

**As Introduced**

**134th General Assembly  
Regular Session  
2021-2022**

**H. B. No. 685**

**Representatives Edwards, Cross**

---

**A BILL**

To amend sections 166.01, 166.02, 166.08, 4929.16, 1  
and 5727.11 and to enact sections 122.161, 2  
122.162, 166.31, 166.32, 4929.164, 4929.168, and 3  
4929.169 of the Revised Code to authorize the 4  
creation of areas within which tax and other 5  
incentives are available to encourage the 6  
development of natural gas pipelines and other 7  
infrastructure and to make an appropriation. 8

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

**Section 1.** That sections 166.01, 166.02, 166.08, 4929.16, 9  
and 5727.11 be amended and sections 122.161, 122.162, 166.31, 10  
166.32, 4929.164, 4929.168, and 4929.169 of the Revised Code be 11  
enacted to read as follows: 12

**Sec. 122.161.** (A) As used in this section: 13

(1) "Subdivision" means a municipal corporation, township, 14  
or county. 15

(2) "Legislative authority" means the legislative 16  
authority of a municipal corporation, a board of the township 17  
trustees, or a board of county commissioners. 18

(3) "Subdivision's territory" means, in the case of a 19  
municipal corporation, the territory of the municipal 20  
corporation; in the case of township, the unincorporated 21  
territory of the township; or, in the case of a county, the 22  
unincorporated territory of the county. 23

(B) A legislative authority may adopt and certify to the 24  
director of development an ordinance or resolution requesting 25  
that the director designate all or a portion of the 26  
subdivision's territory as an EnergizeOhio zone. The ordinance 27  
or resolution shall describe the boundaries of the proposed 28  
area. The director, upon receipt of that certification, shall 29  
designate the proposed area as an EnergizeOhio zone if the 30  
director determines that deficiencies in natural gas 31  
infrastructure in the proposed area adversely affect economic 32  
conditions or potential for economic growth. 33

The director shall notify the legislative authority of the 34  
director's decision within sixty days after receiving the 35  
certified ordinance or resolution. An EnergizeOhio zone 36  
designation is effective for the five calendar years following 37  
the date of the director's decision to approve the designation. 38

(C) On or before the first day of December of a calendar 39  
year in which an EnergizeOhio zone designation is scheduled to 40  
expire, the legislative authority that adopted the ordinance or 41  
resolution described in division (B) of this section may adopt 42  
and certify an ordinance or resolution to the director of 43  
development proposing to continue the EnergizeOhio zone 44  
designation for an additional five years. The director shall 45  
continue the EnergizeOhio zone designation if the director 46  
determines that deficiencies in natural gas infrastructure in 47  
the zone continue to adversely affect economic conditions or 48

potential for economic growth. The director shall notify the 49  
legislative authority of the director's decision within sixty 50  
days after receiving the certified ordinance or resolution. The 51  
continuation of an EnergizeOhio zone designation is effective 52  
for the five calendar years following the date of the director's 53  
decision to continue the designation. 54

(D) The director of development shall immediately notify 55  
the tax commissioner if the director approves the designation or 56  
continuation of an EnergizeOhio zone under division (B) or (C) 57  
of this section. The director shall publish maps displaying each 58  
designated EnergizeOhio zone on the department of development's 59  
web site. 60

**Sec. 122.162.** (A) As used in this section: 61

(1) "Eligible applicant" means a municipal corporation, 62  
township, county, port authority, qualifying economic 63  
development organization, community improvement corporation 64  
organized under Chapter 1724. of the Revised Code, or regional 65  
council of government established in accordance with Chapter 66  
167. of the Revised Code or a partnership existing between any 67  
of the foregoing and another person. 68

(2) "Qualifying economic development organization" means 69  
an economic development organization providing services for, or 70  
advocating on behalf of, businesses operating in any of five or 71  
more counties. 72

(B) There is hereby created in the department of 73  
development the pipeline easement revolving loan program. An 74  
eligible applicant may apply to the director of development, on 75  
forms prescribed by the director, for a loan from the pipeline 76  
easement loan fund. The director shall evaluate each application 77

using the evaluation criteria adopted under division (C) (3) of 78  
this section to determine whether to award a loan to an eligible 79  
applicant. A loan awarded under this program shall not bear 80  
interest for up to five years from the date the loan is 81  
disbursed, as determined by the director. 82

An eligible applicant receiving a loan under this section 83  
may use the proceeds solely to purchase or lease easements on 84  
property located in an EnergizeOhio zone designated under 85  
section 122.161 of the Revised Code for the purpose of 86  
installing natural gas pipelines or other natural gas 87  
infrastructure on the property. A loan shall be repaid from 88  
proceeds obtained by the eligible applicant in selling or 89  
leasing easements purchased or leased in whole or in part with 90  
loan proceeds and from any other lawful source of revenue. The 91  
director shall credit repayments to the pipeline easement loan 92  
fund. 93

(C) The director of development, in consultation with the 94  
chief investment officer of JobsOhio, shall adopt rules in 95  
accordance with Chapter 119. of the Revised Code prescribing all 96  
of the following: 97

(1) The terms and conditions of any loan awarded under 98  
division (B) of this section, including the manner in which the 99  
loan amounts are to be repaid; 100

(2) The manner in which the director shall enforce loan 101  
amounts that are not repaid according to those terms; 102

(3) Criteria the director will use to evaluate loan 103  
applications. 104

(D) There is hereby created in the state treasury the 105  
pipeline easement loan fund, which shall consist of revenue 106

transferred to the fund, including under section 166.02 of the 107  
Revised Code. Money in the fund shall be used by the director of 108  
development to fund the loan program authorized under this 109  
section. Interest earned on money in the fund shall be credited 110  
to the fund. 111

**Sec. 166.01.** As used in this chapter: 112

(A) "Allowable costs" means all or part of the costs of 113  
project facilities, eligible projects, eligible innovation 114  
projects, eligible research and development projects, eligible 115  
advanced energy projects, ~~or~~ eligible logistics and distribution 116  
projects, or eligible natural gas infrastructure projects, 117  
including costs of acquiring, constructing, reconstructing, 118  
rehabilitating, renovating, enlarging, improving, equipping, or 119  
furnishing project facilities, eligible projects, eligible 120  
innovation projects, eligible research and development projects, 121  
eligible advanced energy projects, ~~or~~ eligible logistics and 122  
distribution projects, or eligible natural gas infrastructure 123  
projects, site clearance and preparation, supplementing and 124  
relocating public capital improvements or utility facilities, 125  
designs, plans, specifications, surveys, studies, and estimates 126  
of costs, expenses necessary or incident to determining the 127  
feasibility or practicability of assisting an eligible project, 128  
an eligible innovation project, an eligible research and 129  
development project, an eligible advanced energy project, ~~or~~ an 130  
eligible logistics and distribution project, or an eligible 131  
natural gas infrastructure project, or providing project 132  
facilities or facilities related to an eligible project, an 133  
eligible innovation project, an eligible research and 134  
development project, an eligible advanced energy project, ~~or~~ an 135  
eligible logistics and distribution project, or an eligible 136  
natural gas infrastructure project, architectural, engineering, 137

and legal services fees and expenses, the costs of conducting 138  
any other activities as part of a voluntary action, and such 139  
other expenses as may be necessary or incidental to the 140  
establishment or development of an eligible project, an eligible 141  
innovation project, an eligible research and development 142  
project, an eligible advanced energy project, ~~or~~ an eligible 143  
logistics and distribution project, or an eligible natural gas 144  
infrastructure project, and reimbursement of moneys advanced or 145  
applied by any governmental agency or other person for allowable 146  
costs. 147

