

**As Passed by the Senate**

**133rd General Assembly**

**Regular Session**

**2019-2020**

**Sub. S. B. No. 276**

**Senators Roegner, Manning**

**Cosponsors: Senators Brenner, Hackett, Eklund, Blessing, Burke, Coley, Craig,  
Huffman, M., Huffman, S., McColley, O'Brien, Peterson, Rulli, Schaffer, Sykes,  
Thomas**

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**A BILL**

To amend sections 111.16, 122.16, 122.173, 135.14, 1  
135.142, 135.35, 150.05, 718.01, 1329.01, 2  
1329.02, 1701.03, 1701.05, 1701.791, 1702.05, 3  
1702.411, 1703.04, 1729.36, 1729.38, 1745.461, 4  
1751.01, 1776.69, 1776.82, 1782.02, 1782.432, 5  
1785.09, 3345.203, 3964.03, 3964.17, 4701.14, 6  
4703.18, 4703.331, 4715.18, 4715.22, 4715.365, 7  
4715.431, 4717.06, 4723.16, 4725.33, 4729.161, 8  
4729.541, 4731.226, 4731.228, 4732.28, 4733.16, 9  
4734.17, 4755.111, 4755.471, 4757.37, 5701.14, 10  
5715.19, 5733.04, 5733.33, 5733.42, 5747.01, and 11  
5751.01; to enact sections 1706.01, 1706.02, 12  
1706.03, 1706.04, 1706.05, 1706.06, 1706.061, 13  
1706.07, 1706.08, 1706.081, 1706.082, 1706.09, 14  
1706.16, 1706.161, 1706.17, 1706.171, 1706.172, 15  
1706.173, 1706.174, 1706.175, 1706.18, 1706.19, 16  
1706.20, 1706.26, 1706.27, 1706.28, 1706.281, 17  
1706.29, 1706.30, 1706.31, 1706.311, 1706.32, 18  
1706.33, 1706.331, 1706.332, 1706.34, 1706.341, 19  
1706.342, 1706.41, 1706.411, 1706.412, 1706.46, 20  
1706.461, 1706.47, 1706.471, 1706.472, 1706.473, 21  
1706.474, 1706.475, 1706.51, 1706.511, 1706.512, 22

1706.513, 1706.514, 1706.515, 1706.61, 1706.611,	23
1706.612, 1706.613, 1706.614, 1706.615,	24
1706.616, 1706.617, 1706.62, 1706.71, 1706.711,	25
1706.712, 1706.713, 1706.72, 1706.721, 1706.722,	26
1706.723, 1706.73, 1706.74, 1706.76, 1706.761,	27
1706.762, 1706.763, 1706.764, 1706.765,	28
1706.766, 1706.767, 1706.768, 1706.769,	29
1706.7610, 1706.7611, 1706.7612, 1706.7613,	30
1706.81, 1706.82, 1706.83, and 1706.84; and to	31
repeal sections 1705.01, 1705.02, 1705.03,	32
1705.031, 1705.04, 1705.05, 1705.06, 1705.07,	33
1705.08, 1705.081, 1705.09, 1705.10, 1705.11,	34
1705.12, 1705.13, 1705.14, 1705.15, 1705.16,	35
1705.161, 1705.17, 1705.18, 1705.19, 1705.20,	36
1705.21, 1705.22, 1705.23, 1705.24, 1705.25,	37
1705.26, 1705.27, 1705.28, 1705.281, 1705.282,	38
1705.29, 1705.291, 1705.292, 1705.30, 1705.31,	39
1705.32, 1705.33, 1705.34, 1705.35, 1705.36,	40
1705.361, 1705.37, 1705.371, 1705.38, 1705.381,	41
1705.39, 1705.391, 1705.40, 1705.41, 1705.42,	42
1705.43, 1705.44, 1705.45, 1705.46, 1705.47,	43
1705.48, 1705.49, 1705.50, 1705.51, 1705.52,	44
1705.53, 1705.54, 1705.55, 1705.56, 1705.57,	45
1705.58, and 1705.61 of the Revised Code to	46
enact the Ohio Revised Limited Liability Company	47
Act.	48

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

**Section 1.** That sections 111.16, 122.16, 122.173, 135.14, 49

135.142, 135.35, 150.05, 718.01, 1329.01, 1329.02, 1701.03, 50  
1701.05, 1701.791, 1702.05, 1702.411, 1703.04, 1729.36, 1729.38, 51  
1745.461, 1751.01, 1776.69, 1776.82, 1782.02, 1782.432, 1785.09, 52  
3345.203, 3964.03, 3964.17, 4701.14, 4703.18, 4703.331, 4715.18, 53  
4715.22, 4715.365, 4715.431, 4717.06, 4723.16, 4725.33, 54  
4729.161, 4729.541, 4731.226, 4731.228, 4732.28, 4733.16, 55  
4734.17, 4755.111, 4755.471, 4757.37, 5701.14, 5715.19, 5733.04, 56  
5733.33, 5733.42, 5747.01, and 5751.01 be amended and sections 57  
1706.01, 1706.02, 1706.03, 1706.04, 1706.05, 1706.06, 1706.061, 58  
1706.07, 1706.08, 1706.081, 1706.082, 1706.09, 1706.16, 59  
1706.161, 1706.17, 1706.171, 1706.172, 1706.173, 1706.174, 60  
1706.175, 1706.18, 1706.19, 1706.20, 1706.26, 1706.27, 1706.28, 61  
1706.281, 1706.29, 1706.30, 1706.31, 1706.311, 1706.32, 1706.33, 62  
1706.331, 1706.332, 1706.34, 1706.341, 1706.342, 1706.41, 63  
1706.411, 1706.412, 1706.46, 1706.461, 1706.47, 1706.471, 64  
1706.472, 1706.473, 1706.474, 1706.475, 1706.51, 1706.511, 65  
1706.512, 1706.513, 1706.514, 1706.515, 1706.61, 1706.611, 66  
1706.612, 1706.613, 1706.614, 1706.615, 1706.616, 1706.617, 67  
1706.62, 1706.71, 1706.711, 1706.712, 1706.713, 1706.72, 68  
1706.721, 1706.722, 1706.723, 1706.73, 1706.74, 1706.76, 69  
1706.761, 1706.762, 1706.763, 1706.764, 1706.765, 1706.766, 70  
1706.767, 1706.768, 1706.769, 1706.7610, 1706.7611, 1706.7612, 71  
1706.7613, 1706.81, 1706.82, 1706.83, and 1706.84 of the Revised 72  
Code be enacted to read as follows: 73

**Sec. 111.16.** Except as provided in section 1701.041 of the 74  
Revised Code, the secretary of state shall charge and collect, 75  
for the benefit of the state, the following fees: 76

(A) For filing and recording articles of incorporation of 77  
a domestic corporation, including designation of agent: 78

(1) Wherein the corporation shall not be authorized to 79

issue any shares of capital stock, ninety-nine dollars;	80
(2) Wherein the corporation shall be authorized to issue shares of capital stock, with or without par value:	81
(a) Ten cents for each share authorized up to and including one thousand shares;	82
(b) Five cents for each share authorized in excess of one thousand shares up to and including ten thousand shares;	83
(c) Two cents for each share authorized in excess of ten thousand shares up to and including fifty thousand shares;	84
(d) One cent for each share authorized in excess of fifty thousand shares up to and including one hundred thousand shares;	85
(e) One-half cent for each share authorized in excess of one hundred thousand shares up to and including five hundred thousand shares;	86
(f) One-quarter cent for each share authorized in excess of five hundred thousand shares; provided no fee shall be less than ninety-nine dollars or greater than one hundred thousand dollars.	87
(B) For filing and recording a certificate of amendment to or amended articles of incorporation of a domestic corporation, or for filing and recording a certificate of reorganization, a certificate of dissolution, or an amendment to a foreign license application:	88
(1) If the domestic corporation is not authorized to issue any shares of capital stock, fifty dollars;	89
(2) If the domestic corporation is authorized to issue shares of capital stock, fifty dollars, and in case of any	90
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increase in the number of shares authorized to be issued, a 107  
further sum computed in accordance with the schedule set forth 108  
in division (A) (2) of this section less a credit computed in the 109  
same manner for the number of shares previously authorized to be 110  
issued by the corporation; provided no fee under division (B) (2) 111  
of this section shall be greater than one hundred thousand 112  
dollars; 113

(3) If the foreign corporation is not authorized to issue 114  
any shares of capital stock, fifty dollars; 115

(4) If the foreign corporation is authorized to issue 116  
shares of capital stock, fifty dollars. 117

(C) For filing and recording articles of incorporation of 118  
a savings and loan association, ninety-nine dollars; and for 119  
filing and recording a certificate of amendment to or amended 120  
articles of incorporation of a savings and loan association, 121  
fifty dollars; 122

(D) For filing and recording a certificate of conversion, 123  
including a designation of agent, a certificate of merger, or a 124  
certificate of consolidation, ninety-nine dollars and, in the 125  
case of any new corporation resulting from a consolidation or 126  
any surviving corporation that has an increased number of shares 127  
authorized to be issued resulting from a merger, an additional 128  
sum computed in accordance with the schedule set forth in 129  
division (A) (2) of this section less a credit computed in the 130  
same manner for the number of shares previously authorized to be 131  
issued or represented in this state by each of the corporations 132  
for which a consolidation or merger is effected by the 133  
certificate; 134

(E) For filing and recording articles of incorporation of 135

a credit union or the American credit union guaranty 136  
association, ninety-nine dollars, and for filing and recording a 137  
certificate of increase in capital stock or any other amendment 138  
of the articles of incorporation of a credit union or the 139  
association, fifty dollars; 140

(F) For filing and recording articles of organization of a 141  
limited liability company, for filing and recording an 142  
application to become a registered foreign limited liability 143  
company, for filing and recording a registration application to 144  
become a domestic limited liability partnership, or for filing 145  
and recording an application to become a registered foreign 146  
limited liability partnership, ninety-nine dollars; 147

