

_____ moved to amend as follows:

In line 1 of the title, delete "section" and insert "sections"; 1
after "5701.11" insert "and 5727.75" 2

In line 3 of the title, after "law" insert ", to modify the sunset 3
date of the qualified energy project property tax abatement program," 4

In line 5, delete "section" and insert "sections"; after "5701.11" 5
insert "and 5727.75" 6

After line 42, insert: 7

"Sec. 5727.75. (A) For purposes of this section: 8

(1) "Qualified energy project" means an energy project 9
certified by the director of development pursuant to this 10
section. 11

(2) "Energy project" means a project to provide electric 12
power through the construction, installation, and use of an 13
energy facility. 14

(3) "Alternative energy zone" means a county declared as 15
such by the board of county commissioners under division (E) (1) 16



(b) or (c) of this section. 17

(4) "Full-time equivalent employee" means the total number 18
of employee-hours for which compensation was paid to individuals 19
employed at a qualified energy project for services performed at 20
the project during the calendar year divided by two thousand 21
eighty hours. For the purpose of this calculation, "performed at 22
the project" includes only hours worked at the qualified energy 23
project and devoted to site preparation or protection, 24
construction and installation, and the unloading and 25
distribution of materials at the project site, but does not 26
include hours worked by superintendents, owners, manufacturers' 27
representatives, persons employed in a bona fide executive, 28
management, supervisory, or administrative capacity, or persons 29
whose sole employment on the project is transporting materials 30
or persons to the project site. 31

(5) "Solar energy project" means an energy project 32
composed of an energy facility using solar panels to generate 33
electricity. 34

(6) "Internet identifier of record" has the same meaning 35
as in section 9.312 of the Revised Code. 36

~~(7) "Applicable year" means the later of the following: 37~~

~~(a) The tax year in which the secretary of the treasury of 38
the United States, or the secretary's delegate, determines, in 39
accordance with section 45Y of the Internal Revenue Code, that 40
the annual greenhouse gas emissions from the production of 41
electricity in the United States are equal to or less than 42
twenty-five per cent of the annual greenhouse gas emissions from 43
the production of electricity in the United States for calendar 44
year 2022; 45~~

(b) Tax year 2029.	46
(8) "Internal Revenue Code" means the Internal Revenue Code as of October 3, 2023.	47 48
(B) (1) Tangible personal property of a qualified energy project using renewable energy resources is exempt from taxation for tax years 2011 through the applicable year 2029 if all of the following conditions are satisfied:	49 50 51 52
(a) On or before the last day of the tax year preceding the applicable year <u>December 31, 2018</u> , the owner or a lessee pursuant to a sale and leaseback transaction of the project submits an application to the power siting board for a certificate under section 4906.20 of the Revised Code, or if that section does not apply, submits an application for any approval, consent, permit, or certificate or satisfies any condition required by a public agency or political subdivision of this state for the construction or initial operation of an energy project.	53 54 55 56 57 58 59 60 61 62
(b) Construction or installation of the energy facility begins on or after January 1, 2009, and before the first day of the applicable year <u>January 1, 2029</u> . For the purposes of this division, construction begins on the earlier of the date of application for a certificate or other approval or permit described in division (B) (1) (a) of this section, or the date the contract for the construction or installation of the energy facility is entered into.	63 64 65 66 67 68 69 70
(c) For a qualified energy project with a nameplate capacity of twenty megawatts or greater, a board of county commissioners of a county in which property of the project is located has adopted a resolution under division (E) (1) (b) or (c)	71 72 73 74

of this section to approve the application submitted under 75
division (E) of this section to exempt the property located in 76
that county from taxation. A board's adoption of a resolution 77
rejecting an application or its failure to adopt a resolution 78
approving the application does not affect the tax-exempt status 79
of the qualified energy project's property that is located in 80
another county. 81

(2) If tangible personal property of a qualified energy 82
project using renewable energy resources was exempt from 83
taxation under this section beginning in any of tax years 2011 84
through ~~the applicable year~~2029, and the certification under 85
division (E) (2) of this section has not been revoked, the 86
tangible personal property of the qualified energy project is 87
exempt from taxation for ~~the tax year following the applicable~~ 88
~~year~~2030 and all ensuing tax years if the property was placed 89
into service before ~~the first day of the tax year following the~~ 90
~~applicable year~~January 1, 2030, as certified in the construction 91
progress report required under division (F) (2) of this section. 92
Tangible personal property that has not been placed into service 93
before that date is taxable property subject to taxation. An 94
energy project for which certification has been revoked is 95
ineligible for further exemption under this section. Revocation 96
does not affect the tax-exempt status of the project's tangible 97
personal property for the tax year in which revocation occurs or 98
any prior tax year. 99

