Code. 15786

(C) The aggregate amount to be returned to any county or transit authority shall be reduced by one per cent, which shall be certified directly to the credit of the local sales tax administrative fund, which is hereby created in the state treasury. For the purpose of determining the amount to be returned to a county and transit authority in which the rate of tax imposed by the transit authority has been reduced under section 5739.028 of the Revised Code, the tax commissioner shall use the respective rates of tax imposed by the county or transit authority that results from the change in the rates authorized under that section.

(D) The director of budget and management shall transfer, from the same funds and in the same proportions specified in division (A) of this section, to the permissive tax distribution fund created by division (B) (1) of section 4301.423 of the Revised Code and to the local sales tax administrative fund, the amounts certified by the tax commissioner. The tax commissioner shall then, on or before the twentieth day of the month in which such certification is made, provide for payment of such respective amounts to the county treasurer and to the fiscal officer of the transit authority levying the tax or taxes. The amount transferred to the local sales tax administrative fund is for use by the tax commissioner in defraying costs incurred in administering such taxes levied by a county or transit authority.

**Sec. 5740.02.** (A) (1) The state of Ohio shall participate in discussions with other states regarding the development of a streamlined sales and use tax system to reduce the burden and cost for all sellers to collect this state's sales and use taxes.

(2) Subject to division (B) of this section, the state 15817  
also shall participate in meetings of the implementing states or 15818  
the governing board of the agreement to review, amend, or 15819  
administer the terms of the agreement to simplify and modernize 15820  
sales and use tax administration that embodies the requirements 15821  
set forth in section 5740.05 of the Revised Code. For purposes 15822  
of these meetings, the state shall be represented by three 15823  
delegates. The tax commissioner or the commissioner's designee 15824  
shall be the chairperson of the delegation. The other delegates 15825  
shall be one delegate chosen by the speaker of the house of 15826  
representatives and one delegate chosen by the president of the 15827  
senate. In all matters where voting by the member states or the 15828  
governing board is required to amend the agreement, the 15829  
chairperson, based on the votes of the majority of the 15830  
delegation, shall cast this state's vote. 15831

(B) The state shall not participate in the meetings of the 15832  
implementing states or the governing board referred to in 15833  
division (A) (2) of this section unless the meetings are 15834  
conducted in accordance with requirements substantially similar 15835  
to those described in divisions (C) and (F) of section 121.22 of 15836  
the Revised Code, as if the participants of the meetings were a 15837  
public body as defined in that section, except such meetings may 15838  
be closed during any discussion pertaining to proprietary 15839  
information of a person if the person so requests, personnel 15840  
matters, competitive bidding, certification of service 15841  
providers, or matters substantially similar to those described 15842  
~~in divisions~~ division (G) (2), (3), or (5) of section 121.22 of 15843  
the Revised Code. The state may participate in teleconferences, 15844  
special meetings, meetings of working groups, committees, or 15845  
steering committees if they are conducted in accordance with the 15846  
public participation rules applicable to such meetings, as 15847

established by the implementing states entitled to participate 15848  
in discussions to finalize the agreement, or the governing 15849  
board. 15850

(C) As used in this section: 15851

(1) "Meetings of the implementing states" means meetings 15852  
of the entire body of the states that are entitled to 15853  
participate in discussions to finalize the agreement because 15854  
they have enacted legislation based on the uniform sales and use 15855  
tax administration act, approved January 24, 2001, or the 15856  
simplified sales and use tax administration act, approved 15857  
January 27, 2001. 15858

(2) "Governing board" means the board that, under the 15859  
terms of the agreement, is responsible for the administration 15860  
and operation of the agreement. 15861

**Sec. 5743.05.** The tax commissioner shall sell all stamps 15862  
provided for by section 5743.03 of the Revised Code. The stamps 15863  
shall be sold at their face value, except the commissioner 15864  
shall, by rule, authorize the sale of stamps to wholesale 15865  
dealers in this state, or to wholesale dealers outside this 15866  
state, at a discount of not less than one and eight-tenths per 15867  
cent or more than ten per cent of their face value, as a 15868  
commission for affixing and canceling the stamps. 15869

The commissioner, by rule, shall authorize the delivery of 15870  
stamps to wholesale dealers in this state and to wholesale 15871  
dealers outside this state on credit. If such a dealer has not 15872  
been in good credit standing with this state for five 15873  
consecutive years preceding the purchase, the commissioner shall 15874  
require the dealer to file with the commissioner a bond to the 15875  
state in the amount and in the form prescribed by the 15876

commissioner, with surety to the satisfaction of the 15877  
commissioner, conditioned on payment to the treasurer of state 15878  
or the commissioner within thirty days or the following twenty- 15879  
third day of June, whichever comes first for stamps delivered 15880  
within that time. If such a dealer has been in good credit 15881  
standing with this state for five consecutive years preceding 15882  
the purchase, the commissioner shall not require that the dealer 15883  
file such a bond but shall require payment for the stamps within 15884  
thirty days after purchase of the stamps or the following 15885  
twenty-third day of June, whichever comes first. Stamps sold to 15886  
a dealer not required to file a bond shall be sold at face 15887  
value. The maximum amount that may be sold on credit to a dealer 15888  
not required to file a bond shall equal one hundred ten per cent 15889  
of the dealer's average monthly purchases over the preceding 15890  
calendar year. The maximum amount shall be adjusted to reflect 15891  
any changes in the tax rate and may be adjusted, upon 15892  
application to the commissioner by the dealer, to reflect 15893  
changes in the business operations of the dealer. The maximum 15894  
amount shall be applicable to the period between the first day 15895  
of July to the following twenty-third day of June. Payment by a 15896  
dealer not required to file a bond shall be remitted by 15897  
electronic funds transfer as prescribed by section 5743.051 of 15898  
the Revised Code. If a dealer not required to file a bond fails 15899  
to make the payment in full within the required payment period, 15900  
the commissioner shall not thereafter sell stamps to that dealer 15901  
until the dealer pays the outstanding amount, including penalty 15902  
and interest on that amount as prescribed in this chapter, and 15903  
the commissioner thereafter may require the dealer to file a 15904  
bond until the dealer is restored to good standing. The 15905  
commissioner shall limit delivery of stamps on credit to the 15906  
period running from the first day of July of the fiscal year 15907  
until the twenty-third day of the following June. Any discount 15908

allowed as a commission for affixing and canceling stamps shall 15909  
be allowed with respect to sales of stamps on credit. 15910

The commissioner shall redeem and pay for any destroyed, 15911  
unused, or spoiled tax stamps at their net value, and shall 15912  
refund to wholesale dealers the net amount of state and county 15913  
taxes paid erroneously or paid on cigarettes that have been sold 15914  
in interstate or foreign commerce or that have become unsalable, 15915  
and the net amount of county taxes that were paid on cigarettes 15916  
that have been sold at retail or for retail sale outside a 15917  
taxing county. 15918

An application for a refund of tax shall be filed with the 15919  
commissioner, on the form prescribed by the commissioner for 15920  
that purpose, within three years from the date the tax stamps 15921  
are destroyed or spoiled, from the date of the erroneous 15922  
payment, or from the date that cigarettes on which taxes have 15923  
been paid have been sold in interstate or foreign commerce or 15924  
have become unsalable. 15925

On the filing of the application, the commissioner shall 15926  
determine the amount of refund to which the applicant is 15927  
entitled, payable from receipts of the state tax, and, if 15928  
applicable, payable from receipts of a county tax. If the amount 15929  
is not less than that claimed, the commissioner shall certify 15930  
the amount to the director of budget and management and 15931  
treasurer of state for payment from the tax refund fund created 15932  
by section 5703.052 of the Revised Code. If the amount is less 15933  
than that claimed, the commissioner shall proceed in accordance 15934  
with section 5703.70 of the Revised Code. 15935

If a refund is granted for payment of an illegal or 15936  
erroneous assessment issued by the department, the refund shall 15937  
include interest on the amount of the refund from the date of 15938

the overpayment. The interest shall be computed at the rate per 15939  
annum prescribed by section 5703.47 of the Revised Code. 15940

**Sec. 5743.08.** Whenever the tax commissioner discovers any 15941  
cigarettes which are being shipped, or which have been shipped, 15942  
or transported in violation of section 2927.023 of the Revised 15943  
Code, or discovers cigarettes, subject to the taxes levied under 15944  
section 5743.02, 5743.021, 5743.024, or 5743.026 of the Revised 15945  
Code, and upon which the taxes have not been paid or that are 15946  
held for sale or distribution in violation of any other 15947  
provision of this chapter, the commissioner may seize and take 15948  
possession of such cigarettes, which shall thereupon be 15949  
forfeited to the state, and the commissioner, within a 15950  
reasonable time thereafter shall sell or destroy the forfeited 15951  
cigarettes. If the commissioner takes ~~possession~~ possession of 15952  
cigarettes seized pursuant to section 3739.11 of the Revised 15953  
Code, such cigarettes shall be forfeited to the state, and the 15954  
commissioner shall destroy such cigarettes, except prior to the 15955  
destruction of any such cigarettes, the true holder of the 15956  
trademark rights in the cigarette brand shall be permitted to 15957  
inspect the cigarettes. If the commissioner sells cigarettes 15958  
under this section, the commissioner shall use proceeds from the 15959  
sale to pay the costs incurred in the proceedings. Any proceeds 15960  
remaining after all costs have been paid shall be considered 15961  
revenue arising from the taxes levied under this chapter. 15962  
Seizure and sale shall not be deemed to relieve any person from 15963  
the fine or imprisonment provided for violation of sections 15964  
5743.01 to 5743.20 of the Revised Code or from a civil penalty 15965  
under section 3739.99 of the Revised Code. A sale shall be made 15966  
where it is most convenient and economical. The tax commissioner 15967  
may order the destruction of the forfeited cigarettes if the 15968  
quantity or quality of the cigarettes is not sufficient to 15969



warrant their sale. 15970

**Sec. 5743.33.** Except as provided in section ~~5747.331~~ 15971  
5743.331 of the Revised Code, every person who has acquired 15972  
cigarettes for use, storage, or other consumption subject to the 15973  
tax levied under section 5743.32, 5743.321, 5743.323, or 15974  
5743.324 of the Revised Code, shall, on or before the fifteenth 15975  
day of the month following receipt of such cigarettes, file with 15976  
the tax commissioner a return showing the amount of cigarettes 15977  
acquired, together with remittance of the tax thereon. No such 15978  
person shall transport within this state, cigarettes that have a 15979  
wholesale value in excess of three hundred dollars, unless that 15980  
person has obtained consent to transport the cigarettes from the 15981  
department of taxation prior to such transportation. Such 15982  
consent shall not be required if the applicable taxes levied 15983  
under sections 5743.02, 5743.021, 5743.024, and 5743.026 of the 15984  
Revised Code have been paid. Application for the consent shall 15985  
be in the form prescribed by the tax commissioner. 15986

Every person transporting such cigarettes shall possess 15987  
the consent while transporting or possessing the cigarettes 15988  
within this state and shall produce the consent upon request of 15989  
any law enforcement officer or authorized agent of the tax 15990  
commissioner. 15991

Any person transporting such cigarettes without the 15992  
consent required by this section, shall be subject to the 15993  
provisions of this chapter, including the applicable taxes 15994  
imposed under sections 5743.02, 5743.021, 5743.024, and 5743.026 15995  
of the Revised Code. 15996

**Sec. 5743.65.** No person required by division ~~(B)~~(C) of 15997  
section 5743.62 or division (B) of section 5743.63 of the 15998  
Revised Code to file a return with the tax commissioner shall 15999

fail to make the return or fail to pay the applicable taxes 16000  
levied under section 5743.62 or 5743.63 of the Revised Code or 16001  
fail to pay any lawful assessment issued by the tax 16002  
commissioner. 16003

**Sec. 5745.14.** (A) If any of the facts, figures, 16004  
computations, or attachments required in a taxpayer's report to 16005  
determine the tax due a municipal corporation must be altered as 16006  
the result of an adjustment to the taxpayer's federal income tax 16007  
return, whether the adjustment is initiated by the taxpayer, the 16008  
internal revenue service, or the tax commissioner, and such 16009  
alteration affects the taxpayer's tax liability to a municipal 16010  
corporation, the taxpayer shall file an amended report with the 16011  
tax commissioner in such form as the commissioner requires. The 16012  
amended report shall be filed not later than one year after the 16013  
adjustment has been agreed to or finally determined. 16014

(B) In the case of an underpayment, the amended report 16015  
shall be accompanied by payment of an additional tax and 16016  
interest due and is a report subject to assessment under section 16017  
5745.12 of the Revised Code for the purpose of assessing any 16018  
additional tax due under this division, together with any 16019  
applicable penalty and interest. It shall not reopen those 16020  
facts, figures, computations, or attachments from a previously 16021  
filed report no longer subject to assessment that are not 16022  
affected, either directly or indirectly, by the adjustment to 16023  
the taxpayer's federal income tax return. 16024

(C) In the case of an overpayment, an application for 16025  
refund may be filed under section 5745.11 of the Revised Code 16026  
within the one-year period prescribed for filing the amended 16027  
report even if it is filed beyond the period prescribed by that 16028  
section, if it otherwise conforms to the requirements of such 16029

section. An application filed under this division shall claim 16030  
refund of overpayments resulting from alterations to only those 16031  
facts, figures, computations, or attachments required in the 16032  
taxpayer's report that are affected, either directly or 16033  
indirectly, by the adjustment to the taxpayer's federal income 16034  
tax return unless it is also filed within the time prescribed by 16035  
section 5745.11 of the Revised Code. It shall not reopen those 16036  
facts, figures, computations, or attachments that are not 16037  
affected, either directly or indirectly, by the adjustment to 16038  
the taxpayer's federal income tax return. 16039

**Sec. 5747.01.** Except as otherwise expressly provided or 16040  
clearly appearing from the context, any term used in this 16041  
chapter that is not otherwise defined in this section has the 16042  
same meaning as when used in a comparable context in the laws of 16043  
the United States relating to federal income taxes or if not 16044  
used in a comparable context in those laws, has the same meaning 16045  
as in section 5733.40 of the Revised Code. Any reference in this 16046  
chapter to the Internal Revenue Code includes other laws of the 16047  
United States relating to federal income taxes. 16048

As used in this chapter: 16049

(A) "Adjusted gross income" or "Ohio adjusted gross 16050  
income" means federal adjusted gross income, as defined and used 16051  
in the Internal Revenue Code, adjusted as provided in this 16052  
section: 16053

(1) Add interest or dividends on obligations or securities 16054  
of any state or of any political subdivision or authority of any 16055  
state, other than this state and its subdivisions and 16056  
authorities. 16057

(2) Add interest or dividends on obligations of any 16058

authority, commission, instrumentality, territory, or possession 16059  
of the United States to the extent that the interest or 16060  
dividends are exempt from federal income taxes but not from 16061  
state income taxes. 16062

(3) Deduct interest or dividends on obligations of the 16063  
United States and its territories and possessions or of any 16064  
authority, commission, or instrumentality of the United States 16065  
to the extent that the interest or dividends are included in 16066  
federal adjusted gross income but exempt from state income taxes 16067  
under the laws of the United States. 16068

(4) Deduct disability and survivor's benefits to the 16069  
extent included in federal adjusted gross income. 16070

(5) Deduct benefits under Title II of the Social Security 16071  
Act and tier 1 railroad retirement benefits to the extent 16072  
included in federal adjusted gross income under section 86 of 16073  
the Internal Revenue Code. 16074

~~(6) In the case of a taxpayer who is a beneficiary of a 16075  
trust that makes an accumulation distribution as defined in 16076  
section 665 of the Internal Revenue Code, add, for the 16077  
beneficiary's taxable years beginning before 2002, the portion, 16078  
if any, of such distribution that does not exceed the 16079  
undistributed net income of the trust for the three taxable 16080  
years preceding the taxable year in which the distribution is 16081  
made to the extent that the portion was not included in the 16082  
trust's taxable income for any of the trust's taxable years 16083  
beginning in 2002 or thereafter. "Undistributed net income of a 16084  
trust" means the taxable income of the trust increased by (a) (i) 16085  
the additions to adjusted gross income required under division 16086  
(A) of this section and (ii) the personal exemptions allowed to 16087  
the trust pursuant to section 642(b) of the Internal Revenue 16088~~

~~Code, and decreased by (b) (i) the deductions to adjusted gross income required under division (A) of this section, (ii) the amount of federal income taxes attributable to such income, and (iii) the amount of taxable income that has been included in the adjusted gross income of a beneficiary by reason of a prior accumulation distribution. Any undistributed net income included in the adjusted gross income of a beneficiary shall reduce the undistributed net income of the trust commencing with the earliest years of the accumulation period.~~ 16089  
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~~(7)~~ Deduct the amount of wages and salaries, if any, not otherwise allowable as a deduction but that would have been allowable as a deduction in computing federal adjusted gross income for the taxable year, had the targeted jobs credit allowed and determined under sections 38, 51, and 52 of the Internal Revenue Code not been in effect. 16098  
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~~(8)~~ (7) Deduct any interest or interest equivalent on public obligations and purchase obligations to the extent that the interest or interest equivalent is included in federal adjusted gross income. 16104  
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~~(9)~~ (8) Add any loss or deduct any gain resulting from the sale, exchange, or other disposition of public obligations to the extent that the loss has been deducted or the gain has been included in computing federal adjusted gross income. 16108  
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~~(10)~~ (9) Deduct or add amounts, as provided under section 5747.70 of the Revised Code, related to contributions to variable college savings program accounts made or tuition units purchased pursuant to Chapter 3334. of the Revised Code. 16112  
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~~(11)(a)~~ (10)(a) Deduct, to the extent not otherwise allowable as a deduction or exclusion in computing federal or 16116  
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Ohio adjusted gross income for the taxable year, the amount the 16118  
taxpayer paid during the taxable year for medical care insurance 16119  
and qualified long-term care insurance for the taxpayer, the 16120  
taxpayer's spouse, and dependents. No deduction for medical care 16121  
insurance under division ~~(A) (11) (a)~~ (A) (10) (a) of this section 16122  
shall be allowed either to any taxpayer who is eligible to 16123  
participate in any subsidized health plan maintained by any 16124  
employer of the taxpayer or of the taxpayer's spouse, or to any 16125  
taxpayer who is entitled to, or on application would be entitled 16126  
to, benefits under part A of Title XVIII of the "Social Security 16127  
Act," 49 Stat. 620 (1935), 42 U.S.C. 301, as amended. For the 16128  
purposes of division ~~(A) (11) (a)~~ (A) (10) (a) of this section, 16129  
"subsidized health plan" means a health plan for which the 16130  
employer pays any portion of the plan's cost. The deduction 16131  
allowed under division ~~(A) (11) (a)~~ (A) (10) (a) of this section 16132  
shall be the net of any related premium refunds, related premium 16133  
reimbursements, or related insurance premium dividends received 16134  
during the taxable year. 16135

(b) Deduct, to the extent not otherwise deducted or 16136  
excluded in computing federal or Ohio adjusted gross income 16137  
during the taxable year, the amount the taxpayer paid during the 16138  
taxable year, not compensated for by any insurance or otherwise, 16139  
for medical care of the taxpayer, the taxpayer's spouse, and 16140  
dependents, to the extent the expenses exceed seven and one-half 16141  
per cent of the taxpayer's federal adjusted gross income. 16142

~~(c) Deduct, to the extent not otherwise deducted or 16143  
excluded in computing federal or Ohio adjusted gross income, any 16144  
amount included in federal adjusted gross income under section 16145  
105 or not excluded under section 106 of the Internal Revenue 16146  
Code solely because it relates to an accident and health plan 16147  
for a person who otherwise would be a "qualifying relative" and 16148~~

~~thus a "dependent" under section 152 of the Internal Revenue Code but for the fact that the person fails to meet the income and support limitations under section 152(d)(1)(B) and (C) of the Internal Revenue Code.~~ 16149  
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~~(d)~~ For purposes of division ~~(A)(11)~~ (A)(10) of this section, "medical care" has the meaning given in section 213 of the Internal Revenue Code, subject to the special rules, limitations, and exclusions set forth therein, and "qualified long-term care" has the same meaning given in section 7702B(c) of the Internal Revenue Code. Solely for purposes of ~~divisions (A)(11)(a) and (c)~~ division (A)(10)(a) of this section, "dependent" includes a person who otherwise would be a "qualifying relative" and thus a "dependent" under section 152 of the Internal Revenue Code but for the fact that the person fails to meet the income and support limitations under section 152(d)(1)(B) and (C) of the Internal Revenue Code. 16153  
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~~(12)(a)~~ (11)(a) Deduct any amount included in federal adjusted gross income solely because the amount represents a reimbursement or refund of expenses that in any year the taxpayer had deducted as an itemized deduction pursuant to section 63 of the Internal Revenue Code and applicable United States department of the treasury regulations. The deduction otherwise allowed under division ~~(A)(12)(a)~~ (A)(11)(a) of this section shall be reduced to the extent the reimbursement is attributable to an amount the taxpayer deducted under this section in any taxable year. 16165  
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(b) Add any amount not otherwise included in Ohio adjusted gross income for any taxable year to the extent that the amount is attributable to the recovery during the taxable year of any amount deducted or excluded in computing federal or Ohio 16175  
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adjusted gross income in any taxable year. 16179

~~(13)~~ (12) Deduct any portion of the deduction described in 16180  
section 1341(a) (2) of the Internal Revenue Code, for repaying 16181  
previously reported income received under a claim of right, that 16182  
meets both of the following requirements: 16183

(a) It is allowable for repayment of an item that was 16184  
included in the taxpayer's adjusted gross income for a prior 16185  
taxable year and did not qualify for a credit under division (A) 16186  
or (B) of section 5747.05 of the Revised Code for that year; 16187

(b) It does not otherwise reduce the taxpayer's adjusted 16188  
gross income for the current or any other taxable year. 16189

~~(14)~~ (13) Deduct an amount equal to the deposits made to, 16190  
and net investment earnings of, a medical savings account during 16191  
the taxable year, in accordance with section 3924.66 of the 16192  
Revised Code. The deduction allowed by division ~~(A) (14)~~ (A) (13) 16193  
of this section does not apply to medical savings account 16194  
deposits and earnings otherwise deducted or excluded for the 16195  
current or any other taxable year from the taxpayer's federal 16196  
adjusted gross income. 16197

~~(15)~~ ~~(a)~~ (14) (a) Add an amount equal to the funds withdrawn 16198  
from a medical savings account during the taxable year, and the 16199  
net investment earnings on those funds, when the funds withdrawn 16200  
were used for any purpose other than to reimburse an account 16201  
holder for, or to pay, eligible medical expenses, in accordance 16202  
with section 3924.66 of the Revised Code; 16203

(b) Add the amounts distributed from a medical savings 16204  
account under division (A) (2) of section 3924.68 of the Revised 16205  
Code during the taxable year. 16206

~~(16)~~ (15) Add any amount claimed as a credit under section 16207



5747.059 of the Revised Code to the extent that such amount 16208  
satisfies either of the following: 16209

(a) The amount was deducted or excluded from the 16210  
computation of the taxpayer's federal adjusted gross income as 16211  
required to be reported for the taxpayer's taxable year under 16212  
the Internal Revenue Code; 16213

(b) The amount resulted in a reduction of the taxpayer's 16214  
federal adjusted gross income as required to be reported for any 16215  
of the taxpayer's taxable years under the Internal Revenue Code. 16216

~~(17)~~ (16) Deduct the amount contributed by the taxpayer to 16217  
an individual development account program established by a 16218  
county department of job and family services pursuant to 16219  
sections 329.11 to 329.14 of the Revised Code for the purpose of 16220  
matching funds deposited by program participants. On request of 16221  
the tax commissioner, the taxpayer shall provide any information 16222  
that, in the tax commissioner's opinion, is necessary to 16223  
establish the amount deducted under division ~~(A) (17)~~ (A) (16) of 16224  
this section. 16225

~~(18)~~ Beginning in taxable year 2001 but not for any 16226  
taxable year beginning after December 31, 2005, if the taxpayer 16227  
is married and files a joint return and the combined federal 16228  
adjusted gross income of the taxpayer and the taxpayer's spouse 16229  
for the taxable year does not exceed one hundred thousand 16230  
dollars, or if the taxpayer is single and has a federal adjusted 16231  
gross income for the taxable year not exceeding fifty thousand 16232  
dollars, deduct amounts paid during the taxable year for 16233  
qualified tuition and fees paid to an eligible institution for 16234  
the taxpayer, the taxpayer's spouse, or any dependent of the 16235  
taxpayer, who is a resident of this state and is enrolled in or 16236  
attending a program that culminates in a degree or diploma at an 16237

~~eligible institution. The deduction may be claimed only to the extent that qualified tuition and fees are not otherwise deducted or excluded for any taxable year from federal or Ohio adjusted gross income. The deduction may not be claimed for educational expenses for which the taxpayer claims a credit under section 5747.27 of the Revised Code.~~

~~(19) Add any reimbursement received during the taxable year of any amount the taxpayer deducted under division (A) (18) of this section in any previous taxable year to the extent the amount is not otherwise included in Ohio adjusted gross income.~~

~~(20) (a) (i)~~ (17) (a) (i) Subject to divisions ~~(A) (20) (a) (iii)~~ (A) (17) (a) (iii), (iv), and (v) of this section, add five-sixths of the amount of depreciation expense allowed by subsection (k) of section 168 of the Internal Revenue Code, including the taxpayer's proportionate or distributive share of the amount of depreciation expense allowed by that subsection to a pass-through entity in which the taxpayer has a direct or indirect ownership interest.

(ii) Subject to divisions ~~(A) (20) (a) (iii)~~ (A) (17) (a) (iii), (iv), and (v) of this section, add five-sixths of the amount of qualifying section 179 depreciation expense, including the taxpayer's proportionate or distributive share of the amount of qualifying section 179 depreciation expense allowed to any pass-through entity in which the taxpayer has a direct or indirect ownership interest.

(iii) Subject to division ~~(A) (20) (a) (v)~~ (A) (17) (a) (v) of this section, for taxable years beginning in 2012 or thereafter, if the increase in income taxes withheld by the taxpayer is equal to or greater than ten per cent of income taxes withheld by the taxpayer during the taxpayer's immediately preceding

taxable year, "two-thirds" shall be substituted for "five- 16268  
sixths" for the purpose of divisions ~~(A) (20) (a) (i)~~ (A) (17) (a) (i) 16269  
and (ii) of this section. 16270

(iv) Subject to division ~~(A) (20) (a) (v)~~ (A) (17) (a) (v) of 16271  
this section, for taxable years beginning in 2012 or thereafter, 16272  
a taxpayer is not required to add an amount under division ~~(A)~~ 16273  
~~(20)~~ (A) (17) of this section if the increase in income taxes 16274  
withheld by the taxpayer and by any pass-through entity in which 16275  
the taxpayer has a direct or indirect ownership interest is 16276  
equal to or greater than the sum of (I) the amount of qualifying 16277  
section 179 depreciation expense and (II) the amount of 16278  
depreciation expense allowed to the taxpayer by subsection (k) 16279  
of section 168 of the Internal Revenue Code, and including the 16280  
taxpayer's proportionate or distributive shares of such amounts 16281  
allowed to any such pass-through entities. 16282

(v) If a taxpayer directly or indirectly incurs a net 16283  
operating loss for the taxable year for federal income tax 16284  
purposes, to the extent such loss resulted from depreciation 16285  
expense allowed by subsection (k) of section 168 of the Internal 16286  
Revenue Code and by qualifying section 179 depreciation expense, 16287  
"the entire" shall be substituted for "five-sixths of the" for 16288  
the purpose of divisions ~~(A) (20) (a) (i)~~ (A) (17) (a) (i) and (ii) of 16289  
this section. 16290

The tax commissioner, under procedures established by the 16291  
commissioner, may waive the add-backs related to a pass-through 16292  
entity if the taxpayer owns, directly or indirectly, less than 16293  
five per cent of the pass-through entity. 16294

(b) Nothing in division ~~(A) (20)~~ (A) (17) of this section 16295  
shall be construed to adjust or modify the adjusted basis of any 16296  
asset. 16297

(c) To the extent the add-back required under division ~~(A)~~ 16298  
~~(20)(a)~~ (A)(17)(a) of this section is attributable to property 16299  
generating nonbusiness income or loss allocated under section 16300  
5747.20 of the Revised Code, the add-back shall be situated to 16301  
the same location as the nonbusiness income or loss generated by 16302  
the property for the purpose of determining the credit under 16303  
division (A) of section 5747.05 of the Revised Code. Otherwise, 16304  
the add-back shall be apportioned, subject to one or more of the 16305  
four alternative methods of apportionment enumerated in section 16306  
5747.21 of the Revised Code. 16307

(d) For the purposes of division ~~(A)(20)(a)(v)~~ (A)(17)(a) 16308  
(v) of this section, net operating loss carryback and 16309  
carryforward shall not include the allowance of any net 16310  
operating loss deduction carryback or carryforward to the 16311  
taxable year to the extent such loss resulted from depreciation 16312  
allowed by section 168(k) of the Internal Revenue Code and by 16313  
the qualifying section 179 depreciation expense amount. 16314

(e) For the purposes of divisions ~~(A)(20)~~ (A)(17) and ~~(21)~~ 16315  
(18) of this section: 16316

(i) "Income taxes withheld" means the total amount 16317  
withheld and remitted under sections 5747.06 and 5747.07 of the 16318  
Revised Code by an employer during the employer's taxable year. 16319

(ii) "Increase in income taxes withheld" means the amount 16320  
by which the amount of income taxes withheld by an employer 16321  
during the employer's current taxable year exceeds the amount of 16322  
income taxes withheld by that employer during the employer's 16323  
immediately preceding taxable year. 16324

(iii) "Qualifying section 179 depreciation expense" means 16325  
the difference between (I) the amount of depreciation expense 16326

directly or indirectly allowed to a taxpayer under section 179 16327  
of the Internal Revised Code, and (II) the amount of 16328  
depreciation expense directly or indirectly allowed to the 16329  
taxpayer under section 179 of the Internal Revenue Code as that 16330  
section existed on December 31, 2002. 16331

~~(21)(a)~~ (18)(a) If the taxpayer was required to add an 16332  
amount under division ~~(A)(20)(a)~~ (A)(17)(a) of this section for 16333  
a taxable year, deduct one of the following: 16334

(i) One-fifth of the amount so added for each of the five 16335  
succeeding taxable years if the amount so added was five-sixths 16336  
of qualifying section 179 depreciation expense or depreciation 16337  
expense allowed by subsection (k) of section 168 of the Internal 16338  
Revenue Code; 16339

(ii) One-half of the amount so added for each of the two 16340  
succeeding taxable years if the amount so added was two-thirds 16341  
of such depreciation expense; 16342

(iii) One-sixth of the amount so added for each of the six 16343  
succeeding taxable years if the entire amount of such 16344  
depreciation expense was so added. 16345

(b) If the amount deducted under division ~~(A)(21)(a)~~ (A) 16346  
(18)(a) of this section is attributable to an add-back allocated 16347  
under division ~~(A)(20)(e)~~ (A)(17)(c) of this section, the amount 16348  
deducted shall be situated to the same location. Otherwise, the 16349  
add-back shall be apportioned using the apportionment factors 16350  
for the taxable year in which the deduction is taken, subject to 16351  
one or more of the four alternative methods of apportionment 16352  
enumerated in section 5747.21 of the Revised Code. 16353

(c) No deduction is available under division ~~(A)(21)(a)~~ 16354  
(A)(18)(a) of this section with regard to any depreciation 16355

allowed by section 168(k) of the Internal Revenue Code and by 16356  
the qualifying section 179 depreciation expense amount to the 16357  
extent that such depreciation results in or increases a federal 16358  
net operating loss carryback or carryforward. If no such 16359  
deduction is available for a taxable year, the taxpayer may 16360  
carry forward the amount not deducted in such taxable year to 16361  
the next taxable year and add that amount to any deduction 16362  
otherwise available under division ~~(A) (21) (a)~~ (A) (18) (a) of this 16363  
section for that next taxable year. The carryforward of amounts 16364  
not so deducted shall continue until the entire addition 16365  
required by division ~~(A) (20) (a)~~ (A) (17) (a) of this section has 16366  
been deducted. 16367

~~(d) No refund shall be allowed as a result of adjustments 16368  
made by division (A) (21) of this section. 16369~~

~~(22)~~ (19) Deduct, to the extent not otherwise deducted or 16370  
excluded in computing federal or Ohio adjusted gross income for 16371  
the taxable year, the amount the taxpayer received during the 16372  
taxable year as reimbursement for life insurance premiums under 16373  
section 5919.31 of the Revised Code. 16374

~~(23)~~ (20) Deduct, to the extent not otherwise deducted or 16375  
excluded in computing federal or Ohio adjusted gross income for 16376  
the taxable year, the amount the taxpayer received during the 16377  
taxable year as a death benefit paid by the adjutant general 16378  
under section 5919.33 of the Revised Code. 16379

~~(24)~~ (21) Deduct, to the extent included in federal 16380  
adjusted gross income and not otherwise allowable as a deduction 16381  
or exclusion in computing federal or Ohio adjusted gross income 16382  
for the taxable year, military pay and allowances received by 16383  
the taxpayer during the taxable year for active duty service in 16384  
the United States army, air force, navy, marine corps, or coast 16385

guard or reserve components thereof or the national guard. The 16386  
deduction may not be claimed for military pay and allowances 16387  
received by the taxpayer while the taxpayer is stationed in this 16388  
state. 16389

~~(25)~~ (22) Deduct, to the extent not otherwise allowable as 16390  
a deduction or exclusion in computing federal or Ohio adjusted 16391  
gross income for the taxable year and not otherwise compensated 16392  
for by any other source, the amount of qualified organ donation 16393  
expenses incurred by the taxpayer during the taxable year, not 16394  
to exceed ten thousand dollars. A taxpayer may deduct qualified 16395  
organ donation expenses only once for all taxable years 16396  
beginning with taxable years beginning in 2007. 16397

For the purposes of division ~~(A) (25)~~ (A) (22) of this 16398  
section: 16399

(a) "Human organ" means all or any portion of a human 16400  
liver, pancreas, kidney, intestine, or lung, and any portion of 16401  
human bone marrow. 16402

(b) "Qualified organ donation expenses" means travel 16403  
expenses, lodging expenses, and wages and salary forgone by a 16404  
taxpayer in connection with the taxpayer's donation, while 16405  
living, of one or more of the taxpayer's human organs to another 16406  
human being. 16407

~~(26)~~ (23) Deduct, to the extent not otherwise deducted or 16408  
excluded in computing federal or Ohio adjusted gross income for 16409  
the taxable year, amounts received by the taxpayer as retired 16410  
personnel pay for service in the uniformed services or reserve 16411  
components thereof, or the national guard, or received by the 16412  
surviving spouse or former spouse of such a taxpayer under the 16413  
survivor benefit plan on account of such a taxpayer's death. If 16414

the taxpayer receives income on account of retirement paid under 16415  
the federal civil service retirement system or federal employees 16416  
retirement system, or under any successor retirement program 16417  
enacted by the congress of the United States that is established 16418  
and maintained for retired employees of the United States 16419  
government, and such retirement income is based, in whole or in 16420  
part, on credit for the taxpayer's uniformed service, the 16421  
deduction allowed under this division shall include only that 16422  
portion of such retirement income that is attributable to the 16423  
taxpayer's uniformed service, to the extent that portion of such 16424  
retirement income is otherwise included in federal adjusted 16425  
gross income and is not otherwise deducted under this section. 16426  
Any amount deducted under division ~~(A) (26)~~ (A) (23) of this 16427  
section is not included in a taxpayer's adjusted gross income 16428  
for the purposes of section 5747.055 of the Revised Code. No 16429  
amount may be deducted under division ~~(A) (26)~~ (A) (23) of this 16430  
section on the basis of which a credit was claimed under section 16431  
5747.055 of the Revised Code. 16432

~~(27)~~ (24) Deduct, to the extent not otherwise deducted or 16433  
excluded in computing federal or Ohio adjusted gross income for 16434  
the taxable year, the amount the taxpayer received during the 16435  
taxable year from the military injury relief fund created in 16436  
section 5902.05 of the Revised Code. 16437

~~(28)~~ (25) Deduct, to the extent not otherwise deducted or 16438  
excluded in computing federal or Ohio adjusted gross income for 16439  
the taxable year, the amount the taxpayer received as a veterans 16440  
bonus during the taxable year from the Ohio department of 16441  
veterans services as authorized by Section 2r of Article VIII, 16442  
Ohio Constitution. 16443

~~(29)~~ (26) Deduct, to the extent not otherwise deducted or 16444



excluded in computing federal or Ohio adjusted gross income for 16445  
the taxable year, any income derived from a transfer agreement 16446  
or from the enterprise transferred under that agreement under 16447  
section 4313.02 of the Revised Code. 16448

~~(30)~~ (27) Deduct, to the extent not otherwise deducted or 16449  
excluded in computing federal or Ohio adjusted gross income for 16450  
the taxable year, Ohio college opportunity or federal Pell grant 16451  
amounts received by the taxpayer or the taxpayer's spouse or 16452  
dependent pursuant to section 3333.122 of the Revised Code or 20 16453  
U.S.C. 1070a, et seq., and used to pay room or board furnished 16454  
by the educational institution for which the grant was awarded 16455  
at the institution's facilities, including meal plans 16456  
administered by the institution. For the purposes of this 16457  
division, receipt of a grant includes the distribution of a 16458  
grant directly to an educational institution and the crediting 16459  
of the grant to the enrollee's account with the institution. 16460

~~(31)~~ (28) Deduct from the portion of an individual's 16461  
federal adjusted gross income that is business income, to the 16462  
extent not otherwise deducted or excluded in computing federal 16463  
adjusted gross income for the taxable year, one hundred twenty- 16464  
five thousand dollars for each spouse if spouses file separate 16465  
returns under section 5747.08 of the Revised Code or two hundred 16466  
fifty thousand dollars for all other individuals. 16467

~~(32)~~ (29) Deduct, as provided under section 5747.78 of the 16468  
Revised Code, contributions to ABLE savings accounts made in 16469  
accordance with sections 113.50 to 113.56 of the Revised Code. 16470

~~(33)~~ (a) ~~(30)~~ (a) Deduct, to the extent not otherwise 16471  
deducted or excluded in computing federal or Ohio adjusted gross 16472  
income during the taxable year, all of the following: 16473

(i) Compensation paid to a qualifying employee described 16474  
in division (A) (14) (a) of section 5703.94 of the Revised Code to 16475  
the extent such compensation is for disaster work conducted in 16476  
this state during a disaster response period pursuant to a 16477  
qualifying solicitation received by the employee's employer; 16478

(ii) Compensation paid to a qualifying employee described 16479  
in division (A) (14) (b) of section 5703.94 of the Revised Code to 16480  
the extent such compensation is for disaster work conducted in 16481  
this state by the employee during the disaster response period 16482  
on critical infrastructure owned or used by the employee's 16483  
employer; 16484

(iii) Income received by an out-of-state disaster business 16485  
for disaster work conducted in this state during a disaster 16486  
response period, or, if the out-of-state disaster business is a 16487  
pass-through entity, a taxpayer's distributive share of the 16488  
pass-through entity's income from the business conducting 16489  
disaster work in this state during a disaster response period, 16490  
if, in either case, the disaster work is conducted pursuant to a 16491  
qualifying solicitation received by the business. 16492

(b) All terms used in division ~~(A) (33)~~ (A) (30) of this 16493  
section have the same meanings as in section 5703.94 of the 16494  
Revised Code. 16495

~~(34)~~ (31) For a taxpayer who is a qualifying Ohio 16496  
educator, deduct, to the extent not otherwise deducted or 16497  
excluded in computing federal or Ohio adjusted gross income for 16498  
the taxable year, the lesser of two hundred fifty dollars or the 16499  
amount of expenses described in subsections (a) (2) (D) (i) and 16500  
(ii) of section 62 of the Internal Revenue Code paid or incurred 16501  
by the taxpayer during the taxpayer's taxable year in excess of 16502  
the amount the taxpayer is authorized to deduct for that taxable 16503

year under subsection (a) (2) (D) of that section. 16504

(B) "Business income" means income, including gain or 16505  
loss, arising from transactions, activities, and sources in the 16506  
regular course of a trade or business and includes income, gain, 16507  
or loss from real property, tangible property, and intangible 16508  
property if the acquisition, rental, management, and disposition 16509  
of the property constitute integral parts of the regular course 16510  
of a trade or business operation. "Business income" includes 16511  
income, including gain or loss, from a partial or complete 16512  
liquidation of a business, including, but not limited to, gain 16513  
or loss from the sale or other disposition of goodwill. 16514

(C) "Nonbusiness income" means all income other than 16515  
business income and may include, but is not limited to, 16516  
compensation, rents and royalties from real or tangible personal 16517  
property, capital gains, interest, dividends and distributions, 16518  
patent or copyright royalties, or lottery winnings, prizes, and 16519  
awards. 16520

(D) "Compensation" means any form of remuneration paid to 16521  
an employee for personal services. 16522

(E) "Fiduciary" means a guardian, trustee, executor, 16523  
administrator, receiver, conservator, or any other person acting 16524  
in any fiduciary capacity for any individual, trust, or estate. 16525

(F) "Fiscal year" means an accounting period of twelve 16526  
months ending on the last day of any month other than December. 16527

(G) "Individual" means any natural person. 16528

(H) "Internal Revenue Code" means the "Internal Revenue 16529  
Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as amended. 16530

(I) "Resident" means any of the following, ~~provided that~~ 16531

~~division (I) (3) of this section applies only to taxable years of~~ 16532  
~~a trust beginning in 2002 or thereafter:~~ 16533

(1) An individual who is domiciled in this state, subject 16534  
to section 5747.24 of the Revised Code; 16535

(2) The estate of a decedent who at the time of death was 16536  
domiciled in this state. The domicile tests of section 5747.24 16537  
of the Revised Code are not controlling for purposes of division 16538  
(I) (2) of this section. 16539

(3) A trust that, in whole or part, resides in this state. 16540  
If only part of a trust resides in this state, the trust is a 16541  
resident only with respect to that part. 16542

For the purposes of division (I) (3) of this section: 16543

(a) A trust resides in this state for the trust's current 16544  
taxable year to the extent, as described in division (I) (3) (d) 16545  
of this section, that the trust consists directly or indirectly, 16546  
in whole or in part, of assets, net of any related liabilities, 16547  
that were transferred, or caused to be transferred, directly or 16548  
indirectly, to the trust by any of the following: 16549

(i) A person, a court, or a governmental entity or 16550  
instrumentality on account of the death of a decedent, but only 16551  
if the trust is described in division (I) (3) (e) (i) or (ii) of 16552  
this section; 16553

(ii) A person who was domiciled in this state for the 16554  
purposes of this chapter when the person directly or indirectly 16555  
transferred assets to an irrevocable trust, but only if at least 16556  
one of the trust's qualifying beneficiaries is domiciled in this 16557  
state for the purposes of this chapter during all or some 16558  
portion of the trust's current taxable year; 16559

(iii) A person who was domiciled in this state for the purposes of this chapter when the trust document or instrument or part of the trust document or instrument became irrevocable, but only if at least one of the trust's qualifying beneficiaries is a resident domiciled in this state for the purposes of this chapter during all or some portion of the trust's current taxable year. If a trust document or instrument became irrevocable upon the death of a person who at the time of death was domiciled in this state for purposes of this chapter, that person is a person described in division (I) (3) (a) (iii) of this section.

