

**As Introduced**

**134th General Assembly**

**Regular Session**

**2021-2022**

**S. B. No. 166**

**Senator Reineke**

**Cosponsors: Senators Brenner, Cirino, Fedor, Lang, Roegner, Romanchuk,  
Schuring, Yuko, Schaffer, O'Brien, Peterson, Johnson**

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**A BILL**

To amend sections 3301.17, 3313.6113, 3735.671, 1  
5709.82, 5709.83, and 5747.07 and to enact 2  
sections 3303.07, 3313.905, 3317.162, and 3  
5747.073 of the Revised Code with regard to 4  
career-technical education and the compensation 5  
of joint vocational school districts located in 6  
community reinvestment areas. 7

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

**Section 1.** That sections 3301.17, 3313.6113, 3735.671, 8  
5709.82, 5709.83, and 5747.07 be amended and sections 3303.07, 9  
3313.905, 3317.162, and 5747.073 of the Revised Code be enacted 10  
to read as follows: 11

**Sec. 3301.17.** (A) The board of education of each city, 12  
exempted village, local, and joint vocational school district 13  
may make a driver education course available to high school 14  
students enrolled in the district in accordance with Chapter 15  
4508. of the Revised Code. No school district making such a 16  
course available shall require any ~~pupil~~-student to enroll in 17  
the course in lieu of taking a training course from a private 18

driver training school licensed under that chapter. 19

(B) The principal of each high school shall annually give 20  
written notice to the ~~pupils~~ students enrolled in the high 21  
school that they may elect, under a procedure that shall be 22  
described in the notice, to take a training course from a 23  
private driver training school or, if available, enroll in a 24  
driver education course made available by the ~~pupil's~~ student's 25  
school district of attendance. ~~No pupil shall receive course~~ 26  
~~credit toward graduation for completing a driver education~~ 27  
~~course conducted by a school district under this section.~~ 28

(C) Students who successfully complete a driver education 29  
course offered by the student's school district of attendance 30  
under this section may earn either: 31

(1) Notwithstanding anything to the contrary in division 32  
(C) (8) of section 3313.603 of the Revised Code, up to one-half 33  
unit towards high school elective credits that may substitute 34  
for credits in the subjects listed under that division; 35

(2) An industry-recognized credential approved under 36  
section 3313.6113 of the Revised Code. 37

(D) Notwithstanding anything to the contrary in sections 38  
3317.014, 3317.022, and 3317.16 of the Revised Code, a career- 39  
technical planning district, as defined in section 3317.023 of 40  
the Revised Code, may use a portion of the career-technical 41  
education funds received under section 3317.022 or 3317.16 of 42  
the Revised Code to make a driver education course available to 43  
high school students enrolled in the district. 44

**Sec. 3303.07.** (A) As used in this section: 45

(1) "Lead district" has the same meaning as in section 46  
3317.023 of the Revised Code; 47

(2) "Ohio technical center" has the same meaning as in 48  
section 3333.94 of the Revised Code. 49

(B) The department of education shall establish the 50  
student pathways for career success grant program to provide 51  
grants to lead districts and Ohio technical centers for the 52  
purpose of improving or expanding upon career-technical 53  
education programming that meets state or regional workforce 54  
needs. 55

(C) The state board of education shall adopt rules in 56  
accordance with Chapter 119. of the Revised Code to administer 57  
the program that address all of the following: 58

(1) Grant eligibility requirements; 59

(2) Grant application forms and procedures, including 60  
reapplication procedures; 61

(3) Any other rules the state board considers necessary 62  
for the operation of the program. 63

(D) When adopting rules under division (C) of this 64  
section, the state board may prioritize the awarding of grants 65  
for career-technical education programs that prepare students 66  
for occupations included in the list of in-demand jobs created 67  
under section 6301.11 of the Revised Code. 68

**Sec. 3313.6113.** (A) The superintendent of public 69  
instruction, in collaboration with the governor's office of 70  
workforce transformation and representatives of business 71  
organizations, shall establish a committee to develop a list of 72  
industry-recognized credentials and licenses that may be used to 73  
qualify for a high school diploma under division (A) (3) of 74  
section 3313.618 of the Revised Code and shall be used for state 75  
report card purposes under section 3302.03 of the Revised Code. 76

The state superintendent shall appoint the members of the 77  
committee not later than January 1, 2018. 78

(B) The committee shall do the following: 79

(1) Establish criteria for acceptable industry-recognized 80  
credentials and licenses aligned with the in-demand jobs list 81  
published by the department of job and family services; 82

(2) Review the list of industry-recognized credentials and 83  
licenses that was in existence on January 1, 2018, and update 84  
the list as it considers necessary; 85

(3) Review and update the list of industry-recognized 86  
credentials and licenses at least biennially; 87

(4) Update the list of industry-recognized credentials to 88  
include a driver's license obtained by a student through a 89  
driver education course offered by a school district in 90  
accordance with section 3301.17 of the Revised Code. 91

**Sec. 3313.905.** (A) As used in this section, "digital 92  
learning" has the same meaning as in section 3301.079 of the 93  
Revised Code. 94

(B) The state board of education shall permit each career- 95  
technical education program approved under section 3317.161 of 96  
the Revised Code to provide remote or digital learning 97  
opportunities to students on a full-time or hybrid basis to the 98  
extent practicable. 99

**Sec. 3317.162.** (A) As used in this section, "JobsOhio" has 100  
the same meaning as in section 187.01 of the Revised Code. 101

(B) The governor's office of workforce transformation, in 102  
collaboration with the department of education, the chancellor 103  
of higher education, and JobsOhio, shall create a program that 104

establishes financial incentives for Ohio businesses to provide 105  
work-based learning experiences for students enrolled in a 106  
career-technical education program approved under section 107  
3317.161 of the Revised Code. 108

(C) To qualify for the financial incentives of the program 109  
created under this section, a business's work-based learning 110  
experiences shall align with the framework developed by the 111  
department under division (J) (3) of section 3313.603 of the 112  
Revised Code and with the applicable minor labor laws under 113  
section 4109.02 of the Revised Code. 114