(C) Tangible personal property of a qualified energy 100
project using clean coal technology, advanced nuclear 101
technology, or cogeneration technology is exempt from taxation 102
for the first tax year that the property would be listed for 103
taxation and all subsequent years if all of the following 104
circumstances are met: 105

(1) The property was placed into service before January 1, 106
2021. Tangible personal property that has not been placed into 107
service before that date is taxable property subject to 108
taxation. 109

(2) For such a qualified energy project with a nameplate 110
capacity of twenty megawatts or greater, a board of county 111
commissioners of a county in which property of the qualified 112
energy project is located has adopted a resolution under 113
division (E) (1) (b) or (c) of this section to approve the 114
application submitted under division (E) of this section to 115
exempt the property located in that county from taxation. A 116
board's adoption of a resolution rejecting the application or 117
its failure to adopt a resolution approving the application does 118
not affect the tax-exempt status of the qualified energy 119
project's property that is located in another county. 120

(3) The certification for the qualified energy project 121
issued under division (E) (2) of this section has not been 122
revoked. An energy project for which certification has been 123
revoked is ineligible for exemption under this section. 124
Revocation does not affect the tax-exempt status of the 125
project's tangible personal property for the tax year in which 126
revocation occurs or any prior tax year. 127

(D) Except as otherwise provided in this section, real 128
property of a qualified energy project is exempt from taxation 129
for any tax year for which the tangible personal property of the 130
qualified energy project is exempted under this section. 131

(E) (1) (a) A person may apply to the director of 132
development for certification of an energy project as a 133
qualified energy project on or before the following dates: 134

(i) ~~The last day of the tax year preceding the applicable-~~ 135
~~year~~ December 31, 2028, for an energy project using renewable 136
energy resources; 137

(ii) December 31, 2017, for an energy project using clean 138
coal technology, advanced nuclear technology, or cogeneration 139
technology. 140

(b) The director shall forward a copy of each application 141
for certification of an energy project with a nameplate capacity 142
of twenty megawatts or greater to the board of county 143
commissioners of each county in which the project is located and 144
to each taxing unit with territory located in each of the 145
affected counties. Any board that receives from the director a 146
copy of an application submitted under this division shall adopt 147
a resolution approving or rejecting the application unless it 148
has adopted a resolution under division (E) (1) (c) of this 149
section. A resolution adopted under division (E) (1) (b) or (c) of 150
this section may require an annual service payment to be made in 151
addition to the service payment required under division (G) of 152
this section. The sum of the service payment required in the 153
resolution and the service payment required under division (G) 154
of this section shall not exceed nine thousand dollars per 155
megawatt of nameplate capacity located in the county. The 156
resolution shall specify the time and manner in which the 157
payments required by the resolution shall be paid to the county 158
treasurer. The county treasurer shall deposit the payment to the 159
credit of the county's general fund to be used for any purpose 160
for which money credited to that fund may be used. 161

The board shall send copies of the resolution to the owner 162
of the facility and the director by certified mail or, if the 163
board has record of an internet identifier of record associated 164

with the owner or director, by ordinary mail and by that 165
internet identifier of record. The board shall send such notice 166
within thirty days after receipt of the application, or a longer 167
period of time if authorized by the director. 168

(c) A board of county commissioners may adopt a resolution 169
declaring the county to be an alternative energy zone and 170
declaring all applications submitted to the director of 171
development under this division after the adoption of the 172
resolution, and prior to its repeal, to be approved by the 173
board. 174

All tangible personal property and real property of an 175
energy project with a nameplate capacity of twenty megawatts or 176
greater is taxable if it is located in a county in which the 177
board of county commissioners adopted a resolution rejecting the 178
application submitted under this division or failed to adopt a 179
resolution approving the application under division (E) (1) (b) or 180
(c) of this section. 181

(2) The director shall certify an energy project if all of 182
the following circumstances exist: 183

