

As Passed by the Senate

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Am. S. B. No. 166

Senator Reineke

Cosponsors: Senators Brenner, Cirino, Fedor, Lang, Roegner, Romanchuk, Schuring, Yuko, Schaffer, O'Brien, Peterson, Johnson, Blessing, Antonio, Craig, Dolan, Gavarone, Hackett, Hoagland, Huffman, M., Huffman, S., Kunze, Maharath, Manning, Sykes, Thomas, Williams, Wilson

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 or 30
through any agency or organization that the district contracts 31
with to offer such a course under this section may earn either: 32

(1) Notwithstanding anything to the contrary in division 33
(C) (8) of section 3313.603 of the Revised Code, up to one-half 34
unit towards high school elective credits that may substitute 35
for credits in the subjects listed under that division; 36

(2) An industry-recognized credential approved under 37
section 3313.6113 of the Revised Code. A student may be granted 38
up to two points toward a high school diploma under the list of 39
industry-recognized credentials established and updated under 40
section 3313.6113 of the Revised Code. 41

(D) Notwithstanding anything to the contrary in sections 42
3317.014, 3317.022, and 3317.16 of the Revised Code, a career- 43
technical planning district, as defined in section 3317.023 of 44
the Revised Code, may use a portion of the career-technical 45

education funds received under section 3317.022 or 3317.16 of 46
the Revised Code to make a driver education course available to 47
high school students enrolled in the district. 48

Sec. 3303.07. (A) As used in this section: 49

(1) "Lead district" has the same meaning as in section 50
3317.023 of the Revised Code; 51

(2) "Ohio technical center" has the same meaning as in 52
section 3333.94 of the Revised Code. 53

(B) The department of education shall establish the 54
student pathways for career success grant program to provide 55
grants to lead districts and Ohio technical centers for the 56
purpose of improving or expanding upon career-technical 57
education programming that meets state or regional workforce 58
needs. 59

(C) The state board of education shall adopt rules in 60
accordance with Chapter 119. of the Revised Code to administer 61
the program that address all of the following: 62

(1) Grant eligibility requirements; 63

(2) Grant application forms and procedures, including 64
reapplication procedures; 65

(3) Any other rules the state board considers necessary 66
for the operation of the program. 67

(D) When adopting rules under division (C) of this 68
section, the state board may prioritize the awarding of grants 69
for career-technical education programs that prepare students 70
for occupations included in the list of in-demand jobs created 71
under section 6301.11 of the Revised Code. 72

Sec. 3313.6113. (A) The superintendent of public 73
instruction, in collaboration with the governor's office of 74
workforce transformation and representatives of business 75
organizations, shall establish a committee to develop a list of 76
industry-recognized credentials and licenses that may be used to 77
qualify for a high school diploma under division (A) (3) of 78
section 3313.618 of the Revised Code and shall be used for state 79
report card purposes under section 3302.03 of the Revised Code. 80
The state superintendent shall appoint the members of the 81
committee not later than January 1, 2018. 82

(B) The committee shall do the following: 83

(1) Establish criteria for acceptable industry-recognized 84
credentials and licenses aligned with the in-demand jobs list 85
published by the department of job and family services; 86

(2) Review the list of industry-recognized credentials and 87
licenses that was in existence on January 1, 2018, and update 88
the list as it considers necessary; 89

(3) Review and update the list of industry-recognized 90
credentials and licenses at least biennially; 91

(4) Update the list of industry-recognized credentials to 92
include a driver's license obtained by a student through a 93
driver education course offered by a school district in 94
accordance with section 3301.17 of the Revised Code. 95

Sec. 3313.905. (A) As used in this section, "digital 96
learning" has the same meaning as in section 3301.079 of the 97
Revised Code. 98

(B) The state board of education shall permit each career- 99
technical education program approved under section 3317.161 of 100
the Revised Code to provide remote or digital learning 101

opportunities to students on a full-time or hybrid basis to the 102
extent practicable. 103

Sec. 3317.162. (A) As used in this section, "JobsOhio" has 104
the same meaning as in section 187.01 of the Revised Code. 105

(B) The governor's office of workforce transformation, in 106
collaboration with the department of education, the chancellor 107
of higher education, and JobsOhio, shall create a program that 108
establishes financial incentives for Ohio businesses to provide 109
work-based learning experiences for students enrolled in a 110
career-technical education program approved under section 111
3317.161 of the Revised Code. 112

(C) To qualify for the financial incentives of the program 113
created under this section, a business's work-based learning 114
experiences shall align with the framework developed by the 115
department under division (J) (3) of section 3313.603 of the 116
Revised Code and with the applicable minor labor laws under 117
section 4109.02 of the Revised Code. 118

Sec. 3735.671. (A) If construction or remodeling of 119
commercial or industrial property is to be exempted from 120
taxation pursuant to section 3735.67 of the Revised Code, the 121
legislative authority and the owner of the property, prior to 122
the commencement of construction or remodeling, shall enter into 123
a written agreement, binding on both parties for a period of 124
time that does not end prior to the end of the period of the 125
exemption, that includes all of the information and statements 126
prescribed by this section. Agreements may include terms not 127
prescribed by this section, but such terms shall in no way 128
derogate from the information and statements prescribed by this 129
section. 130