(B) "Allowable innovation costs" includes allowable costs 148  
of eligible innovation projects and, in addition, includes the 149  
costs of research and development of eligible innovation 150  
projects; obtaining or creating any requisite software or 151  
computer hardware related to an eligible innovation project or 152  
the products or services associated therewith; testing 153  
(including, without limitation, quality control activities 154  
necessary for initial production), perfecting, and marketing of 155  
such products and services; creating and protecting intellectual 156  
property related to an eligible innovation project or any 157  
products or services related thereto, including costs of 158  
securing appropriate patent, trademark, trade secret, trade 159  
dress, copyright, or other form of intellectual property 160  
protection for an eligible innovation project or related 161  
products and services; all to the extent that such expenditures 162  
could be capitalized under then-applicable generally accepted 163  
accounting principles; and the reimbursement of moneys advanced 164  
or applied by any governmental agency or other person for 165  
allowable innovation costs. 166

(C) "Eligible innovation project" includes an eligible 167  
project, including any project facilities associated with an 168

eligible innovation project and, in addition, includes all 169  
tangible and intangible property related to a new product or 170  
process based on new technology or the creative application of 171  
existing technology, including research and development, product 172  
or process testing, quality control, market research, and 173  
related activities, that is to be acquired, established, 174  
expanded, remodeled, rehabilitated, or modernized for industry, 175  
commerce, distribution, or research, or any combination thereof, 176  
the operation of which, alone or in conjunction with other 177  
eligible projects, eligible innovation projects, or innovation 178  
property, will create new jobs or preserve existing jobs and 179  
employment opportunities and improve the economic welfare of the 180  
people of the state. 181

(D) "Eligible project" means project facilities to be 182  
acquired, established, expanded, remodeled, rehabilitated, or 183  
modernized for industry, commerce, distribution, or research, or 184  
any combination thereof, the operation of which, alone or in 185  
conjunction with other facilities, will create new jobs or 186  
preserve existing jobs and employment opportunities and improve 187  
the economic welfare of the people of the state. "Eligible 188  
project" includes, without limitation, a voluntary action. 189  
"Eligible project" includes eligible natural gas infrastructure 190  
projects. For purposes of this division, "new jobs" does not 191  
include existing jobs transferred from another facility within 192  
the state, and "existing jobs" includes only those existing jobs 193  
with work places within the municipal corporation or 194  
unincorporated area of the county in which the eligible project 195  
is located. 196

"Eligible project" does not include project facilities to 197  
be acquired, established, expanded, remodeled, rehabilitated, or 198  
modernized for industry, commerce, distribution, or research, or 199

any combination of industry, commerce, distribution, or 200  
research, if the project facilities consist solely of point-of- 201  
final-purchase retail facilities. If the project facilities 202  
consist of both point-of-final-purchase retail facilities and 203  
nonretail facilities, only the portion of the project facilities 204  
consisting of nonretail facilities is an eligible project. If a 205  
warehouse facility is part of a point-of-final-purchase retail 206  
facility and supplies only that facility, the warehouse facility 207  
is not an eligible project. Catalog distribution facilities are 208  
not considered point-of-final-purchase retail facilities for 209  
purposes of this paragraph, and are eligible projects. 210

(E) "Eligible research and development project" means an 211  
eligible project, including project facilities, comprising, 212  
within, or related to, a facility or portion of a facility at 213  
which research is undertaken for the purpose of discovering 214  
information that is technological in nature and the application 215  
of which is intended to be useful in the development of a new or 216  
improved product, process, technique, formula, or invention, a 217  
new product or process based on new technology, or the creative 218  
application of existing technology. 219

(F) "Financial assistance" means inducements under 220  
division (B) of section 166.02 of the Revised Code, loan 221  
guarantees under section 166.06 of the Revised Code, and direct 222  
loans under section 166.07 of the Revised Code. 223

(G) "Governmental action" means any action by a 224  
governmental agency relating to the establishment, development, 225  
or operation of an eligible project, eligible innovation 226  
project, eligible research and development project, eligible 227  
advanced energy project, ~~or~~ eligible logistics and distribution 228  
project, or eligible natural gas infrastructure project, and 229

project facilities that the governmental agency acting has 230  
authority to take or provide for the purpose under law, 231  
including, but not limited to, actions relating to contracts and 232  
agreements, zoning, building, permits, acquisition and 233  
disposition of property, public capital improvements, utility 234  
and transportation service, taxation, employee recruitment and 235  
training, and liaison and coordination with and among 236  
governmental agencies. 237

(H) "Governmental agency" means the state and any state 238  
department, division, commission, institution or authority; a 239  
municipal corporation, county, or township, and any agency 240  
thereof, and any other political subdivision or public 241  
corporation or the United States or any agency thereof; any 242  
agency, commission, or authority established pursuant to an 243  
interstate compact or agreement; and any combination of the 244  
above. 245

(I) "Innovation financial assistance" means inducements 246  
under division (B) of section 166.12 of the Revised Code, 247  
innovation Ohio loan guarantees under section 166.15 of the 248  
Revised Code, and innovation Ohio loans under section 166.16 of 249  
the Revised Code. 250

(J) "Innovation Ohio loan guarantee reserve requirement" 251  
means, at any time, with respect to innovation loan guarantees 252  
made under section 166.15 of the Revised Code, a balance in the 253  
innovation Ohio loan guarantee fund equal to the greater of 254  
twenty per cent of the then-outstanding principal amount of all 255  
outstanding innovation loan guarantees made pursuant to section 256  
166.15 of the Revised Code or fifty per cent of the principal 257  
amount of the largest outstanding guarantee made pursuant to 258  
section 166.15 of the Revised Code. 259

(K) "Innovation property" includes property and also 260  
includes software, inventory, licenses, contract rights, 261  
goodwill, intellectual property, including without limitation, 262  
patents, patent applications, trademarks and service marks, and 263  
trade secrets, and other tangible and intangible property, and 264  
any rights and interests in or connected to the foregoing. 265

(L) "Loan guarantee reserve requirement" means, at any 266  
time, with respect to loan guarantees made under section 166.06 267  
of the Revised Code, a balance in the loan guarantee fund equal 268  
to the greater of twenty per cent of the then-outstanding 269  
principal amount of all outstanding guarantees made pursuant to 270  
section 166.06 of the Revised Code or fifty per cent of the 271  
principal amount of the largest outstanding guarantee made 272  
pursuant to section 166.06 of the Revised Code. 273

(M) "Person" means any individual, firm, partnership, 274  
association, corporation, or governmental agency, and any 275  
combination thereof. 276

(N) "Project facilities" means buildings, structures, and 277  
other improvements, and equipment and other property, excluding 278  
small tools, supplies, and inventory, and any one, part of, or 279  
combination of the above, comprising all or part of, or serving 280  
or being incidental to, an eligible project, an eligible 281  
innovation project, an eligible research and development 282  
project, an eligible advanced energy project, ~~or~~ an eligible 283  
logistics and distribution project, or an eligible natural gas 284  
infrastructure project, including, but not limited to, public 285  
capital improvements. 286

(O) "Property" means real and personal property and 287  
interests therein. 288

(P) "Public capital improvements" means capital 289  
improvements or facilities that any governmental agency has 290  
authority to acquire, pay the costs of, own, maintain, or 291  
operate, or to contract with other persons to have the same 292  
done, including, but not limited to, highways, roads, streets, 293  
water and sewer facilities, railroad and other transportation 294  
facilities, and air and water pollution control and solid waste 295  
disposal facilities. For purposes of this division, "air 296  
pollution control facilities" includes, without limitation, 297  
solar, geothermal, biofuel, biomass, wind, hydro, wave, and 298  
other advanced energy projects as defined in section 3706.25 of 299  
the Revised Code. 300

(Q) "Research and development financial assistance" means 301  
inducements under section 166.17 of the Revised Code, research 302  
and development loans under section 166.21 of the Revised Code, 303  
and research and development tax credits under sections 5733.352 304  
and 5747.331 of the Revised Code. 305

