

As Introduced

**131st General Assembly
Regular Session
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H. B. No. 593

Representative Arndt

Cosponsors: Representatives Brinkman, Thompson

A BILL

To amend sections 1707.03, 1724.02, 4582.06, and 1
4582.31 and to enact sections 1707.05, 1707.051,
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1707.052, 1707.053, 1707.054, 1707.055,
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1707.056, 1707.057, and 1707.058 of the Revised
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Code to permit intrastate equity crowdfunding
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under certain circumstances. 6

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

Section 1. That sections 1707.03, 1724.02, 4582.06, and 7
4582.31 be amended and sections 1707.05, 1707.051, 1707.052,
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1707.053, 1707.054, 1707.055, 1707.056, 1707.057, and 1707.058
9
of the Revised Code be enacted to read as follows: 10

Sec. 1707.03. (A) As used in this section, "exempt" means 11
that, except in the case of securities the right to buy, sell,
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or deal in which has been suspended or revoked under an existing
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order of the division of securities under section 1707.13 of the
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Revised Code or under a cease and desist order under division
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(G) of section 1707.23 of the Revised Code, transactions in
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securities may be carried on and completed without compliance
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with sections 1707.08 to 1707.11 of the Revised Code. 18

(B) A sale of securities made by or on behalf of a bona fide owner, neither the issuer nor a dealer, is exempt if the sale is made in good faith and not for the purpose of avoiding this chapter and is not made in the course of repeated and successive transactions of a similar character. Any sale of securities over a stock exchange that is lawfully conducted in this state and regularly open for public patronage and that has been established and operated for a period of at least five years prior to the sale at a commission not exceeding the commission regularly charged in such transactions also is exempt.

(C) The sale of securities by executors, administrators, receivers, trustees, or anyone acting in a fiduciary capacity is exempt, where such relationship was created by law, by a will, or by judicial authority, and where such sales are subject to approval by, or are made in pursuance to authority granted by, any court of competent jurisdiction or are otherwise authorized and lawfully made by such fiduciary.

(D) A sale to the issuer, to a dealer, or to an institutional investor is exempt.

(E) A sale in good faith, and not for the purpose of avoiding this chapter, by a pledgee of a security pledged for a bona fide debt is exempt.

(F) The sale at public auction by a corporation of shares of its stock because of delinquency in payment for the shares is exempt.

(G) (1) The giving of any conversion right with, or on account of the purchase of, any security that is exempt, is the subject matter of an exempt transaction, has been registered by

description, by coordination, or by qualification, or is the 48
subject matter of a transaction that has been registered by 49
description is exempt. 50

(2) The giving of any subscription right, warrant, or 51
option to purchase a security or right to receive a security 52
upon exchange, which security is exempt at the time the right, 53
warrant, or option to purchase or right to receive is given, is 54
the subject matter of an exempt transaction, is registered by 55
description, by coordination, or by qualification, or is the 56
subject matter of a transaction that has been registered by 57
description is exempt. 58

(3) The giving of any subscription right or any warrant or 59
option to purchase a security, which right, warrant, or option 60
expressly provides that it shall not be exercisable except for a 61
security that at the time of the exercise is exempt, is the 62
subject matter of an exempt transaction, is registered by 63
description, by coordination, or by qualification, or at such 64
time is the subject matter of a transaction that has been 65
registered by description is exempt. 66

(H) The sale of notes, bonds, or other evidences of 67
indebtedness that are secured by a mortgage lien upon real 68
estate, leasehold estate other than oil, gas, or mining 69
leasehold, or tangible personal property, or which evidence of 70
indebtedness is due under or based upon a conditional-sale 71
contract, if all such notes, bonds, or other evidences of 72
indebtedness are sold to a single purchaser at a single sale, is 73
exempt. 74

(I) The delivery of securities by the issuer on the 75
exercise of conversion rights, the sale of securities by the 76
issuer on exercise of subscription rights or of warrants or 77

options to purchase securities, the delivery of voting-trust 78
certificates for securities deposited under a voting-trust 79
agreement, the delivery of deposited securities on surrender of 80
voting-trust certificates, and the delivery of final 81
certificates on surrender of interim certificates are exempt; 82
but the sale of securities on exercise of subscription rights, 83
warrants, or options is not an exempt transaction unless those 84
rights, warrants, or options when granted were the subject 85
matter of an exempt transaction under division (G) of this 86
section or were registered by description, by coordination, or 87
by qualification. 88

(J) The sale of securities by a bank, savings and loan 89
association, savings bank, or credit union organized under the 90
laws of the United States or of this state is exempt if at a 91
profit to that seller of not more than two per cent of the total 92
sale price of the securities. 93

(K) (1) The distribution by a corporation of its securities 94
to its security holders as a share dividend or other 95
distribution out of earnings or surplus is exempt. 96

(2) The exchange or distribution by the issuer of any of 97
its securities or of the securities of any of the issuer's 98
wholly owned subsidiaries exclusively with or to its existing 99
security holders, if no commission or other remuneration is 100
given directly or indirectly for soliciting the exchange, is 101
exempt. 102

(3) The sale of preorganization subscriptions for shares 103
of stock of a corporation prior to the incorporation of the 104
corporation is exempt, when the sale is evidenced by a written 105
agreement, no remuneration is given, or promised, directly or 106
indirectly, for or in connection with the sale of those 107

securities, and no consideration is received, directly or 108
indirectly, by any person from the purchasers of those 109
securities until registration by qualification, by coordination, 110
or by description of those securities is made under this 111
chapter. 112

(L) The issuance of securities in exchange for one or more 113
bona fide outstanding securities, claims, or property interests, 114
not including securities sold for a consideration payable in 115
whole or in part in cash, under a plan of reorganization, 116
recapitalization, or refinancing approved by a court pursuant to 117
the Bankruptcy Act of the United States or to any other federal 118
act giving any federal court jurisdiction over such plan of 119
reorganization, or under a plan of reorganization approved by a 120
court of competent jurisdiction of any state of the United 121
States is exempt. As used in this division, "reorganization," 122
"recapitalization," and "refinancing" have the same meanings as 123
in section 1707.04 of the Revised Code. 124

(M) A sale by a licensed dealer, acting either as 125
principal or as agent, of securities issued and outstanding 126
before the sale is exempt, unless the sale is of one or more of 127
the following: 128

(1) Securities constituting the whole or a part of an 129
unsold allotment to or subscription by a dealer as an 130
underwriter or other participant in the distribution of those 131
securities by the issuer, whether that distribution is direct or 132
through an underwriter, provided that, if the issuer is such by 133
reason of owning one-fourth or more of those securities, the 134
dealer has knowledge of this fact or reasonable cause to believe 135
this fact; 136

(2) Any class of shares issued by a corporation when the 137

number of beneficial owners of that class is less than twenty- 138
five, with the record owner of securities being deemed the 139
beneficial owner for this purpose, in the absence of actual 140
knowledge to the contrary; 141

(3) Securities that within one year were purchased outside 142
this state or within one year were transported into this state, 143
if the dealer has knowledge or reasonable cause to believe, 144
before the sale of those securities, that within one year they 145
were purchased outside this state or within one year were 146
transported into this state; but such a sale of those securities 147
is exempt if any of the following occurs: 148

(a) A recognized securities manual contains the names of 149
the issuer's officers and directors, a balance sheet of the 150
issuer as of a date within eighteen months, and a profit and 151
loss statement for either the fiscal year preceding that date or 152
the most recent year of operations; 153

(b) Those securities, or securities of the same class, 154
within one year were registered or qualified under section 155
1707.09 or 1707.091 of the Revised Code, and that registration 156
or qualification is in full force and effect; 157

(c) The sale is made by a licensed dealer on behalf of the 158
bona fide owner of those securities in accordance with division 159
(B) of this section; 160

(d) Those securities were transported into Ohio in a 161
transaction of the type described in division (L), (K), or (I) 162
of this section, or in a transaction registered under division 163
(A) of section 1707.06 of the Revised Code. 164

(N) For the purpose of this division and division (M) of 165
this section, "underwriter" means any person who has purchased 166

from an issuer with a view to, or sells for an issuer in 167
connection with, the distribution of any security, or who 168
participates directly or indirectly in any such undertaking or 169
in the underwriting thereof, but "underwriter" does not include 170
a person whose interest is limited to a discount, commission, or 171
profit from the underwriter or from a dealer that is not in 172
excess of the customary distributors' or sellers' discount, 173
commission, or profit; and "issuer" includes any person or any 174
group of persons acting in concert in the sale of such 175
securities, owning beneficially one-fourth or more of the 176
outstanding securities of the class involved in the transactions 177
in question, with the record owner of securities being deemed 178
the beneficial owner for this purpose, in the absence of actual 179
knowledge to the contrary. 180

(O) (1) The sale of any equity security is exempt if all 181
the following conditions are satisfied: 182

(a) The sale is by the issuer of the security. 183

(b) The total number of purchasers in this state of all 184
securities issued or sold by the issuer in reliance upon this 185
exemption during the period of one year ending with the date of 186
the sale does not exceed ten. A sale of securities registered 187
under this chapter or sold pursuant to an exemption under this 188
chapter other than this exemption shall not be integrated with a 189
sale pursuant to this exemption in computing the number of 190
purchasers under this exemption. 191

(c) No advertisement, article, notice, or other 192
communication published in any newspaper, magazine, or similar 193
medium or broadcast over television or radio is used in 194
connection with the sale, but the use of an offering circular or 195
other communication delivered by the issuer to selected 196

individuals does not destroy this exemption.	197
(d) The issuer reasonably believes after reasonable investigation that the purchaser is purchasing for investment.	198 199
(e) The aggregate commission, discount, and other remuneration, excluding legal, accounting, and printing fees, paid or given directly or indirectly does not exceed ten per cent of the initial offering price.	200 201 202 203
(f) Any such commission, discount, or other remuneration for sales in this state is paid or given only to dealers or salespersons registered pursuant to this chapter.	204 205 206
(2) For the purposes of division (O)(1) of this section, each of the following is deemed to be a single purchaser of a security: husband and wife, a child and its parent or guardian when the parent or guardian holds the security for the benefit of the child, a corporation, a limited liability company, a partnership, an association or other unincorporated entity, a joint-stock company, or a trust, but only if the corporation, limited liability company, partnership, association, entity, joint-stock company, or trust was not formed for the purpose of purchasing the security.	207 208 209 210 211 212 213 214 215 216
(3) As used in division (O)(1) of this section, "equity security" means any stock or similar security of a corporation or any membership interest in a limited liability company; or any security convertible, with or without consideration, into such a security, or carrying any warrant or right to subscribe to or purchase such a security; or any such warrant or right; or any other security that the division considers necessary or appropriate, by such rules as it may prescribe in the public interest or for the protection of investors, to treat as an	217 218 219 220 221 222 223 224 225

equity security.	226
(P) The sale of securities representing interests in or	227
under profit-sharing or participation agreements relating to oil	228
or gas wells located in this state, or representing interests in	229
or under oil or gas leases of real estate situated in this	230
state, is exempt if the securities are issued by an individual,	231
partnership, limited partnership, partnership association,	232
syndicate, pool, trust or trust fund, or other unincorporated	233
association and if each of the following conditions is complied	234
with:	235
(1) The beneficial owners of the securities do not, and	236
will not after the sale, exceed five natural persons;	237
(2) The securities constitute or represent interests in	238
not more than one oil or gas well;	239
(3) A certificate or other instrument in writing is	240
furnished to each purchaser of the securities at or before the	241
consummation of the sale, disclosing the maximum commission,	242
compensation for services, cost of lease, and expenses with	243
respect to the sale of such interests and with respect to the	244
promotion, development, and management of the oil or gas well,	245
and the total of that commission, compensation, costs, and	246
expenses does not exceed twenty-five per cent of the aggregate	247
interests in the oil or gas well, exclusive of any landowner's	248
rental or royalty;	249
(4) The sale is made in good faith and not for the purpose	250
of avoiding this chapter.	251
(Q) The sale of any security is exempt if all of the	252
following conditions are satisfied:	253
(1) The provisions of section 5 of the Securities Act of	254