(1) Except as otherwise provided in division (A) (2) or (3) 131
of this section, an agreement entered into under this section 132
shall not be approved by the legislative authority unless the 133
board of education of the city, local, or exempted village 134
school district within the territory of which the property is or 135
will be located approves the agreement. For the purpose of 136
obtaining such approval, the legislative authority shall certify 137
a copy of the agreement to the board of education not later than 138
forty-five days prior to approving the agreement, excluding 139
Saturday, Sunday, and a legal holiday as defined in section 1.14 140
of the Revised Code. The board of education, by resolution 141
adopted by a majority of the board, shall approve or disapprove 142
the agreement and certify a copy of the resolution to the 143
legislative authority not later than fourteen days prior to the 144
date stipulated by the legislative authority as the date upon 145
which approval of the agreement is to be formally considered by 146
the legislative authority. The board of education may include in 147
the resolution conditions under which the board would approve 148
the agreement. The legislative authority may approve an 149
agreement at any time after the board of education certifies its 150
resolution approving the agreement to the legislative authority, 151
or, if the board approves the agreement conditionally, at any 152
time after the conditions are agreed to by the board and the 153
legislative authority. 154

(2) Approval of an agreement by the board of education is 155
not required under division (A) (1) of this section if, for each 156
tax year the real property is exempted from taxation, the sum of 157
the following quantities, as estimated at or prior to the time 158
the agreement is formally approved by the legislative authority, 159
equals or exceeds fifty per cent of the amount of taxes, as 160
estimated at or prior to that time, that would have been charged 161

and payable that year upon the real property had that property 162
not been exempted from taxation: 163

(a) The amount of taxes charged and payable on any portion 164
of the assessed valuation of the new structure or of the 165
increased assessed valuation of an existing structure after 166
remodeling began that will not be exempted from taxation under 167
the agreement; 168

(b) The amount of taxes charged and payable on tangible 169
personal property located on the premises of the new structure 170
or of the structure to be remodeled under the agreement, whether 171
payable by the owner of the structure or by a related member, as 172
defined in section 5733.042 of the Revised Code without regard 173
to division (B) of that section. 174

(c) The amount of any cash payment by the owner of the new 175
structure or structure to be remodeled to the school district, 176
the dollar value, as mutually agreed to by the owner and the 177
board of education, of any property or services provided by the 178
owner of the property to the school district, whether by gift, 179
loan, or otherwise, and any payment by the legislative authority 180
to the school district pursuant to section 5709.82 of the 181
Revised Code. 182

The estimates of quantities used for purposes of division 183
(A) (2) of this section shall be estimated by the legislative 184
authority. The legislative authority shall certify to the board 185
of education that the estimates have been made in good faith. 186
Departures of the actual quantities from the estimates 187
subsequent to approval of the agreement by the board of 188
education do not invalidate the agreement. 189

(3) If a board of education has adopted a resolution 190

waiving its right to approve agreements and the resolution 191
remains in effect, approval of an agreement by the board is not 192
required under this division. If a board of education has 193
adopted a resolution allowing a legislative authority to deliver 194
the notice required under this division fewer than forty-five 195
business days prior to the legislative authority's execution of 196
the agreement, the legislative authority shall deliver the 197
notice to the board not later than the number of days prior to 198
such execution as prescribed by the board in its resolution. If 199
a board of education adopts a resolution waiving its right to 200
approve agreements or shortening the notification period, the 201
board shall certify a copy of the resolution to the legislative 202
authority. If the board of education rescinds such a resolution, 203
it shall certify notice of the rescission to the legislative 204
authority. 205

(4) If the owner of the property or the legislative 206
authority agree to make any payment to the school district as 207
described in division (A)(2)(c) of this section, the owner or 208
legislative authority shall agree to make payments to the joint 209
vocational school district within which the property is located 210
at the same rate or amount and under the same terms received by 211
the city, local, or exempted village school district. 212

(B) Each agreement shall include the following 213
information: 214

(1) The names of all parties to the agreement; 215

(2) A description of the remodeling or construction, 216
whether or not to be exempted from taxation, including existing 217
or new structure size and cost thereof; the value of machinery, 218
equipment, furniture, and fixtures, including an itemization of 219
the value of machinery, equipment, furniture, and fixtures used 220

at another location in this state prior to the agreement and 221
relocated or to be relocated from that location to the property, 222
and the value of machinery, equipment, furniture, and fixtures 223
at the facility prior to the execution of the agreement; the 224
value of inventory at the property, including an itemization of 225
the value of inventory held at another location in this state 226
prior to the agreement and relocated or to be relocated from 227
that location to the property, and the value of inventory held 228
at the property prior to the execution of the agreement; 229

(3) The scheduled starting and completion dates of 230
remodeling or construction of real property or of investments 231
made in machinery, equipment, furniture, fixtures, and 232
inventory; 233

(4) Estimates of the number of employee positions to be 234
created each year of the agreement and of the number of employee 235
positions retained by the owner due to the remodeling or 236
construction, itemized as to the number of full-time, part-time, 237
permanent, and temporary positions; 238

(5) Estimates of the dollar amount of payroll attributable 239
to the positions set forth in division (B) (4) of this section, 240
similarly itemized; 241

(6) The number of employee positions, if any, at the 242
property and at any other location in this state at the time the 243
agreement is executed, itemized as to the number of full-time, 244
part-time, permanent, and temporary positions. 245

(C) Each agreement shall set forth the following 246
information and incorporate the following statements: 247

(1) A description of real property to be exempted from 248
taxation under the agreement, the percentage of the assessed 249

valuation of the real property exempted from taxation, and the 250
period for which the exemption is granted, accompanied by the 251
statement: "The exemption commences the first year for which the 252
real property would first be taxable were that property not 253
exempted from taxation. No exemption shall commence after 254
_____ (insert date) nor extend beyond _____ (insert 255
date)." 256