(R) "Targeted innovation industry sectors" means industry 306  
sectors involving the production or use of advanced materials, 307  
instruments, controls and electronics, power and propulsion, 308  
biosciences, and information technology, or such other sectors 309  
as may be designated by the director of development. 310

(S) "Voluntary action" means a voluntary action, as 311  
defined in section 3746.01 of the Revised Code, that is 312  
conducted under the voluntary action program established in 313  
Chapter 3746. of the Revised Code. 314

(T) "Project financing obligations" means obligations 315  
issued pursuant to section 166.08 of the Revised Code other than 316  
obligations for which the bond proceedings provide that bond 317  
service charges shall be paid from receipts of the state 318

representing gross profit on the sale of spirituous liquor as 319  
referred to in division (B) (4) of section ~~4310.10~~ 4301.10 of the 320  
Revised Code. 321

(U) "Regional economic development entity" means an entity 322  
that is under contract with the director to administer a loan 323  
program under this chapter in a particular area of this state. 324

(V) "Eligible advanced energy project" means an eligible 325  
project that is an "advanced energy project" as defined in 326  
section 3706.25 of the Revised Code. 327

(W) "Eligible logistics and distribution project" means an 328  
eligible project, including project facilities, to be acquired, 329  
established, expanded, remodeled, rehabilitated, or modernized 330  
for transportation logistics and distribution infrastructure 331  
purposes. As used in this division, "transportation logistics 332  
and distribution infrastructure purposes" means promoting, 333  
providing for, and enabling improvements to the ground, air, and 334  
water transportation infrastructure comprising the 335  
transportation system in this state, including, without 336  
limitation, highways, streets, roads, bridges, railroads 337  
carrying freight, and air and water ports and port facilities, 338  
and all related supporting facilities. 339

(X) "Eligible natural gas infrastructure project" means 340  
project facilities to be acquired, established, expanded, 341  
remodeled, rehabilitated, or modernized for the purpose of 342  
providing or transporting natural gas to areas underserved or 343  
not served by natural gas infrastructure, provided the facility 344  
is located in an EnergizeOhio zone designated under section 345  
122.161 of the Revised Code. 346

**Sec. 166.02.** (A) The general assembly finds that many 347

local areas throughout the state are experiencing economic 348  
stagnation or decline, and that the economic development 349  
programs provided for in this chapter will constitute deserved, 350  
necessary reinvestment by the state in those areas, materially 351  
contribute to their economic revitalization, and result in 352  
improving the economic welfare of all the people of the state. 353  
Accordingly, it is declared to be the public policy of the 354  
state, through the operations of this chapter and other 355  
applicable laws adopted pursuant to Section 2p or 13 of Article 356  
VIII, Ohio Constitution, and other authority vested in the 357  
general assembly, to assist in and facilitate the establishment 358  
or development of eligible projects or assist and cooperate with 359  
any governmental agency in achieving such purpose. 360

(B) In furtherance of such public policy and to implement 361  
such purpose, the director of development may: 362

(1) After consultation with appropriate governmental 363  
agencies, enter into agreements with persons engaged in 364  
industry, commerce, distribution, or research and with 365  
governmental agencies to induce such persons to acquire, 366  
construct, reconstruct, rehabilitate, renovate, enlarge, 367  
improve, equip, or furnish, or otherwise develop, eligible 368  
projects and make provision therein for project facilities and 369  
governmental actions, as authorized by this chapter and other 370  
applicable laws, subject to any required actions by the general 371  
assembly or the controlling board and subject to applicable 372  
local government laws and regulations; 373

(2) Provide for the guarantees and loans as provided for 374  
in sections 166.06 and 166.07 of the Revised Code; 375

(3) Subject to release of such moneys by the controlling 376  
board, contract for labor and materials needed for, or contract 377

with others, including governmental agencies, to provide, 378  
project facilities the allowable costs of which are to be paid 379  
for or reimbursed from moneys in the facilities establishment 380  
fund, and contract for the operation of such project facilities; 381

(4) Subject to release thereof by the controlling board, 382  
from moneys in the facilities establishment fund acquire or 383  
contract to acquire by gift, exchange, or purchase, including 384  
the obtaining and exercise of purchase options, property, and 385  
convey or otherwise dispose of, or provide for the conveyance or 386  
disposition of, property so acquired or contracted to be 387  
acquired by sale, exchange, lease, lease purchase, conditional 388  
or installment sale, transfer, or other disposition, including 389  
the grant of an option to purchase, to any governmental agency 390  
or to any other person without necessity for competitive bidding 391  
and upon such terms and conditions and manner of consideration 392  
pursuant to and as the director determines to be appropriate to 393  
satisfy the objectives of sections 166.01 to 166.11 of the 394  
Revised Code; 395

(5) Retain the services of or employ financial 396  
consultants, appraisers, consulting engineers, superintendents, 397  
managers, construction and accounting experts, attorneys, and 398  
employees, agents, and independent contractors as are necessary 399  
in the director's judgment and fix the compensation for their 400  
services; 401

(6) Receive and accept from any person grants, gifts, and 402  
contributions of money, property, labor, and other things of 403  
value, to be held, used and applied only for the purpose for 404  
which such grants, gifts, and contributions are made; 405

(7) Enter into appropriate arrangements and agreements 406  
with any governmental agency for the taking or provision by that 407

governmental agency of any governmental action; 408

(8) Do all other acts and enter into contracts and execute 409  
all instruments necessary or appropriate to carry out the 410  
provisions of this chapter; 411

(9) Adopt rules to implement any of the provisions of this 412  
chapter applicable to the director; 413

(10) Once per fiscal year, request that the director of 414  
budget and management transfer money from the facilities 415  
establishment fund to the pipeline easement loan fund created in 416  
section 122.162 of the Revised Code. Upon receipt of that 417  
request, the director of budget and management shall make the 418  
transfer in the amount requested. 419

(C) The determinations by the director that facilities 420  
constitute eligible projects, that facilities are project 421  
facilities, that costs of such facilities are allowable costs, 422  
and all other determinations relevant thereto or to an action 423  
taken or agreement entered into shall be conclusive for purposes 424  
of the validity and enforceability of rights of parties arising 425  
from actions taken and agreements entered into under this 426  
chapter. 427

(D) Except as otherwise prescribed in this chapter, all 428  
expenses and obligations incurred by the director in carrying 429  
out the director's powers and in exercising the director's 430  
duties under this chapter, shall be payable solely from, as 431  
appropriate, moneys in the facilities establishment fund, the 432  
loan guarantee fund, the innovation Ohio loan guarantee fund, 433  
the innovation Ohio loan fund, the research and development loan 434  
fund, the logistics and distribution infrastructure fund, 435  
natural gas infrastructure fund, or moneys appropriated for such 436

purpose by the general assembly. This chapter does not authorize 437  
the director or the issuing authority under section 166.08 of 438  
the Revised Code to incur bonded indebtedness of the state or 439  
any political subdivision thereof, or to obligate or pledge 440  
moneys raised by taxation for the payment of any bonds or notes 441  
issued or guarantees made pursuant to this chapter. 442

(E) Any governmental agency may enter into an agreement 443  
with the director, any other governmental agency, or a person to 444  
be assisted under this chapter, to take or provide for the 445  
purposes of this chapter any governmental action it is 446  
authorized to take or provide, and to undertake on behalf and at 447  
the request of the director any action which the director is 448  
authorized to undertake pursuant to divisions (B) (3), (4), and 449  
(5) of this section or divisions (B) (3), (4), and (5) of section 450  
166.12 of the Revised Code. Governmental agencies of the state 451  
shall cooperate with and provide assistance to the director of 452  
development and the controlling board in the exercise of their 453  
respective functions under this chapter. 454