(a) The application was timely submitted. 184

(b) For an energy project with a nameplate capacity of 185
twenty megawatts or greater, a board of county commissioners of 186
at least one county in which the project is located has adopted 187
a resolution approving the application under division (E) (1) (b) 188
or (c) of this section. 189

(c) No portion of the project's facility was used to 190
supply electricity before December 31, 2009. 191

(d) For construction or installation of a qualified energy 192

project described in division (B) (1) (b) of this section, that	193
the project is subject to wage requirements described in section	194
45(b) (7) (A) of the Internal Revenue Code and apprenticeship	195
requirements described in section 45(b) (8) (A) (i) of the Internal	196
Revenue Code, provided both of the following apply:	197
(i) The person applies for such certificate after October	198
3, 2023.	199
(ii) A board of commissioners of at least one county in	200
which the project is located is required to adopt a resolution	201
approving the application under division (E) (1) (b) or (c) of	202
this section.	203
(3) The director shall deny a certification application if	204
the director determines the person has failed to comply with any	205
requirement under this section. The director may revoke a	206
certification if the director determines the person, or	207
subsequent owner or lessee pursuant to a sale and leaseback	208
transaction of the qualified energy project, has failed to	209
comply with any requirement under this section. Upon	210
certification or revocation, the director shall notify the	211
person, owner, or lessee, the tax commissioner, and the county	212
auditor of a county in which the project is located of the	213
certification or revocation. Notice shall be provided in a	214
manner convenient to the director.	215
(F) The owner or a lessee pursuant to a sale and leaseback	216
transaction of a qualified energy project shall do each of the	217
following:	218
(1) Comply with all applicable regulations;	219
(2) File with the director of development a certified	220
construction progress report before the first day of March of	221

each year during the energy facility's construction or 222
installation indicating the percentage of the project completed, 223
and the project's nameplate capacity, as of the preceding 224
thirty-first day of December. Unless otherwise instructed by the 225
director of development, the owner or lessee of an energy 226
project shall file a report with the director on or before the 227
first day of March each year after completion of the energy 228
facility's construction or installation indicating the project's 229
nameplate capacity as of the preceding thirty-first day of 230
December. Not later than sixty days after June 17, 2010, the 231
owner or lessee of an energy project, the construction of which 232
was completed before June 17, 2010, shall file a certificate 233
indicating the project's nameplate capacity. 234

(3) File with the director of development, in a manner 235
prescribed by the director, a report of the total number of 236
full-time equivalent employees, and the total number of full- 237
time equivalent employees domiciled in Ohio, who are employed in 238
the construction or installation of the energy facility; 239

(4) For energy projects with a nameplate capacity of 240
twenty megawatts or greater, repair all roads, bridges, and 241
culverts affected by construction as reasonably required to 242
restore them to their preconstruction condition, as determined 243
by the county engineer in consultation with the local 244
jurisdiction responsible for the roads, bridges, and culverts. 245
In the event that the county engineer deems any road, bridge, or 246
culvert to be inadequate to support the construction or 247
decommissioning of the energy facility, the road, bridge, or 248
culvert shall be rebuilt or reinforced to the specifications 249
established by the county engineer prior to the construction or 250
decommissioning of the facility. The owner or lessee of the 251
facility shall post a bond in an amount established by the 252

county engineer and to be held by the board of county 253
commissioners to ensure funding for repairs of roads, bridges, 254
and culverts affected during the construction. The bond shall be 255
released by the board not later than one year after the date the 256
repairs are completed. The energy facility owner or lessee 257
pursuant to a sale and leaseback transaction shall post a bond, 258
as may be required by the Ohio power siting board in the 259
certificate authorizing commencement of construction issued 260
pursuant to section 4906.10 of the Revised Code, to ensure 261
funding for repairs to roads, bridges, and culverts resulting 262
from decommissioning of the facility. The energy facility owner 263
or lessee and the county engineer may enter into an agreement 264
regarding specific transportation plans, reinforcements, 265
modifications, use and repair of roads, financial security to be 266
provided, and any other relevant issue. 267

(5) Provide or facilitate training for fire and emergency 268
responders for response to emergency situations related to the 269
energy project and, for energy projects with a nameplate 270
capacity of twenty megawatts or greater, at the person's 271
expense, equip the fire and emergency responders with proper 272
equipment as reasonably required to enable them to respond to 273
such emergency situations; 274