(2) "_____ (insert name of owner) shall pay such real 257
property taxes as are not exempted under this agreement and are 258
charged against such property and shall file all tax reports and 259
returns as required by law. If _____ (insert name of owner) 260
fails to pay such taxes or file such returns and reports, 261
exemptions from taxation granted under this agreement are 262
rescinded beginning with the year for which such taxes are 263
charged or such reports or returns are required to be filed and 264
thereafter." 265

(3) "_____ (insert name of owner) hereby certifies 266
that at the time this agreement is executed, _____ (insert 267
name of owner) does not owe any delinquent real or tangible 268
personal property taxes to any taxing authority of the State of 269
Ohio, and does not owe delinquent taxes for which _____ 270
(insert name of owner) is liable under Chapter 5733., 5735., 271
5739., 5741., 5743., 5747., or 5753. of the Ohio Revised Code, 272
or, if such delinquent taxes are owed, _____ (insert name 273
of owner) currently is paying the delinquent taxes pursuant to 274
an undertaking enforceable by the State of Ohio or an agent or 275
instrumentality thereof, has filed a petition in bankruptcy 276
under 11 U.S.C.A. 101, et seq., or such a petition has been 277
filed against _____ (insert name of owner). For the 278
purposes of this certification, delinquent taxes are taxes that 279
remain unpaid on the latest day prescribed for payment without 280

penalty under the chapter of the Revised Code governing payment 281
of those taxes." 282

(4) "_____ (insert name of municipal corporation or 283
county) shall perform such acts as are reasonably necessary or 284
appropriate to effect, claim, reserve, and maintain exemptions 285
from taxation granted under this agreement including, without 286
limitation, joining in the execution of all documentation and 287
providing any necessary certificates required in connection with 288
such exemptions." 289

(5) "If for any reason _____ (insert name of 290
municipal corporation or county) revokes the designation of the 291
area, entitlements granted under this agreement shall continue 292
for the number of years specified under this agreement, unless 293
_____ (insert name of owner) materially fails to fulfill 294
its obligations under this agreement and _____ 295
(insert name of municipal corporation or county) terminates or 296
modifies the exemptions from taxation pursuant to this 297
agreement." 298

(6) "If _____ (insert name of owner) materially fails 299
to fulfill its obligations under this agreement, or if 300
_____ (insert name of municipal corporation or county) 301
determines that the certification as to delinquent taxes 302
required by this agreement is fraudulent, _____ (insert 303
name of municipal corporation or county) may terminate or modify 304
the exemptions from taxation granted under this agreement." 305

(7) "_____ (insert name of owner) shall provide to 306
the proper tax incentive review council any information 307
reasonably required by the council to evaluate the applicant's 308
compliance with the agreement, including returns filed pursuant 309
to section 5711.02 of the Ohio Revised Code if requested by the 310

council." 311

(8) "This agreement is not transferable or assignable 312
without the express, written approval of _____ (insert name 313
of municipal corporation or county)." 314

(9) "Exemptions from taxation granted under this agreement 315
shall be revoked if it is determined that _____ (insert 316
name of owner), any successor to that person, or any related 317
member (as those terms are defined in division (E) of section 318
3735.671 of the Ohio Revised Code) has violated the prohibition 319
against entering into this agreement under division (E) of 320
section 3735.671 or section 5709.62 or 5709.63 of the Ohio 321
Revised Code prior to the time prescribed by that division or 322
either of those sections." 323

(10) "_____ (insert name of owner) and _____ 324
(insert name of municipal corporation or county) acknowledge 325
that this agreement must be approved by formal action of the 326
legislative authority of _____ (insert name of municipal 327
corporation or county) as a condition for the agreement to take 328
effect. This agreement takes effect upon such approval." 329

The statement described in division (C) (6) of this section 330
may include the following statement, appended at the end of the 331
statement: ", and may require the repayment of the amount of 332
taxes that would have been payable had the property not been 333
exempted from taxation under this agreement." If the agreement 334
includes a statement requiring repayment of exempted taxes, it 335
also may authorize the legislative authority to secure repayment 336
of such taxes by a lien on the exempted property in the amount 337
required to be repaid. Such a lien shall attach, and may be 338
perfected, collected, and enforced, in the same manner as a 339
mortgage lien on real property, and shall otherwise have the 340

same force and effect as a mortgage lien on real property. 341

(D) Except as otherwise provided in this division, an 342
agreement entered into under this section shall require that the 343
owner pay an annual fee equal to the greater of one per cent of 344
the amount of taxes exempted under the agreement or five hundred 345
dollars; provided, however, that if the value of the incentives 346
exceeds two hundred fifty thousand dollars, the fee shall not 347
exceed two thousand five hundred dollars. The fee shall be 348
payable to the legislative authority once per year for each year 349
the agreement is effective on the days and in the form specified 350
in the agreement. Fees paid shall be deposited in a special fund 351
created for such purpose by the legislative authority and shall 352
be used by the legislative authority exclusively for the purpose 353
of complying with section 3735.672 of the Revised Code and by 354
the tax incentive review council created under section 5709.85 355
of the Revised Code exclusively for the purposes of performing 356
the duties prescribed under that section. The legislative 357
authority may waive or reduce the amount of the fee, but such 358
waiver or reduction does not affect the obligations of the 359
legislative authority or the tax incentive review council to 360
comply with section 3735.672 or 5709.85 of the Revised Code. 361