**Sec. 166.08.** (A) As used in this chapter: 455

(1) "Bond proceedings" means the resolution, order, trust 456  
agreement, indenture, lease, and other agreements, amendments 457  
and supplements to the foregoing, or any one or more or 458  
combination thereof, authorizing or providing for the terms and 459  
conditions applicable to, or providing for the security or 460  
liquidity of, obligations issued pursuant to this section, and 461  
the provisions contained in such obligations. 462

(2) "Bond service charges" means principal, including 463  
mandatory sinking fund requirements for retirement of 464  
obligations, and interest, and redemption premium, if any, 465  
required to be paid by the state on obligations. 466

(3) "Bond service fund" means the applicable fund and 467  
accounts therein created for and pledged to the payment of bond 468  
service charges, which may be, or may be part of, the economic 469  
development bond service fund created by division (S) of this 470  
section including all moneys and investments, and earnings from 471  
investments, credited and to be credited thereto. 472

(4) "Issuing authority" means the treasurer of state, or 473  
the officer who by law performs the functions of such officer. 474

(5) "Obligations" means bonds, notes, or other evidence of 475  
obligation including interest coupons pertaining thereto, issued 476  
pursuant to this section. 477

(6) "Pledged receipts" means all receipts of the state 478  
representing the gross profit on the sale of spirituous liquor, 479  
as referred to in division (B) (4) of section 4301.10 of the 480  
Revised Code, after paying all costs and expenses of the 481  
division of liquor control and providing an adequate working 482  
capital reserve for the division of liquor control as provided 483  
in that division, but excluding the sum required by the second 484  
paragraph of section 4301.12 of the Revised Code, as in effect 485  
on May 2, 1980, to be paid into the state treasury; moneys 486  
accruing to the state from the lease, sale, or other 487  
disposition, or use, of project facilities, and from the 488  
repayment, including interest, of loans made from proceeds 489  
received from the sale of obligations; accrued interest received 490  
from the sale of obligations; income from the investment of the 491  
special funds; and any gifts, grants, donations, and pledges, 492  
and receipts therefrom, available for the payment of bond 493  
service charges. 494

(7) "Special funds" or "funds" means, except where the 495  
context does not permit, the bond service fund, and any other 496

funds, including reserve funds, created under the bond 497  
proceedings, and the economic development bond service fund 498  
created by division (S) of this section to the extent provided 499  
in the bond proceedings, including all moneys and investments, 500  
and earnings from investment, credited and to be credited 501  
thereto. 502

(B) Subject to the limitations provided in section 166.11 503  
of the Revised Code, the issuing authority, upon the 504  
certification by the director of development or, prior to ~~the~~ 505  
~~effective date of this amendment~~ September 29, 2017, upon 506  
certification by the Ohio air quality development authority 507  
regarding eligible advanced energy projects, to the issuing 508  
authority of the amount of moneys or additional moneys needed in 509  
the facilities establishment fund, the loan guarantee fund, the 510  
innovation Ohio loan fund, the innovation Ohio loan guarantee 511  
fund, the research and development loan fund, the logistics and 512  
distribution infrastructure fund, the advanced energy research 513  
and development fund, ~~or~~ the advanced energy research and 514  
development taxable fund, or the natural gas infrastructure 515  
fund, as applicable, for the purpose of paying, or making loans 516  
for, allowable costs from the facilities establishment fund, 517  
allowable innovation costs from the innovation Ohio loan fund, 518  
allowable costs from the research and development loan fund, 519  
allowable costs from the logistics and distribution 520  
infrastructure fund, allowable costs from the advanced energy 521  
research and development fund, ~~or~~ allowable costs from the 522  
advanced energy research and development taxable fund, or 523  
allowable costs from the natural gas infrastructure fund, as 524  
applicable, or needed for capitalized interest, for funding 525  
reserves, and for paying costs and expenses incurred in 526  
connection with the issuance, carrying, securing, paying, 527

redeeming, or retirement of the obligations or any obligations 528  
refunded thereby, including payment of costs and expenses 529  
relating to letters of credit, lines of credit, insurance, put 530  
agreements, standby purchase agreements, indexing, marketing, 531  
remarketing and administrative arrangements, interest swap or 532  
hedging agreements, and any other credit enhancement, liquidity, 533  
remarketing, renewal, or refunding arrangements, all of which 534  
are authorized by this section, or providing moneys for the loan 535  
guarantee fund or the innovation Ohio loan guarantee fund, as 536  
provided in this chapter or needed for the purposes of funds 537  
established in accordance with or pursuant to sections 122.35, 538  
122.42, 122.54, 122.55, 122.56, 122.561, 122.57, and 122.80 of 539  
the Revised Code which are within the authorization of Section 540  
13 of Article VIII, Ohio Constitution, or, prior to ~~the~~ 541  
~~effective date of this amendment~~ September 29, 2017, with 542  
respect to certain eligible advanced energy projects, Section 2p 543  
of Article VIII, Ohio Constitution, shall issue obligations of 544  
the state under this section in the required amount; provided 545  
that such obligations may be issued to satisfy the covenants in 546  
contracts of guarantee made under section 166.06 or 166.15 of 547  
the Revised Code, notwithstanding limitations otherwise 548  
applicable to the issuance of obligations under this section. 549  
The proceeds of such obligations, except for the portion to be 550  
deposited in special funds, including reserve funds, as may be 551  
provided in the bond proceedings, shall as provided in the bond 552  
proceedings be deposited by the director of development to the 553  
facilities establishment fund, the loan guarantee fund, the 554  
innovation Ohio loan guarantee fund, the innovation Ohio loan 555  
fund, the research and development loan fund, ~~or~~ the logistics 556  
and distribution infrastructure fund, or the natural gas 557  
infrastructure fund, or be deposited by the Ohio air quality 558  
development authority prior to ~~the effective date of this~~ 559

~~amendment~~ September 29, 2017, to the advanced energy research 560  
and development fund or the advanced energy research and 561  
development taxable fund. Bond proceedings for project financing 562  
obligations may provide that the proceeds derived from the 563  
issuance of such obligations shall be deposited into such fund 564  
or funds provided for in the bond proceedings and, to the extent 565  
provided for in the bond proceedings, such proceeds shall be 566  
deemed to have been deposited into the facilities establishment 567  
fund and transferred to such fund or funds. The issuing 568  
authority may appoint trustees, paying agents, and transfer 569  
agents and may retain the services of financial advisors, 570  
accounting experts, and attorneys, and retain or contract for 571  
the services of marketing, remarketing, indexing, and 572  
administrative agents, other consultants, and independent 573  
contractors, including printing services, as are necessary in 574  
the issuing authority's judgment to carry out this section. The 575  
costs of such services are allowable costs payable from the 576  
facilities establishment fund or the research and development 577  
loan fund, allowable innovation costs payable from the 578  
innovation Ohio loan fund, allowable costs payable from the 579  
logistics and distribution infrastructure fund, allowable costs  
payable from the natural gas infrastructure fund, or allowable 580  
costs payable prior to ~~the effective date of this amendment~~ 581  
September 29, 2017, from the advanced energy research and 582  
development fund or the advanced energy research and development 583  
taxable fund, as applicable. 584  
585

(C) The holders or owners of such obligations shall have 586  
no right to have moneys raised by taxation obligated or pledged, 587  
and moneys raised by taxation shall not be obligated or pledged, 588  
for the payment of bond service charges. Such holders or owners 589  
shall have no rights to payment of bond service charges from any 590

moneys accruing to the state from the lease, sale, or other 591  
disposition, or use, of project facilities, or from payment of 592  
the principal of or interest on loans made, or fees charged for 593  
guarantees made, or from any money or property received by the 594  
director, treasurer of state, or the state under Chapter 122. of 595  
the Revised Code, or from any other use of the proceeds of the 596  
sale of the obligations, and no such moneys may be used for the 597  
payment of bond service charges, except for accrued interest, 598  
capitalized interest, and reserves funded from proceeds received 599  
upon the sale of the obligations and except as otherwise 600  
expressly provided in the applicable bond proceedings pursuant 601  
to written directions by the director. The right of such holders 602  
and owners to payment of bond service charges is limited to all 603  
or that portion of the pledged receipts and those special funds 604  
pledged thereto pursuant to the bond proceedings in accordance 605  
with this section, and each such obligation shall bear on its 606  
face a statement to that effect. 607

