

**As Introduced**

**135th General Assembly  
Regular Session  
2023-2024**

**H. B. No. 349**

**Representatives Barhorst, Jones**

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**A BILL**

To amend sections 166.01, 166.02, and 5727.11 and 1  
to enact sections 122.161 and 122.162 of the 2  
Revised Code to authorize the creation of areas 3  
within which incentives are available to 4  
encourage the development of natural gas 5  
pipelines and other infrastructure and to make 6  
an appropriation. 7

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

**Section 1.** That sections 166.01, 166.02, and 5727.11 be 8  
amended and sections 122.161 and 122.162 of the Revised Code be 9  
enacted to read as follows: 10

**Sec. 122.161.** (A) As used in this section: 11

(1) "Subdivision" means a municipal corporation, township, 12  
or county. 13

(2) "Legislative authority" means the legislative 14  
authority of a municipal corporation, a board of the township 15  
trustees, or a board of county commissioners. 16

(3) "Subdivision's territory" means, in the case of a 17  
municipal corporation, the territory of the municipal 18

corporation; in the case of a township, the unincorporated 19  
territory of the township; or, in the case of a county, the 20  
unincorporated territory of the county. 21

(B) A legislative authority may adopt and certify to the 22  
director of development an ordinance or resolution requesting 23  
that the director designate all or a portion of the 24  
subdivision's territory as an EnergizeOhio zone. The ordinance 25  
or resolution shall describe the boundaries of the proposed 26  
area. The director, upon receipt of that certification, shall 27  
designate the proposed area as an EnergizeOhio zone if the 28  
director determines that deficiencies in natural gas 29  
infrastructure in the proposed area adversely affect economic 30  
conditions or potential for economic growth. 31

The director shall notify the legislative authority of the 32  
director's decision within sixty days after receiving the 33  
certified ordinance or resolution. An EnergizeOhio zone 34  
designation is effective for the five calendar years following 35  
the date of the director's decision to approve the designation. 36

(C) On or before the first day of December of a calendar 37  
year in which an EnergizeOhio zone designation is scheduled to 38  
expire, the legislative authority that adopted the ordinance or 39  
resolution described in division (B) of this section may adopt 40  
and certify an ordinance or resolution to the director of 41  
development proposing to continue the EnergizeOhio zone 42  
designation for an additional five years. The director shall 43  
continue the EnergizeOhio zone designation if the director 44  
determines that deficiencies in natural gas infrastructure in 45  
the zone continue to adversely affect economic conditions or 46  
potential for economic growth. The director shall notify the 47  
legislative authority of the director's decision within sixty 48

days after receiving the certified ordinance or resolution. The 49  
continuation of an EnergizeOhio zone designation is effective 50  
for the five calendar years following the date of the director's 51  
decision to continue the designation. 52

(D) The director of development shall immediately notify 53  
the tax commissioner if the director approves the designation or 54  
continuation of an EnergizeOhio zone under division (B) or (C) 55  
of this section. The director shall publish maps displaying each 56  
designated EnergizeOhio zone on the department of development's 57  
web site. 58

**Sec. 122.162.** (A) As used in this section: 59

(1) "Eligible applicant" means a municipal corporation, 60  
township, county, port authority, qualifying economic 61  
development organization, community improvement corporation 62  
organized under Chapter 1724. of the Revised Code, or regional 63  
council of government established in accordance with Chapter 64  
167. of the Revised Code or a partnership existing between any 65  
of the foregoing and another person. 66

(2) "Qualifying economic development organization" means 67  
an economic development organization providing services for, or 68  
advocating on behalf of, businesses operating in any of five or 69  
more counties. 70

(B) There is hereby created in the department of 71  
development the pipeline easement revolving loan program. An 72  
eligible applicant may apply to the director of development, on 73  
forms prescribed by the director, for a loan from the pipeline 74  
easement loan fund. The director shall evaluate each application 75  
using the evaluation criteria adopted under division (C) (3) of 76  
this section to determine whether to award a loan to an eligible 77

applicant. A loan awarded under this program shall not bear 78  
interest for up to five years from the date the loan is 79  
disbursed, as determined by the director. 80