**Sec. 3735.671.** (A) If construction or remodeling of 115  
commercial or industrial property is to be exempted from 116  
taxation pursuant to section 3735.67 of the Revised Code, the 117  
legislative authority and the owner of the property, prior to 118  
the commencement of construction or remodeling, shall enter into 119  
a written agreement, binding on both parties for a period of 120  
time that does not end prior to the end of the period of the 121  
exemption, that includes all of the information and statements 122  
prescribed by this section. Agreements may include terms not 123  
prescribed by this section, but such terms shall in no way 124  
derogate from the information and statements prescribed by this 125  
section. 126

(1) Except as otherwise provided in division (A) (2) or (3) 127  
of this section, an agreement entered into under this section 128  
shall not be approved by the legislative authority unless the 129  
board of education of the city, local, or exempted village 130  
school district within the territory of which the property is or 131  
will be located approves the agreement. For the purpose of 132  
obtaining such approval, the legislative authority shall certify 133  
a copy of the agreement to the board of education not later than 134

forty-five days prior to approving the agreement, excluding 135  
Saturday, Sunday, and a legal holiday as defined in section 1.14 136  
of the Revised Code. The board of education, by resolution 137  
adopted by a majority of the board, shall approve or disapprove 138  
the agreement and certify a copy of the resolution to the 139  
legislative authority not later than fourteen days prior to the 140  
date stipulated by the legislative authority as the date upon 141  
which approval of the agreement is to be formally considered by 142  
the legislative authority. The board of education may include in 143  
the resolution conditions under which the board would approve 144  
the agreement. The legislative authority may approve an 145  
agreement at any time after the board of education certifies its 146  
resolution approving the agreement to the legislative authority, 147  
or, if the board approves the agreement conditionally, at any 148  
time after the conditions are agreed to by the board and the 149  
legislative authority. 150

(2) Approval of an agreement by the board of education is 151  
not required under division (A)(1) of this section if, for each 152  
tax year the real property is exempted from taxation, the sum of 153  
the following quantities, as estimated at or prior to the time 154  
the agreement is formally approved by the legislative authority, 155  
equals or exceeds fifty per cent of the amount of taxes, as 156  
estimated at or prior to that time, that would have been charged 157  
and payable that year upon the real property had that property 158  
not been exempted from taxation: 159

(a) The amount of taxes charged and payable on any portion 160  
of the assessed valuation of the new structure or of the 161  
increased assessed valuation of an existing structure after 162  
remodeling began that will not be exempted from taxation under 163  
the agreement; 164

(b) The amount of taxes charged and payable on tangible 165  
personal property located on the premises of the new structure 166  
or of the structure to be remodeled under the agreement, whether 167  
payable by the owner of the structure or by a related member, as 168  
defined in section 5733.042 of the Revised Code without regard 169  
to division (B) of that section. 170

(c) The amount of any cash payment by the owner of the new 171  
structure or structure to be remodeled to the school district, 172  
the dollar value, as mutually agreed to by the owner and the 173  
board of education, of any property or services provided by the 174  
owner of the property to the school district, whether by gift, 175  
loan, or otherwise, and any payment by the legislative authority 176  
to the school district pursuant to section 5709.82 of the 177  
Revised Code. 178

The estimates of quantities used for purposes of division 179  
(A) (2) of this section shall be estimated by the legislative 180  
authority. The legislative authority shall certify to the board 181  
of education that the estimates have been made in good faith. 182  
Departures of the actual quantities from the estimates 183  
subsequent to approval of the agreement by the board of 184  
education do not invalidate the agreement. 185

(3) If a board of education has adopted a resolution 186  
waiving its right to approve agreements and the resolution 187  
remains in effect, approval of an agreement by the board is not 188  
required under this division. If a board of education has 189  
adopted a resolution allowing a legislative authority to deliver 190  
the notice required under this division fewer than forty-five 191  
business days prior to the legislative authority's execution of 192  
the agreement, the legislative authority shall deliver the 193  
notice to the board not later than the number of days prior to 194

such execution as prescribed by the board in its resolution. If 195  
a board of education adopts a resolution waiving its right to 196  
approve agreements or shortening the notification period, the 197  
board shall certify a copy of the resolution to the legislative 198  
authority. If the board of education rescinds such a resolution, 199  
it shall certify notice of the rescission to the legislative 200  
authority. 201

(4) If the owner of the property or the legislative 202  
authority agree to make any payment to the school district as 203  
described in division (A) (2) (c) of this section, the owner or 204  
legislative authority shall agree to make payments to the joint 205  
vocational school district within which the property is located 206  
at the same rate or amount and under the same terms received by 207  
the city, local, or exempted village school district. 208

(B) Each agreement shall include the following 209  
information: 210

(1) The names of all parties to the agreement; 211

(2) A description of the remodeling or construction, 212  
whether or not to be exempted from taxation, including existing 213  
or new structure size and cost thereof; the value of machinery, 214  
equipment, furniture, and fixtures, including an itemization of 215  
the value of machinery, equipment, furniture, and fixtures used 216  
at another location in this state prior to the agreement and 217  
relocated or to be relocated from that location to the property, 218  
and the value of machinery, equipment, furniture, and fixtures 219  
at the facility prior to the execution of the agreement; the 220  
value of inventory at the property, including an itemization of 221  
the value of inventory held at another location in this state 222  
prior to the agreement and relocated or to be relocated from 223  
that location to the property, and the value of inventory held 224