(b) A trust is irrevocable to the extent that the transferor is not considered to be the owner of the net assets of the trust under sections 671 to 678 of the Internal Revenue Code.

(c) With respect to a trust other than a charitable lead trust, "qualifying beneficiary" has the same meaning as "potential current beneficiary" as defined in section 1361(e) (2) of the Internal Revenue Code, and with respect to a charitable lead trust "qualifying beneficiary" is any current, future, or contingent beneficiary, but with respect to any trust "qualifying beneficiary" excludes a person or a governmental entity or instrumentality to any of which a contribution would qualify for the charitable deduction under section 170 of the Internal Revenue Code.

(d) For the purposes of division (I) (3) (a) of this section, the extent to which a trust consists directly or indirectly, in whole or in part, of assets, net of any related liabilities, that were transferred directly or indirectly, in whole or part, to the trust by any of the sources enumerated in

that division shall be ascertained by multiplying the fair 16590  
market value of the trust's assets, net of related liabilities, 16591  
by the qualifying ratio, which shall be computed as follows: 16592

(i) The first time the trust receives assets, the 16593  
numerator of the qualifying ratio is the fair market value of 16594  
those assets at that time, net of any related liabilities, from 16595  
sources enumerated in division (I) (3) (a) of this section. The 16596  
denominator of the qualifying ratio is the fair market value of 16597  
all the trust's assets at that time, net of any related 16598  
liabilities. 16599

(ii) Each subsequent time the trust receives assets, a 16600  
revised qualifying ratio shall be computed. The numerator of the 16601  
revised qualifying ratio is the sum of (1) the fair market value 16602  
of the trust's assets immediately prior to the subsequent 16603  
transfer, net of any related liabilities, multiplied by the 16604  
qualifying ratio last computed without regard to the subsequent 16605  
transfer, and (2) the fair market value of the subsequently 16606  
transferred assets at the time transferred, net of any related 16607  
liabilities, from sources enumerated in division (I) (3) (a) of 16608  
this section. The denominator of the revised qualifying ratio is 16609  
the fair market value of all the trust's assets immediately 16610  
after the subsequent transfer, net of any related liabilities. 16611

(iii) Whether a transfer to the trust is by or from any of 16612  
the sources enumerated in division (I) (3) (a) of this section 16613  
shall be ascertained without regard to the domicile of the 16614  
trust's beneficiaries. 16615

(e) For the purposes of division (I) (3) (a) (i) of this 16616  
section: 16617

(i) A trust is described in division (I) (3) (e) (i) of this 16618

section if the trust is a testamentary trust and the testator of 16619  
that testamentary trust was domiciled in this state at the time 16620  
of the testator's death for purposes of the taxes levied under 16621  
Chapter 5731. of the Revised Code. 16622

(ii) A trust is described in division (I)(3)(e)(ii) of 16623  
this section if the transfer is a qualifying transfer described 16624  
in any of divisions (I)(3)(f)(i) to (vi) of this section, the 16625  
trust is an irrevocable inter vivos trust, and at least one of 16626  
the trust's qualifying beneficiaries is domiciled in this state 16627  
for purposes of this chapter during all or some portion of the 16628  
trust's current taxable year. 16629

(f) For the purposes of division (I)(3)(e)(ii) of this 16630  
section, a "qualifying transfer" is a transfer of assets, net of 16631  
any related liabilities, directly or indirectly to a trust, if 16632  
the transfer is described in any of the following: 16633

(i) The transfer is made to a trust, created by the 16634  
decedent before the decedent's death and while the decedent was 16635  
domiciled in this state for the purposes of this chapter, and, 16636  
prior to the death of the decedent, the trust became irrevocable 16637  
while the decedent was domiciled in this state for the purposes 16638  
of this chapter. 16639

(ii) The transfer is made to a trust to which the 16640  
decedent, prior to the decedent's death, had directly or 16641  
indirectly transferred assets, net of any related liabilities, 16642  
while the decedent was domiciled in this state for the purposes 16643  
of this chapter, and prior to the death of the decedent the 16644  
trust became irrevocable while the decedent was domiciled in 16645  
this state for the purposes of this chapter. 16646

(iii) The transfer is made on account of a contractual 16647

relationship existing directly or indirectly between the 16648  
transferor and either the decedent or the estate of the decedent 16649  
at any time prior to the date of the decedent's death, and the 16650  
decedent was domiciled in this state at the time of death for 16651  
purposes of the taxes levied under Chapter 5731. of the Revised 16652  
Code. 16653

(iv) The transfer is made to a trust on account of a 16654  
contractual relationship existing directly or indirectly between 16655  
the transferor and another person who at the time of the 16656  
decedent's death was domiciled in this state for purposes of 16657  
this chapter. 16658

(v) The transfer is made to a trust on account of the will 16659  
of a testator who was domiciled in this state at the time of the 16660  
testator's death for purposes of the taxes levied under Chapter 16661  
5731. of the Revised Code. 16662

(vi) The transfer is made to a trust created by or caused 16663  
to be created by a court, and the trust was directly or 16664  
indirectly created in connection with or as a result of the 16665  
death of an individual who, for purposes of the taxes levied 16666  
under Chapter 5731. of the Revised Code, was domiciled in this 16667  
state at the time of the individual's death. 16668

(g) The tax commissioner may adopt rules to ascertain the 16669  
part of a trust residing in this state. 16670

(J) "Nonresident" means an individual or estate that is 16671  
not a resident. An individual who is a resident for only part of 16672  
a taxable year is a nonresident for the remainder of that 16673  
taxable year. 16674

(K) "Pass-through entity" has the same meaning as in 16675  
section 5733.04 of the Revised Code. 16676



(L) "Return" means the notifications and reports required 16677  
to be filed pursuant to this chapter for the purpose of 16678  
reporting the tax due and includes declarations of estimated tax 16679  
when so required. 16680

(M) "Taxable year" means the calendar year or the 16681  
taxpayer's fiscal year ending during the calendar year, or 16682  
fractional part thereof, upon which the adjusted gross income is 16683  
calculated pursuant to this chapter. 16684

(N) "Taxpayer" means any person subject to the tax imposed 16685  
by section 5747.02 of the Revised Code or any pass-through 16686  
entity that makes the election under division (D) of section 16687  
5747.08 of the Revised Code. 16688

(O) "Dependents" means one of the following: 16689

(1) For taxable years beginning on or after January 1, 16690  
2018, and before January 1, 2026, dependents as defined in the 16691  
Internal Revenue Code; 16692

(2) For all other taxable years, dependents as defined in 16693  
the Internal Revenue Code and as claimed in the taxpayer's 16694  
federal income tax return for the taxable year or which the 16695  
taxpayer would have been permitted to claim had the taxpayer 16696  
filed a federal income tax return. 16697

(P) "Principal county of employment" means, in the case of 16698  
a nonresident, the county within the state in which a taxpayer 16699  
performs services for an employer or, if those services are 16700  
performed in more than one county, the county in which the major 16701  
portion of the services are performed. 16702

(Q) As used in sections 5747.50 to 5747.55 of the Revised 16703  
Code: 16704

(1) "Subdivision" means any county, municipal corporation,  
park district, or township. 16705  
16706

(2) "Essential local government purposes" includes all 16707  
functions that any subdivision is required by general law to 16708  
exercise, including like functions that are exercised under a 16709  
charter adopted pursuant to the Ohio Constitution. 16710

(R) "Overpayment" means any amount already paid that 16711  
exceeds the figure determined to be the correct amount of the 16712  
tax. 16713

(S) "Taxable income" or "Ohio taxable income" applies only 16714  
to estates and trusts, and means federal taxable income, as 16715  
defined and used in the Internal Revenue Code, adjusted as 16716  
follows: 16717

(1) Add interest or dividends, net of ordinary, necessary, 16718  
and reasonable expenses not deducted in computing federal 16719  
taxable income, on obligations or securities of any state or of 16720  
any political subdivision or authority of any state, other than 16721  
this state and its subdivisions and authorities, but only to the 16722  
extent that such net amount is not otherwise includible in Ohio 16723  
taxable income and is described in either division (S)(1)(a) or 16724  
(b) of this section: 16725

(a) The net amount is not attributable to the S portion of 16726  
an electing small business trust and has not been distributed to 16727  
beneficiaries for the taxable year; 16728

(b) The net amount is attributable to the S portion of an 16729  
electing small business trust for the taxable year. 16730

(2) Add interest or dividends, net of ordinary, necessary, 16731  
and reasonable expenses not deducted in computing federal 16732  
taxable income, on obligations of any authority, commission, 16733

instrumentality, territory, or possession of the United States 16734  
to the extent that the interest or dividends are exempt from 16735  
federal income taxes but not from state income taxes, but only 16736  
to the extent that such net amount is not otherwise includible 16737  
in Ohio taxable income and is described in either division (S) 16738  
(1) (a) or (b) of this section; 16739

(3) Add the amount of personal exemption allowed to the 16740  
estate pursuant to section 642(b) of the Internal Revenue Code; 16741

(4) Deduct interest or dividends, net of related expenses 16742  
deducted in computing federal taxable income, on obligations of 16743  
the United States and its territories and possessions or of any 16744  
authority, commission, or instrumentality of the United States 16745  
to the extent that the interest or dividends are exempt from 16746  
state taxes under the laws of the United States, but only to the 16747  
extent that such amount is included in federal taxable income 16748  
and is described in either division (S) (1) (a) or (b) of this 16749  
section; 16750

(5) Deduct the amount of wages and salaries, if any, not 16751  
otherwise allowable as a deduction but that would have been 16752  
allowable as a deduction in computing federal taxable income for 16753  
the taxable year, had the targeted jobs credit allowed under 16754  
sections 38, 51, and 52 of the Internal Revenue Code not been in 16755  
effect, but only to the extent such amount relates either to 16756  
income included in federal taxable income for the taxable year 16757  
or to income of the S portion of an electing small business 16758  
trust for the taxable year; 16759

(6) Deduct any interest or interest equivalent, net of 16760  
related expenses deducted in computing federal taxable income, 16761  
on public obligations and purchase obligations, but only to the 16762  
extent that such net amount relates either to income included in 16763

federal taxable income for the taxable year or to income of the 16764  
S portion of an electing small business trust for the taxable 16765  
year; 16766

(7) Add any loss or deduct any gain resulting from sale, 16767  
exchange, or other disposition of public obligations to the 16768  
extent that such loss has been deducted or such gain has been 16769  
included in computing either federal taxable income or income of 16770  
the S portion of an electing small business trust for the 16771  
taxable year; 16772

(8) Except in the case of the final return of an estate, 16773  
add any amount deducted by the taxpayer on both its Ohio estate 16774  
tax return pursuant to section 5731.14 of the Revised Code, and 16775  
on its federal income tax return in determining federal taxable 16776  
income; 16777

(9) (a) Deduct any amount included in federal taxable 16778  
income solely because the amount represents a reimbursement or 16779  
refund of expenses that in a previous year the decedent had 16780  
deducted as an itemized deduction pursuant to section 63 of the 16781  
Internal Revenue Code and applicable treasury regulations. The 16782  
deduction otherwise allowed under division (S) (9) (a) of this 16783  
section shall be reduced to the extent the reimbursement is 16784  
attributable to an amount the taxpayer or decedent deducted 16785  
under this section in any taxable year. 16786

(b) Add any amount not otherwise included in Ohio taxable 16787  
income for any taxable year to the extent that the amount is 16788  
attributable to the recovery during the taxable year of any 16789  
amount deducted or excluded in computing federal or Ohio taxable 16790  
income in any taxable year, but only to the extent such amount 16791  
has not been distributed to beneficiaries for the taxable year. 16792

(10) Deduct any portion of the deduction described in 16793  
section 1341(a) (2) of the Internal Revenue Code, for repaying 16794  
previously reported income received under a claim of right, that 16795  
meets both of the following requirements: 16796

(a) It is allowable for repayment of an item that was 16797  
included in the taxpayer's taxable income or the decedent's 16798  
adjusted gross income for a prior taxable year and did not 16799  
qualify for a credit under division (A) or (B) of section 16800  
5747.05 of the Revised Code for that year. 16801

(b) It does not otherwise reduce the taxpayer's taxable 16802  
income or the decedent's adjusted gross income for the current 16803  
or any other taxable year. 16804

(11) Add any amount claimed as a credit under section 16805  
5747.059 of the Revised Code to the extent that the amount 16806  
satisfies either of the following: 16807

(a) The amount was deducted or excluded from the 16808  
computation of the taxpayer's federal taxable income as required 16809  
to be reported for the taxpayer's taxable year under the 16810  
Internal Revenue Code; 16811

(b) The amount resulted in a reduction in the taxpayer's 16812  
federal taxable income as required to be reported for any of the 16813  
taxpayer's taxable years under the Internal Revenue Code. 16814

(12) Deduct any amount, net of related expenses deducted 16815  
in computing federal taxable income, that a trust is required to 16816  
report as farm income on its federal income tax return, but only 16817  
if the assets of the trust include at least ten acres of land 16818  
satisfying the definition of "land devoted exclusively to 16819  
agricultural use" under section 5713.30 of the Revised Code, 16820  
regardless of whether the land is valued for tax purposes as 16821

such land under sections 5713.30 to 5713.38 of the Revised Code. 16822  
If the trust is a pass-through entity investor, section 5747.231 16823  
of the Revised Code applies in ascertaining if the trust is 16824  
eligible to claim the deduction provided by division (S) (12) of 16825  
this section in connection with the pass-through entity's farm 16826  
income. 16827

Except for farm income attributable to the S portion of an 16828  
electing small business trust, the deduction provided by 16829  
division (S) (12) of this section is allowed only to the extent 16830  
that the trust has not distributed such farm income. ~~Division~~ 16831  
~~(S) (12) of this section applies only to taxable years of a trust~~ 16832  
~~beginning in 2002 or thereafter.~~ 16833

(13) Add the net amount of income described in section 16834  
641(c) of the Internal Revenue Code to the extent that amount is 16835  
not included in federal taxable income. 16836

(14) Add or deduct the amount the taxpayer would be 16837  
required to add or deduct under division ~~(A) (20)~~ (A) (17) or ~~(21)~~ 16838  
(18) of this section if the taxpayer's Ohio taxable income were 16839  
computed in the same manner as an individual's Ohio adjusted 16840  
gross income is computed under this section. ~~In the case of a~~ 16841  
~~trust, division (S) (14) of this section applies only to any of~~ 16842  
~~the trust's taxable years beginning in 2002 or thereafter.~~ 16843

(T) "School district income" and "school district income 16844  
tax" have the same meanings as in section 5748.01 of the Revised 16845  
Code. 16846

(U) As used in divisions (A) (7), (A) (8), ~~(A) (9)~~, (S) (6), 16847  
and (S) (7) of this section, "public obligations," "purchase 16848  
obligations," and "interest or interest equivalent" have the 16849  
same meanings as in section 5709.76 of the Revised Code. 16850

(V) "Limited liability company" means any limited liability company formed under Chapter 1705. of the Revised Code or under the laws of any other state.

(W) "Pass-through entity investor" means any person who, during any portion of a taxable year of a pass-through entity, is a partner, member, shareholder, or equity investor in that pass-through entity.

(X) "Banking day" has the same meaning as in section 1304.01 of the Revised Code.

(Y) "Month" means a calendar month.

(Z) "Quarter" means the first three months, the second three months, the third three months, or the last three months of the taxpayer's taxable year.

~~(AA) (1) "Eligible institution" means a state university or state institution of higher education as defined in section 3345.011 of the Revised Code, or a private, nonprofit college, university, or other post secondary institution located in this state that possesses a certificate of authorization issued by the chancellor of higher education pursuant to Chapter 1713. of the Revised Code or a certificate of registration issued by the state board of career colleges and schools under Chapter 3332. of the Revised Code.~~

~~(2) "Qualified tuition and fees" means tuition and fees imposed by an eligible institution as a condition of enrollment or attendance, not exceeding two thousand five hundred dollars in each of the individual's first two years of post secondary education. If the individual is a part-time student, "qualified tuition and fees" includes tuition and fees paid for the academic equivalent of the first two years of post secondary~~

~~education during a maximum of five taxable years, not exceeding~~ 16880  
~~a total of five thousand dollars. "Qualified tuition and fees"~~ 16881  
~~does not include:~~ 16882

~~(a) Expenses for any course or activity involving sports,~~ 16883  
~~games, or hobbies unless the course or activity is part of the~~ 16884  
~~individual's degree or diploma program;~~ 16885

~~(b) The cost of books, room and board, student activity~~ 16886  
~~fees, athletic fees, insurance expenses, or other expenses~~ 16887  
~~unrelated to the individual's academic course of instruction;~~ 16888

~~(c) Tuition, fees, or other expenses paid or reimbursed~~ 16889  
~~through an employer, scholarship, grant in aid, or other~~ 16890  
~~educational benefit program.~~ 16891

~~(BB) (1)~~ "Modified business income" means the business 16892  
income included in a trust's Ohio taxable income after such 16893  
taxable income is first reduced by the qualifying trust amount, 16894  
if any. 16895

(2) "Qualifying trust amount" of a trust means capital 16896  
gains and losses from the sale, exchange, or other disposition 16897  
of equity or ownership interests in, or debt obligations of, a 16898  
qualifying investee to the extent included in the trust's Ohio 16899  
taxable income, but only if the following requirements are 16900  
satisfied: 16901

(a) The book value of the qualifying investee's physical 16902  
assets in this state and everywhere, as of the last day of the 16903  
qualifying investee's fiscal or calendar year ending immediately 16904  
prior to the date on which the trust recognizes the gain or 16905  
loss, is available to the trust. 16906

(b) The requirements of section 5747.011 of the Revised 16907  
Code are satisfied for the trust's taxable year in which the 16908



trust recognizes the gain or loss. 16909

Any gain or loss that is not a qualifying trust amount is 16910  
modified business income, qualifying investment income, or 16911  
modified nonbusiness income, as the case may be. 16912

(3) "Modified nonbusiness income" means a trust's Ohio 16913  
taxable income other than modified business income, other than 16914  
the qualifying trust amount, and other than qualifying 16915  
investment income, as defined in section 5747.012 of the Revised 16916  
Code, to the extent such qualifying investment income is not 16917  
otherwise part of modified business income. 16918

(4) "Modified Ohio taxable income" applies only to trusts, 16919  
and means the sum of the amounts described in divisions ~~(BB) (4)~~ 16920  
~~(a)~~ (AA) (4) (a) to (c) of this section: 16921

(a) The fraction, calculated under section 5747.013, and 16922  
applying section 5747.231 of the Revised Code, multiplied by the 16923  
sum of the following amounts: 16924

(i) The trust's modified business income; 16925

(ii) The trust's qualifying investment income, as defined 16926  
in section 5747.012 of the Revised Code, but only to the extent 16927  
the qualifying investment income does not otherwise constitute 16928  
modified business income and does not otherwise constitute a 16929  
qualifying trust amount. 16930

(b) The qualifying trust amount multiplied by a fraction, 16931  
the numerator of which is the sum of the book value of the 16932  
qualifying investee's physical assets in this state on the last 16933  
day of the qualifying investee's fiscal or calendar year ending 16934  
immediately prior to the day on which the trust recognizes the 16935  
qualifying trust amount, and the denominator of which is the sum 16936  
of the book value of the qualifying investee's total physical 16937

assets everywhere on the last day of the qualifying investee's 16938  
fiscal or calendar year ending immediately prior to the day on 16939  
which the trust recognizes the qualifying trust amount. If, for 16940  
a taxable year, the trust recognizes a qualifying trust amount 16941  
with respect to more than one qualifying investee, the amount 16942  
described in division ~~(BB) (4) (b)~~ (AA) (4) (b) of this section 16943  
shall equal the sum of the products so computed for each such 16944  
qualifying investee. 16945

(c) (i) With respect to a trust or portion of a trust that 16946  
is a resident as ascertained in accordance with division (I) (3) 16947  
(d) of this section, its modified nonbusiness income. 16948

(ii) With respect to a trust or portion of a trust that is 16949  
not a resident as ascertained in accordance with division (I) (3) 16950  
(d) of this section, the amount of its modified nonbusiness 16951  
income satisfying the descriptions in divisions (B) (2) to (5) of 16952  
section 5747.20 of the Revised Code, except as otherwise 16953  
provided in division ~~(BB) (4) (c) (ii)~~ (AA) (4) (c) (ii) of this 16954  
section. With respect to a trust or portion of a trust that is 16955  
not a resident as ascertained in accordance with division (I) (3) 16956  
(d) of this section, the trust's portion of modified nonbusiness 16957  
income recognized from the sale, exchange, or other disposition 16958  
of a debt interest in or equity interest in a section 5747.212 16959  
entity, as defined in section 5747.212 of the Revised Code, 16960  
without regard to division (A) of that section, shall not be 16961  
allocated to this state in accordance with section 5747.20 of 16962  
the Revised Code but shall be apportioned to this state in 16963  
accordance with division (B) of section 5747.212 of the Revised 16964  
Code without regard to division (A) of that section. 16965

If the allocation and apportionment of a trust's income 16966  
under divisions ~~(BB) (4) (a)~~ (AA) (4) (a) and (c) of this section do 16967

not fairly represent the modified Ohio taxable income of the trust in this state, the alternative methods described in division (C) of section 5747.21 of the Revised Code may be applied in the manner and to the same extent provided in that section.

(5) (a) Except as set forth in division ~~(BB) (5) (b)~~ (AA) (5) (b) of this section, "qualifying investee" means a person in which a trust has an equity or ownership interest, or a person or unit of government the debt obligations of either of which are owned by a trust. For the purposes of division ~~(BB) (2) (a)~~ (AA) (2) (a) of this section and for the purpose of computing the fraction described in division ~~(BB) (4) (b)~~ (AA) (4) (b) of this section, all of the following apply:

(i) If the qualifying investee is a member of a qualifying controlled group on the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the date on which the trust recognizes the gain or loss, then "qualifying investee" includes all persons in the qualifying controlled group on such last day.

(ii) If the qualifying investee, or if the qualifying investee and any members of the qualifying controlled group of which the qualifying investee is a member on the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the date on which the trust recognizes the gain or loss, separately or cumulatively own, directly or indirectly, on the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the date on which the trust recognizes the qualifying trust amount, more than fifty per cent of the equity of a pass-through entity, then the qualifying investee and the other members are deemed to own the

proportionate share of the pass-through entity's physical assets 16998  
which the pass-through entity directly or indirectly owns on the 16999  
last day of the pass-through entity's calendar or fiscal year 17000  
ending within or with the last day of the qualifying investee's 17001  
fiscal or calendar year ending immediately prior to the date on 17002  
which the trust recognizes the qualifying trust amount. 17003

(iii) For the purposes of division ~~(BB) (5) (a) (iii)~~ (AA) (5) 17004  
(a) (iii) of this section, "upper level pass-through entity" 17005  
means a pass-through entity directly or indirectly owning any 17006  
equity of another pass-through entity, and "lower level pass- 17007  
through entity" means that other pass-through entity. 17008

An upper level pass-through entity, whether or not it is 17009  
also a qualifying investee, is deemed to own, on the last day of 17010  
the upper level pass-through entity's calendar or fiscal year, 17011  
the proportionate share of the lower level pass-through entity's 17012  
physical assets that the lower level pass-through entity 17013  
directly or indirectly owns on the last day of the lower level 17014  
pass-through entity's calendar or fiscal year ending within or 17015  
with the last day of the upper level pass-through entity's 17016  
fiscal or calendar year. If the upper level pass-through entity 17017  
directly and indirectly owns less than fifty per cent of the 17018  
equity of the lower level pass-through entity on each day of the 17019  
upper level pass-through entity's calendar or fiscal year in 17020  
which or with which ends the calendar or fiscal year of the 17021  
lower level pass-through entity and if, based upon clear and 17022  
convincing evidence, complete information about the location and 17023  
cost of the physical assets of the lower pass-through entity is 17024  
not available to the upper level pass-through entity, then 17025  
solely for purposes of ascertaining if a gain or loss 17026  
constitutes a qualifying trust amount, the upper level pass- 17027  
through entity shall be deemed as owning no equity of the lower 17028

level pass-through entity for each day during the upper level 17029  
pass-through entity's calendar or fiscal year in which or with 17030  
which ends the lower level pass-through entity's calendar or 17031  
fiscal year. Nothing in division ~~(BB) (5) (a) (iii)~~ (AA) (5) (a) (iii) 17032  
of this section shall be construed to provide for any deduction 17033  
or exclusion in computing any trust's Ohio taxable income. 17034

(b) With respect to a trust that is not a resident for the 17035  
taxable year and with respect to a part of a trust that is not a 17036  
resident for the taxable year, "qualifying investee" for that 17037  
taxable year does not include a C corporation if both of the 17038  
following apply: 17039

(i) During the taxable year the trust or part of the trust 17040  
recognizes a gain or loss from the sale, exchange, or other 17041  
disposition of equity or ownership interests in, or debt 17042  
obligations of, the C corporation. 17043

(ii) Such gain or loss constitutes nonbusiness income. 17044

(6) "Available" means information is such that a person is 17045  
able to learn of the information by the due date plus 17046  
extensions, if any, for filing the return for the taxable year 17047  
in which the trust recognizes the gain or loss. 17048

~~(CC)~~ (BB) "Qualifying controlled group" has the same 17049  
meaning as in section 5733.04 of the Revised Code. 17050

~~(DD)~~ (CC) "Related member" has the same meaning as in 17051  
section 5733.042 of the Revised Code. 17052

~~(EE) (1)~~ (DD) (1) For the purposes of division ~~(EE)~~ (DD) of 17053  
this section: 17054

(a) "Qualifying person" means any person other than a 17055  
qualifying corporation. 17056

(b) "Qualifying corporation" means any person classified for federal income tax purposes as an association taxable as a corporation, except either of the following:

(i) A corporation that has made an election under subchapter S, chapter one, subtitle A, of the Internal Revenue Code for its taxable year ending within, or on the last day of, the investor's taxable year;

(ii) A subsidiary that is wholly owned by any corporation that has made an election under subchapter S, chapter one, subtitle A of the Internal Revenue Code for its taxable year ending within, or on the last day of, the investor's taxable year.

(2) For the purposes of this chapter, unless expressly stated otherwise, no qualifying person indirectly owns any asset directly or indirectly owned by any qualifying corporation.

~~(FF)~~ (EE) For purposes of this chapter and Chapter 5751. of the Revised Code:

(1) "Trust" does not include a qualified pre-income tax trust.

(2) A "qualified pre-income tax trust" is any pre-income tax trust that makes a qualifying pre-income tax trust election as described in division ~~(FF) (3)~~ (EE) (3) of this section.

(3) A "qualifying pre-income tax trust election" is an election by a pre-income tax trust to subject to the tax imposed by section 5751.02 of the Revised Code the pre-income tax trust and all pass-through entities of which the trust owns or controls, directly, indirectly, or constructively through related interests, five per cent or more of the ownership or equity interests. The trustee shall notify the tax commissioner

in writing of the election on or before April 15, 2006. The 17086  
election, if timely made, shall be effective on and after 17087  
January 1, 2006, and shall apply for all tax periods and tax 17088  
years until revoked by the trustee of the trust. 17089

(4) A "pre-income tax trust" is a trust that satisfies all 17090  
of the following requirements: 17091

(a) The document or instrument creating the trust was 17092  
executed by the grantor before January 1, 1972; 17093

(b) The trust became irrevocable upon the creation of the 17094  
trust; and 17095

(c) The grantor was domiciled in this state at the time 17096  
the trust was created. 17097

~~(GG)~~ (FF) "Uniformed services" has the same meaning as in 17098  
10 U.S.C. 101. 17099

~~(HH)~~ (GG) "Taxable business income" means the amount by 17100  
which an individual's business income that is included in 17101  
federal adjusted gross income exceeds the amount of business 17102  
income the individual is authorized to deduct under division (A) 17103  
(31) of this section for the taxable year. 17104

~~(II)~~ (HH) "Employer" does not include a franchisor with 17105  
respect to the franchisor's relationship with a franchisee or an 17106  
employee of a franchisee, unless the franchisor agrees to assume 17107  
that role in writing or a court of competent jurisdiction 17108  
determines that the franchisor exercises a type or degree of 17109  
control over the franchisee or the franchisee's employees that 17110  
is not customarily exercised by a franchisor for the purpose of 17111  
protecting the franchisor's trademark, brand, or both. For 17112  
purposes of this division, "franchisor" and "franchisee" have 17113  
the same meanings as in 16 C.F.R. 436.1. 17114

~~(JJ)~~ (II) "Modified adjusted gross income" means Ohio 17115  
adjusted gross income plus any amount deducted under division 17116  
~~(A) (31)~~ (A) (28) of this section for the taxable year. 17117

~~(KK)~~ (JJ) "Qualifying Ohio educator" means an individual 17118  
who, for a taxable year, qualifies as an eligible educator, as 17119  
that term is defined in section 62 of the Internal Revenue Code, 17120  
and who holds a certificate, license, or permit described in 17121  
Chapter 3319. or section 3301.071 of the Revised Code. 17122

**Sec. 5747.011.** (A) As used in this section: 17123

(1) "Qualifying closely-held C corporation" means a person 17124  
classified for federal income tax purposes as an association 17125  
taxed as a corporation and that has more than fifty per cent of 17126  
the value of its outstanding stock or equity owned, directly or 17127  
indirectly, by or for not more than five qualifying persons. For 17128  
the purposes of this division, the ownership of stock shall be 17129  
determined under the rules set forth in section 544 of the 17130  
Internal Revenue Code. 17131

(2) "Qualifying person" means an individual; an 17132  
organization described in section 401(a), 501(c) (17), or 509(a) 17133  
of the Internal Revenue Code; or a portion of a trust 17134  
permanently set aside or to be used exclusively for the purposes 17135  
described in section 642(c) of the Internal Revenue Code or a 17136  
corresponding provision of a prior federal income tax law. 17137

(3) "Qualifying limited liability company" means a limited 17138  
liability company that is not classified for federal income tax 17139  
purposes as an association taxed as a corporation. 17140

(4) "Ownership interest" means the equity or ownership 17141  
interest in, or debt obligation of, a "qualifying investee" as 17142  
defined in section 5747.01 of the Revised Code. 17143



(5) "Qualifying individual beneficiary" has the same 17144  
meaning as qualifying beneficiary as used in division (I) (3) (c) 17145  
of section 5747.01 of the Revised Code, but is limited to 17146  
individuals. 17147

(6) "Family" of an individual means only the individual's 17148  
spouse; the individual's ancestors, limited to the individual's 17149  
parents, grandparents, and great grandparents; the siblings of 17150  
such ancestors, whether by the whole or half blood or by legal 17151  
adoption; the lineal descendants of such ancestors and siblings; 17152  
persons legally adopted by such ancestors or by such siblings; 17153  
and the spouses of such ancestors, siblings, legally adopted 17154  
persons, and lineal descendants. 17155

(B) The requirements of this division apply for purposes 17156  
of division ~~(BB)~~ (AA) (2) (b) of section 5747.01 of the Revised 17157  
Code and for the purposes of division (D) of section 5747.012 of 17158  
the Revised Code. Gain or loss included in a trust's Ohio 17159  
taxable income is not a qualifying trust amount unless the 17160  
trust's ownership interest in the qualifying investee is at 17161  
least five per cent of the total outstanding ownership interests 17162  
in such qualifying investee at any time during the ten-year 17163  
period ending on the last day of the trust's taxable year in 17164  
which the sale, exchange, or other disposition occurs. Nothing 17165  
in this section negates the requirements in division ~~(BB)~~ (AA) (2) 17166  
of section 5747.01 of the Revised Code. 17167

For the purpose of ascertaining whether the trust's 17168  
ownership interest in a qualifying investee is at least five per 17169  
cent of the total outstanding ownership interests in such 17170  
qualifying investee, the following apply: 17171

(1) On each day, an ownership interest owned, directly or 17172  
indirectly, by or for a qualifying closely-held C corporation, 17173

an S corporation, a partnership other than a publicly traded 17174  
partnership, a qualifying limited liability company, an estate, 17175  
or a trust that is irrevocable as defined in division (I) (3) (b) 17176  
of section 5747.01 of the Revised Code is considered as being 17177  
owned proportionately on the same day by the equity investors of 17178  
such qualifying closely-held C corporation, S corporation, 17179  
partnership, or qualifying limited liability company, or by the 17180  
beneficiaries of such estate or trust, as the case may be. For 17181  
the purposes of division (B) (1) of this section, a beneficiary's 17182  
proportionate share of an ownership interest held by a trust 17183  
shall be ascertained in accordance with section 544(a) (1) of the 17184  
Internal Revenue Code. 17185

(2) On each day, a trust, hereinafter referred to as the 17186  
first trust, is considered as owning any ownership interest 17187  
owned, directly or indirectly, by or for another trust, 17188  
hereinafter referred to as the second trust, if on the same day 17189  
the second trust has at least one individual trustee who is 17190  
either (a) a trustee of the first trust, or (b) a member of a 17191  
family that includes at least one of the trustees of the first 17192  
trust. 17193

(3) On each day, a trust, hereinafter referred to as the 17194  
first trust, is considered as owning any ownership interest 17195  
owned, directly or indirectly, by or for another trust, 17196  
hereinafter referred to as the second trust, if on the same day 17197  
the second trust has at least one qualifying individual 17198  
beneficiary who is either (a) a qualifying individual 17199  
beneficiary of the first trust or (b) a member of a family which 17200  
includes a qualifying individual beneficiary of the first trust. 17201

(4) An ownership interest constructively owned by a person 17202  
by reason of the application of division (B) (1) of this section 17203

shall, for the purpose of applying divisions (B) (1) to (3) of 17204  
this section, be treated as actually owned by that person. 17205

(5) An ownership interest constructively owned by a trust 17206  
by reason of the application of division (B) (2) or (3) of this 17207  
section shall not be treated as actually owned by that trust for 17208  
purposes of applying divisions (B) (1) to (3) of this section. 17209

(6) If an ownership interest may be considered as owned by 17210  
a trust under division (B) (1) or (2) of this section, the 17211  
ownership interest shall be considered owned by that trust under 17212  
division (B) (2) of this section. 17213

(7) If an ownership interest may be considered as owned by 17214  
a trust under division (B) (1) or (3) of this section, the 17215  
ownership interest shall be considered owned by that trust under 17216  
division (B) (3) of this section. 17217

**Sec. 5747.012.** This section applies for the purposes of 17218  
divisions ~~(BB)~~ (AA) (3) and ~~(BB)~~ (4) (a) (ii) of section 5747.01 of 17219  
the Revised Code. 17220

(A) As used in this section: 17221

(1) (a) Except as set forth in division (A) (1) (b) of this 17222  
section, "qualifying investment income" means the portion of a 17223  
qualifying investment pass-through entity's net income 17224  
attributable to transaction fees in connection with the 17225  
acquisition, ownership, or disposition of intangible property; 17226  
loan fees; financing fees; consent fees; waiver fees; 17227  
application fees; net management fees; dividend income; interest 17228  
income; net capital gains from the sale or exchange or other 17229  
disposition of intangible property; and all types and 17230  
classifications of income attributable to distributive shares of 17231  
income from other pass-through entities. 17232

(b) (i) Notwithstanding division (A) (1) (a) of this section, 17233  
"qualifying investment income" does not include any part of the 17234  
qualifying investment pass-through entity's net capital gain 17235  
which, after the application of section 5747.231 of the Revised 17236  
Code with respect to a trust, would also constitute a qualifying 17237  
trust amount. 17238

(ii) Notwithstanding division (A) (1) (a) of this section, 17239  
"qualifying investment income" does not include any part of the 17240  
qualifying investment pass-through entity's net income 17241  
attributable to the portion of a distributive share of income 17242  
directly or indirectly from another pass-through entity to the 17243  
extent such portion constitutes the other pass-through entity's 17244  
net capital gain which, after the application of section 17245  
5747.231 of the Revised Code with respect to a trust, would also 17246  
constitute a qualifying trust amount. 17247

(2) "Qualifying investment pass-through entity" means an 17248  
investment pass-through entity, as defined in section 5733.401 17249  
of the Revised Code, subject to the following qualifications: 17250

(a) "Forty per cent" shall be substituted for "ninety per 17251  
cent" wherever "ninety per cent" appears in section 5733.401 of 17252  
the Revised Code. 17253

(b) The pass-through entity must have been formed or 17254  
organized as an entity prior to June 5, 2002, and must exist as 17255  
a pass-through entity for all of the taxable year of the trust. 17256

(c) The qualifying section 5747.012 trust or related 17257  
persons to the qualifying section 5747.012 trust must directly 17258  
or indirectly own at least five per cent of the equity of the 17259  
investment pass-through entity each day of the entity's fiscal 17260  
or calendar year ending within or with the last day of the 17261

qualifying section 5747.012 trust's taxable year; 17262

(d) During the investment pass-through entity's calendar 17263  
or fiscal year ending within or with the last day of the 17264  
qualifying section 5747.012 trust's taxable year, the qualifying 17265  
section 5747.012 trust or related persons of or to the 17266  
qualifying section 5747.012 trust must, on each day of the 17267  
investment pass-through entity's year, own directly, or own 17268  
through equity investments in other pass-through entities, more 17269  
than sixty per cent of the equity of the investment pass-through 17270  
entity. 17271

(B) "Qualifying section 5747.012 trust" means a trust 17272  
satisfying one of the following: 17273

(1) The trust was created prior to, and was irrevocable 17274  
on, June 5, 2002; or 17275

(2) If the trust was created after June 4, 2002, or if the 17276  
trust became irrevocable after June 4, 2002, then at least 17277  
eighty per cent of the assets transferred to the trust must have 17278  
been previously owned by related persons to the trust or by a 17279  
trust created prior to June 5, 2002, under which the creator did 17280  
not retain the power to change beneficiaries, amend the trust, 17281  
or revoke the trust. For purposes of division (B)(2) of this 17282  
section, the power to substitute property of equal value shall 17283  
not be considered to be a power to change beneficiaries, amend 17284  
the trust, or revoke the trust. 17285

(C) For the purposes of this section, "related persons" 17286  
means the family of a qualifying individual beneficiary, as 17287  
defined in division (A)(5) of section 5747.011 of the Revised 17288  
Code. For the purposes of this division, "family" has the same 17289  
meaning as in division (A)(6) of section 5747.011 of the Revised 17290

Code.	17291
(D) For the purposes of applying divisions (A) (2) (c), (A) (2) (d), and (B) (2) of this section, the related persons or the qualifying section 5747.012 trust, as the case may be, shall be deemed to own the equity of the investment pass-through entity after the application of division (B) of section 5747.011 of the Revised Code.	17292 17293 17294 17295 17296 17297
(E) "Irrevocable" has the same meaning as in division (I) (3) (b) of section 5747.01 of the Revised Code.	17298 17299
(F) Nothing in this section requires any item of income, gain, or loss not satisfying the definition of qualifying investment income to be treated as modified nonbusiness income. Any item of income, gain, or loss that is not qualifying investment income is modified business income, modified nonbusiness income, or a qualifying trust amount, as the case may be.	17300 17301 17302 17303 17304 17305 17306
<b>Sec. 5747.013.</b> (A) As used in this section:	17307
(1) "Electric company," "combined company," and "telephone company" have the same meanings as in section 5727.01 of the Revised Code.	17308 17309 17310
(2) "Qualified research" means laboratory research, experimental research, and other similar types of research; research in developing or improving a product; or research in developing or improving the means of producing a product. It does not include market research, consumer surveys, efficiency surveys, management studies, ordinary testing or inspection of material or products for quality control, historical research, or literary research. "Product," as used in this paragraph, does not include services or intangible property.	17311 17312 17313 17314 17315 17316 17317 17318 17319

(B) The fraction to be used in calculating a trust's modified Ohio taxable income under division ~~(BB)~~ (AA) (4) (a) of section 5747.01 of the Revised Code shall be determined as follows: The numerator of the fraction is the sum of the following products: the property factor multiplied by twenty, the payroll factor multiplied by twenty, and the sales factor multiplied by sixty. The denominator of the fraction is one hundred, provided that the denominator shall be reduced by twenty if the property factor has a denominator of zero, by twenty if the payroll factor has a denominator of zero, and by sixty if the sales factor has a denominator of zero.