(E) If any person that is party to an agreement granting 362
an exemption from taxation discontinues operations at the 363
structure to which that exemption applies prior to the 364
expiration of the term of the agreement, that person, any 365
successor to that person, and any related member shall not enter 366
into an agreement under this section or section 5709.62, 367
5709.63, or 5709.632 of the Revised Code, and no legislative 368
authority shall enter into such an agreement with such a person, 369
successor, or related member, prior to the expiration of five 370
years after the discontinuation of operations. As used in this 371

division, "successor" means a person to which the assets or 372
equity of another person has been transferred, which transfer 373
resulted in the full or partial nonrecognition of gain or loss, 374
or resulted in a carryover basis, both as determined by rule 375
adopted by the tax commissioner. "Related member" has the same 376
meaning as defined in section 5733.042 of the Revised Code 377
without regard to division (B) of that section. 378

The director of development services shall review all 379
agreements submitted to the director under division (F) of this 380
section for the purpose of enforcing this division. If the 381
director determines there has been a violation of this division, 382
the director shall notify the legislative authority of such 383
violation, and the legislative authority immediately shall 384
revoke the exemption granted under the agreement. 385

(F) When an agreement is entered into under this section, 386
the legislative authority authorizing the agreement shall 387
forward a copy of the agreement to the director of development 388
services within fifteen days after the agreement is entered 389
into. 390

Sec. 5709.82. (A) As used in this section: 391

(1) "New employee" means both of the following: 392

(a) Persons employed in the construction of real property 393
exempted from taxation under the chapters or sections of the 394
Revised Code enumerated in division (B) of this section; 395

(b) Persons not described by division (A)(1)(a) of this 396
section who are first employed at the site of such property and 397
who within the two previous years have not been subject, prior 398
to being employed at that site, to income taxation by the 399
municipal corporation within whose territory the site is located 400

on income derived from employment for the person's current 401
employer. "New employee" does not include any person who 402
replaces a person who is not a new employee under division (A) 403
(1) of this section. 404

(2) "Infrastructure costs" means costs incurred by a 405
municipal corporation in a calendar year to acquire, construct, 406
reconstruct, improve, plan, or equip real or tangible personal 407
property that directly benefits or will directly benefit the 408
exempted property. If the municipal corporation finances the 409
acquisition, construction, reconstruction, improvement, 410
planning, or equipping of real or tangible personal property 411
that directly benefits the exempted property by issuing debt, 412
"infrastructure costs" means the annual debt charges incurred by 413
the municipal corporation from the issuance of such debt. Real 414
or tangible personal property directly benefits exempted 415
property only if the exempted property places or will place 416
direct, additional demand on the real or tangible personal 417
property for which such costs were or will be incurred. 418

(3) "Taxing unit" has the same meaning as in division (H) 419
of section 5705.01 of the Revised Code. 420

(B) (1) Except as otherwise provided under division (C) of 421
this section, the legislative authority of any political 422
subdivision that has acted under the authority of Chapter 725. 423
or 1728., sections 3735.65 to 3735.70, or section 5709.40, 424
5709.41, 5709.45, 5709.62, 5709.63, 5709.632, 5709.73, 5709.78, 425
5709.84, or 5709.88 of the Revised Code to grant an exemption 426
from taxation for real or tangible personal property may 427
negotiate with the board of education of each city, local, 428
exempted village, or joint vocational school district or other 429
taxing unit within the territory of which the exempted property 430

is located, and enter into an agreement whereby the school 431
district or taxing unit is compensated for tax revenue foregone 432
by the school district or taxing unit as a result of the 433
exemption. Except as otherwise provided in division (B) (1) of 434
this section, if a political subdivision enters into more than 435
one agreement under this section with respect to a tax 436
exemption, the political subdivision shall provide to each 437
school district or taxing unit with which it contracts the same 438
percentage of tax revenue foregone by the school district or 439
taxing unit, which may be based on a good faith projection made 440
at the time the exemption is granted. Such percentage shall be 441
calculated on the basis of amounts paid by the political 442
subdivision and any amounts paid by an owner under division (B) 443
(2) of this section. A political subdivision may provide a 444
school district or other taxing unit with a smaller percentage 445
of foregone tax revenue than that provided to other school 446
districts or taxing units only if the school district or taxing 447
unit expressly consents in the agreement to receiving a smaller 448
percentage. If a subdivision has acted under the authority of 449
section 3735.671, 5709.40, 5709.41, 5709.45, 5709.62, 5709.63, 450
5709.632, 5709.73, or 5709.78 of the Revised Code and enters 451
into a compensation agreement with a city, local, or exempted 452
village school district, the subdivision shall provide 453
compensation to the joint vocational school district within the 454
territory of which the exempted property is located at the same 455
rate and under the same terms as received by the city, local, or 456
exempted village school district. 457

(2) An owner of property exempted from taxation under the 458
authority described in division (B) (1) of this section may, by 459
becoming a party to an agreement described in division (B) (1) of 460
this section or by entering into a separate agreement with a 461

school district or other taxing unit, agree to compensate the 462
school district or taxing unit by paying cash or by providing 463
property or services by gift, loan, or otherwise. If the owner's 464
property is exempted under the authority of section 3735.671, 465
5709.40, 5709.41, 5709.45, 5709.62, 5709.63, 5709.632, 5709.73, 466
or 5709.78 of the Revised Code and the owner enters into a 467
compensation agreement with a city, local, or exempted village 468
school district, the owner shall provide compensation to the 469
joint vocational school district within the territory of which 470
the owner's property is located at the same rate and under the 471
same terms as received by the city, local, or exempted village 472
school district. 473

(C) This division does not apply to the following: 474

(1) The legislative authority of a municipal corporation 475
that has acted under the authority of division (H) of section 476
715.70 or division (U) of section 715.72 of the Revised Code to 477
consent to the granting of an exemption from taxation for real 478
or tangible personal property in a joint economic development 479
district. 480