(D) Obligations shall be authorized by resolution or order 608  
of the issuing authority and the bond proceedings shall provide 609  
for the purpose thereof and the principal amount or amounts, and 610  
shall provide for or authorize the manner or agency for 611  
determining the principal maturity or maturities, not exceeding 612  
twenty-five years from the date of issuance, the interest rate 613  
or rates or the maximum interest rate, the date of the 614  
obligations and the dates of payment of interest thereon, their 615  
denomination, and the establishment within or without the state 616  
of a place or places of payment of bond service charges. 617  
Sections 9.98 to 9.983 of the Revised Code are applicable to 618  
obligations issued under this section, subject to any applicable 619  
limitation under section 166.11 of the Revised Code. The purpose 620  
of such obligations may be stated in the bond proceedings in 621

terms describing the general purpose or purposes to be served. 622  
The bond proceedings also shall provide, subject to the 623  
provisions of any other applicable bond proceedings, for the 624  
pledge of all, or such part as the issuing authority may 625  
determine, of the pledged receipts and the applicable special 626  
fund or funds to the payment of bond service charges, which 627  
pledges may be made either prior or subordinate to other 628  
expenses, claims, or payments, and may be made to secure the 629  
obligations on a parity with obligations theretofore or 630  
thereafter issued, if and to the extent provided in the bond 631  
proceedings. The pledged receipts and special funds so pledged 632  
and thereafter received by the state are immediately subject to 633  
the lien of such pledge without any physical delivery thereof or 634  
further act, and the lien of any such pledges is valid and 635  
binding against all parties having claims of any kind against 636  
the state or any governmental agency of the state, irrespective 637  
of whether such parties have notice thereof, and shall create a 638  
perfected security interest for all purposes of Chapter 1309. of 639  
the Revised Code, without the necessity for separation or 640  
delivery of funds or for the filing or recording of the bond 641  
proceedings by which such pledge is created or any certificate, 642  
statement or other document with respect thereto; and the pledge 643  
of such pledged receipts and special funds is effective and the 644  
money therefrom and thereof may be applied to the purposes for 645  
which pledged without necessity for any act of appropriation. 646  
Every pledge, and every covenant and agreement made with respect 647  
thereto, made in the bond proceedings may therein be extended to 648  
the benefit of the owners and holders of obligations authorized 649  
by this section, and to any trustee therefor, for the further 650  
security of the payment of the bond service charges. 651

(E) The bond proceedings may contain additional provisions 652

as to:	653
(1) The redemption of obligations prior to maturity at the option of the issuing authority at such price or prices and under such terms and conditions as are provided in the bond proceedings;	654 655 656 657
(2) Other terms of the obligations;	658
(3) Limitations on the issuance of additional obligations;	659
(4) The terms of any trust agreement or indenture securing the obligations or under which the same may be issued;	660 661
(5) The deposit, investment and application of special funds, and the safeguarding of moneys on hand or on deposit, without regard to Chapter 131. or 135. of the Revised Code, but subject to any special provisions of this chapter, with respect to particular funds or moneys, provided that any bank or trust company which acts as depository of any moneys in the special funds may furnish such indemnifying bonds or may pledge such securities as required by the issuing authority;	662 663 664 665 666 667 668 669
(6) Any or every provision of the bond proceedings being binding upon such officer, board, commission, authority, agency, department, or other person or body as may from time to time have the authority under law to take such actions as may be necessary to perform all or any part of the duty required by such provision;	670 671 672 673 674 675
(7) Any provision that may be made in a trust agreement or indenture;	676 677
(8) Any other or additional agreements with the holders of the obligations, or the trustee therefor, relating to the obligations or the security therefor, including the assignment	678 679 680

of mortgages or other security obtained or to be obtained for 681  
loans under section 122.43, 166.07, or 166.16 of the Revised 682  
Code. 683

(F) The obligations may have the great seal of the state 684  
or a facsimile thereof affixed thereto or printed thereon. The 685  
obligations and any coupons pertaining to obligations shall be 686  
signed or bear the facsimile signature of the issuing authority. 687  
Any obligations or coupons may be executed by the person who, on 688  
the date of execution, is the proper issuing authority although 689  
on the date of such bonds or coupons such person was not the 690  
issuing authority. If the issuing authority whose signature or a 691  
facsimile of whose signature appears on any such obligation or 692  
coupon ceases to be the issuing authority before delivery 693  
thereof, such signature or facsimile is nevertheless valid and 694  
sufficient for all purposes as if the former issuing authority 695  
had remained the issuing authority until such delivery; and if 696  
the seal to be affixed to obligations has been changed after a 697  
facsimile of the seal has been imprinted on such obligations, 698  
such facsimile seal shall continue to be sufficient as to such 699  
obligations and obligations issued in substitution or exchange 700  
therefor. 701

(G) All obligations are negotiable instruments and 702  
securities under Chapter 1308. of the Revised Code, subject to 703  
the provisions of the bond proceedings as to registration. The 704  
obligations may be issued in coupon or in registered form, or 705  
both, as the issuing authority determines. Provision may be made 706  
for the registration of any obligations with coupons attached 707  
thereto as to principal alone or as to both principal and 708  
interest, their exchange for obligations so registered, and for 709  
the conversion or reconversion into obligations with coupons 710  
attached thereto of any obligations registered as to both 711

principal and interest, and for reasonable charges for such 712  
registration, exchange, conversion, and reconversion. 713

(H) Obligations may be sold at public sale or at private 714  
sale, as determined in the bond proceedings. 715

Obligations issued to provide moneys for the loan 716  
guarantee fund or the innovation Ohio loan guarantee fund may, 717  
as determined by the issuing authority, be sold at private sale, 718  
and without publication of a notice of sale. 719

(I) Pending preparation of definitive obligations, the 720  
issuing authority may issue interim receipts or certificates 721  
which shall be exchanged for such definitive obligations. 722

(J) In the discretion of the issuing authority, 723  
obligations may be secured additionally by a trust agreement or 724  
indenture between the issuing authority and a corporate trustee 725  
which may be any trust company or bank having a place of 726  
business within the state. Any such agreement or indenture may 727  
contain the resolution or order authorizing the issuance of the 728  
obligations, any provisions that may be contained in any bond 729  
proceedings, and other provisions which are customary or 730  
appropriate in an agreement or indenture of such type, 731  
including, but not limited to: 732

(1) Maintenance of each pledge, trust agreement, 733  
indenture, or other instrument comprising part of the bond 734  
proceedings until the state has fully paid the bond service 735  
charges on the obligations secured thereby, or provision 736  
therefor has been made; 737

(2) In the event of default in any payments required to be 738  
made by the bond proceedings, or any other agreement of the 739  
issuing authority made as a part of the contract under which the 740

obligations were issued, enforcement of such payments or 741  
agreement by mandamus, the appointment of a receiver, suit in 742  
equity, action at law, or any combination of the foregoing; 743

(3) The rights and remedies of the holders of obligations 744  
and of the trustee, and provisions for protecting and enforcing 745  
them, including limitations on rights of individual holders of 746  
obligations; 747

(4) The replacement of any obligations that become 748  
mutilated or are destroyed, lost, or stolen; 749

(5) Such other provisions as the trustee and the issuing 750  
authority agree upon, including limitations, conditions, or 751  
qualifications relating to any of the foregoing. 752