An eligible applicant receiving a loan under this section 81  
may use the proceeds solely to purchase or lease easements on 82  
property located in an EnergizeOhio zone designated under 83  
section 122.161 of the Revised Code for the purpose of 84  
installing natural gas pipelines or other natural gas 85  
infrastructure on the property. An eligible applicant may not 86  
use loan proceeds to acquire easements by appropriation pursuant 87  
to sections 163.01 to 163.22 of the Revised Code. A loan shall 88  
be repaid from proceeds obtained by the eligible applicant in 89  
selling or leasing easements purchased or leased in whole or in 90  
part with loan proceeds and from any other lawful source of 91  
revenue. The director shall credit repayments to the pipeline 92  
easement loan fund. 93

(C) The director of development, in consultation with the 94  
chief investment officer of JobsOhio, shall adopt rules in 95  
accordance with Chapter 119. of the Revised Code prescribing all 96  
of the following: 97

(1) The terms and conditions of any loan awarded under 98  
division (B) of this section, including the manner in which the 99  
loan amounts are to be repaid; 100

(2) The manner in which the director shall enforce loan 101  
amounts that are not repaid according to those terms; 102

(3) Criteria the director will use to evaluate loan 103  
applications. 104

Notwithstanding any provision of section 121.95 of the 105  
Revised Code to the contrary, a regulatory restriction contained 106

in a rule adopted under this section is not subject to sections 107  
121.95 to 121.953 of the Revised Code. 108

(D) There is hereby created in the state treasury the 109  
pipeline easement loan fund, which shall consist of revenue 110  
transferred to the fund, including under section 166.02 of the 111  
Revised Code. Money in the fund shall be used by the director of 112  
development to fund the loan program authorized under this 113  
section. Interest earned on money in the fund shall be credited 114  
to the fund. 115

**Sec. 166.01.** As used in this chapter: 116

(A) "Allowable costs" means all or part of the costs of 117  
project facilities, eligible projects, eligible innovation 118  
projects, eligible research and development projects, eligible 119  
advanced energy projects, or eligible logistics and distribution 120  
projects, including costs of acquiring, constructing, 121  
reconstructing, rehabilitating, renovating, enlarging, 122  
improving, equipping, or furnishing project facilities, eligible 123  
projects, eligible innovation projects, eligible research and 124  
development projects, eligible advanced energy projects, or 125  
eligible logistics and distribution projects, site clearance and 126  
preparation, supplementing and relocating public capital 127  
improvements or utility facilities, designs, plans, 128  
specifications, surveys, studies, and estimates of costs, 129  
expenses necessary or incident to determining the feasibility or 130  
practicability of assisting an eligible project, an eligible 131  
innovation project, an eligible research and development 132  
project, an eligible advanced energy project, or an eligible 133  
logistics and distribution project, or providing project 134  
facilities or facilities related to an eligible project, an 135  
eligible innovation project, an eligible research and 136

development project, an eligible advanced energy project, or an 137  
eligible logistics and distribution project, architectural, 138  
engineering, and legal services fees and expenses, the costs of 139  
conducting any other activities as part of a voluntary action, 140  
and such other expenses as may be necessary or incidental to the 141  
establishment or development of an eligible project, an eligible 142  
innovation project, an eligible research and development 143  
project, an eligible advanced energy project, or an eligible 144  
logistics and distribution project, and reimbursement of moneys 145  
advanced or applied by any governmental agency or other person 146  
for allowable costs. 147

(B) "Allowable innovation costs" includes allowable costs 148  
of eligible innovation projects and, in addition, includes the 149  
costs of research and development of eligible innovation 150  
projects; obtaining or creating any requisite software or 151  
computer hardware related to an eligible innovation project or 152  
the products or services associated therewith; testing 153  
(including, without limitation, quality control activities 154  
necessary for initial production), perfecting, and marketing of 155  
such products and services; creating and protecting intellectual 156  
property related to an eligible innovation project or any 157  
products or services related thereto, including costs of 158  
securing appropriate patent, trademark, trade secret, trade 159  
dress, copyright, or other form of intellectual property 160  
protection for an eligible innovation project or related 161  
products and services; all to the extent that such expenditures 162  
could be capitalized under then-applicable generally accepted 163  
accounting principles; and the reimbursement of moneys advanced 164  
or applied by any governmental agency or other person for 165  
allowable innovation costs. 166