(2) The legislative authority of a municipal corporation 481
that has specified in an ordinance adopted under section 482
5709.40, 5709.41, or 5709.45 of the Revised Code that payments 483
in lieu of taxes provided for under section 5709.42 or 5709.46 484
of the Revised Code shall be paid to the city, local, or 485
exempted village school district in which the improvements are 486
located in the amount of taxes that would have been payable to 487
the school district if the improvements had not been exempted 488
from taxation, as directed in the ordinance. 489

If the legislative authority of any municipal corporation 490
has acted under the authority of Chapter 725. or 1728. or 491

section 3735.671, 5709.40, 5709.41, 5709.45, 5709.62, 5709.63, 492
5709.632, or 5709.88, or a housing officer under section 3735.67 493
of the Revised Code, to grant or consent to the granting of an 494
exemption from taxation for real or tangible personal property 495
on or after July 1, 1994, the municipal corporation imposes a 496
tax on incomes, and the payroll of new employees resulting from 497
the exercise of that authority equals or exceeds one million 498
dollars in any tax year for which such property is exempted, the 499
legislative authority and the board of education of each city, 500
local, or exempted village school district within the territory 501
of which the exempted property is located shall attempt to 502
negotiate an agreement providing for compensation to the school 503
district for all or a portion of the tax revenue the school 504
district would have received had the property not been exempted 505
from taxation. The agreement may include as a party the owner of 506
the property exempted or to be exempted from taxation and may 507
include provisions obligating the owner to compensate the school 508
district by paying cash or providing property or services by 509
gift, loan, or otherwise. Such an obligation is enforceable by 510
the board of education of the school district pursuant to the 511
terms of the agreement. 512

If the legislative authority and board of education fail 513
to negotiate an agreement that is mutually acceptable within six 514
months of formal approval by the legislative authority of the 515
instrument granting the exemption, the legislative authority 516
shall compensate the school district in the amount and manner 517
prescribed by division (D) of this section. 518

(D) Annually, the legislative authority of a municipal 519
corporation subject to this division shall pay to the city, 520
local, or exempted village school district within the territory 521
of which the exempted property is located an amount equal to 522

fifty per cent of the difference between the amount of taxes 523
levied and collected by the municipal corporation on the incomes 524
of new employees in the calendar year ending on the day the 525
payment is required to be made, and the amount of any 526
infrastructure costs incurred in that calendar year. For 527
purposes of such computation, the amount of infrastructure costs 528
shall not exceed thirty-five per cent of the amount of those 529
taxes unless the board of education of the school district, by 530
resolution adopted by a majority of the board, approves an 531
amount in excess of that percentage. If the amount of those 532
taxes or infrastructure costs must be estimated at the time the 533
payment is made, payments in subsequent years shall be adjusted 534
to compensate for any departure of those estimates from the 535
actual amount of those taxes. 536

A municipal corporation required to make a payment under 537
this section shall make the payment from its general fund or a 538
special fund established for the purpose. The payment is payable 539
on the thirty-first day of December of the tax year for or in 540
which the exemption from taxation commences and on that day for 541
each subsequent tax year property is exempted and the 542
legislative authority and board fail to negotiate an acceptable 543
agreement under division (C) of this section. 544

Sec. 5709.83. (A) Except as otherwise provided in division 545
(B) or (C) of this section, prior to taking formal action to 546
adopt or enter into any instrument granting a tax exemption 547
under section 725.02, 1728.06, 5709.40, 5709.41, 5709.45, 548
5709.62, 5709.63, 5709.632, 5709.73, 5709.78, 5709.84, or 549
5709.88 of the Revised Code or formally approving an agreement 550
under section 3735.671 of the Revised Code, or prior to 551
forwarding an application for a tax exemption for residential 552
property under section 3735.67 of the Revised Code to the county 553

auditor, the legislative authority of the political subdivision 554
or housing officer shall notify the board of education of each 555
city, local, exempted village, or joint vocational school 556
district in which the proposed tax-exempted property is located. 557
The notice shall include a copy of the instrument or 558
application. The notice shall be delivered not later than 559
fourteen days prior to the day the legislative authority takes 560
formal action to adopt or enter into the instrument, or not 561
later than fourteen days prior to the day the housing officer 562
forwards the application to the county auditor. If the board of 563
education comments on the instrument or application to the 564
legislative authority or housing officer, the legislative 565
authority or housing officer shall consider the comments. If the 566
board of education of the city, local, exempted village, or 567
joint vocational school district so requests, the legislative 568
authority or the housing officer shall meet in person with a 569
representative designated by the board of education to discuss 570
the terms of the instrument or application. 571

(B) The notice otherwise required to be provided to boards 572
of education under division (A) of this section is not required 573
if the board has adopted a resolution waiving its right to 574
receive such notices, and that resolution remains in effect. If 575
a board of education adopts such a resolution, the board shall 576
cause a copy of the resolution to be certified to the 577
legislative authority. If the board of education rescinds such a 578
resolution, it shall certify notice of the rescission to the 579
legislative authority. A board of education may adopt such a 580
resolution with respect to any one or more counties, townships, 581
or municipal corporations situated in whole or in part within 582
the school district. 583