The property, payroll, and sales factors shall be determined as follows:

(1) The property factor is a fraction the numerator of which is the average value of the trust's real and tangible personal property owned or rented and used in the trade or business in this state during the taxable year, and the denominator of which is the average value of all the trust's real and tangible personal property owned or rented and used in the trade or business everywhere during such year. Real and tangible personal property that is owned but leased to a lessee to be used in the lessee's trade or business shall not be included in the property factor of the owner. There shall be excluded from the numerator and denominator of the fraction the original cost of all of the following property within Ohio: property with respect to which a "pollution control facility" certificate has been issued pursuant to section 5709.21 of the Revised Code; property with respect to which an "industrial water pollution control certificate" has been issued pursuant to that section or former section 6111.31 of the Revised Code; and property used exclusively during the taxable year for qualified

research. 17351

(a) Property owned by the trust is valued at its original 17352  
cost. Property rented by the trust is valued at eight times the 17353  
net annual rental rate. "Net annual rental rate" means the 17354  
annual rental rate paid by the trust less any annual rental rate 17355  
received by the trust from subrentals. 17356

(b) The average value of property shall be determined by 17357  
averaging the values at the beginning and the end of the taxable 17358  
year, but the tax commissioner may require the averaging of 17359  
monthly values during the taxable year, if reasonably required 17360  
to reflect properly the average value of the trust's property. 17361

(2) The payroll factor is a fraction the numerator of 17362  
which is the total amount paid in this state during the taxable 17363  
year by the trust for compensation, and the denominator of which 17364  
is the total compensation paid everywhere by the trust during 17365  
such year. There shall be excluded from the numerator and the 17366  
denominator of the payroll factor the total compensation paid in 17367  
this state to employees who are primarily engaged in qualified 17368  
research. 17369

(a) Compensation is paid in this state if: (i) the 17370  
recipient's service is performed entirely within this state; 17371  
(ii) the recipient's service is performed both within and 17372  
without this state, but the service performed without this state 17373  
is incidental to the recipient's service within this state; or 17374  
(iii) some of the service is performed within this state and 17375  
either the base of operations, or if there is no base of 17376  
operations, the place from which the service is directed or 17377  
controlled, is within this state, or the base of operations or 17378  
the place from which the service is directed or controlled is 17379  
not in any state in which some part of the service is performed, 17380



but the recipient's residence is in this state. 17381

(b) Compensation is paid in this state to any employee of 17382  
a common or contract motor carrier corporation, who performs the 17383  
employee's regularly assigned duties on a motor vehicle in more 17384  
than one state, in the same ratio by which the mileage traveled 17385  
by such employee within the state bears to the total mileage 17386  
traveled by such employee everywhere during the taxable year. 17387

(3) The sales factor is a fraction the numerator of which 17388  
is the total sales in this state by the trust during the taxable 17389  
year, and the denominator of which is the total sales by the 17390  
trust everywhere during such year. In determining the numerator 17391  
and denominator of the fraction, receipts from the sale or other 17392  
disposal of a capital asset or an asset described in section 17393  
1231 of the Internal Revenue Code shall be eliminated. Also, in 17394  
determining the numerator and denominator of the sales factor, 17395  
in the case of a trust owning at least eighty per cent of the 17396  
issued and outstanding common stock of one or more insurance 17397  
companies or public utilities, except an electric company and a 17398  
combined company, and, for tax years 2005 and thereafter, a 17399  
telephone company, or owning at least twenty-five per cent of 17400  
the issued and outstanding common stock of one or more financial 17401  
institutions, receipts received by the trust from such insurance 17402  
companies, utilities, and financial institutions shall be 17403  
eliminated. 17404

For the purpose of this section and section 5747.08 of the 17405  
Revised Code, sales of tangible personal property are in this 17406  
state where such property is received in this state by the 17407  
purchaser. In the case of delivery of tangible personal property 17408  
by common carrier or by other means of transportation, the place 17409  
at which such property is ultimately received after all 17410

transportation has been completed shall be considered as the 17411  
place at which such property is received by the purchaser. 17412  
Direct delivery in this state, other than for purposes of 17413  
transportation, to a person or firm designated by a purchaser 17414  
constitutes delivery to the purchaser in this state, and direct 17415  
delivery outside this state to a person or firm designated by a 17416  
purchaser does not constitute delivery to the purchaser in this 17417  
state, regardless of where title passes or other conditions of 17418  
sale. 17419

Sales, other than sales of tangible personal property, are 17420  
in this state if either: 17421

(a) The income-producing activity is performed solely in 17422  
this state; or 17423

(b) The income-producing activity is performed both within 17424  
and without this state and a greater proportion of the seller's 17425  
income-producing activity is performed within this state than in 17426  
any other state, based on costs of performance. 17427

**Sec. 5747.02.** (A) For the purpose of providing revenue for 17428  
the support of schools and local government functions, to 17429  
provide relief to property taxpayers, to provide revenue for the 17430  
general revenue fund, and to meet the expenses of administering 17431  
the tax levied by this chapter, there is hereby levied on every 17432  
individual, trust, and estate residing in or earning or 17433  
receiving income in this state, on every individual, trust, and 17434  
estate earning or receiving lottery winnings, prizes, or awards 17435  
pursuant to Chapter 3770. of the Revised Code, on every 17436  
individual, trust, and estate earning or receiving winnings on 17437  
casino gaming, and on every individual, trust, and estate 17438  
otherwise having nexus with or in this state under the 17439  
Constitution of the United States, an annual tax measured as 17440

prescribed in divisions (A) (1) to (4) of this section. 17441

(1) In the case of trusts, the tax imposed by this section 17442  
shall be measured by modified Ohio taxable income under division 17443  
(D) of this section and levied in the same amount as the tax is 17444  
imposed on estates as prescribed in division (A) (2) of this 17445  
section. 17446

(2) In the case of estates, the tax imposed by this 17447  
section shall be measured by Ohio taxable income. The tax shall 17448  
be levied at the rate of one and forty-two thousand seven 17449  
hundred forty-four hundred-thousandths per cent for the first 17450  
twenty-one thousand seven hundred fifty dollars of such income 17451  
and, for income in excess of that amount, the tax shall be 17452  
levied at the same rates prescribed in division (A) (3) of this 17453  
section for individuals. 17454

(3) In the case of individuals, the tax imposed by this 17455  
section on income other than taxable business income shall be 17456  
measured by Ohio adjusted gross income, less taxable business 17457  
income and less an exemption for the taxpayer, the taxpayer's 17458  
spouse, and each dependent as provided in section 5747.025 of 17459  
the Revised Code. If the balance thus obtained is equal to or 17460  
less than twenty-one thousand seven hundred fifty dollars, no 17461  
tax shall be imposed on that balance. If the balance thus 17462  
obtained is greater than twenty-one thousand seven hundred fifty 17463  
dollars, the tax is hereby levied as follows: 17464

17465

1

2

A OHIO ADJUSTED GROSS INCOME

TAX

LESS TAXABLE BUSINESS INCOME  
AND EXEMPTIONS (INDIVIDUALS)  
OR MODIFIED OHIO TAXABLE  
INCOME (TRUSTS) OR OHIO  
TAXABLE INCOME (ESTATES)

B	More than \$21,750 but not more than \$43,450	\$310.47 plus 2.850% of the amount in excess of \$21,750
C	More than \$43,450 but not more than \$86,900	\$928.92 plus 3.326% of the amount in excess of \$43,450
D	More than \$86,900 but not more than \$108,700	\$2,374.07 plus 3.802% of the amount in excess of \$86,900
E	More than \$108,700 but not more than \$217,400	\$3,202.91 plus 4.413% of the amount in excess of \$108,700
F	More than \$217,400	\$7,999.84 plus 4.797% of the amount in excess of \$217,400

(4) (a) In the case of individuals, the tax imposed by this section on taxable business income shall equal three per cent of the result obtained by subtracting any amount allowed under division (A) (4) (b) of this section from the individual's taxable business income.

(b) If the exemptions allowed to an individual under division (A) (3) of this section exceed the taxpayer's Ohio adjusted gross income less taxable business income, the excess shall be deducted from taxable business income before computing the tax under division (A) (4) (a) of this section.

(5) Except as otherwise provided in this division, in

August of each year, the tax commissioner shall make a new 17477  
adjustment to the income amounts prescribed in divisions (A) (2) 17478  
and (3) of this section by multiplying the percentage increase 17479  
in the gross domestic product deflator computed that year under 17480  
section 5747.025 of the Revised Code by each of the income 17481  
amounts resulting from the adjustment under this division in the 17482  
preceding year, adding the resulting product to the 17483  
corresponding income amount resulting from the adjustment in the 17484  
preceding year, and rounding the resulting sum to the nearest 17485  
multiple of fifty dollars. The tax commissioner also shall 17486  
recompute each of the tax dollar amounts to the extent necessary 17487  
to reflect the new adjustment of the income amounts. To 17488  
recompute the tax dollar amount corresponding to the lowest tax 17489  
rate in division (A) (3) of this section, the commissioner shall 17490  
multiply the tax rate prescribed in division (A) (2) of this 17491  
section by the income amount specified in that division and as 17492  
adjusted according to this paragraph. The rates of taxation 17493  
shall not be adjusted. 17494

The adjusted amounts apply to taxable years beginning in 17495  
the calendar year in which the adjustments are made and to 17496  
taxable years beginning in each ensuing calendar year until a 17497  
calendar year in which a new adjustment is made pursuant to this 17498  
division. The tax commissioner shall not make a new adjustment 17499  
in any year in which the amount resulting from the adjustment 17500  
would be less than the amount resulting from the adjustment in 17501  
the preceding year. 17502

(B) If the director of budget and management makes a 17503  
certification to the tax commissioner under division (B) of 17504  
section 131.44 of the Revised Code, the amount of tax as 17505  
determined under divisions (A) (1) to (3) of this section shall 17506  
be reduced by the percentage prescribed in that certification 17507

for taxable years beginning in the calendar year in which that 17508  
certification is made. 17509

~~(C) The levy of this tax on income does not prevent a 17510  
municipal corporation, a joint economic development zone created 17511  
under section 715.691, or a joint economic development district 17512  
created under section 715.70, 715.71, or 715.72 of the Revised 17513  
Code from levying a tax on income. 17514~~

~~(D) This division applies only to taxable years of a trust 17515  
beginning in 2002 or thereafter. 17516~~

(1) The tax imposed by this section on a trust shall be 17517  
computed by multiplying the Ohio modified taxable income of the 17518  
trust by the rates prescribed by division (A) of this section. 17519

(2) A resident trust may claim a credit against the tax 17520  
computed under division ~~(D)~~ (C) of this section equal to the 17521  
lesser of (a) the tax paid to another state or the District of 17522  
Columbia on the resident trust's modified nonbusiness income, 17523  
other than the portion of the resident trust's nonbusiness 17524  
income that is qualifying investment income as defined in 17525  
section 5747.012 of the Revised Code, or (b) the effective tax 17526  
rate, based on modified Ohio taxable income, multiplied by the 17527  
resident trust's modified nonbusiness income other than the 17528  
portion of the resident trust's nonbusiness income that is 17529  
qualifying investment income. The credit applies before any 17530  
other applicable credits. 17531

~~(3) The credits authorized by the following sections of 17532  
the Revised Code do not apply to a trust subject to division (D) 17533  
of this section: section 5747.022, 5747.05, 5747.054, 5747.055, 17534  
5747.27, 5747.37, 5747.66, or 5747.71 of the Revised Code. Any 17535  
other credit authorized against the tax imposed by this section 17536~~

applies to a trust subject to division ~~(D)~~ (C) of this section 17537  
~~that only if the trust otherwise qualifies for such a the~~ 17538  
credit. To the extent that the trust distributes income for the 17539  
taxable year for which a credit is available to the trust, the 17540  
credit shall be shared by the trust and its beneficiaries. The 17541  
tax commissioner and the trust shall be guided by applicable 17542  
regulations of the United States treasury regarding the sharing 17543  
of credits. 17544

~~(E)~~ (D) For the purposes of this section, "trust" means 17545  
any trust described in Subchapter J of Chapter 1 of the Internal 17546  
Revenue Code, excluding trusts that are not irrevocable as 17547  
defined in division (I) (3) (b) of section 5747.01 of the Revised 17548  
Code and that have no modified Ohio taxable income for the 17549  
taxable year, charitable remainder trusts, qualified funeral 17550  
trusts and preneed funeral contract trusts established pursuant 17551  
to sections 4717.31 to 4717.38 of the Revised Code that are not 17552  
qualified funeral trusts, endowment and perpetual care trusts, 17553  
qualified settlement trusts and funds, designated settlement 17554  
trusts and funds, and trusts exempted from taxation under 17555  
section 501(a) of the Internal Revenue Code. 17556

~~(F)~~ (E) Nothing in division (A) (3) of this section shall 17557  
prohibit an individual with an Ohio adjusted gross income, less 17558  
taxable business income and exemptions, of twenty-one thousand 17559  
seven hundred fifty dollars or less from filing a return under 17560  
this chapter to receive a refund of taxes withheld or to claim 17561  
any refundable credit allowed under this chapter. 17562

**Sec. 5747.058.** (A) A refundable income tax credit granted 17563  
by the tax credit authority under section 122.17 or former 17564  
division (B) (2) or (3) of section 122.171 of the Revised Code, 17565  
as those divisions existed before the effective date of the 17566

amendment of this section by H.B. 64 of the 131st general 17567  
assembly, September 29, 2015, may be claimed under this chapter, 17568  
in the order required under section 5747.98 of the Revised Code. 17569  
For purposes of making tax payments under this chapter, taxes 17570  
equal to the amount of the refundable credit shall be considered 17571  
to be paid to this state on the first day of the taxable year. 17572  
The refundable credit shall not be claimed for any taxable years 17573  
ending with or following the calendar year in which a relocation 17574  
of employment positions occurs in violation of an agreement 17575  
entered into under section 122.17 or 122.171 of the Revised 17576  
Code. 17577

(B) A nonrefundable income tax credit granted by the tax 17578  
credit authority under division (B) of section 122.171 of the 17579  
Revised Code may be claimed under this chapter, in the order 17580  
required under section 5747.98 of the Revised Code. 17581

**Sec. 5747.061.** (A) As used in this section: 17582

(1) "State agency" means the general assembly, all courts, 17583  
any department, division, institution, board, commission, 17584  
authority, bureau, or other instrumentality of the state. 17585

(2) "Political subdivision" means a county, municipal 17586  
corporation, township, school district, or other body corporate 17587  
and politic responsible for governmental activities in a 17588  
geographic area smaller than that of the state. 17589

(3) "Legislative authority" means the board of county 17590  
commissioners, the legislative authority of a municipal 17591  
corporation, the board of township trustees, the board of 17592  
education, or the board, council, commission, or other governing 17593  
body of any other political subdivision. 17594

(4) "Fiscal officer" means the county auditor, the 17595



treasurer of the municipal corporation, the clerk-treasurer of a 17596  
village, or the officer who, by virtue of the charter, has the 17597  
duties of the treasurer or clerk-treasurer, the township fiscal 17598  
officer, the treasurer of the board of education, or, in the 17599  
case of any state agency or other subdivision, the officer or 17600  
person responsible for deducting and withholding from the 17601  
compensation paid to an employee who is a taxpayer the amount of 17602  
tax required to be withheld by section 5747.06 of the Revised 17603  
Code. 17604

(B) (1) The director or other chief administrator of any 17605  
state agency, in accordance with rules adopted by the department 17606  
of administrative services, may direct its fiscal officer to 17607  
deduct and withhold from the compensation paid to an employee 17608  
who is a resident of a state with which the commissioner has 17609  
entered into an agreement under division (A) ~~(3)~~ (2) of section 17610  
5747.05 of the Revised Code, a tax computed in such a manner as 17611  
to result, as far as practicable, in withholding from the 17612  
compensation of the employee during each calendar year an amount 17613  
substantially equivalent to the tax reasonably estimated to be 17614  
due under the income tax laws of the state of residence of the 17615  
employee with respect to the amount of such compensation 17616  
included in gross income during the calendar year under those 17617  
laws. 17618

(2) The legislative authority of a political subdivision 17619  
may adopt a rule, ordinance, or resolution requiring the fiscal 17620  
officer of the political subdivision to deduct and withhold from 17621  
the compensation paid to an employee who is a resident of a 17622  
state with which the tax commissioner has entered into an 17623  
agreement under division (A) ~~(3)~~ (2) of section 5747.05 of the 17624  
Revised Code, a tax computed in such a manner as to result, as 17625  
far as practicable, in withholding from the compensation of the 17626

employee during each calendar year an amount substantially 17627  
equivalent to the tax reasonably estimated to be due under the 17628  
income tax laws of the state of residence of the employee with 17629  
respect to the amount of such compensation included in gross 17630  
income during the calendar year under those laws. 17631

(3) Upon direction of the director or other chief 17632  
administrator of a state agency, or adoption of a rule, 17633  
ordinance, or resolution by a political subdivision under this 17634  
division, the fiscal officer shall obtain from the official 17635  
responsible for administering the income tax laws of the state 17636  
of residence of the employee, information necessary to enable 17637  
the fiscal officer to withhold the proper amount of tax from the 17638  
compensation of the employee for the calendar year. 17639

(C) A fiscal officer who deducts and withholds tax from 17640  
the compensation of a nonresident employee shall file a 17641  
withholding return or other report and pay the full amount of 17642  
the tax deducted and withheld as required by the income tax laws 17643  
of the state of residence of the employee. 17644

(D) A fiscal officer who deducts and withholds tax from 17645  
the compensation of a nonresident employee shall furnish to that 17646  
employee and to the official who is responsible for 17647  
administering the income tax laws of the state of residence of 17648  
the employee, a written statement showing the amount of 17649  
compensation paid to the employee and the amount deducted and 17650  
withheld from the compensation of the employee during the 17651  
calendar year. The statement shall be furnished on or before the 17652  
last day of January of the succeeding year, except that, with 17653  
respect to an employee whose employment is terminated, the 17654  
statement for the calendar year in which the last payment of 17655  
compensation is made shall be furnished within thirty days from 17656

the date the last payment of compensation is made. 17657

**Sec. 5747.07.** (A) As used in this section: 17658

(1) "Partial weekly withholding period" means a period 17659  
during which an employer directly, indirectly, or constructively 17660  
pays compensation to, or credits compensation to the benefit of, 17661  
an employee, and that consists of a consecutive Saturday, 17662  
Sunday, Monday, and Tuesday or a consecutive Wednesday, 17663  
Thursday, and Friday. There are two partial weekly withholding 17664  
periods each week, except that a partial weekly withholding 17665  
period cannot extend from one calendar year into the next 17666  
calendar year; if the first day of January falls on a day other 17667  
than Saturday or Wednesday, the partial weekly withholding 17668  
period ends on the thirty-first day of December and there are 17669  
three partial weekly withholding periods during that week. 17670

(2) "Undeposited taxes" means the taxes an employer is 17671  
required to deduct and withhold from an employee's compensation 17672  
pursuant to section 5747.06 of the Revised Code that have not 17673  
been remitted to the tax commissioner pursuant to this section 17674  
or to the treasurer of state pursuant to section 5747.072 of the 17675  
Revised Code. 17676

(3) A "week" begins on Saturday and concludes at the end 17677  
of the following Friday. 17678

(4) "Client employer," "professional employer 17679  
organization," "professional employer organization agreement," 17680  
and "professional employer organization reporting entity" have 17681  
the same meanings as in section 4125.01 of the Revised Code. 17682

(B) Except as provided in divisions (C) and (D) of this 17683  
section and in division (A) of section 5747.072 of the Revised 17684  
Code, every employer required to deduct and withhold any amount 17685

under section 5747.06 of the Revised Code shall file a return 17686  
and shall pay the amount required by law as follows: 17687

(1) An employer who accumulates or is required to 17688  
accumulate undeposited taxes of one hundred thousand dollars or 17689  
more during a partial weekly withholding period shall make the 17690  
payment of the undeposited taxes by the close of the first 17691  
banking day after the day on which the accumulation reaches one 17692  
hundred thousand dollars. If required under division (I) of this 17693  
section, the payment shall be made by electronic funds transfer 17694  
under section 5747.072 of the Revised Code. 17695

(2) ~~(a)~~ Except as required by division (B) (1) of this 17696  
section, an employer ~~described in division (B) (2) (b) of this~~ 17697  
~~section whose actual or required payments under this section~~ 17698  
~~were at least eighty-four thousand dollars during the twelve-~~ 17699  
~~month period ending on the thirtieth day of June of the~~ 17700  
~~preceding calendar year~~ shall make the payment of undeposited 17701  
taxes within three banking days after the close of a partial 17702  
weekly withholding period during which the employer was required 17703  
to deduct and withhold any amount under this chapter. If 17704  
required under division (I) of this section, the payment shall 17705  
be made by electronic funds transfer under section 5747.072 of 17706  
the Revised Code. 17707

~~(b) For amounts required to be deducted and withheld~~ 17708  
~~during 1994, an employer described in division (B) (2) (b) of this~~ 17709  
~~section is one whose actual or required payments under this~~ 17710  
~~section exceeded one hundred eighty thousand dollars during the~~ 17711  
~~twelve-month period ending June 30, 1993. For amounts required~~ 17712  
~~to be deducted and withheld during 1995 and each year~~ 17713  
~~thereafter, an employer described in division (B) (2) (b) of this~~ 17714  
~~section is one whose actual or required payments under this~~ 17715

~~section were at least eighty four thousand dollars during the~~ 17716  
~~twelve month period ending on the thirtieth day of June of the~~ 17717  
~~preceding calendar year.~~ 17718

(3) Except as required by divisions (B)(1) and (2) of this 17719  
section, if an employer's actual or required payments were more 17720  
than two thousand dollars during the twelve-month period ending 17721  
on the thirtieth day of June of the preceding calendar year, the 17722  
employer shall make the payment of undeposited taxes for each 17723  
month during which they were required to be withheld no later 17724  
than fifteen days following the last day of that month. The 17725  
employer shall file the return prescribed by the tax 17726  
commissioner with the payment. 17727

(4) Except as required by divisions (B)(1), (2), and (3) 17728  
of this section, an employer shall make the payment of 17729  
undeposited taxes for each calendar quarter during which they 17730  
were required to be withheld no later than the last day of the 17731  
month following the last day of March, June, September, and 17732  
December each year. The employer shall file the return 17733  
prescribed by the tax commissioner with the payment. 17734

(C) The return and payment schedules prescribed by 17735  
divisions (B)(1) and (2) of this section do not apply to the 17736  
return and payment of undeposited school district income taxes 17737  
arising from taxes levied pursuant to Chapter 5748. of the 17738  
Revised Code. Undeposited school district income taxes shall be 17739  
returned and paid pursuant to divisions (B)(3) and (4) of this 17740  
section, as applicable. 17741

(D)(1) The requirements of division (B) of this section 17742  
are met if the amount paid is not less than ninety-five per cent 17743  
of the actual tax withheld or required to be withheld for the 17744  
prior quarterly, monthly, or partial weekly withholding period, 17745

and the underpayment is not due to willful neglect. Any 17746  
underpayment of withheld tax shall be paid within thirty days of 17747  
the date on which the withheld tax was due without regard to 17748  
division (D) (1) of this section. An employer described in 17749  
division (B) (1) or (2) of this section shall make the payment by 17750  
electronic funds transfer under section 5747.072 of the Revised 17751  
Code. 17752

(2) If the tax commissioner believes that quarterly or 17753  
monthly payments would result in a delay that might jeopardize 17754  
the remittance of withholding payments, the commissioner may 17755  
order that the payments be made weekly, or more frequently if 17756  
necessary, and the payments shall be made no later than three 17757  
banking days following the close of the period for which the 17758  
jeopardy order is made. An order requiring weekly or more 17759  
frequent payments shall be delivered to the employer personally 17760  
or by certified mail and remains in effect until the 17761  
commissioner notifies the employer to the contrary. 17762

(3) If compelling circumstances exist concerning the 17763  
remittance of undeposited taxes, the commissioner may order the 17764  
employer to make payments under any of the payment schedules 17765  
under division (B) of this section. The order shall be delivered 17766  
to the employer personally or by certified mail and shall remain 17767  
in effect until the commissioner notifies the employer to the 17768  
contrary. For purposes of division (D) (3) of this section, 17769  
"compelling circumstances" exist if either or both of the 17770  
following are true: 17771

(a) Based upon annualization of payments made or required 17772  
to be made during the preceding calendar year and during the 17773  
current calendar year, the employer would be required for the 17774  
next calendar year to make payments under division (B) (2) of 17775

this section. 17776

(b) Based upon annualization of payments made or required 17777  
to be made during the current calendar year, the employer would 17778  
be required for the next calendar year to make payments under 17779  
division (B) (2) of this section. 17780

(E) (1) An employer described in division (B) (1) or (2) of 17781  
this section shall file, not later than the last day of the 17782  
month following the end of each calendar quarter, a return 17783  
covering, but not limited to, both the actual amount deducted 17784  
and withheld and the amount required to be deducted and withheld 17785  
for the tax imposed under section 5747.02 of the Revised Code 17786  
during each partial weekly withholding period or portion of a 17787  
partial weekly withholding period during that quarter. The 17788  
employer shall file the quarterly return even if the aggregate 17789  
amount required to be deducted and withheld for the quarter is 17790  
zero dollars. At the time of filing the return, the employer 17791  
shall pay any amounts of undeposited taxes for the quarter, 17792  
whether actually deducted and withheld or required to be 17793  
deducted and withheld, that have not been previously paid. If 17794  
required under division (I) of this section, the payment shall 17795  
be made by electronic funds transfer. The tax commissioner shall 17796  
prescribe the form and other requirements of the quarterly 17797  
return. 17798

(2) In addition to other returns required to be filed and 17799  
payments required to be made under this section, every employer 17800  
required to deduct and withhold taxes shall file, not later than 17801  
the thirty-first day of January of each year, an annual return 17802  
covering, but not limited to, both the aggregate amount deducted 17803  
and withheld and the aggregate amount required to be deducted 17804  
and withheld during the entire preceding year for the tax 17805

imposed under section 5747.02 of the Revised Code and for each 17806  
tax imposed under Chapter 5748. of the Revised Code. At the time 17807  
of filing that return, the employer shall pay over any amounts 17808  
of undeposited taxes for the preceding year, whether actually 17809  
deducted and withheld or required to be deducted and withheld, 17810  
that have not been previously paid. The employer shall make the 17811  
annual report, to each employee and to the tax commissioner, of 17812  
the compensation paid and each tax withheld, as the commissioner 17813  
by rule may prescribe. 17814

Each employer required to deduct and withhold any tax is 17815  
liable for the payment of that amount required to be deducted 17816  
and withheld, whether or not the tax has in fact been withheld, 17817  
unless the failure to withhold was based upon the employer's 17818  
good faith in reliance upon the statement of the employee as to 17819  
liability, and the amount shall be deemed to be a special fund 17820  
in trust for the general revenue fund. 17821

(F) Each employer shall file with the employer's annual 17822  
return the following items of information on employees for whom 17823  
withholding is required under section 5747.06 of the Revised 17824  
Code: 17825

(1) The full name of each employee, the employee's 17826  
address, the employee's school district of residence, and in the 17827  
case of a nonresident employee, the employee's principal county 17828  
of employment; 17829

(2) The social security number of each employee; 17830

(3) The total amount of compensation paid before any 17831  
deductions to each employee for the period for which the annual 17832  
return is made; 17833

(4) The amount of the tax imposed by section 5747.02 of 17834



the Revised Code and the amount of each tax imposed under 17835  
Chapter 5748. of the Revised Code withheld from the compensation 17836  
of the employee for the period for which the annual return is 17837  
made. The commissioner may extend upon good cause the period for 17838  
filing any notice or return required to be filed under this 17839  
section and may adopt rules relating to extensions of time. If 17840  
the extension results in an extension of time for the payment of 17841  
the amounts withheld with respect to which the return is filed, 17842  
the employer shall pay, at the time the amount withheld is paid, 17843  
an amount of interest computed at the rate per annum prescribed 17844  
by section 5703.47 of the Revised Code on that amount withheld, 17845  
from the day that amount was originally required to be paid to 17846  
the day of actual payment or to the day an assessment is issued 17847  
under section 5747.13 of the Revised Code, whichever occurs 17848  
first. 17849

(5) In addition to all other interest charges and 17850  
penalties imposed, all amounts of taxes withheld or required to 17851  
be withheld and remaining unpaid after the day the amounts are 17852  
required to be paid shall bear interest from the date prescribed 17853  
for payment at the rate per annum prescribed by section 5703.47 17854  
of the Revised Code on the amount unpaid, in addition to the 17855  
amount withheld, until paid or until the day an assessment is 17856  
issued under section 5747.13 of the Revised Code, whichever 17857  
occurs first. 17858

(G) An employee of a corporation, limited liability 17859  
company, or business trust having control or supervision of or 17860  
charged with the responsibility of filing the report and making 17861  
payment, or an officer, member, manager, or trustee of a 17862  
corporation, limited liability company, or business trust who is 17863  
responsible for the execution of the corporation's, limited 17864  
liability company's, or business trust's fiscal 17865

responsibilities, shall be personally liable for failure to file 17866  
the report or pay the tax due as required by this section. The 17867  
dissolution, termination, or bankruptcy of a corporation, 17868  
limited liability company, or business trust does not discharge 17869  
a responsible officer's, member's, manager's, employee's, or 17870  
trustee's liability for a failure of the corporation, limited 17871  
liability company, or business trust to file returns or pay tax 17872  
due. 17873

(H) If an employer required to deduct and withhold income 17874  
tax from compensation and to pay that tax to the state under 17875  
sections 5747.06 and 5747.07 of the Revised Code sells the 17876  
employer's business or stock of merchandise or quits the 17877  
employer's business, the taxes required to be deducted and 17878  
withheld and paid to the state pursuant to those sections prior 17879  
to that time, together with any interest and penalties imposed 17880  
on those taxes, become due and payable immediately, and that 17881  
person shall make a final return within fifteen days after the 17882  
date of selling or quitting business. The employer's successor 17883  
shall withhold a sufficient amount of the purchase money to 17884  
cover the amount of the taxes, interest, and penalties due and 17885  
unpaid, until the former owner produces a receipt from the tax 17886  
commissioner showing that the taxes, interest, and penalties 17887  
have been paid or a certificate indicating that no such taxes 17888  
are due. If the purchaser of the business or stock of 17889  
merchandise fails to withhold purchase money, the purchaser 17890  
shall be personally liable for the payment of the taxes, 17891  
interest, and penalties accrued and unpaid during the operation 17892  
of the business by the former owner. If the amount of taxes, 17893  
interest, and penalties outstanding at the time of the purchase 17894  
exceeds the total purchase money, the tax commissioner in the 17895  
commissioner's discretion may adjust the liability of the seller 17896

or the responsibility of the purchaser to pay that liability to 17897  
maximize the collection of withholding tax revenue. 17898

~~(I)(1) An employer described in division (I)(2) of this 17899  
section whose actual or required payments under this section 17900  
exceeded eighty-four thousand dollars during the twelve-month 17901  
period ending on the thirtieth day of June of the preceding 17902  
calendar year shall make all payments required by this section 17903  
for the year by electronic funds transfer under section 5747.072 17904  
of the Revised Code. 17905~~

~~(2)(a) For 1994, an employer described in division (I)(2) 17906  
of this section is one whose actual or required payments under 17907  
this section exceeded five hundred thousand dollars during the 17908  
twelve-month period ending June 30, 1993. 17909~~

~~(b) For 1995, an employer described in division (I)(2) of 17910  
this section is one whose actual or required payments under this 17911  
section exceeded five hundred thousand dollars during the 17912  
twelve-month period ending June 30, 1994. 17913~~

~~(c) For 1996, an employer described in division (I)(2) of 17914  
this section is one whose actual or required payments under this 17915  
section exceeded three hundred thousand dollars during the 17916  
twelve-month period ending June 30, 1995. 17917~~

~~(d) For 1997 through 2000, an employer described in 17918  
division (I)(2) of this section is one whose actual or required 17919  
payments under this section exceeded one hundred eighty thousand 17920  
dollars during the twelve-month period ending on the thirtieth 17921  
day of June of the preceding calendar year. 17922~~

~~(e) For 2001 and thereafter, an employer described in 17923  
division (I)(2) of this section is one whose actual or required 17924  
payments under this section exceeded eighty-four thousand 17925~~

~~dollars during the twelve month period ending on the thirtieth-~~ 17926  
~~day of June of the preceding calendar year.~~ 17927

(J) (1) Every professional employer organization and every 17928  
professional employer organization reporting entity shall file a 17929  
report with the tax commissioner within thirty days after 17930  
commencing business in this state ~~or within thirty days after-~~ 17931  
~~the effective date of this amendment, whichever is later,~~ that 17932  
includes all of the following information: 17933

(a) The name, address, number the employer receives from 17934  
the secretary of state to do business in this state, if 17935  
applicable, and federal employer identification number of each 17936  
client employer of the professional employer organization or 17937  
professional employer organization reporting entity; 17938

(b) The date that each client employer became a client of 17939  
the professional employer organization or professional employer 17940  
organization reporting entity; 17941

(c) The names and mailing addresses of the chief executive 17942  
officer and the chief financial officer of each client employer 17943  
for taxation of the client employer. 17944

(2) Beginning with the calendar quarter ending after a 17945  
professional employer organization or professional employer 17946  
organization reporting entity files the report required under 17947  
division (J) (1) of this section, and every calendar quarter 17948  
thereafter, the professional employer organization or the 17949  
professional employer organization reporting entity shall file 17950  
an updated report with the tax commissioner. The professional 17951  
employer organization or professional employer organization 17952  
reporting entity shall file the updated report not later than 17953  
the last day of the month following the end of the calendar 17954

quarter and shall include all of the following information in 17955  
the report: 17956

(a) If an entity became a client employer of the 17957  
professional employer organization or professional employer 17958  
organization reporting entity at any time during the calendar 17959  
quarter, all of the information required under division (J) (1) 17960  
of this section for each new client employer; 17961

(b) If an entity terminated the professional employer 17962  
organization agreement between the professional employer 17963  
organization or professional employer organization reporting 17964  
entity and the entity at any time during the calendar quarter, 17965  
the information described in division (J) (1) (a) of this section 17966  
for that entity, the date during the calendar quarter that the 17967  
entity ceased being a client of the professional employer 17968  
organization or professional employer organization reporting 17969  
entity, if applicable, or the date the entity ceased business 17970  
operations in this state, if applicable; 17971

(c) If the name or mailing address of the chief executive 17972  
officer or the chief financial officer of a client employer has 17973  
changed since the professional employer organization or 17974  
professional employer organization reporting entity previously 17975  
submitted a report under division (J) (1) or (2) of this section, 17976  
the updated name or mailing address, or both, of the chief 17977  
executive officer or the chief financial officer, as applicable; 17978

(d) If none of the events described in divisions (J) (2) (a) 17979  
to (c) of this section occurred during the calendar quarter, a 17980  
statement of that fact. 17981

**Sec. 5747.082.** (A) As used in this section: 17982

(1) "Electronic technology" means electronic technology 17983

acceptable to the tax commissioner under division (B) of this section. 17984  
17985

(2) "Original tax return" means any report, return, or other tax document required to be filed under this chapter for the purpose of reporting the taxes due under, and withholdings required by, this chapter. "Original tax return" does not include an amended return or any declaration or form required by or filed in connection with section 5747.09 of the Revised Code. 17986  
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(3) "Related member" has the same meaning as in section 5733.042 of the Revised Code. 17992  
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(4) "Tax return preparer" means any person that operates a business that prepares, or directly or indirectly employs another person to prepare, for a taxpayer an original tax return in exchange for compensation or remuneration from the taxpayer or the taxpayer's related member. With respect to the preparation of a return or application for refund under this chapter, "tax return preparer" does not include an individual who performs only one or more of the following activities: 17994  
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(a) Furnishes typing, reproducing, or other mechanical assistance; 18002  
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(b) Prepares an application for refund or a return on behalf of an employer by whom the individual is regularly and continuously employed, or on behalf of an officer or employee of that employer; 18004  
18005  
18006  
18007