(C) "Eligible innovation project" includes an eligible 167

project, including any project facilities associated with an 168  
eligible innovation project and, in addition, includes all 169  
tangible and intangible property related to a new product or 170  
process based on new technology or the creative application of 171  
existing technology, including research and development, product 172  
or process testing, quality control, market research, and 173  
related activities, that is to be acquired, established, 174  
expanded, remodeled, rehabilitated, or modernized for industry, 175  
commerce, distribution, or research, or any combination thereof, 176  
the operation of which, alone or in conjunction with other 177  
eligible projects, eligible innovation projects, or innovation 178  
property, will create new jobs or preserve existing jobs and 179  
employment opportunities and improve the economic welfare of the 180  
people of the state. 181

(D) "Eligible project" means project facilities to be 182  
acquired, established, expanded, remodeled, rehabilitated, or 183  
modernized for industry, commerce, distribution, or research, or 184  
any combination thereof, the operation of which, alone or in 185  
conjunction with other facilities, will create new jobs or 186  
preserve existing jobs and employment opportunities and improve 187  
the economic welfare of the people of the state. "Eligible 188  
project" includes, without limitation, a voluntary action. 189  
"Eligible project" includes eligible natural gas infrastructure 190  
projects. For purposes of this division, "new jobs" does not 191  
include existing jobs transferred from another facility within 192  
the state, and "existing jobs" includes only those existing jobs 193  
with work places within the municipal corporation or 194  
unincorporated area of the county in which the eligible project 195  
is located. 196

"Eligible project" does not include project facilities to 197  
be acquired, established, expanded, remodeled, rehabilitated, or 198

modernized for industry, commerce, distribution, or research, or 199  
any combination of industry, commerce, distribution, or 200  
research, if the project facilities consist solely of point-of- 201  
final-purchase retail facilities. If the project facilities 202  
consist of both point-of-final-purchase retail facilities and 203  
nonretail facilities, only the portion of the project facilities 204  
consisting of nonretail facilities is an eligible project. If a 205  
warehouse facility is part of a point-of-final-purchase retail 206  
facility and supplies only that facility, the warehouse facility 207  
is not an eligible project. Catalog distribution facilities are 208  
not considered point-of-final-purchase retail facilities for 209  
purposes of this paragraph, and are eligible projects. 210

(E) "Eligible research and development project" means an 211  
eligible project, including project facilities, comprising, 212  
within, or related to, a facility or portion of a facility at 213  
which research is undertaken for the purpose of discovering 214  
information that is technological in nature and the application 215  
of which is intended to be useful in the development of a new or 216  
improved product, process, technique, formula, or invention, a 217  
new product or process based on new technology, or the creative 218  
application of existing technology. 219

(F) "Financial assistance" means inducements under 220  
division (B) of section 166.02 of the Revised Code, loan 221  
guarantees under section 166.06 of the Revised Code, and direct 222  
loans under section 166.07 of the Revised Code. 223

(G) "Governmental action" means any action by a 224  
governmental agency relating to the establishment, development, 225  
or operation of an eligible project, eligible innovation 226  
project, eligible research and development project, eligible 227  
advanced energy project, or eligible logistics and distribution 228



project, and project facilities that the governmental agency 229  
acting has authority to take or provide for the purpose under 230  
law, including, but not limited to, actions relating to 231  
contracts and agreements, zoning, building, permits, acquisition 232  
and disposition of property, public capital improvements, 233  
utility and transportation service, taxation, employee 234  
recruitment and training, and liaison and coordination with and 235  
among governmental agencies. 236

(H) "Governmental agency" means the state and any state 237  
department, division, commission, institution or authority; a 238  
municipal corporation, county, or township, and any agency 239  
thereof, and any other political subdivision or public 240  
corporation or the United States or any agency thereof; any 241  
agency, commission, or authority established pursuant to an 242  
interstate compact or agreement; and any combination of the 243  
above. 244

(I) "Innovation financial assistance" means inducements 245  
under division (B) of section 166.12 of the Revised Code, 246  
innovation Ohio loan guarantees under section 166.15 of the 247  
Revised Code, and innovation Ohio loans under section 166.16 of 248  
the Revised Code. 249

(J) "Innovation Ohio loan guarantee reserve requirement" 250  
means, at any time, with respect to innovation loan guarantees 251  
made under section 166.15 of the Revised Code, a balance in the 252  
innovation Ohio loan guarantee fund equal to the greater of 253  
twenty per cent of the then-outstanding principal amount of all 254  
outstanding innovation loan guarantees made pursuant to section 255  
166.15 of the Revised Code or fifty per cent of the principal 256  
amount of the largest outstanding guarantee made pursuant to 257  
section 166.15 of the Revised Code. 258