at the property prior to the execution of the agreement;	225
(3) The scheduled starting and completion dates of	226
remodeling or construction of real property or of investments	227
made in machinery, equipment, furniture, fixtures, and	228
inventory;	229
(4) Estimates of the number of employee positions to be	230
created each year of the agreement and of the number of employee	231
positions retained by the owner due to the remodeling or	232
construction, itemized as to the number of full-time, part-time,	233
permanent, and temporary positions;	234
(5) Estimates of the dollar amount of payroll attributable	235
to the positions set forth in division (B) (4) of this section,	236
similarly itemized;	237
(6) The number of employee positions, if any, at the	238
property and at any other location in this state at the time the	239
agreement is executed, itemized as to the number of full-time,	240
part-time, permanent, and temporary positions.	241
(C) Each agreement shall set forth the following	242
information and incorporate the following statements:	243
(1) A description of real property to be exempted from	244
taxation under the agreement, the percentage of the assessed	245
valuation of the real property exempted from taxation, and the	246
period for which the exemption is granted, accompanied by the	247
statement: "The exemption commences the first year for which the	248
real property would first be taxable were that property not	249
exempted from taxation. No exemption shall commence after	250
_____ (insert date) nor extend beyond _____ (insert	251
date)."	252
(2) " _____ (insert name of owner) shall pay such real	253

property taxes as are not exempted under this agreement and are 254  
charged against such property and shall file all tax reports and 255  
returns as required by law. If \_\_\_\_\_ (insert name of owner) 256  
fails to pay such taxes or file such returns and reports, 257  
exemptions from taxation granted under this agreement are 258  
rescinded beginning with the year for which such taxes are 259  
charged or such reports or returns are required to be filed and 260  
thereafter." 261

(3) " \_\_\_\_\_ (insert name of owner) hereby certifies 262  
that at the time this agreement is executed, \_\_\_\_\_ (insert 263  
name of owner) does not owe any delinquent real or tangible 264  
personal property taxes to any taxing authority of the State of 265  
Ohio, and does not owe delinquent taxes for which \_\_\_\_\_ 266  
(insert name of owner) is liable under Chapter 5733., 5735., 267  
5739., 5741., 5743., 5747., or 5753. of the Ohio Revised Code, 268  
or, if such delinquent taxes are owed, \_\_\_\_\_ (insert name 269  
of owner) currently is paying the delinquent taxes pursuant to 270  
an undertaking enforceable by the State of Ohio or an agent or 271  
instrumentality thereof, has filed a petition in bankruptcy 272  
under 11 U.S.C.A. 101, et seq., or such a petition has been 273  
filed against \_\_\_\_\_ (insert name of owner). For the 274  
purposes of this certification, delinquent taxes are taxes that 275  
remain unpaid on the latest day prescribed for payment without 276  
penalty under the chapter of the Revised Code governing payment 277  
of those taxes." 278

(4) " \_\_\_\_\_ (insert name of municipal corporation or 279  
county) shall perform such acts as are reasonably necessary or 280  
appropriate to effect, claim, reserve, and maintain exemptions 281  
from taxation granted under this agreement including, without 282  
limitation, joining in the execution of all documentation and 283  
providing any necessary certificates required in connection with 284

such exemptions." 285

(5) "If for any reason \_\_\_\_\_ (insert name of 286  
municipal corporation or county) revokes the designation of the 287  
area, entitlements granted under this agreement shall continue 288  
for the number of years specified under this agreement, unless 289  
\_\_\_\_\_ (insert name of owner) materially fails to fulfill 290  
its obligations under this agreement and \_\_\_\_\_ 291  
(insert name of municipal corporation or county) terminates or 292  
modifies the exemptions from taxation pursuant to this 293  
agreement." 294

(6) "If \_\_\_\_\_ (insert name of owner) materially fails 295  
to fulfill its obligations under this agreement, or if 296  
\_\_\_\_\_ (insert name of municipal corporation or county) 297  
determines that the certification as to delinquent taxes 298  
required by this agreement is fraudulent, \_\_\_\_\_ (insert 299  
name of municipal corporation or county) may terminate or modify 300  
the exemptions from taxation granted under this agreement." 301

(7) "\_\_\_\_\_ (insert name of owner) shall provide to 302  
the proper tax incentive review council any information 303  
reasonably required by the council to evaluate the applicant's 304  
compliance with the agreement, including returns filed pursuant 305  
to section 5711.02 of the Ohio Revised Code if requested by the 306  
council." 307

(8) "This agreement is not transferable or assignable 308  
without the express, written approval of \_\_\_\_\_ (insert name 309  
of municipal corporation or county)." 310

(9) "Exemptions from taxation granted under this agreement 311  
shall be revoked if it is determined that \_\_\_\_\_ (insert 312  
name of owner), any successor to that person, or any related 313

member (as those terms are defined in division (E) of section 314  
3735.671 of the Ohio Revised Code) has violated the prohibition 315  
against entering into this agreement under division (E) of 316  
section 3735.671 or section 5709.62 or 5709.63 of the Ohio 317  
Revised Code prior to the time prescribed by that division or 318  
either of those sections." 319

(10) "\_\_\_\_\_ (insert name of owner) and \_\_\_\_\_ 320  
(insert name of municipal corporation or county) acknowledge 321  
that this agreement must be approved by formal action of the 322  
legislative authority of \_\_\_\_\_ (insert name of municipal 323  
corporation or county) as a condition for the agreement to take 324  
effect. This agreement takes effect upon such approval." 325

The statement described in division (C)(6) of this section 326  
may include the following statement, appended at the end of the 327  
statement: ", and may require the repayment of the amount of 328  
taxes that would have been payable had the property not been 329  
exempted from taxation under this agreement." If the agreement 330  
includes a statement requiring repayment of exempted taxes, it 331  
also may authorize the legislative authority to secure repayment 332  
of such taxes by a lien on the exempted property in the amount 333  
required to be repaid. Such a lien shall attach, and may be 334  
perfected, collected, and enforced, in the same manner as a 335  
mortgage lien on real property, and shall otherwise have the 336  
same force and effect as a mortgage lien on real property. 337