(c) Prepares as a fiduciary an application for refund or a return; 18008  
18009

(d) Prepares an application for refund or a return for a taxpayer in response to a notice of deficiency issued to the taxpayer or the taxpayer's related member, or in response to a 18010  
18011  
18012

waiver of restriction after the commencement of an audit of the 18013  
taxpayer or the taxpayer's related member. 18014

(B) Divisions (C) and (D) of this section apply to the 18015  
filing of original tax returns that are due in a calendar year 18016  
only if the tax commissioner, by the last day of the calendar 18017  
year immediately preceding the calendar year in which such 18018  
returns are due, has published on the department of taxation's 18019  
official internet web site at least one method of electronic 18020  
technology acceptable to the commissioner for filing such 18021  
returns. 18022

(C) A tax return preparer that prepares more than ~~seventy-~~ 18023  
~~five original tax returns during any calendar year that ends-~~ 18024  
~~before January 1, 2013, or that prepares more than eleven~~ 18025  
original tax returns during any calendar year ~~that begins on or~~ 18026  
~~after January 1, 2013,~~ shall use electronic technology to file 18027  
with the tax commissioner all original tax returns prepared by 18028  
the tax return preparer. ~~This division does not apply to a tax-~~ 18029  
~~return preparer in any calendar year that ends before January 1,~~ 18030  
~~2013, if, during the previous calendar year, the tax return-~~ 18031  
~~preparer prepared no more than twenty five original tax returns.~~ 18032  
This division does not apply to a tax return preparer in any 18033  
calendar year ~~that begins on or after January 1, 2013,~~ if, 18034  
during the previous calendar year, the tax return preparer 18035  
prepared not more than ten original tax returns. 18036

(D) If a tax return preparer required by this section to 18037  
submit original tax returns by electronic technology files an 18038  
original tax return by some means other than by electronic 18039  
technology, the tax commissioner shall impose a penalty of fifty 18040  
dollars for each return, ~~in excess of seventy five in calendar-~~ 18041  
~~year 2010, 2011, or 2012, or~~ in excess of eleven in any 18042

calendar year ~~thereafter~~, that is not filed by electronic 18043  
technology. Upon good cause shown by the tax return preparer, 18044  
the tax commissioner may waive all or any portion of the penalty 18045  
or may refund all or any portion of the penalty the tax return 18046  
preparer has paid. 18047

**Sec. 5747.11.** (A) The tax commissioner shall refund to 18048  
employers, qualifying entities, or taxpayers subject to a tax 18049  
imposed under section 5733.41, 5747.02, or 5747.41, or Chapter 18050  
5748. of the Revised Code the amount of any overpayment of such 18051  
tax. 18052

(B) Except as otherwise provided under divisions (D) and 18053  
(E) of this section, applications for refund shall be filed with 18054  
the tax commissioner, on the form prescribed by the 18055  
commissioner, within four years from the date of the illegal, 18056  
erroneous, or excessive payment of the tax, or within any 18057  
additional period allowed by division (B) (3) (b) of section 18058  
5747.05, division (E) of section 5747.10, division (A) of 18059  
section 5747.13, or division (C) of section 5747.45 of the 18060  
Revised Code. 18061

On filing of the refund application, the commissioner 18062  
shall determine the amount of refund due and, if that amount 18063  
exceeds one dollar, certify such amount to the director of 18064  
budget and management and treasurer of state for payment from 18065  
the tax refund fund created by section 5703.052 of the Revised 18066  
Code. Payment shall be made as provided in division (C) of 18067  
section 126.35 of the Revised Code. 18068

(C) (1) Interest shall be allowed and paid at the rate per 18069  
annum prescribed by section 5703.47 of the Revised Code on 18070  
amounts refunded with respect to the tax imposed under section 18071  
5747.02 or Chapter 5748. of the Revised Code from the date of 18072



the overpayment until the date of the refund of the overpayment, 18073  
except that if any overpayment is refunded within ninety days 18074  
after the final filing date of the annual return or ninety days 18075  
after the return is filed, whichever is later, no interest shall 18076  
be allowed on such overpayment. If the overpayment results from 18077  
the carryback of a net operating loss or net capital loss to a 18078  
previous taxable year, the overpayment is deemed not to have 18079  
been made prior to the filing date, including any extension 18080  
thereof, for the taxable year in which the net operating loss or 18081  
net capital loss arises. For purposes of the payment of interest 18082  
on overpayments, no amount of tax, for any taxable year, shall 18083  
be treated as having been paid before the date on which the tax 18084  
return for that year was due without regard to any extension of 18085  
time for filing such return. 18086

(2) Interest shall be allowed at the rate per annum 18087  
prescribed by section 5703.47 of the Revised Code on amounts 18088  
refunded with respect to the taxes imposed under sections 18089  
5733.41 and 5747.41 of the Revised Code. The interest shall run 18090  
from whichever of the following days is the latest until the day 18091  
the refund is paid: the day the illegal, erroneous, or excessive 18092  
payment was made; the ninetieth day after the final day the 18093  
annual report was required to be filed under section 5747.42 of 18094  
the Revised Code; or the ninetieth day after the day that report 18095  
was filed. 18096

(D) "Ninety days" shall be substituted for "four years" in 18097  
division (B) of this section if the taxpayer satisfies both of 18098  
the following conditions: 18099

(1) The taxpayer has applied for a refund based in whole 18100  
or in part upon section 5747.059 of the Revised Code; 18101

(2) The taxpayer asserts that either the imposition or 18102

collection of the tax imposed or charged by this chapter or any 18103  
portion of such tax violates the Constitution of the United 18104  
States or the Constitution of Ohio. 18105

(E) (1) Division (E) (2) of this section applies only if all 18106  
of the following conditions are satisfied: 18107

(a) A qualifying entity pays an amount of the tax imposed 18108  
by section 5733.41 or 5747.41 of the Revised Code; 18109

(b) The taxpayer is a qualifying investor as to that 18110  
qualifying entity; 18111

(c) The taxpayer did not claim the credit provided for in 18112  
section 5747.059 of the Revised Code as to the tax described in 18113  
division (E) (1) (a) of this section; 18114

(d) The four-year period described in division (B) of this 18115  
section has ended as to the taxable year for which the taxpayer 18116  
otherwise would have claimed that credit. 18117

(2) A taxpayer shall file an application for refund 18118  
pursuant to division (E) of this section within one year after 18119  
the date the payment described in division (E) (1) (a) of this 18120  
section is made. An application filed under division (E) (2) of 18121  
this section shall claim refund only of overpayments resulting 18122  
from the taxpayer's failure to claim the credit described in 18123  
division (E) (1) (c) of this section. Nothing in division (E) of 18124  
this section shall be construed to relieve a taxpayer from 18125  
complying with division ~~(A) (16)~~ (A) (15) of section 5747.01 of 18126  
the Revised Code. 18127

**Sec. 5747.231.** As used in this section, "adjusted 18128  
qualifying amount" has the same meaning as in section 5733.40 of 18129  
the Revised Code. 18130

This section does not apply to division ~~(BB)~~(AA) (5) (a) (ii) 18131  
of section 5747.01 of the Revised Code. 18132

Except as set forth in this section and except as 18133  
otherwise provided in divisions (A) and (B) of section 5733.401 18134  
of the Revised Code, in making all apportionment, allocation, 18135  
income, gain, loss, deduction, tax, and credit computations 18136  
under this chapter, each person shall include in that person's 18137  
items of business income, nonbusiness income, adjusted 18138  
qualifying amounts, allocable income or loss, apportionable 18139  
income or loss, property, compensation, and sales, the person's 18140  
entire distributive share or proportionate share of the items of 18141  
business income, nonbusiness income, adjusted qualifying 18142  
amounts, allocable income or loss, apportionable income or loss, 18143  
property, compensation, and sales of any pass-through entity in 18144  
which the person has a direct or indirect ownership interest at 18145  
any time during the person's taxable year. A pass-through 18146  
entity's direct or indirect distributive share or proportionate 18147  
share of any other pass-through entity's items of business 18148  
income, nonbusiness income, adjusted qualifying amounts, 18149  
allocable income or loss, apportionable income or loss, 18150  
property, compensation, and sales shall be included for the 18151  
purposes of computing the person's distributive share or 18152  
proportionate share of the pass-through entity's items of 18153  
business income, nonbusiness income, adjusted qualifying 18154  
amounts, allocable income or loss, apportionable income or loss, 18155  
property, compensation, and sales under this section. Those 18156  
items shall be in the same form as was recognized by the pass- 18157  
through entity. 18158

**Sec. 5747.41.** For the same purposes for which the tax is 18159  
levied under section 5747.02 of the Revised Code, there is 18160  
hereby levied a withholding tax on every qualifying pass-through 18161

entity having at least one qualifying investor who is an 18162  
individual and on every qualifying trust having at least one 18163  
qualifying beneficiary who is an individual. The withholding tax 18164  
imposed by this section is imposed on the sum of the adjusted 18165  
qualifying amounts of a qualifying pass-through entity's 18166  
qualifying investors who are individuals and on the sum of the 18167  
adjusted qualifying amounts of a qualifying trust's qualifying 18168  
beneficiaries, at the rate of five per cent of that sum. 18169

The tax imposed by this section applies only if the 18170  
qualifying entity has nexus with this state under the 18171  
Constitution of the United States for any portion of the 18172  
qualifying entity's qualifying taxable year, and the sum of the 18173  
qualifying entity's adjusted qualifying amounts exceeds one 18174  
thousand dollars for the qualifying entity's qualifying taxable 18175  
year. 18176

~~The levy of the tax under this section does not prevent a 18177  
municipal corporation or a joint economic development district 18178  
created under section 715.70, 715.71, or 715.72 of the Revised 18179  
Code from levying a tax on income. 18180~~

**Sec. 5747.51.** (A) On or before the twenty-fifth day of 18181  
July of each year, the tax commissioner shall make and certify 18182  
to the county auditor of each county an estimate of the amount 18183  
of the local government fund to be allocated to the undivided 18184  
local government fund of each county for the ensuing calendar 18185  
year, adjusting the total as required to account for 18186  
subdivisions receiving local government funds under section 18187  
5747.502 of the Revised Code. 18188

(B) At each annual regular session of the county budget 18189  
commission convened pursuant to section 5705.27 of the Revised 18190  
Code, each auditor shall present to the commission the 18191

certificate of the commissioner, the annual tax budget and 18192  
estimates, and the records showing the action of the commission 18193  
in its last preceding regular session. The commission, after 18194  
extending to the representatives of each subdivision an 18195  
opportunity to be heard, under oath administered by any member 18196  
of the commission, and considering all the facts and information 18197  
presented to it by the auditor, shall determine the amount of 18198  
the undivided local government fund needed by and to be 18199  
apportioned to each subdivision for current operating expenses, 18200  
as shown in the tax budget of the subdivision. This 18201  
determination shall be made pursuant to divisions (C) to (I) of 18202  
this section, unless the commission has provided for a formula 18203  
pursuant to section 5747.53 of the Revised Code. The 18204  
commissioner shall reduce the amount of funds from the undivided 18205  
local government fund to a subdivision required to receive 18206  
reduced funds under section 5747.502 of the Revised Code. 18207

Nothing in this section prevents the budget commission, 18208  
for the purpose of apportioning the undivided local government 18209  
fund, from inquiring into the claimed needs of any subdivision 18210  
as stated in its tax budget, or from adjusting claimed needs to 18211  
reflect actual needs. For the purposes of this section, "current 18212  
operating expenses" means the lawful expenditures of a 18213  
subdivision, except those for permanent improvements and except 18214  
payments for interest, sinking fund, and retirement of bonds, 18215  
notes, and certificates of indebtedness of the subdivision. 18216

(C) The commission shall determine the combined total of 18217  
the estimated expenditures, including transfers, from the 18218  
general fund and any special funds other than special funds 18219  
established for road and bridge; street construction, 18220  
maintenance, and repair; state highway improvement; and gas, 18221  
water, sewer, and electric public utilities operated by a 18222

subdivision, as shown in the subdivision's tax budget for the 18223  
ensuing calendar year. 18224

(D) From the combined total of expenditures calculated 18225  
pursuant to division (C) of this section, the commission shall 18226  
deduct the following expenditures, if included in these funds in 18227  
the tax budget: 18228

(1) Expenditures for permanent improvements as defined in 18229  
division (E) of section 5705.01 of the Revised Code; 18230

(2) In the case of counties and townships, transfers to 18231  
the road and bridge fund, and in the case of municipalities, 18232  
transfers to the street construction, maintenance, and repair 18233  
fund and the state highway improvement fund; 18234

(3) Expenditures for the payment of debt charges; 18235

(4) Expenditures for the payment of judgments. 18236

(E) In addition to the deductions made pursuant to 18237  
division (D) of this section, revenues accruing to the general 18238  
fund and any special fund considered under division (C) of this 18239  
section from the following sources shall be deducted from the 18240  
combined total of expenditures calculated pursuant to division 18241  
(C) of this section: 18242

(1) Taxes levied within the ten-mill limitation, as 18243  
defined in section 5705.02 of the Revised Code; 18244

(2) The budget commission allocation of estimated county 18245  
public library fund revenues to be distributed pursuant to 18246  
section 5747.48 of the Revised Code; 18247

(3) Estimated unencumbered balances as shown on the tax 18248  
budget as of the thirty-first day of December of the current 18249  
year in the general fund, but not any estimated balance in any 18250

special fund considered in division (C) of this section; 18251

(4) Revenue, including transfers, shown in the general 18252  
fund and any special funds other than special funds established 18253  
for road and bridge; street construction, maintenance, and 18254  
repair; state highway improvement; and gas, water, sewer, and 18255  
electric public utilities, from all other sources except those 18256  
that a subdivision receives from an additional tax or service 18257  
charge voted by its electorate or receives from special 18258  
assessment or revenue bond collection. For the purposes of this 18259  
division, where the charter of a municipal corporation prohibits 18260  
the levy of an income tax, an income tax levied by the 18261  
legislative authority of such municipal corporation pursuant to 18262  
an amendment of the charter of that municipal corporation to 18263  
authorize such a levy represents an additional tax voted by the 18264  
electorate of that municipal corporation. For the purposes of 18265  
this division, any measure adopted by a board of county 18266  
commissioners pursuant to section 322.02, 4504.02, or 5739.021 18267  
of the Revised Code, including those measures upheld by the 18268  
electorate in a referendum conducted pursuant to section 18269  
322.021, 4504.021, or 5739.022 of the Revised Code, shall not be 18270  
considered an additional tax voted by the electorate. 18271

Subject to division ~~(G)~~ (F) of section 5705.29 of the 18272  
Revised Code, money in a reserve balance account established by 18273  
a county, township, or municipal corporation under section 18274  
5705.13 of the Revised Code shall not be considered an 18275  
unencumbered balance or revenue under division (E) (3) or (4) of 18276  
this section. Money in a reserve balance account established by 18277  
a township under section 5705.132 of the Revised Code shall not 18278  
be considered an unencumbered balance or revenue under division 18279  
(E) (3) or (4) of this section. 18280

If a county, township, or municipal corporation has created and maintains a nonexpendable trust fund under section 5705.131 of the Revised Code, the principal of the fund, and any additions to the principal arising from sources other than the reinvestment of investment earnings arising from such a fund, shall not be considered an unencumbered balance or revenue under division (E) (3) or (4) of this section. Only investment earnings arising from investment of the principal or investment of such additions to principal may be considered an unencumbered balance or revenue under those divisions.

(F) The total expenditures calculated pursuant to division (C) of this section, less the deductions authorized in divisions (D) and (E) of this section, shall be known as the "relative need" of the subdivision, for the purposes of this section.

(G) The budget commission shall total the relative need of all participating subdivisions in the county, and shall compute a relative need factor by dividing the total estimate of the undivided local government fund by the total relative need of all participating subdivisions.

(H) The relative need of each subdivision shall be multiplied by the relative need factor to determine the proportionate share of the subdivision in the undivided local government fund of the county; provided, that the maximum proportionate share of a county shall not exceed the following maximum percentages of the total estimate of the undivided local government fund governed by the relationship of the percentage of the population of the county that resides within municipal corporations within the county to the total population of the county as reported in the reports on population in Ohio by the department of development as of the twentieth day of July of the



year in which the tax budget is filed with the budget 18311  
commission: 18312

18313

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A Percentage of municipal population within the county: Percentage share of the county shall not exceed:

B Less than forty-one per cent Sixty per cent

C Forty-one per cent or more but less than eighty-one per cent Fifty per cent

D Eighty-one per cent or more Thirty per cent

Where the proportionate share of the county exceeds the 18314  
limitations established in this division, the budget commission 18315  
shall adjust the proportionate shares determined pursuant to 18316  
this division so that the proportionate share of the county does 18317  
not exceed these limitations, and it shall increase the 18318  
proportionate shares of all other subdivisions on a pro rata 18319  
basis. In counties having a population of less than one hundred 18320  
thousand, not less than ten per cent shall be distributed to the 18321  
townships therein. 18322

(I) The proportionate share of each subdivision in the 18323  
undivided local government fund determined pursuant to division 18324  
(H) of this section for any calendar year shall not be less than 18325  
the product of the average of the percentages of the undivided 18326  
local government fund of the county as apportioned to that 18327  
subdivision for the calendar years 1968, 1969, and 1970, 18328  
multiplied by the total amount of the undivided local government 18329

fund of the county apportioned pursuant to former section 18330  
~~5735.23~~5739.23 of the Revised Code for the calendar year 1970. 18331  
For the purposes of this division, the total apportioned amount 18332  
for the calendar year 1970 shall be the amount actually 18333  
allocated to the county in 1970 from the state collected 18334  
intangible tax as levied by section 5707.03 of the Revised Code 18335  
and distributed pursuant to section 5725.24 of the Revised Code, 18336  
plus the amount received by the county in the calendar year 1970 18337  
pursuant to division (B) (1) of former section 5739.21 of the 18338  
Revised Code, and distributed pursuant to former section 5739.22 18339  
of the Revised Code. If the total amount of the undivided local 18340  
government fund for any calendar year is less than the amount of 18341  
the undivided local government fund apportioned pursuant to 18342  
former section 5739.23 of the Revised Code for the calendar year 18343  
1970, the minimum amount guaranteed to each subdivision for that 18344  
calendar year pursuant to this division shall be reduced on a 18345  
basis proportionate to the amount by which the amount of the 18346  
undivided local government fund for that calendar year is less 18347  
than the amount of the undivided local government fund 18348  
apportioned for the calendar year 1970. 18349

(J) On the basis of such apportionment, the county auditor 18350  
shall compute the percentage share of each such subdivision in 18351  
the undivided local government fund and shall at the same time 18352  
certify to the tax commissioner the percentage share of the 18353  
county as a subdivision. No payment shall be made from the 18354  
undivided local government fund, except in accordance with such 18355  
percentage shares. 18356

Within ten days after the budget commission has made its 18357  
apportionment, whether conducted pursuant to section 5747.51 or 18358  
5747.53 of the Revised Code, the auditor shall publish a list of 18359  
the subdivisions and the amount each is to receive from the 18360

undivided local government fund and the percentage share of each 18361  
subdivision, in a newspaper or newspapers of countywide 18362  
circulation, and send a copy of such allocation to the tax 18363  
commissioner. 18364

The county auditor shall also send a copy of such 18365  
allocation by ordinary or electronic mail to the fiscal officer 18366  
of each subdivision entitled to participate in the allocation of 18367  
the undivided local government fund of the county. This copy 18368  
shall constitute the official notice of the commission action 18369  
referred to in section 5705.37 of the Revised Code. 18370

All money received into the treasury of a subdivision from 18371  
the undivided local government fund in a county treasury shall 18372  
be paid into the general fund and used for the current operating 18373  
expenses of the subdivision. 18374

If a municipal corporation maintains a municipal 18375  
university, such municipal university, when the board of 18376  
trustees so requests the legislative authority of the municipal 18377  
corporation, shall participate in the money apportioned to such 18378  
municipal corporation from the total local government fund, 18379  
however created and constituted, in such amount as requested by 18380  
the board of trustees, provided such sum does not exceed nine 18381  
per cent of the total amount paid to the municipal corporation. 18382

If any public official fails to maintain the records 18383  
required by sections 5747.50 to 5747.55 of the Revised Code or 18384  
by the rules issued by the tax commissioner, the auditor of 18385  
state, or the treasurer of state pursuant to such sections, or 18386  
fails to comply with any law relating to the enforcement of such 18387  
sections, the local government fund money allocated to the 18388  
county may be withheld until such time as the public official 18389  
has complied with such sections or such law or the rules issued 18390

pursuant thereto. 18391

**Sec. 5747.52.** The form used by the county budget 18392  
 commission to calculate subdivision shares of the undivided 18393  
 local government fund as apportioned pursuant to section 5747.51 18394  
 of the Revised Code shall be as follows: 18395

Calculation of (name of subdivision) share of undivided local 18396  
 government fund for (name of county) county 18397

18398

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A	Authorized expenditure for subdivision	Total
B	1. Estimated expenditures from general fund	_____
C	2. Estimated expenditures from special funds other than those established for road and bridge, street construction, maintenance, and state highway improvement, and for gas, water, sewer, and electric public utilities	_____
D	3. Total	_____
E	Deductions from authorized expenditures	
F	4. Expenditures for permanent improvements	_____
G	5. Transfers to road and bridge fund (counties and townships only)	_____
H	6. Transfers to street construction, maintenance, and repair, and state highway improvements funds	_____

- I 7. Expenditures for the payment of debt charges \_\_\_\_\_
- J 8. Expenditures for the payment of judgments \_\_\_\_\_
- K 9. Taxes levied inside the "ten-mill limitation" \_\_\_\_\_
- L 10. Budget commission allocation of estimated county public library fund revenues \_\_\_\_\_
- M 11. Estimated ~~unencumbered~~ unencumbered balances as of December 31 of current year in the general funds as stated in the tax budget \_\_\_\_\_
- N 12. Revenue, including transfers, shown in the general fund or any special funds other than special funds established for road and bridge, street construction, maintenance, and repair, and state highway improvement, and for gas, water, sewer, and electric public utilities, from all other sources except those from additional taxes or service charges voted by electorate as defined in division (E) (4) of section 5747.51 of the Revised Code, and except revenue from special assessment and revenue bond collections \_\_\_\_\_
- O 13. Total \_\_\_\_\_
- P Calculation of subdivision share
- Q 14. Relative need of subdivision (line 3 less line 13) \_\_\_\_\_
- R 15. Relative need factor for county (total estimate of undivided local government fund divided by total relative need of all participating subdivisions) \_\_\_\_\_
- S 16. Proportionate share of subdivision (relative need of \_\_\_\_\_

subdivision multiplied by relative need factor)

T 17. After any adjustments necessary to comply with statutory maximum share allowable to county \_\_\_\_\_

U 18. After any adjustments necessary to comply with statutory minimum share allowable to townships \_\_\_\_\_

V 19. After any adjustments necessary to comply with minimum guarantee in division (I) of section 5747.51 of the Revised Code \_\_\_\_\_

W 20. Proportionate share of subdivision (line 16, 17, 18, or 19, whichever is appropriate) \_\_\_\_\_

**Sec. 5747.55.** The action of the county budget commission 18399  
under ~~sections~~ section 5747.51 and ~~5747.62~~ of the Revised Code 18400  
may be appealed to the board of tax appeals in the manner and 18401  
with the effect provided in section 5705.37 of the Revised Code, 18402  
in accordance with the following rules: 18403

(A) The notice of appeal shall be signed by the authorized 18404  
fiscal officer and shall set forth in clear and concise 18405  
language: 18406

(1) A statement of the action of the budget commission 18407  
appealed from, and the date of the receipt by the subdivision of 18408  
the official certificate or notice of such action; 18409

(2) The error or errors the taxing district believes the 18410  
budget commission made; 18411

(3) The specific relief sought by the taxing district. 18412

(B) The notice of appeal shall have attached thereto: 18413

(1) A certified copy of the resolution of the taxing authority authorizing the fiscal officer to file the appeal; 18414  
18415

(2) An exact copy of the official certificate, or notice of the action of the budget commission appealed from; 18416  
18417

(3) An exact copy of the budget request filed with the budget commission by the complaining subdivision, with the date of filing noted thereon. 18418  
18419  
18420

(C) There shall also be attached to the notice of appeal a statement showing: 18421  
18422

(1) The name of the fund involved, the total amount in dollars allocated, and the exact amount in dollars allocated to each participating subdivision; 18423  
18424  
18425

(2) The amount in dollars which the complaining subdivision believes it should have received; 18426  
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(3) The name of each participating subdivision, as well as the name and address of the fiscal officer thereof, that the complaining subdivision believes received more than its proper share of the allocation, and the exact amount in dollars of such alleged over-allocation. 18428  
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(D) Only the participating subdivisions named pursuant to division (C) of this section are to be considered as appellees before the board of tax appeals and no change shall, in any amount, be made in the amount allocated to participating subdivisions not appellees. 18433  
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(E) The total of the undivided local government fund or undivided local government revenue assistance fund to be allocated by the board of tax appeals upon appeal is the total of that fund allocated by the budget commission to those 18438  
18439  
18440  
18441

subdivisions which are appellants and appellees before the board 18442  
of tax appeals. 18443

**Sec. 5747.98.** (A) To provide a uniform procedure for 18444  
calculating a taxpayer's aggregate tax liability under section 18445  
5747.02 of the Revised Code, a taxpayer shall claim any credits 18446  
to which the taxpayer is entitled in the following order: 18447

~~(1)~~—Either the retirement income credit under division (B) 18448  
of section 5747.055 of the Revised Code or the lump sum 18449  
retirement income credits under divisions (C), (D), and (E) of 18450  
that section; 18451

~~(2)~~—Either the senior citizen credit under division (F) of 18452  
section 5747.055 of the Revised Code or the lump sum 18453  
distribution credit under division (G) of that section; 18454

~~(3)~~—The dependent care credit under section 5747.054 of 18455  
the Revised Code; 18456

~~(4)~~—The credit for displaced workers who pay for job 18457  
training under section 5747.27 of the Revised Code; 18458

~~(5)~~—The twenty-dollar personal exemption credit under 18459  
section 5747.022 of the Revised Code; 18460

~~(6)~~—The joint filing credit under division (G) of section 18461  
5747.05 of the Revised Code; 18462

~~(7)~~—The earned income credit under section 5747.71 of the 18463  
Revised Code; 18464

~~(8)~~—The credit for adoption of a minor child under section 18465  
5747.37 of the Revised Code; 18466

~~(9)~~—The nonrefundable job retention credit under division 18467  
(B) of section 5747.058 of the Revised Code; 18468



<del>(10)</del> —The enterprise zone credit under section 5709.66 of the Revised Code;	18469 18470
<del>(11)</del> The ethanol plant investment credit under section 5747.75 of the Revised Code;	18471 18472
<del>(12)</del> —The credit for purchases of qualifying grape production property under section 5747.28 of the Revised Code;	18473 18474
<del>(13)</del> —The small business investment credit under section 5747.81 of the Revised Code;	18475 18476
<del>(14)</del> —The nonrefundable lead abatement credit under section 5747.26 of the Revised Code;	18477 18478
<del>(15)</del> —The opportunity zone investment credit under section 122.84 of the Revised Code;	18479 18480
<del>(16)</del> —The enterprise zone credits under section 5709.65 of the Revised Code;	18481 18482
<del>(17)</del> —The research and development credit under section 5747.331 of the Revised Code;	18483 18484
<del>(18)</del> —The credit for rehabilitating a historic building under section 5747.76 of the Revised Code;	18485 18486
<del>(19)</del> —The nonresident credit under division (A) of section 5747.05 of the Revised Code;	18487 18488
<del>(20)</del> —The credit for a resident's out-of-state income under division (B) of section 5747.05 of the Revised Code;	18489 18490
<del>(21)</del> —The refundable motion picture and Broadway theatrical production credit under section 5747.66 of the Revised Code;	18491 18492
<del>(22)</del> —The refundable jobs creation credit or job retention credit under division (A) of section 5747.058 of the Revised Code;	18493 18494 18495

<del>(23)</del> —The refundable credit for taxes paid by a qualifying entity granted under section 5747.059 of the Revised Code;	18496 18497
<del>(24)</del> —The refundable credits for taxes paid by a qualifying pass-through entity granted under division (I) of section 5747.08 of the Revised Code;	18498 18499 18500
<del>(25)</del> —The refundable credit under section 5747.80 of the Revised Code for losses on loans made to the Ohio venture capital program under sections 150.01 to 150.10 of the Revised Code;	18501 18502 18503 18504
<del>(26)</del> —The refundable credit for rehabilitating a historic building under section 5747.76 of the Revised Code.	18505 18506
(B) For any credit, except the refundable credits enumerated in this section and the credit granted under division (H) of section 5747.08 of the Revised Code, the amount of the credit for a taxable year shall not exceed the taxpayer's aggregate amount of tax due under section 5747.02 of the Revised Code, after allowing for any other credit that precedes it in the order required under this section. Any excess amount of a particular credit may be carried forward if authorized under the section creating that credit. Nothing in this chapter shall be construed to allow a taxpayer to claim, directly or indirectly, a credit more than once for a taxable year.	18507 18508 18509 18510 18511 18512 18513 18514 18515 18516 18517
<b>Sec. 5748.08.</b> (A) The board of education of a city, local, or exempted village school district, at any time by a vote of two-thirds of all its members, may declare by resolution that it may be necessary for the school district to do all of the following:	18518 18519 18520 18521 18522
(1) Raise a specified amount of money for school district purposes by levying an annual tax on school district income;	18523 18524

(2) Issue general obligation bonds for permanent 18525  
improvements, stating in the resolution the necessity and 18526  
purpose of the bond issue and the amount, approximate date, 18527  
estimated rate of interest, and maximum number of years over 18528  
which the principal of the bonds may be paid; 18529

(3) Levy a tax outside the ten-mill limitation to pay debt 18530  
charges on the bonds and any anticipatory securities; 18531

(4) Submit the question of the school district income tax 18532  
and bond issue to the electors of the district at a special 18533  
election. 18534

The resolution shall specify whether the income that is to 18535  
be subject to the tax is taxable income of individuals and 18536  
estates as defined in divisions (E) (1) (a) and (2) of section 18537  
5748.01 of the Revised Code or taxable income of individuals as 18538  
defined in division (E) (1) (b) of that section. 18539

On adoption of the resolution, the board shall certify a 18540  
copy of it to the tax commissioner and the county auditor no 18541  
later than one hundred five days prior to the date of the 18542  
special election at which the board intends to propose the 18543  
income tax and bond issue. Not later than ten days of receipt of 18544  
the resolution, the tax commissioner, in the same manner as 18545  
required by division (A) of section 5748.02 of the Revised Code, 18546  
shall estimate the rates designated in divisions (A) (1) and (2) 18547  
of that section and certify them to the board. Not later than 18548  
ten days of receipt of the resolution, the county auditor shall 18549  
estimate and certify to the board the average annual property 18550  
tax rate required throughout the stated maturity of the bonds to 18551  
pay debt charges on the bonds, in the same manner as under 18552  
division (C) of section 133.18 of the Revised Code. 18553

(B) On receipt of the tax commissioner's and county auditor's certifications prepared under division (A) of this section, the board of education of the city, local, or exempted village school district, by a vote of two-thirds of all its members, may adopt a resolution proposing for a specified number of years or for a continuing period of time the levy of an annual tax for school district purposes on school district income and declaring that the amount of taxes that can be raised within the ten-mill limitation will be insufficient to provide an adequate amount for the present and future requirements of the school district; that it is necessary to issue general obligation bonds of the school district for specified permanent improvements and to levy an additional tax in excess of the ten-mill limitation to pay the debt charges on the bonds and any anticipatory securities; and that the question of the bonds and taxes shall be submitted to the electors of the school district at a special election, which shall not be earlier than ninety days after certification of the resolution to the board of elections, and the date of which shall be consistent with section 3501.01 of the Revised Code. The resolution shall specify all of the following:

(1) The purpose for which the school district income tax is to be imposed and the rate of the tax, which shall be the rate set forth in the tax commissioner's certification rounded to the nearest one-fourth of one per cent;

(2) Whether the income that is to be subject to the tax is taxable income of individuals and estates as defined in divisions (E) (1) (a) and (2) of section 5748.01 of the Revised Code or taxable income of individuals as defined in division (E) (1) (b) of that section. The specification shall be the same as the specification in the resolution adopted and certified under

division (A) of this section. 18585

(3) The number of years the tax will be levied, or that it 18586  
will be levied for a continuing period of time; 18587

(4) The date on which the tax shall take effect, which 18588  
shall be the first day of January of any year following the year 18589  
in which the question is submitted; 18590

(5) The county auditor's estimate of the average annual 18591  
property tax rate required throughout the stated maturity of the 18592  
bonds to pay debt charges on the bonds. 18593

(C) A resolution adopted under division (B) of this 18594  
section shall go into immediate effect upon its passage, and no 18595  
publication of the resolution shall be necessary other than that 18596  
provided for in the notice of election. Immediately after its 18597  
adoption and at least ninety days prior to the election at which 18598  
the question will appear on the ballot, the board of education 18599  
shall certify a copy of the resolution, along with copies of the 18600  
auditor's estimate and its resolution under division (A) of this 18601  
section, to the board of elections of the proper county. The 18602  
board of ~~education~~ elections shall make the arrangements for the 18603  
submission of the question to the electors of the school 18604  
district, and the election shall be conducted, canvassed, and 18605  
certified in the same manner as regular elections in the 18606  
district for the election of county officers. 18607

The resolution shall be put before the electors as one 18608  
ballot question, with a majority vote indicating approval of the 18609  
school district income tax, the bond issue, and the levy to pay 18610  
debt charges on the bonds and any anticipatory securities. The 18611  
board of elections shall publish the notice of the election in a 18612  
newspaper of general circulation in the school district once a 18613

week for two consecutive weeks, or as provided in section 7.16 18614  
of the Revised Code, prior to the election. If the board of 18615  
elections operates and maintains a web site, it also shall post 18616  
notice of the election on its web site for thirty days prior to 18617  
the election. The notice of election shall state all of the 18618  
following: 18619

(1) The questions to be submitted to the electors; 18620

(2) The rate of the school district income tax; 18621

(3) The principal amount of the proposed bond issue; 18622

(4) The permanent improvements for which the bonds are to 18623  
be issued; 18624

(5) The maximum number of years over which the principal 18625  
of the bonds may be paid; 18626

(6) The estimated additional average annual property tax 18627  
rate to pay the debt charges on the bonds, as certified by the 18628  
county auditor; 18629

(7) The time and place of the special election. 18630

(D) The form of the ballot on a question submitted to the 18631  
electors under this section shall be as follows: 18632

"Shall the \_\_\_\_\_ school district be authorized to do 18633  
both of the following: 18634

(1) Impose an annual income tax of \_\_\_\_\_ (state the 18635  
proposed rate of tax) on the school district income of 18636  
individuals and of estates, for \_\_\_\_\_ (state the number of 18637  
years the tax would be levied, or that it would be levied for a 18638  
continuing period of time), beginning \_\_\_\_\_ (state the date 18639  
the tax would first take effect), for the purpose of \_\_\_\_\_ 18640

(state the purpose of the tax)? 18641

(2) Issue bonds for the purpose of \_\_\_\_\_ in the 18642  
principal amount of \$\_\_\_\_\_, to be repaid annually over a 18643  
maximum period of \_\_\_\_\_ years, and levy a property tax outside 18644  
the ten-mill limitation estimated by the county auditor to 18645  
average over the bond repayment period \_\_\_\_\_ mills for each 18646  
one dollar of tax valuation, which amounts to \_\_\_\_\_ (rate 18647  
expressed in cents or dollars and cents, such as "36 cents" or 18648  
"\$1.41") for each \$100 of tax valuation, to pay the annual debt 18649  
charges on the bonds, and to pay debt charges on any notes 18650  
issued in anticipation of those bonds? 18651

18652

	FOR THE INCOME TAX AND BOND ISSUE	
	AGAINST THE INCOME TAX AND BOND ISSUE	"

(E) If the question submitted to electors proposes a 18653  
school district income tax only on the taxable income of 18654  
individuals as defined in division (E) (1) (b) of section 5748.01 18655  
of the Revised Code, the form of the ballot shall be modified by 18656  
stating that the tax is to be levied on the "earned income of 18657  
individuals residing in the school district" in lieu of the 18658  
"school district income of individuals and of estates." 18659

(F) The board of elections promptly shall certify the 18660  
results of the election to the tax commissioner and the county 18661  
auditor of the county in which the school district is located. 18662  
If a majority of the electors voting on the question vote in 18663  
favor of it, the income tax and the applicable provisions of 18664  
Chapter 5747. of the Revised Code shall take effect on the date 18665

specified in the resolution, and the board of education may 18666  
proceed with issuance of the bonds and with the levy and 18667  
collection of the property taxes to pay debt charges on the 18668  
bonds, at the additional rate or any lesser rate in excess of 18669  
the ten-mill limitation. Any securities issued by the board of 18670  
education under this section are Chapter 133. securities, as 18671  
that term is defined in section 133.01 of the Revised Code. 18672

(G) After approval of a question under this section, the 18673  
board of education may anticipate a fraction of the proceeds of 18674  
the school district income tax in accordance with section 18675  
5748.05 of the Revised Code. Any anticipation notes under this 18676  
division shall be issued as provided in section 133.24 of the 18677  
Revised Code, shall have principal payments during each year 18678  
after the year of their issuance over a period not to exceed 18679  
five years, and may have a principal payment in the year of 18680  
their issuance. 18681

(H) The question of repeal of a school district income tax 18682  
levied for more than five years may be initiated and submitted 18683  
in accordance with section 5748.04 of the Revised Code. 18684

(I) No board of education shall submit a question under 18685  
this section to the electors of the school district more than 18686  
twice in any calendar year. If a board submits the question 18687  
twice in any calendar year, one of the elections on the question 18688  
shall be held on the date of the general election. 18689

**Sec. 5748.09.** (A) The board of education of a city, local, 18690  
or exempted village school district, at any time by a vote of 18691  
two-thirds of all its members, may declare by resolution that it 18692  
may be necessary for the school district to do all of the 18693  
following: 18694



(1) Raise a specified amount of money for school district purposes by levying an annual tax on school district income; 18695  
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(2) Levy an additional property tax in excess of the ten-mill limitation for the purpose of providing for the necessary requirements of the district, stating in the resolution the amount of money to be raised each year for such purpose; 18697  
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(3) Submit the question of the school district income tax and property tax to the electors of the district at a special election. 18701  
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The resolution shall specify whether the income that is to be subject to the tax is taxable income of individuals and estates as defined in divisions (E) (1) (a) and (2) of section 5748.01 of the Revised Code or taxable income of individuals as defined in division (E) (1) (b) of that section. 18704  
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On adoption of the resolution, the board shall certify a copy of it to the tax commissioner and the county auditor not later than one hundred days prior to the date of the special election at which the board intends to propose the income tax and property tax. Not later than ten days after receipt of the resolution, the tax commissioner, in the same manner as required by division (A) of section 5748.02 of the Revised Code, shall estimate the rates designated in divisions (A) (1) and (2) of that section and certify them to the board. Not later than ten days after receipt of the resolution, the county auditor, in the same manner as required by section 5705.195 of the Revised Code, shall make the calculation specified in that section and certify it to the board. 18709  
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(B) On receipt of the tax commissioner's and county auditor's certifications prepared under division (A) of this 18722  
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section, the board of education of the city, local, or exempted 18724  
village school district, by a vote of two-thirds of all its 18725  
members, may adopt a resolution declaring that the amount of 18726  
taxes that can be raised by all tax levies the district is 18727  
authorized to impose, when combined with state and federal 18728  
revenues, will be insufficient to provide an adequate amount for 18729  
the present and future requirements of the school district, and 18730  
that it is therefore necessary to levy, for a specified number 18731  
of years or for a continuing period of time, an annual tax for 18732  
school district purposes on school district income, and to levy, 18733  
for a specified number of years not exceeding ten or for a 18734  
continuing period of time, an additional property tax in excess 18735  
of the ten-mill limitation for the purpose of providing for the 18736  
necessary requirements of the district, and declaring that the 18737  
question of the school district income tax and property tax 18738  
shall be submitted to the electors of the school district at a 18739  
special election, which shall not be earlier than ninety days 18740  
after certification of the resolution to the board of elections, 18741  
and the date of which shall be consistent with section 3501.01 18742  
of the Revised Code. The resolution shall specify all of the 18743  
following: 18744