(C) If a legislative authority is required to provide 584

notice to a city, local, or exempted village school district of 585
its intent to ~~grant such an exemption~~ adopt or enter into any 586
instrument granting a tax exemption as required by section 587
3735.671, 5709.40, 5709.41, 5709.45, 5709.62, 5709.63, 5709.632, 588
5709.73, or 5709.78 of the Revised Code, the legislative 589
authority, before adopting a resolution or ordinance or entering 590
into an agreement under that section, shall notify the board of 591
education of each joint vocational school district in which the 592
property to be exempted is located using the same time 593
requirements for the notice that applies to notices to city, 594
local, and exempted village school districts. The content of the 595
notice and procedures for responding to the notice are the same 596
as required in division (A) of this section. 597

Sec. 5747.07. (A) As used in this section: 598

(1) "Partial weekly withholding period" means a period 599
during which an employer directly, indirectly, or constructively 600
pays compensation to, or credits compensation to the benefit of, 601
an employee, and that consists of a consecutive Saturday, 602
Sunday, Monday, and Tuesday or a consecutive Wednesday, 603
Thursday, and Friday. There are two partial weekly withholding 604
periods each week, except that a partial weekly withholding 605
period cannot extend from one calendar year into the next 606
calendar year; if the first day of January falls on a day other 607
than Saturday or Wednesday, the partial weekly withholding 608
period ends on the thirty-first day of December and there are 609
three partial weekly withholding periods during that week. 610

(2) "Undeposited taxes" means the taxes an employer is 611
required to deduct and withhold from an employee's compensation 612
pursuant to section 5747.06 of the Revised Code that have not 613
been remitted to the tax commissioner pursuant to this section 614

or to the treasurer of state pursuant to section 5747.072 of the Revised Code.

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

(4) "Client employer," "professional employer organization," "professional employer organization agreement," and "professional employer organization reporting entity" have the same meanings as in section 4125.01 of the Revised Code.

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

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

(2) Except as required by division (B)(1) of this section, an employer whose actual or required payments under this section were at least eighty-four thousand dollars during the twelve-month period ending on the thirtieth day of June of the preceding calendar year shall make the payment of undeposited taxes within three banking days after the close of a partial weekly withholding period during which the employer was required

to deduct and withhold any amount under this chapter. If 644
required under division (I) of this section, the payment shall 645
be made by electronic funds transfer under section 5747.072 of 646
the Revised Code. 647

(3) Except as required by divisions (B)(1) and (2) of this 648
section, if an employer's actual or required payments were more 649
than two thousand dollars during the twelve-month period ending 650
on the thirtieth day of June of the preceding calendar year, the 651
employer shall make the payment of undeposited taxes for each 652
month during which they were required to be withheld no later 653
than fifteen days following the last day of that month. The 654
employer shall file the return prescribed by the tax 655
commissioner with the payment. 656

(4) Except as required by divisions (B)(1), (2), and (3) 657
of this section, an employer shall make the payment of 658
undeposited taxes for each calendar quarter during which they 659
were required to be withheld no later than the last day of the 660
month following the last day of March, June, September, and 661
December each year. The employer shall file the return 662
prescribed by the tax commissioner with the payment. 663

(C) The return and payment schedules prescribed by 664
divisions (B)(1) and (2) of this section do not apply to the 665
return and payment of undeposited school district income taxes 666
arising from taxes levied pursuant to Chapter 5748. of the 667
Revised Code. Undeposited school district income taxes shall be 668
returned and paid pursuant to divisions (B)(3) and (4) of this 669
section, as applicable. 670

(D)(1) The requirements of division (B) of this section 671
are met if the amount paid is not less than ninety-five per cent 672
of the actual tax withheld or required to be withheld for the 673

prior quarterly, monthly, or partial weekly withholding period, 674
and the underpayment is not due to willful neglect. Any 675
underpayment of withheld tax shall be paid within thirty days of 676
the date on which the withheld tax was due without regard to 677
division (D) (1) of this section. An employer described in 678
division (B) (1) or (2) of this section shall make the payment by 679
electronic funds transfer under section 5747.072 of the Revised 680
Code. 681

(2) If the tax commissioner believes that quarterly or 682
monthly payments would result in a delay that might jeopardize 683
the remittance of withholding payments, the commissioner may 684
order that the payments be made weekly, or more frequently if 685
necessary, and the payments shall be made no later than three 686
banking days following the close of the period for which the 687
jeopardy order is made. An order requiring weekly or more 688
frequent payments shall be delivered to the employer personally 689
or by certified mail and remains in effect until the 690
commissioner notifies the employer to the contrary. 691

(3) If compelling circumstances exist concerning the 692
remittance of undeposited taxes, the commissioner may order the 693
employer to make payments under any of the payment schedules 694
under division (B) of this section. The order shall be delivered 695
to the employer personally or by certified mail and shall remain 696
in effect until the commissioner notifies the employer to the 697
contrary. For purposes of division (D) (3) of this section, 698
"compelling circumstances" exist if either or both of the 699
following are true: 700

(a) Based upon annualization of payments made or required 701
to be made during the preceding calendar year and during the 702
current calendar year, the employer would be required for the 703

next calendar year to make payments under division (B) (2) of 704
this section. 705

(b) Based upon annualization of payments made or required 706
to be made during the current calendar year, the employer would 707
be required for the next calendar year to make payments under 708
division (B) (2) of this section. 709

(E) (1) An employer described in division (B) (1) or (2) of 710
this section shall file, not later than the last day of the 711
month following the end of each calendar quarter, a return 712
covering, but not limited to, both the actual amount deducted 713
and withheld and the amount required to be deducted and withheld 714
for the tax imposed under section 5747.02 of the Revised Code 715
during each partial weekly withholding period or portion of a 716
partial weekly withholding period during that quarter. The 717
employer shall file the quarterly return even if the aggregate 718
amount required to be deducted and withheld for the quarter is 719
zero dollars. At the time of filing the return, the employer 720
shall pay any amounts of undeposited taxes for the quarter, 721
whether actually deducted and withheld or required to be 722
deducted and withheld, that have not been previously paid. If 723
required under division (I) of this section, the payment shall 724
be made by electronic funds transfer. The tax commissioner shall 725
prescribe the form and other requirements of the quarterly 726
return. 727

