As Introduced

136th General Assembly
Regular Session
2025-2026

H. B. No. 779

Representatives Rader, Pizzulli
Cosponsor: Representative Cockley

To amend sections 187.01, 187.04, and 4313.02 and to enact sections 117.57, 127.20, and 187.15 of the Revised Code to modify the law governing JobsOhio and to name this act the JobsOhio Transparency Act.

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

Section 1. That sections 187.01, 187.04, and 4313.02 be amended and sections 117.57, 127.20, and 187.15 of the Revised Code be enacted to read as follows:

Sec. 117.57. (A)(1) The auditor of state shall audit the nonprofit corporation formed under section 187.01 of the Revised Code and any nonprofit entity the sole member of which is JobsOhio, once every two fiscal years. In the biennial audit, inquiry shall be made into the methods, accuracy, and legality of the accounts, financial reports, records, files, and reports of the corporation, whether the laws, rules, ordinances, and orders pertaining to the corporation have been observed, and whether the requirements and rules of the auditor of state have been complied with. The audit shall be conducted in accordance with the applicable provisions of Chapter 117. of the Revised Code.

(2) An audit also shall include all of the following information:

(a) The average salary of employees of the corporation;

(b) The total number of employees employed by the corporation;

(c) The number of employees that make at least four times the median per capita income of the state, as determined by the most recently available data from the United States census bureau.

(B) The auditor of state shall submit the results of an audit performed pursuant to this section in writing to the governor, the speaker and minority leader of the house of representatives, and the president and minority leader of the senate.

(C) The nonprofit corporation formed under section 187.01 of the Revised Code and any nonprofit entity the sole member of which is JobsOhio shall comply with the auditor of state's responsibilities under this section.

Sec. 127.20. (A) If the controlling board, by an affirmative vote of two-thirds of the members of the controlling board, determines that JobsOhio does not comply with sections 117.57 and 187.15 and division (H) of section 4313.02 of the Revised Code, the controlling board shall not release or transfer any funds to JobsOhio.

(B) If the controlling board, by an affirmative vote of two-thirds of the members of the controlling board, subsequently determines that JobsOhio does comply with sections 117.57 and 187.15 of the Revised Code, the controlling board shall release or transfer funds to JobsOhio.

(C) Any member of the controlling board may make a motion for a vote under division (B) of this section during any controlling board meeting.

Sec. 187.01. As used in this chapter, "JobsOhio" means the nonprofit corporation formed under this section, and includes any subsidiary of that corporation. In any section of law that refers to the nonprofit corporation formed under this section, reference to the corporation includes reference to any such subsidiary unless otherwise specified or clearly appearing from the context.

The governor is hereby authorized to form a nonprofit corporation, to be named "JobsOhio," with the purposes of promoting economic development, job creation, job retention, job training, and the recruitment of business to this state. Except as otherwise provided in this chapter, the corporation shall be organized and operated in accordance with Chapter 1702. of the Revised Code. The governor shall sign and file articles of incorporation for the corporation with the secretary of state. The legal existence of the corporation shall begin upon the filing of the articles.

In addition to meeting the requirements for articles of incorporation in Chapter 1702. of the Revised Code, the articles of incorporation for the nonprofit corporation shall set forth the following:

(A) The designation of the name of the corporation as JobsOhio;

(B) The creation of a board of directors consisting of nine directors, to be appointed by the governor, who satisfy the qualifications prescribed by section 187.02 of the Revised Code;

(C) A requirement that the governor make initial appointments to the board within sixty days after the filing of the articles of incorporation. Of the initial appointments made to the board, two shall be for a term ending one year after the date the articles were filed, two shall be for a term ending two years after the date the articles were filed, and five shall be for a term ending four years after the date the articles were filed. The articles shall state that, following the initial appointments, the governor shall appoint directors to terms of office of four years, with each term of office ending on the same day of the same month as did the term that it succeeds. If any director dies, resigns, or the director's status changes such that any of the requirements of division (C) of section 187.02 of the Revised Code are no longer met, that director's seat on the board shall become immediately vacant. The governor shall forthwith fill the vacancy by appointment for the remainder of the term of office of the vacated seat.

(D) A requirement that the governor appoint one director to be chairperson of the board and procedures for electing directors to serve as officers of the corporation and members of an executive committee;

(E) A provision for the appointment of a chief investment officer of the corporation by the recommendation of the board and approval of the governor. The chief investment officer shall serve at the pleasure of the board and shall have the power to execute contracts, spend corporation funds, and hire employees on behalf of the corporation. If the position of chief investment officer becomes vacant for any reason, the vacancy shall be filled in the same manner as provided in this division.