(G) For filing and recording a certificate of limited 148  
partnership or an application for registration as a foreign 149  
limited partnership, or for filing an initial statement of 150  
partnership authority pursuant to section 1776.33 of the Revised 151  
Code, ninety-nine dollars; 152

(H) For filing a copy of papers evidencing the 153  
incorporation of a municipal corporation or of annexation of 154  
territory by a municipal corporation, five dollars, to be paid 155  
by the municipal corporation, the petitioners therefor, or their 156  
agent; 157

(I) For filing and recording any of the following: 158

(1) A license to transact business in this state by a 159  
foreign corporation for profit pursuant to section 1703.04 of 160  
the Revised Code or a foreign nonprofit corporation pursuant to 161  
section 1703.27 of the Revised Code, ninety-nine dollars; 162

(2) A biennial report or biennial statement pursuant to 163  
section 1775.63, 1776.83, or 1785.06 of the Revised Code, 164

twenty-five dollars;	165
(3) Except as otherwise provided in this section or any other section of the Revised Code, any other certificate or paper that is required to be filed and recorded or is permitted to be filed and recorded by any provision of the Revised Code with the secretary of state, twenty-five dollars.	166 167 168 169 170
(J) For filing any certificate or paper not required to be recorded, five dollars;	171 172
(K) (1) For making copies of any certificate or other paper filed in the office of the secretary of state, a fee not to exceed one dollar per page, except as otherwise provided in the Revised Code, and for creating and affixing the seal of the office of the secretary of state to any good standing or other certificate, five dollars. For copies of certificates or papers required by state officers for official purpose, no charge shall be made.	173 174 175 176 177 178 179 180
(2) For creating and affixing the seal of the office of the secretary of state to the certificates described in division (E) of section 1701.81, division (E) of section 1701.811, division (E) of section 1705.38, division (E) of section 1705.381, division (D) of section 1702.43, division (E) of section 1775.47, division (E) of section 1775.55, division (E) of section 1776.70, division (E) of section 1776.74, division (E) of section 1782.433, or division (E) of section 1782.4310 of the Revised Code, twenty-five dollars.	181 182 183 184 185 186 187 188 189
(L) For a minister's license to solemnize marriages, ten dollars;	190 191
(M) For examining documents to be filed at a later date for the purpose of advising as to the acceptability of the	192 193

proposed filing, fifty dollars;	194
(N) Fifty dollars for filing and recording any of the following:	195
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(1) A certificate of dissolution and accompanying documents, or a certificate of cancellation, under section 1701.86, 1702.47, 1705.43, <u>1706.471</u> , 1776.65, or 1782.10 of the Revised Code;	197
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(2) A notice of dissolution of a foreign licensed corporation or a certificate of surrender of license by a foreign licensed corporation under section 1703.17 of the Revised Code;	201
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(3) The withdrawal of registration of a foreign or domestic limited liability partnership under section 1775.61, 1775.64, 1776.81, or 1776.86 of the Revised Code, or the certificate of cancellation of registration of a foreign limited liability company under section 1705.57 <u>or 1706.514</u> of the Revised Code;	205
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(4) The filing of a statement of denial under section 1776.34 of the Revised Code, a statement of dissociation under section 1776.57 of the Revised Code, a statement of disclaimer of general partner status under Chapter 1782. of the Revised Code, or a cancellation of disclaimer of general partner status under Chapter 1782. of the Revised Code.	211
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(O) For filing a statement of continued existence by a nonprofit corporation, twenty-five dollars;	217
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(P) For filing a restatement under section 1705.08, <u>1706.161</u> , or 1782.09 of the Revised Code, an amendment to a certificate of cancellation under section 1782.10 of the Revised Code, an amendment under section 1705.08, <u>1706.161</u> , or 1782.09	219
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of the Revised Code, or a correction under section 1705.55,	223
<u>1706.173, 1706.511, 1706.513, 1775.61, 1775.64, 1776.12, or</u>	224
1782.52 of the Revised Code, fifty dollars;	225
(Q) For filing for reinstatement of an entity cancelled by	226
operation of law, by the secretary of state, by order of the	227
department of taxation, or by order of a court, twenty-five	228
dollars;	229
(R) For filing and recording any of the following:	230
(1) A change of agent, resignation of agent, or change of	231
agent's address under section 1701.07, 1702.06, 1703.041,	232
1703.27, 1705.06, 1705.55, <u>1706.09, 1746.04, 1747.03, 1776.07,</u>	233
or 1782.04 of the Revised Code, twenty-five dollars;	234
(2) A multiple change of agent name or address,	235
standardization of agent address, or resignation of agent under	236
section 1701.07, 1702.06, 1703.041, 1703.27, 1705.06, 1705.55,	237
<u>1706.09, 1746.04, 1747.03, 1776.07, or 1782.04 of the Revised</u>	238
Code, one hundred twenty-five dollars, plus three dollars per	239
entity record being changed, by the multiple agent update.	240
(S) For filing and recording any of the following:	241
(1) An application for the exclusive right to use a name	242
or an application to reserve a name for future use under section	243
1701.05, 1702.05, 1703.31, 1705.05, <u>1706.07, or 1746.06 of the</u>	244
Revised Code, thirty-nine dollars;	245
(2) A trade name or fictitious name registration or	246
report, thirty-nine dollars;	247
(3) An application to renew any item covered by division	248
(S) (1) or (2) of this section that is permitted to be renewed,	249
twenty-five dollars;	250

(4) An assignment of rights for use of a name covered by	251
division (S) (1), (2), or (3) of this section, the cancellation	252
of a name registration or name reservation that is so covered,	253
or notice of a change of address of the registrant of a name	254
that is so covered, twenty-five dollars.	255
(T) For filing and recording a report to operate a	256
business trust or a real estate investment trust, either foreign	257
or domestic, ninety-nine dollars; and for filing and recording	258
an amendment to a report or associated trust instrument, or a	259
surrender of authority, to operate a business trust or real	260
estate investment trust, fifty dollars;	261
(U) (1) For filing and recording the registration of a	262
trademark, service mark, or mark of ownership, one hundred	263
twenty-five dollars;	264
(2) For filing and recording the change of address of a	265
registrant, the assignment of rights to a registration, a	266
renewal of a registration, or the cancellation of a registration	267
associated with a trademark, service mark, or mark of ownership,	268
twenty-five dollars.	269
(V) For filing a service of process with the secretary of	270
state, five dollars, except as otherwise provided in any section	271
of the Revised Code;	272
(W) For making, recording, and forwarding a commission	273
under section 107.06 of the Revised Code, the applicable fee	274
specified in that section.	275
Fees specified in this section may be paid by cash, check,	276
or money order, by credit card in accordance with section 113.40	277
of the Revised Code, or by an alternative payment program in	278
accordance with division (B) of section 111.18 of the Revised	279

Code. Any credit card number or the expiration date of any 280  
credit card is not subject to disclosure under Chapter 149. of 281  
the Revised Code. 282

**Sec. 122.16.** (A) As used in this section: 283

(1) "Distressed area" means either a municipal corporation 284  
that has a population of at least fifty thousand or a county, 285  
that meets two of the following criteria: 286

(a) Its average rate of unemployment, during the most 287  
recent five-year period for which data are available, is equal 288  
to at least one hundred twenty-five per cent of the average rate 289  
of unemployment for the United States for the same period. 290

(b) It has a per capita income equal to or below eighty 291  
per cent of the median county per capita income of the United 292  
States as determined by the most recently available figures from 293  
the United States census bureau. 294

(c) (i) In the case of a municipal corporation, at least 295  
twenty per cent of the residents have a total income for the 296  
most recent census year that is below the official poverty line. 297

(ii) In the case of a county, in intercensal years, the 298  
county has a ratio of transfer payment income to total county 299  
income equal to or greater than twenty-five per cent. 300

(2) "Eligible area" means a distressed area, a labor 301  
surplus area, an inner city area, or a situational distress 302  
area. 303

(3) "Eligible costs associated with a voluntary action" 304  
means costs incurred during the qualifying period in performing 305  
a remedy or remedial activities, as defined in section 3746.01 306  
of the Revised Code, and any costs incurred during the 307

qualifying period in performing both a phase I and phase II 308  
property assessment, as defined in the rules adopted under 309  
section 3746.04 of the Revised Code, provided that the 310  
performance of the phase I and phase II property assessment 311  
resulted in the implementation of the remedy or remedial 312  
activities. 313

(4) "Inner city area" means, in a municipal corporation 314  
that has a population of at least one hundred thousand and does 315  
not meet the criteria of a labor surplus area or a distressed 316  
area, targeted investment areas established by the municipal 317  
corporation within its boundaries that are comprised of the most 318  
recent census block tracts that individually have at least 319  
twenty per cent of their population at or below the state 320  
poverty level or other census block tracts contiguous to such 321  
census block tracts. 322

(5) "Labor surplus area" means an area designated as a 323  
labor surplus area by the United States department of labor. 324

(6) "Official poverty line" has the same meaning as in 325  
division (A) of section 3923.51 of the Revised Code. 326

(7) "Partner" includes a member of a limited liability 327  
company formed under Chapter 1705. or 1706. of the Revised Code 328  
or under the laws of any other state if the limited liability 329  
company is not treated as a corporation for purposes of Chapter 330  
5733. of the Revised Code and is not classified as an 331  
association taxable as a corporation for federal income tax 332  
purposes. 333

(8) "Partnership" includes a limited liability company 334  
formed under Chapter 1705. or 1706. of the Revised Code or under 335  
the laws of any other state if the limited liability company is 336

not treated as a corporation for purposes of Chapter 5733. of 337  
the Revised Code and is not classified as an association taxable 338  
as a corporation for federal income tax purposes. 339

(9) "Qualifying period" means the period that begins July 340  
1, 1996, and ends June 30, 1999. 341

(10) "S corporation" means a corporation that has made an 342  
election under subchapter S of chapter one of subtitle A of the 343  
Internal Revenue Code for its taxable year under the Internal 344  
Revenue Code; 345