(1) The purpose for which the school district income tax 18745  
is to be imposed and the rate of the tax, which shall be the 18746  
rate set forth in the tax commissioner's certification rounded 18747  
to the nearest one-fourth of one per cent; 18748

(2) Whether the income that is to be subject to the tax is 18749  
taxable income of individuals and estates as defined in 18750  
divisions (E) (1) (a) and (2) of section 5748.01 of the Revised 18751  
Code or taxable income of individuals as defined in division (E) 18752  
(1) (b) of that section. The specification shall be the same as 18753  
the specification in the resolution adopted and certified under 18754

division (A) of this section. 18755

(3) The number of years the school district income tax 18756  
will be levied, or that it will be levied for a continuing 18757  
period of time; 18758

(4) The date on which the school district income tax shall 18759  
take effect, which shall be the first day of January of any year 18760  
following the year in which the question is submitted; 18761

(5) The amount of money it is necessary to raise for the 18762  
purpose of providing for the necessary requirements of the 18763  
district for each year the property tax is to be imposed; 18764

(6) The number of years the property tax will be levied, 18765  
or that it will be levied for a continuing period of time; 18766

(7) The tax list upon which the property tax shall be 18767  
first levied, which may be the current year's tax list; 18768

(8) The amount of the average tax levy, expressed in 18769  
dollars and cents for each one hundred dollars of valuation as 18770  
well as in mills for each one dollar of valuation, estimated by 18771  
the county auditor under division (A) of this section. 18772

(C) A resolution adopted under division (B) of this 18773  
section shall go into immediate effect upon its passage, and no 18774  
publication of the resolution shall be necessary other than that 18775  
provided for in the notice of election. Immediately after its 18776  
adoption and at least ninety days prior to the election at which 18777  
the question will appear on the ballot, the board of education 18778  
shall certify a copy of the resolution, along with copies of the 18779  
county auditor's certification and the resolution under division 18780  
(A) of this section, to the board of elections of the proper 18781  
county. The board of education shall make the arrangements for 18782  
the submission of the question to the electors of the school 18783

district, and the election shall be conducted, canvassed, and 18784  
certified in the same manner as regular elections in the 18785  
district for the election of county officers. 18786

The resolution shall be put before the electors as one 18787  
ballot question, with a majority vote indicating approval of the 18788  
school district income tax and the property tax. The board of 18789  
elections shall publish the notice of the election in a 18790  
newspaper of general circulation in the school district once a 18791  
week for two consecutive weeks, or as provided in section 7.16 18792  
of the Revised Code, prior to the election. If the board of 18793  
elections operates and maintains a web site, also shall post 18794  
notice of the election on its web site for thirty days prior to 18795  
the election. The notice of election shall state all of the 18796  
following: 18797

(1) The questions to be submitted to the electors as a 18798  
single ballot question; 18799

(2) The rate of the school district income tax; 18800

(3) The number of years the school district income tax 18801  
will be levied or that it will be levied for a continuing period 18802  
of time; 18803

(4) The annual proceeds of the proposed property tax levy 18804  
for the purpose of providing for the necessary requirements of 18805  
the district; 18806

(5) The number of years during which the property tax levy 18807  
shall be levied, or that it shall be levied for a continuing 18808  
period of time; 18809

(6) The estimated average additional tax rate of the 18810  
property tax, expressed in dollars and cents for each one 18811  
hundred dollars of valuation as well as in mills for each one 18812

dollar of valuation, outside the limitation imposed by Section 2 18813  
of Article XII, Ohio Constitution, as certified by the county 18814  
auditor; 18815

(7) The time and place of the special election. 18816

(D) The form of the ballot on a question submitted to the 18817  
electors under this section shall be as follows: 18818

"Shall the \_\_\_\_\_ school district be authorized to do both 18819  
of the following: 18820

(1) Impose an annual income tax of \_\_\_\_\_ (state the 18821  
proposed rate of tax) on the school district income of 18822  
individuals and of estates, for \_\_\_\_\_ (state the number of 18823  
years the tax would be levied, or that it would be levied for a 18824  
continuing period of time), beginning \_\_\_\_\_ (state the date 18825  
the tax would first take effect), for the purpose of \_\_\_\_\_ 18826  
(state the purpose of the tax)? 18827

(2) Impose a property tax levy outside of the ten-mill 18828  
limitation for the purpose of providing for the necessary 18829  
requirements of the district in the sum of \_\_\_\_\_ 18830  
(here insert annual amount the levy is to produce), estimated by 18831  
the county auditor to average \_\_\_\_\_ (here insert 18832  
number of mills) mills for each one dollar of valuation, which 18833  
amounts to \_\_\_\_\_ (here insert rate expressed in 18834  
dollars and cents) for each one hundred dollars of valuation, 18835  
for \_\_\_\_\_ (state the number of years the tax is to be 18836  
imposed or that it will be imposed for a continuing period of 18837  
time), commencing in \_\_\_\_\_ (first year the tax is to be 18838  
levied), first due in calendar year \_\_\_\_\_ (first calendar 18839  
year in which the tax shall be due)? 18840

18841

	FOR THE INCOME TAX AND PROPERTY TAX
	AGAINST THE INCOME TAX AND PROPERTY TAX

"

If the question submitted to electors proposes a school district income tax only on the taxable income of individuals as defined in division (E) (1) (b) of section 5748.01 of the Revised Code, the form of the ballot shall be modified by stating that the tax is to be levied on the "earned income of individuals residing in the school district" in lieu of the "school district income of individuals and of estates."

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(E) The board of elections promptly shall certify the results of the election to the tax commissioner and the county auditor of the county in which the school district is located. If a majority of the electors voting on the question vote in favor of it:

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(1) The income tax and the applicable provisions of Chapter 5747. of the Revised Code shall take effect on the date specified in the resolution.

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(2) The board of education of the school district may make the additional property tax levy necessary to raise the amount specified on the ballot for the purpose of providing for the necessary requirements of the district. The property tax levy shall be included in the next tax budget that is certified to the county budget commission.

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(F) (1) After approval of a question under this section, the board of education may anticipate a fraction of the proceeds of the school district income tax in accordance with section 5748.05 of the Revised Code. Any anticipation notes under this

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18866

division shall be issued as provided in section 133.24 of the Revised Code, shall have principal payments during each year after the year of their issuance over a period not to exceed five years, and may have a principal payment in the year of their issuance.

(2) After the approval of a question under this section and prior to the time when the first tax collection from the property tax levy can be made, the board of education may anticipate a fraction of the proceeds of the levy and issue anticipation notes in an amount not exceeding the total estimated proceeds of the levy to be collected during the first year of the levy. Any anticipation notes under this division shall be issued as provided in section 133.24 of the Revised Code, shall have principal payments during each year after the year of their issuance over a period not to exceed five years, and may have a principal payment in the year of their issuance.

(G) (1) The question of repeal of a school district income tax levied for more than five years may be initiated and submitted in accordance with section 5748.04 of the Revised Code.

(2) A property tax levy for a continuing period of time may be reduced in the manner provided under section 5705.261 of the Revised Code.

(H) No board of education shall submit a question under this section to the electors of the school district more than twice in any calendar year. If a board submits the question twice in any calendar year, one of the elections on the question shall be held on the date of the general election.

(I) If the electors of the school district approve a

question under this section, and if the last calendar year the school district income tax is in effect and the last calendar year of collection of the property tax are the same, the board of education of the school district may propose to submit under this section the combined question of a school district income tax to take effect upon the expiration of the existing income tax and a property tax to be first collected in the calendar year after the calendar year of last collection of the existing property tax, and specify in the resolutions adopted under this section that the proposed taxes would renew the existing taxes. The form of the ballot on a question submitted to the electors under division (I) of this section shall be as follows:

"Shall the \_\_\_\_\_ school district be authorized to do both of the following:

(1) Impose an annual income tax of \_\_\_\_\_ (state the proposed rate of tax) on the school district income of individuals and of estates to renew an income tax expiring at the end of \_\_\_\_\_ (state the last year the existing income tax may be levied) for \_\_\_\_\_ (state the number of years the tax would be levied, or that it would be levied for a continuing period of time), beginning \_\_\_\_\_ (state the date the tax would first take effect), for the purpose of \_\_\_\_\_ (state the purpose of the tax)?

(2) Impose a property tax levy renewing an existing levy outside of the ten-mill limitation for the purpose of providing for the necessary requirements of the district in the sum of \_\_\_\_\_ (here insert annual amount the levy is to produce), estimated by the county auditor to average \_\_\_\_\_ (here insert number of mills) mills for each one dollar of valuation, which amounts to \_\_\_\_\_



(here insert rate expressed in dollars and cents) for each one 18926  
hundred dollars of valuation, for \_\_\_\_\_ (state the 18927  
number of years the tax is to be imposed or that it will be 18928  
imposed for a continuing period of time), commencing in 18929  
\_\_\_\_\_ (first year the tax is to be levied), first due in 18930  
calendar year \_\_\_\_\_ (first calendar year in which the tax 18931  
shall be due)? 18932

18933

	FOR THE INCOME TAX AND PROPERTY TAX
	AGAINST THE INCOME TAX AND PROPERTY TAX

"

If the question submitted to electors proposes a school 18934  
district income tax only on the taxable income of individuals as 18935  
defined in division (E) (1) (b) of section 5748.01 of the Revised 18936  
Code, the form of the ballot shall be modified by stating that 18937  
the tax is to be levied on the "earned income of individuals 18938  
residing in the school district" in lieu of the "school district 18939  
income of individuals and of estates." 18940

The question of a renewal levy under this division shall 18941  
not be placed on the ballot unless the question is submitted on 18942  
a date on which a special election may be held under section 18943  
3501.01 of the Revised Code, except for the first Tuesday after 18944  
the first Monday in ~~February and~~ August, during the last year 18945  
the property tax levy to be renewed may be extended on the real 18946  
and public utility property tax list and duplicate, or at any 18947  
election held in the ensuing year. 18948

(J) If the electors of the school district approve a 18949  
question under this section, the board of education of the 18950

school district may propose to renew either or both of the 18951  
existing taxes as individual ballot questions in accordance with 18952  
section 5748.02 of the Revised Code for the school district 18953  
income tax, or section 5705.194 of the Revised Code for the 18954  
property tax. 18955

**Sec. 5751.01.** As used in this chapter: 18956

(A) "Person" means, but is not limited to, individuals, 18957  
combinations of individuals of any form, receivers, assignees, 18958  
trustees in bankruptcy, firms, companies, joint-stock companies, 18959  
business trusts, estates, partnerships, limited liability 18960  
partnerships, limited liability companies, associations, joint 18961  
ventures, clubs, societies, for-profit corporations, S 18962  
corporations, qualified subchapter S subsidiaries, qualified 18963  
subchapter S trusts, trusts, entities that are disregarded for 18964  
federal income tax purposes, and any other entities. 18965

(B) "Consolidated elected taxpayer" means a group of two 18966  
or more persons treated as a single taxpayer for purposes of 18967  
this chapter as the result of an election made under section 18968  
5751.011 of the Revised Code. 18969

(C) "Combined taxpayer" means a group of two or more 18970  
persons treated as a single taxpayer for purposes of this 18971  
chapter under section 5751.012 of the Revised Code. 18972

(D) "Taxpayer" means any person, or any group of persons 18973  
in the case of a consolidated elected taxpayer or combined 18974  
taxpayer treated as one taxpayer, required to register or pay 18975  
tax under this chapter. "Taxpayer" does not include excluded 18976  
persons. 18977

(E) "Excluded person" means any of the following: 18978

(1) Any person with not more than one hundred fifty 18979

thousand dollars of taxable gross receipts during the calendar 18980  
year. Division (E) (1) of this section does not apply to a person 18981  
that is a member of a consolidated elected taxpayer; 18982

(2) A public utility that paid the excise tax imposed by 18983  
section 5727.24 or 5727.30 of the Revised Code based on one or 18984  
more measurement periods that include the entire tax period 18985  
under this chapter, except that a public utility that is a 18986  
combined company is a taxpayer with regard to the following 18987  
gross receipts: 18988

(a) Taxable gross receipts directly attributed to a public 18989  
utility activity, but not directly attributed to an activity 18990  
that is subject to the excise tax imposed by section 5727.24 or 18991  
5727.30 of the Revised Code; 18992

(b) Taxable gross receipts that cannot be directly 18993  
attributed to any activity, multiplied by a fraction whose 18994  
numerator is the taxable gross receipts described in division 18995  
(E) (2) (a) of this section and whose denominator is the total 18996  
taxable gross receipts that can be directly attributed to any 18997  
activity; 18998

(c) Except for any differences resulting from the use of 18999  
an accrual basis method of accounting for purposes of 19000  
determining gross receipts under this chapter and the use of the 19001  
cash basis method of accounting for purposes of determining 19002  
gross receipts under section 5727.24 of the Revised Code, the 19003  
gross receipts directly attributed to the activity of a natural 19004  
gas company shall be determined in a manner consistent with 19005  
division (D) of section 5727.03 of the Revised Code. 19006

As used in division (E) (2) of this section, "combined 19007  
company" and "public utility" have the same meanings as in 19008

section 5727.01 of the Revised Code. 19009

(3) A financial institution, as defined in section 5726.01 19010  
of the Revised Code, that paid the tax imposed by section 19011  
5726.02 of the Revised Code based on one or more taxable years 19012  
that include the entire tax period under this chapter; 19013

(4) A person directly or indirectly owned by one or more 19014  
financial institutions, as defined in section 5726.01 of the 19015  
Revised Code, that paid the tax imposed by section 5726.02 of 19016  
the Revised Code based on one or more taxable years that include 19017  
the entire tax period under this chapter. 19018

For the purposes of division (E)(4) of this section, a 19019  
person owns another person under the following circumstances: 19020

(a) In the case of corporations issuing capital stock, one 19021  
corporation owns another corporation if it owns fifty per cent 19022  
or more of the other corporation's capital stock with current 19023  
voting rights; 19024

(b) In the case of a limited liability company, one person 19025  
owns the company if that person's membership interest, as 19026  
defined in section 1705.01 of the Revised Code, is fifty per 19027  
cent or more of the combined membership interests of all persons 19028  
owning such interests in the company; 19029

(c) In the case of a partnership, trust, or other 19030  
unincorporated business organization other than a limited 19031  
liability company, one person owns the organization if, under 19032  
the articles of organization or other instrument governing the 19033  
affairs of the organization, that person has a beneficial 19034  
interest in the organization's profits, surpluses, losses, or 19035  
distributions of fifty per cent or more of the combined 19036  
beneficial interests of all persons having such an interest in 19037

the organization. 19038

(5) A domestic insurance company or foreign insurance 19039  
company, as defined in section 5725.01 of the Revised Code, that 19040  
paid the insurance company premiums tax imposed by section 19041  
5725.18 or Chapter 5729. of the Revised Code, or an unauthorized 19042  
insurance company whose gross premiums are subject to tax under 19043  
section 3905.36 of the Revised Code based on one or more 19044  
measurement periods that include the entire tax period under 19045  
this chapter; 19046

(6) A person that solely facilitates or services one or 19047  
more securitizations of phase-in-recovery property pursuant to a 19048  
final financing order as those terms are defined in section 19049  
4928.23 of the Revised Code. For purposes of this division, 19050  
"securitization" means transferring one or more assets to one or 19051  
more persons and then issuing securities backed by the right to 19052  
receive payment from the asset or assets so transferred. 19053

(7) Except as otherwise provided in this division, a pre- 19054  
income tax trust as defined in ~~division (FF) (4)~~ of section 19055  
5747.01 of the Revised Code and any pass-through entity of which 19056  
such pre-income tax trust owns or controls, directly, 19057  
indirectly, or constructively through related interests, more 19058  
than five per cent of the ownership or equity interests. If the 19059  
pre-income tax trust has made a qualifying pre-income tax trust 19060  
election under division ~~(FF) (3)~~ (EE) of section 5747.01 of the 19061  
Revised Code, then the trust and the pass-through entities of 19062  
which it owns or controls, directly, indirectly, or 19063  
constructively through related interests, more than five per 19064  
cent of the ownership or equity interests, shall not be excluded 19065  
persons for purposes of the tax imposed under section 5751.02 of 19066  
the Revised Code. 19067

(8) Nonprofit organizations or the state and its agencies, 19068  
instrumentalities, or political subdivisions. 19069

(F) Except as otherwise provided in divisions (F) (2), (3), 19070  
and (4) of this section, "gross receipts" means the total amount 19071  
realized by a person, without deduction for the cost of goods 19072  
sold or other expenses incurred, that contributes to the 19073  
production of gross income of the person, including the fair 19074  
market value of any property and any services received, and any 19075  
debt transferred or forgiven as consideration. 19076

(1) The following are examples of gross receipts: 19077

(a) Amounts realized from the sale, exchange, or other 19078  
disposition of the taxpayer's property to or with another; 19079

(b) Amounts realized from the taxpayer's performance of 19080  
services for another; 19081

(c) Amounts realized from another's use or possession of 19082  
the taxpayer's property or capital; 19083

(d) Any combination of the foregoing amounts. 19084

(2) "Gross receipts" excludes the following amounts: 19085

(a) Interest income except interest on credit sales; 19086

(b) Dividends and distributions from corporations, and 19087  
distributive or proportionate shares of receipts and income from 19088  
a pass-through entity as defined under section 5733.04 of the 19089  
Revised Code; 19090

(c) Receipts from the sale, exchange, or other disposition 19091  
of an asset described in section 1221 or 1231 of the Internal 19092  
Revenue Code, without regard to the length of time the person 19093  
held the asset. Notwithstanding section 1221 of the Internal 19094

Revenue Code, receipts from hedging transactions also are 19095  
excluded to the extent the transactions are entered into 19096  
primarily to protect a financial position, such as managing the 19097  
risk of exposure to (i) foreign currency fluctuations that 19098  
affect assets, liabilities, profits, losses, equity, or 19099  
investments in foreign operations; (ii) interest rate 19100  
fluctuations; or (iii) commodity price fluctuations. As used in 19101  
division (F)(2)(c) of this section, "hedging transaction" has 19102  
the same meaning as used in section 1221 of the Internal Revenue 19103  
Code and also includes transactions accorded hedge accounting 19104  
treatment under statement of financial accounting standards 19105  
number 133 of the financial accounting standards board. For the 19106  
purposes of division (F)(2)(c) of this section, the actual 19107  
transfer of title of real or tangible personal property to 19108  
another entity is not a hedging transaction. 19109

(d) Proceeds received attributable to the repayment, 19110  
maturity, or redemption of the principal of a loan, bond, mutual 19111  
fund, certificate of deposit, or marketable instrument; 19112

(e) The principal amount received under a repurchase 19113  
agreement or on account of any transaction properly 19114  
characterized as a loan to the person; 19115

(f) Contributions received by a trust, plan, or other 19116  
arrangement, any of which is described in section 501(a) of the 19117  
Internal Revenue Code, or to which Title 26, Subtitle A, Chapter 19118  
1, Subchapter (D) of the Internal Revenue Code applies; 19119

(g) Compensation, whether current or deferred, and whether 19120  
in cash or in kind, received or to be received by an employee, 19121  
former employee, or the employee's legal successor for services 19122  
rendered to or for an employer, including reimbursements 19123  
received by or for an individual for medical or education 19124

expenses, health insurance premiums, or employee expenses, or on	19125
account of a dependent care spending account, legal services	19126
plan, any cafeteria plan described in section 125 of the	19127
Internal Revenue Code, or any similar employee reimbursement;	19128
(h) Proceeds received from the issuance of the taxpayer's	19129
own stock, options, warrants, puts, or calls, or from the sale	19130
of the taxpayer's treasury stock;	19131
(i) Proceeds received on the account of payments from	19132
insurance policies, except those proceeds received for the loss	19133
of business revenue;	19134
(j) Gifts or charitable contributions received; membership	19135
dues received by trade, professional, homeowners', or	19136
condominium associations; and payments received for educational	19137
courses, meetings, meals, or similar payments to a trade,	19138
professional, or other similar association; and fundraising	19139
receipts received by any person when any excess receipts are	19140
donated or used exclusively for charitable purposes;	19141
(k) Damages received as the result of litigation in excess	19142
of amounts that, if received without litigation, would be gross	19143
receipts;	19144
(l) Property, money, and other amounts received or	19145
acquired by an agent on behalf of another in excess of the	19146
agent's commission, fee, or other remuneration;	19147
(m) Tax refunds, other tax benefit recoveries, and	19148
reimbursements for the tax imposed under this chapter made by	19149
entities that are part of the same combined taxpayer or	19150
consolidated elected taxpayer group, and reimbursements made by	19151
entities that are not members of a combined taxpayer or	19152
consolidated elected taxpayer group that are required to be made	19153



for economic parity among multiple owners of an entity whose tax obligation under this chapter is required to be reported and paid entirely by one owner, pursuant to the requirements of sections 5751.011 and 5751.012 of the Revised Code;

(n) Pension reversions;

(o) Contributions to capital;

(p) Sales or use taxes collected as a vendor or an out-of-state seller on behalf of the taxing jurisdiction from a consumer or other taxes the taxpayer is required by law to collect directly from a purchaser and remit to a local, state, or federal tax authority;

(q) In the case of receipts from the sale of cigarettes, tobacco products, or vapor products by a wholesale dealer, retail dealer, distributor, manufacturer, vapor distributor, or seller, all as defined in section 5743.01 of the Revised Code, an amount equal to the federal and state excise taxes paid by any person on or for such cigarettes, tobacco products, or vapor products under subtitle E of the Internal Revenue Code or Chapter 5743. of the Revised Code;

(r) In the case of receipts from the sale, transfer, exchange, or other disposition of motor fuel as "motor fuel" is defined in section 5736.01 of the Revised Code, an amount equal to the value of the motor fuel, including federal and state motor fuel excise taxes and receipts from billing or invoicing the tax imposed under section 5736.02 of the Revised Code to another person;

(s) In the case of receipts from the sale of beer or intoxicating liquor, as defined in section 4301.01 of the Revised Code, by a person holding a permit issued under Chapter

4301. or 4303. of the Revised Code, an amount equal to federal 19183  
and state excise taxes paid by any person on or for such beer or 19184  
intoxicating liquor under subtitle E of the Internal Revenue 19185  
Code or Chapter 4301. or 4305. of the Revised Code; 19186

(t) Receipts realized by a new motor vehicle dealer or 19187  
used motor vehicle dealer, as defined in section 4517.01 of the 19188  
Revised Code, from the sale or other transfer of a motor 19189  
vehicle, as defined in that section, to another motor vehicle 19190  
dealer for the purpose of resale by the transferee motor vehicle 19191  
dealer, but only if the sale or other transfer was based upon 19192  
the transferee's need to meet a specific customer's preference 19193  
for a motor vehicle; 19194

(u) Receipts from a financial institution described in 19195  
division (E) (3) of this section for services provided to the 19196  
financial institution in connection with the issuance, 19197  
processing, servicing, and management of loans or credit 19198  
accounts, if such financial institution and the recipient of 19199  
such receipts have at least fifty per cent of their ownership 19200  
interests owned or controlled, directly or constructively 19201  
through related interests, by common owners; 19202

(v) Receipts realized from administering anti-neoplastic 19203  
drugs and other cancer chemotherapy, biologicals, therapeutic 19204  
agents, and supportive drugs in a physician's office to patients 19205  
with cancer; 19206

(w) Funds received or used by a mortgage broker that is 19207  
not a dealer in intangibles, other than fees or other 19208  
consideration, pursuant to a table-funding mortgage loan or 19209  
warehouse-lending mortgage loan. Terms used in division (F) (2) 19210  
(w) of this section have the same meanings as in section 1322.01 19211  
of the Revised Code, except "mortgage broker" means a person 19212

assisting a buyer in obtaining a mortgage loan for a fee or 19213  
other consideration paid by the buyer or a lender, or a person 19214  
engaged in table-funding or warehouse-lending mortgage loans 19215  
that are first lien mortgage loans. 19216

(x) Property, money, and other amounts received by a 19217  
professional employer organization, as defined in section 19218  
4125.01 of the Revised Code, from a client employer, as defined 19219  
in that section, in excess of the administrative fee charged by 19220  
the professional employer organization to the client employer; 19221

(y) In the case of amounts retained as commissions by a 19222  
permit holder under Chapter 3769. of the Revised Code, an amount 19223  
equal to the amounts specified under that chapter that must be 19224  
paid to or collected by the tax commissioner as a tax and the 19225  
amounts specified under that chapter to be used as purse money; 19226

(z) Qualifying distribution center receipts as determined 19227  
under section 5751.40 of the Revised Code. 19228

~~(i) For purposes of division (F) (2) (z) of this section:~~ 19229

~~(I) "Qualifying distribution center receipts" means~~ 19230  
~~receipts of a supplier from qualified property that is delivered~~ 19231  
~~to a qualified distribution center, multiplied by a quantity~~ 19232  
~~that equals one minus the Ohio delivery percentage. If the~~ 19233  
~~qualified distribution center is a refining facility, "supplier"~~ 19234  
~~includes all dealers, brokers, processors, sellers, vendors,~~ 19235  
~~cosigners, and distributors of qualified property.~~ 19236

~~(II) "Qualified property" means tangible personal property~~ 19237  
~~delivered to a qualified distribution center that is shipped to~~ 19238  
~~that qualified distribution center solely for further shipping~~ 19239  
~~by the qualified distribution center to another location in this~~ 19240  
~~state or elsewhere or, in the case of gold, silver, platinum, or~~ 19241

~~palladium delivered to a refining facility solely for refining~~ 19242  
~~to a grade and fineness acceptable for delivery to a registered~~ 19243  
~~commodities exchange. "Further shipping" includes storing and~~ 19244  
~~repackaging property into smaller or larger bundles, so long as~~ 19245  
~~the property is not subject to further manufacturing or~~ 19246  
~~processing. "Refining" is limited to extracting impurities from~~ 19247  
~~gold, silver, platinum, or palladium through smelting or some~~ 19248  
~~other process at a refining facility.~~ 19249

~~(III) "Qualified distribution center" means a warehouse, a~~ 19250  
~~facility similar to a warehouse, or a refining facility in this~~ 19251  
~~state that, for the qualifying year, is operated by a person~~ 19252  
~~that is not part of a combined taxpayer group and that has a~~ 19253  
~~qualifying certificate. All warehouses or facilities similar to~~ 19254  
~~warehouses that are operated by persons in the same taxpayer~~ 19255  
~~group and that are located within one mile of each other shall~~ 19256  
~~be treated as one qualified distribution center. All refining~~ 19257  
~~facilities that are operated by persons in the same taxpayer~~ 19258  
~~group and that are located in the same or adjacent counties may~~ 19259  
~~be treated as one qualified distribution center.~~ 19260

~~(IV) "Qualifying year" means the calendar year to which~~ 19261  
~~the qualifying certificate applies.~~ 19262

~~(V) "Qualifying period" means the period of the first day~~ 19263  
~~of July of the second year preceding the qualifying year through~~ 19264  
~~the thirtieth day of June of the year preceding the qualifying~~ 19265  
~~year.~~ 19266

~~(VI) "Qualifying certificate" means the certificate issued~~ 19267  
~~by the tax commissioner after the operator of a distribution~~ 19268  
~~center files an annual application with the commissioner. The~~ 19269  
~~application and annual fee shall be filed and paid for each~~ 19270  
~~qualified distribution center on or before the first day of~~ 19271

~~September before the qualifying year or within forty five days~~ 19272  
~~after the distribution center opens, whichever is later.~~ 19273

~~The applicant must substantiate to the commissioner's~~ 19274  
~~satisfaction that, for the qualifying period, all persons~~ 19275  
~~operating the distribution center have more than fifty per cent~~ 19276  
~~of the cost of the qualified property shipped to a location such~~ 19277  
~~that it would be situated outside this state under the provisions~~ 19278  
~~of division (E) of section 5751.033 of the Revised Code. The~~ 19279  
~~applicant must also substantiate that the distribution center~~ 19280  
~~cumulatively had costs from its suppliers equal to or exceeding~~ 19281  
~~five hundred million dollars during the qualifying period. (For~~ 19282  
~~purposes of division (F) (2) (z) (i) (VI) of this section,~~ 19283  
~~"supplier" excludes any person that is part of the consolidated~~ 19284  
~~elected taxpayer group, if applicable, of the operator of the~~ 19285  
~~qualified distribution center.) The commissioner may require the~~ 19286  
~~applicant to have an independent certified public accountant~~ 19287  
~~certify that the calculation of the minimum thresholds required~~ 19288  
~~for a qualified distribution center by the operator of a~~ 19289  
~~distribution center has been made in accordance with generally~~ 19290  
~~accepted accounting principles. The commissioner shall issue or~~ 19291  
~~deny the issuance of a certificate within sixty days after the~~ 19292  
~~receipt of the application. A denial is subject to appeal under~~ 19293  
~~section 5717.02 of the Revised Code. If the operator files a~~ 19294  
~~timely appeal under section 5717.02 of the Revised Code, the~~ 19295  
~~operator shall be granted a qualifying certificate effective for~~ 19296  
~~the remainder of the qualifying year or until the appeal is~~ 19297  
~~finalized, whichever is earlier. If the operator does not~~ 19298  
~~prevail in the appeal, the operator shall pay the ineligible~~ 19299  
~~operator's supplier tax liability.~~ 19300

~~(VII) "Ohio delivery percentage" means the proportion of~~ 19301  
~~the total property delivered to a destination inside Ohio from~~ 19302

~~the qualified distribution center during the qualifying period~~ 19303  
~~compared with total deliveries from such distribution center~~ 19304  
~~everywhere during the qualifying period.~~ 19305

~~(VIII) "Refining facility" means one or more buildings~~ 19306  
~~located in a county in the Appalachian region of this state as~~ 19307  
~~defined by section 107.21 of the Revised Code and utilized for~~ 19308  
~~refining or smelting gold, silver, platinum, or palladium to a~~ 19309  
~~grade and fineness acceptable for delivery to a registered~~ 19310  
~~commodities exchange.~~ 19311

~~(IX) "Registered commodities exchange" means a board of~~ 19312  
~~trade, such as New York mercantile exchange, inc. or commodity~~ 19313  
~~exchange, inc., designated as a contract market by the commodity~~ 19314  
~~futures trading commission under the "Commodity Exchange Act," 7~~ 19315  
~~U.S.C. 1 et seq., as amended.~~ 19316

~~(X) "Ineligible operator's supplier tax liability" means~~ 19317  
~~an amount equal to the tax liability of all suppliers of a~~ 19318  
~~distribution center had the distribution center not been issued~~ 19319  
~~a qualifying certificate for the qualifying year. Ineligible~~ 19320  
~~operator's supplier tax liability shall not include interest or~~ 19321  
~~penalties. The tax commissioner shall determine an ineligible~~ 19322  
~~operator's supplier tax liability based on information that the~~ 19323  
~~commissioner may request from the operator of the distribution~~ 19324  
~~center. An operator shall provide a list of all suppliers of the~~ 19325  
~~distribution center and the corresponding costs of qualified~~ 19326  
~~property for the qualifying year at issue within sixty days of a~~ 19327  
~~request by the commissioner under this division.~~ 19328

~~(ii) (I) If the distribution center is new and was not open~~ 19329  
~~for the entire qualifying period, the operator of the~~ 19330  
~~distribution center may request that the commissioner grant a~~ 19331  
~~qualifying certificate. If the certificate is granted and it is~~ 19332

~~later determined that more than fifty per cent of the qualified property during that year was not shipped to a location such that it would be situated outside of this state under the provisions of division (E) of section 5751.033 of the Revised Code or if it is later determined that the person that operates the distribution center had average monthly costs from its suppliers of less than forty million dollars during that year, then the operator of the distribution center shall pay the ineligible operator's supplier tax liability. (For purposes of division (F) (2) (z) (ii) of this section, "supplier" excludes any person that is part of the consolidated elected taxpayer group, if applicable, of the operator of the qualified distribution center.)~~

~~(II) The commissioner may grant a qualifying certificate to a distribution center that does not qualify as a qualified distribution center for an entire qualifying period if the operator of the distribution center demonstrates that the business operations of the distribution center have changed or will change such that the distribution center will qualify as a qualified distribution center within thirty six months after the date the operator first applies for a certificate. If, at the end of that thirty six month period, the business operations of the distribution center have not changed such that the distribution center qualifies as a qualified distribution center, the operator of the distribution center shall pay the ineligible operator's supplier tax liability for each year that the distribution center received a certificate but did not qualify as a qualified distribution center. For each year the distribution center receives a certificate under division (F) (2) (z) (ii) (II) of this section, the distribution center shall pay all applicable fees required under division (F) (2) (z) of this~~

~~section and shall submit an updated business plan showing the  
progress the distribution center made toward qualifying as a  
qualified distribution center during the preceding year.~~ 19364  
19365  
19366

~~(III) An operator may appeal a determination under  
division (F) (2) (z) (ii) (I) or (II) of this section that the  
ineligible operator is liable for the operator's supplier tax  
liability as a result of not qualifying as a qualified  
distribution center, as provided in section 5717.02 of the  
Revised Code.~~ 19367  
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~~(iii) When filing an application for a qualifying  
certificate under division (F) (2) (z) (i) (VI) of this section, the  
operator of a qualified distribution center also shall provide  
documentation, as the commissioner requires, for the  
commissioner to ascertain the Ohio delivery percentage. The  
commissioner, upon issuing the qualifying certificate, also  
shall certify the Ohio delivery percentage. The operator of the  
qualified distribution center may appeal the commissioner's  
certification of the Ohio delivery percentage in the same manner  
as an appeal is taken from the denial of a qualifying  
certificate under division (F) (2) (z) (i) (VI) of this section.~~ 19373  
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~~(iv) (I) In the case where the distribution center is new  
and not open for the entire qualifying period, the operator  
shall make a good faith estimate of an Ohio delivery percentage  
for use by suppliers in their reports of taxable gross receipts  
for the remainder of the qualifying period. The operator of the  
facility shall disclose to the suppliers that such Ohio delivery  
percentage is an estimate and is subject to recalculation. By  
the due date of the next application for a qualifying  
certificate, the operator shall determine the actual Ohio  
delivery percentage for the estimated qualifying period and~~ 19384  
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~~proceed as provided in division (F) (2) (z) (iii) of this section~~ 19394  
~~with respect to the calculation and recalculation of the Ohio~~ 19395  
~~delivery percentage. The supplier is required to file, within~~ 19396  
~~sixty days after receiving notice from the operator of the~~ 19397  
~~qualified distribution center, amended reports for the impacted~~ 19398  
~~calendar quarter or quarters or calendar year, whichever the~~ 19399  
~~case may be. Any additional tax liability or tax overpayment~~ 19400  
~~shall be subject to interest but shall not be subject to the~~ 19401  
~~imposition of any penalty so long as the amended returns are~~ 19402  
~~timely filed.~~ 19403

~~(II) The operator of a distribution center that receives a~~ 19404  
~~qualifying certificate under division (F) (2) (z) (ii) (II) of this~~ 19405  
~~section shall make a good faith estimate of the Ohio delivery~~ 19406  
~~percentage that the operator estimates will apply to the~~ 19407  
~~distribution center at the end of the thirty six month period~~ 19408  
~~after the operator first applied for a qualifying certificate~~ 19409  
~~under that division. The result of the estimate shall be~~ 19410  
~~multiplied by a factor of one and seventy five one hundredths.~~ 19411  
~~The product of that calculation shall be the Ohio delivery~~ 19412  
~~percentage used by suppliers in their reports of taxable gross~~ 19413  
~~receipts for each qualifying year that the distribution center~~ 19414  
~~receives a qualifying certificate under division (F) (2) (z) (ii)~~ 19415  
~~(II) of this section, except that, if the product is less than~~ 19416  
~~five per cent, the Ohio delivery percentage used shall be five~~ 19417  
~~per cent and that, if the product exceeds forty nine per cent,~~ 19418  
~~the Ohio delivery percentage used shall be forty nine per cent.~~ 19419

~~(v) Qualifying certificates and Ohio delivery percentages~~ 19420  
~~issued by the commissioner shall be open to public inspection~~ 19421  
~~and shall be timely published by the commissioner. A supplier~~ 19422  
~~relying in good faith on a certificate issued under this~~ 19423  
~~division shall not be subject to tax on the qualifying~~ 19424

~~distribution center receipts under division (F) (2) (z) of this section. An operator receiving a qualifying certificate is liable for the ineligible operator's supplier tax liability for each year the operator received a certificate but did not qualify as a qualified distribution center.~~ 19425  
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~~(vi) The annual fee for a qualifying certificate shall be one hundred thousand dollars for each qualified distribution center. If a qualifying certificate is not issued, the annual fee is subject to refund after the exhaustion of all appeals provided for in division (F) (2) (z) (i) (VI) of this section. The first one hundred thousand dollars of the annual application fees collected each calendar year shall be credited to the revenue enhancement fund. The remainder of the annual application fees collected shall be distributed in the same manner required under section 5751.20 of the Revised Code.~~ 19430  
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~~(vii) The tax commissioner may require that adequate security be posted by the operator of the distribution center on appeal when the commissioner disagrees that the applicant has met the minimum thresholds for a qualified distribution center as set forth in division (F) (2) (z) of this section.~~ 19440  
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(aa) Receipts of an employer from payroll deductions relating to the reimbursement of the employer for advancing moneys to an unrelated third party on an employee's behalf; 19445  
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(bb) Cash discounts allowed and taken; 19448

(cc) Returns and allowances; 19449

(dd) Bad debts from receipts on the basis of which the tax imposed by this chapter was paid in a prior quarterly tax payment period. For the purpose of this division, "bad debts" means any debts that have become worthless or uncollectible 19450  
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between the preceding and current quarterly tax payment periods, 19454  
have been uncollected for at least six months, and that may be 19455  
claimed as a deduction under section 166 of the Internal Revenue 19456  
Code and the regulations adopted under that section, or that 19457  
could be claimed as such if the taxpayer kept its accounts on 19458  
the accrual basis. "Bad debts" does not include repossessed 19459  
property, uncollectible amounts on property that remains in the 19460  
possession of the taxpayer until the full purchase price is 19461  
paid, or expenses in attempting to collect any account 19462  
receivable or for any portion of the debt recovered; 19463

(ee) Any amount realized from the sale of an account 19464  
receivable to the extent the receipts from the underlying 19465  
transaction giving rise to the account receivable were included 19466  
in the gross receipts of the taxpayer; 19467

(ff) Any receipts directly attributed to a transfer 19468  
agreement or to the enterprise transferred under that agreement 19469  
under section 4313.02 of the Revised Code. 19470

~~(gg) (i) As used in this division:~~ 19471

~~(I) "Qualified uranium receipts" means receipts from the 19472  
sale, exchange, lease, loan, production, processing, or other 19473  
disposition of uranium within a uranium enrichment zone 19474  
certified by the tax commissioner under division (F) (2) (gg) (ii) 19475  
of this section. "Qualified uranium receipts" does not include 19476  
any receipts with a situs in this state outside a uranium 19477  
enrichment zone certified by the tax commissioner under division 19478  
(F) (2) (gg) (ii) of this section. 19479~~