(F) Provisions requiring the board to do all of the

following:

(1) Adopt one or more resolutions providing for compensation of the chief investment officer;

(2) Approve an employee compensation plan recommended by the chief investment officer;

(3) Approve a contract with the director of development ~~services~~ for the corporation to assist the director and the department of development ~~services agency~~ with providing services or otherwise carrying out the functions or duties of the ~~agency~~department, including the operation and management of programs, offices, divisions, or boards, as may be determined by the director of development ~~services~~ in consultation with the governor;

(4) Approve all major contracts for services recommended by the chief investment officer;

(5) Establish an annual strategic plan and standards of measure to be used in evaluating the corporation's success in executing the plan;

(6) Establish a conflicts of interest policy that, at a minimum, complies with section 187.06 of the Revised Code;

(7) Hold a minimum of four board of directors meetings per year at which a quorum of the board is physically present, and such other meetings, at which directors' physical presence is not required, as may be necessary. Meetings at which a quorum of the board is required to be physically present are subject to divisions (C), (D), and (E) of section 187.03 of the Revised Code.

(8) Establish a records retention policy and present the

policy, and any subsequent changes to the policy, at a meeting of the board of directors at which a quorum of the board is required to be physically present pursuant to division (F)(7) of this section;

(9) Adopt standards of conduct for the directors.

(G) A statement that directors shall not receive any compensation from the corporation, except that directors may be reimbursed for actual and necessary expenses incurred in connection with services performed for the corporation;

(H) A provision authorizing the board to amend provisions of the corporation's articles of incorporation or regulations, except provisions required by this chapter;

(I) Procedures by which the corporation would be dissolved and by which all corporation rights and assets would be distributed to the state or to another corporation organized under this chapter. These procedures shall incorporate any separate procedures subsequently set forth in this chapter for the dissolution of the corporation. The articles shall state that no dissolution shall take effect until the corporation has made adequate provision for the payment of any outstanding bonds, notes, or other obligations.

(J) ~~A provision establishing an audit committee to be comprised of directors. The articles shall require that the audit committee hire a firm of independent certified public accountants, selected in consultation with the auditor of state, to perform, once each year, a financial audit of the corporation and of any nonprofit entity the sole member of which is JobsOhio. The articles also shall require all of the following:~~

~~(1) Commencing with JobsOhio's fiscal year beginning July~~

~~1, 2012, the financial statements to be audited are to be prepared in accordance with accounting principles and standards set forth in all applicable pronouncements of the governmental accounting standards board;~~

~~(2) The firm of independent certified public accountants hired is to conduct a supplemental compliance and control review pursuant to a written agreement by and among the firm, the auditor of state, JobsOhio, and any nonprofit entity the sole member of which is JobsOhio; and~~

~~(3) A copy of each financial audit report and each report of the results of the compliance and control review are to be provided to the governor, the auditor of state, the speaker of the house of representatives, and the president of the senate.~~

~~(K)~~ A provision authorizing a majority of the disinterested directors to remove a director for misconduct, as that term may be defined in the articles or regulations of the corporation. The removal of a director under this division creates a vacancy on the board that the governor shall fill by appointment for the remainder of the term of office of the vacated seat.

Sec. 187.04. (A) The director of development ~~services~~, as soon as practical after February 18, 2011, shall execute a contract with JobsOhio for the corporation to assist the director and the department of development ~~services agency~~ with providing services or otherwise carrying out the functions or duties of the ~~agency~~department, including the operation and management of programs, offices, divisions, or boards, as may be determined by the director in consultation with the governor. The approval or disapproval of awards involving public money shall remain functions of the ~~agency~~department. All contracts

for grants, loans, and tax incentives involving public money shall be between the ~~agency~~ department and the recipient and shall be enforced by the ~~agency~~department. JobsOhio may not execute contracts obligating the ~~agency~~ department for loans, grants, tax credits, or incentive awards recommended by JobsOhio to the ~~agency~~department. Prior to execution, all contracts between the director and JobsOhio entered into under this section that obligate the ~~agency~~ department to pay JobsOhio for services rendered are subject to controlling board approval.

The term of an initial contract entered into under this section shall not extend beyond June 30, 2013. Thereafter, the director and JobsOhio may renew the contract for subsequent fiscal biennia, but at no time shall a particular contract be effective for longer than a fiscal biennium of the general assembly.