(2) In addition to other returns required to be filed and 728
payments required to be made under this section, every employer 729
required to deduct and withhold taxes shall file, not later than 730
the thirty-first day of January of each year, an annual return 731
covering, but not limited to, both the aggregate amount deducted 732
and withheld and the aggregate amount required to be deducted 733

and withheld during the entire preceding year for the tax 734
imposed under section 5747.02 of the Revised Code and for each 735
tax imposed under Chapter 5748. of the Revised Code. At the time 736
of filing that return, the employer shall pay over any amounts 737
of undeposited taxes for the preceding year, whether actually 738
deducted and withheld or required to be deducted and withheld, 739
that have not been previously paid. The employer shall make the 740
annual report, to each employee and to the tax commissioner, of 741
the compensation paid and each tax withheld, as the commissioner 742
by rule may prescribe. 743

Each employer required to deduct and withhold any tax is 744
liable for the payment of that amount required to be deducted 745
and withheld, whether or not the tax has in fact been withheld, 746
unless the failure to withhold was based upon the employer's 747
good faith in reliance upon the statement of the employee as to 748
liability, and the amount shall be deemed to be a special fund 749
in trust for the general revenue fund. 750

(F) Each employer shall file with the employer's annual 751
return the following items of information on employees for whom 752
withholding is required under section 5747.06 of the Revised 753
Code: 754

(1) The full name of each employee, the employee's 755
address, the employee's school district of residence, and in the 756
case of a nonresident employee, the employee's principal county 757
of employment; 758

(2) The social security number of each employee; 759

(3) The total amount of compensation paid before any 760
deductions to each employee for the period for which the annual 761
return is made; 762

(4) The amount of the tax imposed by section 5747.02 of 763
the Revised Code and the amount of each tax imposed under 764
Chapter 5748. of the Revised Code withheld from the compensation 765
of the employee for the period for which the annual return is 766
made. The commissioner may extend upon good cause the period for 767
filing any notice or return required to be filed under this 768
section and may adopt rules relating to extensions of time. If 769
the extension results in an extension of time for the payment of 770
the amounts withheld with respect to which the return is filed, 771
the employer shall pay, at the time the amount withheld is paid, 772
an amount of interest computed at the rate per annum prescribed 773
by section 5703.47 of the Revised Code on that amount withheld, 774
from the day that amount was originally required to be paid to 775
the day of actual payment or to the day an assessment is issued 776
under section 5747.13 of the Revised Code, whichever occurs 777
first. 778

(5) In addition to all other interest charges and 779
penalties imposed, all amounts of taxes withheld or required to 780
be withheld and remaining unpaid after the day the amounts are 781
required to be paid shall bear interest from the date prescribed 782
for payment at the rate per annum prescribed by section 5703.47 783
of the Revised Code on the amount unpaid, in addition to the 784
amount withheld, until paid or until the day an assessment is 785
issued under section 5747.13 of the Revised Code, whichever 786
occurs first. 787

(G) An employee of a corporation, limited liability 788
company, or business trust having control or supervision of or 789
charged with the responsibility of filing the report and making 790
payment, or an officer, member, manager, or trustee of a 791
corporation, limited liability company, or business trust who is 792
responsible for the execution of the corporation's, limited 793

liability company's, or business trust's fiscal 794
responsibilities, shall be personally liable for failure to file 795
the report or pay the tax due as required by this section. The 796
dissolution, termination, or bankruptcy of a corporation, 797
limited liability company, or business trust does not discharge 798
a responsible officer's, member's, manager's, employee's, or 799
trustee's liability for a failure of the corporation, limited 800
liability company, or business trust to file returns or pay tax 801
due. 802

(H) If an employer required to deduct and withhold income 803
tax from compensation and to pay that tax to the state under 804
sections 5747.06 and 5747.07 of the Revised Code sells the 805
employer's business or stock of merchandise or quits the 806
employer's business, the taxes required to be deducted and 807
withheld and paid to the state pursuant to those sections prior 808
to that time, together with any interest and penalties imposed 809
on those taxes, become due and payable immediately, and that 810
person shall make a final return within fifteen days after the 811
date of selling or quitting business. The employer's successor 812
shall withhold a sufficient amount of the purchase money to 813
cover the amount of the taxes, interest, and penalties due and 814
unpaid, until the former owner produces a receipt from the tax 815
commissioner showing that the taxes, interest, and penalties 816
have been paid or a certificate indicating that no such taxes 817
are due. If the purchaser of the business or stock of 818
merchandise fails to withhold purchase money, the purchaser 819
shall be personally liable for the payment of the taxes, 820
interest, and penalties accrued and unpaid during the operation 821
of the business by the former owner. If the amount of taxes, 822
interest, and penalties outstanding at the time of the purchase 823
exceeds the total purchase money, the tax commissioner in the 824

commissioner's discretion may adjust the liability of the seller 825
or the responsibility of the purchaser to pay that liability to 826
maximize the collection of withholding tax revenue. 827

(I) An employer whose actual or required payments under 828
this section exceeded eighty-four thousand dollars during the 829
twelve-month period ending on the thirtieth day of June of the 830
preceding calendar year shall make all payments required by this 831
section for the year by electronic funds transfer under section 832
5747.072 of the Revised Code. 833