(11) "Situational distress area" means a county or a 346  
municipal corporation that has experienced or is experiencing a 347  
closing or downsizing of a major employer that will adversely 348  
affect the economy of the county or municipal corporation. In 349  
order for a county or municipal corporation to be designated as 350  
a situational distress area, the governing body of the county or 351  
municipal corporation shall submit a petition to the director of 352  
development in the form prescribed by the director. A county or 353  
municipal corporation may be designated as a situational 354  
distress area for a period not exceeding thirty-six months. 355

The petition shall include written documentation that 356  
demonstrates all of the following: 357

(a) The number of jobs lost by the closing or downsizing; 358

(b) The impact that the job loss has on the unemployment 359  
rate of the county or municipal corporation as measured by the 360  
director of job and family services; 361

(c) The annual payroll associated with the job loss; 362

(d) The amount of state and local taxes associated with 363  
the job loss; 364

(e) The impact that the closing or downsizing has on the suppliers located in the county or municipal corporation. 365  
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(12) "Voluntary action" has the same meaning as in section 3746.01 of the Revised Code. 367  
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(13) "Taxpayer" means a corporation subject to the tax imposed by section 5733.06 of the Revised Code or any person subject to the tax imposed by section 5747.02 of the Revised Code. 369  
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(14) "Governing body" means the board of county commissioners of a county, the board of township trustees of a township, or the legislative authority of a municipal corporation. 373  
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(15) "Eligible site" means property for which a covenant not to sue has been issued under section 3746.12 of the Revised Code. 377  
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(B) (1) A taxpayer, partnership, or S corporation that has been issued, under section 3746.12 of the Revised Code, a covenant not to sue for a site by the director of environmental protection during the qualifying period may apply to the director of development, in the manner prescribed by the director, to enter into an agreement under which the applicant agrees to economically redevelop the site in a manner that will create employment opportunities and a credit will be granted to the applicant against the tax imposed by section 5733.06 or 5747.02 of the Revised Code. The application shall state the eligible costs associated with a voluntary action incurred by the applicant. The application shall be accompanied by proof, in a form prescribed by the director of development, that the covenant not to sue has been issued. 380  
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The applicant shall request the certified professional 394  
that submitted the no further action letter for the eligible 395  
site under section 3746.11 of the Revised Code to submit an 396  
affidavit to the director of development verifying the eligible 397  
costs associated with the voluntary action at that site. 398

The director shall review the applications in the order 399  
they are received. If the director determines that the applicant 400  
meets the requirements of this section, the director may enter 401  
into an agreement granting a credit against the tax imposed by 402  
section 5733.06 or 5747.02 of the Revised Code. In making the 403  
determination, the director may consider the extent to which 404  
political subdivisions and other units of government will 405  
cooperate with the applicant to redevelop the eligible site. The 406  
agreement shall state the amount of the tax credit and the 407  
reporting requirements described in division (F) of this 408  
section. 409

(2) The maximum annual amount of credits the director of 410  
development may grant under such agreements shall be as follows: 411

1996 \$5,000,000 412

1997 \$10,000,000 413

1998 \$10,000,000 414

1999 \$5,000,000 415

For any year in which the director of development does not 416  
grant tax credits under this section equal to the maximum annual 417  
amount, the amount not granted for that year shall be added to 418  
the maximum annual amount that may be granted for the following 419  
year. However, the director shall not grant any tax credits 420  
under this section after June 30, 1999. 421

(C) (1) If the covenant not to sue was issued in connection 422  
with a site that is not located in an eligible area, the credit 423  
amount is equal to the lesser of five hundred thousand dollars 424  
or ten per cent of the eligible costs associated with a 425  
voluntary action incurred by the taxpayer, partnership, or S 426  
corporation. 427

(2) If a covenant not to sue was issued in connection with 428  
a site that is located in an eligible area, the credit amount is 429  
equal to the lesser of seven hundred fifty thousand dollars or 430  
fifteen per cent of the eligible costs associated with a 431  
voluntary action incurred by the taxpayer, partnership, or S 432  
corporation. 433

(3) A taxpayer, partnership, or S corporation that has 434  
been issued covenants not to sue under section 3746.12 of the 435  
Revised Code for more than one site may apply to the director of 436  
development to enter into more than one agreement granting a 437  
credit against the tax imposed by section 5733.06 or 5747.02 of 438  
the Revised Code. 439

(4) For each year for which a taxpayer, partnership, or S 440  
corporation has been granted a credit under an agreement entered 441  
into under this section, the director of development shall issue 442  
a certificate to the taxpayer, partnership, or S corporation 443  
indicating the amount of the credit the taxpayer, the partners 444  
of the partnership, or the shareholders of the S corporation may 445  
claim for that year, not including any amount that may be 446  
carried forward from previous years under section 5733.34 of the 447  
Revised Code. 448

(D) (1) Each agreement entered into under this section 449  
shall incorporate a commitment by the taxpayer, partnership, or 450  
S corporation not to permit the use of an eligible site to cause 451

the relocation of employment positions to that site from 452  
elsewhere in this state, except as otherwise provided in 453  
division (D) (2) of this section. The commitment shall be binding 454  
on the taxpayer, partnership, or S corporation for the lesser of 455  
five years from the date the agreement is entered into or the 456  
number of years the taxpayer, partnership, or S corporation is 457  
entitled to claim the tax credit under the agreement. 458

(2) An eligible site may be the site of employment 459  
positions relocated from elsewhere in this state if the director 460  
of development determines both of the following: 461

(a) That the site from which the employment positions 462  
would be relocated is inadequate to meet market and industry 463  
conditions, expansion plans, consolidation plans, or other 464  
business considerations affecting the relocating employer; 465

(b) That the governing body of the county, township, or 466  
municipal corporation from which the employment positions would 467  
be relocated has been notified of the possible relocation. 468

For purposes of this section, the movement of an 469  
employment position from one political subdivision to another 470  
political subdivision shall be considered a relocation of an 471  
employment position, but the transfer of an individual employee 472  
from one political subdivision to another political subdivision 473  
shall not be considered a relocation of an employment position 474  
as long as the individual's employment position in the first 475  
political subdivision is refilled. 476

(E) A taxpayer, partnership, or S corporation that has 477  
entered into an agreement granting a credit against the tax 478  
imposed by section 5733.06 or 5747.02 of the Revised Code that 479  
subsequently recovers in a lawsuit or settlement of a lawsuit at 480

least seventy-five per cent of the eligible costs associated 481  
with a voluntary action shall not claim any credit amount 482  
remaining, including any amounts carried forward from prior 483  
years, beginning with the taxable year in which the judgment in 484  
the lawsuit is entered or the settlement is finally agreed to. 485

Any amount of credit that a taxpayer, partnership, or S 486  
corporation may not claim by reason of this division shall not 487  
be considered to have been granted for the purpose of 488  
determining the total amount of credits that may be issued under 489  
division (B) (2) of this section. 490

(F) Each year for which a taxpayer, partnership, or S 491  
corporation claims a credit under section 5733.34 of the Revised 492  
Code, the taxpayer, partnership, or S corporation shall report 493  
the following to the director of development: 494

(1) The status of all cost recovery litigation described 495  
in division (E) of this section to which it was a party during 496  
the previous year; 497

(2) Confirmation that the covenant not to sue has not been 498  
revoked or has not been voided; 499

(3) Confirmation that the taxpayer, partnership, or S 500  
corporation has not permitted the eligible site to be used in 501  
such a manner as to cause the relocation of employment positions 502  
from elsewhere in this state in violation of the commitment 503  
required under division (D) of this section; 504

(4) Any other information the director of development 505  
requires to perform the director's duties under this section. 506

(G) The director of development shall annually certify, by 507  
the first day of January of each year during the qualifying 508  
period, the eligible areas for the calendar year that includes 509

that first day of January. 510

(H) The director of development, in accordance with 511  
Chapter 119. of the Revised Code, shall adopt rules necessary to 512  
implement this section, including rules prescribing forms 513  
required for administering this section. 514

**Sec. 122.173.** (A) As used in this section: 515

(1) "Manufacturing machinery and equipment" means engines 516  
and machinery, and tools and implements, of every kind used, or 517  
designed to be used, in refining and manufacturing. 518  
"Manufacturing machinery and equipment" does not include 519  
property acquired after December 31, 1999, that is used: 520

(a) For the transmission and distribution of electricity; 521

(b) For the generation of electricity, if fifty per cent 522  
or more of the electricity that the property generates is 523  
consumed, during the one-hundred-twenty-month period commencing 524  
with the date the property is placed in service, by persons that 525  
are not related members to the person who generates the 526  
electricity. 527

(2) "New manufacturing machinery and equipment" means 528  
manufacturing machinery and equipment, the original use in this 529  
state of which commences with the taxpayer or with a partnership 530  
of which the taxpayer is a partner. "New manufacturing machinery 531  
and equipment" does not include property acquired after December 532  
31, 1999, that is used: 533

(a) For the transmission and distribution of electricity; 534

(b) For the generation of electricity, if fifty per cent 535  
or more of the electricity that the property generates is 536  
consumed, during the one-hundred-twenty-month period commencing 537

with the date the property is placed in service, by persons that 538  
are not related members to the person who generates the 539  
electricity. 540

(3) (a) "Purchase" has the same meaning as in section 541  
179(d) (2) of the Internal Revenue Code. 542

(b) For purposes of this section, any property that is not 543  
manufactured or assembled primarily by the taxpayer is 544  
considered purchased at the time the agreement to acquire the 545  
property becomes binding. Any property that is manufactured or 546  
assembled primarily by the taxpayer is considered purchased at 547  
the time the taxpayer places the property in service in the 548  
county for which the taxpayer will calculate the county excess 549  
amount. 550

(c) Notwithstanding section 179(d) of the Internal Revenue 551  
Code, a taxpayer's direct or indirect acquisition of new 552  
manufacturing machinery and equipment is not purchased on or 553  
after July 1, 1995, if the taxpayer, or a person whose 554  
relationship to the taxpayer is described in subparagraphs (A), 555  
(B), or (C) of section 179(d) (2) of the Internal Revenue Code, 556  
had directly or indirectly entered into a binding agreement to 557  
acquire the property at any time prior to July 1, 1995. 558

(4) "Qualifying period" means the period that begins July 559  
1, 1995, and ends June 30, 2005. 560