JobsOhio's provision of services to the ~~agency~~ department as described in this section shall be pursuant to a contract entered into under this section. If at any time the director determines that the contract with JobsOhio may not be renewed for the subsequent fiscal biennium, the director shall notify JobsOhio of the director's decision not later than one hundred twenty days prior to the end of the current fiscal biennium. If the director does not provide such written notice to JobsOhio prior to one hundred days before the end of the current fiscal biennium, the contract shall be renewed upon such terms as the parties may agree, subject to the requirements of this section.

(B) A contract entered into under this section shall include all of the following:

(1) Terms assigning to the corporation the duties of advising and assisting the director in the director's evaluation

of the ~~agency~~ department and the formulation of recommendations under section 187.05 of the Revised Code;

(2) Terms designating records created or received by JobsOhio that shall be made available to the public under the same conditions as are public records under section 149.43 of the Revised Code. Documents designated to be made available to the public pursuant to the contract shall be kept on file with the ~~agency~~department.

Among records to be designated under this division shall be the following:

(a) The corporation's federal income tax returns;

(b) The report of expenditures described in division (B)(3) of section 187.03 of the Revised Code. The records shall be filed with the ~~agency~~ department at such times and frequency as agreed to by the corporation and the ~~agency~~department, which shall not be less frequently than quarterly.

(c) The annual total compensation paid to each officer and employee of the corporation;

(d) ~~A copy of the report for each financial audit of the corporation and of each supplemental compliance and control review of the corporation performed by a firm of independent certified public accountants pursuant to division (J) of section 187.01 of the Revised Code.~~

~~(e)~~ Records of any fully executed incentive proposals, to be filed annually;

~~(f)~~ (e) Records pertaining to the monitoring of commitments made by incentive recipients, to be filed annually;

~~(g)~~ (f) A copy of the minutes of all public meetings

described in division (C) of section 187.03 of the Revised Code not otherwise closed to the public.

(3) The following statement acknowledging that JobsOhio is not acting as an agent of the state:

"JobsOhio shall have no power or authority to bind the state or to assume or create an obligation or responsibility, expressed or implied, on behalf of the state or in its name, nor shall JobsOhio represent to any person that it has any such power or authority, except as expressly provided in this contract."

(C)(1) Records created by JobsOhio are not public records for the purposes of Chapter 149. of the Revised Code, regardless of who may have custody of the records, unless the record is designated to be available to the public by the contract under division (B)(2) of this section.

(2) Records received by JobsOhio from any person or entity that is not subject to section 149.43 of the Revised Code are not public records for purposes of Chapter 149. of the Revised Code, regardless of who may have custody of the records, unless the record is designated to be available to the public by the contract under division (B)(2) of this section.

(3) Records received by JobsOhio from a public office as defined in section 149.011 of the Revised Code that are not public records under section 149.43 of the Revised Code when in the custody of the public office are not public records for the purposes of section 149.43 of the Revised Code regardless of who has custody of the records.

~~(4) Division (B) of section 4701.19 of the Revised Code applies to any work papers of the firm of independent certified~~

~~public accountants engaged to perform the annual financial audit and the supplemental compliance and control review described in division (J) of section 187.01 of the Revised Code, and to the financial audit report and any report of the supplemental compliance and control review, unless the record is designated to be available to the public by the contract under division (B)(2) of this section.~~

(D) Any contract executed under authority of this section shall not negate, impair, or otherwise adversely affect the obligation of this state to pay debt charges on securities executed by the director or issued by the treasurer of state, Ohio public facilities commission, or any other issuing authority under Chapter 122., 151., 165., or 166. of the Revised Code to fund economic development programs of the state, or to abide by any pledge or covenant relating to the payment of those debt charges made in any related proceedings. As used in this division, "debt charges," "proceedings," and "securities" have the same meanings as in section 133.01 of the Revised Code.

(E) Nothing in this section, other than the requirement of controlling board approval, shall prohibit the ~~agency~~ department from contracting with JobsOhio to perform any of the following functions:

(1) Promoting and advocating for the state;

(2) Making recommendations to the ~~agency~~department;

(3) Performing research for the ~~agency~~department;

(4) Establishing and managing programs or offices on behalf of the ~~agency~~department, by contract;

(5) Negotiating on behalf of the state.

(F) Nothing in this section, other than the requirement of controlling board approval, shall prohibit the ~~agency~~ department from compensating JobsOhio from funds currently appropriated to the ~~agency~~ department to perform the functions described in division (E) of this section.