(D) Except as otherwise provided in this division, an 338  
agreement entered into under this section shall require that the 339  
owner pay an annual fee equal to the greater of one per cent of 340  
the amount of taxes exempted under the agreement or five hundred 341  
dollars; provided, however, that if the value of the incentives 342  
exceeds two hundred fifty thousand dollars, the fee shall not 343

exceed two thousand five hundred dollars. The fee shall be 344  
payable to the legislative authority once per year for each year 345  
the agreement is effective on the days and in the form specified 346  
in the agreement. Fees paid shall be deposited in a special fund 347  
created for such purpose by the legislative authority and shall 348  
be used by the legislative authority exclusively for the purpose 349  
of complying with section 3735.672 of the Revised Code and by 350  
the tax incentive review council created under section 5709.85 351  
of the Revised Code exclusively for the purposes of performing 352  
the duties prescribed under that section. The legislative 353  
authority may waive or reduce the amount of the fee, but such 354  
waiver or reduction does not affect the obligations of the 355  
legislative authority or the tax incentive review council to 356  
comply with section 3735.672 or 5709.85 of the Revised Code. 357

(E) If any person that is party to an agreement granting 358  
an exemption from taxation discontinues operations at the 359  
structure to which that exemption applies prior to the 360  
expiration of the term of the agreement, that person, any 361  
successor to that person, and any related member shall not enter 362  
into an agreement under this section or section 5709.62, 363  
5709.63, or 5709.632 of the Revised Code, and no legislative 364  
authority shall enter into such an agreement with such a person, 365  
successor, or related member, prior to the expiration of five 366  
years after the discontinuation of operations. As used in this 367  
division, "successor" means a person to which the assets or 368  
equity of another person has been transferred, which transfer 369  
resulted in the full or partial nonrecognition of gain or loss, 370  
or resulted in a carryover basis, both as determined by rule 371  
adopted by the tax commissioner. "Related member" has the same 372  
meaning as defined in section 5733.042 of the Revised Code 373  
without regard to division (B) of that section. 374

The director of development services shall review all 375  
agreements submitted to the director under division (F) of this 376  
section for the purpose of enforcing this division. If the 377  
director determines there has been a violation of this division, 378  
the director shall notify the legislative authority of such 379  
violation, and the legislative authority immediately shall 380  
revoke the exemption granted under the agreement. 381

(F) When an agreement is entered into under this section, 382  
the legislative authority authorizing the agreement shall 383  
forward a copy of the agreement to the director of development 384  
services within fifteen days after the agreement is entered 385  
into. 386

**Sec. 5709.82.** (A) As used in this section: 387

(1) "New employee" means both of the following: 388

(a) Persons employed in the construction of real property 389  
exempted from taxation under the chapters or sections of the 390  
Revised Code enumerated in division (B) of this section; 391

(b) Persons not described by division (A)(1)(a) of this 392  
section who are first employed at the site of such property and 393  
who within the two previous years have not been subject, prior 394  
to being employed at that site, to income taxation by the 395  
municipal corporation within whose territory the site is located 396  
on income derived from employment for the person's current 397  
employer. "New employee" does not include any person who 398  
replaces a person who is not a new employee under division (A) 399  
(1) of this section. 400

(2) "Infrastructure costs" means costs incurred by a 401  
municipal corporation in a calendar year to acquire, construct, 402  
reconstruct, improve, plan, or equip real or tangible personal 403

property that directly benefits or will directly benefit the 404  
exempted property. If the municipal corporation finances the 405  
acquisition, construction, reconstruction, improvement, 406  
planning, or equipping of real or tangible personal property 407  
that directly benefits the exempted property by issuing debt, 408  
"infrastructure costs" means the annual debt charges incurred by 409  
the municipal corporation from the issuance of such debt. Real 410  
or tangible personal property directly benefits exempted 411  
property only if the exempted property places or will place 412  
direct, additional demand on the real or tangible personal 413  
property for which such costs were or will be incurred. 414

(3) "Taxing unit" has the same meaning as in division (H) 415  
of section 5705.01 of the Revised Code. 416

(B) (1) Except as otherwise provided under division (C) of 417  
this section, the legislative authority of any political 418  
subdivision that has acted under the authority of Chapter 725. 419  
or 1728., sections 3735.65 to 3735.70, or section 5709.40, 420  
5709.41, 5709.45, 5709.62, 5709.63, 5709.632, 5709.73, 5709.78, 421  
5709.84, or 5709.88 of the Revised Code to grant an exemption 422  
from taxation for real or tangible personal property may 423  
negotiate with the board of education of each city, local, 424  
exempted village, or joint vocational school district or other 425  
taxing unit within the territory of which the exempted property 426  
is located, and enter into an agreement whereby the school 427  
district or taxing unit is compensated for tax revenue foregone 428  
by the school district or taxing unit as a result of the 429  
exemption. Except as otherwise provided in division (B) (1) of 430  
this section, if a political subdivision enters into more than 431  
one agreement under this section with respect to a tax 432  
exemption, the political subdivision shall provide to each 433  
school district or taxing unit with which it contracts the same 434

percentage of tax revenue foregone by the school district or 435  
taxing unit, which may be based on a good faith projection made 436  
at the time the exemption is granted. Such percentage shall be 437  
calculated on the basis of amounts paid by the political 438  
subdivision and any amounts paid by an owner under division (B) 439  
(2) of this section. A political subdivision may provide a 440  
school district or other taxing unit with a smaller percentage 441  
of foregone tax revenue than that provided to other school 442  
districts or taxing units only if the school district or taxing 443  
unit expressly consents in the agreement to receiving a smaller 444  
percentage. If a subdivision has acted under the authority of 445  
section 3735.671, 5709.40, 5709.41, 5709.45, 5709.62, 5709.63, 446  
5709.632, 5709.73, or 5709.78 of the Revised Code and enters 447  
into a compensation agreement with a city, local, or exempted 448  
village school district, the subdivision shall provide 449  
compensation to the joint vocational school district within the 450  
territory of which the exempted property is located at the same 451  
rate and under the same terms as received by the city, local, or 452  
exempted village school district. 453

(2) An owner of property exempted from taxation under the 454  
authority described in division (B)(1) of this section may, by 455  
becoming a party to an agreement described in division (B)(1) of 456  
this section or by entering into a separate agreement with a 457  
school district or other taxing unit, agree to compensate the 458  
school district or taxing unit by paying cash or by providing 459  
property or services by gift, loan, or otherwise. If the owner's 460  
property is exempted under the authority of section 3735.671, 461  
5709.40, 5709.41, 5709.45, 5709.62, 5709.63, 5709.632, 5709.73, 462  
or 5709.78 of the Revised Code and the owner enters into a 463  
compensation agreement with a city, local, or exempted village 464  
school district, the owner shall provide compensation to the 465

joint vocational school district within the territory of which 466  
the owner's property is located at the same rate and under the 467  
same terms as received by the city, local, or exempted village 468  
school district. 469