(5) "County average new manufacturing machinery and 561  
equipment investment" means either of the following: 562

(a) The average annual cost of new manufacturing machinery 563  
and equipment purchased for use in the county during baseline 564  
years, in the case of a taxpayer that was in existence for more 565  
than one year during baseline years. 566

(b) Zero, in the case of a taxpayer that was not in existence for more than one year during baseline years.	567 568
(6) "Partnership" includes a limited liability company formed under Chapter 1705. <u>or 1706.</u> of the Revised Code or under the laws of any other state, provided that the company is not classified for federal income tax purposes as an association taxable as a corporation.	569 570 571 572 573
(7) "Partner" includes a member of a limited liability company formed under Chapter 1705. <u>or 1706.</u> of the Revised Code or under the laws of any other state, provided that the company is not classified for federal income tax purposes as an association taxable as a corporation.	574 575 576 577 578
(8) "Distressed area" means either a municipal corporation that has a population of at least fifty thousand or a county that meets two of the following criteria of economic distress, or a municipal corporation the majority of the population of which is situated in such a county:	579 580 581 582 583
(a) Its average rate of unemployment, during the most recent five-year period for which data are available, is equal to at least one hundred twenty-five per cent of the average rate of unemployment for the United States for the same period;	584 585 586 587
(b) It has a per capita income equal to or below eighty per cent of the median county per capita income of the United States as determined by the most recently available figures from the United States census bureau;	588 589 590 591
(c) (i) In the case of a municipal corporation, at least twenty per cent of the residents have a total income for the most recent census year that is below the official poverty line;	592 593 594
(ii) In the case of a county, in intercensal years, the	595

county has a ratio of transfer payment income to total county 596  
income equal to or greater than twenty-five per cent. 597

(9) "Eligible area" means a distressed area, a labor 598  
surplus area, an inner city area, or a situational distress 599  
area. 600

(10) "Inner city area" means, in a municipal corporation 601  
that has a population of at least one hundred thousand and does 602  
not meet the criteria of a labor surplus area or a distressed 603  
area, targeted investment areas established by the municipal 604  
corporation within its boundaries that are comprised of the most 605  
recent census block tracts that individually have at least 606  
twenty per cent of their population at or below the state 607  
poverty level or other census block tracts contiguous to such 608  
census block tracts. 609

(11) "Labor surplus area" means an area designated as a 610  
labor surplus area by the United States department of labor. 611

(12) "Official poverty line" has the same meaning as in 612  
division (A) of section 3923.51 of the Revised Code. 613

(13) "Situational distress area" means a county or a 614  
municipal corporation that has experienced or is experiencing a 615  
closing or downsizing of a major employer that will adversely 616  
affect the county's or municipal corporation's economy. In order 617  
to be designated as a situational distress area, for a period 618  
not to exceed thirty-six months, the county or municipal 619  
corporation may petition the director of development. The 620  
petition shall include written documentation that demonstrates 621  
all of the following adverse effects on the local economy: 622

(a) The number of jobs lost by the closing or downsizing; 623

(b) The impact that the job loss has on the county's or 624

municipal corporation's unemployment rate as measured by the	625
state director of job and family services;	626
(c) The annual payroll associated with the job loss;	627
(d) The amount of state and local taxes associated with	628
the job loss;	629
(e) The impact that the closing or downsizing has on	630
suppliers located in the county or municipal corporation.	631
(14) "Cost" has the same meaning and limitation as in	632
section 179(d) (3) of the Internal Revenue Code.	633
(15) "Baseline years" means:	634
(a) Calendar years 1992, 1993, and 1994, with regard to a	635
grant claimed for the purchase during calendar year 1995, 1996,	636
1997, or 1998 of new manufacturing machinery and equipment;	637
(b) Calendar years 1993, 1994, and 1995, with regard to a	638
grant claimed for the purchase during calendar year 1999 of new	639
manufacturing machinery and equipment;	640
(c) Calendar years 1994, 1995, and 1996, with regard to a	641
grant claimed for the purchase during calendar year 2000 of new	642
manufacturing machinery and equipment;	643
(d) Calendar years 1995, 1996, and 1997, with regard to a	644
grant claimed for the purchase during calendar year 2001 of new	645
manufacturing machinery and equipment;	646
(e) Calendar years 1996, 1997, and 1998, with regard to a	647
grant claimed for the purchase during calendar year 2002 of new	648
manufacturing machinery and equipment;	649
(f) Calendar years 1997, 1998, and 1999, with regard to a	650
grant claimed for the purchase during calendar year 2003 of new	651

manufacturing machinery and equipment; 652

(g) Calendar years 1998, 1999, and 2000, with regard to a 653  
grant claimed for the purchase during calendar year 2004 of new 654  
manufacturing machinery and equipment; 655

(h) Calendar years 1999, 2000, and 2001, with regard to a 656  
grant claimed for the purchase on or after January 1, 2005, and 657  
on or before June 30, 2005, of new manufacturing machinery and 658  
equipment. 659

(16) "Related member" has the same meaning as in section 660  
5733.042 of the Revised Code. 661

(17) "Qualifying controlled group" has the same meaning as 662  
in section 5733.04 of the Revised Code. 663

(18) "Tax liability" has the same meaning as in section 664  
122.172 of the Revised Code. 665

(B)(1) Subject to divisions (I) and (J) of this section, a 666  
grant is allowed against the tax imposed by section 5733.06 or 667  
5747.02 of the Revised Code for a taxpayer that purchases new 668  
manufacturing machinery and equipment during the qualifying 669  
period, provided that the new manufacturing machinery and 670  
equipment are installed in this state not later than June 30, 671  
2006. 672

(2)(a) Except as otherwise provided in division (B)(2)(b) 673  
of this section, a grant may be claimed under this section in 674  
excess of one million dollars only if the cost of all 675  
manufacturing machinery and equipment owned in this state by the 676  
taxpayer claiming the grant on the last day of the calendar year 677  
exceeds the cost of all manufacturing machinery and equipment 678  
owned in this state by the taxpayer on the first day of that 679  
calendar year. 680

As used in division (B) (2) (a) of this section, "calendar year" means the calendar year in which the machinery and equipment for which the grant is claimed was purchased.

(b) Division (B) (2) (a) of this section does not apply if the taxpayer claiming the grant applies for and is issued a waiver of the requirement of that division. A taxpayer may apply to the director of development for such a waiver in the manner prescribed by the director, and the director may issue such a waiver if the director determines that granting the grant is necessary to increase or retain employees in this state, and that the grant has not caused relocation of manufacturing machinery and equipment among counties within this state for the primary purpose of qualifying for the grant.

(C) (1) Except as otherwise provided in division (C) (2) and division (I) of this section, the grant amount is equal to seven and one-half per cent of the excess of the cost of the new manufacturing machinery and equipment purchased during the calendar year for use in a county over the county average new manufacturing machinery and equipment investment for that county.

(2) Subject to division (I) of this section, as used in division (C) (2) of this section, "county excess" means the taxpayer's excess cost for a county as computed under division (C) (1) of this section.

Subject to division (I) of this section, a taxpayer with a county excess, whose purchases included purchases for use in any eligible area in the county, the grant amount is equal to thirteen and one-half per cent of the cost of the new manufacturing machinery and equipment purchased during the calendar year for use in the eligible areas in the county,

provided that the cost subject to the thirteen and one-half per 711  
cent rate shall not exceed the county excess. If the county 712  
excess is greater than the cost of the new manufacturing 713  
machinery and equipment purchased during the calendar year for 714  
use in eligible areas in the county, the grant amount also shall 715  
include an amount equal to seven and one-half per cent of the 716  
amount of the difference. 717

(3) If a taxpayer is allowed a grant for purchases of new 718  
manufacturing machinery and equipment in more than one county or 719  
eligible area, it shall aggregate the amount of those grants 720  
each year. 721

(4) Except as provided in division (J) of this section, 722  
the taxpayer shall claim one-seventh of the grant amount for the 723  
taxable year ending in the calendar year in which the new 724  
manufacturing machinery and equipment is purchased for use in 725  
the county by the taxpayer or partnership. One-seventh of the 726  
taxpayer grant amount is allowed for each of the six ensuing 727  
taxable years. Except for carried-forward amounts, the taxpayer 728  
is not allowed any grant amount remaining if the new 729  
manufacturing machinery and equipment is sold by the taxpayer or 730  
partnership or is transferred by the taxpayer or partnership out 731  
of the county before the end of the seven-year period unless, at 732  
the time of the sale or transfer, the new manufacturing 733  
machinery and equipment has been fully depreciated for federal 734  
income tax purposes. 735

(5) (a) A taxpayer that acquires manufacturing machinery 736  
and equipment as a result of a merger with the taxpayer with 737  
whom commenced the original use in this state of the 738  
manufacturing machinery and equipment, or with a taxpayer that 739  
was a partner in a partnership with whom commenced the original 740

use in this state of the manufacturing machinery and equipment, 741  
is entitled to any remaining or carried-forward grant amounts to 742  
which the taxpayer was entitled. 743

(b) A taxpayer that enters into an agreement under 744  
division (C) (3) of section 5709.62 of the Revised Code and that 745  
acquires manufacturing machinery or equipment as a result of 746  
purchasing a large manufacturing facility, as defined in section 747  
5709.61 of the Revised Code, from another taxpayer with whom 748  
commenced the original use in this state of the manufacturing 749  
machinery or equipment, and that operates the large 750  
manufacturing facility so purchased, is entitled to any 751  
remaining or carried-forward grant amounts to which the other 752  
taxpayer who sold the facility would have been entitled under 753  
this section had the other taxpayer not sold the manufacturing 754  
facility or equipment. 755

(c) New manufacturing machinery and equipment is not 756  
considered sold if a pass-through entity transfers to another 757  
pass-through entity substantially all of its assets as part of a 758  
plan of reorganization under which substantially all gain and 759  
loss is not recognized by the pass-through entity that is 760  
transferring the new manufacturing machinery and equipment to 761  
the transferee and under which the transferee's basis in the new 762  
manufacturing machinery and equipment is determined, in whole or 763  
in part, by reference to the basis of the pass-through entity 764  
that transferred the new manufacturing machinery and equipment 765  
to the transferee. 766