Sec. 187.15. JobsOhio annually shall disclose all corporations it sponsors and all media it is partnered with on its public web site. The disclosure shall include all of the following information:

(A) The name of the corporation sponsored or the media partnered with;

(B) The dollar amount of funds provided to the corporation or media;

(C) The name of the individual who approved the partnership or sponsorship;

(D) A conflict of interest check;

(E) Whether any public employee or official was involved in the arrangement.

Sec. 4313.02. ~~(A)~~ (A)(1) The state may transfer to JobsOhio, and JobsOhio may accept the transfer of, all or a portion of the enterprise acquisition project for a transfer price payable by JobsOhio to the state. Any such transfer shall be treated as an absolute conveyance and true sale of the interest in the enterprise acquisition project purported to be conveyed for all purposes, and not as a pledge or other security interest. The characterization of any such transfer as a true sale and absolute conveyance shall not be negated or adversely affected by the acquisition or retention by the state of a residual or reversionary interest in the enterprise acquisition

project, the participation of any state officer or employee as a member or officer of, or contracting for staff support to, JobsOhio or any subsidiary of JobsOhio, any regulatory responsibility of an officer or employee of the state, including the authority to collect amounts to be received in connection therewith, the retention of the state of any legal title to or interest in any portion of the enterprise acquisition project for the purpose of regulatory activities, or any characterization of JobsOhio or obligations of JobsOhio under accounting, taxation, or securities regulations, or any other reason whatsoever. An absolute conveyance and true sale or lease shall exist under this section regardless of whether JobsOhio has any recourse against the state or the treatment or characterization of the transfer as a financing for any purpose. Upon and following the transfer, the state shall not have any right, title, or interest in the enterprise acquisition project so transferred other than any residual interest that may be described in the transfer agreement pursuant to the following paragraph and division (D) of this section. Any determination of the fair market value of the enterprise acquisition project reflected in the transfer agreement shall be conclusive and binding on the state and JobsOhio.

Any transfer of the enterprise acquisition project that is a lease or grant of a franchise shall be for a term not to exceed twenty-five years. Any transfer of the enterprise acquisition project that is an assignment and sale, conveyance, or other transfer shall contain a provision that the state shall have the option to have conveyed or transferred back to it, at no cost, the enterprise acquisition project, as it then exists, no later than twenty-five years after the original transfer authorized in the transfer agreement on such other terms as

shall be provided in the transfer agreement. The state, at any time and upon agreement with JobsOhio, may extend the original transfer agreement of the enterprise acquisition project for an additional fifteen years from the end of the original term by entering into a new agreement in accordance with this chapter. For this extension to take effect, the extension shall be approved by the controlling board.

The exercise of the powers granted by this section will be for the benefit of the people of the state. All or any portion of the enterprise acquisition project transferred pursuant to the transfer agreement that would be exempt from real property taxes or assessments or real property taxes or assessments in the absence of such transfer shall, as it may from time to time exist thereafter, remain exempt from real property taxes or assessments levied by the state and its subdivisions to the same extent as if not transferred. The gross receipts and income of JobsOhio derived from the enterprise acquisition project shall be exempt from taxation levied by the state and its subdivisions, including, but not limited to, the taxes levied pursuant to Chapters 718., 5739., 5741., 5747., and 5751. of the Revised Code. Any transfer from the state to JobsOhio of the enterprise acquisition project, or item included or to be included in the project, shall be exempt from the taxes levied pursuant to Chapters 5739. and 5741. of the Revised Code.

(2) On and after the effective date of this amendment, the state shall not extend a transfer agreement of the enterprise acquisition project entered into under this chapter, nor shall the controlling board approve such an extension, unless all of the following conditions are met:

(a) There is at least one public hearing on the extension.

(b) There is an independent valuation of the enterprise acquisition project to determine its fair market value.

(c) In the agreement providing for the extension, JobsOhio agrees to pay, in exchange for the extension, an amount equal to at least the fair market value of the enterprise acquisition project determined under division (A)(2)(b) of this section.

(B) The proceeds of any transfer under division (A) of this section may be expended as provided in the transfer agreement for any one or more of the following purposes:

(1) Funding, payment, or defeasance of outstanding bonds issued pursuant to Chapters 151. and 166. of the Revised Code and secured by pledged liquor profits as defined in section 151.40 of the Revised Code;

(2) Deposit into the general revenue fund;

(3) Deposit into ~~the~~ the innovation Ohio loan fund created pursuant to section 166.16 of the Revised Code, the research and development loan fund created pursuant to section 166.20 of the Revised Code, and the logistics and distribution infrastructure fund created pursuant to section 166.26 of the Revised Code;

(4) Conveyance to JobsOhio for the purposes for which it was created.