(K) "Innovation property" includes property and also 259  
includes software, inventory, licenses, contract rights, 260  
goodwill, intellectual property, including without limitation, 261  
patents, patent applications, trademarks and service marks, and 262  
trade secrets, and other tangible and intangible property, and 263  
any rights and interests in or connected to the foregoing. 264

(L) "Loan guarantee reserve requirement" means, at any 265  
time, with respect to loan guarantees made under section 166.06 266  
of the Revised Code, a balance in the loan guarantee fund equal 267  
to the greater of twenty per cent of the then-outstanding 268  
principal amount of all outstanding guarantees made pursuant to 269  
section 166.06 of the Revised Code or fifty per cent of the 270  
principal amount of the largest outstanding guarantee made 271  
pursuant to section 166.06 of the Revised Code. 272

(M) "Person" means any individual, firm, partnership, 273  
association, corporation, or governmental agency, and any 274  
combination thereof. 275

(N) "Project facilities" means buildings, structures, and 276  
other improvements, and equipment and other property, excluding 277  
small tools, supplies, and inventory, and any one, part of, or 278  
combination of the above, comprising all or part of, or serving 279  
or being incidental to, an eligible project, an eligible 280  
innovation project, an eligible research and development 281  
project, an eligible advanced energy project, or an eligible 282  
logistics and distribution project, including, but not limited 283  
to, public capital improvements or, in the case of an eligible 284  
natural gas infrastructure project, the purchase or lease of 285  
easements on property. 286

(O) "Property" means real and personal property and 287  
interests therein. 288

(P) "Public capital improvements" means capital	289
improvements or facilities that any governmental agency has	290
authority to acquire, pay the costs of, own, maintain, or	291
operate, or to contract with other persons to have the same	292
done, including, but not limited to, highways, roads, streets,	293
water and sewer facilities, railroad and other transportation	294
facilities, and air and water pollution control and solid waste	295
disposal facilities. For purposes of this division, "air	296
pollution control facilities" includes, without limitation,	297
solar, geothermal, biofuel, biomass, wind, hydro, wave, and	298
other advanced energy projects as defined in section 3706.25 of	299
the Revised Code.	300
(Q) "Research and development financial assistance" means	301
inducements under section 166.17 of the Revised Code, research	302
and development loans under section 166.21 of the Revised Code,	303
and research and development tax credits under sections 5733.352	304
and 5747.331 of the Revised Code.	305
(R) "Targeted innovation industry sectors" means industry	306
sectors involving the production or use of advanced materials,	307
instruments, controls and electronics, power and propulsion,	308
biosciences, and information technology, or such other sectors	309
as may be designated by the director of development.	310
(S) "Voluntary action" means a voluntary action, as	311
defined in section 3746.01 of the Revised Code, that is	312
conducted under the voluntary action program established in	313
Chapter 3746. of the Revised Code.	314
(T) "Project financing obligations" means obligations	315
issued pursuant to section 166.08 of the Revised Code other than	316
obligations for which the bond proceedings provide that bond	317
service charges shall be paid from receipts of the state	318

representing gross profit on the sale of spirituous liquor as 319  
referred to in division (B) (4) of section ~~4310.10~~4301.10 of the 320  
Revised Code. 321

(U) "Regional economic development entity" means an entity 322  
that is under contract with the director to administer a loan 323  
program under this chapter in a particular area of this state. 324

(V) "Eligible advanced energy project" means an eligible 325  
project that is an "advanced energy project" as defined in 326  
section 3706.25 of the Revised Code. 327

(W) "Eligible logistics and distribution project" means an 328  
eligible project, including project facilities, to be acquired, 329  
established, expanded, remodeled, rehabilitated, or modernized 330  
for transportation logistics and distribution infrastructure 331  
purposes. As used in this division, "transportation logistics 332  
and distribution infrastructure purposes" means promoting, 333  
providing for, and enabling improvements to the ground, air, and 334  
water transportation infrastructure comprising the 335  
transportation system in this state, including, without 336  
limitation, highways, streets, roads, bridges, railroads 337  
carrying freight, and air and water ports and port facilities, 338  
and all related supporting facilities. 339