(d) Division (C) (5) of this section applies only if the 767  
acquiring taxpayer or transferee does not sell the new 768  
manufacturing machinery and equipment or transfer the new 769  
manufacturing machinery and equipment out of the county before 770

the end of the seven-year period to which division (C) (4) of 771  
this section refers. 772

(e) Division (C) (5) (b) of this section applies only to the 773  
extent that the taxpayer that sold the manufacturing machinery 774  
or equipment, upon request, timely provides to the tax 775  
commissioner any information that the tax commissioner considers 776  
to be necessary to ascertain any remaining or carried-forward 777  
amounts to which the taxpayer that sold the facility would have 778  
been entitled under this section had the taxpayer not sold the 779  
manufacturing machinery or equipment. Nothing in division (C) (5) 780  
(b) or (e) of this section shall be construed to allow a 781  
taxpayer to claim any grant amount with respect to the acquired 782  
manufacturing machinery or equipment that is greater than the 783  
amount that would have been available to the other taxpayer that 784  
sold the manufacturing machinery or equipment had the other 785  
taxpayer not sold the manufacturing machinery or equipment. 786

(D) The taxpayer shall claim the grant allowed by this 787  
section in the manner provided by section 122.172 of the Revised 788  
Code. Any portion of the grant in excess of the taxpayer's tax 789  
liability for the taxable year shall not be refundable but may 790  
be carried forward for the next three consecutive taxable years. 791

(E) A taxpayer purchasing new manufacturing machinery and 792  
equipment and intending to claim the grant shall file, with the 793  
director of development, a notice of intent to claim the grant 794  
on a form prescribed by the director of development. The 795  
director of development shall inform the tax commissioner of the 796  
notice of intent to claim the grant. No grant may be claimed 797  
under this section for any manufacturing machinery and equipment 798  
with respect to which a notice was not filed by the date of a 799  
timely filed return, including extensions, for the taxable year 800

that includes September 30, 2005, but a notice filed on or 801  
before such date under division (E) of section 5733.33 of the 802  
Revised Code of the intent to claim the credit under that 803  
section also shall be considered a notice of the intent to claim 804  
a grant under this section. 805

(F) The director of development shall annually certify, by 806  
the first day of January of each year during the qualifying 807  
period, the eligible areas for the tax grant for the calendar 808  
year that includes that first day of January. The director shall 809  
send a copy of the certification to the tax commissioner. 810

(G) New manufacturing machinery and equipment for which a 811  
taxpayer claims the credit under section 5733.31 or 5733.311 of 812  
the Revised Code shall not be considered new manufacturing 813  
machinery and equipment for purposes of the grant under this 814  
section. 815

(H) (1) Notwithstanding sections 5733.11 and 5747.13 of the 816  
Revised Code, but subject to division (H) (2) of this section, 817  
the tax commissioner may issue an assessment against a person 818  
with respect to a grant claimed under this section for new 819  
manufacturing machinery and equipment described in division (A) 820  
(1) (b) or (2) (b) of this section, if the machinery or equipment 821  
subsequently does not qualify for the grant. 822

(2) Division (H) (1) of this section shall not apply after 823  
the twenty-fourth month following the last day of the period 824  
described in divisions (A) (1) (b) and (2) (b) of this section. 825

(I) Notwithstanding any other provision of this section to 826  
the contrary, in the case of a qualifying controlled group, the 827  
grant available under this section to a taxpayer or taxpayers in 828  
the qualifying controlled group shall be computed as if all 829

corporations in the group were a single corporation. The grant 830  
shall be allocated to such a taxpayer or taxpayers in the group 831  
in any amount elected for the taxable year by the group. The 832  
election shall be revocable and amendable during the period 833  
described in division (B) of section 5733.12 of the Revised 834  
Code. 835

This division applies to all purchases of new 836  
manufacturing machinery and equipment made on or after January 837  
1, 2001, and to all baseline years used to compute any grant 838  
attributable to such purchases; provided, that this division may 839  
be applied solely at the election of the qualifying controlled 840  
group with respect to all purchases of new manufacturing 841  
machinery and equipment made before that date, and to all 842  
baseline years used to compute any grant attributable to such 843  
purchases. The qualifying controlled group at any time may elect 844  
to apply this division to purchases made prior to January 1, 845  
2001, subject to the following: 846

(1) The election is irrevocable; 847

(2) The election need not accompany a timely filed report, 848  
but the election may accompany a subsequently filed but timely 849  
application for refund, a subsequently filed but timely amended 850  
report, or a subsequently filed but timely petition for 851  
reassessment. 852

(J) Except as provided in division (B) of section 122.172 853  
of the Revised Code, no grant under this section may be claimed 854  
for any taxable year for which a credit is allowed under section 855  
5733.33 of the Revised Code. If the tax imposed by section 856  
5733.06 of the Revised Code for which a grant is allowed under 857  
this section has been prorated under division (G)(2) of section 858  
5733.01 of the Revised Code, the grant shall be prorated by the 859

same percentage as the tax. 860

**Sec. 135.14.** (A) As used in this section: 861

(1) "Treasurer" does not include the treasurer of state, 862  
and "governing board" does not include the state board of 863  
deposit. 864

(2) "Other obligations" includes notes whether or not 865  
issued in anticipation of the issuance of bonds. 866

(B) The treasurer or governing board may invest or deposit 867  
any part or all of the interim moneys. The following 868  
classifications of obligations shall be eligible for such 869  
investment or deposit: 870

(1) United States treasury bills, notes, bonds, or any 871  
other obligation or security issued by the United States 872  
treasury or any other obligation guaranteed as to principal and 873  
interest by the United States. 874

Nothing in the classification of eligible obligations set 875  
forth in division (B)(1) of this section or in the 876  
classifications of eligible obligations set forth in divisions 877  
(B)(2) to (7) of this section shall be construed to authorize 878  
any investment in stripped principal or interest obligations of 879  
such eligible obligations. 880

(2) Bonds, notes, debentures, or any other obligations or 881  
securities issued by any federal government agency or 882  
instrumentality, including but not limited to, the federal 883  
national mortgage association, federal home loan bank, federal 884  
farm credit bank, federal home loan mortgage corporation, and 885  
government national mortgage association. All federal agency 886  
securities shall be direct issuances of federal government 887  
agencies or instrumentalities. 888

(3) Interim deposits in the eligible institutions applying 889  
for interim moneys as provided in section 135.08 of the Revised 890  
Code. The award of interim deposits shall be made in accordance 891  
with section 135.09 of the Revised Code and the treasurer or the 892  
governing board shall determine the periods for which such 893  
interim deposits are to be made and shall award such interim 894  
deposits for such periods, provided that any eligible 895  
institution receiving an interim deposit award may, upon 896  
notification that the award has been made, decline to accept the 897  
interim deposit in which event the award shall be made as though 898  
the institution had not applied for such interim deposit. 899

(4) Bonds and other obligations of this state, or the 900  
political subdivisions of this state, provided that, with 901  
respect to bonds or other obligations of political subdivisions, 902  
all of the following apply: 903

(a) The bonds or other obligations are payable from 904  
general revenues of the political subdivision and backed by the 905  
full faith and credit of the political subdivision. 906

(b) The bonds or other obligations are rated at the time 907  
of purchase in the three highest classifications established by 908  
at least one nationally recognized standard rating service and 909  
purchased through a registered securities broker or dealer. 910

(c) The aggregate value of the bonds or other obligations 911  
does not exceed twenty per cent of interim moneys available for 912  
investment at the time of purchase. 913

(d) The treasurer or governing board is not the sole 914  
purchaser of the bonds or other obligations at original 915  
issuance. 916

(e) The bonds or other obligations mature within ten years 917

from the date of settlement.	918
No investment shall be made under division (B) (4) of this	919
section unless the treasurer or governing board has completed	920
additional training for making the investments authorized by	921
division (B) (4) of this section. The type and amount of	922
additional training shall be approved by the treasurer of state	923
and may be conducted by or provided under the supervision of the	924
treasurer of state.	925
(5) No-load money market mutual funds consisting	926
exclusively of obligations described in division (B) (1) or (2)	927
of this section and repurchase agreements secured by such	928
obligations, provided that investments in securities described	929
in this division are made only through eligible institutions	930
mentioned in section 135.03 of the Revised Code;	931
(6) The Ohio subdivision's fund as provided in section	932
135.45 of the Revised Code;	933
(7) Up to forty per cent of interim moneys available for	934
investment in either of the following:	935
(a) Commercial paper notes issued by an entity that is	936
defined in division (D) of section 1705.01 <u>or division (E) of</u>	937
<u>section 1706.01</u> of the Revised Code and that has assets	938
exceeding five hundred million dollars, to which notes all of	939
the following apply:	940
(i) The notes are rated at the time of purchase in the	941
highest classification established by at least two nationally	942
recognized standard rating services.	943
(ii) The aggregate value of the notes does not exceed ten	944
per cent of the aggregate value of the outstanding commercial	945
paper of the issuing corporation.	946

(iii) The notes mature not later than two hundred seventy 947  
days after purchase. 948

(iv) The investment in commercial paper notes of a single 949  
issuer shall not exceed in the aggregate five per cent of 950  
interim moneys available for investment at the time of purchase. 951

(b) Bankers acceptances of banks that are insured by the 952  
federal deposit insurance corporation and that mature not later 953  
than one hundred eighty days after purchase. 954

No investment shall be made pursuant to division (B) (7) of 955  
this section unless the treasurer or governing board has 956  
completed additional training for making the investments 957  
authorized by division (B) (7) of this section. The type and 958  
amount of additional training shall be approved by the treasurer 959  
of state and may be conducted by or provided under the 960  
supervision of the treasurer of state. 961