(C) This division does not apply to the following: 470

(1) The legislative authority of a municipal corporation 471  
that has acted under the authority of division (H) of section 472  
715.70 or division (U) of section 715.72 of the Revised Code to 473  
consent to the granting of an exemption from taxation for real 474  
or tangible personal property in a joint economic development 475  
district. 476

(2) The legislative authority of a municipal corporation 477  
that has specified in an ordinance adopted under section 478  
5709.40, 5709.41, or 5709.45 of the Revised Code that payments 479  
in lieu of taxes provided for under section 5709.42 or 5709.46 480  
of the Revised Code shall be paid to the city, local, or 481  
exempted village school district in which the improvements are 482  
located in the amount of taxes that would have been payable to 483  
the school district if the improvements had not been exempted 484  
from taxation, as directed in the ordinance. 485

If the legislative authority of any municipal corporation 486  
has acted under the authority of Chapter 725. or 1728. or 487  
section 3735.671, 5709.40, 5709.41, 5709.45, 5709.62, 5709.63, 488  
5709.632, or 5709.88, or a housing officer under section 3735.67 489  
of the Revised Code, to grant or consent to the granting of an 490  
exemption from taxation for real or tangible personal property 491  
on or after July 1, 1994, the municipal corporation imposes a 492  
tax on incomes, and the payroll of new employees resulting from 493  
the exercise of that authority equals or exceeds one million 494  
dollars in any tax year for which such property is exempted, the 495

legislative authority and the board of education of each city, 496  
local, or exempted village school district within the territory 497  
of which the exempted property is located shall attempt to 498  
negotiate an agreement providing for compensation to the school 499  
district for all or a portion of the tax revenue the school 500  
district would have received had the property not been exempted 501  
from taxation. The agreement may include as a party the owner of 502  
the property exempted or to be exempted from taxation and may 503  
include provisions obligating the owner to compensate the school 504  
district by paying cash or providing property or services by 505  
gift, loan, or otherwise. Such an obligation is enforceable by 506  
the board of education of the school district pursuant to the 507  
terms of the agreement. 508

If the legislative authority and board of education fail 509  
to negotiate an agreement that is mutually acceptable within six 510  
months of formal approval by the legislative authority of the 511  
instrument granting the exemption, the legislative authority 512  
shall compensate the school district in the amount and manner 513  
prescribed by division (D) of this section. 514

(D) Annually, the legislative authority of a municipal 515  
corporation subject to this division shall pay to the city, 516  
local, or exempted village school district within the territory 517  
of which the exempted property is located an amount equal to 518  
fifty per cent of the difference between the amount of taxes 519  
levied and collected by the municipal corporation on the incomes 520  
of new employees in the calendar year ending on the day the 521  
payment is required to be made, and the amount of any 522  
infrastructure costs incurred in that calendar year. For 523  
purposes of such computation, the amount of infrastructure costs 524  
shall not exceed thirty-five per cent of the amount of those 525  
taxes unless the board of education of the school district, by 526

resolution adopted by a majority of the board, approves an 527  
amount in excess of that percentage. If the amount of those 528  
taxes or infrastructure costs must be estimated at the time the 529  
payment is made, payments in subsequent years shall be adjusted 530  
to compensate for any departure of those estimates from the 531  
actual amount of those taxes. 532

A municipal corporation required to make a payment under 533  
this section shall make the payment from its general fund or a 534  
special fund established for the purpose. The payment is payable 535  
on the thirty-first day of December of the tax year for or in 536  
which the exemption from taxation commences and on that day for 537  
each subsequent tax year property is exempted and the 538  
legislative authority and board fail to negotiate an acceptable 539  
agreement under division (C) of this section. 540

**Sec. 5709.83.** (A) Except as otherwise provided in division 541  
(B) or (C) of this section, prior to taking formal action to 542  
adopt or enter into any instrument granting a tax exemption 543  
under section 725.02, 1728.06, 5709.40, 5709.41, 5709.45, 544  
5709.62, 5709.63, 5709.632, 5709.73, 5709.78, 5709.84, or 545  
5709.88 of the Revised Code or formally approving an agreement 546  
under section 3735.671 of the Revised Code, or prior to 547  
forwarding an application for a tax exemption for residential 548  
property under section 3735.67 of the Revised Code to the county 549  
auditor, the legislative authority of the political subdivision 550  
or housing officer shall notify the board of education of each 551  
city, local, exempted village, or joint vocational school 552  
district in which the proposed tax-exempted property is located. 553  
The notice shall include a copy of the instrument or 554  
application. The notice shall be delivered not later than 555  
fourteen days prior to the day the legislative authority takes 556  
formal action to adopt or enter into the instrument, or not 557

later than fourteen days prior to the day the housing officer 558  
forwards the application to the county auditor. If the board of 559  
education comments on the instrument or application to the 560  
legislative authority or housing officer, the legislative 561  
authority or housing officer shall consider the comments. If the 562  
board of education of the city, local, exempted village, or 563  
joint vocational school district so requests, the legislative 564  
authority or the housing officer shall meet in person with a 565  
representative designated by the board of education to discuss 566  
the terms of the instrument or application. 567

(B) The notice otherwise required to be provided to boards 568  
of education under division (A) of this section is not required 569  
if the board has adopted a resolution waiving its right to 570  
receive such notices, and that resolution remains in effect. If 571  
a board of education adopts such a resolution, the board shall 572  
cause a copy of the resolution to be certified to the 573  
legislative authority. If the board of education rescinds such a 574  
resolution, it shall certify notice of the rescission to the 575  
legislative authority. A board of education may adopt such a 576  
resolution with respect to any one or more counties, townships, 577  
or municipal corporations situated in whole or in part within 578  
the school district. 579