(X) "Eligible natural gas infrastructure project" means 340  
the purchase or lease of easements on property located in an 341  
EnergizeOhio zone designated under section 122.161 of the 342  
Revised Code for the purpose of installing natural gas pipelines 343  
or other natural gas infrastructure on the property. An 344  
"eligible natural gas infrastructure project" does not include 345  
the acquisition of easements by appropriation pursuant to 346  
sections 163.01 to 163.22 of the Revised Code. 347

**Sec. 166.02.** (A) The general assembly finds that many 348  
local areas throughout the state are experiencing economic 349  
stagnation or decline, and that the economic development 350  
programs provided for in this chapter will constitute deserved, 351  
necessary reinvestment by the state in those areas, materially 352  
contribute to their economic revitalization, and result in 353  
improving the economic welfare of all the people of the state. 354  
Accordingly, it is declared to be the public policy of the 355  
state, through the operations of this chapter and other 356  
applicable laws adopted pursuant to Section 2p or 13 of Article 357  
VIII, Ohio Constitution, and other authority vested in the 358  
general assembly, to assist in and facilitate the establishment 359  
or development of eligible projects or assist and cooperate with 360  
any governmental agency in achieving such purpose. 361

(B) In furtherance of such public policy and to implement 362  
such purpose, the director of development may: 363

(1) After consultation with appropriate governmental 364  
agencies, enter into agreements with persons engaged in 365  
industry, commerce, distribution, or research and with 366  
governmental agencies to induce such persons to acquire, 367  
construct, reconstruct, rehabilitate, renovate, enlarge, 368  
improve, equip, or furnish, or otherwise develop, eligible 369  
projects and make provision therein for project facilities and 370  
governmental actions, as authorized by this chapter and other 371  
applicable laws, subject to any required actions by the general 372  
assembly or the controlling board and subject to applicable 373  
local government laws and regulations; 374

(2) Provide for the guarantees and loans as provided for 375  
in sections 166.06 and 166.07 of the Revised Code; 376

(3) Subject to release of such moneys by the controlling 377

board, contract for labor and materials needed for, or contract 378  
with others, including governmental agencies, to provide, 379  
project facilities the allowable costs of which are to be paid 380  
for or reimbursed from moneys in the facilities establishment 381  
fund, and contract for the operation of such project facilities; 382

(4) Subject to release thereof by the controlling board, 383  
from moneys in the facilities establishment fund acquire or 384  
contract to acquire by gift, exchange, or purchase, including 385  
the obtaining and exercise of purchase options, property, and 386  
convey or otherwise dispose of, or provide for the conveyance or 387  
disposition of, property so acquired or contracted to be 388  
acquired by sale, exchange, lease, lease purchase, conditional 389  
or installment sale, transfer, or other disposition, including 390  
the grant of an option to purchase, to any governmental agency 391  
or to any other person without necessity for competitive bidding 392  
and upon such terms and conditions and manner of consideration 393  
pursuant to and as the director determines to be appropriate to 394  
satisfy the objectives of sections 166.01 to 166.11 of the 395  
Revised Code; 396

(5) Retain the services of or employ financial 397  
consultants, appraisers, consulting engineers, superintendents, 398  
managers, construction and accounting experts, attorneys, and 399  
employees, agents, and independent contractors as are necessary 400  
in the director's judgment and fix the compensation for their 401  
services; 402

(6) Receive and accept from any person grants, gifts, and 403  
contributions of money, property, labor, and other things of 404  
value, to be held, used and applied only for the purpose for 405  
which such grants, gifts, and contributions are made; 406

(7) Enter into appropriate arrangements and agreements 407

with any governmental agency for the taking or provision by that 408  
governmental agency of any governmental action; 409

(8) Do all other acts and enter into contracts and execute 410  
all instruments necessary or appropriate to carry out the 411  
provisions of this chapter; 412

(9) Adopt rules to implement any of the provisions of this 413  
chapter applicable to the director; 414

(10) Once per fiscal year, request that the director of 415  
budget and management transfer money from the facilities 416  
establishment fund to the pipeline easement loan fund created in 417  
section 122.162 of the Revised Code. Upon receipt of that 418  
request, the director of budget and management shall make the 419  
transfer in the amount requested. 420

(C) The determinations by the director that facilities 421  
constitute eligible projects, that facilities are project 422  
facilities, that costs of such facilities are allowable costs, 423  
and all other determinations relevant thereto or to an action 424  
taken or agreement entered into shall be conclusive for purposes 425  
of the validity and enforceability of rights of parties arising 426  
from actions taken and agreements entered into under this 427  
chapter. 428