1933 do not apply to the sale by reason of an exemption under	255
section 4 (2) of that act.	256
(2) The aggregate commission, discount, and other	257
remuneration, excluding legal, accounting, and printing fees,	258
paid or given directly or indirectly does not exceed ten per	259
cent of the initial offering price.	260
(3) Any such commission, discount, or other remuneration	261
for sales in this state is paid or given only to dealers or	262
salespersons registered under this chapter.	263
(4) The issuer or dealer files with the division of	264
securities, not later than sixty days after the sale, a report	265
setting forth the name and address of the issuer, the total	266
amount of the securities sold under this division, the number of	267
persons to whom the securities were sold, the price at which the	268
securities were sold, and the commissions or discounts paid or	269
given.	270
(5) The issuer pays a filing fee of one hundred dollars	271
for the first filing and fifty dollars for every subsequent	272
filing during each calendar year.	273
(R) A sale of a money order, travelers' check, or other	274
instrument for the transmission of money by a person qualified	275
to engage in such business under section 1109.60 or Chapter	276
1315. of the Revised Code is exempt.	277
(S) A sale by a licensed dealer of securities that are in	278
the process of registration under the Securities Act of 1933,	279
unless exempt under that act, and that are in the process of	280
registration, if registration is required under this chapter, is	281
exempt, provided that no sale of that nature shall be	282
consummated prior to the registration by description or	283

qualification of the securities. 284

(T) The execution by a licensed dealer of orders for the 285
purchase of any security is exempt, provided that the dealer 286
acts only as agent for the purchaser, has made no solicitation 287
of the order to purchase the security, has no interest in the 288
distribution of the security, and delivers to the purchaser 289
written confirmation of the transaction that clearly itemizes 290
the dealer's commission. "Solicitation," as used in this 291
division, means solicitation of the order for the specific 292
security purchased and does not include general solicitations or 293
advertisements of any kind. 294

(U) The sale insofar as the security holders of a person 295
are concerned, where, pursuant to statutory provisions of the 296
jurisdiction under which that person is organized or pursuant to 297
provisions contained in its articles of incorporation, 298
certificate of incorporation, partnership agreement, declaration 299
of trust, trust indenture, or similar controlling instrument, 300
there is submitted to the security holders, for their vote or 301
consent, (1) a plan or agreement for a reclassification of 302
securities of that person that involves the substitution of a 303
security of that person for another security of that person, (2) 304
a plan or agreement of merger or consolidation or a similar plan 305
or agreement of acquisition in which the securities of that 306
person held by the security holders will become or be exchanged 307
for securities of any other person, or (3) a plan or agreement 308
for a combination as defined in division (Q) of section 1701.01 309
of the Revised Code or a similar plan or agreement for the 310
transfer of assets of that person to another person in 311
consideration of the issuance of securities of any person, is 312
exempt if, with respect to any of the foregoing transactions, 313
either of the following conditions is satisfied: 314

(a) The securities to be issued to the security holders 315
are effectively registered under sections 6 to 8 of the 316
Securities Act of 1933 and offered and sold in compliance with 317
section 5 of that act; 318

(b) At least twenty days prior to the date on which a 319
meeting of the security holders is held or the earliest date on 320
which corporate action may be taken when no meeting is held, 321
there is submitted to the security holders, by that person, or 322
by the person whose securities are to be issued in the 323
transaction, information substantially equivalent to the 324
information that would be required to be included in a proxy 325
statement or information statement prepared by or on behalf of 326
the management of an issuer subject to section 14(a) or 14(c) of 327
the Securities Exchange Act of 1934. 328

(V) The sale of any security is exempt if the division by 329
rule finds that registration is not necessary or appropriate in 330
the public interest or for the protection of investors. 331

(W) Any offer or sale of securities made in reliance on 332
the exemptions provided by Rule 505 of Regulation D made 333
pursuant to the Securities Act of 1933 and the conditions and 334
definitions provided by Rules 501 to 503 thereunder is exempt if 335
the offer or sale satisfies all of the following conditions: 336

(1) No commission or other remuneration is given, directly 337
or indirectly, to any person for soliciting or selling to any 338
person in this state in reliance on the exemption under this 339
division, except to dealers licensed in this state. 340

(2) (a) Unless the cause for disqualification is waived 341
under division (W) (2) (b) of this section, no exemption under 342
this section is available for the securities of an issuer unless 343

the issuer did not know and in the exercise of reasonable care 344
could not have known that any of the following applies to any of 345
the persons described in Rule 262(a) to (c) of Regulation A 346
under the Securities Act of 1933: 347

(i) The person has filed an application for registration 348
or qualification that is the subject of an effective order 349
entered against the issuer, its officers, directors, general 350
partners, controlling persons or affiliates thereof, pursuant to 351
the law of any state within five years before the filing of a 352
notice required under division (W) (3) of this section denying 353
effectiveness to, or suspending or revoking the effectiveness 354
of, the registration statement. 355

(ii) The person has been convicted of any offense in 356
connection with the offer, sale, or purchase of any security or 357
franchise, or any felony involving fraud or deceit, including, 358
but not limited to, forgery, embezzlement, fraud, theft, or 359
conspiracy to defraud. 360

(iii) The person is subject to an effective administrative 361
order or judgment that was entered by a state securities 362
administrator within five years before the filing of a notice 363
required under division (W) (3) of this section and that 364
prohibits, denies, or revokes the use of any exemption from 365
securities registration, prohibits the transaction of business 366
by the person as a dealer, or is based on fraud, deceit, an 367
untrue statement of a material fact, or an omission to state a 368
material fact. 369

(iv) The person is subject to any order, judgment, or 370
decree of any court entered within five years before the filing 371
of a notice required under division (W) (3) of this section, 372
temporarily, preliminarily, or permanently restraining or 373

enjoining the person from engaging in or continuing any conduct 374
or practice in connection with the offer, sale, or purchase of 375
any security, or the making of any false filing with any state. 376

(b) (i) Any disqualification under this division involving 377
a dealer may be waived if the dealer is or continues to be 378
licensed in this state as a dealer after notifying the 379
commissioner of the act or event causing disqualification. 380

(ii) The commissioner may waive any disqualification under 381
this paragraph upon a showing of good cause that it is not 382
necessary under the circumstances that use of the exemption be 383
denied. 384

(3) Not later than five business days before the earlier 385
of the date on which the first use of an offering document or 386
the first sale is made in this state in reliance on the 387
exemption under this division, there is filed with the 388
commissioner a notice comprised of offering material in 389
compliance with the requirements of Rule 502 of Regulation D 390
under the Securities Act of 1933 and a fee of one hundred 391
dollars. Material amendments to the offering document shall be 392
filed with the commissioner not later than the date of their 393
first use in this state. 394

(4) The aggregate commission, discount, and other 395
remuneration paid or given, directly or indirectly, does not 396
exceed twelve per cent of the initial offering price, excluding 397
legal, accounting, and printing fees. 398

(X) Any offer or sale of securities made in reliance on 399
the exemption provided in Rule 506 of Regulation D under the 400
Securities Act of 1933, and in accordance with Rules 501 to 503 401
of Regulation D under the Securities Act of 1933, is exempt 402

provided that all of the following apply:	403
(1) The issuer makes a notice filing with the division on form D of the securities and exchange commission within fifteen days of the first sale in this state;	404 405 406
(2) Any commission, discount, or other remuneration for sales of securities in this state is paid or given only to dealers or salespersons licensed under this chapter;	407 408 409
(3) The issuer pays a filing fee of one hundred dollars to the division; however, no filing fee shall be required to file amendments to the form D of the securities and exchange commission.	410 411 412 413
(Y) The offer or sale of securities by an issuer is exempt provided that all of the following apply:	414 415
(1) The sale of securities is made only to persons who are, or who the issuer reasonably believes are, accredited investors as defined in Rule 501 of Regulation D under the Securities Act of 1933.	416 417 418 419
(2) The issuer reasonably believes that all purchasers are purchasing for investment and not with a view to or for sale in connection with a distribution of the security. Any resale of a security sold in reliance on this exemption within twelve months of sale shall be presumed to be with a view to distribution and not for investment, except a resale to which any of the following applies:	420 421 422 423 424 425 426
(a) The resale is pursuant to a registration statement effective under section 1707.09 or 1707.091 of the Revised Code.	427 428
(b) The resale is to an accredited investor, as defined in Rule 501 of Regulation D under the Securities Act of 1933.	429 430

(c) The resale is to an institutional investor pursuant to 431
the exemptions under division (B) or (D) of this section. 432

(3) The exemption under this division is not available to 433
an issuer that is in the development stage and that either has 434
no specific business plan or purpose or has indicated that its 435
business plan is to engage in a merger or acquisition with an 436
unidentified company or companies, or other entities or persons. 437

(4) The exemption under this division is not available to 438
an issuer, if the issuer, any of the issuer's predecessors, any 439
affiliated issuer, any of the issuer's directors, officers, 440
general partners, or beneficial owners of ten per cent or more 441
of any class of its equity securities, any of the issuer's 442
promoters presently connected with the issuer in any capacity, 443
any underwriter of the securities to be offered, or any partner, 444
director, or officer of such underwriter: 445

(a) Within the past five years, has filed a registration 446
statement that is the subject of a currently effective 447
registration stop order entered by any state securities 448
administrator or the securities and exchange commission; 449

(b) Within the past five years, has been convicted of any 450
criminal offense in connection with the offer, purchase, or sale 451
of any security, or involving fraud or deceit; 452

(c) Is currently subject to any state or federal 453
administrative enforcement order or judgment, entered within the 454
past five years, finding fraud or deceit in connection with the 455
purchase or sale of any security; 456

(d) Is currently subject to any order, judgment, or decree 457
of any court of competent jurisdiction, entered within the past 458
five years, that temporarily, preliminarily, or permanently 459

restrains or enjoins the party from engaging in or continuing to 460
engage in any conduct or practice involving fraud or deceit in 461
connection with the purchase or sale of any security. 462

(5) Division (Y)(4) of this section is inapplicable if any 463
of the following applies: 464

(a) The party subject to the disqualification is licensed 465
or registered to conduct securities business in the state in 466
which the order, judgment, or decree creating the 467
disqualification was entered against the party described in 468
division (Y)(4) of this section. 469