(C)(1) The state may covenant, pledge, and agree in the transfer agreement, with and for the benefit of JobsOhio, that it shall maintain statutory authority for the enterprise acquisition project and the revenues of the enterprise acquisition project and not otherwise materially impair any obligations supported by a pledge of revenues of the enterprise acquisition project. The transfer agreement may provide or authorize the manner for determining material impairment of the

security for any such outstanding obligations, including by assessing and evaluating the revenues of the enterprise acquisition project.

(2) The director of budget and management, in consultation with the director of commerce, may, without need for any other approval, negotiate terms of any documents, including the transfer agreement, necessary to effect the transfer and the acceptance of the transfer of the enterprise acquisition project. The director of budget and management and the director of commerce shall execute the transfer agreement on behalf of the state. The director of budget and management may also, without need for any other approval, retain or contract for the services of commercial appraisers, underwriters, investment bankers, and financial advisers, as are necessary in the judgment of the director of budget and management to effect the transfer agreement. Any transfer agreement may contain terms and conditions established by the state to carry out and effectuate the purposes of this section, including, without limitation, covenants binding the state in favor of JobsOhio. Any such transfer agreement shall be sufficient to effectuate the transfer without regard to any other laws governing other property sales or financial transactions by the state. The director of budget and management may create any funds or accounts, within or without the state treasury, as are needed for the transactions and activities authorized by this section.

(3) The transfer agreement may authorize JobsOhio, in the ordinary course of doing business, to convey, lease, release, or otherwise dispose of any regular inventory or tangible personal property. Ownership of the interest in the enterprise acquisition project that is transferred to JobsOhio under this section and the transfer agreement shall be maintained in

JobsOhio or a nonprofit entity the sole member of which is JobsOhio until the enterprise acquisition project is transferred back to the state pursuant to the second paragraph of division (A) and division (D) of this section.

(D) The transfer agreement may authorize JobsOhio to fix, alter, and collect rentals and other charges for the use and occupancy of all or any portion of the enterprise acquisition project and to lease any portion of the enterprise acquisition project to the state, and shall include a contract with, or the granting of an option to, the state to have the enterprise acquisition project, as it then exists, transferred back to it without charge in accordance with the terms of the transfer agreement after retirement or redemption, or provision therefor, of all obligations supported by a pledge of spirituous liquor profits.

(E) JobsOhio, the director of budget and management, and the director of commerce shall, subject to approval by the controlling board, enter into a contract, which may be part of the transfer agreement, for the continuing operation by the division of liquor control of spirituous liquor distribution and merchandising subject to standards for performance provided in that contract that may relate to or support division (C)(1) of this section. The contract shall establish other terms and conditions for the assignment of duties to, and the provision of advice, services, and other assistance by, the division of liquor control, including providing for the necessary staffing and payment by JobsOhio of appropriate compensation to the division for the performance of such duties and the provision of such advice, services, and other assistance. The division of liquor control shall manage and actively supervise the activities required or authorized under sections 4301.10 and

4301.17 of the Revised Code as those sections exist on September 29, 2011, including, but not limited to, controlling the traffic in intoxicating liquor in this state and fixing the wholesale and retail prices at which the various classes, varieties, and brands of spirituous liquor are sold.

(F) The transfer agreement shall require JobsOhio to pay for the operations of the division of liquor control with regard to the spirituous liquor merchandising operations of the division. The payments from JobsOhio shall be deposited into the state treasury to the credit of the liquor operating services fund, which is hereby created in the state treasury. The fund shall be used to pay for the operations of the division specified in this division.

(G) The transaction and transfer provided for under this section shall comply with all applicable provisions of the Ohio Constitution.

(H) Each year, beginning in 2026, the chief investment officer of JobsOhio shall appear and testify before the standing committees of the house of representatives and the senate to which matters dealing with finance and appropriations are generally referred. The chief investment officer shall, at or before that time, submit, in writing, the following information to the chairpersons and ranking minority members of each of those committees:

(1) A summary of each project that received funding from JobsOhio in the preceding twelve months;

(2) The amount of funding that each such project received;

(3) The county in which the project was located or in which it primarily operated.

(I) It is the intent of the general assembly to ensure that as a state-created entity, JobsOhio utilizes the spirituous liquor profits that belong to Ohioans in a manner that is responsible and prudent, as well as free from waste, fraud, or abuse.

Section 2. That existing sections 187.01, 187.04, and 4313.02 of the Revised Code are hereby repealed.

Section 3. This act shall be known as the JobsOhio Transparency Act.