~~(II) "Uranium enrichment zone" means all real property 19480  
that is part of a uranium enrichment facility licensed by the 19481  
United States nuclear regulatory commission and that was or is 19482~~

~~owned or controlled by the United States department of energy or  
its successor.~~ 19483  
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~~(ii) Any person that owns, leases, or operates real or  
tangible personal property constituting or located within a  
uranium enrichment zone may apply to the tax commissioner to  
have the uranium enrichment zone certified for the purpose of  
excluding qualified uranium receipts under division (F) (2) (gg)  
of this section. The application shall include such information  
that the tax commissioner prescribes. Within sixty days after  
receiving the application, the tax commissioner shall certify  
the zone for that purpose if the commissioner determines that  
the property qualifies as a uranium enrichment zone as defined  
in division (F) (2) (gg) of this section, or, if the tax  
commissioner determines that the property does not qualify, the  
commissioner shall deny the application or request additional  
information from the applicant. If the tax commissioner denies  
an application, the commissioner shall state the reasons for the  
denial. The applicant may appeal the denial of an application to  
the board of tax appeals pursuant to section 5717.02 of the  
Revised Code. If the applicant files a timely appeal, the tax  
commissioner shall conditionally certify the applicant's  
property. The conditional certification shall expire when all of  
the applicant's appeals are exhausted. Until final resolution of  
the appeal, the applicant shall retain the applicant's records  
in accordance with section 5751.12 of the Revised Code,  
notwithstanding any time limit on the preservation of records  
under that section. Qualified uranium receipts as determined under  
section 5751.41 of the Revised Code.~~ 19485  
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(hh) In the case of amounts collected by a licensed casino  
operator from casino gaming, amounts in excess of the casino  
operator's gross casino revenue. In this division, "casino 19511  
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operator" and "casino gaming" have the meanings defined in 19514  
section 3772.01 of the Revised Code, and "gross casino revenue" 19515  
has the meaning defined in section 5753.01 of the Revised Code. 19516

(ii) Receipts realized from the sale of agricultural 19517  
commodities by an agricultural commodity handler, both as 19518  
defined in section 926.01 of the Revised Code, that is licensed 19519  
by the director of agriculture to handle agricultural 19520  
commodities in this state. 19521

(jj) Qualifying integrated supply chain receipts as 19522  
determined under section 5751.42 of the Revised Code. 19523

~~As used in division (F) (2) (jj) of this section:~~ 19524

~~(i) "Qualifying integrated supply chain receipts" means~~ 19525  
~~receipts of a qualified integrated supply chain vendor from the~~ 19526  
~~sale of qualified property delivered to, or integrated supply~~ 19527  
~~chain services provided to, another qualified integrated supply~~ 19528  
~~chain vendor or to a retailer that is a member of the integrated~~ 19529  
~~supply chain. "Qualifying integrated supply chain receipts" does~~ 19530  
~~not include receipts of a person that is not a qualified~~ 19531  
~~integrated supply chain vendor from the sale of raw materials to~~ 19532  
~~a member of an integrated supply chain, or receipts of a member~~ 19533  
~~of an integrated supply chain from the sale of qualified~~ 19534  
~~property or integrated supply chain services to a person that is~~ 19535  
~~not a member of the integrated supply chain.~~ 19536

~~(ii) "Qualified property" means any of the following:~~ 19537

~~(I) Component parts used to hold, contain, package, or~~ 19538  
~~dispense qualified products, excluding equipment;~~ 19539

~~(II) Work in process inventory that will become, comprise,~~ 19540  
~~or form a component part of a qualified product capable of being~~ 19541  
~~sold at retail, excluding equipment, machinery, furniture, and~~ 19542

~~fixtures,~~ 19543

~~(III) Finished goods inventory that is a qualified product capable of being sold at retail in the inventory's present form.~~ 19544  
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~~(iii) "Qualified integrated supply chain vendor" means a person that is a member of an integrated supply chain and that provides integrated supply chain services within a qualified integrated supply chain district to a retailer that is a member of the integrated supply chain or to another qualified integrated supply chain vendor that is located within the same such district as the person but does not share a common owner with that person.~~ 19546  
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~~(iv) "Qualified product" means a personal care, health, or beauty product or an aromatic product, including a candle. "Qualified product" does not include a drug that may be dispensed only pursuant to a prescription, durable medical equipment, mobility enhancing equipment, or a prosthetic device, as those terms are defined in section 5739.01 of the Revised Code.~~ 19554  
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~~(v) "Integrated supply chain" means two or more qualified integrated supply chain vendors certified on the most recent list certified to the tax commissioner under this division that systematically collaborate and coordinate business operations with a retailer on the flow of tangible personal property from material sourcing through manufacturing, assembly, packaging, and delivery to the retailer to improve long term financial performance of each vendor and the supply chain that includes the retailer.~~ 19561  
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~~For the purpose of the certification required under this division, the reporting person for each retailer, on or before~~ 19570  
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~~the first day of October of each year, shall certify to the tax- 19572  
commissioner a list of the qualified integrated supply chain- 19573  
vendors providing or receiving integrated supply chain services- 19574  
within a qualified integrated supply chain district for the- 19575  
ensuing calendar year. On or before the following first day of- 19576  
November, the commissioner shall issue a certificate to the- 19577  
retailer and to each vendor certified to the commissioner on- 19578  
that list. The certificate shall include the names of the- 19579  
retailer and of the qualified integrated supply chain vendors.- 19580~~

~~The retailer shall notify the commissioner of any changes- 19581  
to the list, including additions to or subtractions from the- 19582  
list or changes in the name or legal entity of vendors certified- 19583  
on the list, within sixty days after the date the retailer- 19584  
becomes aware of the change. Within thirty days after receiving- 19585  
that notification, the commissioner shall issue a revised- 19586  
certificate to the retailer and to each vendor certified on the- 19587  
list. The revised certificate shall include the effective date- 19588  
of the change.- 19589~~

~~Each recipient of a certificate issued pursuant to this- 19590  
division shall maintain a copy of the certificate for four years- 19591  
from the date the certificate was received.- 19592~~

~~(vi) "Integrated supply chain services" means procuring- 19593  
raw materials or manufacturing, processing, refining,- 19594  
assembling, packaging, or repackaging tangible personal property- 19595  
that will become finished goods inventory capable of being sold- 19596  
at retail by a retailer that is a member of an integrated supply- 19597  
chain.- 19598~~

~~(vii) "Retailer" means a person primarily engaged in- 19599  
making retail sales and any member of that person's consolidated- 19600  
elected taxpayer group or combined taxpayer group, whether or- 19601~~

~~not that member is primarily engaged in making retail sales.~~ 19602

~~(viii) "Qualified integrated supply chain district" means the parcel or parcels of land from which a retailer's integrated supply chain that existed on September 29, 2015, provides or receives integrated supply chain services, and to which all of the following apply:~~ 19603  
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~~(I) The parcel or parcels are located wholly in a county having a population of greater than one hundred sixty five thousand but less than one hundred seventy thousand based on the 2010 federal decennial census.~~ 19608  
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~~(II) The parcel or parcels are located wholly in the corporate limits of a municipal corporation with a population greater than seven thousand five hundred and less than eight thousand based on the 2010 federal decennial census that is partly located in the county described in division (F) (2) (jj) (viii) (I) of this section, as those corporate limits existed on September 29, 2015.~~ 19612  
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~~(III) The aggregate acreage of the parcel or parcels equals or exceeds one hundred acres.~~ 19619  
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(kk) In the case of a railroad company described in 19621  
division (D) (9) of section 5727.01 of the Revised Code that 19622  
purchases dyed diesel fuel directly from a supplier as defined 19623  
by section 5736.01 of the Revised Code, an amount equal to the 19624  
product of the number of gallons of dyed diesel fuel purchased 19625  
directly from such a supplier multiplied by the average 19626  
wholesale price for a gallon of diesel fuel as determined under 19627  
section 5736.02 of the Revised Code for the period during which 19628  
the fuel was purchased multiplied by a fraction, the numerator 19629  
of which equals the rate of tax levied by section 5736.02 of the 19630



Revised Code less the rate of tax computed in section 5751.03 of 19631  
the Revised Code, and the denominator of which equals the rate 19632  
of tax computed in section 5751.03 of the Revised Code. 19633

(ll) Receipts realized by an out-of-state disaster 19634  
business from disaster work conducted in this state during a 19635  
disaster response period pursuant to a qualifying solicitation 19636  
received by the business. Terms used in division (F) (2) (ll) of 19637  
this section have the same meanings as in section 5703.94 of the 19638  
Revised Code. 19639

(mm) Any receipts for which the tax imposed by this 19640  
chapter is prohibited by the constitution or laws of the United 19641  
States or the constitution of this state. 19642

(3) In the case of a taxpayer when acting as a real estate 19643  
broker, "gross receipts" includes only the portion of any fee 19644  
for the service of a real estate broker, or service of a real 19645  
estate salesperson associated with that broker, that is retained 19646  
by the broker and not paid to an associated real estate 19647  
salesperson or another real estate broker. For the purposes of 19648  
this division, "real estate broker" and "real estate 19649  
salesperson" have the same meanings as in section 4735.01 of the 19650  
Revised Code. 19651

(4) A taxpayer's method of accounting for gross receipts 19652  
for a tax period shall be the same as the taxpayer's method of 19653  
accounting for federal income tax purposes for the taxpayer's 19654  
federal taxable year that includes the tax period. If a 19655  
taxpayer's method of accounting for federal income tax purposes 19656  
changes, its method of accounting for gross receipts under this 19657  
chapter shall be changed accordingly. 19658

(G) "Taxable gross receipts" means gross receipts sitused 19659

to this state under section 5751.033 of the Revised Code. 19660

(H) A person has "substantial nexus with this state" if 19661  
any of the following applies. The person: 19662

(1) Owns or uses a part or all of its capital in this 19663  
state; 19664

(2) Holds a certificate of compliance with the laws of 19665  
this state authorizing the person to do business in this state; 19666

(3) Has bright-line presence in this state; 19667

(4) Otherwise has nexus with this state to an extent that 19668  
the person can be required to remit the tax imposed under this 19669  
chapter under the Constitution of the United States. 19670

(I) A person has "bright-line presence" in this state for 19671  
a reporting period and for the remaining portion of the calendar 19672  
year if any of the following applies. The person: 19673

(1) Has at any time during the calendar year property in 19674  
this state with an aggregate value of at least fifty thousand 19675  
dollars. For the purpose of division (I)(1) of this section, 19676  
owned property is valued at original cost and rented property is 19677  
valued at eight times the net annual rental charge. 19678

(2) Has during the calendar year payroll in this state of 19679  
at least fifty thousand dollars. Payroll in this state includes 19680  
all of the following: 19681

(a) Any amount subject to withholding by the person under 19682  
section 5747.06 of the Revised Code; 19683

(b) Any other amount the person pays as compensation to an 19684  
individual under the supervision or control of the person for 19685  
work done in this state; and 19686

(c) Any amount the person pays for services performed in this state on its behalf by another.	19687 19688
(3) Has during the calendar year taxable gross receipts of at least five hundred thousand dollars.	19689 19690
(4) Has at any time during the calendar year within this state at least twenty-five per cent of the person's total property, total payroll, or total gross receipts.	19691 19692 19693
(5) Is domiciled in this state as an individual or for corporate, commercial, or other business purposes.	19694 19695
(J) "Tangible personal property" has the same meaning as in section 5739.01 of the Revised Code.	19696 19697
(K) "Internal Revenue Code" means the Internal Revenue Code of 1986, 100 Stat. 2085, 26 U.S.C. 1, as amended. Any term used in this chapter that is not otherwise defined has the same meaning as when used in a comparable context in the laws of the United States relating to federal income taxes unless a different meaning is clearly required. Any reference in this chapter to the Internal Revenue Code includes other laws of the United States relating to federal income taxes.	19698 19699 19700 19701 19702 19703 19704 19705
(L) "Calendar quarter" means a three-month period ending on the thirty-first day of March, the thirtieth day of June, the thirtieth day of September, or the thirty-first day of December.	19706 19707 19708
(M) "Tax period" means the calendar quarter or calendar year on the basis of which a taxpayer is required to pay the tax imposed under this chapter.	19709 19710 19711
(N) "Calendar year taxpayer" means a taxpayer for which the tax period is a calendar year.	19712 19713
(O) "Calendar quarter taxpayer" means a taxpayer for which	19714

the tax period is a calendar quarter. 19715

(P) "Agent" means a person authorized by another person to 19716  
act on its behalf to undertake a transaction for the other, 19717  
including any of the following: 19718

(1) A person receiving a fee to sell financial 19719  
instruments; 19720

(2) A person retaining only a commission from a 19721  
transaction with the other proceeds from the transaction being 19722  
remitted to another person; 19723

(3) A person issuing licenses and permits under section 19724  
1533.13 of the Revised Code; 19725

(4) A lottery sales agent holding a valid license issued 19726  
under section 3770.05 of the Revised Code; 19727

(5) A person acting as an agent of the division of liquor 19728  
control under section 4301.17 of the Revised Code. 19729

(Q) "Received" includes amounts accrued under the accrual 19730  
method of accounting. 19731

(R) "Reporting person" means a person in a consolidated 19732  
elected taxpayer or combined taxpayer group that is designated 19733  
by that group to legally bind the group for all filings and tax 19734  
liabilities and to receive all legal notices with respect to 19735  
matters under this chapter, or, for the purposes of section 19736  
5751.04 of the Revised Code, a separate taxpayer that is not a 19737  
member of such a group. 19738

**Sec. 5751.08.** (A) An application for refund to the 19739  
taxpayer of the amount of taxes imposed under this chapter that 19740  
are overpaid, paid illegally or erroneously, or paid on any 19741  
illegal or erroneous assessment shall be filed by the reporting 19742

person with the tax commissioner, on the form prescribed by the 19743  
commissioner, within four years after the date of the illegal or 19744  
erroneous payment of the tax, or within any additional period 19745  
allowed under division (F) of section 5751.09 of the Revised 19746  
Code. The applicant shall provide the amount of the requested 19747  
refund along with the claimed reasons for, and documentation to 19748  
support, the issuance of a refund. 19749

(B) On the filing of the refund application, the tax 19750  
commissioner shall determine the amount of refund to which the 19751  
applicant is entitled. If the amount is not less than that 19752  
claimed, the commissioner shall certify the amount to the 19753  
director of budget and management and treasurer of state for 19754  
payment from the tax refund fund created under section 5703.052 19755  
of the Revised Code. If the amount is less than that claimed, 19756  
the commissioner shall proceed in accordance with section 19757  
5703.70 of the Revised Code. 19758

(C) Interest on a refund applied for under this section, 19759  
computed at the rate provided for in section 5703.47 of the 19760  
Revised Code, shall be allowed from the later of the date the 19761  
tax was paid or when the tax payment was due. 19762

(D) A calendar quarter taxpayer with more than one million 19763  
dollars in taxable gross receipts in a calendar year other than 19764  
calendar year 2005 and that is not able to exclude one million 19765  
dollars in taxable gross receipts because of the operation of 19766  
the taxpayer's business in that calendar year may file for a 19767  
refund under this section to obtain the full exclusion of one 19768  
million dollars in taxable gross receipts for that calendar 19769  
year. 19770

(E) Except as provided in section 5751.081 of the Revised 19771  
Code, the tax commissioner may, with the consent of the 19772

taxpayer, provide for the crediting against tax due for a tax 19773  
~~year period~~ the amount of any refund due the taxpayer under this 19774  
chapter for a preceding tax ~~year period~~. 19775

**Sec. 5751.09.** (A) The tax commissioner may make an 19776  
assessment, based on any information in the commissioner's 19777  
possession, against any person that fails to file a return or 19778  
pay any tax as required by this chapter. The commissioner shall 19779  
give the person assessed written notice of the assessment as 19780  
provided in section 5703.37 of the Revised Code. With the 19781  
notice, the commissioner shall provide instructions on the 19782  
manner in which to petition for reassessment and request a 19783  
hearing with respect to the petition. The commissioner shall 19784  
send any assessments against consolidated elected taxpayer and 19785  
combined taxpayer groups under section 5751.011 or 5751.012 of 19786  
the Revised Code to the taxpayer's "reporting person" ~~as defined~~ 19787  
~~under division (R) of section 5751.01 of the Revised Code~~. The 19788  
reporting person shall notify all members of the group of the 19789  
assessment and all outstanding taxes, interest, and penalties 19790  
for which the assessment is issued. 19791

(B) Unless the person assessed, within sixty days after 19792  
service of the notice of assessment, files with the tax 19793  
commissioner, either personally or by certified mail, a written 19794  
petition signed by the person or the person's authorized agent 19795  
having knowledge of the facts, the assessment becomes final, and 19796  
the amount of the assessment is due and payable from the person 19797  
assessed to the treasurer of state. The petition shall indicate 19798  
the objections of the person assessed, but additional objections 19799  
may be raised in writing if received by the commissioner prior 19800  
to the date shown on the final determination. 19801

If a petition for reassessment has been properly filed, 19802

the commissioner shall proceed under section 5703.60 of the Revised Code.

(C) (1) After an assessment becomes final, if any portion of the assessment, including accrued interest, remains unpaid, a certified copy of the tax commissioner's entry making the assessment final may be filed in the office of the clerk of the court of common pleas in the county in which the person resides or has its principal place of business in this state, or in the office of the clerk of court of common pleas of Franklin county.

(2) Immediately upon the filing of the entry, the clerk shall enter judgment for the state against the person assessed in the amount shown on the entry. The judgment may be filed by the clerk in a loose-leaf book entitled, "special judgments for the commercial activity tax" and shall have the same effect as other judgments. Execution shall issue upon the judgment at the request of the tax commissioner, and all laws applicable to sales on execution shall apply to sales made under the judgment.

(3) If the assessment is not paid in its entirety within sixty days after the day the assessment was issued, the portion of the assessment consisting of tax due shall bear interest at the rate per annum prescribed by section 5703.47 of the Revised Code from the day the tax commissioner issues the assessment until it is paid or until it is certified to the attorney general for collection under section 131.02 of the Revised Code, whichever comes first. If the unpaid portion of the assessment is certified to the attorney general for collection, the entire unpaid portion of the assessment shall bear interest at the rate per annum prescribed by section 5703.47 of the Revised Code from the date of certification until the date it is paid in its entirety. Interest shall be paid in the same manner as the tax

and may be collected by the issuance of an assessment under this section. 19833  
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(D) If the tax commissioner believes that collection of the tax will be jeopardized unless proceedings to collect or secure collection of the tax are instituted without delay, the commissioner may issue a jeopardy assessment against the person liable for the tax. Immediately upon the issuance of the jeopardy assessment, the commissioner shall file an entry with the clerk of the court of common pleas in the manner prescribed by division (C) of this section. Notice of the jeopardy assessment shall be served on the person assessed or the person's authorized agent in the manner provided in section 5703.37 of the Revised Code within five days of the filing of the entry with the clerk. The total amount assessed is immediately due and payable, unless the person assessed files a petition for reassessment in accordance with division (B) of this section and provides security in a form satisfactory to the commissioner and in an amount sufficient to satisfy the unpaid balance of the assessment. Full or partial payment of the assessment does not prejudice the commissioner's consideration of the petition for reassessment. 19835  
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(E) The tax commissioner shall immediately forward to the treasurer of state all amounts the commissioner receives under this section, and such amounts shall be considered as revenue arising from the tax imposed under this chapter. 19854  
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(F) Except as otherwise provided in this division, no assessment shall be made or issued against a taxpayer for the tax imposed under this chapter more than four years after the due date for the filing of the return for the tax period for which the tax was reported, or more than four years after the 19858  
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return for the tax period was filed, whichever is later. The 19863  
time limit may be extended if both the taxpayer and the 19864  
commissioner consent in writing to the extension or enter into 19865  
an agreement waiving or extending the time limit. Any such 19866  
extension shall extend the four-year time limit in division ~~(B)~~ 19867  
(A) of section 5751.08 of the Revised Code for the same period 19868  
of time. Nothing in this division bars an assessment against a 19869  
taxpayer that fails to file a return required by this chapter or 19870  
that files a fraudulent return. 19871

(G) If the tax commissioner possesses information that 19872  
indicates that the amount of tax a taxpayer is required to pay 19873  
under this chapter exceeds the amount the taxpayer paid, the tax 19874  
commissioner may audit a sample of the taxpayer's gross receipts 19875  
over a representative period of time to ascertain the amount of 19876  
tax due, and may issue an assessment based on the audit. The tax 19877  
commissioner shall make a good faith effort to reach agreement 19878  
with the taxpayer in selecting a representative sample. The tax 19879  
commissioner may apply a sampling method only if the 19880  
commissioner has prescribed the method by rule. 19881

(H) If the whereabouts of a person subject to this chapter 19882  
is not known to the tax commissioner, the commissioner shall 19883  
follow the procedures under section 5703.37 of the Revised Code. 19884

**Sec. 5751.40.** (A) As used in this section and division (F) 19885  
(2)(z) of section 5751.01 of the Revised Code: 19886

(1) "Qualifying distribution center receipts" means 19887  
receipts of a supplier from qualified property that is delivered 19888  
to a qualified distribution center, multiplied by a quantity 19889  
that equals one minus the Ohio delivery percentage. If the 19890  
qualified distribution center is a refining facility, "supplier" 19891  
includes all dealers, brokers, processors, sellers, vendors, 19892

cosigners, and distributors of qualified property. 19893

(2) "Qualified property" means tangible personal property 19894  
delivered to a qualified distribution center that is shipped to 19895  
that qualified distribution center solely for further shipping 19896  
by the qualified distribution center to another location in this 19897  
state or elsewhere or, in the case of gold, silver, platinum, or 19898  
palladium delivered to a refining facility solely for refining 19899  
to a grade and fineness acceptable for delivery to a registered 19900  
commodities exchange. "Further shipping" includes storing and 19901  
repackaging property into smaller or larger bundles, so long as 19902  
the property is not subject to further manufacturing or 19903  
processing. "Refining" is limited to extracting impurities from 19904  
gold, silver, platinum, or palladium through smelting or some 19905  
other process at a refining facility. 19906

(3) "Qualified distribution center" means a warehouse, a 19907  
facility similar to a warehouse, or a refining facility in this 19908  
state that, for the qualifying year, is operated by a person 19909  
that is not part of a combined taxpayer group and that has a 19910  
qualifying certificate. All warehouses or facilities similar to 19911  
warehouses that are operated by persons in the same taxpayer 19912  
group and that are located within one mile of each other shall 19913  
be treated as one qualified distribution center. All refining 19914  
facilities that are operated by persons in the same taxpayer 19915  
group and that are located in the same or adjacent counties may 19916  
be treated as one qualified distribution center. 19917

(4) "Qualifying year" means the calendar year to which the 19918  
qualifying certificate applies. 19919

(5) "Qualifying period" means the period of the first day 19920  
of July of the second year preceding the qualifying year through 19921  
the thirtieth day of June of the year preceding the qualifying 19922

<u>year.</u>	19923
<u>(6) "Qualifying certificate" means the certificate issued</u>	19924
<u>by the tax commissioner after the operator of a distribution</u>	19925
<u>center files an annual application with the commissioner under</u>	19926
<u>division (B) of this section.</u>	19927
<u>(7) "Ohio delivery percentage" means the proportion of the</u>	19928
<u>total property delivered to a destination inside Ohio from the</u>	19929
<u>qualified distribution center during the qualifying period</u>	19930
<u>compared with total deliveries from such distribution center</u>	19931
<u>everywhere during the qualifying period.</u>	19932
<u>(8) "Refining facility" means one or more buildings</u>	19933
<u>located in a county in the Appalachian region of this state as</u>	19934
<u>defined by section 107.21 of the Revised Code and utilized for</u>	19935
<u>refining or smelting gold, silver, platinum, or palladium to a</u>	19936
<u>grade and fineness acceptable for delivery to a registered</u>	19937
<u>commodities exchange.</u>	19938
<u>(9) "Registered commodities exchange" means a board of</u>	19939
<u>trade, such as New York mercantile exchange, inc. or commodity</u>	19940
<u>exchange, inc., designated as a contract market by the commodity</u>	19941
<u>futures trading commission under the "Commodity Exchange Act," 7</u>	19942
<u>U.S.C. 1 et seq., as amended.</u>	19943
<u>(10) "Ineligible operator's supplier tax liability" means</u>	19944
<u>an amount equal to the tax liability of all suppliers of a</u>	19945
<u>distribution center had the distribution center not been issued</u>	19946
<u>a qualifying certificate for the qualifying year. Ineligible</u>	19947
<u>operator's supplier tax liability shall not include interest or</u>	19948
<u>penalties.</u>	19949
<u>(B) For purposes of division (B) of this section,</u>	19950
<u>"supplier" excludes any person that is part of the consolidated</u>	19951

electd taxpayer group, if applicabld, of the operator of the 19952  
qualified distribution center. 19953

(1) An application for a qualifying certificate to be a 19954  
qualified distribution center shall be filed, and an annual fee 19955  
paid, for each qualified distribution center on or before the 19956  
first day of September before the qualifying year or within 19957  
forty-five days after the distribution center opens, whichever 19958  
is later. The applicant must substantiate to the commissioner's 19959  
satisfaction that, for the qualifying period, all persons 19960  
operating the distribution center have more than fifty per cent 19961  
of the cost of the qualified property shipped to a location such 19962  
that it would be sitused outside this state under the provisions 19963  
of division (E) of section 5751.033 of the Revised Code. The 19964  
applicant must also substantiate that the distribution center 19965  
cumulatively had costs from its suppliers equal to or exceeding 19966  
five hundred million dollars during the qualifying period. 19967

The commissioner may require an applicant to have an 19968  
independent certified public accountant certify that the 19969  
calculation of the minimum thresholds required for a qualified 19970  
distribution center by the operator of a distribution center has 19971  
been made in accordance with generally accepted accounting 19972  
principles. The commissioner shall issue or deny the issuance of 19973  
a certificate within sixty days after the receipt of the 19974  
application. A denial is subject to appeal under section 5717.02 19975  
of the Revised Code. If the operator files a timely appeal under 19976  
section 5717.02 of the Revised Code, the operator shall be 19977  
granted a qualifying certificate effective for the remainder of 19978  
the qualifying year or until the appeal is finalized, whichever 19979  
is earlier. If the operator does not prevail in the appeal, the 19980  
operator shall pay the ineligible operator's supplier tax 19981  
liability. 19982

(2) If the distribution center is new and was not open for 19983  
the entire qualifying period, the operator of the distribution 19984  
center may request that the commissioner grant a qualifying 19985  
certificate. If the certificate is granted and it is later 19986  
determined that more than fifty per cent of the qualified 19987  
property during that year was not shipped to a location such 19988  
that it would be situated outside of this state under the 19989  
provisions of division (E) of section 5751.033 of the Revised 19990  
Code or if it is later determined that the person that operates 19991  
the distribution center had average monthly costs from its 19992  
suppliers of less than forty million dollars during that year, 19993  
then the operator of the distribution center shall pay the 19994  
ineligible operator's supplier tax liability. 19995

(3) The commissioner may grant a qualifying certificate to 19996  
a distribution center that does not qualify as a qualified 19997  
distribution center for an entire qualifying period if the 19998  
operator of the distribution center demonstrates that the 19999  
business operations of the distribution center have changed or 20000  
will change such that the distribution center will qualify as a 20001  
qualified distribution center within thirty-six months after the 20002  
date the operator first applies for a certificate. If, at the 20003  
end of that thirty-six-month period, the business operations of 20004  
the distribution center have not changed such that the 20005  
distribution center qualifies as a qualified distribution 20006  
center, the operator of the distribution center shall pay the 20007  
ineligible operator's supplier tax liability for each year that 20008  
the distribution center received a certificate but did not 20009  
qualify as a qualified distribution center. For each year the 20010  
distribution center receives a certificate under division (B)(3) 20011  
of this section, the distribution center shall pay all 20012  
applicable fees required under this section and shall submit an 20013

updated business plan showing the progress the distribution 20014  
center made toward qualifying as a qualified distribution center 20015  
during the preceding year. 20016

(4) An operator may appeal a determination under division 20017  
(B) (1) or (2) of this section that the ineligible operator is 20018  
liable for the operator's supplier tax liability as a result of 20019  
not qualifying as a qualified distribution center, as provided 20020  
in section 5717.02 of the Revised Code. 20021

(C) (1) When filing an application for a qualifying 20022  
certificate under division (B) (1) of this section, the operator 20023  
of a qualified distribution center also shall provide 20024  
documentation, as the commissioner requires, for the 20025  
commissioner to ascertain the Ohio delivery percentage. The 20026  
commissioner, upon issuing the qualifying certificate, also 20027  
shall certify the Ohio delivery percentage. The operator of the 20028  
qualified distribution center may appeal the commissioner's 20029  
certification of the Ohio delivery percentage in the same manner 20030  
as an appeal is taken from the denial of a qualifying 20031  
certificate under division (B) (1) of this section. 20032

(2) In the case where the distribution center is new and 20033  
not open for the entire qualifying period, the operator shall 20034  
make a good faith estimate of an Ohio delivery percentage for 20035  
use by suppliers in their reports of taxable gross receipts for 20036  
the remainder of the qualifying period. The operator of the 20037  
facility shall disclose to the suppliers that such Ohio delivery 20038  
percentage is an estimate and is subject to recalculation. By 20039  
the due date of the next application for a qualifying 20040  
certificate, the operator shall determine the actual Ohio 20041  
delivery percentage for the estimated qualifying period and 20042  
proceed as provided in division (C) (1) of this section with 20043

respect to the calculation and recalculation of the Ohio 20044  
delivery percentage. The supplier is required to file, within 20045  
sixty days after receiving notice from the operator of the 20046  
qualified distribution center, amended reports for the impacted 20047  
calendar quarter or quarters or calendar year, whichever the 20048  
case may be. Any additional tax liability or tax overpayment 20049  
shall be subject to interest but shall not be subject to the 20050  
imposition of any penalty so long as the amended returns are 20051  
timely filed. 20052

(3) The operator of a distribution center that receives a 20053  
qualifying certificate under division (B)(3) of this section 20054  
shall make a good faith estimate of the Ohio delivery percentage 20055  
that the operator estimates will apply to the distribution 20056  
center at the end of the thirty-six-month period after the 20057  
operator first applied for a qualifying certificate under that 20058  
division. The result of the estimate shall be multiplied by a 20059  
factor of one and seventy-five one-hundredths. The product of 20060  
that calculation shall be the Ohio delivery percentage used by 20061  
suppliers in their reports of taxable gross receipts for each 20062  
qualifying year that the distribution center receives a 20063  
qualifying certificate under division (B)(3) of this section, 20064  
except that, if the product is less than five per cent, the Ohio 20065  
delivery percentage used shall be five per cent and that, if the 20066  
product exceeds forty-nine per cent, the Ohio delivery 20067  
percentage used shall be forty-nine per cent. 20068

(D) Qualifying certificates and Ohio delivery percentages 20069  
issued by the commissioner shall be open to public inspection 20070  
and shall be timely published by the commissioner. A supplier 20071  
relying in good faith on a certificate issued under this section 20072  
shall not be subject to tax on the qualifying distribution 20073  
center receipts under this section and division (F)(2)(z) of 20074

section 5751.01 of the Revised Code. An operator receiving a 20075  
qualifying certificate is liable for the ineligible operator's 20076  
supplier tax liability for each year the operator received a 20077  
certificate but did not qualify as a qualified distribution 20078  
center. 20079

(E) The tax commissioner shall determine an ineligible 20080  
operator's supplier tax liability based on information that the 20081  
commissioner may request from the operator of the distribution 20082  
center. An operator shall provide a list of all suppliers of the 20083  
distribution center and the corresponding costs of qualified 20084  
property for the qualifying year at issue within sixty days of a 20085  
request by the commissioner under this division. 20086

(F) The annual fee for a qualifying certificate shall be 20087  
one hundred thousand dollars for each qualified distribution 20088  
center. If a qualifying certificate is not issued, the annual 20089  
fee is subject to refund after the exhaustion of all appeals 20090  
provided for in division (B)(1) of this section. The first one 20091  
hundred thousand dollars of the annual application fees 20092  
collected each calendar year shall be credited to the revenue 20093  
enhancement fund. The remainder of the annual application fees 20094  
collected shall be distributed in the same manner required under 20095  
section 5751.20 of the Revised Code. 20096

(G) The tax commissioner may require that adequate 20097  
security be posted by the operator of the distribution center on 20098  
appeal when the commissioner disagrees that the applicant has 20099  
met the minimum thresholds for a qualified distribution center 20100  
as set forth in this section. 20101

**Sec. 5751.41.** (A) As used in this section and division (F) 20102  
(2) (gg) of section 5751.01 of the Revised Code: 20103



(1) "Qualified uranium receipts" means receipts from the 20104  
sale, exchange, lease, loan, production, processing, or other 20105  
disposition of uranium within a uranium enrichment zone 20106  
certified by the tax commissioner under division (B) of this 20107  
section. "Qualified uranium receipts" does not include any 20108  
receipts with a situs in this state outside a uranium enrichment 20109  
zone certified by the tax commissioner under that division. 20110

(2) "Uranium enrichment zone" means all real property that 20111  
is part of a uranium enrichment facility licensed by the United 20112  
States nuclear regulatory commission and that was or is owned or 20113  
controlled by the United States department of energy or its 20114  
successor. 20115

(B) Any person that owns, leases, or operates real or 20116  
tangible personal property constituting or located within a 20117  
uranium enrichment zone may apply to the tax commissioner to 20118  
have the uranium enrichment zone certified for the purpose of 20119  
excluding qualified uranium receipts under this section and 20120  
division (F) (2) (gg) of section 5751.01 of the Revised Code. The 20121  
application shall include such information that the tax 20122  
commissioner prescribes. Within sixty days after receiving the 20123  
application, the tax commissioner shall certify the zone for 20124  
that purpose if the commissioner determines that the property 20125  
qualifies as a uranium enrichment zone, or, if the tax 20126  
commissioner determines that the property does not qualify, the 20127  
commissioner shall deny the application or request additional 20128  
information from the applicant. If the tax commissioner denies 20129  
an application, the commissioner shall state the reasons for the 20130  
denial. The applicant may appeal the denial of an application to 20131  
the board of tax appeals pursuant to section 5717.02 of the 20132  
Revised Code. If the applicant files a timely appeal, the tax 20133  
commissioner shall conditionally certify the applicant's 20134

property. The conditional certification shall expire when all of 20135  
the applicant's appeals are exhausted. Until final resolution of 20136  
the appeal, the applicant shall retain the applicant's records 20137  
in accordance with section 5751.12 of the Revised Code, 20138  
notwithstanding any time limit on the preservation of records 20139  
under that section. 20140

Sec. 5751.42. (A) As used in this section and division (F) 20141  
(2)(jj) of section 5751.01 of the Revised Code: 20142

(1) "Qualifying integrated supply chain receipts" means 20143  
receipts of a qualified integrated supply chain vendor from the 20144  
sale of qualified property delivered to, or integrated supply 20145  
chain services provided to, another qualified integrated supply 20146  
chain vendor or to a retailer that is a member of the integrated 20147  
supply chain. "Qualifying integrated supply chain receipts" does 20148  
not include receipts of a person that is not a qualified 20149  
integrated supply chain vendor from the sale of raw materials to 20150  
a member of an integrated supply chain, or receipts of a member 20151  
of an integrated supply chain from the sale of qualified 20152  
property or integrated supply chain services to a person that is 20153  
not a member of the integrated supply chain. 20154

(2) "Qualified property" means any of the following: 20155

(a) Component parts used to hold, contain, package, or 20156  
dispense qualified products, excluding equipment. 20157

(b) Work-in-process inventory that will become, comprise, 20158  
or form a component part of a qualified product capable of being 20159  
sold at retail, excluding equipment, machinery, furniture, and 20160  
fixtures. 20161

(c) Finished goods inventory that is a qualified product 20162  
capable of being sold at retail in the inventory's present form. 20163

(3) "Qualified integrated supply chain vendor" means a person that is a member of an integrated supply chain and that provides integrated supply chain services within a qualified integrated supply chain district to a retailer that is a member of the integrated supply chain or to another qualified integrated supply chain vendor that is located within the same such district as the person but does not share a common owner with that person. 20164  
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(4) "Qualified product" means a personal care, health, or beauty product or an aromatic product, including a candle. "Qualified product" does not include a drug that may be dispensed only pursuant to a prescription, durable medical equipment, mobility enhancing equipment, or a prosthetic device, as those terms are defined in section 5739.01 of the Revised Code. 20172  
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(5) "Integrated supply chain" means two or more qualified integrated supply chain vendors certified on the most recent list certified to the tax commissioner under division (B) of this section that systematically collaborate and coordinate business operations with a retailer on the flow of tangible personal property from material sourcing through manufacturing, assembly, packaging, and delivery to the retailer to improve long-term financial performance of each vendor and the supply chain that includes the retailer. 20179  
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(6) "Integrated supply chain services" means procuring raw materials or manufacturing, processing, refining, assembling, packaging, or repackaging tangible personal property that will become finished goods inventory capable of being sold at retail by a retailer that is a member of an integrated supply chain. 20188  
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(7) "Retailer" means a person primarily engaged in making 20193

retail sales and any member of that person's consolidated 20194  
elected taxpayer group or combined taxpayer group, whether or 20195  
not that member is primarily engaged in making retail sales. 20196

(8) "Qualified integrated supply chain district" means the 20197  
parcel or parcels of land from which a retailer's integrated 20198  
supply chain that existed on September 29, 2015, provides or 20199  
receives integrated supply chain services, and to which all of 20200  
the following apply: 20201

(a) The parcel or parcels are located wholly in a county 20202  
having a population of greater than one hundred sixty-five 20203  
thousand but less than one hundred seventy thousand based on the 20204  
2010 federal decennial census. 20205

(b) The parcel or parcels are located wholly in the 20206  
corporate limits of a municipal corporation with a population 20207  
greater than seven thousand five hundred and less than eight 20208  
thousand based on the 2010 federal decennial census that is 20209  
partly located in the county described in division (A) (8) (a) of 20210  
this section, as those corporate limits existed on September 29, 20211  
2015. 20212

(c) The aggregate acreage of the parcel or parcels equals 20213  
or exceeds one hundred acres. 20214

(B) For the purpose of the certification under division 20215  
(A) (5) of this section, the reporting person for each retailer, 20216  
on or before the first day of October of each year, shall 20217  
certify to the tax commissioner a list of the qualified 20218  
integrated supply chain vendors providing or receiving 20219  
integrated supply chain services within a qualified integrated 20220  
supply chain district for the ensuing calendar year. On or 20221  
before the following first day of November, the commissioner 20222

shall issue a certificate to the retailer and to each vendor 20223  
certified to the commissioner on that list. The certificate 20224  
shall include the names of the retailer and of the qualified 20225  
integrated supply chain vendors. 20226

The retailer shall notify the commissioner of any changes 20227  
to the list, including additions to or subtractions from the 20228  
list or changes in the name or legal entity of vendors certified 20229  
on the list, within sixty days after the date the retailer 20230  
becomes aware of the change. Within thirty days after receiving 20231  
that notification, the commissioner shall issue a revised 20232  
certificate to the retailer and to each vendor certified on the 20233  
list. The revised certificate shall include the effective date 20234  
of the change. 20235

Each recipient of a certificate issued pursuant to this 20236  
division shall maintain a copy of the certificate for four years 20237  
from the date the certificate was received. 20238