(D) Except as otherwise prescribed in this chapter, all 429  
expenses and obligations incurred by the director in carrying 430  
out the director's powers and in exercising the director's 431  
duties under this chapter, shall be payable solely from, as 432  
appropriate, moneys in the facilities establishment fund, the 433  
loan guarantee fund, the innovation Ohio loan guarantee fund, 434  
the innovation Ohio loan fund, the research and development loan 435  
fund, the logistics and distribution infrastructure fund, or 436

moneys appropriated for such purpose by the general assembly. 437  
This chapter does not authorize the director or the issuing 438  
authority under section 166.08 of the Revised Code to incur 439  
bonded indebtedness of the state or any political subdivision 440  
thereof, or to obligate or pledge moneys raised by taxation for 441  
the payment of any bonds or notes issued or guarantees made 442  
pursuant to this chapter. 443

(E) Any governmental agency may enter into an agreement 444  
with the director, any other governmental agency, or a person to 445  
be assisted under this chapter, to take or provide for the 446  
purposes of this chapter any governmental action it is 447  
authorized to take or provide, and to undertake on behalf and at 448  
the request of the director any action which the director is 449  
authorized to undertake pursuant to divisions (B) (3), (4), and 450  
(5) of this section or divisions (B) (3), (4), and (5) of section 451  
166.12 of the Revised Code. Governmental agencies of the state 452  
shall cooperate with and provide assistance to the director of 453  
development and the controlling board in the exercise of their 454  
respective functions under this chapter. 455

**Sec. 5727.11.** (A) Except as otherwise provided in this 456  
section, the true value of all taxable property, except property 457  
of a railroad company, required by section 5727.06 of the 458  
Revised Code to be assessed by the tax commissioner shall be 459  
determined by a method of valuation using cost as capitalized on 460  
the public utility's books and records less composite annual 461  
allowances as prescribed by the commissioner. If the 462  
commissioner finds that application of this method will not 463  
result in the determination of true value of the public 464  
utility's taxable property, the commissioner may use another 465  
method of valuation. 466



(B) (1) Except as provided in division (B) (2) of this section, the true value of current gas stored underground is the cost of that gas shown on the books and records of the public utility on the thirty-first day of December of the preceding year.

(2) For tax year 2001 and thereafter, the true value of current gas stored underground is the quotient obtained by dividing (a) the average value of the current gas stored underground, which shall be determined by adding the value of the gas on hand at the end of each calendar month in the calendar year preceding the tax year, or, if applicable, the last day of business of each month for a partial month, divided by (b) the total number of months the natural gas company was in business during the calendar year prior to the beginning of the tax year. With the approval of the tax commissioner, a natural gas company may use a date other than the end of a calendar month to value its current gas stored underground.

(C) The true value of noncurrent gas stored underground is thirty-five per cent of the cost of that gas shown on the books and records of the public utility on the thirty-first day of December of the preceding year.

(D) (1) Except as provided in division (D) (2) of this section, the true value of the production equipment of an electric company and the true value of all taxable property of a rural electric company is the equipment's or property's cost as capitalized on the company's books and records less fifty per cent of that cost as an allowance for depreciation and obsolescence.

(2) The true value of the production equipment or energy conversion equipment of an electric company, rural electric

company, or energy company purchased, transferred, or placed 497  
into service after October 5, 1999, is the purchase price of the 498  
equipment as capitalized on the company's books and records less 499  
composite annual allowances as prescribed by the tax 500  
commissioner. 501

(E) The true value of taxable property, except property of 502  
a railroad company, required by section 5727.06 of the Revised 503  
Code to be assessed by the tax commissioner shall not include 504  
the allowance for funds used during construction or interest 505  
during construction that has been capitalized on the public 506  
utility's books and records as part of the total cost of the 507  
taxable property. This division shall not apply to the taxable 508  
property of an electric company or a rural electric company, 509  
excluding transmission and distribution property, first placed 510  
into service after December 31, 2000, or to the taxable property 511  
a person purchases, which includes transfers, if that property 512  
was used in business by the seller prior to the purchase. 513

(F) The true value of watercraft owned or operated by a 514  
water transportation company shall be determined by multiplying 515  
the true value of the watercraft as determined under division 516  
(A) of this section by a fraction, the numerator of which is the 517  
number of revenue-earning miles traveled by the watercraft in 518  
the waters of this state and the denominator of which is the 519  
number of revenue-earning miles traveled by the watercraft in 520  
all waters. 521