(b) Before the first offer is made under this exemption, 470
the state securities administrator, or the court or regulatory 471
authority that entered the order, judgment, or decree, waives 472
the disqualification. 473

(c) The issuer did not know and, in the exercise of 474
reasonable care based on reasonable investigation, could not 475
have known that a disqualification from the exemption existed 476
under division (Y)(4) of this section. 477

(6) A general announcement of the proposed offering may be 478
made by any means; however, the general announcement shall 479
include only the following information, unless additional 480
information is specifically permitted by the division by rule: 481

(a) The name, address, and telephone number of the issuer 482
of the securities; 483

(b) The name, a brief description, and price of any 484
security to be issued; 485

(c) A brief description of the business of the issuer; 486

(d) The type, number, and aggregate amount of securities 487

being offered;	488
(e) The name, address, and telephone number of the person to contact for additional information; and	489 490
(f) A statement indicating all of the following:	491
(i) Sales will only be made to accredited investors as defined in Rule 501 of Regulation D under the Securities Act of 1933;	492 493 494
(ii) No money or other consideration is being solicited or will be accepted by way of this general announcement;	495 496
(iii) The securities have not been registered with or approved by any state securities administrator or the securities and exchange commission and are being offered and sold pursuant to an exemption from registration.	497 498 499 500
(7) The issuer, in connection with an offer, may provide information in addition to the general announcement described in division (Y)(6) of this section, provided that either of the following applies:	501 502 503 504
(a) The information is delivered through an electronic database that is restricted to persons that are accredited investors as defined in Rule 501 of Regulation D under the Securities Act of 1933.	505 506 507 508
(b) The information is delivered after the issuer reasonably believes that the prospective purchaser is an accredited investor as defined in Rule 501 of Regulation D under the Securities Act of 1933.	509 510 511 512
(8) No telephone solicitation shall be done, unless prior to placing the telephone call, the issuer reasonably believes that the prospective purchaser to be solicited is an accredited	513 514 515

investor as defined in Rule 501 of Regulation D under the 516
Securities Act of 1933. 517

(9) Dissemination of the general announcement described in 518
division (Y)(6) of this section to persons that are not 519
accredited investors, as defined in Rule 501 of Regulation D 520
under the Securities Act of 1933, does not disqualify the issuer 521
from claiming an exemption under this division. 522

(10) The issuer shall file with the division notice of the 523
offering of securities within fifteen days after notice of the 524
offering is made or a general announcement is made in this 525
state. The filing shall be on forms adopted by the division and 526
shall include a copy of the general announcement, if one is made 527
regarding the proposed offering, and copies of any offering 528
materials, circulars, or prospectuses. A filing fee of one 529
hundred dollars also shall be included. 530

(Z) The offer or sale of securities by an OhioInvests 531
issuer under sections 1707.05 to 1707.058 of the Revised Code is 532
exempt. 533

Sec. 1707.05. As used in sections 1707.05 to 1707.058 of 534
the Revised Code: 535

(A) "OhioInvests issuer" means an entity organized under 536
the laws of this state, other than a general partnership, that 537
satisfies the requirements of 17 C.F.R. 230.147 and meets all of 538
the following conditions: 539

(1) The principal office of the entity is located in this 540
state. 541

(2) As of the last day of the most recent semiannual 542
fiscal period of the entity, at least eighty per cent, or other 543
threshold permitted under 17 C.F.R. 230.147, of the entity's 544

assets were located in this state. 545

(3) (a) The entity derived at least eighty per cent, or 546
other threshold permitted under 17 C.F.R. 230.147, of the 547
entity's gross revenues from the operation of a business in this 548
state during the previous fiscal year, if the OhioInvests 549
offering begins during the first six months of the entity's 550
fiscal year, or during the twelve months ending on the last day 551
of the sixth month of the entity's current fiscal year, if the 552
OhioInvests offering begins following the last day. 553

(b) Division (A) (3) (a) of this section does not apply to 554
any entity whose gross revenue during the most recent period of 555
twelve months did not exceed five thousand dollars. 556

(4) The entity does not attempt to limit its liability, or 557
the liability of any other person, for fraud or intentional 558
misrepresentation in connection with the offering of its 559
securities in an OhioInvests offering. 560

(5) The entity is not either of the following: 561

(a) Engaged in the business of investing, reinvesting, 562
owning, holding, or trading in securities, except that the 563
entity may hold securities of one class in an entity that is not 564
itself engaged in the business of investing, reinvesting, 565
owning, holding, or trading in securities; 566

(b) Subject to the reporting requirement of 15 U.S.C. 78m 567
and 78o(d). 568

(B) "OhioInvests offering" means an offer, or an offer and 569
sale, of securities by an OhioInvests issuer that is exempt from 570
registration under section 1707.051 of the Revised Code. 571

(C) "OhioInvests portal" means a web site that is operated 572

by a portal operator for the offer or sale of securities of an 573
OhioInvests issuer and meets all of the following requirements: 574

(1) When conducting an OhioInvests offering, it implements 575
steps to limit web site access to residents of only this state. 576

(2) It does not allow an OhioInvests offering to be viewed 577
by a prospective purchaser until both of the following occur: 578

(a) The portal operator verifies, through its exercise of 579
reasonable steps, such as using a third-party verification 580
service or as otherwise approved by the division of securities, 581
that the prospective purchaser is a resident of this state. 582

(b) The prospective purchaser makes an affirmative 583
acknowledgment, electronically through the portal, of the 584
following: 585

"I am an Ohio resident. 586

The securities and investment opportunities listed on this 587
web site involve high-risk, speculative business ventures. If I 588
choose to invest in any securities or investment opportunity 589
listed on this web site, I may lose all of my investment, and I 590
can afford such a loss. 591

The securities and investment opportunities listed on this 592
web site have not been reviewed or approved by any state or 593
federal securities commission or division or other regulatory 594
authority, and no such person or authority, including this web 595
site, has confirmed the accuracy or determined the adequacy of 596
any disclosure made to prospective investors relating to any 597
offering. 598

If I choose to invest in any securities or investment 599
opportunity listed on this web site, I understand that the 600

securities I will acquire may be difficult to transfer or sell, 601
that there is no ready market for the sale of such securities, 602
that it may be difficult or impossible for me to sell or 603
otherwise dispose of this investment at any price, and that, 604
accordingly, I may be required to hold this investment 605
indefinitely." 606

(3) It does not contain the word "OhioInvests" in its 607
internet address. 608

(D) "Portal operator" means an entity, including an 609
issuer, that is authorized to do business in this state, is 610
registered with the division of securities under section 611
1707.054 of the Revised Code or is a licensed dealer, and 612
satisfies any other conditions determined by the division. 613

(E) "Executive management" includes executive officers, 614
directors, governors, and managers. 615

Sec. 1707.051. Subject to section 1707.058 of the Revised 616
Code, the offer, sale, and issuance of securities is exempt from 617
the requirements of sections 1707.08 to 1707.11 of the Revised 618
Code if all of the following conditions are met: 619

(A) The issuer is an OhioInvests issuer on the date that 620
its securities are first offered for sale in the offering and 621
continuously through the closing of the offering. 622

(B) The offering meets the requirements of the federal 623
exemption for intrastate offerings in 15 U.S.C. 77c(a)(11) and 624
17 C.F.R. 230.147. 625

(C) The offering expires not more than twelve months after 626
the offering commences. 627

(D) In any twelve-month period, the issuer does not raise 628

more than five million dollars, either in cash or other 629
consideration, in connection with one or more OhioInvests 630
offerings. 631

(E) The issuer uses at least eighty per cent of the net 632
proceeds of the offering in connection with the operation of its 633
business in this state. 634

(F) No single purchaser purchases more than ten thousand 635
dollars in securities of the issuer in connection with a single 636
OhioInvests offering unless the purchaser is an accredited 637
investor, as defined in Rule 501 of Regulation D under the 638
Securities Act of 1933. 639

(G) The sale of the securities is conducted exclusively 640
through an OhioInvests portal. 641

(H) The issuer requires the portal operator to do all of 642
the following: 643

(1) Provide or make available to each prospective 644
purchaser through the OhioInvests portal the following, as 645
applicable: 646

(a) A copy of the issuer's balance sheet and income 647
statement for the issuer's most recent fiscal year, if the 648
issuer was in existence for that period. 649

(b) For offerings beginning more than ninety days after 650
the issuer's most recent fiscal year end or if the issuer was 651
not in existence the previous calendar year, a copy of the 652
issuer's balance sheet as of a date not more than ninety days 653
before the commencement of the offering for the issuer's most 654
recently completed fiscal year, or such shorter portion the 655
issuer was in existence during that period, and the year-to-date 656
period, or inception-to-date period, if shorter, corresponding 657

with the more recent balance sheet. 658

(2) Make available to each prospective purchaser through 659
the OhioInvests portal a printable or downloadable disclosure 660
document that meets the requirements of section 1707.052 of the 661
Revised Code. 662

(3) Obtain from each prospective purchaser through the 663
OhioInvests portal the certification described in section 664
1707.053 of the Revised Code, in either written or electronic 665
form. 666

(I) All of the following apply: 667

(1) All payments for the purchase of securities are held 668
in escrow until the aggregate capital deposited into escrow from 669
all purchasers is equal to or greater than the stated minimum 670
offering amount. 671

(2) The escrow agent used is a bank, trust company, 672
savings bank, savings association, or credit union authorized to 673
do business in this state. 674

(3) Prior to the execution of the escrow agreement between 675
the issuer and the escrow agent, the escrow agent conducts a 676
search of the issuer and its executive management, as provided 677
to the escrow agent by the portal operator, against the 678
specially designated nationals list maintained by the office of 679
foreign assets control of the United States department of the 680
treasury. 681

(4) The escrow agent is only responsible to act at the 682
direction of the party establishing the escrow account and does 683
not have a duty or liability, contractual or otherwise, to an 684
investor or other person except as set forth in the applicable 685
escrow agreement or other contract. 686

(5) If the minimum offering amount is not raised by the 687
expiration date stipulated in the disclosure document provided 688
to the purchasers, all purchasers will receive a return of all 689
their subscription funds. 690

(J) Not less than ten days before the beginning of an 691
offering of securities in reliance on the exemption provided 692
under this section, the issuer provides all of the following to 693
the division of securities: 694

(1) A notice of claim of exemption from registration, 695
specifying that the issuer will be conducting an offering in 696
reliance on the exemption provided under this section; 697

(2) A copy of the disclosure document described in section 698
1707.052 of the Revised Code that will be provided to 699
prospective purchasers in connection with the offering; 700

(3) A filing fee of three hundred dollars. 701

(K) The issuer and the portal operator engage in 702
solicitation and advertising of the OhioInvests offering only if 703
all of the following apply: 704

(1) The advertisement contains disclaiming language that 705
clearly states that: 706

(a) The advertisement is not the offer and is for 707
informational purposes only; 708

(b) The offering is being made in reliance on the 709
exemption provided under this section; 710