**Sec. 5751.50.** (A) For tax periods beginning on or after 20239  
January 1, 2008, a refundable credit granted by the tax credit 20240  
authority under section 122.17 or former division (B) (2) or (3) 20241  
of section 122.171 of the Revised Code, as those divisions 20242  
existed before September 29, 2015, the effective date of the 20243  
amendment of this section by H.B. 64 of the 131st general 20244  
assembly, may be claimed under this chapter in the order 20245  
required under section 5751.98 of the Revised Code. For purposes 20246  
of making tax payments under this chapter, taxes equal to the 20247  
amount of the refundable credit shall be considered to be paid 20248  
to this state on the first day of the tax period. A credit 20249  
claimed in calendar year 2008 may not be applied against the tax 20250  
otherwise due for a tax period beginning before July 1, 2008. 20251  
The refundable credit shall not be claimed against the tax 20252

otherwise due for any tax period beginning after the date on 20253  
which a relocation of employment positions occurs in violation 20254  
of an agreement entered into under section 122.17 or 122.171 of 20255  
the Revised Code. 20256

(B) For tax periods beginning on or after January 1, 2008, 20257  
a nonrefundable credit granted by the tax credit authority under 20258  
division (B) of section 122.171 of the Revised Code may be 20259  
claimed under this chapter in the order required under section 20260  
5751.98 of the Revised Code. A credit claimed in calendar year 20261  
2008 may not be applied against the tax otherwise due under this 20262  
chapter for a tax period beginning before July 1, 2008. The 20263  
credit shall not be claimed against the tax otherwise due for 20264  
any tax period beginning after the date on which a relocation of 20265  
employment positions occurs in violation of an agreement entered 20266  
into under section 122.17 or 122.171 of the Revised Code. No 20267  
credit shall be allowed under this chapter if the credit was 20268  
available against the tax imposed by section 5733.06 or 5747.02 20269  
of the Revised Code, except to the extent the credit was not 20270  
applied against such tax. 20271

**Sec. 5751.51.** (A) As used in this section, "qualified 20272  
research expenses" has the same meaning as in section 41 of the 20273  
Internal Revenue Code. 20274

(B) (1) For ~~tax periods~~ calendar years beginning on or 20275  
after January 1, 2008, a nonrefundable credit may be claimed 20276  
under this chapter equal to seven per cent of the excess of (a) 20277  
qualified research expenses incurred in this state by the 20278  
taxpayer in the ~~tax period~~ calendar year for which the credit is 20279  
claimed over (b) the taxpayer's average annual qualified 20280  
research expenses incurred in this state for the three preceding 20281  
~~tax periods~~ calendar years. 20282

(2) The taxpayer shall claim the credit allowed under 20283  
division (B)(1) of this section in the order required by section 20284  
5751.98 of the Revised Code. A credit claimed in ~~tax~~-calendar 20285  
year 2008 may not be applied against the tax otherwise due under 20286  
this chapter for a tax period beginning before July 1, 2008. Any 20287  
credit amount in excess of the tax due under section 5751.03 of 20288  
the Revised Code, after allowing for any other credits that 20289  
precede the credit under this section in the order required 20290  
under that section, may be carried forward for seven ~~tax~~-years, 20291  
but the amount of the excess credit claimed against the tax for 20292  
any tax period shall be deducted from the balance carried 20293  
forward to the next tax period. 20294

(3) No credit shall be allowed under this chapter if the 20295  
credit was available against the tax imposed by section 5733.06 20296  
of the Revised Code, except to the extent the credit was not 20297  
applied against such tax. 20298

**Sec. 5751.98.** (A) To provide a uniform procedure for 20299  
calculating the amount of tax due under this chapter, a taxpayer 20300  
shall claim any credits to which it is entitled in the following 20301  
order: 20302

~~(1)~~The nonrefundable jobs retention credit under division 20303  
(B) of section 5751.50 of the Revised Code; 20304

~~(2)~~The nonrefundable credit for qualified research 20305  
expenses under division (B) of section 5751.51 of the Revised 20306  
Code; 20307

~~(3)~~The nonrefundable credit for a borrower's qualified 20308  
research and development loan payments under division (B) of 20309  
section 5751.52 of the Revised Code; 20310

~~(4)~~The nonrefundable credit for calendar years 2010 to 20311

2029 for unused net operating losses under division (B) of	20312
section 5751.53 of the Revised Code;	20313
<del>(5)</del> —The refundable motion picture and Broadway theatrical	20314
production credit under section 5751.54 of the Revised Code;	20315
<del>(6)</del> —The refundable jobs creation credit or job retention	20316
credit under division (A) of section 5751.50 of the Revised	20317
Code;	20318
<del>(7)</del> —The refundable credit for calendar year 2030 for	20319
unused net operating losses under division (C) of section	20320
5751.53 of the Revised Code.	20321
(B) For any credit except the refundable credits	20322
enumerated in this section, the amount of the credit for a tax	20323
period shall not exceed the tax due after allowing for any other	20324
credit that precedes it in the order required under this	20325
section. Any excess amount of a particular credit may be carried	20326
forward if authorized under the section creating the credit.	20327
<b>Sec. 5753.11.</b> (A) As used in this section:	20328
(1) "Public school district" means any city, local,	20329
exempted village, or joint vocational school district, community	20330
school established under Chapter 3314. of the Revised Code, STEM	20331
school established under Chapter 3326. of the Revised Code, or	20332
college-preparatory boarding school established under Chapter	20333
3328. of the Revised Code. "Public school district" does not	20334
include any STEM school operated under section 3326.51 of the	20335
Revised Code.	20336
(2) "Student population" means the number of students	20337
residing in a county who are enrolled in a public school	20338
district in grades kindergarten through twelve and the total	20339
number of preschool children with disabilities on the following	20340



dates: 20341

(a) For the January distribution, the Friday of the first 20342  
full school week in October; 20343

(b) For the August distribution, the Friday of the first 20344  
full school week in May. 20345

(B) For the purpose of calculating student population, 20346  
each public school district shall, twice annually, report to the 20347  
department of education the students enrolled in the district on 20348  
the days specified in division (A) (2) of this section. A student 20349  
shall be considered to be enrolled in a public school district 20350  
if the student is participating in education programs of the 20351  
public school district and the public school district has not: 20352

(1) Received documentation from a parent terminating 20353  
enrollment of the student; 20354

(2) Been provided documentation of a student's enrollment 20355  
in another public or private school; or 20356

(3) Ceased to offer education to the student. 20357

If more than one public school district reports a student 20358  
as enrolled, the department shall use procedures adopted by the 20359  
department for the reconciliation of enrollment to determine the 20360  
district of enrollment for purposes of this section. In the case 20361  
of the dual enrollment of a student in a joint vocational school 20362  
district and another public school district, the student shall 20363  
be included in the enrollments for both schools. If the valid 20364  
school district or enrollment cannot be determined in time for 20365  
the certification, the count of these students shall be divided 20366  
equally between the reporting districts. 20367

(C) The department of education shall certify to the 20368

department of taxation the student population for each county 20369  
and the student population for each public school district 20370  
located in whole or in part in the county on or before the 20371  
thirtieth day of December, for the January distribution and on 20372  
or before the thirtieth day of July, for the August 20373  
distribution. A student shall be included in the school district 20374  
enrollment for a county only if a student resides in that 20375  
county. The location of each community school shall be the 20376  
enrollment area required to be defined by the community school 20377  
and its sponsor in accordance with division (A) (19) of section 20378  
3314.03 of the Revised Code, the location of each STEM ~~schools~~ 20379  
school shall be any county in which its enrolled students 20380  
reside, and the location of the college-preparatory boarding 20381  
schools shall be the territory of the school district in which 20382  
the college-preparatory school is located or the territory of 20383  
any city, exempted village, or local school district that has 20384  
agreed to be a participating district under section 3328.04 of 20385  
the Revised Code. 20386

The student population count certified by the department 20387  
of education to the department of taxation is final and shall 20388  
not be adjusted by future updates to the counts. 20389

(D) Not later than the thirty-first day of January and the 20390  
thirty-first day of August of each year, the tax commissioner 20391  
shall distribute funds in the gross casino revenue county 20392  
student fund to public school districts. The commissioner shall 20393  
calculate the amount of funds to distribute to each public 20394  
school district as follows: 20395

(1) The commissioner shall calculate the proportional 20396  
share of the funds attributable to each county by dividing the 20397  
total student population certified for each county by the sum of 20398

the total student population certified in all counties 20399  
statewide. 20400

(2) The commissioner shall multiply the amount in division 20401  
(D)(1) of this section by the total amount of funds in the gross 20402  
casino revenue county student fund to obtain the share of funds 20403  
for each county. 20404

(3) The commissioner shall multiply the amount in division 20405  
(D)(2) of this section by the quotient of the student population 20406  
certified for each individual district located in the county 20407  
divided by the sum of the student population certified for all 20408  
public school districts located in the county. 20409

The commissioner shall distribute to each public school 20410  
district the amount so calculated for each district. 20411

**Section 2.** That existing sections 122.075, 125.831, 20412  
131.45, 133.01, 133.06, 133.07, 133.18, 135.142, 305.31, 20413  
306.322, 307.671, 307.672, 307.674, 307.678, 307.695, 319.301, 20414  
321.03, 321.20, 323.154, 323.155, 351.01, 351.03, 351.141, 20415  
718.01, 718.021, 929.01, 1545.041, 1545.21, 1711.15, 1711.16, 20416  
3316.03, 3316.06, 3317.01, 4301.20, 4582.024, 4582.26, 4582.56, 20417  
4723.43, 4729.01, 4761.17, 5104.31, 5701.08, 5701.11, 5701.12, 20418  
5703.04, 5703.211, 5703.54, 5703.94, 5703.95, 5705.03, 5705.13, 20419  
5705.19, 5705.195, 5705.213, 5705.252, 5705.29, 5705.315, 20420  
5705.34, 5705.35, 5705.36, 5705.49, 5709.201, 5709.43, 5709.48, 20421  
5709.53, 5709.61, 5709.80, 5709.85, 5709.93, 5713.03, 5713.30, 20422  
5713.351, 5715.13, 5715.36, 5721.06, 5721.191, 5721.39, 5725.98, 20423  
5726.50, 5726.98, 5727.02, 5727.11, 5727.23, 5727.32, 5727.33, 20424  
5727.80, 5727.83, 5727.84, 5729.98, 5733.042, 5733.05, 5733.052, 20425  
5733.055, 5733.40, 5733.98, 5735.026, 5735.06, 5739.01, 20426  
5739.011, 5739.02, 5739.021, 5739.028, 5739.03, 5739.034, 20427  
5739.08, 5739.09, 5739.21, 5740.02, 5743.05, 5743.08, 5743.33, 20428

5743.65, 5745.14, 5747.01, 5747.011, 5747.012, 5747.013, 20429  
5747.02, 5747.058, 5747.061, 5747.07, 5747.082, 5747.11, 20430  
5747.231, 5747.41, 5747.51, 5747.52, 5747.55, 5747.98, 5748.08, 20431  
5748.09, 5751.01, 5751.08, 5751.09, 5751.50, 5751.51, 5751.98, 20432  
and 5753.11 of the Revised Code are hereby repealed. 20433

**Section 3.** That sections 901.13, 5705.211, 5727.87, 20434  
5733.46, 5739.105, 5747.75, and 5751.23 of the Revised Code are 20435  
hereby repealed. 20436

**Section 4.** That Section 757.40 of H.B. 166 of the 133rd 20437  
General Assembly be amended to read as follows: 20438

**Sec. 757.40.** (A) As used in this section: 20439

(1) "Certificate owner" and "qualified rehabilitation 20440  
expenditures" have the same meanings as in section 149.311 of 20441  
the Revised Code. 20442

(2) "Taxpayer," "tax period," "excluded person," "combined 20443  
taxpayer," and "consolidated elected taxpayer," have the same 20444  
meanings as in section 5751.01 of the Revised Code. 20445

(3) "Pass-through entity" has the same meaning as in 20446  
section 5733.04 of the Revised Code. 20447

(B) A taxpayer that is the certificate owner of a 20448  
rehabilitation tax credit certificate issued under section 20449  
149.311 of the Revised Code may claim a credit against the tax 20450  
levied by section 5751.02 of the Revised Code for tax periods 20451  
ending on or before June 30, 2021, provided that the taxpayer is 20452  
unable to claim the credit under section 5725.151, 5725.34, 20453  
5726.52, 5729.17, or 5747.76 of the Revised Code. 20454

The credit shall equal the lesser of twenty-five per cent 20455  
of the dollar amount of the qualified rehabilitation 20456

expenditures indicated on the certificate or five million 20457  
dollars. The credit shall be claimed for the calendar year 20458  
specified in the certificate and after the credits authorized in 20459  
~~divisions (A) (1) to (4)~~ division (B) of section 5751.98-5751.50, 20460  
division (B) of section 5751.53, and sections 5751.51 and 20461  
5751.52 of the Revised Code, but before the credits authorized 20462  
in ~~divisions (A) (5) to (7) of that~~ division (A) of section 20463  
5751.50, division (C) of section 5751.53, and section 5751.54 of 20464  
the Revised Code. 20465

If the credit allowed for any calendar year exceeds the 20466  
tax otherwise due under section 5751.02 of the Revised Code, 20467  
after allowing for any other credits preceding the credit in the 20468  
order prescribed by this section, the excess shall be refunded 20469  
to the taxpayer. However, if any amount of the credit is 20470  
refunded, the sum of the amount refunded and the amount applied 20471  
to reduce the tax otherwise due for that year shall not exceed 20472  
three million dollars. The taxpayer may carry forward any 20473  
balance of the credit in excess of the amount claimed for that 20474  
year for not more than five calendar years after the calendar 20475  
year specified in the certificate, and shall deduct any amount 20476  
claimed in any such year from the amount claimed in an ensuing 20477  
year. 20478

A person that is an excluded person may file a return 20479  
under section 5751.051 of the Revised Code for the purpose of 20480  
claiming the credit authorized in this section. 20481

If the certificate owner is a pass-through entity, the 20482  
credit may not be allocated among the entity's owners in 20483  
proportions or amounts as the owners mutually agree unless 20484  
either the owners are part of the same combined or consolidated 20485  
elected taxpayer as the pass-through entity or the director of 20486

development services issued the certificate in the name of the 20487  
pass-through entity's owners in the agreed-upon proportions or 20488  
amounts. If the credit is allocated among those owners, an owner 20489  
may claim the credit authorized in this section only if that 20490  
owner is a corporation or an association taxed as a corporation 20491  
for federal income tax purposes and is not a corporation that 20492  
has made an election under Subchapter S of Chapter 1 of Subtitle 20493  
A of the Internal Revenue Code. 20494

The credit authorized in this section may be claimed only 20495  
on the basis of a rehabilitation tax credit certificate with an 20496  
effective date after December 31, 2013, but before June 30, 20497  
2021. 20498

A person claiming a credit under this section shall retain 20499  
the rehabilitation tax credit certificate for four years 20500  
following the end of the latest calendar year in which the 20501  
credit was applied, and shall make the certificate available for 20502  
inspection by the tax commissioner upon request. 20503

**Section 5.** That existing Section 757.40 of H.B. 166 of the 20504  
133rd General Assembly is hereby repealed. 20505

**Section 6.** The amendment by this act of division (B) (56) 20506  
of section 5739.02 of the Revised Code applies on and after 20507  
April 1, 2020. 20508

**Section 7.** Sections 1 to 6 of this act shall be known as 20509  
the "Tax Code Streamlining and Correction Act." 20510

**Section 8.** (A) For purposes of ensuring the supply of safe 20511  
drinking water to the citizens of this state and pursuant to 20512  
section 6109.04 of the Revised Code, during the period of the 20513  
emergency declared by Executive Order 2020-01D, issued on March 20514  
9, 2020, but not beyond December 1, 2020, if the period of the 20515

emergency continues beyond that date, the Director of 20516  
Environmental Protection may issue an order that does any of the 20517  
following: 20518

(1) Requires a public water system to restore service to 20519  
any customer whose service was disconnected as a result of 20520  
nonpayment of fees and charges; 20521

(2) Requires a public water system to waive all fees for 20522  
connection or reconnection to the public water system; 20523

(3) Prohibits a public water system from disconnecting 20524  
customers because of nonpayment of fees and charges. 20525

(B) An order issued under division (A) of this section is 20526  
deemed an order issued under Chapter 6109. of the Revised Code. 20527  
As such, the order may be enforced in the same manner as any 20528  
other order issued under that chapter. Such enforcement may 20529  
include the imposition of administrative, civil, and criminal 20530  
penalties authorized under Chapter 6109. of the Revised Code. 20531

(C) An order issued under division (A) of this section is 20532  
valid during the period of the emergency declared by Executive 20533  
Order 2020-01D issued on March 9, 2020, but not beyond December 20534  
1, 2020, if the period of the emergency continues beyond that 20535  
date. 20536

**Section 9.** Notwithstanding section 5104.016 of the Revised 20537  
Code, during the period of the emergency declared by Executive 20538  
Order 2020-01D, issued on March 9, 2020, but not beyond December 20539  
1, 2020, if the period of the emergency continues beyond that 20540  
date, the requirements of section 5104.033 of the Revised Code 20541  
regarding the maximum number of children per child-care staff 20542  
member and maximum group sizes are suspended. 20543

**Section 10.** (A) During the period of the emergency 20544

declared by Executive Order 2020-01D, issued on March 9, 2020, 20545  
but not beyond December 1, 2020, if the period of the emergency 20546  
continues beyond that date, the Director of Agriculture may 20547  
exempt a school from regulation as a food processing 20548  
establishment under section 3715.021 of the Revised Code if the 20549  
school: 20550

(1) Has been issued a food service operation license under 20551  
Chapter 3717. of the Revised Code; and 20552

(2) Is transporting food only for purposes of the Seamless 20553  
Summer Option Program or the Summer Food Service Program 20554  
administered by the United States Department of Agriculture. 20555

(B) During the period of the emergency declared by 20556  
Executive Order 2020-01D, issued on March 9, 2020, but not 20557  
beyond December 1, 2020, if the period of the emergency 20558  
continues beyond that date, the Director of Agriculture may 20559  
exempt an entity from regulation as a food processing 20560  
establishment under section 3715.021 of the Revised Code if the 20561  
entity: 20562

(1) Has been issued a food service operation license under 20563  
Chapter 3717. of the Revised Code; and 20564

(2) Is transporting food only for purposes of the Summer 20565  
Food Service Program administered by the United States 20566  
Department of Agriculture. 20567

**Section 11.** (A) As used in this section: 20568

(1) "License" means any license, permit, certificate, 20569  
commission, charter, registration, card, or other similar 20570  
authority that is issued or conferred by a state agency, a 20571  
political subdivision of this state, or an official of a 20572  
political subdivision of this state. 20573



(2) "Person" has the same meaning as in section 1.59 of the Revised Code. 20574  
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(3) "State agency" means every organized body, office, or agency established by the laws of the state for the exercise of any function of state government. "State agency" includes all of the following: 20576  
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(a) The nonprofit corporation formed under section 187.01 of the Revised Code; 20580  
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(b) The Public Employees Retirement Board, Board of Trustees of the Ohio Police and Fire Pension Fund, State Teachers Retirement Board, School Employees Retirement Board, and State Highway Patrol Retirement Board; 20582  
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(c) A state institution of higher education as defined in section 3345.011 of the Revised Code. 20586  
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(B) If a state agency is required by law to take action during the period of the emergency declared by Executive Order 2020-01D, issued March 9, 2020, but not beyond December 1, 2020, if the period of the emergency continues beyond that date, notwithstanding the date by which action is required to be taken in accordance with that law, the state agency shall take that action not later than the earlier of either ninety days after the date the emergency ends or December 1, 2020. 20588  
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(C) (1) Except as provided in division (E) of this section, if a person is required by law to take action to maintain the validity of a license during the period of the emergency declared by Executive Order 2020-01D, issued March 9, 2020, but not beyond December 1, 2020, if the period of the emergency continues beyond that date, notwithstanding the date by which action with respect to that license is required to be taken in 20596  
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accordance with that law, the person shall take that action not 20603  
later than the sooner of either ninety days after the date the 20604  
emergency ends or December 1, 2020. 20605

(2) Except as provided in division (E) of this section, a 20606  
license otherwise expiring pursuant to law during the period of 20607  
the emergency declared by Executive Order 2020-01D, issued March 20608  
9, 2020, but not beyond December 1, 2020, if the period of the 20609  
emergency continues beyond that date, notwithstanding the date 20610  
on which the license expires in accordance with that law, 20611  
remains valid until the earlier of either ninety days after the 20612  
date the emergency ends or December 1, 2020, unless revoked, 20613  
suspended, or otherwise subject to discipline or limitation 20614  
under the applicable law for reasons other than delaying taking 20615  
action to maintain the validity of the license in accordance 20616  
with division (C)(1) of this section. 20617

(D) Nothing in division (C) of this section limits the 20618  
authority of a state agency, political subdivision, or official 20619  
that issues a license to take disciplinary action under the 20620  
applicable law against a person with respect to a license, 20621  
provided that a state agency, political subdivision, or official 20622  
shall not take disciplinary action against a person who delays 20623  
in taking action to maintain the validity of the license in 20624  
accordance with division (C)(1) of this section. 20625

(E) (1) If a concealed handgun license has been issued to a 20626  
person under section 2923.125 of the Revised Code and if the 20627  
date on which that license was, or is, scheduled to expire falls 20628  
during the period of emergency declared by Executive Order 2020- 20629  
01D, issued on March 9, 2020, but not beyond December 1, 2020, 20630  
if the period of the emergency continues beyond that date, 20631  
notwithstanding that date of scheduled expiration or any other 20632

provision of law to the contrary, the date on which that license was, or is, scheduled to expire is hereby extended to the sooner of either ninety days or December 1, 2020, with the ninety-day extension period commencing on that date of scheduled expiration.

(2) Division (E)(1) of this section applies with respect to a concealed handgun license that is described in that division even if the date of scheduled expiration of that license occurred prior to the effective date of this section. In such a case, the ninety-day extension period, if applicable, shall be considered to have commenced on that date of scheduled expiration, notwithstanding the fact that the date already has passed, and divisions (F) and (G) of this section apply regarding the license and the person to whom it was issued with respect to the entire applicable extension period, notwithstanding the fact that the date already has passed.

(F) If division (E)(1) of this section applies with respect to a concealed handgun license, during the extension period described in that division that is applicable to that license, both of the following apply:

(1) The license shall be valid for all purposes under the law of this state.

(2) The person to whom the license was issued shall be considered for all purposes under the law of this state to be a holder of a valid license to carry a concealed handgun.

(G) If division (E) of this section applies with respect to a concealed handgun license:

(1) The application of that division does not affect the operation of section 2923.128 of the Revised Code, during the

applicable extension period described in that division or at any other time. 20662  
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(2) The provisions of section 2923.128 of the Revised Code requiring the suspension or revocation of a concealed handgun license for specified conduct, or for a specified activity or factor, apply to the license with respect to which division (E) of this section applies and to the person to whom the license was issued, during the applicable extension period described in that division or at any other time. 20664  
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(H) This section does not apply to any of the following: 20671

(1) An offender who has violent offender database duties as defined in section 2903.41 of the Revised Code; 20672  
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(2) An offender who has a duty to register under section 2909.15 of the Revised Code; 20674  
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(3) An offender who has a duty to register under section 2950.04 or 2950.041 of the Revised Code. 20676  
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(I) No cause of action accrues due to the delay of an action taken under division (B), (C), or (E) of this section. 20678  
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(J) The General Assembly encourages any person to whom the extension of time described in division (C) (1) or (E) of this section applies to make all reasonable efforts, taking into consideration the detrimental risks of COVID-19 to the health and safety of the person and other individuals, to take action with respect to a license within the extension granted under that division before the extension elapses. 20680  
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**Section 12.** (A) As used in this section: 20687

"Hearing" means an administrative hearing, hearing as defined in section 119.01 of the Revised Code, or other hearing 20688  
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at which a person may present written or oral testimony on a matter before the public body. 20690  
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"Public body" and "meeting" have the meanings defined in section 121.22 of the Revised Code. 20692  
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(B) During the period of the emergency declared by Executive Order 2020-01D, issued on March 9, 2020, but not beyond December 1, 2020, if the period of the emergency continues beyond that date, members of a public body may hold and attend meetings and may conduct and attend hearings by means of teleconference, video conference, or any other similar electronic technology and all of the following apply: 20694  
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(1) Any resolution, rule, or formal action of any kind shall have the same effect as if it had occurred during an open meeting or hearing of the public body. 20701  
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(2) Notwithstanding division (C) of section 121.22 of the Revised Code, members of a public body who attend meetings or hearings by means of teleconference, video conference, or any other similar electronic technology, shall be considered present as if in person at the meeting or hearing, shall be permitted to vote, and shall be counted for purposes of determining whether a quorum is present at the meeting or hearing. 20704  
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(3) Public bodies shall provide notification of meetings and hearings held under this section to the public, to the media that have requested notification of a meeting, and to the parties required to be notified of a hearing, at least twenty-four hours in advance of the meeting or hearing by reasonable methods by which any person may determine the time, location, and the manner by which the meeting or hearing will be conducted, except in the event of an emergency requiring 20711  
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immediate official action. In the event of an emergency, the public body shall immediately notify the news media that have requested notification or the parties required to be notified of a hearing of the time, place, and purpose of the meeting or hearing.

(4) The public body shall provide the public access to a meeting held under this section, and to any hearing held under this section that the public would otherwise be entitled to attend, commensurate with the method in which the meeting or hearing is being conducted, including, but not limited to, examples such as live-streaming by means of the internet, local radio, television, cable, or public access channels, call in information for a teleconference, or by means of any other similar electronic technology. The public body shall ensure that the public can observe and hear the discussions and deliberations of all the members of the public body, whether the member is participating in person or electronically.

(C) When members of a public body conduct a hearing by means of teleconference, video conference, or any other similar electronic technology, the public body must establish a means, through the use of electronic equipment that is widely available to the general public, to converse with witnesses, and to receive documentary testimony and physical evidence.

(D) The authority granted in this section applies notwithstanding any conflicting provision of the Revised Code. Nothing in this section shall be construed to negate any provision of section 121.22 of the Revised Code, Chapter 119. of the Revised Code, or other section of the Revised Code that is not in conflict with this section.

(E) This section is effective during the period of the

emergency declared by Executive Order 2020-01D, issued on March 9, 2020, or until December 1, 2020, if the period of the emergency continues beyond that date.

**Section 13.** (A) As used in this section:

(1) "PERS retirant" and "other system retirant" have the same meanings as in section 145.38 of the Revised Code.

(2) "Public employer" has the same meaning as in section 145.01 of the Revised Code.

(B) During the period of the emergency declared by Executive Order 2020-01D, issued on March 9, 2020, but not beyond December 1, 2020, if the period of emergency goes beyond that date, a PERS retirant or other system retirant who is employed by any of the following public employers shall not be required to forfeit the retirant's retirement allowance as described in division (B) (4) of section 145.38 of the Revised Code:

(1) The Department of Rehabilitation and Correction;

(2) The Department of Youth Services;

(3) The Department of Mental Health and Addiction Services;

(4) The Department of Veterans Services;

(5) The Department of Developmental Disabilities.

**Section 14.** (A) As used in this section, "Medicaid provider" has the same meaning as in section 5164.01 of the Revised Code.

(B) During the state of emergency due to COVID-19, declared by Executive Order 2020-01D, issued on March 9, 2020,

or until December 1, 2020, whichever is earlier, the Medicaid	20776
Director may do any of the following:	20777
(1) Classify certain Medicaid providers as COVID-19	20778
community providers;	20779
(2) Direct Medicaid payments to COVID-19 community	20780
providers from previously appropriated Medicaid funds;	20781
(3) Request the Director of Budget and Management to	20782
designate additional funds related to the COVID-19 outbreak for	20783
Medicaid payments to COVID-19 community providers;	20784
(4) Make Medicaid payments to COVID-19 community providers	20785
from funds designated under division (B) (3) of this section;	20786
(5) Facilitate payments to COVID-19 community providers by	20787
transferring funds designated under division (B) (2) or (3) of	20788
this section to the Departments of Developmental Disabilities	20789
and Mental Health and Addiction Services via intrastate transfer	20790
vouchers.	20791
(C) The Medicaid Director shall specify all of the	20792
following regarding the Medicaid payments authorized by this	20793
section:	20794
(1) Any requirements that a COVID-19 community provider	20795
must meet;	20796
(2) Enhanced rates or additional services reimbursement;	20797
(3) Methods of payment.	20798
(D) Section 5162.07 of the Revised Code as it pertains to	20799
seeking federal approval for components of the Medicaid program	20800
applies to this section.	20801
(E) All amounts in this section are hereby appropriated.	20802



**Section 15.** Notwithstanding anything to the contrary in 20803  
section 3313.482 of the Revised Code, the board of education of 20804  
a school district, the governing authority of a community school 20805  
established under Chapter 3314. of the Revised Code that is not 20806  
an internet- or computer-based community school, the governing 20807  
body of a STEM school established under Chapter 3326. of the 20808  
Revised Code, or the governing authority of a chartered 20809  
nonpublic school shall be permitted to do either of the 20810  
following to make up days or hours schools were closed in the 20811  
2019-2020 school year due to the Director of Health's order 20812  
under section 3701.13 of the Revised Code "In Re: Order the 20813  
Closure of All K-12 Schools in the State of Ohio" issued on 20814  
March 14, 2020, or any local board of health order, and any 20815  
extension of any order: 20816

(A) If the board, governing body, or governing authority 20817  
has adopted a plan under section 3313.482 of the Revised Code to 20818  
require students to access and complete classroom lessons posted 20819  
on the district's or school's web site in order to make up hours 20820  
in the 2019-2020 school year for which it is necessary to close 20821  
schools due to conditions described in that section, the board, 20822  
governing body, or governing authority may amend that plan, 20823  
anytime on or after the effective date of this section, to 20824  
provide for making up any number of hours schools were closed in 20825  
the 2019-2020 school year in compliance with the Director's 20826  
order, local board of health order, or an extension of an order. 20827

(B) If the board, governing body, or governing authority 20828  
has not adopted a plan under section 3313.482 of the Revised 20829  
Code to require students to access and complete classroom 20830  
lessons posted on the district's or school's web site in order 20831  
to make up hours for the 2019-2020 school year, the board, 20832  
governing body, or governing authority may adopt such a plan, 20833

anytime on or after the effective date of this section, to 20834  
provide for making up any number of hours schools were closed in 20835  
the 2019-2020 school year in compliance with the Director's 20836  
order, local board of health order, or an extension of an order. 20837

**Section 16.** (A) As used in this section, "license" 20838  
includes any license, certificate, permit, or other 20839  
authorization issued by a state licensing board that allows the 20840  
holder to practice a job or profession. 20841

(B) This section applies to all of the following during 20842  
the period of the Director of Health's order under section 20843  
3701.13 of the Revised Code "In Re: Order the Closure of All K- 20844  
12 Schools in the State of Ohio" issued on March 14, 2020, any 20845  
local board of health order to close schools, or any extension 20846  
of an order due to the implications of COVID-19, or until 20847  
December 1, 2020, if the order or extension of the order has not 20848  
been rescinded by that date: 20849

(1) The Ohio Speech and Hearing Professionals Board 20850  
described in section 4753.05 of the Revised Code; 20851

(2) The Ohio Occupational Therapy, Physical Therapy, and 20852  
Athletic Trainers Board created under section 4755.01 of the 20853  
Revised Code; 20854

(3) The State Board of Psychology appointed under section 20855  
4732.02 of the Revised Code; 20856

(4) The Counselor, Social Worker, and Marriage and Family 20857  
Therapist Board created under section 4757.03 of the Revised 20858  
Code; 20859

(5) The State Board of Education with respect to 20860  
intervention specialists. 20861

(C) Notwithstanding anything to the contrary in the Revised Code or in an administrative rule adopted by a licensing board to which this section applies, a person who holds a valid license issued by such a board may provide services within the scope of practice authorized under the license by electronic delivery method or telehealth communication to any student participating in the Autism Scholarship Program established under section 3310.41 of the Revised Code or the Jon Peterson Special Needs Scholarship Program established under section 3310.52 of the Revised Code, or to any student who was enrolled in a public or private school and was receiving those services, regardless of the method of delivery, prior to the issuance of the Director of Health's order. No licensing board to which this section applies shall take any disciplinary action against a license holder who provides services to a student in accordance with this section, including limiting, suspending, or revoking the person's license or refusing to issue a license to the person, solely because the license holder provided such services.

**Section 17.** Notwithstanding anything in the Revised Code or Administrative Code to the contrary, for the 2019-2020 school year only, except as otherwise provided in this section, due to the Director of Health's order under section 3701.13 of the Revised Code "In re: Order the Closure of All K-12 Schools in the State of Ohio" issued on March 14, 2020, or any local board of health order, and any extension of any order, based on the implications of COVID-19, all of the following apply:

(A) (1) Any city, exempted village, local, joint vocational, or municipal school district, any community school established under Chapter 3314. of the Revised Code, any STEM school established under Chapter 3326. of the Revised Code, any

chartered nonpublic school, and the State School for the Deaf 20893  
and the State School for the Blind shall not be required to 20894  
administer the assessments prescribed in sections 3301.0710, 20895  
3301.0711, 3301.0712, 3313.903, and 3314.017 of the Revised 20896  
Code, including the Ohio English Language Proficiency Assessment 20897  
administered to English learners pursuant to division (C) (3) (b) 20898  
of section 3301.0711 of the Revised Code and the Alternate 20899  
Assessment for Students with Significant Cognitive Disabilities 20900  
prescribed in division (C) (1) of section 3301.0711 of the 20901  
Revised Code. 20902

(2) Any chartered nonpublic school that has chosen to 20903  
administer assessments under section 3313.619 of the Revised 20904  
Code that has not administered such assessments by March 17, 20905  
2020, shall not be required to administer those assessments. 20906

(3) The Department of Education shall not exclude any 20907  
student to whom an assessment was not administered in the 2019- 20908  
2020 school year under division (A) of this section from 20909  
counting in a district's or school's enrollment for the 2020- 20910  
2021 school year pursuant to division (L) (3) of section 3314.08, 20911  
division (E) (3) of section 3317.03, or division (C) of section 20912  
3326.37 of the Revised Code. 20913

(4) If a student was not administered an assessment in the 20914  
2019-2020 school year under division (A) of this section, that 20915  
school year shall not count in determining if the student is 20916  
subject to withdrawal from a school pursuant to section 20917  
3313.6410 or 3314.26 of the Revised Code. 20918

(5) No student who received a scholarship under the 20919  
Educational Choice Scholarship Program under section 3310.03 or 20920  
3310.032 of the Revised Code, the Jon Peterson Special Needs 20921  
Scholarship Program under section 3310.52 of the Revised Code, 20922

or the Pilot Project Scholarship Program under section 3313.975 20923  
of the Revised Code for the 2019-2020 school year shall be 20924  
considered ineligible to renew that scholarship for the 2020- 20925  
2021 school year solely because the student was not administered 20926  
an assessment in the 2019-2020 school year under division (A) of 20927  
this section. 20928

(B) (1) The Department of Education shall not publish state 20929  
report card ratings under section 3302.03, 3302.033, 3314.012, 20930  
or 3314.017 of the Revised Code nor shall the Department be 20931  
required to submit preliminary data for the report cards by July 20932  
31, 2020, as required by those sections. Furthermore, the 20933  
Department shall not assign an overall letter grade under 20934  
division (C) (3) of section 3302.03 of the Revised Code for any 20935  
school district or building, shall not assign an individual 20936  
grade to any component prescribed under division (C) (3) of 20937  
section 3302.03 of the Revised Code, shall not assign a grade to 20938  
any measures under division (C) (1) of section 3302.03 of the 20939  
Revised Code, and shall not rank school districts, community 20940  
schools, or STEM schools under section 3302.21 of the Revised 20941  
Code for the 2019-2020 school year. 20942

However, the Department shall report any data that it has 20943  
regarding the performance of districts and buildings for the 20944  
2019-2020 school year by September 15, 2020. 20945

(2) The absence of report card ratings for the 2019-2020 20946  
school year shall have no effect in determining sanctions or 20947  
penalties, and shall not create a new starting point for 20948  
determinations that are based on ratings over multiple years. 20949  
The report card ratings of any previous or subsequent years 20950  
shall be considered in determining whether a school district or 20951  
building is subject to sanctions or penalties. If a school 20952

district or building was subject to any of the following 20953  
penalties or sanctions in the 2019-2020 school year based on its 20954  
report card rating for previous school years, those penalties or 20955  
sanctions shall remain for the 2020-2021 school year. Those 20956  
penalties and sanctions include the following: 20957

(a) Any restructuring provisions established under Chapter 20958  
3302. of the Revised Code, except as required under federal law; 20959

(b) Provisions for the Columbus City School Pilot Project 20960  
under section 3302.042 of the Revised Code; 20961

(c) Provisions for academic distress commissions under 20962  
section 3302.10 of the Revised Code. While a district subject to 20963  
an academic distress commission prior to the effective date of 20964  
this section shall be considered to be subject to an academic 20965  
distress commission for the 2020-2021 school year, that year 20966  
shall not be included for purposes of determining progressive 20967  
consequences under divisions (H), (I), (J), (K), and (L) of 20968  
section 3302.10 of the Revised Code that are in addition to 20969  
those that were being exercised by the chief executive officer 20970  
during the 2019-2020 school year or for purposes of the 20971  
appointment of a new board of education under division (K) of 20972  
that section. Nothing in division (B) (2) (c) of this section 20973  
shall be construed to limit the powers that the chief executive 20974  
officer exercised under section 3302.10 of the Revised Code 20975  
prior to the 2020-2021 school year. 20976

(d) Provisions prescribing new buildings where students 20977  
are eligible for the Educational Choice Scholarships under 20978  
section 3310.03 of the Revised Code; 20979

(e) Provisions defining "challenged school districts" in 20980  
which new start-up community schools may be located, as 20981

prescribed in section 3314.02 of the Revised Code; 20982

(f) Provisions prescribing community school closure 20983  
requirements under section 3314.35 or 3314.351 of the Revised 20984  
Code; 20985

(g) Provisions of state or federal law that identify 20986  
school districts or buildings for comprehensive or targeted 20987  
support and improvement or additional targeted support and 20988  
improvement. Districts and buildings so identified shall 20989  
continue to receive supports and interventions consistent with 20990  
their support and improvement plans in the 2020-2021 school 20991  
year. 20992

(h) Provisions that determine the conditions under which 20993  
community schools may change sponsors under section 3314.034 of 20994  
the Revised Code. 20995

(C) No school district, community school, or STEM school 20996  
and no chartered nonpublic school that is subject to section 20997  
3301.163 of the Revised Code shall retain a student in the third 20998  
grade under that section or section 3313.608 of the Revised Code 20999  
based solely on a student's academic performance in reading in 21000  
the 2019-2020 school year unless the principal of the school 21001  
building in which a student is enrolled and the student's 21002  
reading teacher agree that the student is reading below grade 21003  
level and is not prepared to be promoted to the fourth grade. 21004

(D) (1) Division (D) of this section applies to any student 21005  
who meets both of the following criteria: 21006