(J) (1) Every professional employer organization and every 834
professional employer organization reporting entity shall file a 835
report with the tax commissioner within thirty days after 836
commencing business in this state that includes all of the 837
following information: 838

(a) The name, address, number the employer receives from 839
the secretary of state to do business in this state, if 840
applicable, and federal employer identification number of each 841
client employer of the professional employer organization or 842
professional employer organization reporting entity; 843

(b) The date that each client employer became a client of 844
the professional employer organization or professional employer 845
organization reporting entity; 846

(c) The names and mailing addresses of the chief executive 847
officer and the chief financial officer of each client employer 848
for taxation of the client employer. 849

(2) Beginning with the calendar quarter ending after a 850
professional employer organization or professional employer 851
organization reporting entity files the report required under 852
division (J) (1) of this section, and every calendar quarter 853

thereafter, the professional employer organization or the 854
professional employer organization reporting entity shall file 855
an updated report with the tax commissioner. The professional 856
employer organization or professional employer organization 857
reporting entity shall file the updated report not later than 858
the last day of the month following the end of the calendar 859
quarter and shall include all of the following information in 860
the report: 861

(a) If an entity became a client employer of the 862
professional employer organization or professional employer 863
organization reporting entity at any time during the calendar 864
quarter, all of the information required under division (J) (1) 865
of this section for each new client employer; 866

(b) If an entity terminated the professional employer 867
organization agreement between the professional employer 868
organization or professional employer organization reporting 869
entity and the entity at any time during the calendar quarter, 870
the information described in division (J) (1) (a) of this section 871
for that entity, the date during the calendar quarter that the 872
entity ceased being a client of the professional employer 873
organization or professional employer organization reporting 874
entity, if applicable, or the date the entity ceased business 875
operations in this state, if applicable; 876

(c) If the name or mailing address of the chief executive 877
officer or the chief financial officer of a client employer has 878
changed since the professional employer organization or 879
professional employer organization reporting entity previously 880
submitted a report under division (J) (1) or (2) of this section, 881
the updated name or mailing address, or both, of the chief 882
executive officer or the chief financial officer, as applicable; 883

(d) If none of the events described in divisions (J) (2) (a) 884
to (c) of this section occurred during the calendar quarter, a 885
statement of that fact. 886

Sec. 5747.073. (A) As used in this section: 887

(1) "Eligible employee" means an employee who is nineteen 888
years of age or younger and enrolled in a career-technical 889
education program approved under section 3317.161 of the Revised 890
Code. 891

(2) "Income tax" means the tax imposed under section 892
5747.02 of the Revised Code. 893

(B) An employer required to deduct and withhold income tax 894
from an employee's compensation under section 5747.06 of the 895
Revised Code and remit such amounts under section 5747.07 of the 896
Revised Code is entitled to a credit against the amount required 897
to be remitted if the employer employs an eligible employee in 898
fulfillment of a work-based learning experience, internship, or 899
cooperative education program associated with the career- 900
technical education program in which the eligible employee is 901
enrolled. The credit equals fifteen per cent of the amount of 902
income tax deducted and withheld from that eligible employee's 903
compensation during the quarterly, monthly, or partial weekly 904
withholding period, as applicable under division (B) of section 905
5747.07 of the Revised Code, and shall be claimed on the return 906
filed for such period. 907

(C) Any amount allowed as a credit to an employer under 908
this section shall be considered to have been remitted for 909
purposes of reporting the income tax deducted and withheld from 910
the employee's compensation under section 5747.06 of the Revised 911
Code and for purposes of determining the income tax paid by the 912

employee. 913

(D) The tax commissioner may require an employer that 914
employs an eligible employee to provide any supporting 915
documentation necessary to demonstrate the employer's 916
eligibility for the credit allowed under this section. 917

Section 2. That existing sections 3301.17, 3313.6113, 918
3735.671, 5709.82, 5709.83, and 5747.07 of the Revised Code are 919
hereby repealed. 920

Section 3. (A) The Employers Providing Work-Based Learning 921
Pilot Program is created. The program expires two years after 922
the effective date of this section. For the program's duration, 923
both of the following apply: 924

(1) The Administrator of Workers' Compensation, subject to 925
the approval of the Bureau of Workers' Compensation Board of 926
Directors, shall grant a discount on premium rates for an 927
employer that provides work-based learning experiences for 928
students enrolled in a career-technical education program 929
approved under section 3317.161 of the Revised Code. 930

(2) In calculating the premium due under a policy insuring 931
an employer against liability for an employee's injury, 932
occupational disease, or death not covered under Chapter 4121., 933
4123., 4127., or 4131. of the Revised Code, no company that is 934
authorized to transact the business of insurance in this state 935
shall increase the premium rate solely because the employer 936
provides work-based learning experiences described in division 937
(A)(1) of this section. 938

(B) Pursuant to section 4109.06 of the Revised Code, the 939
requirements of Chapter 4109. of the Revised Code do not apply 940
to a student participating in a work-based learning experience 941

described in division (A) (1) of this section.	942
(C) Not later than the date on which the program expires,	943
the Administrator shall prepare and submit to the President of	944
the Senate and the Speaker of the House of Representatives a	945
report that includes all of the following:	946
(1) The name of each employer that participated in and	947
received a discount on premium rates under the program;	948
(2) The amount of the discount on premium rates that each	949
employer received under the program;	950
(3) Statistical information regarding the students who	951
participated in an employer's work-based learning experience,	952
provided that the Administrator shall not include information	953
that identifies those students.	954