(c) The offering is directed only to residents of this 711
state; 712

(d) All offers and sales are made through an OhioInvests 713

<u>portal; and</u>	714
<u>(e) The department of commerce is the securities regulator</u>	715
<u>in this state.</u>	716
<u>(2) In addition to the items listed in division (K)(1) of</u>	717
<u>this section, the advertisement contains not more than the</u>	718
<u>following:</u>	719
<u>(a) The name and contact information of the issuer;</u>	720
<u>(b) A brief description of the general type of business</u>	721
<u>conducted by the issuer;</u>	722
<u>(c) The minimum offering amount the issuer is attempting</u>	723
<u>to raise through its offering;</u>	724
<u>(d) A description of how the issuer will use the funds</u>	725
<u>raised through the offering;</u>	726
<u>(e) The duration that the offering will remain open;</u>	727
<u>(f) The issuer's logo;</u>	728
<u>(g) A link to the issuer's web site and the OhioInvests</u>	729
<u>portal through which the offering is being made.</u>	730
<u>(3) The advertisement complies with all applicable state</u>	731
<u>and federal laws.</u>	732
<u>Sec. 1707.052.</u> <u>The disclosure document provided to each</u>	733
<u>prospective purchaser through an OhioInvests portal shall</u>	734
<u>contain all of the following:</u>	735
<u>(A) The following information regarding the OhioInvests</u>	736
<u>issuer:</u>	737
<u>(1) The type of entity it is;</u>	738
<u>(2) The address and telephone number of its principal</u>	739

<u>office;</u>	740
<u>(3) Its formation history for the previous five years;</u>	741
<u>(4) The identity of all persons owning more than ten per cent of any class of equity interest in the issuer;</u>	742 743
<u>(5) The identity of its members, executive management, and any other persons occupying a similar status or performing similar functions in the name of and on behalf of the issuer, including their titles and their relevant experience;</u>	744 745 746 747
<u>(6) The material facts of its business plan and capital structure;</u>	748 749
<u>(7) Any material risks unique to the issuer and its business plan;</u>	750 751
<u>(8) Its intended use of the offering proceeds, including any amounts to be paid, as compensation or otherwise, to an owner, member, person in executive management, or other person occupying a similar status or performing similar functions on behalf of the issuer.</u>	752 753 754 755 756
<u>(B) The following information regarding the securities being offered:</u>	757 758
<u>(1) The terms and conditions of the securities, a description of investor exit strategies, and a description of any outstanding securities of the issuer;</u>	759 760 761
<u>(2) The minimum and maximum amount of securities being offered;</u>	762 763
<u>(3) Either of the following:</u>	764
<u>(a) The percentage economic ownership of the issuer represented by the offered securities, assuming the minimum and,</u>	765 766

<u>if applicable, maximum number of securities being offered is</u>	767
<u>sold;</u>	768
<u>(b) The valuation of the issuer implied by the price of</u>	769
<u>the offered securities.</u>	770
<u>(4) The price per share, unit, or interest of the</u>	771
<u>securities;</u>	772
<u>(5) Any restrictions on transfer of the securities;</u>	773
<u>(6) A statement that any future issuance of securities</u>	774
<u>might dilute the value of the securities being offered;</u>	775
<u>(7) The date on which the offering will expire.</u>	776
<u>(C) The identity of and consideration payable to a person</u>	777
<u>who has been or will be retained by the issuer to assist the</u>	778
<u>issuer in conducting the offering and sale of the securities,</u>	779
<u>including a portal operator. This requirement does not apply to</u>	780
<u>persons acting primarily as accountants or attorneys and</u>	781
<u>employees whose primary job responsibilities involve operating</u>	782
<u>the business of the issuer rather than assisting the issuer in</u>	783
<u>raising capital.</u>	784
<u>(D) A description of any pending material litigation,</u>	785
<u>legal proceedings, or regulatory action involving the issuer or</u>	786
<u>any members, persons in executive management, or other persons</u>	787
<u>occupying a similar status or performing similar functions in</u>	788
<u>the name of and on behalf of the issuer;</u>	789
<u>(E) A copy of the escrow agreement between the escrow</u>	790
<u>agent, the issuer, and, if applicable, the portal operator;</u>	791
<u>(F) A statement that the securities have not been</u>	792
<u>registered under federal or state securities law and that the</u>	793
<u>securities are subject to limitations on resale;</u>	794

(G) A statement, printed in boldface type of the minimum 795
size of ten points, as follows: "IN MAKING AN INVESTMENT 796
DECISION, PURCHASERS MUST RELY ON THEIR OWN EXAMINATION OF THE 797
ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND 798
RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY 799
ANY FEDERAL OR STATE SECURITIES COMMISSION OR DIVISION OR OTHER 800
REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES 801
HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF 802
THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL 803
OFFENSE. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON 804
TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD 805
EXCEPT AS PERMITTED BY 17 C.F.R. 230.147(e) AND THE APPLICABLE 806
STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION 807
THEREFROM. PURCHASERS SHOULD BE AWARE THAT THEY WILL BE REQUIRED 808
TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE 809
PERIOD OF TIME." 810

Sec. 1707.053. The certification obtained by the portal 811
operator from each prospective purchaser through an OhioInvests 812
portal shall, at a minimum, state the following: 813

"I UNDERSTAND AND ACKNOWLEDGE THAT: 814

If I make an investment in an offering through this 815
OhioInvests portal, it is very likely that I am investing in a 816
high-risk, speculative business venture that could result in the 817
complete loss of my investment, and I need to be able to afford 818
such a loss. 819

This offering has not been reviewed or approved by any 820
state or federal securities commission or division or other 821
regulatory authority and that no such person or authority has 822
confirmed the accuracy or determined the adequacy of any 823
disclosure made to me relating to this offering. 824

If I make an investment in an offering through this 825
OhioInvests portal, it is very likely that the investment will 826
be difficult to transfer or sell and, accordingly, I may be 827
required to hold the investment indefinitely. 828

By entering into this transaction with the company, I am 829
affirmatively representing myself as being an Ohio resident at 830
the time that this contract is formed, and if this 831
representation is subsequently shown to be false, the contract 832
is void." 833

Sec. 1707.054. (A) An entity, other than a licensed 834
dealer, that wishes to act as a portal operator shall file all 835
of the following with the division of securities: 836

(1) A registration application in the form prescribed by 837
the division and all applicable schedules and supplemental 838
information; 839

(2) A copy of the articles of incorporation or other 840
documents that indicate the entity's form of organization; 841

(3) A filing fee of two hundred dollars. 842

(B) If the division approves the entity as a portal 843
operator, the division shall issue a certificate of registration 844
to the entity. A portal operator's registration under this 845
section shall expire one year after the date of its issuance. It 846
may be renewed annually by submitting a renewal application and 847
a renewal fee of two hundred dollars to the division. 848

Sec. 1707.055. No portal operator that is not a licensed 849
dealer shall do any of the following: 850

(A) Offer investment advice or recommendations. For 851
purposes of this division, a portal operator shall not be 852

considered to be offering investment advice or recommendations 853
merely because it selects, or may perform due diligence with 854
respect to, issuers or offerings to be listed or merely because 855
it provides general investor educational materials. 856

(B) Provide transaction-based compensation for securities 857
sold under this chapter to employees, agents, or other persons 858
unless the employees, agents, or other persons are licensed 859
under this chapter and permitted to receive such compensation. 860

(C) Charge a fee to the issuer for an offering of 861
securities on an OhioInvests portal unless the fee is one of the 862
following: 863

(1) A fixed amount for each offering; 864

(2) A variable amount based on the length of time that the 865
securities are offered on the portal; 866

(3) A combination of such fixed or variable amounts. 867

(D) Hold, manage, possess, or otherwise handle purchaser 868
funds or securities, unless the portal operator is the issuer. 869

Sec. 1707.056. (A) Each portal operator shall do both of 870
the following: 871

(1) Provide the division of securities with read-only 872
access to the administrative sections of its OhioInvests portal; 873

(2) Upon the written request of the division, furnish to 874
the division any of the records required to be maintained and 875
preserved under section 1707.057 of the Revised Code. 876

(B) (1) A portal operator shall not disclose personal 877
information without the written or electronic consent of the 878
prospective purchaser or purchaser. For purposes of division (B) 879

of this section, "personal information" means information 880
provided to a portal operator by a prospective purchaser or 881
purchaser that identifies, or can be used to identify, the 882
prospective purchaser or purchaser. 883

(2) Division (B)(1) of this section does not apply with 884
respect to records required to be furnished to the division 885
under division (A)(2) of this section, the disclosure of 886
personal information to an OhioInvests issuer relating to its 887
OhioInvests offering, or the disclosure of personal information 888
to the extent required or authorized under other law. 889

Sec. 1707.057. (A) Each portal operator shall maintain and 890
preserve, for a period of at least five years from either the 891
date of the closing or date of the termination of the securities 892
offering, all of the following: 893

(1) The name of each issuer whose securities have been 894
listed on its OhioInvests portal and the full name, residential 895
address, social security number, date of birth, and copy of a 896
state-issued identification of all owners with greater than ten 897
per cent voting equity in the issuer; 898

(2) Copies of all offering materials that have been 899
displayed on its OhioInvests portal; 900

(3) The names and other personal information of each 901
purchaser who has registered at its OhioInvests portal; 902

(4) Any agreements and contracts between the portal 903
operator and an issuer; 904

(5) Any information used to establish that a prospective 905
purchaser or purchaser of securities through its OhioInvests 906
portal is a resident of this state and that an issuer whose 907
securities are listed on the portal has its principal office in 908

this state; 909

(6) Any other records the division requires by rule to be maintained and preserved. 910
911

(B)(1) The records described in division (A) of this section shall be maintained and preserved in a manner, including by any electronic storage media, that does all of the following: 912
913
914

(a) Permits the immediate location of any particular document; 915
916

(b) Retains the documents exclusively in a nonrewriteable, nonerasable format; 917
918

(c) Verifies automatically the quality and accuracy of the storage recording process; 919
920

(d) Serializes the originals; 921

(e) Allows indexes and records preserved to be downloaded to an acceptable medium. 922
923

(2) If the records retention system commingles records required to be retained under this section with other records, the division of securities may review all of the commingled records. 924
925
926
927

(C) Notwithstanding divisions (A) and (B) of this section, the failure of a portal operator that is not the issuer to comply with those divisions does not affect the OhioInvests issuers' exemption from registration under section 1707.051 of the Revised Code. 928
929
930
931
932

Sec. 1707.058. (A) As used in this section, "affiliated party" means any of the following: 933
934

(1) Any predecessor to the issuer; 935

<u>(2) Any affiliated issuer;</u>	936
<u>(3) Any director, executive officer, other officer</u>	937
<u>participating in the offering, general partner, or managing</u>	938
<u>member of the issuer;</u>	939
<u>(4) Any beneficial owner of twenty per cent or more of the</u>	940
<u>issuer's outstanding voting equity securities, calculated on the</u>	941
<u>basis of voting power;</u>	942
<u>(5) Any promoter connected with the issuer in any capacity</u>	943
<u>at the time of the sale;</u>	944
<u>(6) Any investment manager of an issuer that is a pooled</u>	945
<u>investment fund;</u>	946
<u>(7) Any general partner or managing member of any</u>	947
<u>investment manager participating in the offering;</u>	948
<u>(8) Any director, executive officer, or other officer</u>	949
<u>participating in the offering of any investment manager or</u>	950
<u>general partner or managing member of the investment manager</u>	951
<u>participating in the offering.</u>	952
<u>(B) The exemption from registration provided under section</u>	953
<u>1707.051 of the Revised Code is not available with respect to an</u>	954
<u>offer, sale, and issuance of securities if the issuer of the</u>	955
<u>securities or any affiliated party:</u>	956
<u>(1) Has been convicted, within ten years before the</u>	957
<u>offering or, in the case of issuers, their predecessors, and</u>	958
<u>affiliated issuers, within five years before the offering, of</u>	959
<u>any felony or misdemeanor:</u>	960
<u>(a) In connection with the purchase or sale of any</u>	961
<u>security;</u>	962