(a) The student was enrolled in the twelfth grade in the 21007  
2019-2020 school year or was on track to graduate in the 2019- 21008  
2020 school year, as determined by the school district or other 21009  
public or chartered nonpublic school in which the student was 21010

enrolled, regardless of the graduation cohort in which the student is included. 21011  
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(b) The student had not completed the requirements for a high school diploma under section 3313.61, 3313.612, or 3325.08 of the Revised Code or under Section 3 of H.B. 491 of the 132nd General Assembly, as of March 17, 2020. 21013  
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(2) A city, exempted village, local, or municipal school district, a community school, a STEM school, a chartered nonpublic school, the State School for the Blind, and the State School for the Deaf shall grant a high school diploma to any student to whom this section applies, if the student's principal, in consultation with teachers and counselors, reviews the student's progress toward meeting the requirements for a diploma and determines that the student has successfully completed the curriculum in the student's high school or the individualized education program developed for the student by the student's high school pursuant to section 3323.08 of the Revised Code, or qualified under division (D) or (F) of section 3313.603 of the Revised Code, at the time the student's school closed pursuant to the Director of Health's order under section 3701.13 of the Revised Code "In Re: Order the Closure of All K-12 Schools in the State of Ohio" issued on March 14, 2020. No district or school shall grant a high school diploma under division (D) (2) of this section after September 30, 2020. 21017  
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(3) If the board of education of a school district or the governing authority of a community school, STEM school, chartered nonpublic school, the State School for the Blind, or the State School for the Deaf has adopted a resolution under division (E) of section 3313.603 of the Revised Code requiring a more challenging curriculum than otherwise required under 21035  
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division (C) of that section, the district superintendent or the 21041  
chief administrator of the school may elect to require only the 21042  
minimum curriculum specified in division (C) of that section for 21043  
the purpose of determining if a student to whom division (D) of 21044  
this section applies has successfully completed the curriculum 21045  
under division (D) (2) of this section. If such an election is 21046  
made, the superintendent or chief administrator shall evaluate 21047  
each student to whom division (D) of this section applies using 21048  
the minimum curriculum specified in division (C) of this 21049  
section. 21050

(4) It is the intent of the General Assembly that school 21051  
districts and other public and private schools do both of the 21052  
following: 21053

(a) Continue to provide ways to keep students actively 21054  
engaged in learning opportunities between March 17, 2020, and 21055  
the remainder of the school year; 21056

(b) Grant students who need in-person instructional 21057  
experiences to complete requirements for a diploma or a career- 21058  
technical education program access to school facilities as soon 21059  
as it is reasonably possible after the Director of Health 21060  
permits such access to resume, even if the last instructional 21061  
day of the school year has already passed. 21062

(E) For the purpose of teacher evaluations conducted under 21063  
sections 3319.111 and 3319.112 of the Revised Code, no school 21064  
district board of education shall use value-added progress 21065  
dimension data, established under section 3302.021 of the 21066  
Revised Code, from the 2019-2020 school year to measure student 21067  
learning attributable to the teacher being evaluated. 21068

(F) For community school sponsor evaluations required 21069

under section 3314.016 of the Revised Code, the Department shall 21070  
not issue a rating for the academic performance component under 21071  
division (B) (1) (a) of that section to any sponsor and shall not 21072  
include academic performance in the calculation of an overall 21073  
rating for the sponsor. The Department's rating of a sponsor for 21074  
the 2019-2020 school year shall be based only on the components 21075  
listed in divisions (B) (1) (b) and (c) of that section. 21076

In evaluating a sponsor based on the components in 21077  
divisions (B) (1) (b) and (c) of section 3314.016 of the Revised 21078  
Code for the 2019-2020 school year, the Department shall not 21079  
find a sponsor or a school out of compliance with an applicable 21080  
law or administrative rule for any requirement for an action 21081  
that should have occurred while schools were closed pursuant to 21082  
the Director of Health's order under section 3701.13 of the 21083  
Revised Code "In Re: Order the Closure of All K-12 Schools in 21084  
the State of Ohio" issued on March 14, 2020, any local board of 21085  
health order, or any extension of an order. 21086

(G) The Superintendent of Public Instruction may waive the 21087  
requirement to complete any report prescribed by law that is 21088  
based on data from assessments that would have been but were not 21089  
administered during the 2019-2020 school year pursuant to 21090  
division (A) of this section. 21091

(H) The Department, on behalf of the State Board of 21092  
Education, may issue a one-year, nonrenewable provisional 21093  
license to any individual to practice in any category, type, and 21094  
level for which the State Board issues a license pursuant to 21095  
Title XXXIII of the Revised Code, if the individual has met all 21096  
requirements for the requested license except for the 21097  
requirement to pass an examination prescribed by the State Board 21098  
in the subject area for which application is being made. Any 21099

individual to whom a provisional license is issued under this 21100  
division shall take and pass the appropriate subject area 21101  
examination prior to expiration of the license as a condition of 21102  
advancing the license in the appropriate category, type, and 21103  
level. The Department shall not issue a provisional license 21104  
under this division that is valid on or after July 1, 2021. 21105

(I) The Superintendent of Public Instruction may extend or 21106  
waive any deadline for an action required of the State Board of 21107  
Education, the Department of Education, or any person or entity 21108  
licensed or regulated by the State Board or Department during 21109  
the duration of the Director of Health's order under section 21110  
3701.13 of the Revised Code "In re: Order the Closure of All K- 21111  
12 Schools in the State of Ohio" issued on March 14, 2020, or 21112  
any local board of health order, and any extension of any order, 21113  
based on the implications of COVID-19, as necessary to ensure 21114  
that the safety of students, families, and communities are 21115  
prioritized while continuing to ensure the efficient operation 21116  
of the Department and public and private schools in this state. 21117  
Deadlines that may be extended or waived by the State 21118  
Superintendent include, but are not limited to, deadlines 21119  
related to the following: 21120

(1) The conduct of evaluations for school personnel under 21121  
Chapter 3319. of the Revised Code; 21122

(2) Notice of intent not to reemploy school personnel 21123  
under Chapter 3319. Of the Revised Code; 21124

(3) The conduct of school safety drills under section 21125  
3737.73 of the Revised Code; 21126

(4) The emergency management test required by division (E) 21127  
of section 3313.536 of the Revised Code; 21128

(5) The filling of a vacancy in a board of education;	21129
(6) Updating of teacher evaluation policies to conform with the framework for evaluation of teachers adopted under section 3319.112 of the Revised Code;	21130 21131 21132
(7) Identification and screening of gifted students under Chapter 3324. of the Revised Code.	21133 21134
(J) Notwithstanding anything in the Revised Code or Administrative Code to the contrary, the Chancellor of Higher Education, in consultation with the Superintendent of Public Instruction, may waive, extend, suspend, or modify requirements of the College Credit Plus program if the Chancellor, in consultation with the Superintendent, determines the waiver, extension, suspension, or modification is necessary in response to COVID-19.	21135 21136 21137 21138 21139 21140 21141 21142
(K) The Superintendent of Public Instruction shall collaborate with providers in the 22+ Adult High School Diploma Program authorized under sections 3314.38, 3317.23, 3317.231, 3317.24, and 3345.86 of the Revised Code and the Adult Diploma Program authorized under section 3313.902 of the Revised Code, and rules adopted thereunder, to ensure that the providers have maximum flexibility to assist students whose progress in the program has been affected by the Director of Health's order to complete the requirements to earn a high school diploma. For this purpose, the State Superintendent may waive or extend deadlines, or otherwise grant providers and students flexibility, for completion of program requirements.	21143 21144 21145 21146 21147 21148 21149 21150 21151 21152 21153 21154
(L) No school district shall require the parent of any student who was instructed at home in accordance with section 3321.04 of the Revised Code for the 2019-2020 school year to	21155 21156 21157

submit to the district superintendent the results of a 21158  
standardized achievement assessment administered to the student 21159  
as a condition of the district allowing the student to continue 21160  
to receive home instruction for the 2020-2021 school year. 21161

(M) Notwithstanding anything in the Revised Code to the 21162  
contrary, the board of education of any school district that, 21163  
prior to the Director of Health's order under section 3701.13 of 21164  
the Revised Code "In re: Order the Closure of All K-12 Schools 21165  
in the State of Ohio" issued on March 14, 2020, had not 21166  
completed an evaluation that was required under Chapter 3319. of 21167  
the Revised Code for the 2019-2020 school year for an employee 21168  
of the district, including a teacher, administrator, or 21169  
superintendent, may elect not to conduct an evaluation of the 21170  
employee for that school year, if the district board determines 21171  
that it would be impossible or impracticable to do so. If a 21172  
district board elects not to evaluate an employee for the 2019- 21173  
2020 school year, the employee shall be considered not to have 21174  
had evaluation procedures complied with pursuant to section 21175  
3319.111 of the Revised Code for purposes of section 3319.11 of 21176  
the Revised Code. The district board may collaborate with any 21177  
bargaining organization representing employees of the district 21178  
in determining whether to complete evaluations for the 2019-2020 21179  
school year. Nothing in this section shall preclude a district 21180  
board from using an evaluation completed prior to the Director 21181  
of Health's order in employment decisions. 21182

**Section 18.** During the period of the emergency declared by 21183  
Executive Order 2020-01D, issued on March 9, 2020, the 21184  
Department of Job and Family Services may continue to pay a 21185  
provider of publicly funded child care if both of the following 21186  
apply: 21187

(A) The provider is under contract with the Department as described in section 5104.32 of the Revised Code; 21188  
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(B) The provider is unable to provide publicly funded child care to children of eligible caretaker parents as a result of the emergency. 21190  
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**Section 19.** (A) As used in this section: 21193

(1) "Benefits," "benefit year," "claim for benefits," "employer," and "unemployed" have the same meanings as in section 4141.01 of the Revised Code. 21194  
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(2) "Reimbursing employer" means an employer that makes payments in lieu of contributions as defined in section 4141.01 of the Revised Code. 21197  
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(B) During the period of the emergency declared by Executive Order 2020-01D, issued on March 9, 2020, but not beyond December 1, 2020, if the period of emergency continues beyond that date, all of the following apply: 21200  
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(1) The requirement that an individual serve a waiting period under division (B) of section 4141.29 of the Revised Code before receiving benefits does not apply to a benefit year that begins after the effective date of this section. 21204  
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(2) The Director of Job and Family Services may waive the requirement that an individual be actively seeking suitable work under division (A) (4) (a) of section 4141.29 of the Revised Code for any claim for benefits filed during the duration of this section. 21208  
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(3) Notwithstanding division (D) (2) of section 4141.29 of the Revised Code, an individual shall not be disqualified from being paid benefits if the individual is unemployed or is unable 21213  
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to return to work because of an order, including an isolation or quarantine order, issued by any of the following: 21216  
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(a) The individual's employer; 21218

(b) The Governor; 21219

(c) The board of health of a city health district pursuant to section 3709.20 of the Revised Code; 21220  
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(d) The board of health of a general health district pursuant to section 3709.21 of the Revised Code; 21222  
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(e) A health commissioner pursuant to section 3707.34 of the Revised Code; 21224  
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(f) The Director of Health pursuant to section 3701.13 of the Revised Code. 21226  
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(4) Benefits that may become payable to an individual described in division (B) (3) of this section shall be charged to the mutualized account created by division (B) of section 4141.25 of the Revised Code, provided that no charge shall be made to the mutualized account for benefits chargeable to a reimbursing employer, except as provided in division (D) (2) of section 4141.24 of the Revised Code. 21228  
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**Section 20.** Section 317.33 of the Revised Code is suspended until August 30, 2020. 21235  
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**Section 21.** (A) During the period of the emergency declared by Executive Order 2020-01D, issued on March 9, 2020, and notwithstanding an order or directive from the court of common pleas or the board of county commissioners, the office of a county recorder, the office of a county auditor, the title office of a clerk of court of common pleas, and the county map office shall remain open and operational in order to allow land 21237  
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professionals physical access to the office as necessary to 21244  
search records that are not otherwise available online, digital, 21245  
or by some other means, so long as all necessary public land 21246  
records are available. The office may provide such access during 21247  
limited hours and for a limited duration, and may subject 21248  
searchers to requirements and restrictions in the interest of 21249  
public health. The office may allow persons other than land 21250  
professionals physical access to the office at the discretion of 21251  
the office during such limited hours, for such limited duration, 21252  
and subject to such requirements and restrictions in the 21253  
interest of public health as the office determines. All 21254  
essential services to effectuate a property transfer shall 21255  
remain open and available with all offices. 21256

(B) During the period of the emergency declared by 21257  
Executive Order 2020-01D, issued on March 9, 2020, and 21258  
notwithstanding an order or directive from the court of common 21259  
pleas or the board of county commissioners, the title office of 21260  
a clerk of court of common pleas shall remain open and 21261  
operational in order to allow land professionals, automobile, 21262  
watercraft, outboard motor, all terrain vehicles, and mobile 21263  
home dealers access to the office as necessary to process titles 21264  
that are not otherwise available online. The office may provide 21265  
such access during limited hours and for a limited duration, and 21266  
may subject nonclerk personnel to requirements and restrictions 21267  
in the interest of public health. The office may allow persons 21268  
other than the aforementioned land professionals and dealers 21269  
physical access to the office at the discretion of the office 21270  
during such limited hours, for such limited duration, and 21271  
subject to such requirements and restrictions in the interest of 21272  
public health as the office determines. 21273

**Section 22.** (A) The following that are set to expire 21274



between March 9, 2020, and July 30, 2020, shall be tolled:	21275
(1) A statute of limitation, as follows:	21276
(a) For any criminal offense, notwithstanding any other	21277
provision of law to the contrary, the applicable period of	21278
limitation set forth in section 2901.13 of the Revised Code for	21279
the criminal offense;	21280
(b) When a civil cause of action accrues against a person,	21281
notwithstanding any other provision of law to the contrary, the	21282
period of limitation for commencement of the action as provided	21283
under any section in Chapter 2305. of the Revised Code, or under	21284
any other provision of the Revised Code that applies to the	21285
cause of action;	21286
(c) For any administrative action or proceeding, the	21287
period of limitation for the action or proceeding as provided	21288
under the Revised Code or the Administrative Code, if	21289
applicable.	21290
(2) The time within which a bill of indictment or an	21291
accusation must be returned or the time within which a matter	21292
must be brought before a grand jury;	21293
(3) The time within which an accused person must be	21294
brought to trial or, in the case of a felony, to a preliminary	21295
hearing and trial;	21296
(4) Time deadlines and other schedule requirements	21297
regarding a juvenile, including detaining a juvenile;	21298
(5) The time within which a commitment hearing must be	21299
held;	21300
(6) The time by which a warrant must be issued;	21301

(7) The time within which discovery or any aspect of discovery must be completed;	21302 21303
(8) The time within which a party must be served;	21304
(9) The time within which an appearance regarding a dissolution of marriage must occur pursuant to section 3105.64 of the Revised Code;	21305 21306 21307
(10) Any other criminal, civil, or administrative time limitation or deadline under the Revised Code.	21308 21309
(B) This section applies retroactively to the date of the emergency declared by Executive Order 2020-01D, issued on March 9, 2020.	21310 21311 21312
(C) Division (A) of this section expires on the date the period of emergency ends or July 30, 2020, whichever is sooner.	21313 21314
<b>Section 23.</b> The Public Employees Retirement Board, State Teachers Retirement Board, School Employees Retirement Board, or State Highway Patrol Retirement Board may delay an election of members to the applicable board that is scheduled to take place during the period of the emergency declared by Executive Order 2020-01D, issued on March 9, 2020, but before December 1, 2020, until December 1, 2020. The delayed election shall be conducted as provided for in section 145.058, 3307.075, 3309.075, or 5505.047 of the Revised Code.	21315 21316 21317 21318 21319 21320 21321 21322 21323
The Ohio Police and Fire Pension Fund Board of Trustees may delay an election of members to the Board that is scheduled to take place during the period of the emergency declared by Executive Order 2020-01D, issued on March 9, 2020, but before December 1, 2020, until December 1, 2020. The delayed election shall be conducted as provided in section 742.04 of the Revised Code, except that the Board shall adjust the dates in that	21324 21325 21326 21327 21328 21329 21330

section for nominating petitions to be filed and ballots to be returned to the Board to reflect the new election date. 21331  
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If a board delays an election in accordance with this section, the elected members of the board whose terms were set to expire following the original election date shall continue in office subsequent to the expiration date of the member's term until the member's successor is elected and takes office. 21333  
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**Section 24.** Notwithstanding sections 3.16, 305.02, 731.43, 733.08, 733.31, 1901.31, and 3513.31 of the Revised Code, the county central committee of the political party that is responsible for filling any vacancy shall have an additional forty-five days to fill the vacancy from the date the vacancy was required to be filled during the period of the emergency declared by Executive Order 2020-01D, issued on March 9, 2020. 21338  
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**Section 25.** The Auditor of State, on a case-by-case basis, may determine that the requirement under division (D) of section 117.114 of the Revised Code to have one audit performed under division (A) of section 117.11 or division (A) of section 117.12 of the Revised Code may be waived, if the waiver applies to an audit period during which the emergency declared by Executive Order 2020-01D, issued on March 9, 2020, is or was in effect. 21345  
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**Section 26.** The Auditor of State, on a case-by-case basis, may determine that a qualifying subdivision that fails to meet any of the criteria established by rule under division (B) of section 117.114 of the Revised Code is otherwise eligible for an agreed-upon procedure audit and may, in writing, grant a waiver of particular criteria, if the waiver applies to an audit period during which the emergency declared by Executive Order 2020-01D, issued on March 9, 2020, is or was in effect. 21352  
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**Section 27.** During the period of the emergency declared by 21360  
Executive Order 2020-01D, issued on March 9, 2020, but not 21361  
beyond December 1, 2020, all of the following apply: 21362

(A) Notwithstanding Chapter 164. of the Revised Code or 21363  
any other provision of law to the contrary, the Ohio Public 21364  
Works Commission may automatically extend project schedules. The 21365  
extension shall be for a duration determined by the Commission. 21366  
The Commission shall not provide for an extension if federal law 21367  
does not provide for or allow an extension regarding any 21368  
particular project. The Commission also may waive penalties and 21369  
late fees owed to the Commission from the issuance of 21370  
outstanding loans. 21371

(B) Notwithstanding Chapter 6121. or 6123. of the Revised 21372  
Code or any other provision of law to the contrary, the Ohio 21373  
Water Development Authority may waive penalties and late fees 21374  
owed to the Authority from the issuance of outstanding loans. 21375

(C) Notwithstanding Chapter 3734., 3745., or 6119. of the 21376  
Revised Code or any other provision of law to the contrary, the 21377  
Ohio Environmental Protection Agency may waive penalties or late 21378  
fees owed to the Agency from the issuance of outstanding loans 21379  
or permits. The Agency also may suspend reporting requirements 21380  
for water research recovery facilities or solid waste 21381  
facilities. 21382

**Section 28.** (A) Notwithstanding section 5703.35 of the 21383  
Revised Code, the Tax Commissioner may do any of the following 21384  
during the period of the emergency declared by Executive Order 21385  
2020-01D, issued on March 9, 2020: 21386

(1) Extend to any company, firm, corporation, person, 21387  
association, partnership, or public utility affected by the 21388

emergency a further specified time within which to file any 21389  
report required by law to be filed with the Commissioner, in 21390  
which event the attaching of any penalty for failure to file 21391  
such report or pay any tax or fee shall be extended accordingly, 21392  
without regard to the forty-five-day limitation of section 21393  
5703.35 of the Revised Code; 21394

(2) Extend to any company, firm, corporation, person, 21395  
association, partnership, or public utility affected by the 21396  
emergency a further specified time within which to make any 21397  
estimated or accelerated payment that would otherwise be due 21398  
pursuant to Chapter 718., 3734., 3769., 4303., or 4305., or 21399  
Title LVII of the Revised Code, in which event the attaching of 21400  
any penalty for failure to file such report or pay any tax or 21401  
fee shall be extended accordingly; 21402

(3) Waive the payment of interest that is calculated at 21403  
the rate per annum prescribed by section 5703.47 of the Revised 21404  
Code and that would otherwise be due pursuant to Chapter 718., 21405  
3734., 3769., 4303., or 4305., or Title LVII of the Revised Code 21406  
for any payment extended under division (A) (1) or (2) of this 21407  
section. 21408

(B) If the Tax Commissioner extends for all taxpayers the 21409  
date for filing state income tax returns under division (A) of 21410  
this section or division (G) of section 5747.08 of the Revised 21411  
Code during the period of the emergency declared by Executive 21412  
Order 2020-01D, issued on March 9, 2020, a taxpayer shall 21413  
automatically receive an extension for the filing of a municipal 21414  
net profit tax return under section 718.85 of the Revised Code 21415  
during that period. The extended due date of the municipal net 21416  
profit tax return shall be the same as the extended due date of 21417  
the state income tax return. 21418

**Section 29.** Notwithstanding section 718.011 of the Revised Code, and for the purposes of Chapter 718. of the Revised Code, during the period of the emergency declared by Executive Order 2020-01D, issued on March 9, 2020, and for thirty days after the conclusion of that period, any day on which an employee performs personal services at a location, including the employee's home, to which the employee is required to report for employment duties because of the declaration shall be deemed to be a day performing personal services at the employee's principal place of work.

**Section 30.** (A) During the period of the emergency declared by Executive Order 2020-01D, issued on March 9, 2020, the requirement of division (A)(2)(a) of section 4723.09 of the Revised Code is suspended. Accordingly, during such period, the Board of Nursing shall grant to an applicant described in division (A) of section 4723.09 of the Revised Code a temporary license to practice nursing as a registered nurse or as a licensed practical nurse if the conditions of divisions (A)(1) and (A)(2)(b) to (d) of section 4723.09 of the Revised Code have been met.

(B) A temporary license issued under this section shall be valid until whichever of the following dates occurs first:

(1) The date that is ninety days after December 1, 2020;

(2) The date that is ninety days after the duration of the period of the emergency described in division (A) of this section.

**Section 31.** (A) Notwithstanding section 3310.03 of the Revised Code, Section 265.210 of H.B. 166 of the 133rd General Assembly, as amended by S.B. 120 of the 133rd General Assembly,

and any other provision of law to the contrary, the Department 21448  
of Education shall not accept, process, or award first-time 21449  
performance-based Educational Choice scholarships under section 21450  
3310.03 of the Revised Code for the 2020-2021 school year to 21451  
students who are eligible for the scholarship for the first time 21452  
for the 2020-2021 school year and whose scholarships would have 21453  
been paid for under Section 265.210 of H.B. 166 of the 133rd 21454  
General Assembly, as amended by S.B. 120 of the 133rd General 21455  
Assembly. 21456

However, the Department shall accept, process, and award 21457  
scholarships for any of the following: 21458

(1) Students who received a scholarship in the 2019-2020 21459  
school year; 21460

(2) A student who satisfies all of the following criteria: 21461

(a) The student's sibling received a scholarship under 21462  
section 3310.03 of the Revised Code during the 2019-2020 school 21463  
year. 21464

(b) The student is enrolled in or would be enrolled in a 21465  
building that, in the 2019-2020 school year, met any of the 21466  
conditions prescribed in section 3310.03 of the Revised Code. 21467

(c) The student was enrolled in a public or nonpublic 21468  
school in any of grades kindergarten through twelve or was 21469  
homeschooled for the equivalent of those grades for the 2019- 21470  
2020 school year, or will be enrolled in kindergarten or will 21471  
start homeschooling for the equivalent of kindergarten in the 21472  
2020-2021 school year. 21473

As used in this section, "sibling" means a brother, half- 21474  
brother, sister, or half-sister, by birth, adoption, or 21475  
marriage, without regard to residence or custodial status, or a 21476

child residing in the same household as a foster child or under a guardianship or custodial order. As used in this section, "foster child" means a child placed in a family foster home, as defined in section 5103.02 of the Revised Code.

(3) Students who were eligible for scholarships for the 2019-2020 school year, regardless of whether the students received scholarships for that school year, and remain eligible for the 2020-2021 school year;

(4) Students who did not receive a scholarship for the 2019-2020 school year but, for the 2020-2021 school year are or would be newly enrolled in a building operated by the students' resident district that met the conditions prescribed in section 3310.03 of the Revised Code for the 2019-2020 school year, as that section existed for that school year, and also continued to meet the conditions for the 2020-2021 school year, including students entering kindergarten, entering high school students, or students who have recently relocated to the district or building's attendance territory.

Scholarships for students described in divisions (A) (1), (2), (3), and (4) of this section shall be funded through deductions from the students' resident school districts in the manner described in section 3310.08 of the Revised Code.

The Department shall accept, process, or award performance-based Educational Choice scholarships for the 2020-2021 school year for students described in divisions (A) (1) to (4) of this section under the sixty-day-application period that begins on April 1, 2020, pursuant to Section 265.210 of H.B. 166 of the 133rd General Assembly, as amended by S.B. 120 of the 133rd General Assembly.



(B) The Department shall accept, process, and award performance-based Educational Choice scholarships under section 3310.03 of the Revised Code on February 1, 2021, for the 2021-2022 school year.

(C) This section does not affect the awarding of income-based scholarships.

**Section 32.** Notwithstanding any contrary provision of the Revised Code:

(A) Secretary of State Directive 2020-06, issued on March 16, 2020, is void.

(B) During the period beginning on the effective date of this section and ending at 7:30 p.m. on April 28, 2020, no board of elections, and no election official, shall do any of the following:

(1) Count any ballots cast in the March 17, 2020, primary election, or in any special election held on the day of the primary election;

(2) Release the count or any portion of the count of any ballots cast in the March 17, 2020, primary election, or in any special election held on the day of the primary election;

(3) Process any voter registration application submitted after February 18, 2020.

(C) (1) (a) An elector who has not already cast a ballot in the March 17, 2020, primary election, or in any special election held on the day of the primary election, and who was registered to vote in this state as of February 18, 2020, may vote in that election in accordance with this section.

(b) An elector who was registered to vote in this state as

of February 18, 2020, and who cast a ballot at any time before 21534  
the effective date of this section in the March 17, 2020, 21535  
primary election, or in any special election held on the day of 21536  
the primary election, shall have the elector's ballot counted if 21537  
it is received at the office of the board not later than the 21538  
applicable deadline specified in division (E) of this section 21539  
and is otherwise eligible to be counted. 21540

(2) As soon as possible after the effective date of this 21541  
section, the Secretary of State shall send a postcard to each 21542  
registered elector in this state, notifying the elector of the 21543  
methods by which the elector may obtain an application for 21544  
absent voter's ballots, the procedures and deadlines to apply 21545  
for absent voter's ballots under this section, and the 21546  
procedures and deadline to return voted ballots to the office of 21547  
the board of elections under this section. 21548

(3) An elector described in division (C)(1)(a) of this 21549  
section may apply by mail to the appropriate board of elections 21550  
for absent voter's ballots. If the elector is eligible to cast 21551  
absent voter's ballots with the assistance of election officials 21552  
under section 3509.08 of the Revised Code, the elector may 21553  
include with the elector's application a request that the board 21554  
of elections assist the elector in casting the elector's ballots 21555  
in accordance with section 3509.08 of the Revised Code. All 21556  
applications submitted under this division shall be received at 21557  
the office of the board not later than noon on April 25, 2020, 21558  
except that an application submitted by an elector described in 21559  
division (C)(1)(a) of this section who would be eligible to 21560  
apply for absent voter's ballots not later than 3:00 p.m. on the 21561  
day of an election under section 3509.08 of the Revised Code 21562  
shall be received at the office of the board not later than 3:00 21563  
p.m. on April 28, 2020. Any application received after the 21564

applicable deadline shall be invalid. 21565

(4) At the end of each day, the board of elections shall 21566  
compile and transmit to the Secretary of State a list of all 21567  
applications the board received that day, provided that the list 21568  
shall exclude all information that is not considered a public 21569  
record under the laws of this state. The Secretary of State 21570  
shall make the list available to the public upon request. 21571

(5) (a) If a board of elections receives an application 21572  
under this section that does not contain all of the required 21573  
information, the board promptly shall notify the applicant of 21574  
the additional information required to be provided by the 21575  
applicant to complete that application. In order for the 21576  
application to be valid, the applicant shall provide that 21577  
additional information to the board not later than the 21578  
applicable deadline under division (C) (3) of this section. 21579

(b) An application submitted under this section shall not 21580  
be considered invalid solely on the basis that the applicant 21581  
indicated a date other than March 17, 2020, as the date of the 21582  
2020 primary election or of any special election held on the day 21583  
of the election. 21584

(6) If the board of elections determines that an 21585  
application submitted under this section is valid, the board 21586  
promptly shall deliver absent voter's ballots to the elector. 21587  
The board shall deliver those ballots by mail, except as 21588  
otherwise provided in division (D) of this section and except in 21589  
the case of an elector whom the board assists in casting the 21590  
elector's ballots in accordance with section 3509.08 of the 21591  
Revised Code. When the board delivers those ballots by mail, it 21592  
shall prepay the return postage for the ballots. 21593

(7) If the board of elections determines that an application submitted under this section is not valid because the applicant is an elector who has moved or had a change of name without updating the elector's registration, as described in section 3503.16 of the Revised Code, or for any other reason, the board promptly shall deliver a provisional ballot to the applicant. The board shall deliver the ballot by mail, except as otherwise provided in division (D) of this section and except in the case of an elector whom the board assists in casting the elector's ballot in accordance with section 3509.08 of the Revised Code. When the board delivers the ballot by mail, it shall prepay the return postage for the ballot. The board shall include all of the following with the provisional ballot:

(a) The reason the applicant has received a provisional ballot instead of absent voter's ballots;

(b) Instructions for the applicant to complete the provisional ballot affirmation, including an option to submit a copy of a form of identification described in section 3505.182 of the Revised Code;

(c) Instructions for the applicant to return the provisional ballot in the same manner as absent voter's ballots and a return envelope in which the applicant may return the provisional ballot;

(d) Instructions for the applicant to ascertain the status of the applicant's provisional ballot, as described in section 3505.181 of the Revised Code.

(D) (1) Only the following electors may apply for and cast absent voter's ballots in person at the office of the board of elections on April 28, 2020, not later than 7:30 p.m., instead

of applying to receive those ballots by mail: 21623

(a) An elector to whom division (C) (1) (a) of this section 21624  
applies, who has a disability, and who wishes to cast absent 21625  
voter's ballots using a direct recording electronic voting 21626  
machine or marking device that is accessible for voters with 21627  
disabilities, including nonvisual accessibility for the blind 21628  
and visually impaired, in a manner that provides the same 21629  
opportunity for access and participation, including privacy and 21630  
independence, as for other voters. Each board shall have at 21631  
least one such machine or device available for use at the office 21632  
of the board. 21633

(b) An elector to whom division (C) (1) (a) of this section 21634  
applies and who is unable to receive mail at the place where the 21635  
elector resides or at another location. 21636

(2) All eligible electors waiting in line to cast ballots 21637  
in person under division (D) of this section as of 7:30 p.m. on 21638  
April 28, 2020, shall be permitted to cast absent voter's 21639  
ballots. 21640

(E) (1) Absent voter's ballots and provisional ballots cast 21641  
at any time before or after the effective date of this section 21642  
by electors who were registered to vote in this state as of 21643  
February 18, 2020, for the March 17, 2020, primary election, or 21644  
for any special election held on the day of the primary 21645  
election, shall be eligible to be counted if they are received 21646  
at the office of the appropriate board of elections not later 21647  
than 7:30 p.m. on April 28, 2020. The board shall place a secure 21648  
receptacle outside the office of the board for the return of 21649  
ballots under this section. Except as otherwise provided in 21650  
divisions (E) (2) and (3) of this section, ballots received after 21651  
7:30 p.m. on April 28, 2020, shall not be counted. 21652

(2) Ballots received by mail at the office of the board 21653  
after 7:30 p.m. on April 28, 2020, and not later than May 8, 21654  
2020, are eligible to be counted if they are postmarked on or 21655  
before April 27, 2020, and are not postmarked using a postage 21656  
evidencing system, including a postage meter, as defined in 39 21657  
C.F.R. 501.1. 21658

(3) Ballots cast by uniformed services and overseas absent 21659  
voters that are received by mail at the office of the board 21660  
after 7:30 p.m. on April 28, 2020, and not later than May 8, 21661  
2020, are eligible to be counted if they were submitted for 21662  
mailing not later than 12:01 a.m. at the place where the voter 21663  
completed the ballots on April 28, 2020, regardless of whether 21664  
the ballots are postmarked. 21665

(F) (1) If the election officials find that the 21666  
identification envelope statement of voter containing absent 21667  
voter's ballots for the March 17, 2020, primary election, or for 21668  
any special election held on the day of the primary election, is 21669  
incomplete or that the information contained in that statement 21670  
does not conform to the information contained in the Statewide 21671  
Voter Registration Database concerning the voter, as described 21672  
in section 3509.06 of the Revised Code, the voter shall provide 21673  
the necessary information to the board of elections in 21674  
accordance with that section not later than May 5, 2020. 21675

(2) An individual who casts a provisional ballot under 21676  
this section and who is required under sections 3505.181 to 21677  
3505.183 of the Revised Code to provide identification or 21678  
additional information to the board of elections shall provide 21679  
the necessary identification or information to the board in 21680  
accordance with those sections not later than May 5, 2020. 21681

(G) The boards of elections and the Secretary of State 21682

shall complete the unofficial count, the canvass of the election returns, and all other post-election procedures with respect to the March 17, 2020, primary election, and any special election held on the day of the primary election, on the dates provided in the Revised Code, except that each deadline shall be calculated by adding 42 days.

(H) For the purpose of the contribution limits described in section 3517.102 of the Revised Code, the date of the 2020 primary election is March 17, 2020. However, the statements of contributions and expenditures required to be filed under division (A)(2) of section 3517.10 of the Revised Code after the primary election shall be filed not later than 4:00 p.m. on June 5, 2020.

(I) In implementing this act, the Secretary of State shall proceed as though the Department of Administrative Services has suspended, under section 125.061 of the Revised Code, the purchasing and contracting requirements contained in Chapter 125. of the Revised Code that otherwise would apply to the Secretary of State. The Secretary of State shall comply with division (E) of that section.

**Section 33.** All items in this section are hereby appropriated as designated out of any moneys in the state treasury to the credit of the designated fund. For all appropriations made in this act, those in the first column are for fiscal year 2020 and those in the second column are for fiscal year 2021. The appropriations made in this act are in addition to any other appropriations made for the FY 2020-FY 2021 biennium.

21711

	1	2	3	4	5
A			SOS SECRETARY OF STATE		
B			Dedicated Purpose Fund Group		
C	5RG0	050627	Absent Voter's Ballot Application Mailings	\$ 7,000,000	\$ 0
D			TOTAL Dedicated Purpose Fund Group	\$ 7,000,000	\$ 0
E			TOTAL ALL BUDGET FUND GROUPS	\$ 7,000,000	\$ 0

ABSENT VOTER'S BALLOT APPLICATION MAILINGS 21712

The foregoing appropriation item 050627, Absent Voter's 21713  
Ballot Application Mailings, shall be used by the Secretary of 21714  
State to pay for expenses related to implementing this act. 21715

An amount equal to the unexpended, unencumbered portion of 21716  
the foregoing appropriation item 050627, Absent Voter's Ballot 21717  
Application Mailings, at the end of fiscal year 2020 is hereby 21718  
reappropriated to the Secretary of State for the same purpose in 21719  
fiscal year 2021. 21720

On the effective date of this section, or as soon as 21721  
possible thereafter, the Director of Budget and Management shall 21722  
transfer \$7,000,000 cash from the Controlling Board Emergency 21723  
Purposes/Contingencies Fund (Fund 5KM0) to the Absent Voter's 21724  
Ballot Application Mailing Fund (Fund 5RG0). 21725

Within the limits set forth in this act, the Director of 21726



Budget and Management shall establish accounts indicating the source and amount of funds for each appropriation made in this act, and shall determine the form and manner in which appropriation accounts shall be maintained. Expenditures from appropriations contained in this act shall be accounted for as though made in the main operating appropriations act of the 133rd General Assembly.

The appropriations made in this act are subject to all provisions of H.B. 166 of the 133rd General Assembly that are generally applicable to such appropriations.

**Section 34.** All items in this section are hereby appropriated as designated out of any moneys in the state treasury to the credit of the designated fund. All appropriations made in this section are for the capital biennium ending June 30, 2020, and are in addition to any other appropriations made for the capital biennium ending June 30, 2020.

	1	2	3
A	DAS DEPARTMENT OF ADMINISTRATIVE SERVICES		
B	Administrative Building Fund (Fund 7026)		
C	C10050	State Agency Capital Projects	\$ 20,000,000
D	TOTAL Administrative Building Fund		\$ 20,000,000
E	TOTAL ALL FUNDS		\$ 20,000,000

Within the limits set forth in this section, the Director 21745  
of Budget and Management shall establish accounts indicating the 21746  
source and amount of funds for each appropriation made in this 21747  
section, and shall determine the form and manner in which 21748  
appropriation accounts shall be maintained. Expenditures from 21749  
appropriations contained in this section shall be accounted for 21750  
as though made in H.B. 529 of the 132nd General Assembly. 21751

The appropriations made in this section are subject to all 21752  
provisions of H.B. 529 of the 132nd General Assembly that are 21753  
generally applicable to such appropriations. 21754

**Section 35.** Upon request of the Director of Administrative 21755  
Services, the Director of Budget and Management may transfer up 21756  
to \$20,000,000 cash from the Building Improvement Fund (Fund 21757  
5KZ0) to the Administrative Building Fund (Fund 7026) to pay 21758  
costs associated with state agency capital projects. When the 21759  
cash balance in Fund 7026 can support such an action, the 21760  
Director of Administrative Services shall request that the 21761  
Director of Budget and Management transfer cash from Fund 7026 21762  
to Fund 5KZ0 in an amount equal to the initial cash transfer 21763  
made under this section. 21764

**Section 36. BUDGET STABILIZATION FUND TRANSFER** 21765

Notwithstanding division (D) of section 127.14 of the 21766  
Revised Code, the Director of Budget and Management may request, 21767  
prior to the end of fiscal year 2020, approval from the 21768  
Controlling Board for a transfer of cash from the Budget 21769  
Stabilization Fund to the General Revenue Fund to help ensure 21770  
that the available revenue receipts and balances in the General 21771  
Revenue Fund are not less than the expenditures for fiscal year 21772  
2020. Upon the approval of at least two members of the 21773  
Controlling Board who are members of the Senate and at least two 21774

members of the Controlling Board who are members of the House of Representatives, the Director may transfer cash in the amount approved from the Budget Stabilization Fund to the General Revenue Fund.

**Section 37.** Notwithstanding any other amendment to the title of H.B. 197 adopted during Third Consideration in the Senate, the title shall express the bill's content as follows: "to continue essential operations of state government and maintain the continuity of the state tax code in response to the declared pandemic and global health emergency related to COVID-19, to make appropriations, and to declare an emergency"

Notwithstanding any other amendment revising the emergency clause of H.B. 197, or adding an emergency clause to H.B. 197, adopted during Third Consideration in the Senate, only one section of the bill shall declare an emergency, which shall be the last section of the bill, to read as follows: "This act is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health, and safety. The reason for such necessity is to continue essential operation of various facets of state government, maintain the continuity of the state tax code, and respond to the declared pandemic and global health emergency related to COVID-19. Therefore, this act shall go into immediate effect."

**Section 38.** The items of law contained in this act, and their applications, are severable. If any item of law contained in this act, or if any application of any item of law contained in this act, is held invalid, the invalidity does not affect other items of law contained in this act and their applications that can be given effect without the invalid item of law or application.

**Section 39.** The General Assembly, applying the principle 21805  
stated in division (B) of section 1.52 of the Revised Code that 21806  
amendments are to be harmonized if reasonably capable of 21807  
simultaneous operation, finds that the following sections, 21808  
presented in this act as composites of the sections as amended 21809  
by the acts indicated, are the resulting versions of the 21810  
sections in effect prior to the effective date of the sections 21811  
as presented in this act: 21812

Section 133.18 of the Revised Code as amended by Am. Sub. 21813  
H.B. 48 of the 128th General Assembly and Am. Sub. H.B. 153 of 21814  
the 129th General Assembly. 21815

Section 5705.19 of the Revised Code as amended by both 21816  
Sub. H.B. 122 and Sub. H.B. 500 of the 132nd General Assembly. 21817

**Section 40.** This act is hereby declared to be an emergency 21818  
measure necessary for the immediate preservation of the public 21819  
peace, health, and safety. The reason for such necessity is to 21820  
continue essential operation of various facets of state 21821  
government, maintain the continuity of the state tax code, and 21822  
respond to the declared pandemic and global health emergency 21823  
related to COVID-19. Therefore, this act shall go into immediate 21824  
effect. 21825