(C) If a legislative authority is required to provide 580  
notice to a city, local, or exempted village school district of 581  
its intent to ~~grant such an exemption~~ adopt or enter into any 582  
instrument granting a tax exemption as required by section 583  
3735.671, 5709.40, 5709.41, 5709.45, 5709.62, 5709.63, 5709.632, 584  
5709.73, or 5709.78 of the Revised Code, the legislative 585  
authority, before adopting a resolution or ordinance or entering 586  
into an agreement under that section, shall notify the board of 587  
education of each joint vocational school district in which the 588

property to be exempted is located using the same time 589  
requirements for the notice that applies to notices to city, 590  
local, and exempted village school districts. The content of the 591  
notice and procedures for responding to the notice are the same 592  
as required in division (A) of this section. 593

**Sec. 5747.07.** (A) As used in this section: 594

(1) "Partial weekly withholding period" means a period 595  
during which an employer directly, indirectly, or constructively 596  
pays compensation to, or credits compensation to the benefit of, 597  
an employee, and that consists of a consecutive Saturday, 598  
Sunday, Monday, and Tuesday or a consecutive Wednesday, 599  
Thursday, and Friday. There are two partial weekly withholding 600  
periods each week, except that a partial weekly withholding 601  
period cannot extend from one calendar year into the next 602  
calendar year; if the first day of January falls on a day other 603  
than Saturday or Wednesday, the partial weekly withholding 604  
period ends on the thirty-first day of December and there are 605  
three partial weekly withholding periods during that week. 606

(2) "Undeposited taxes" means the taxes an employer is 607  
required to deduct and withhold from an employee's compensation 608  
pursuant to section 5747.06 of the Revised Code that have not 609  
been remitted to the tax commissioner pursuant to this section 610  
or to the treasurer of state pursuant to section 5747.072 of the 611  
Revised Code. 612

(3) A "week" begins on Saturday and concludes at the end 613  
of the following Friday. 614

(4) "Client employer," "professional employer 615  
organization," "professional employer organization agreement," 616  
and "professional employer organization reporting entity" have 617

the same meanings as in section 4125.01 of the Revised Code. 618

(B) Except as provided in divisions (C) and (D) of this 619  
section ~~and in~~, division (A) of section 5747.072, and section 620  
5747.073 of the Revised Code, every employer required to deduct 621  
and withhold any amount under section 5747.06 of the Revised 622  
Code shall file a return and shall pay the amount required by 623  
law as follows: 624

(1) An employer who accumulates or is required to 625  
accumulate undeposited taxes of one hundred thousand dollars or 626  
more during a partial weekly withholding period shall make the 627  
payment of the undeposited taxes by the close of the first 628  
banking day after the day on which the accumulation reaches one 629  
hundred thousand dollars. If required under division (I) of this 630  
section, the payment shall be made by electronic funds transfer 631  
under section 5747.072 of the Revised Code. 632

(2) Except as required by division (B)(1) of this section, 633  
an employer whose actual or required payments under this section 634  
were at least eighty-four thousand dollars during the twelve- 635  
month period ending on the thirtieth day of June of the 636  
preceding calendar year shall make the payment of undeposited 637  
taxes within three banking days after the close of a partial 638  
weekly withholding period during which the employer was required 639  
to deduct and withhold any amount under this chapter. If 640  
required under division (I) of this section, the payment shall 641  
be made by electronic funds transfer under section 5747.072 of 642  
the Revised Code. 643

(3) Except as required by divisions (B)(1) and (2) of this 644  
section, if an employer's actual or required payments were more 645  
than two thousand dollars during the twelve-month period ending 646  
on the thirtieth day of June of the preceding calendar year, the 647

employer shall make the payment of undeposited taxes for each 648  
month during which they were required to be withheld no later 649  
than fifteen days following the last day of that month. The 650  
employer shall file the return prescribed by the tax 651  
commissioner with the payment. 652

(4) Except as required by divisions (B)(1), (2), and (3) 653  
of this section, an employer shall make the payment of 654  
undeposited taxes for each calendar quarter during which they 655  
were required to be withheld no later than the last day of the 656  
month following the last day of March, June, September, and 657  
December each year. The employer shall file the return 658  
prescribed by the tax commissioner with the payment. 659

(C) The return and payment schedules prescribed by 660  
divisions (B)(1) and (2) of this section do not apply to the 661  
return and payment of undeposited school district income taxes 662  
arising from taxes levied pursuant to Chapter 5748. of the 663  
Revised Code. Undeposited school district income taxes shall be 664  
returned and paid pursuant to divisions (B)(3) and (4) of this 665  
section, as applicable. 666

(D)(1) The requirements of division (B) of this section 667  
are met if the amount paid is not less than ninety-five per cent 668  
of the actual tax withheld or required to be withheld for the 669  
prior quarterly, monthly, or partial weekly withholding period, 670  
and the underpayment is not due to willful neglect. Any 671  
underpayment of withheld tax shall be paid within thirty days of 672  
the date on which the withheld tax was due without regard to 673  
division (D)(1) of this section. An employer described in 674  
division (B)(1) or (2) of this section shall make the payment by 675  
electronic funds transfer under section 5747.072 of the Revised 676  
Code. 677

(2) If the tax commissioner believes that quarterly or 678  
monthly payments would result in a delay that might jeopardize 679  
the remittance of withholding payments, the commissioner may 680  
order that the payments be made weekly, or more frequently if 681  
necessary, and the payments shall be made no later than three 682  
banking days following the close of the period for which the 683  
jeopardy order is made. An order requiring weekly or more 684  
frequent payments shall be delivered to the employer personally 685  
or by certified mail and remains in effect until the 686  
commissioner notifies the employer to the contrary. 687

(3) If compelling circumstances exist concerning the 688  
remittance of undeposited taxes, the commissioner may order the 689  
employer to make payments under any of the payment schedules 690  
under division (B) of this section. The order shall be delivered 691  
to the employer personally or by certified mail and shall remain 692  
in effect until the commissioner notifies the employer to the 693  
contrary. For purposes of division (D) (3) of this section, 694  
"compelling circumstances" exist if either or both of the 695  
following are true: 696