<u>(b) Involving the making of any false filing with the</u>	963
<u>securities and exchange commission or a state securities</u>	964
<u>commissioner; or</u>	965
<u>(c) Arising out of the conduct of the business of an</u>	966
<u>underwriter, broker, dealer, municipal securities dealer,</u>	967
<u>investment adviser, or paid solicitor of purchasers of</u>	968
<u>securities.</u>	969
<u>(2) Is subject to any order, judgment, or decree of any</u>	970
<u>court of competent jurisdiction, entered within five years</u>	971
<u>before the sale, that, at the time of the sale, restrains or</u>	972
<u>enjoins the person from engaging or continuing to engage in any</u>	973
<u>conduct or practice:</u>	974
<u>(a) In connection with the purchase or sale of any</u>	975
<u>security;</u>	976
<u>(b) Involving the making of any false filing with the</u>	977
<u>securities and exchange commission or a state securities</u>	978
<u>commissioner; or</u>	979
<u>(c) Arising out of the conduct of the business of an</u>	980
<u>underwriter, broker, dealer, municipal securities dealer,</u>	981
<u>investment adviser, or paid solicitor of purchasers of</u>	982
<u>securities.</u>	983
<u>(3) Is subject to a final order of a state securities</u>	984
<u>commission or an agency or officer of a state performing like</u>	985
<u>functions; a state authority that supervises or examines banks,</u>	986
<u>savings associations, or credit unions; a state insurance</u>	987
<u>commission or an agency or officer of a state performing like</u>	988
<u>functions; an appropriate federal banking agency; the United</u>	989
<u>States commodity futures trading commission; or the national</u>	990
<u>credit union administration that:</u>	991

(a) At the time of the offering, bars the person from 992
associating with an entity regulated by the commission, 993
authority, agency, or officer; engaging in the business of 994
securities, insurance, or banking; or engaging in savings 995
association or credit union activities; or 996

(b) Constitutes a final order based on a violation of any 997
law or regulation that prohibits fraudulent, manipulative, or 998
deceptive conduct entered within ten years before the offering. 999

(4) Is subject to an order of the securities and exchange 1000
commission entered pursuant to 15 U.S.C. 78o(b), 78o-4(c), 80b- 1001
3(e), or 80b-3(f) that, at the time of the offering, does any of 1002
the following: 1003

(a) Suspends or revokes the person's license or 1004
registration as a broker, dealer, municipal securities dealer, 1005
or investment adviser; 1006

(b) Places limitations on the activities, functions, or 1007
operations of the person; 1008

(c) Bars the person from being associated with any entity 1009
or from participating in the offering of any penny stock. 1010

(5) Is subject to any order of the securities exchange 1011
commission or a state securities commissioner entered within 1012
five years before the sale that, at the time of the sale, orders 1013
the person to cease and desist from committing or causing a 1014
violation or future violation of any of the following: 1015

(a) Any scienter-based antifraud provision of the federal 1016
securities laws, including, but not limited to, 15 U.S.C. 77q(a) 1017
(1), 78j(b), 78o(c)(1), and 80b-6(1), and 17 C.F.R. 240.10b-5 or 1018
any other regulation adopted thereunder; 1019

- (b) 15 U.S.C. 77e. 1020
- (6) Is suspended or expelled from membership in, or 1021
suspended or barred from association with a member of, a 1022
registered national securities exchange or a registered national 1023
or affiliated securities association for any act or omission to 1024
act constituting conduct inconsistent with just and equitable 1025
principles of trade; 1026
- (7) Has filed as a registrant or issuer, or was or was 1027
named as an underwriter in, any registration statement or 1028
Regulation A offering statement filed with the securities and 1029
exchange commission or a state securities commissioner that, 1030
within five years before the sale, was the subject of a refusal 1031
order, stop order, or order suspending the Regulation A 1032
exemption; 1033
- (8) Is, at the time of the sale, the subject of an 1034
investigation or proceeding to determine whether a stop order or 1035
a suspension order of the type described in division (B) (7) of 1036
this section should be issued; 1037
- (9) Is subject to a United States postal service false 1038
representation order entered within five years before the 1039
offering; 1040
- (10) Is, at the time of the offering, subject to a 1041
temporary restraining order or preliminary injunction with 1042
respect to conduct alleged by the United States postal service 1043
to constitute a scheme or device for obtaining money or property 1044
through the mail by means of false representations. 1045
- (C) Division (B) of this section does not apply: 1046
- (1) With respect to any conviction, order, judgment, 1047
decree, suspension, expulsion, or bar that occurred or was 1048

issued before September 23, 2013; 1049

(2) Upon a showing of good cause and without prejudice to 1050
any other action by the securities and exchange commission or a 1051
state securities commissioner, if the securities and exchange 1052
commission or state securities commissioner determines that it 1053
is not necessary under the circumstance that an exemption be 1054
denied; 1055

(3) If, before the relevant offering, the court of 1056
regulatory authority that entered the relevant order, judgment, 1057
or decree advises in writing that the disqualification under 1058
division (B) of this section should not arise as a consequence 1059
of the order, judgment, or decree, whether the advice is 1060
contained in the relevant judgment, order, or decree or 1061
separately to the securities and exchange commission or a state 1062
securities commissioner or their staff; or 1063

(4) If the issuer establishes that it did not know and, in 1064
the exercise of reasonable care, could not have known that a 1065
disqualification existed under division (B) of this section. 1066

(D) For purposes of division (B) of this section, events 1067
relating to any affiliated issuer that occurred before the 1068
affiliation arose will not be considered disqualifying if the 1069
affiliated entity is not: 1070

(1) In control of the issuer; or 1071

(2) Under common control with the issuer by a third party 1072
that was in control of the affiliated entity at the time of the 1073
events. 1074

Sec. 1724.02. In furtherance of the purposes set forth in 1075
section 1724.01 of the Revised Code, a community improvement 1076
corporation shall have the following powers: 1077

(A) (1) To borrow money for any of the purposes of the 1078
community improvement corporation by means of loans, lines of 1079
credit, or any other financial instruments or securities, 1080
including the issuance of its bonds, debentures, notes, or other 1081
evidences of indebtedness, whether secured or unsecured, and to 1082
secure the same by mortgage, pledge, deed of trust, or other 1083
lien on its property, franchises, rights, and privileges of 1084
every kind and nature or any part thereof or interest therein; 1085
and 1086

(2) If the community improvement corporation is a county 1087
land reutilization corporation, the corporation may request, by 1088
resolution: 1089

(a) That the board of county commissioners of the county 1090
served by the corporation pledge a specifically identified 1091
source or sources of revenue pursuant to division (C) of section 1092
307.78 of the Revised Code as security for such borrowing by the 1093
corporation; and 1094

(b) (i) If the land subject to reutilization is located 1095
within an unincorporated area of the county, that the board of 1096
county commissioners issue notes under section 307.082 of the 1097
Revised Code for the purpose of constructing public 1098
infrastructure improvements and take other actions as the board 1099
determines are in the interest of the county and are authorized 1100
under sections 5709.78 to 5709.81 of the Revised Code or bonds 1101
or notes under section 5709.81 of the Revised Code for the 1102
refunding purposes set forth in that section; or 1103

(ii) If the land subject to reutilization is located 1104
within the corporate boundaries of a municipal corporation, that 1105
the municipal corporation issue bonds for the purpose of 1106
constructing public infrastructure improvements and take such 1107

other actions as the municipal corporation determines are in its 1108
interest and are authorized under sections 5709.40 to 5709.43 of 1109
the Revised Code. 1110

(B) To make loans to any person, firm, partnership, 1111
corporation, joint stock company, association, or trust, and to 1112
establish and regulate the terms and conditions with respect to 1113
any such loans; provided that an economic development 1114
corporation shall not approve any application for a loan unless 1115
and until the person applying for said loan shows that the 1116
person has applied for the loan through ordinary banking or 1117
commercial channels and that the loan has been refused by at 1118
least one bank or other financial institution. Nothing in this 1119
division shall preclude a county land reutilization corporation 1120
from making revolving loans to community development 1121
corporations, private entities, or any person for the purposes 1122
contained in the corporation's plan under section 1724.10 of the 1123
Revised Code. 1124

(C) To purchase, receive, hold, manage, lease, lease- 1125
purchase, or otherwise acquire and to sell, convey, transfer, 1126
lease, sublease, or otherwise dispose of real and personal 1127
property, together with such rights and privileges as may be 1128
incidental and appurtenant thereto and the use thereof, 1129
including but not restricted to, any real or personal property 1130
acquired by the community improvement corporation from time to 1131
time in the satisfaction of debts or enforcement of obligations, 1132
and to enter into contracts with third parties, including the 1133
federal government, the state, any political subdivision, or any 1134
other entity. A county land reutilization corporation shall not 1135
acquire an interest in real property if such acquisition causes 1136
the number of occupied real properties held by the corporation 1137
to exceed the greater of either fifty properties or twenty-five 1138

per cent of all real property held by the corporation for 1139
reutilization, reclamation, or rehabilitation. For the purposes 1140
of this division, "occupied real properties" includes all real 1141
properties that are not unoccupied as that term is defined in 1142
section 323.65 of the Revised Code. 1143

(D) To acquire the good will, business, rights, real and 1144
personal property, and other assets, or any part thereof, or 1145
interest therein, of any persons, firms, partnerships, 1146
corporations, joint stock companies, associations, or trusts, 1147
and to assume, undertake, or pay the obligations, debts, and 1148
liabilities of any such person, firm, partnership, corporation, 1149
joint stock company, association, or trust; to acquire, reclaim, 1150
manage, or contract for the management of improved or unimproved 1151
and underutilized real estate for the purpose of constructing 1152
industrial plants, other business establishments, or housing 1153
thereon, or causing the same to occur, for the purpose of 1154
assembling and enhancing utilization of the real estate, or for 1155
the purpose of disposing of such real estate to others in whole 1156
or in part for the construction of industrial plants, other 1157
business establishments, or housing; and to acquire, reclaim, 1158
manage, contract for the management of, construct or 1159
reconstruct, alter, repair, maintain, operate, sell, convey, 1160
transfer, lease, sublease, or otherwise dispose of industrial 1161
plants, business establishments, or housing. 1162