(C) Nothing in the classifications of eligible obligations 962  
set forth in divisions (B) (1) to (7) of this section shall be 963  
construed to authorize any investment in a derivative, and no 964  
treasurer or governing board shall invest in a derivative. For 965  
purposes of this division, "derivative" means a financial 966  
instrument or contract or obligation whose value or return is 967  
based upon or linked to another asset or index, or both, 968  
separate from the financial instrument, contract, or obligation 969  
itself. Any security, obligation, trust account, or other 970  
instrument that is created from an issue of the United States 971  
treasury or is created from an obligation of a federal agency or 972  
instrumentality or is created from both is considered a 973  
derivative instrument. An eligible investment described in this 974  
section with a variable interest rate payment, based upon a 975  
single interest payment or single index comprised of other 976

eligible investments provided for in division (B) (1) or (2) of 977  
this section, is not a derivative, provided that such variable 978  
rate investment has a maximum maturity of two years. 979

(D) Except as provided in division (B) (4) or (E) of this 980  
section, any investment made pursuant to this section must 981  
mature within five years from the date of settlement, unless the 982  
investment is matched to a specific obligation or debt of the 983  
subdivision. 984

(E) The treasurer or governing board may also enter into a 985  
written repurchase agreement with any eligible institution 986  
mentioned in section 135.03 of the Revised Code or any eligible 987  
dealer pursuant to division (M) of this section, under the terms 988  
of which agreement the treasurer or governing board purchases, 989  
and such institution or dealer agrees unconditionally to 990  
repurchase any of the securities listed in divisions (D) (1) to 991  
(5), except letters of credit described in division (D) (2), of 992  
section 135.18 of the Revised Code. The market value of 993  
securities subject to an overnight written repurchase agreement 994  
must exceed the principal value of the overnight written 995  
repurchase agreement by at least two per cent. A written 996  
repurchase agreement shall not exceed thirty days and the market 997  
value of securities subject to a written repurchase agreement 998  
must exceed the principal value of the written repurchase 999  
agreement by at least two per cent and be marked to market 1000  
daily. All securities purchased pursuant to this division shall 1001  
be delivered into the custody of the treasurer or governing 1002  
board or an agent designated by the treasurer or governing 1003  
board. A written repurchase agreement with an eligible 1004  
securities dealer shall be transacted on a delivery versus 1005  
payment basis. The agreement shall contain the requirement that 1006  
for each transaction pursuant to the agreement the participating 1007

institution or dealer shall provide all of the following 1008  
information: 1009

(1) The par value of the securities; 1010

(2) The type, rate, and maturity date of the securities; 1011

(3) A numerical identifier generally accepted in the 1012  
securities industry that designates the securities. 1013

No treasurer or governing board shall enter into a written 1014  
repurchase agreement under the terms of which the treasurer or 1015  
governing board agrees to sell securities owned by the 1016  
subdivision to a purchaser and agrees with that purchaser to 1017  
unconditionally repurchase those securities. 1018

(F) No treasurer or governing board shall make an 1019  
investment under this section, unless the treasurer or governing 1020  
board, at the time of making the investment, reasonably expects 1021  
that the investment can be held until its maturity. 1022

(G) No treasurer or governing board shall pay interim 1023  
moneys into a fund established by another subdivision, 1024  
treasurer, governing board, or investing authority, if that fund 1025  
was established for the purpose of investing the public moneys 1026  
of other subdivisions. This division does not apply to the 1027  
payment of public moneys into either of the following: 1028

(1) The Ohio subdivision's fund pursuant to division (B) 1029  
(6) of this section; 1030

(2) A fund created solely for the purpose of acquiring, 1031  
constructing, owning, leasing, or operating municipal utilities 1032  
pursuant to the authority provided under section 715.02 of the 1033  
Revised Code or Section 4 of Article XVIII, Ohio Constitution. 1034

For purposes of division (G) of this section, 1035

"subdivision" includes a county. 1036

(H) The use of leverage, in which the treasurer or 1037  
governing board uses its current investment assets as collateral 1038  
for the purpose of purchasing other assets, is prohibited. The 1039  
issuance of taxable notes for the purpose of arbitrage is 1040  
prohibited. Contracting to sell securities that have not yet 1041  
been acquired by the treasurer or governing board, for the 1042  
purpose of purchasing such securities on the speculation that 1043  
bond prices will decline, is prohibited. 1044

(I) Whenever, during a period of designation, the 1045  
treasurer classifies public moneys as interim moneys, the 1046  
treasurer shall notify the governing board of such action. The 1047  
notification shall be given within thirty days after such 1048  
classification and in the event the governing board does not 1049  
concur in such classification or in the investments or deposits 1050  
made under this section, the governing board may order the 1051  
treasurer to sell or liquidate any of such investments or 1052  
deposits, and any such order shall specifically describe the 1053  
investments or deposits and fix the date upon which they are to 1054  
be sold or liquidated. Investments or deposits so ordered to be 1055  
sold or liquidated shall be sold or liquidated for cash by the 1056  
treasurer on the date fixed in such order at the then current 1057  
market price. Neither the treasurer nor the members of the board 1058  
shall be held accountable for any loss occasioned by sales or 1059  
liquidations of investments or deposits at prices lower than 1060  
their cost. Any loss or expense incurred in making such sales or 1061  
liquidations is payable as other expenses of the treasurer's 1062  
office. 1063

(J) If any investments or deposits purchased under the 1064  
authority of this section are issuable to a designated payee or 1065

to the order of a designated payee, the name of the treasurer 1066  
and the title of the treasurer's office shall be so designated. 1067  
If any such securities are registrable either as to principal or 1068  
interest, or both, then such securities shall be registered in 1069  
the name of the treasurer as such. 1070

(K) The treasurer is responsible for the safekeeping of 1071  
all documents evidencing a deposit or investment acquired by the 1072  
treasurer under this section. Any securities may be deposited 1073  
for safekeeping with a qualified trustee as provided in section 1074  
135.18 of the Revised Code, except the delivery of securities 1075  
acquired under any repurchase agreement under this section shall 1076  
be made to a qualified trustee, provided, however, that the 1077  
qualified trustee shall be required to report to the treasurer, 1078  
governing board, auditor of state, or an authorized outside 1079  
auditor at any time upon request as to the identity, market 1080  
value, and location of the document evidencing each security, 1081  
and that if the participating institution is a designated 1082  
depository of the subdivision for the current period of 1083  
designation, the securities that are the subject of the 1084  
repurchase agreement may be delivered to the treasurer or held 1085  
in trust by the participating institution on behalf of the 1086  
subdivision. Interest earned on any investments or deposits 1087  
authorized by this section shall be collected by the treasurer 1088  
and credited by the treasurer to the proper fund of the 1089  
subdivision. 1090

Upon the expiration of the term of office of a treasurer 1091  
or in the event of a vacancy in the office of treasurer by 1092  
reason of death, resignation, removal from office, or otherwise, 1093  
the treasurer or the treasurer's legal representative shall 1094  
transfer and deliver to the treasurer's successor all documents 1095  
evidencing a deposit or investment held by the treasurer. For 1096

the investments and deposits so transferred and delivered, such 1097  
treasurer shall be credited with and the treasurer's successor 1098  
shall be charged with the amount of money held in such 1099  
investments and deposits. 1100

(L) Whenever investments or deposits acquired under this 1101  
section mature and become due and payable, the treasurer shall 1102  
present them for payment according to their tenor, and shall 1103  
collect the moneys payable thereon. The moneys so collected 1104  
shall be treated as public moneys subject to sections 135.01 to 1105  
135.21 of the Revised Code. 1106

(M) (1) All investments, except for investments in 1107  
securities described in divisions (B) (5) and (6) of this section 1108  
and for investments by a municipal corporation in the issues of 1109  
such municipal corporation, shall be made only through a member 1110  
of the financial industry regulatory authority (FINRA), through 1111  
a bank, savings bank, or savings and loan association regulated 1112  
by the superintendent of financial institutions, or through an 1113  
institution regulated by the comptroller of the currency, 1114  
federal deposit insurance corporation, or board of governors of 1115  
the federal reserve system. 1116

(2) Payment for investments shall be made only upon the 1117  
delivery of securities representing such investments to the 1118  
treasurer, governing board, or qualified trustee. If the 1119  
securities transferred are not represented by a certificate, 1120  
payment shall be made only upon receipt of confirmation of 1121  
transfer from the custodian by the treasurer, governing board, 1122  
or qualified trustee. 1123

(N) In making investments authorized by this section, a 1124  
treasurer or governing board may retain the services of an 1125  
investment advisor, provided the advisor is licensed by the 1126

division of securities under section 1707.141 of the Revised 1127  
Code or is registered with the securities and exchange 1128  
commission, and possesses experience in public funds investment 1129  
management, specifically in the area of state and local 1130  
government investment portfolios, or the advisor is an eligible 1131  
institution mentioned in section 135.03 of the Revised Code. 1132

(O) (1) Except as otherwise provided in divisions (O) (2) 1133  
and (3) of this section, no treasurer or governing board shall 1134  
make an investment or deposit under this section, unless there 1135  
is on file with the auditor of state a written investment policy 1136  
approved by the treasurer or governing board. The policy shall 1137  
require that all entities conducting investment business with 1138  
the treasurer or governing board shall sign the investment 1139  
policy of that subdivision. All brokers, dealers, and financial 1140  
institutions, described in division (M) (1) of this section, 1141  
initiating transactions with the treasurer or governing board by 1142  
giving advice or making investment recommendations shall sign 1143  
the treasurer's or governing board's investment policy thereby 1144  
acknowledging their agreement to abide by the policy's contents. 1145  
All brokers, dealers, and financial institutions, described in 1146  
division (M) (1) of this section, executing transactions 1147  
initiated by the treasurer or governing board, having read the 1148  
policy's contents, shall sign the investment policy thereby 1149  
acknowledging their comprehension and receipt. 1150

(2) If a written investment policy described in division 1151  
(O) (1) of this section is not filed on behalf of the subdivision 1152  
with the auditor of state, the treasurer or governing board of 1153  
that subdivision shall invest the subdivision's interim moneys 1154  
only in interim deposits pursuant to division (B) (3) of this 1155  
section or interim deposits pursuant to section 135.145 of the 1156  
Revised Code and approved by the treasurer of state, no-load 1157

money market mutual funds pursuant to division (B) (5) of this 1158  
section, or the Ohio subdivision's fund pursuant to division (B) 1159  
(6) of this section. 1160