(G) The cost of property subject to a sale and leaseback 522  
transaction is the cost of the property as capitalized on the 523  
books and records of the public utility owning the property 524  
immediately prior to the sale and leaseback transaction. 525

(H) The cost as capitalized on the books and records of a 526

public utility includes amounts capitalized that represent 527  
regulatory assets, if such amounts previously were included on 528  
the company's books and records as capitalized costs of taxable 529  
personal property. 530

(I) Any change in the composite annual allowances as 531  
prescribed by the commissioner on a prospective basis shall not 532  
be admissible in any judicial or administrative action or 533  
proceeding as evidence of value with regard to prior years' 534  
taxes. Information about the business, property, or transactions 535  
of any taxpayer obtained by the commissioner for the purpose of 536  
adopting or modifying the composite annual allowances shall not 537  
be subject to discovery or disclosure. 538

(J) (1) As used in division (J) of this section: 539

(a) "Natural gas property" means the taxable property of a 540  
natural gas company; the taxable property of a combined company 541  
attributable to a natural gas company activity under section 542  
5727.03 of the Revised Code; or the taxable property of a 543  
pipeline company dedicated to transporting natural gas through 544  
pipes or tubing, either wholly or partially within this state. 545

(b) "Qualifying property" means natural gas property 546  
placed into service in an EnergizeOhio zone designated under 547  
section 122.161 of the Revised Code on or after the date that 548  
designation takes effect, but before the date on which the 549  
designation expires. 550

(2) The true value of qualifying property shall be 551  
calculated pursuant to this section, except as follows: 552

(a) For the purpose of calculating depreciation 553  
allowances, qualifying property's useful life shall be 554  
considered to be not more than one-third the amount of time that 555

is used when calculating depreciation allowances for natural gas 556  
property that is not qualifying property. 557

(b) The true value of qualifying property after 558  
application of division (J)(2)(a) of this section shall be 559  
reduced by seventy-five per cent. 560

(3) The valuation modifications prescribed in division (J) 561  
(2) of this section apply beginning with the tax year the 562  
qualifying property is placed into service and continue to apply 563  
to the nine succeeding tax years, regardless of whether the 564  
EnergizeOhio zone designation expires during that period. 565

**Section 2.** That existing sections 166.01, 166.02, and 566  
5727.11 of the Revised Code are hereby repealed. 567

**Section 3.** The Director of Development shall adopt the 568  
rules required under division (C) of section 122.162 of the 569  
Revised Code not later than the earliest date possible for such 570  
rules to be adopted after the effective date of this section 571  
under Chapter 119. of the Revised Code. 572

**Section 4.** All items in this act are hereby appropriated 573  
as designated out of any moneys in the state treasury to the 574  
credit of the designated fund. For all operating appropriations 575  
made in this act, those in the first column are for fiscal year 576  
2024 and those in the second column are for fiscal year 2025. 577  
The operating appropriations made in this act are in addition to 578  
any other operating appropriations made for these fiscal years. 579

**Section 5.** 580

581

A	DEV DEPARTMENT OF DEVELOPMENT		
B	Facilities Establishment Fund Group		
C	5YK0 1956A6	Pipeline Easement Loans	\$20,000,000 \$0
D	TOTAL FCE Facilities Establishment Fund Group		\$20,000,000 \$0
E	TOTAL ALL BUDGET FUND GROUPS		\$20,000,000 \$0

PIPELINE EASEMENT LOANS 582

The foregoing appropriation item 1956A6, Pipeline Easement 583  
Loans, shall be used for the Pipeline Easement Revolving Loan 584  
Program as described in section 122.162 of the Revised Code. 585

On the effective date of this section, or as soon as 586  
possible thereafter, the Director of Budget and Management shall 587  
transfer \$20,000,000 cash from the Facilities Establishment Fund 588  
(Fund 7037) to the Pipeline Easement Loan Fund (Fund 5YK0). 589

**Section 6.** Within the limits set forth in this act, the 590  
Director of Budget and Management shall establish accounts 591  
indicating the source and amount of funds for each appropriation 592  
made in this act, and shall determine the manner in which 593  
appropriation accounts shall be maintained. Expenditures from 594  
operating appropriations contained in this act shall be 595  
accounted for as though made in, and are subject to all 596  
applicable provisions of, H.B. 33 of the 135th General Assembly. 597