(a) Based upon annualization of payments made or required 697  
to be made during the preceding calendar year and during the 698  
current calendar year, the employer would be required for the 699  
next calendar year to make payments under division (B) (2) of 700  
this section. 701

(b) Based upon annualization of payments made or required 702  
to be made during the current calendar year, the employer would 703  
be required for the next calendar year to make payments under 704  
division (B) (2) of this section. 705

(E) (1) An employer described in division (B) (1) or (2) of 706  
this section shall file, not later than the last day of the 707

month following the end of each calendar quarter, a return 708  
covering, but not limited to, both the actual amount deducted 709  
and withheld and the amount required to be deducted and withheld 710  
for the tax imposed under section 5747.02 of the Revised Code 711  
during each partial weekly withholding period or portion of a 712  
partial weekly withholding period during that quarter. The 713  
employer shall file the quarterly return even if the aggregate 714  
amount required to be deducted and withheld for the quarter is 715  
zero dollars. At the time of filing the return, the employer 716  
shall pay any amounts of undeposited taxes for the quarter, 717  
whether actually deducted and withheld or required to be 718  
deducted and withheld, that have not been previously paid. If 719  
required under division (I) of this section, the payment shall 720  
be made by electronic funds transfer. The tax commissioner shall 721  
prescribe the form and other requirements of the quarterly 722  
return. 723

(2) In addition to other returns required to be filed and 724  
payments required to be made under this section, every employer 725  
required to deduct and withhold taxes shall file, not later than 726  
the thirty-first day of January of each year, an annual return 727  
covering, but not limited to, both the aggregate amount deducted 728  
and withheld and the aggregate amount required to be deducted 729  
and withheld during the entire preceding year for the tax 730  
imposed under section 5747.02 of the Revised Code and for each 731  
tax imposed under Chapter 5748. of the Revised Code. At the time 732  
of filing that return, the employer shall pay over any amounts 733  
of undeposited taxes for the preceding year, whether actually 734  
deducted and withheld or required to be deducted and withheld, 735  
that have not been previously paid. The employer shall make the 736  
annual report, to each employee and to the tax commissioner, of 737  
the compensation paid and each tax withheld, as the commissioner 738

by rule may prescribe. 739

Each employer required to deduct and withhold any tax is 740  
liable for the payment of that amount required to be deducted 741  
and withheld, whether or not the tax has in fact been withheld, 742  
unless the failure to withhold was based upon the employer's 743  
good faith in reliance upon the statement of the employee as to 744  
liability, and the amount shall be deemed to be a special fund 745  
in trust for the general revenue fund. 746

(F) Each employer shall file with the employer's annual 747  
return the following items of information on employees for whom 748  
withholding is required under section 5747.06 of the Revised 749  
Code: 750

(1) The full name of each employee, the employee's 751  
address, the employee's school district of residence, and in the 752  
case of a nonresident employee, the employee's principal county 753  
of employment; 754

(2) The social security number of each employee; 755

(3) The total amount of compensation paid before any 756  
deductions to each employee for the period for which the annual 757  
return is made; 758

(4) The amount of the tax imposed by section 5747.02 of 759  
the Revised Code and the amount of each tax imposed under 760  
Chapter 5748. of the Revised Code withheld from the compensation 761  
of the employee for the period for which the annual return is 762  
made. The commissioner may extend upon good cause the period for 763  
filing any notice or return required to be filed under this 764  
section and may adopt rules relating to extensions of time. If 765  
the extension results in an extension of time for the payment of 766  
the amounts withheld with respect to which the return is filed, 767

the employer shall pay, at the time the amount withheld is paid, 768  
an amount of interest computed at the rate per annum prescribed 769  
by section 5703.47 of the Revised Code on that amount withheld, 770  
from the day that amount was originally required to be paid to 771  
the day of actual payment or to the day an assessment is issued 772  
under section 5747.13 of the Revised Code, whichever occurs 773  
first. 774

(5) In addition to all other interest charges and 775  
penalties imposed, all amounts of taxes withheld or required to 776  
be withheld and remaining unpaid after the day the amounts are 777  
required to be paid shall bear interest from the date prescribed 778  
for payment at the rate per annum prescribed by section 5703.47 779  
of the Revised Code on the amount unpaid, in addition to the 780  
amount withheld, until paid or until the day an assessment is 781  
issued under section 5747.13 of the Revised Code, whichever 782  
occurs first. 783

(G) An employee of a corporation, limited liability 784  
company, or business trust having control or supervision of or 785  
charged with the responsibility of filing the report and making 786  
payment, or an officer, member, manager, or trustee of a 787  
corporation, limited liability company, or business trust who is 788  
responsible for the execution of the corporation's, limited 789  
liability company's, or business trust's fiscal 790  
responsibilities, shall be personally liable for failure to file 791  
the report or pay the tax due as required by this section. The 792  
dissolution, termination, or bankruptcy of a corporation, 793  
limited liability company, or business trust does not discharge 794  
a responsible officer's, member's, manager's, employee's, or 795  
trustee's liability for a failure of the corporation, limited 796  
liability company, or business trust to file returns or pay tax 797  
due. 798

(H) If an employer required to deduct and withhold income 799  
tax from compensation and to pay that tax to the state under 800  
sections 5747.06 and 5747.07 of the Revised Code sells the 801  
employer's business or stock of merchandise or quits the 802  
employer's business, the taxes required to be deducted and 803  
withheld and paid to the state pursuant to those sections prior 804  
to that time, together with any interest and penalties imposed 805  
on those taxes, become due and payable immediately, and that 806  
person shall make a final return within fifteen days after the 807  
date of selling or quitting business. The employer's successor 808  
shall withhold a sufficient amount of the purchase money to 809  
cover the amount of the taxes, interest, and penalties due and 810  
unpaid, until the former owner produces a receipt from the tax 811  
commissioner showing that the taxes, interest, and penalties 812  
have been paid or a certificate indicating that no such taxes 813  
are due. If the purchaser of the business or stock of 814  
merchandise fails to withhold purchase money, the purchaser 815  
shall be personally liable for the payment of the taxes, 816  
interest, and penalties accrued and unpaid during the operation 817  
of the business by the former owner. If the amount of taxes, 818  
interest, and penalties outstanding at the time of the purchase 819  
exceeds the total purchase money, the tax commissioner in the 820  
commissioner's discretion may adjust the liability of the seller 821  
or the responsibility of the purchaser to pay that liability to 822  
maximize the collection of withholding tax revenue. 823