(3) Divisions (O) (1) and (2) of this section do not apply 1161  
to a treasurer or governing board of a subdivision whose average 1162  
annual portfolio of investments held pursuant to this section is 1163  
one hundred thousand dollars or less, provided that the 1164  
treasurer or governing board certifies, on a form prescribed by 1165  
the auditor of state, that the treasurer or governing board will 1166  
comply and is in compliance with the provisions of sections 1167  
135.01 to 135.21 of the Revised Code. 1168

(P) A treasurer or governing board may enter into a 1169  
written investment or deposit agreement that includes a 1170  
provision under which the parties agree to submit to nonbinding 1171  
arbitration to settle any controversy that may arise out of the 1172  
agreement, including any controversy pertaining to losses of 1173  
public moneys resulting from investment or deposit. The 1174  
arbitration provision shall be set forth entirely in the 1175  
agreement, and the agreement shall include a conspicuous notice 1176  
to the parties that any party to the arbitration may apply to 1177  
the court of common pleas of the county in which the arbitration 1178  
was held for an order to vacate, modify, or correct the award. 1179  
Any such party may also apply to the court for an order to 1180  
change venue to a court of common pleas located more than one 1181  
hundred miles from the county in which the treasurer or 1182  
governing board is located. 1183

For purposes of this division, "investment or deposit 1184  
agreement" means any agreement between a treasurer or governing 1185  
board and a person, under which agreement the person agrees to 1186  
invest, deposit, or otherwise manage a subdivision's interim 1187

moneys on behalf of the treasurer or governing board, or agrees 1188  
to provide investment advice to the treasurer or governing 1189  
board. 1190

(Q) An investment made by the treasurer or governing board 1191  
pursuant to this section prior to September 27, 1996, that was a 1192  
legal investment under the law as it existed before September 1193  
27, 1996, may be held until maturity. 1194

**Sec. 135.142.** (A) In addition to the investments 1195  
authorized by section 135.14 of the Revised Code, any board of 1196  
education, by a two-thirds vote of its members, may authorize 1197  
the treasurer of the board of education to invest up to forty 1198  
per cent of the interim moneys of the board, available for 1199  
investment at any one time, in either of the following: 1200

(1) Commercial paper notes issued by any entity that is 1201  
defined in division (D) of section 1705.01 or division (E) of 1202  
section 1706.01 of the Revised Code and has assets exceeding 1203  
five hundred million dollars, and to which notes all of the 1204  
following apply: 1205

(a) The notes are rated at the time of purchase in the 1206  
highest classification established by at least two nationally 1207  
recognized standard rating services. 1208

(b) The aggregate value of the notes does not exceed ten 1209  
per cent of the aggregate value of the outstanding commercial 1210  
paper of the issuing corporation. 1211

(c) The notes mature no later than two hundred seventy 1212  
days after purchase. 1213

(d) The investment in commercial paper notes of a single 1214  
issuer shall not exceed in the aggregate five per cent of 1215  
interim moneys of the board available for investment at the time 1216

of purchase. 1217

(2) Bankers' acceptances of banks that are insured by the 1218  
federal deposit insurance corporation and that mature no later 1219  
than one hundred eighty days after purchase. 1220

(B) No investment authorized pursuant to division (A) of 1221  
this section shall be made, whether or not authorized by a board 1222  
of education, unless the treasurer of the board of education has 1223  
completed additional training for making the types of 1224  
investments authorized pursuant to division (A) of this section. 1225  
The type and amount of such training shall be approved and may 1226  
be conducted by or provided under the supervision of the 1227  
treasurer of state. 1228

(C) The treasurer of the board of education shall prepare 1229  
annually and submit to the board of education, the 1230  
superintendent of public instruction, and the auditor of state, 1231  
on or before the thirty-first day of August, a report listing 1232  
each investment made pursuant to division (A) of this section 1233  
during the preceding fiscal year, income earned from such 1234  
investments, fees and commissions paid pursuant to division (D) 1235  
of this section, and any other information required by the 1236  
board, the superintendent, and the auditor of state. 1237

(D) A board of education may make appropriations and 1238  
expenditures for fees and commissions in connection with 1239  
investments made pursuant to division (A) of this section. 1240

(E) (1) In addition to the investments authorized by 1241  
section 135.14 of the Revised Code and division (A) of this 1242  
section, any board of education that is a party to an agreement 1243  
with the treasurer of state pursuant to division (G) of section 1244  
135.143 of the Revised Code and that has outstanding obligations 1245

issued under authority of section 133.10 or 133.301 of the 1246  
Revised Code may authorize the treasurer of the board of 1247  
education to invest interim moneys of the board in debt 1248  
interests rated in either of the two highest rating 1249  
classifications by at least two nationally recognized standard 1250  
rating services and issued by entities that are defined in 1251  
division (D) of section 1705.01 or division (E) of section 1252  
1706.01 of the Revised Code. The debt interests purchased under 1253  
authority of division (E) of this section shall mature not later 1254  
than the latest maturity date of the outstanding obligations 1255  
issued under authority of section 133.10 or 133.301 of the 1256  
Revised Code. 1257

(2) If any of the debt interests acquired under division 1258  
(E) (1) of this section ceases to be rated as there required, its 1259  
issuer shall notify the treasurer of state of this fact within 1260  
twenty-four hours. At any time thereafter the treasurer of state 1261  
may require collateralization at the rate of one hundred two per 1262  
cent of any remaining obligation of the entity, with securities 1263  
authorized for investment under section 135.143 of the Revised 1264  
Code. The collateral shall be delivered to and held by a 1265  
custodian acceptable to the treasurer of state, marked to market 1266  
daily, and any default to be cured within twelve hours. 1267  
Unlimited substitution shall be allowed of comparable 1268  
securities. 1269

**Sec. 135.35.** (A) The investing authority shall deposit or 1270  
invest any part or all of the county's inactive moneys and shall 1271  
invest all of the money in the county public library fund when 1272  
required by section 135.352 of the Revised Code. The following 1273  
classifications of securities and obligations are eligible for 1274  
such deposit or investment: 1275

(1) United States treasury bills, notes, bonds, or any other obligation or security issued by the United States treasury, any other obligation guaranteed as to principal or interest by the United States, or any book entry, zero-coupon United States treasury security that is a direct obligation of the United States.

Nothing in the classification of eligible securities and obligations set forth in divisions (A) (2) to (10) of this section shall be construed to authorize any investment in stripped principal or interest obligations of such eligible securities and obligations.

(2) Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, and government national mortgage association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities.

(3) Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts, in any eligible institution mentioned in section 135.32 of the Revised Code;

(4) Bonds and other obligations of this state or the political subdivisions of this state, provided the bonds or other obligations of political subdivisions mature within ten years from the date of settlement;

(5) No-load money market mutual funds rated in the highest category at the time of purchase by at least one nationally

recognized standard rating service or consisting exclusively of 1305  
obligations described in division (A) (1), (2), or (6) of section 1306  
135.143 of the Revised Code and repurchase agreements secured by 1307  
such obligations, provided that investments in securities 1308  
described in this division are made only through eligible 1309  
institutions mentioned in section 135.32 of the Revised Code; 1310

(6) The Ohio subdivision's fund as provided in section 1311  
135.45 of the Revised Code; 1312

(7) Securities lending agreements with any eligible 1313  
institution mentioned in section 135.32 of the Revised Code that 1314  
is a member of the federal reserve system or federal home loan 1315  
bank or with any recognized United States government securities 1316  
dealer meeting the description in division (J) (1) of this 1317  
section, under the terms of which agreements the investing 1318  
authority lends securities and the eligible institution or 1319  
dealer agrees to simultaneously exchange similar securities or 1320  
cash, equal value for equal value. 1321

Securities and cash received as collateral for a 1322  
securities lending agreement are not inactive moneys of the 1323  
county or moneys of a county public library fund. The investment 1324  
of cash collateral received pursuant to a securities lending 1325  
agreement may be invested only in instruments specified by the 1326  
investing authority in the written investment policy described 1327  
in division (K) of this section. 1328

(8) Up to forty per cent of the county's total average 1329  
portfolio in either of the following investments: 1330

(a) Commercial paper notes issued by an entity that is 1331  
defined in division (D) of section 1705.01 or division (E) of 1332  
section 1706.01 of the Revised Code and that has assets 1333

exceeding five hundred million dollars, to which notes all of 1334  
the following apply: 1335

(i) The notes are rated at the time of purchase in the 1336  
highest classification established by at least two nationally 1337  
recognized standard rating services. 1338

(ii) The aggregate value of the notes does not exceed ten 1339  
per cent of the aggregate value of the outstanding commercial 1340  
paper of the issuing corporation. 1341

(iii) The notes mature not later than two hundred seventy 1342  
days after purchase. 1343

(iv) The investment in commercial paper notes of a single 1344  
issuer shall not exceed in the aggregate five per cent of 1345  
interim moneys available for investment at the time of purchase. 1346

(b) Bankers acceptances of banks that are insured by the 1347  
federal deposit insurance corporation and that mature not later 1348  
than one hundred eighty days after purchase. 1349

No investment shall be made pursuant to division (A) (8) of 1350  
this section unless the investing authority has completed 1351  
additional training for making the investments authorized by 1352  
division (A) (8) of this section. The type and amount of 1353  
additional training shall be approved by the treasurer of state 1354  
and may be conducted by or provided under the supervision of the 1355  
treasurer of state. 1356

(9) Up to fifteen per cent of the county's total average 1357  
portfolio in notes issued by corporations that are incorporated 1358  
under the laws of the United States and that are operating 1359  
within the United States, or by depository institutions that are 1360  
doing business under authority granted by the United States or 1361  
any state and that are operating within the United States, 1362

provided both of the following apply: 1363

(a) The notes are rated in the three highest categories by 1364  
at least two nationally recognized standard rating services at 1365  
the time of purchase. 1366