(E) To acquire, subscribe for, own, hold, sell, assign, 1163
transfer, mortgage, pledge, or otherwise dispose of the stock, 1164
shares, bonds, debentures, notes, or other securities and 1165
evidences of interest in, or indebtedness of, any person, firm, 1166
corporation, joint stock company, association, or trust, and 1167
while the owner or holder thereof, to exercise all the rights, 1168
powers, and privileges of ownership, including the right to vote 1169

therein, provided that no tax revenue, if any, received by a 1170
community improvement corporation shall be used for such 1171
acquisition or subscription. 1172

(F) To mortgage, pledge, or otherwise encumber any 1173
property acquired pursuant to the powers contained in division 1174
(C), (D), or (E) of this section. 1175

(G) Nothing in this section shall limit the right of a 1176
community improvement corporation to become a member of or a 1177
stockholder in a corporation formed under Chapter 1726. of the 1178
Revised Code. 1179

(H) To serve as an agent for grant applications and for 1180
the administration of grants, or to make applications as 1181
principal for grants for county land reutilization corporations. 1182

(I) To exercise the powers enumerated under Chapter 5722. 1183
of the Revised Code on behalf of a county that organizes or 1184
contracts with a county land reutilization corporation. 1185

(J) To engage in code enforcement and nuisance abatement, 1186
including, but not limited to, cutting grass and weeds, boarding 1187
up vacant or abandoned structures, and demolishing condemned 1188
structures on properties that are subject to a delinquent tax or 1189
assessment lien, or property for which a municipal corporation 1190
or township has contracted with a county land reutilization 1191
corporation to provide code enforcement or nuisance abatement 1192
assistance. 1193

(K) To charge fees or exchange in-kind goods or services 1194
for services rendered to political subdivisions and other 1195
persons or entities for whom services are rendered. 1196

(L) To employ and provide compensation for an executive 1197
director who shall manage the operations of a county land 1198

reutilization corporation and employ others for the benefit of 1199
the corporation as approved and funded by the board of 1200
directors. No employee of the corporation is or shall be deemed 1201
to be an employee of the political subdivision for whose benefit 1202
the corporation is organized solely because the employee is 1203
employed by the corporation. 1204

(M) To purchase tax certificates at auction, negotiated 1205
sale, or from a third party who purchased and is a holder of one 1206
or more tax certificates issued pursuant to sections 5721.30 to 1207
5721.43 of the Revised Code. 1208

(N) To be assigned a mortgage on real property from a 1209
mortgagee in lieu of acquiring such real property subject to a 1210
mortgage. 1211

(O) To act as a portal operator for purposes of an 1212
OhioInvests offering under sections 1707.05 to 1707.058 of the 1213
Revised Code. 1214

(P) To do all acts and things necessary or convenient to 1215
carry out the purposes of section 1724.01 of the Revised Code 1216
and the powers especially created for a community improvement 1217
corporation in Chapter 1724. of the Revised Code, including, but 1218
not limited to, contracting with the federal government, the 1219
state or any political subdivision, a board of county 1220
commissioners pursuant to section 307.07 of the Revised Code, a 1221
county auditor pursuant to section 319.10 of the Revised Code, a 1222
county treasurer pursuant to section 321.49 of the Revised Code, 1223
and any other party, whether nonprofit or for-profit. An 1224
employee of a board of county commissioners, county auditor, or 1225
county treasurer who, pursuant to a contract entered into in 1226
accordance with section 307.07, 319.10, or 321.49 of the Revised 1227
Code, provides services to a county land reutilization 1228

corporation shall remain an employee of the county during the 1229
provision of those services. 1230

The powers enumerated in this chapter shall not be 1231
construed to limit the general powers of a community improvement 1232
corporation. The powers granted under this chapter are in 1233
addition to those powers granted by any other chapter of the 1234
Revised Code, but, as to a county land reutilization 1235
corporation, shall be used only for the purposes enumerated 1236
under division (B) (2) of section 1724.01 of the Revised Code. 1237

Sec. 4582.06. (A) A port authority created in accordance 1238
with section 4582.02 of the Revised Code may: 1239

(1) Acquire, construct, furnish, equip, maintain, repair, 1240
sell, exchange, lease to or from, lease with an option to 1241
purchase, convey other interests in, or operate real or personal 1242
property, or any combination thereof, related to, useful for, or 1243
in furtherance of any authorized purpose, and make charges for 1244
the use of any port authority facility, which shall be not less 1245
than the charges established for the same services furnished by 1246
a public utility or common carrier in the jurisdiction of the 1247
particular port authority; 1248

(2) Straighten, deepen, and improve any canal, channel, 1249
river, stream, or other water course or way that may be 1250
necessary or proper in the development of the facilities of the 1251
port authority; 1252

(3) Issue bonds or notes for the acquisition, 1253
construction, furnishing, or equipping of any real or personal 1254
property, or any combination thereof, related to, useful for, or 1255
in furtherance of any authorized purpose, in compliance with 1256
Chapter 133. of the Revised Code, except that the bonds or notes 1257

only may be issued pursuant to a vote of the electors residing 1258
within the territory of the port authority. The net indebtedness 1259
incurred by a port authority shall never exceed two per cent of 1260
the total value of all property within the territory comprising 1261
the authority as listed and assessed for taxation. 1262

(4) By resolution of its board of directors, issue revenue 1263
bonds beyond the limit of bonded indebtedness provided by law, 1264
for the acquisition, construction, furnishing, or equipping of 1265
any real or personal property, or any combination thereof, 1266
related to, useful for, or in furtherance of any authorized 1267
purpose, including all costs in connection with or incidental 1268
thereto. 1269

The revenue bonds of the port authority shall be secured 1270
only by a pledge of and a lien on the revenues of the port 1271
authority derived from those loan payments, rentals, fees, 1272
charges, or other revenues that are designated in the 1273
resolution, including, but not limited to, any property to be 1274
acquired, constructed, furnished, or equipped with the proceeds 1275
of the bond issue, after provision only for the reasonable cost 1276
of operating, maintaining, and repairing the property of the 1277
port authority so designated. The bonds may further be secured 1278
by the covenant of the port authority to maintain rates or 1279
charges that will produce revenues sufficient to meet the costs 1280
of operating, maintaining, and repairing such property and to 1281
meet the interest and principal requirements of the bonds and to 1282
establish and maintain reserves for the foregoing purposes. The 1283
board of directors, by resolution, may provide for the issuance 1284
of additional revenue bonds from time to time, to be secured 1285
equally and ratably, without preference, priority, or 1286
distinction, with outstanding revenue bonds, but subject to the 1287
terms and limitations of any trust agreement described in this 1288

section, and of any resolution authorizing bonds then 1289
outstanding. The board of directors, by resolution, may 1290
designate additional property of the port authority, the 1291
revenues of which shall be pledged and be subject to a lien for 1292
the payment of the debt charges on revenue bonds theretofore 1293
authorized by resolution of the board of directors, to the same 1294
extent as the revenues above described. 1295

In the discretion of the board of directors, the revenue 1296
bonds of the port authority may be secured by a trust agreement 1297
between the board of directors on behalf of the port authority 1298
and a corporate trustee, that may be any trust company or bank 1299
having powers of a trust company, within or without the state. 1300

The trust agreement may provide for the pledge or 1301
assignment of the revenues to be received, but shall not pledge 1302
the general credit and taxing power of the port authority. A 1303
trust agreement securing revenue bonds issued to acquire, 1304
construct, furnish, or equip real property, plants, factories, 1305
offices, and other structures and facilities for authorized 1306
purposes consistent with Section 13 or 16 of Article VIII, Ohio 1307
Constitution, may mortgage the real or personal property, or a 1308
combination thereof, to be acquired, constructed, furnished, or 1309
equipped from the proceeds of such revenue bonds, as further 1310
security for the bonds. The trust agreement or the resolution 1311
providing for the issuance of revenue bonds may set forth the 1312
rights and remedies of the bondholders and trustee, and may 1313
contain other provisions for protecting and enforcing their 1314
rights and remedies that are determined in the discretion of the 1315
board of directors to be reasonable and proper. The agreement or 1316
resolution may provide for the custody, investment, and 1317
disbursement of all moneys derived from the sale of such bonds, 1318
or from the revenues of the port authority, other than those 1319

moneys received from taxes levied pursuant to section 4582.14 of 1320
the Revised Code, and may provide for the deposit of such funds 1321
without regard to section 4582.15 of the Revised Code. 1322

All bonds issued under authority of this chapter, 1323
regardless of form or terms and regardless of any other law to 1324
the contrary, shall have all qualities and incidents of 1325
negotiable instruments, subject to provisions for registration, 1326
and may be issued in coupon, fully registered, or other form, or 1327
any combination thereof, as the board of directors determines. 1328
Provision may be made for the registration of any coupon bonds 1329
as to principal alone or as to both principal and interest, and 1330
for the conversion into coupon bonds of any fully registered 1331
bonds or bonds registered as to both principal and interest. 1332

The revenue bonds shall bear interest at such rate or 1333
rates, shall bear such date or dates, and shall mature within 1334
forty-five years following the date of issuance and in such 1335
amount, at such time or times, and in such number of 1336
installments, as may be provided in or pursuant to the 1337
resolution authorizing their issuance. The final maturity of any 1338
original issue of revenue bonds shall not be later than forty- 1339
five years from their date of issue. Such resolution also shall 1340
provide for the execution of the bonds, which may be by 1341
facsimile signatures unless prohibited by the resolution, and 1342
the manner of sale of the bonds. The resolution shall provide 1343
for, or provide for the determination of, any other terms and 1344
conditions relative to the issuance, sale, and retirement of the 1345
bonds that the board of directors in its discretion determines 1346
to be reasonable and proper. 1347

Whenever a port authority considers it expedient, it may 1348
issue renewal notes and refund any bonds, whether the bonds to 1349

be refunded have or have not matured. The final maturity of any 1350
notes, including any renewal notes, shall not be later than five 1351
years from the date of issue of the original issue of notes. The 1352
final maturity of any refunding bonds shall not be later than 1353
the later of forty-five years from the date of issue of the 1354
original issue of bonds. The refunding bonds shall be sold and 1355
the proceeds applied to the purchase, redemption, or payment of 1356
the bonds to be refunded and the costs of issuance of the 1357
refunding bonds. The bonds and notes issued under this chapter, 1358
their transfer, and the income therefrom, shall at all times be 1359
free from taxation within the state. 1360

(5) Do any of the following, in regard to any interests in 1361
any real or personal property, or any combination thereof, 1362
including, without limitation, machinery, equipment, plants, 1363
factories, offices, and other structures and facilities related 1364
to, useful for, or in furtherance of any authorized purpose, for 1365
such consideration and in such manner, consistent with Article 1366
VIII, Ohio Constitution, as the board in its sole discretion may 1367
determine: 1368

(a) Loan moneys to any person or governmental entity for 1369
the acquisition, construction, furnishing, and equipping of the 1370
property; 1371

(b) Acquire, construct, maintain, repair, furnish, and 1372
equip the property; 1373

(c) Sell to, exchange with, lease, convey other interests 1374
in, or lease with an option to purchase the same or any lesser 1375
interest in the property to the same or any other person or 1376
governmental entity; 1377

(d) Guarantee the obligations of any person or 1378

governmental entity. 1379

A port authority may accept and hold as consideration for 1380
the conveyance of property or any interest therein such property 1381
or interests therein as the board in its discretion may 1382
determine, notwithstanding any restrictions that apply to the 1383
investment of funds by a port authority. 1384