(6) (a) Except as otherwise provided in this division, for 275
projects for which certification as a qualified energy project 276
was applied for, under division (E) of this section, before 277
October 3, 2023, maintain a ratio of Ohio-domiciled full-time 278
equivalent employees employed in the construction or 279
installation of the energy project to total full-time equivalent 280
employees employed in the construction or installation of the 281
energy project of not less than eighty per cent in the case of a 282
solar energy project, and not less than fifty per cent in the 283

case of any other energy project. A person applying for such a 284
qualified energy project may certify to the director of 285
development that the project will be voluntarily subject to the 286
wage requirements described in section 45(b)(7)(A) of the 287
Internal Revenue Code and apprenticeship requirements described 288
in section 45(b)(8)(A)(i) of the Internal Revenue Code as 289
authorized in division (F)(6)(b) of this section. Upon receipt 290
of that certification, the project shall comply with division 291
(F)(6)(b) of this section rather than division (F)(6)(a) of this 292
section. 293

(b) For projects for which certification as a qualified 294
energy project was applied for, under division (E) of this 295
section, on or after October 3, 2023, maintain a ratio of Ohio- 296
domiciled full-time equivalent employees employed in the 297
construction or installation of the energy project to total 298
full-time equivalent employees employed in the construction or 299
installation of the energy project of not less than seventy per 300
cent in the case of a solar energy project, and not less than 301
fifty per cent in the case of any other energy project. 302

(c) For purposes of divisions (F)(6)(a) and (b) of this 303
section, in the case of an energy project for which 304
certification from the power siting board is required under 305
section 4906.20 of the Revised Code, the number of full-time 306
equivalent employees employed in the construction or 307
installation of the energy project equals the number actually 308
employed or the number projected to be employed in the 309
certificate application, if such projection is required under 310
regulations adopted pursuant to section 4906.03 of the Revised 311
Code, whichever is greater. For all other energy projects, the 312
number of full-time equivalent employees employed in the 313
construction or installation of the energy project equals the 314

number actually employed or the number projected to be employed 315
by the director of development, whichever is greater. To 316
estimate the number of employees to be employed in the 317
construction or installation of an energy project, the director 318
shall use a generally accepted job-estimating model in use for 319
renewable energy projects, including but not limited to the job 320
and economic development impact model. The director may adjust 321
an estimate produced by a model to account for variables not 322
accounted for by the model. 323

(7) For energy projects with a nameplate capacity in 324
excess of twenty megawatts, establish a relationship with any of 325
the following to educate and train individuals for careers in 326
the wind or solar energy industry: 327

(a) A member of the university system of Ohio as defined 328
in section 3345.011 of the Revised Code; 329

(b) A person offering an apprenticeship program registered 330
with the employment and training administration within the 331
United States department of labor or with the apprenticeship 332
council created by section 4139.02 of the Revised Code; 333

(c) A career-technical center, joint vocational school 334
district, comprehensive career-technical center, or compact 335
career-technical center; 336

(d) A training center operated by a labor organization, or 337
with a training center operated by a for-profit or nonprofit 338
organization. 339

The relationship may include endowments, cooperative 340
programs, internships, apprenticeships, research and development 341
projects, and curriculum development. 342

(8) Offer to sell power or renewable energy credits from 343
the energy project to electric distribution utilities or 344
electric service companies subject to renewable energy resource 345
requirements under section 4928.64 of the Revised Code that have 346
issued requests for proposal for such power or renewable energy 347
credits. If no electric distribution utility or electric service 348
company issues a request for proposal on or before December 31, 349
2010, or accepts an offer for power or renewable energy credits 350
within forty-five days after the offer is submitted, power or 351
renewable energy credits from the energy project may be sold to 352
other persons. Division (F) (8) of this section does not apply 353
if: 354

(a) The owner or lessee is a rural electric company or a 355
municipal power agency as defined in section 3734.058 of the 356
Revised Code. 357

(b) The owner or lessee is a person that, before 358
completion of the energy project, contracted for the sale of 359
power or renewable energy credits with a rural electric company 360
or a municipal power agency. 361

(c) The owner or lessee contracts for the sale of power or 362
renewable energy credits from the energy project before June 17, 363
2010. 364

(9) Make annual service payments as required by division 365
(G) of this section and as may be required in a resolution 366
adopted by a board of county commissioners under division (E) of 367
this section. 368