(I) An employer whose actual or required payments under 824  
this section exceeded eighty-four thousand dollars during the 825  
twelve-month period ending on the thirtieth day of June of the 826  
preceding calendar year shall make all payments required by this 827  
section for the year by electronic funds transfer under section 828  
5747.072 of the Revised Code. 829

(J) (1) Every professional employer organization and every professional employer organization reporting entity shall file a report with the tax commissioner within thirty days after commencing business in this state that includes all of the following information:

(a) The name, address, number the employer receives from the secretary of state to do business in this state, if applicable, and federal employer identification number of each client employer of the professional employer organization or professional employer organization reporting entity;

(b) The date that each client employer became a client of the professional employer organization or professional employer organization reporting entity;

(c) The names and mailing addresses of the chief executive officer and the chief financial officer of each client employer for taxation of the client employer.

(2) Beginning with the calendar quarter ending after a professional employer organization or professional employer organization reporting entity files the report required under division (J) (1) of this section, and every calendar quarter thereafter, the professional employer organization or the professional employer organization reporting entity shall file an updated report with the tax commissioner. The professional employer organization or professional employer organization reporting entity shall file the updated report not later than the last day of the month following the end of the calendar quarter and shall include all of the following information in the report:

(a) If an entity became a client employer of the

professional employer organization or professional employer 859  
organization reporting entity at any time during the calendar 860  
quarter, all of the information required under division (J) (1) 861  
of this section for each new client employer; 862

(b) If an entity terminated the professional employer 863  
organization agreement between the professional employer 864  
organization or professional employer organization reporting 865  
entity and the entity at any time during the calendar quarter, 866  
the information described in division (J) (1) (a) of this section 867  
for that entity, the date during the calendar quarter that the 868  
entity ceased being a client of the professional employer 869  
organization or professional employer organization reporting 870  
entity, if applicable, or the date the entity ceased business 871  
operations in this state, if applicable; 872

(c) If the name or mailing address of the chief executive 873  
officer or the chief financial officer of a client employer has 874  
changed since the professional employer organization or 875  
professional employer organization reporting entity previously 876  
submitted a report under division (J) (1) or (2) of this section, 877  
the updated name or mailing address, or both, of the chief 878  
executive officer or the chief financial officer, as applicable; 879

(d) If none of the events described in divisions (J) (2) (a) 880  
to (c) of this section occurred during the calendar quarter, a 881  
statement of that fact. 882

**Sec. 5747.073. (A) As used in this section:** 883

(1) "Eligible employee" means an employee who is nineteen 884  
years of age or younger and enrolled in a career-technical 885  
education program approved under section 3317.161 of the Revised 886  
Code. 887

(2) "Income tax" means the tax imposed under section 888  
5747.02 of the Revised Code. 889

(B) An employer required to deduct and withhold income tax 890  
from an employee's compensation under section 5747.06 of the 891  
Revised Code and remit such amounts under section 5747.07 of the 892  
Revised Code is entitled to a credit against the amount required 893  
to be remitted if the employer employs an eligible employee in 894  
fulfillment of a work-based learning experience, internship, or 895  
cooperative education program associated with the career- 896  
technical education program in which the eligible employee is 897  
enrolled. The credit equals fifteen per cent of the amount of 898  
income tax deducted and withheld from that eligible employee's 899  
compensation during the quarterly, monthly, or partial weekly 900  
withholding period, as applicable under division (B) of section 901  
5747.07 of the Revised Code, and shall be claimed on the return 902  
filed for such period. 903

(C) Any amount allowed as a credit to an employer under 904  
this section shall be considered to have been remitted for 905  
purposes of reporting the income tax deducted and withheld from 906  
the employee's compensation under section 5747.06 of the Revised 907  
Code and for purposes of determining the income tax paid by the 908  
employee. 909

(D) The tax commissioner may require an employer that 910  
employs an eligible employee to provide any supporting 911  
documentation necessary to demonstrate the employer's 912  
eligibility for the credit allowed under this section. 913

**Section 2.** That existing sections 3301.17, 3313.6113, 914  
3735.671, 5709.82, 5709.83, and 5747.07 of the Revised Code are 915  
hereby repealed. 916

**Section 3.** (A) The Employers Providing Work-Based Learning Pilot Program is created. The program expires two years after the effective date of this section. For the program's duration, both of the following apply:

(1) The Administrator of Workers' Compensation, subject to the approval of the Bureau of Workers' Compensation Board of Directors, shall grant a discount on premium rates for an employer that provides work-based learning experiences for students enrolled in a career-technical education program approved under section 3317.161 of the Revised Code.

(2) In calculating the premium due under a policy insuring an employer against liability for an employee's injury, occupational disease, or death not covered under Chapter 4121., 4123., 4127., or 4131. of the Revised Code, no company that is authorized to transact the business of insurance in this state shall increase the premium rate solely because the employer provides work-based learning experiences described in division (A)(1) of this section.

(B) Pursuant to section 4109.06 of the Revised Code, the requirements of Chapter 4109. of the Revised Code do not apply to a student participating in a work-based learning experience described in division (A)(1) of this section.

(C) Not later than the date on which the program expires, the Administrator shall prepare and submit to the President of the Senate and the Speaker of the House of Representatives a report that includes all of the following:

(1) The name of each employer that participated in and received a discount on premium rates under the program;

(2) The amount of the discount on premium rates that each

employer received under the program;	946
(3) Statistical information regarding the students who	947
participated in an employer's work-based learning experience,	948
provided that the Administrator shall not include information	949
that identifies those students.	950