(6) Construct, maintain, repair, furnish, equip, sell, 1385
exchange, lease, or lease with an option to purchase, any 1386
property that it is authorized to acquire. A port authority that 1387
is subject to this section also may operate any property in 1388
connection with transportation, recreational, governmental 1389
operations, or cultural activities. 1390

(a) Any purchase, exchange, sale, lease, lease with an 1391
option to purchase, conveyance of other interests in, or other 1392
contract with a person or governmental entity that pertains to 1393
the acquisition, construction, maintenance, repair, furnishing, 1394
equipping, or operation of any real or personal property, or any 1395
combination thereof, related to, useful for, or in furtherance 1396
of an activity contemplated by Section 13 or 16 of Article VIII, 1397
Ohio Constitution, shall be made in such manner and subject to 1398
such terms and conditions as may be determined by the board of 1399
directors in its discretion. 1400

(b) Division (A) (6) (a) of this section applies to all 1401
contracts that are subject to the division, notwithstanding any 1402
other provision of law that might otherwise apply, including, 1403
without limitation, any requirement of notice, any requirement 1404
of competitive bidding or selection, or any requirement for the 1405
provision of security. 1406

(c) Divisions (A) (6) (a) and (b) of this section do not 1407

apply to either of the following: 1408

(i) Any contract secured by or to be paid from moneys 1409
raised by taxation or the proceeds of obligations secured by a 1410
pledge of moneys raised by taxation; 1411

(ii) Any contract secured exclusively by or to be paid 1412
exclusively from the general revenues of the port authority. For 1413
the purposes of this section, any revenues derived by the port 1414
authority under a lease or other agreement that, by its terms, 1415
contemplates the use of amounts payable under the agreement 1416
either to pay the costs of the improvement that is the subject 1417
of the contract or to secure obligations of the port authority 1418
issued to finance costs of such improvement, are excluded from 1419
general revenues. 1420

(7) Apply to the proper authorities of the United States 1421
pursuant to appropriate law for the right to establish, operate, 1422
and maintain foreign trade zones and to establish, operate, and 1423
maintain foreign trade zones; and to acquire land or property 1424
therefor, in a manner consistent with section 4582.17 of the 1425
Revised Code; 1426

(8) Exercise the right of eminent domain to appropriate 1427
any land, rights, rights-of-way, franchises, easements, or other 1428
property, necessary or proper for any authorized purpose, 1429
pursuant to the procedure provided in sections 163.01 to 163.22 1430
of the Revised Code, if funds equal to the appraised value of 1431
the property to be acquired as a result of such proceedings are 1432
available for that purpose, except that nothing contained in 1433
sections 4582.01 to 4582.20 of the Revised Code shall authorize 1434
a port authority to take or disturb property or facilities 1435
belonging to any agency or political subdivision of this state, 1436
public utility, or common carrier, which property or facilities 1437

are necessary and convenient in the operation of the agency or 1438
political subdivision, public utility, or common carrier, unless 1439
provision is made for the restoration, relocation, or 1440
duplication of the property or facilities, or upon the election 1441
of the agency or political subdivision, public utility, or 1442
common carrier, for the payment of compensation, if any, at the 1443
sole cost of the port authority, provided that: 1444

(a) If any restoration or duplication proposed to be made 1445
pursuant to this section involves a relocation of such property 1446
or facilities, the new facilities and location shall be of at 1447
least comparable utilitarian value and effectiveness, and the 1448
relocation shall not impair the ability of the public utility or 1449
common carrier to compete in its original area of operation. 1450

(b) If any restoration or duplication made pursuant to 1451
this section involves a relocation of such property or 1452
facilities, the port authority shall acquire no interest or 1453
right in or to the appropriated property or facilities, except 1454
as provided in division (A)(11) of this section, until the 1455
relocated property or facilities are available for use and until 1456
marketable title thereto has been transferred to the public 1457
utility or common carrier. 1458

(c) Provisions for restoration or duplication shall be 1459
described in detail in the resolution for appropriation passed 1460
by the port authority. 1461

(9) Enjoy and possess the same rights, privileges, and 1462
powers granted municipal corporations under sections 721.04 to 1463
721.11 of the Revised Code; 1464

(10) Maintain such funds as it considers necessary; 1465

(11) Direct its agents or employees, when properly 1466

identified in writing, and after at least five days' written 1467
notice, to enter upon lands within the confines of its 1468
jurisdiction in order to make surveys and examinations 1469
preliminary to location and construction of works for the 1470
purposes of the port authority, without liability of the port 1471
authority or its agents or employees except for actual damage 1472
done; 1473

(12) Sell, lease, or convey other interests in real and 1474
personal property and grant easements or rights-of-way over 1475
property of the port authority. The board of directors shall 1476
specify the consideration and any terms thereof for the sale, 1477
lease, or conveyance of other interests in real and personal 1478
property. Any determinations made by the board of directors 1479
under this division shall be conclusive. The sale, lease, or 1480
conveyance may be made without advertising and the receipt of 1481
bids. 1482

(13) Promote, advertise, and publicize the port authority 1483
facilities and its authorized purposes, provide information to 1484
persons with an interest in transportation and other port 1485
authority activities, and appear before rate-making authorities 1486
to represent and promote the interests of the port authority and 1487
its authorized purposes; 1488

(14) Adopt rules, not in conflict with general law, 1489
governing the use of and the safeguarding of its property, 1490
grounds, buildings, equipment, and facilities, safeguarding 1491
persons and their property located on or in port authority 1492
property, and governing the conduct of its employees and the 1493
public, in order to promote the public safety and convenience in 1494
and about its terminals and grounds, and to maintain order. Any 1495
such regulation shall be posted at no less than five public 1496

places in the port authority, as determined by the board of 1497
directors, for a period of not fewer than fifteen days, and 1498
shall be available for public inspection at the principal office 1499
of the port authority during regular business hours. No person 1500
shall violate any lawful regulation adopted and posted as 1501
provided in this division. 1502

(15) Establish and administer one or more payment card 1503
programs for purposes of paying expenses related to port 1504
authority business. Any obligation incurred as a result of the 1505
use of such a payment card shall be paid from port authority 1506
funds. 1507

(16) Act as a portal operator for purposes of an 1508
OhioInvests offering under sections 1707.05 to 1707.058 of the 1509
Revised Code. 1510

(17) Do all acts necessary or appropriate to carry out its 1511
authorized purposes. The port authority shall have the powers 1512
and rights granted to other subdivisions under section 9.20 of 1513
the Revised Code. 1514

(B) Any instrument by which real property is acquired 1515
pursuant to this section shall identify the agency of the state 1516
that has the use and benefit of the real property as specified 1517
in section 5301.012 of the Revised Code. 1518

(C) Whoever violates division (A) (14) of this section is 1519
guilty of a minor misdemeanor. 1520

Sec. 4582.31. (A) A port authority created in accordance 1521
with section 4582.22 of the Revised Code may: 1522

(1) Adopt bylaws for the regulation of its affairs and the 1523
conduct of its business; 1524

- (2) Adopt an official seal; 1525
- (3) Maintain a principal office within its jurisdiction, 1526
and maintain such branch offices as it may require; 1527
- (4) Acquire, construct, furnish, equip, maintain, repair, 1528
sell, exchange, lease to or from, or lease with an option to 1529
purchase, convey other interests in real or personal property, 1530
or any combination thereof, related to, useful for, or in 1531
furtherance of any authorized purpose and operate any property 1532
in connection with transportation, recreational, governmental 1533
operations, or cultural activities; 1534
- (5) Straighten, deepen, and improve any channel, river, 1535
stream, or other water course or way which may be necessary or 1536
proper in the development of the facilities of a port authority; 1537
- (6) Make available the use or services of any port 1538
authority facility to one or more persons, one or more 1539
governmental agencies, or any combination thereof; 1540
- (7) Issue bonds or notes for the acquisition, 1541
construction, furnishing, or equipping of any port authority 1542
facility or other permanent improvement that a port authority is 1543
authorized to acquire, construct, furnish, or equip, in 1544
compliance with Chapter 133. of the Revised Code, except that 1545
such bonds or notes may only be issued pursuant to a vote of the 1546
electors residing within the area of jurisdiction of the port 1547
authority. The net indebtedness incurred by a port authority 1548
shall never exceed two per cent of the total value of all 1549
property within the territory comprising the port authority as 1550
listed and assessed for taxation. 1551
- (8) Issue port authority revenue bonds beyond the limit of 1552
bonded indebtedness provided by law, payable solely from 1553

revenues as provided in section 4582.48 of the Revised Code, for 1554
the purpose of providing funds to pay the costs of any port 1555
authority facility or facilities or parts thereof; 1556

(9) Apply to the proper authorities of the United States 1557
pursuant to appropriate law for the right to establish, operate, 1558
and maintain foreign trade zones and establish, operate, and 1559
maintain foreign trade zones and to acquire, exchange, sell, 1560
lease to or from, lease with an option to purchase, or operate 1561
facilities, land, or property therefor in accordance with the 1562
"Foreign Trade Zones Act," 48 Stat. 998 (1934), 19 U.S.C. 81a to 1563
81u; 1564

(10) Enjoy and possess the same rights, privileges, and 1565
powers granted municipal corporations under sections 721.04 to 1566
721.11 of the Revised Code; 1567

(11) Maintain such funds as it considers necessary; 1568

(12) Direct its agents or employees, when properly 1569
identified in writing, and after at least five days' written 1570
notice, to enter upon lands within the confines of its 1571
jurisdiction in order to make surveys and examinations 1572
preliminary to location and construction of works for the 1573
purposes of the port authority, without liability of the port 1574
authority or its agents or employees except for actual damage 1575
done; 1576

(13) Promote, advertise, and publicize the port authority 1577
and its facilities; provide information to shippers and other 1578
commercial interests; and appear before rate-making authorities 1579
to represent and promote the interests of the port authority; 1580

(14) Adopt rules, not in conflict with general law, it 1581
finds necessary or incidental to the performance of its duties 1582

and the execution of its powers under sections 4582.21 to 1583
4582.54 of the Revised Code. Any such rule shall be posted at no 1584
less than five public places in the port authority, as 1585
determined by the board of directors, for a period of not fewer 1586
than fifteen days, and shall be available for public inspection 1587
at the principal office of the port authority during regular 1588
business hours. No person shall violate any lawful rule adopted 1589
and posted as provided in this division. 1590

(15) Do any of the following, in regard to any interests 1591
in any real or personal property, or any combination thereof, 1592
including, without limitation, machinery, equipment, plants, 1593
factories, offices, and other structures and facilities related 1594
to, useful for, or in furtherance of any authorized purpose, for 1595
such consideration and in such manner, consistent with Article 1596
VIII of the Ohio Constitution, as the board in its sole 1597
discretion may determine: 1598

(a) Loan moneys to any person or governmental entity for 1599
the acquisition, construction, furnishing, and equipping of the 1600
property; 1601

(b) Acquire, construct, maintain, repair, furnish, and 1602
equip the property; 1603