(K) Any holders of obligations or trustees under the bond 753  
proceedings, except to the extent that their rights are 754  
restricted by the bond proceedings, may by any suitable form of 755  
legal proceedings, protect and enforce any rights under the laws 756  
of this state or granted by such bond proceedings. Such rights 757  
include the right to compel the performance of all duties of the 758  
issuing authority, the director of development, the Ohio air 759  
quality development authority, or the division of liquor control 760  
required by this chapter or the bond proceedings; to enjoin 761  
unlawful activities; and in the event of default with respect to 762  
the payment of any bond service charges on any obligations or in 763  
the performance of any covenant or agreement on the part of the 764  
issuing authority, the director of development, the Ohio air 765  
quality development authority, or the division of liquor control 766  
in the bond proceedings, to apply to a court having jurisdiction 767  
of the cause to appoint a receiver to receive and administer the 768  
pledged receipts and special funds, other than those in the 769  
custody of the treasurer of state, which are pledged to the 770

payment of the bond service charges on such obligations or which 771  
are the subject of the covenant or agreement, with full power to 772  
pay, and to provide for payment of bond service charges on, such 773  
obligations, and with such powers, subject to the direction of 774  
the court, as are accorded receivers in general equity cases, 775  
excluding any power to pledge additional revenues or receipts or 776  
other income or moneys of the issuing authority or the state or 777  
governmental agencies of the state to the payment of such 778  
principal and interest and excluding the power to take 779  
possession of, mortgage, or cause the sale or otherwise dispose 780  
of any project facilities. 781

Each duty of the issuing authority and the issuing 782  
authority's officers and employees, and of each governmental 783  
agency and its officers, members, or employees, undertaken 784  
pursuant to the bond proceedings or any agreement or lease, 785  
lease-purchase agreement, or loan made under authority of this 786  
chapter, and in every agreement by or with the issuing 787  
authority, is hereby established as a duty of the issuing 788  
authority, and of each such officer, member, or employee having 789  
authority to perform such duty, specifically enjoined by the law 790  
resulting from an office, trust, or station within the meaning 791  
of section 2731.01 of the Revised Code. 792

The person who is at the time the issuing authority, or 793  
the issuing authority's officers or employees, are not liable in 794  
their personal capacities on any obligations issued by the 795  
issuing authority or any agreements of or with the issuing 796  
authority. 797

(L) The issuing authority may authorize and issue 798  
obligations for the refunding, including funding and retirement, 799  
and advance refunding with or without payment or redemption 800

prior to maturity, of any obligations previously issued by the 801  
issuing authority. Such obligations may be issued in amounts 802  
sufficient for payment of the principal amount of the prior 803  
obligations, any redemption premiums thereon, principal 804  
maturities of any such obligations maturing prior to the 805  
redemption of the remaining obligations on a parity therewith, 806  
interest accrued or to accrue to the maturity dates or dates of 807  
redemption of such obligations, and any allowable costs 808  
including expenses incurred or to be incurred in connection with 809  
such issuance and such refunding, funding, and retirement. 810  
Subject to the bond proceedings therefor, the portion of 811  
proceeds of the sale of obligations issued under this division 812  
to be applied to bond service charges on the prior obligations 813  
shall be credited to an appropriate account held by the trustee 814  
for such prior or new obligations or to the appropriate account 815  
in the bond service fund for such obligations. Obligations 816  
authorized under this division shall be deemed to be issued for 817  
those purposes for which such prior obligations were issued and 818  
are subject to the provisions of this section pertaining to 819  
other obligations, except as otherwise provided in this section; 820  
provided that, unless otherwise authorized by the general 821  
assembly, any limitations imposed by the general assembly 822  
pursuant to this section with respect to bond service charges 823  
applicable to the prior obligations shall be applicable to the 824  
obligations issued under this division to refund, fund, advance 825  
refund or retire such prior obligations. 826

(M) The authority to issue obligations under this section 827  
includes authority to issue obligations in the form of bond 828  
anticipation notes and to renew the same from time to time by 829  
the issuance of new notes. The holders of such notes or interest 830  
coupons pertaining thereto shall have a right to be paid solely 831

from the pledged receipts and special funds that may be pledged 832  
to the payment of the bonds anticipated, or from the proceeds of 833  
such bonds or renewal notes, or both, as the issuing authority 834  
provides in the resolution or order authorizing such notes. Such 835  
notes may be additionally secured by covenants of the issuing 836  
authority to the effect that the issuing authority and the state 837  
will do such or all things necessary for the issuance of such 838  
bonds or renewal notes in appropriate amount, and apply the 839  
proceeds thereof to the extent necessary, to make full payment 840  
of the principal of and interest on such notes at the time or 841  
times contemplated, as provided in such resolution or order. For 842  
such purpose, the issuing authority may issue bonds or renewal 843  
notes in such principal amount and upon such terms as may be 844  
necessary to provide funds to pay when required the principal of 845  
and interest on such notes, notwithstanding any limitations 846  
prescribed by or for purposes of this section. Subject to this 847  
division, all provisions for and references to obligations in 848  
this section are applicable to notes authorized under this 849  
division. 850

The issuing authority in the bond proceedings authorizing 851  
the issuance of bond anticipation notes shall set forth for such 852  
bonds an estimated interest rate and a schedule of principal 853  
payments for such bonds and the annual maturity dates thereof, 854  
and for purposes of any limitation on bond service charges 855  
prescribed under division (A) of section 166.11 of the Revised 856  
Code, the amount of bond service charges on such bond 857  
anticipation notes is deemed to be the bond service charges for 858  
the bonds anticipated thereby as set forth in the bond 859  
proceedings applicable to such notes, but this provision does 860  
not modify any authority in this section to pledge receipts and 861  
special funds to, and covenant to issue bonds to fund, the 862

payment of principal of and interest and any premium on such 863  
notes. 864

(N) Obligations issued under this section are lawful 865  
investments for banks, societies for savings, savings and loan 866  
associations, deposit guarantee associations, trust companies, 867  
trustees, fiduciaries, insurance companies, including domestic 868  
for life and domestic not for life, trustees or other officers 869  
having charge of sinking and bond retirement or other special 870  
funds of political subdivisions and taxing districts of this 871  
state, the commissioners of the sinking fund of the state, the 872  
administrator of workers' compensation, the state teachers 873  
retirement system, the public employees retirement system, the 874  
school employees retirement system, and the Ohio police and fire 875  
pension fund, notwithstanding any other provisions of the 876  
Revised Code or rules adopted pursuant thereto by any 877  
governmental agency of the state with respect to investments by 878  
them, and are also acceptable as security for the deposit of 879  
public moneys. 880

(O) Unless otherwise provided in any applicable bond 881  
proceedings, moneys to the credit of or in the special funds 882  
established by or pursuant to this section may be invested by or 883  
on behalf of the issuing authority only in notes, bonds, or 884  
other obligations of the United States, or of any agency or 885  
instrumentality of the United States, obligations guaranteed as 886  
to principal and interest by the United States, obligations of 887  
this state or any political subdivision of this state, and 888  
certificates of deposit of any national bank located in this 889  
state and any bank, as defined in section 1101.01 of the Revised 890  
Code, subject to inspection by the superintendent of banks. If 891  
the law or the instrument creating a trust pursuant to division 892  
(J) of this section expressly permits investment in direct 893

obligations of the United States or an agency of the United 894  
States, unless expressly prohibited by the instrument, such 895  
moneys also may be invested in no-front-end-load money market 896  
mutual funds consisting exclusively of obligations of the United 897  
States or an agency of the United States and in repurchase 898  
agreements, including those issued by the fiduciary itself, 899  
secured by obligations of the United States or an agency of the 900  
United States; and in common trust funds established in 901  
accordance with section 1111.20 of the Revised Code and 902  
consisting exclusively of any such securities, notwithstanding 903  
division (A)(4) of that section. The income from such 904  
investments shall be credited to such funds as the issuing 905  
authority determines, and such investments may be sold at such 906  
times as the issuing authority determines or authorizes. 907