(G) The owner or a lessee pursuant to a sale and leaseback 369
transaction of a qualified energy project shall make annual 370
service payments in lieu of taxes to the county treasurer on or 371

before the final dates for payments of taxes on public utility 372
personal property on the real and public utility personal 373
property tax list for each tax year for which property of the 374
energy project is exempt from taxation under this section. The 375
county treasurer shall allocate the payment on the basis of the 376
project's physical location. Upon receipt of a payment, or if 377
timely payment has not been received, the county treasurer shall 378
certify such receipt or non-receipt to the director of 379
development and tax commissioner in a form determined by the 380
director and commissioner, respectively. Each payment shall be 381
in the following amount: 382

(1) In the case of a solar energy project, seven thousand 383
dollars per megawatt of nameplate capacity located in the county 384
as of the thirty-first-day of December of the preceding tax 385
year; 386

(2) In the case of any other energy project using 387
renewable energy resources, the following: 388

(a) If the project maintains during the construction or 389
installation of the energy facility a ratio of Ohio-domiciled 390
full-time equivalent employees to total full-time equivalent 391
employees of not less than seventy-five per cent, six thousand 392
dollars per megawatt of nameplate capacity located in the county 393
as of the thirty-first day of December of the preceding tax 394
year; 395

(b) If the project maintains during the construction or 396
installation of the energy facility a ratio of Ohio-domiciled 397
full-time equivalent employees to total full-time equivalent 398
employees of less than seventy-five per cent but not less than 399
sixty per cent, seven thousand dollars per megawatt of nameplate 400
capacity located in the county as of the thirty-first day of 401

December of the preceding tax year; 402

(c) If the project maintains during the construction or 403
installation of the energy facility a ratio of Ohio-domiciled 404
full-time equivalent employees to total full-time equivalent 405
employees of less than sixty per cent but not less than fifty 406
per cent, eight thousand dollars per megawatt of nameplate 407
capacity located in the county as of the thirty-first day of 408
December of the preceding tax year. 409

(3) In the case of an energy project using clean coal 410
technology, advanced nuclear technology, or cogeneration 411
technology, the following: 412

(a) If the project maintains during the construction or 413
installation of the energy facility a ratio of Ohio-domiciled 414
full-time equivalent employees to total full-time equivalent 415
employees of not less than seventy-five per cent, six thousand 416
dollars per megawatt of nameplate capacity located in the county 417
as of the thirty-first day of December of the preceding tax 418
year; 419

(b) If the project maintains during the construction or 420
installation of the energy facility a ratio of Ohio-domiciled 421
full-time equivalent employees to total full-time equivalent 422
employees of less than seventy-five per cent but not less than 423
sixty per cent, seven thousand dollars per megawatt of nameplate 424
capacity located in the county as of the thirty-first day of 425
December of the preceding tax year; 426

(c) If the project maintains during the construction or 427
installation of the energy facility a ratio of Ohio-domiciled 428
full-time equivalent employees to total full-time equivalent 429
employees of less than sixty per cent but not less than fifty 430

per cent, eight thousand dollars per megawatt of nameplate capacity located in the county as of the thirty-first day of December of the preceding tax year.

(H) The director of development in consultation with the tax commissioner shall adopt rules pursuant to Chapter 119. of the Revised Code to implement and enforce this section.

(I) This section and any payments in lieu of taxes made as required under this section continue to apply and be required notwithstanding the enactment of H.B. 15 of the 136th general assembly."

In line 43, delete "section" and insert "sections"; after "5701.11" insert "and 5727.75"

In line 44, delete "is" and insert "are"

The motion was _____ agreed to.

SYNOPSIS

Qualified energy project exemption sunset date

R.C. 5727.75

Modifies the current sunset date for the qualified energy project property tax exemption (QEPE) so that the exemption will definitively sunset in 2029. Currently, the QEPE will end the later of tax year 2029 or the tax year the federal government determines, in accordance with the federal clean electricity production tax credit, that greenhouse gas emissions are equal to or less than 25% of annual greenhouse gas emissions from U.S.

electric production in 2022.	454
The One Big Beautiful Bill Act (OBBBA) amended federal	455
income tax law to only apply the determination of greenhouse gas	456
emissions to facilities for which construction begins on or	457
before July 4, 2026.	458