(c) Sell to, exchange with, lease, convey other interests 1604
in, or lease with an option to purchase the same or any lesser 1605
interest in the property to the same or any other person or 1606
governmental entity; 1607

(d) Guarantee the obligations of any person or 1608
governmental entity. 1609

A port authority may accept and hold as consideration for 1610
the conveyance of property or any interest therein such property 1611

or interests therein as the board in its discretion may 1612
determine, notwithstanding any restrictions that apply to the 1613
investment of funds by a port authority. 1614

(16) Sell, lease, or convey other interests in real and 1615
personal property, and grant easements or rights-of-way over 1616
property of the port authority. The board of directors shall 1617
specify the consideration and any terms for the sale, lease, or 1618
conveyance of other interests in real and personal property. Any 1619
determination made by the board under this division shall be 1620
conclusive. The sale, lease, or conveyance may be made without 1621
advertising and the receipt of bids. 1622

(17) Exercise the right of eminent domain to appropriate 1623
any land, rights, rights-of-way, franchises, easements, or other 1624
property, necessary or proper for any authorized purpose, 1625
pursuant to the procedure provided in sections 163.01 to 163.22 1626
of the Revised Code, if funds equal to the appraised value of 1627
the property to be acquired as a result of such proceedings are 1628
available for that purpose. However, nothing contained in 1629
sections 4582.201 to 4582.59 of the Revised Code shall authorize 1630
a port authority to take or disturb property or facilities 1631
belonging to any agency or political subdivision of this state, 1632
public utility, cable operator, or common carrier, which 1633
property or facilities are necessary and convenient in the 1634
operation of the agency or political subdivision, public 1635
utility, cable operator, or common carrier, unless provision is 1636
made for the restoration, relocation, or duplication of such 1637
property or facilities, or upon the election of the agency or 1638
political subdivision, public utility, cable operator, or common 1639
carrier, for the payment of compensation, if any, at the sole 1640
cost of the port authority, provided that: 1641

(a) If any restoration or duplication proposed to be made 1642
under this section involves a relocation of the property or 1643
facilities, the new facilities and location shall be of at least 1644
comparable utilitarian value and effectiveness and shall not 1645
impair the ability of the public utility, cable operator, or 1646
common carrier to compete in its original area of operation; 1647

(b) If any restoration or duplication made under this 1648
section involves a relocation of the property or facilities, the 1649
port authority shall acquire no interest or right in or to the 1650
appropriated property or facilities, except as provided in 1651
division (A) (15) of this section, until the relocated property 1652
or facilities are available for use and until marketable title 1653
thereto has been transferred to the public utility, cable 1654
operator, or common carrier. 1655

As used in division (A) (17) of this section, "cable 1656
operator" has the same meaning as in the "Cable Communications 1657
Policy Act of 1984," Pub. L. No. 98-549, 98 Stat. 2780, 47 1658
U.S.C. 522, as amended by the "Telecommunications Act of 1996," 1659
Pub. L. No. 104-104, 110 Stat. 56. 1660

(18) (a) Make and enter into all contracts and agreements 1661
and execute all instruments necessary or incidental to the 1662
performance of its duties and the execution of its powers under 1663
sections 4582.21 to 4582.59 of the Revised Code. 1664

(b) (i) Except as provided in division (A) (18) (c) of this 1665
section or except when the port authority elects to construct a 1666
building, structure, or other improvement pursuant to a contract 1667
made with a construction manager at risk under sections 9.33 to 1668
9.335 of the Revised Code or with a design-build firm under 1669
section 153.65 to 153.73 of the Revised Code, when the cost of a 1670
contract for the construction of any building, structure, or 1671

other improvement undertaken by a port authority involves an 1672
expenditure exceeding the higher of one hundred thousand dollars 1673
or the amount as adjusted under division (A) (18) (b) (ii) of this 1674
section, and the port authority is the contracting entity, the 1675
port authority shall make a written contract after notice 1676
calling for bids for the award of the contract has been given by 1677
publication twice, with at least seven days between 1678
publications, in a newspaper of general circulation in the area 1679
of the port authority or as provided in section 7.16 of the 1680
Revised Code. Each such contract shall be let to the lowest 1681
responsive and responsible bidder in accordance with section 1682
9.312 of the Revised Code. Every contract shall be accompanied 1683
by or shall refer to plans and specifications for the work to be 1684
done, prepared for and approved by the port authority, signed by 1685
an authorized officer of the port authority and by the 1686
contractor, and shall be executed in triplicate. 1687

Each bid shall be awarded in accordance with sections 1688
153.54, 153.57, and 153.571 of the Revised Code. The port 1689
authority may reject any and all bids. 1690

(ii) On January 1, 2012, and the first day of January of 1691
every even-numbered year thereafter, the director of commerce 1692
shall adjust the threshold level for contracts subject to the 1693
bidding requirements contained in division (A) (18) (b) (i) of this 1694
section. The director shall adjust this amount according to the 1695
average increase for each of the two years immediately preceding 1696
the adjustment as set forth in the producer price index for 1697
material and supply inputs for new nonresidential construction 1698
as determined by the bureau of labor statistics of the United 1699
States department of labor or, if that index no longer is 1700
published, a generally available comparable index. If there is 1701
no resulting increase, the threshold shall remain the same until 1702

the next scheduled adjustment on the first day of January of the 1703
next even-numbered year. 1704

(c) The board of directors by rule may provide criteria 1705
for the negotiation and award without competitive bidding of any 1706
contract as to which the port authority is the contracting 1707
entity for the construction of any building or structure or 1708
other improvement under any of the following circumstances: 1709

(i) There exists a real and present emergency that 1710
threatens damage or injury to persons or property of the port 1711
authority or other persons, provided that a statement specifying 1712
the nature of the emergency that is the basis for the 1713
negotiation and award of a contract without competitive bidding 1714
shall be signed by the officer of the port authority that 1715
executes that contract at the time of the contract's execution 1716
and shall be attached to the contract. 1717

(ii) A commonly recognized industry or other standard or 1718
specification does not exist and cannot objectively be 1719
articulated for the improvement. 1720

(iii) The contract is for any energy conservation measure 1721
as defined in section 307.041 of the Revised Code. 1722

(iv) With respect to material to be incorporated into the 1723
improvement, only a single source or supplier exists for the 1724
material. 1725

(v) A single bid is received by the port authority after 1726
complying with the provisions of division (A) (18) (b) of this 1727
section. 1728

(d) (i) If a contract is to be negotiated and awarded 1729
without competitive bidding for the reason set forth in division 1730
(A) (18) (c) (ii) of this section, the port authority shall publish 1731

a notice calling for technical proposals twice, with at least 1732
seven days between publications, in a newspaper of general 1733
circulation in the area of the port authority or as provided in 1734
section 7.16 of the Revised Code. After receipt of the technical 1735
proposals, the port authority may negotiate with and award a 1736
contract for the improvement to the proposer making the proposal 1737
considered to be the most advantageous to the port authority. 1738

(ii) If a contract is to be negotiated and awarded without 1739
competitive bidding for the reason set forth in division (A)(18) 1740
(c)(iv) of this section, any construction activities related to 1741
the incorporation of the material into the improvement also may 1742
be provided without competitive bidding by the source or 1743
supplier of that material. 1744

(e)(i) Any purchase, exchange, sale, lease, lease with an 1745
option to purchase, conveyance of other interests in, or other 1746
contract with a person or governmental entity that pertains to 1747
the acquisition, construction, maintenance, repair, furnishing, 1748
equipping, or operation of any real or personal property, or any 1749
combination thereof, related to, useful for, or in furtherance 1750
of an activity contemplated by Section 13 or 16 of Article VIII, 1751
Ohio Constitution, shall be made in such manner and subject to 1752
such terms and conditions as may be determined by the board of 1753
directors in its discretion. 1754

(ii) Division (A)(18)(e)(i) of this section applies to all 1755
contracts that are subject to the division, notwithstanding any 1756
other provision of law that might otherwise apply, including, 1757
without limitation, any requirement of notice, any requirement 1758
of competitive bidding or selection, or any requirement for the 1759
provision of security. 1760

(iii) Divisions (A)(18)(e)(i) and (ii) of this section do 1761

not apply to either of the following: any contract secured by or 1762
to be paid from moneys raised by taxation or the proceeds of 1763
obligations secured by a pledge of moneys raised by taxation; or 1764
any contract secured exclusively by or to be paid exclusively 1765
from the general revenues of the port authority. For the 1766
purposes of this section, any revenues derived by the port 1767
authority under a lease or other agreement that, by its terms, 1768
contemplates the use of amounts payable under the agreement 1769
either to pay the costs of the improvement that is the subject 1770
of the contract or to secure obligations of the port authority 1771
issued to finance costs of such improvement, are excluded from 1772
general revenues. 1773

(19) Employ managers, superintendents, and other employees 1774
and retain or contract with consulting engineers, financial 1775
consultants, accounting experts, architects, attorneys, and any 1776
other consultants and independent contractors as are necessary 1777
in its judgment to carry out this chapter, and fix the 1778
compensation thereof. All expenses thereof shall be payable from 1779
any available funds of the port authority or from funds 1780
appropriated for that purpose by a political subdivision 1781
creating or participating in the creation of the port authority. 1782

(20) Receive and accept from any state or federal agency 1783
grants and loans for or in aid of the construction of any port 1784
authority facility or for research and development with respect 1785
to port authority facilities, and receive and accept aid or 1786
contributions from any source of money, property, labor, or 1787
other things of value, to be held, used, and applied only for 1788
the purposes for which the grants and contributions are made; 1789

(21) Engage in research and development with respect to 1790
port authority facilities; 1791

(22) Purchase fire and extended coverage and liability insurance for any port authority facility and for the principal office and branch offices of the port authority, insurance protecting the port authority and its officers and employees against liability for damage to property or injury to or death of persons arising from its operations, and any other insurance the port authority may agree to provide under any resolution authorizing its port authority revenue bonds or in any trust agreement securing the same;	1792 1793 1794 1795 1796 1797 1798 1799 1800
(23) Charge, alter, and collect rentals and other charges for the use or services of any port authority facility as provided in section 4582.43 of the Revised Code;	1801 1802 1803
(24) Provide coverage for its employees under Chapters 145., 4123., and 4141. of the Revised Code;	1804 1805
(25) Establish and administer one or more payment card programs for purposes of paying expenses related to port authority business. Any obligation incurred as a result of the use of such a payment card shall be paid from port authority funds.	1806 1807 1808 1809 1810
(26) <u>Act as a portal operator for purposes of an OhioInvests offering under sections 1707.05 to 1707.058 of the Revised Code.</u>	1811 1812 1813
<u>(27)</u> Do all acts necessary or proper to carry out the powers expressly granted in sections 4582.21 to 4582.59 of the Revised Code.	1814 1815 1816
(B) Any instrument by which real property is acquired pursuant to this section shall identify the agency of the state that has the use and benefit of the real property as specified in section 5301.012 of the Revised Code.	1817 1818 1819 1820

(C) Whoever violates division (A) (14) of this section is	1821
guilty of a minor misdemeanor.	1822
Section 2. That existing sections 1707.03, 1724.02,	1823
4582.06, and 4582.31 of the Revised Code are hereby repealed.	1824