(P) Provision may be made in the applicable bond 908  
proceedings for the establishment of separate accounts in the 909  
bond service fund and for the application of such accounts only 910  
to the specified bond service charges on obligations pertinent 911  
to such accounts and bond service fund and for other accounts 912  
therein within the general purposes of such fund. Unless 913  
otherwise provided in any applicable bond proceedings, moneys to 914  
the credit of or in the several special funds established 915  
pursuant to this section shall be disbursed on the order of the 916  
treasurer of state, provided that no such order is required for 917  
the payment from the bond service fund when due of bond service 918  
charges on obligations. 919

(Q) The issuing authority may pledge all, or such portion 920  
as the issuing authority determines, of the pledged receipts to 921  
the payment of bond service charges on obligations issued under 922  
this section, and for the establishment and maintenance of any 923  
reserves, as provided in the bond proceedings, and make other 924

provisions therein with respect to pledged receipts as 925  
authorized by this chapter, which provisions are controlling 926  
notwithstanding any other provisions of law pertaining thereto. 927

(R) The issuing authority may covenant in the bond 928  
proceedings, and any such covenants are controlling 929  
notwithstanding any other provision of law, that the state and 930  
applicable officers and governmental agencies of the state, 931  
including the general assembly, so long as any obligations are 932  
outstanding, shall: 933

(1) Maintain statutory authority for and cause to be 934  
charged and collected wholesale and retail prices for spirituous 935  
liquor sold by the state or its agents so that the pledged 936  
receipts are sufficient in amount to meet bond service charges, 937  
and the establishment and maintenance of any reserves and other 938  
requirements provided for in the bond proceedings, and, as 939  
necessary, to meet covenants contained in contracts of guarantee 940  
made under section 166.06 of the Revised Code; 941

(2) Take or permit no action, by statute or otherwise, 942  
that would impair the exemption from federal income taxation of 943  
the interest on the obligations. 944

(S) There is hereby created the economic development bond 945  
service fund, which shall be in the custody of the treasurer of 946  
state but shall be separate and apart from and not a part of the 947  
state treasury. All moneys received by or on account of the 948  
issuing authority or state agencies and required by the 949  
applicable bond proceedings, consistent with this section, to be 950  
deposited, transferred, or credited to a bond service fund or 951  
the economic development bond service fund, and all other moneys 952  
transferred or allocated to or received for the purposes of the 953  
fund, shall be deposited and credited to such fund and to any 954

separate accounts therein, subject to applicable provisions of 955  
the bond proceedings, but without necessity for any act of 956  
appropriation. During the period beginning with the date of the 957  
first issuance of obligations and continuing during such time as 958  
any such obligations are outstanding, and so long as moneys in 959  
the pertinent bond service funds are insufficient to pay all 960  
bond services charges on such obligations becoming due in each 961  
year, a sufficient amount of the gross profit on the sale of 962  
spirituous liquor included in pledged receipts are committed and 963  
shall be paid to the bond service fund or economic development 964  
bond service fund in each year for the purpose of paying the 965  
bond service charges becoming due in that year without necessity 966  
for further act of appropriation for such purpose and 967  
notwithstanding anything to the contrary in Chapter 4301. of the 968  
Revised Code. The economic development bond service fund is a 969  
trust fund and is hereby pledged to the payment of bond service 970  
charges to the extent provided in the applicable bond 971  
proceedings, and payment thereof from such fund shall be made or 972  
provided for by the treasurer of state in accordance with such 973  
bond proceedings without necessity for any act of appropriation. 974

(T) The obligations, the transfer thereof, and the income 975  
therefrom, including any profit made on the sale thereof, shall 976  
at all times be free from taxation within the state. 977

Sec. 166.31. (A) As used in this section, "natural gas 978  
company" means a company described in division (D)(4) of section 979  
5727.01 of the Revised Code. 980

(B) The director of development, with controlling board 981  
approval and subject to any other applicable provisions of this 982  
chapter, may lend money in the natural gas infrastructure fund 983  
to natural gas companies for the purpose of paying the allowable 984

costs of eligible natural gas infrastructure projects. The 985  
director shall prescribe loan application procedures and 986  
eligibility criteria. Fees, charges, rates of interest, times of 987  
payment of interest and principal, and other terms, conditions, 988  
and provisions of the loans shall be such as the director 989  
determines to be appropriate and in furtherance of the purpose 990  
for which the loans are made. 991

**Sec. 166.32.** (A) There is hereby created in the state 992  
treasury the natural gas infrastructure fund. The fund shall 993  
consist of grants, gifts, and contributions of money or rights 994  
to money lawfully designated for or deposited into the fund, all 995  
money and rights to money lawfully appropriated and transferred 996  
to the fund, including money received from the issuance of 997  
obligations under section 166.08 of the Revised Code and subject 998  
to section 166.11 of the Revised Code for purposes of allowable 999  
costs of eligible natural gas infrastructure projects, and money 1000  
credited to the fund pursuant to division (B) (1) of this 1001  
section. All investment earnings on the cash balance in the fund 1002  
shall be credited to the fund. The fund shall not be comprised, 1003  
in any part, of money raised by taxation. 1004

(B) (1) Except as provided in division (B) (2) of this 1005  
section, money received by the state from the repayment of 1006  
loans, including interest thereon, made from the natural gas 1007  
infrastructure fund shall be credited to that fund. 1008

(2) Moneys referred to in division (B) (1) of this section 1009  
may be deposited to the credit of separate accounts established 1010  
by the director of development within the natural gas 1011  
infrastructure fund or in the bond service fund and pledged to 1012  
the security of obligations, applied to the payment of bond 1013  
service charges without need for appropriation, released from 1014

any such pledge and transferred to the natural gas 1015  
infrastructure fund, all as and to the extent provided in the 1016  
bond proceedings pursuant to written directions of the director. 1017

(C) The director of budget and management shall establish 1018  
a separate account of the facilities establishment fund, to be 1019  
designated as the natural gas infrastructure reserve account. 1020  
Money in the account shall remain in the account as credit 1021  
enhancement for the issuance of obligations under section 166.08 1022  
of the Revised Code for the purpose of paying the allowable 1023  
costs of eligible natural gas infrastructure projects. Upon the 1024  
issuance of such obligations, and to the extent provided in the 1025  
bond proceedings, money in the fund may also be used for the 1026  
payment of bond service charges with respect to such 1027  
obligations. 1028

**Sec. 4929.16.** As used in sections 4929.16 to ~~4929.167~~ 1029  
4929.169 of the Revised Code: 1030

(A) "Infrastructure development" means constructing 1031  
extensions of transmission or distribution facilities that a 1032  
natural gas company owns and operates. 1033

(B) "Infrastructure development costs" means the 1034  
investment to which both of the following apply: 1035

(1) The investment is in infrastructure development. 1036

(2) The investment is for any deposit required by the 1037  
natural gas company, as defined in the line-extension provision 1038  
of the company's tariff, less any contribution in aid of 1039  
construction received from the owner or developer of the 1040  
project. 1041

"Infrastructure development costs" includes planning, 1042  
development, and construction costs and, if applicable, any 1043

allowance for funds used during construction. 1044

Sec. 4929.164. A natural gas company that has been 1045  
approved for an infrastructure development rider under section 1046  
4929.161 of the Revised Code may recover an additional one 1047  
dollar and fifty cents from any single customer in this state if 1048  
the company is doing infrastructure development in an 1049  
EnergizeOhio zone designated under section 122.161 of the 1050  
Revised Code. The company shall recover the same amount from 1051  
every customer. 1052

Sec. 4929.168. Notwithstanding any provision of the 1053  
Revised Code, or any regulation adopted thereunder, or any order 1054  
of the public utilities commission that sets a limit on the rate 1055  
of return allowed to be collected by a natural gas company for 1056  
infrastructure development investments, a natural gas company 1057  
may collect up to a twelve per cent rate of return for 1058  
investments in infrastructure development in an EnergizeOhio 1059  
zone designated under section 122.161 of the Revised Code. 1060

Sec. 4929.169. (A) A natural gas company that has 1061  
recovered costs using an infrastructure development rider 1062  
approved under section 4929.161 of the Revised Code shall keep 1063  
any money collected by that rider until the economic development 1064  
project for which that rider was approved is completed. 1065

(B) A company with money remaining from an infrastructure 1066  
development rider that is no longer being collected for a 1067  
project that has yet to be completed shall not be precluded from 1068  
receiving a new infrastructure development rider under section 1069  
4929.161 of the Revised Code for a new project. 1070

Sec. 5727.11. (A) Except as otherwise provided in this 1071  
section, the true value of all taxable property, except property 1072

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 utility's taxable property, the commissioner may use another method of valuation.

