



OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

Substitute Bill Comparative Synopsis

Sub. S.B. 39

133rd General Assembly

House Economic and Workforce Development

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This table summarizes how the latest substitute version of the bill differs from the immediately preceding version and the Senate-passed version. It addresses only the topics on which the versions differ substantively. It does not list topics on which the bills are substantively the same.

Senate Version (As Passed by the Senate)	Most Recent Prior Version (I_133_0488-7)	Latest Version (I_133_2340-1)
Sunset		
No sunset; credits are available indefinitely.	Same as Senate-passed version.	Terminates authority for approval of credits on June 30, 2022.
Smaller projects		
No similar provision.	No similar provision.	Sets aside 20% (\$20 million) of the tax credits available each year for projects in less

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		<p>populous areas—specifically, projects further than 10 miles from a "major city" (i.e., population > 100,000).</p> <p>Such projects need include buildings only four stories in height with a total square footage of 75,000 sq. ft. (compared to 10 stories and 250,000 sq. ft. for projects within 10 miles of a major city), and the buildings do not have to be connected.</p>
Project cap		
No similar provision.	No similar provision.	Limits the tax credit for any one project to \$40 million.
No limit on the number of projects that may be certified.	Limits the number of projects that may be certified (and preliminarily approved for a tax credit) to four projects per fiscal year.	No limit on the number of projects that may be certified, but limits the total amount of tax credits to \$100 million for each of FY 2020, FY 2021, and FY 2022.
No similar provision.	Allows the Director of Development Services to reallocate unused certifications from prior years and certifications that are rescinded.	No similar provision; unused certifications do not carry over to later years.
No similar provision.	If there are more tax credit applications than there are certifications available, the Director must rank the qualified applications and certify the projects that present the best combination of economic value and transformational impact. (R.C. 122.09(C)(2).)	Same as most recent prior version, but the ranking is done separately for projects within 10 miles of a major city and for those outside such a radius.

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Credit amount		
<p>The credit equals 10% of documented development costs or, if the applicant is an insurance company contributing capital to the project, 10% of the capital contribution. The full credit amount is awarded upon completion of the project. <i>(R.C. 122.09(F).)</i></p>	<p>The credit amount and when it is awarded depend, in part, on the increase in tax collections at the project site and the surrounding area.</p> <p>A credit equal to 5% of documented development costs or 5% of an insurance company’s capital contribution (whichever is applicable) is issued upon completion of the project.</p> <p>The remainder of the credit – up to an additional 5% – is awarded if, when, and to the extent that the increase in tax collections exceeds 5% of development costs. The applicant may receive some or all of the remaining credit amount on the date the project is completed and they may reapply for any portion of the credit that has yet to be awarded on the first, second, third, fourth, and fifth anniversaries of that date.</p> <p>If the full 10% credit has not been awarded following the fifth anniversary of the date the project is completed, the remainder is forfeited.</p> <p>The increase in tax collections is computed by the Director in consultation with the Tax Commissioner and the tax administrators of</p>	<p>Same as the most recent prior version, except the credit amount is limited to \$40 million per project, and the Ohio Tax Credit Authority is substituted for the Director of Development Services.</p>

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	any municipal corporations that levy an income tax on the project site or the surrounding area. <i>(R.C. 122.09(F), (G), and (H).)</i>	
Completion period		
The increase in tax collections is computed based on the five years following completion of the project – referred to by the bill as the “completion period.” <i>(R.C. 122.09(A)(4) and (5).)</i>	Same, but extends the completion period backward to the date the project is certified. <i>(R.C. 122.09(A)(4) and (5).)</i>	Same as the most recent prior version.
Progress and reporting requirements		
Requires a person that is preliminarily approved for the tax credit to provide the Director with sufficient evidence of reviewable progress and an updated schedule for completion of the project within 12 months of the date the project is certified. The person must submit evidence that financing has been secured and closed within 18 months of the certification date.	Eliminates the 18-month reporting requirement and modifies the 12-month reporting requirement by replacing “sufficient evidence with reviewable progress” with “documentation sufficient to demonstrate that construction has begun.”	Same as most recent prior version, except substitutes the Ohio Tax Credit Authority for the Director of Development Services.

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<p>The Director is allowed, but not required, to rescind certification of the project if either or both of the reporting requirements are not timely met. (R.C. 122.09(D).)</p> <p>The person that is preliminarily approved for a tax credit, regardless of whether that person is the property owner or an insurance company, is required to notify the Director upon completion of the project. (R.C. 122.09(F).)</p>	<p>Requires the Director to rescind certification of the project if the reporting requirement is not timely met. (R.C. 122.09(D).)</p> <p>The property owner is required to notify the Director upon completion of the project. (R.C. 122.09(F).)</p>	<p>Same as most recent prior version, except substitutes the Ohio Tax Credit Authority for the Director of Development Services.</p> <p>Same as most recent prior version, except substitutes the Ohio Tax Credit Authority for the Director of Development Services.</p>
Rulemaking		
<p>Requires the Director to adopt rules on a number of topics concerning the administration of the tax credit. (R.C. 122.09(H).)</p>	<p>Adds the following to the list of topics that must be addressed by rules:</p> <ul style="list-style-type: none"> --Application deadlines (if any); --Procedure for ranking applications; --Timing and frequency by which projects are certified; and --Procedure for computing the increase in tax collections. (R.C. 122.09(L).) 	<p>Same as most recent version.</p>
Administration		
<p>The Director of Development Services accepts and processes applications and otherwise administers the tax credit.</p>	<p>Same as the Senate-passed version.</p>	<p>The Ohio Tax Credit Authority accepts and processes applications and administers the tax credit.</p>

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Historic building rehabilitation tax credit		
No similar provision.	<p>Increases the amount of the existing-law tax credit for rehabilitating a historic building if the building is in a rural area (defined under existing law for other purposes as a county having a population less than 200,000) from 25% to 35% of qualified rehabilitation expenditures. The credit remains 25% of qualified rehabilitation expenditures for buildings not located in rural areas.</p> <p>Retains the same per-project tax credit caps for all rehabilitation projects, regardless of location (\$25 million for catalytic projects and \$5 million for all others). Also retains the \$60 million overall cap on the tax credits approved each fiscal year. (<i>R.C. 149.311, 5725.34, 5726.52, 5729.17, and 5747.76.</i>)</p>	No similar provision.
Commercial real estate broker liens		
No provision.	No provision.	Requires, rather than permits, a court to charge the nonprevailing parties all court costs and attorney's fees for an action to enforce a commercial real estate broker's lien. If the broker is the prevailing party, specifies that the costs and fees must include the broker's costs of perfecting and enforcing the lien and of litigation and prejudgment interest.

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		<p>Specifies that notices of such an action may be served by a commercial carrier service or other method that includes written evidence of receipt, as an alternative to certified mail with return receipt requested, and that the broker has three days, rather than one, to provide a copy of the lien affidavit or of the release of lien after it has been recorded. <i>(R.C. 1311.87, 1311.88, and 1311.90.)</i></p>

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