(B) (1) Except as provided in division (B) (2) of this section, the true value of current gas stored underground is the cost of that gas shown on the books and records of the public utility on the thirty-first day of December of the preceding year.

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

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

(D) (1) Except as provided in division (D) (2) of this 1103  
section, the true value of the production equipment of an 1104  
electric company and the true value of all taxable property of a 1105  
rural electric company is the equipment's or property's cost as 1106  
capitalized on the company's books and records less fifty per 1107  
cent of that cost as an allowance for depreciation and 1108  
obsolescence. 1109

(2) The true value of the production equipment or energy 1110  
conversion equipment of an electric company, rural electric 1111  
company, or energy company purchased, transferred, or placed 1112  
into service after October 5, 1999, is the purchase price of the 1113  
equipment as capitalized on the company's books and records less 1114  
composite annual allowances as prescribed by the tax 1115  
commissioner. 1116

(E) The true value of taxable property, except property of 1117  
a railroad company, required by section 5727.06 of the Revised 1118  
Code to be assessed by the tax commissioner shall not include 1119  
the allowance for funds used during construction or interest 1120  
during construction that has been capitalized on the public 1121  
utility's books and records as part of the total cost of the 1122  
taxable property. This division shall not apply to the taxable 1123  
property of an electric company or a rural electric company, 1124  
excluding transmission and distribution property, first placed 1125  
into service after December 31, 2000, or to the taxable property 1126  
a person purchases, which includes transfers, if that property 1127  
was used in business by the seller prior to the purchase. 1128

(F) The true value of watercraft owned or operated by a 1129  
water transportation company shall be determined by multiplying 1130  
the true value of the watercraft as determined under division 1131  
(A) of this section by a fraction, the numerator of which is the 1132

number of revenue-earning miles traveled by the watercraft in 1133  
the waters of this state and the denominator of which is the 1134  
number of revenue-earning miles traveled by the watercraft in 1135  
all waters. 1136

(G) The cost of property subject to a sale and leaseback 1137  
transaction is the cost of the property as capitalized on the 1138  
books and records of the public utility owning the property 1139  
immediately prior to the sale and leaseback transaction. 1140

(H) The cost as capitalized on the books and records of a 1141  
public utility includes amounts capitalized that represent 1142  
regulatory assets, if such amounts previously were included on 1143  
the company's books and records as capitalized costs of taxable 1144  
personal property. 1145

(I) Any change in the composite annual allowances as 1146  
prescribed by the commissioner on a prospective basis shall not 1147  
be admissible in any judicial or administrative action or 1148  
proceeding as evidence of value with regard to prior years' 1149  
taxes. Information about the business, property, or transactions 1150  
of any taxpayer obtained by the commissioner for the purpose of 1151  
adopting or modifying the composite annual allowances shall not 1152  
be subject to discovery or disclosure. 1153

(J) (1) As used in division (J) of this section: 1154

(a) "Natural gas property" means the taxable property of a 1155  
natural gas company; the taxable property of a combined company 1156  
attributable to a natural gas company activity under section 1157  
5727.03 of the Revised Code; or the taxable property of a 1158  
pipeline company dedicated to transporting natural gas through 1159  
pipes or tubing, either wholly or partially within this state. 1160

(b) "Qualifying property" means natural gas property 1161

placed into service in an EnergizeOhio zone designated under 1162  
section 122.161 of the Revised Code on or after the date that 1163  
designation takes effect, but before the date on which the 1164  
designation expires. 1165

(2) The true value of qualifying property shall be 1166  
calculated pursuant to this section, except as follows: 1167

(a) For the purpose of calculating depreciation 1168  
allowances, qualifying property's useful life shall be 1169  
considered to be not more than one-third the amount of time that 1170  
is used when calculating depreciation allowances for natural gas 1171  
property that is not qualifying property. 1172

(b) The true value of qualifying property after 1173  
application of division (J)(2)(a) of this section shall be 1174  
reduced by seventy-five per cent. 1175

(3) The valuation modifications prescribed in division (J) 1176  
(2) of this section apply beginning with the tax year the 1177  
qualifying property is placed into service and continue to apply 1178  
to the nine succeeding tax years, regardless of whether the 1179  
EnergizeOhio zone designation expires during that period. 1180

**Section 2.** That existing sections 166.01, 166.02, 166.08, 1181  
4929.16, and 5727.11 of the Revised Code are hereby repealed. 1182

**Section 3.** The Director of Development shall adopt the 1183  
rules required under division (C) of section 122.162 of the 1184  
Revised Code not later than the earliest date possible for such 1185  
rules to be adopted after the effective date of this section 1186  
under Chapter 119. of the Revised Code. 1187

**Section 4.** All items in this act are hereby appropriated 1188  
as designated out of any moneys in the state treasury to the 1189  
credit of the designated fund. For all operating appropriations 1190

made in this act, those in the first column are for fiscal year 1191  
 2022 and those in the second column are for fiscal year 2023. 1192  
 The operating appropriations made in this act are in addition to 1193  
 any other operating appropriations made for the FY 2022-FY 2023 1194  
 biennium. 1195

**Section 5.** 1196

1197

	1	2	3	4	5
A	DEV DEPARTMENT OF DEVELOPMENT				
B	Facilities Establishment Fund Group				
C	5YK0	1956A6	Pipeline	\$0	\$20,000,000
			Easement Loans		
D	TOTAL Facilities Establishment Fund			\$0	\$20,000,000
	Group				
E	TOTAL ALL BUDGET FUND GROUPS			\$0	\$20,000,000

PIPELINE EASEMENT LOANS 1198

The foregoing appropriation item 1956A6, Pipeline Easement 1199  
 Loans, shall be used for the Pipeline Revolving Loan Program as 1200  
 described in section 122.162 of the Revised Code. 1201

On July 1, 2022, or as soon as possible thereafter, the 1202  
 Director of Budget and Management shall transfer \$20,000,000 in 1203  
 cash from the Facilities Establishment Fund (Fund 7037) to the 1204  
 Pipeline Easement Loan Fund (Fund 5YK0). 1205

**Section 6.** On July 1, 2022, or as soon as possible 1206

thereafter, the Director of Budget and Management shall transfer 1207  
\$50,000,0000 cash from the State Fiscal Recovery Fund (Fund 1208  
5CV3) to the Natural Gas Infrastructure Reserve Account of the 1209  
Facilities Establishment Fund created in section 166.32 of the 1210  
Revised Code, as enacted by this act, for purposes of providing 1211  
collateral proceeds to the fund. 1212

**Section 7.** Within the limits set forth in this act, the 1213  
Director of Budget and Management shall establish accounts 1214  
indicating the source and amount of funds for each appropriation 1215  
made in this act, and shall determine the form and manner in 1216  
which appropriation accounts shall be maintained. Expenditures 1217  
from operating appropriations contained in this act shall be 1218  
accounted for as though made in H.B. 110 of the 134th General 1219  
Assembly. The operating appropriations made in this act are 1220  
subject to all provisions of H.B. 110 of the 134th General 1221  
Assembly that are generally applicable to such appropriations. 1222