(b) The notes mature not later than three years after 1367  
purchase. 1368

(10) Debt interests rated at the time of purchase in the 1369  
three highest categories by two nationally recognized standard 1370  
rating services and issued by foreign nations diplomatically 1371  
recognized by the United States government. All interest and 1372  
principal shall be denominated and payable in United States 1373  
funds. The investments made under division (A) (10) of this 1374  
section shall not exceed in the aggregate two per cent of a 1375  
county's total average portfolio. 1376

The investing authority shall invest under division (A) 1377  
(10) of this section in a debt interest issued by a foreign 1378  
nation only if the debt interest is backed by the full faith and 1379  
credit of that foreign nation, there is no prior history of 1380  
default, and the debt interest matures not later than five years 1381  
after purchase. For purposes of division (A) (10) of this 1382  
section, a debt interest is rated in the three highest 1383  
categories by two nationally recognized standard rating services 1384  
if either the debt interest itself or the issuer of the debt 1385  
interest is rated, or is implicitly rated, at the time of 1386  
purchase in the three highest categories by two nationally 1387  
recognized standard rating services. 1388

(11) A current unpaid or delinquent tax line of credit 1389  
authorized under division (G) of section 135.341 of the Revised 1390  
Code, provided that all of the conditions for entering into such 1391

a line of credit under that division are satisfied, or bonds and 1392  
other obligations of a county land reutilization corporation 1393  
organized under Chapter 1724. of the Revised Code, if the county 1394  
land reutilization corporation is located wholly or partly 1395  
within the same county as the investing authority. 1396

(B) Nothing in the classifications of eligible obligations 1397  
and securities set forth in divisions (A) (1) to (10) of this 1398  
section shall be construed to authorize investment in a 1399  
derivative, and no investing authority shall invest any county 1400  
inactive moneys or any moneys in a county public library fund in 1401  
a derivative. For purposes of this division, "derivative" means 1402  
a financial instrument or contract or obligation whose value or 1403  
return is based upon or linked to another asset or index, or 1404  
both, separate from the financial instrument, contract, or 1405  
obligation itself. Any security, obligation, trust account, or 1406  
other instrument that is created from an issue of the United 1407  
States treasury or is created from an obligation of a federal 1408  
agency or instrumentality or is created from both is considered 1409  
a derivative instrument. An eligible investment described in 1410  
this section with a variable interest rate payment, based upon a 1411  
single interest payment or single index comprised of other 1412  
eligible investments provided for in division (A) (1) or (2) of 1413  
this section, is not a derivative, provided that such variable 1414  
rate investment has a maximum maturity of two years. A treasury 1415  
inflation-protected security shall not be considered a 1416  
derivative, provided the security matures not later than five 1417  
years after purchase. 1418

(C) Except as provided in division (A) (4) or (D) of this 1419  
section, any investment made pursuant to this section must 1420  
mature within five years from the date of settlement, unless the 1421  
investment is matched to a specific obligation or debt of the 1422

county or to a specific obligation or debt of a political 1423  
subdivision of this state, and the investment is specifically 1424  
approved by the investment advisory committee. 1425

(D) The investing authority may also enter into a written 1426  
repurchase agreement with any eligible institution mentioned in 1427  
section 135.32 of the Revised Code or any eligible securities 1428  
dealer pursuant to division (J) of this section, under the terms 1429  
of which agreement the investing authority purchases and the 1430  
eligible institution or dealer agrees unconditionally to 1431  
repurchase any of the securities listed in divisions (D) (1) to 1432  
(5), except letters of credit described in division (D) (2), of 1433  
section 135.18 of the Revised Code. The market value of 1434  
securities subject to an overnight written repurchase agreement 1435  
must exceed the principal value of the overnight written 1436  
repurchase agreement by at least two per cent. A written 1437  
repurchase agreement must exceed the principal value of the 1438  
overnight written repurchase agreement, by at least two per 1439  
cent. A written repurchase agreement shall not exceed thirty 1440  
days, and the market value of securities subject to a written 1441  
repurchase agreement must exceed the principal value of the 1442  
written repurchase agreement by at least two per cent and be 1443  
marked to market daily. All securities purchased pursuant to 1444  
this division shall be delivered into the custody of the 1445  
investing authority or the qualified custodian of the investing 1446  
authority or an agent designated by the investing authority. A 1447  
written repurchase agreement with an eligible securities dealer 1448  
shall be transacted on a delivery versus payment basis. The 1449  
agreement shall contain the requirement that for each 1450  
transaction pursuant to the agreement the participating 1451  
institution shall provide all of the following information: 1452

(1) The par value of the securities; 1453

(2) The type, rate, and maturity date of the securities;	1454
(3) A numerical identifier generally accepted in the securities industry that designates the securities.	1455 1456
No investing authority shall enter into a written repurchase agreement under the terms of which the investing authority agrees to sell securities owned by the county to a purchaser and agrees with that purchaser to unconditionally repurchase those securities.	1457 1458 1459 1460 1461
(E) No investing authority shall make an investment under this section, unless the investing authority, at the time of making the investment, reasonably expects that the investment can be held until its maturity. The investing authority's written investment policy shall specify the conditions under which an investment may be redeemed or sold prior to maturity.	1462 1463 1464 1465 1466 1467
(F) No investing authority shall pay a county's inactive moneys or moneys of a county public library fund into a fund established by another subdivision, treasurer, governing board, or investing authority, if that fund was established by the subdivision, treasurer, governing board, or investing authority for the purpose of investing or depositing the public moneys of other subdivisions. This division does not apply to the payment of public moneys into either of the following:	1468 1469 1470 1471 1472 1473 1474 1475
(1) The Ohio subdivision's fund pursuant to division (A) (6) of this section;	1476 1477
(2) A fund created solely for the purpose of acquiring, constructing, owning, leasing, or operating municipal utilities pursuant to the authority provided under section 715.02 of the Revised Code or Section 4 of Article XVIII, Ohio Constitution.	1478 1479 1480 1481
For purposes of division (F) of this section,	1482

"subdivision" includes a county. 1483

(G) The use of leverage, in which the county uses its 1484  
current investment assets as collateral for the purpose of 1485  
purchasing other assets, is prohibited. The issuance of taxable 1486  
notes for the purpose of arbitrage is prohibited. Contracting to 1487  
sell securities not owned by the county, for the purpose of 1488  
purchasing such securities on the speculation that bond prices 1489  
will decline, is prohibited. 1490

(H) Any securities, certificates of deposit, deposit 1491  
accounts, or any other documents evidencing deposits or 1492  
investments made under authority of this section shall be issued 1493  
in the name of the county with the county treasurer or investing 1494  
authority as the designated payee. If any such deposits or 1495  
investments are registrable either as to principal or interest, 1496  
or both, they shall be registered in the name of the treasurer. 1497

(I) The investing authority shall be responsible for the 1498  
safekeeping of all documents evidencing a deposit or investment 1499  
acquired under this section, including, but not limited to, 1500  
safekeeping receipts evidencing securities deposited with a 1501  
qualified trustee, as provided in section 135.37 of the Revised 1502  
Code, and documents confirming the purchase of securities under 1503  
any repurchase agreement under this section shall be deposited 1504  
with a qualified trustee, provided, however, that the qualified 1505  
trustee shall be required to report to the investing authority, 1506  
auditor of state, or an authorized outside auditor at any time 1507  
upon request as to the identity, market value, and location of 1508  
the document evidencing each security, and that if the 1509  
participating institution is a designated depository of the 1510  
county for the current period of designation, the securities 1511  
that are the subject of the repurchase agreement may be 1512

delivered to the treasurer or held in trust by the participating 1513  
institution on behalf of the investing authority. 1514

Upon the expiration of the term of office of an investing 1515  
authority or in the event of a vacancy in the office for any 1516  
reason, the officer or the officer's legal representative shall 1517  
transfer and deliver to the officer's successor all documents 1518  
mentioned in this division for which the officer has been 1519  
responsible for safekeeping. For all such documents transferred 1520  
and delivered, the officer shall be credited with, and the 1521  
officer's successor shall be charged with, the amount of moneys 1522  
evidenced by such documents. 1523

(J) (1) All investments, except for investments in 1524  
securities described in divisions (A) (5), (6), and (11) of this 1525  
section, shall be made only through a member of the financial 1526  
industry regulatory authority (FINRA), through a bank, savings 1527  
bank, or savings and loan association regulated by the 1528  
superintendent of financial institutions, or through an 1529  
institution regulated by the comptroller of the currency, 1530  
federal deposit insurance corporation, or board of governors of 1531  
the federal reserve system. 1532

(2) Payment for investments shall be made only upon the 1533  
delivery of securities representing such investments to the 1534  
treasurer, investing authority, or qualified trustee. If the 1535  
securities transferred are not represented by a certificate, 1536  
payment shall be made only upon receipt of confirmation of 1537  
transfer from the custodian by the treasurer, governing board, 1538  
or qualified trustee. 1539

(K) (1) Except as otherwise provided in division (K) (2) of 1540  
this section, no investing authority shall make an investment or 1541  
deposit under this section, unless there is on file with the 1542

auditor of state a written investment policy approved by the 1543  
investing authority. The policy shall require that all entities 1544  
conducting investment business with the investing authority 1545  
shall sign the investment policy of that investing authority. 1546  
All brokers, dealers, and financial institutions, described in 1547  
division (J) (1) of this section, initiating transactions with 1548  
the investing authority by giving advice or making investment 1549  
recommendations shall sign the investing authority's investment 1550  
policy thereby acknowledging their agreement to abide by the 1551  
policy's contents. All brokers, dealers, and financial 1552  
institutions, described in division (J) (1) of this section, 1553  
executing transactions initiated by the investing authority, 1554  
having read the policy's contents, shall sign the investment 1555  
policy thereby acknowledging their comprehension and receipt. 1556

(2) If a written investment policy described in division 1557  
(K) (1) of this section is not filed on behalf of the county with 1558  
the auditor of state, the investing authority of that county 1559  
shall invest the county's inactive moneys and moneys of the 1560  
county public library fund only in time certificates of deposits 1561  
or savings or deposit accounts pursuant to division (A) (3) of 1562  
this section, no-load money market mutual funds pursuant to 1563  
division (A) (5) of this section, or the Ohio subdivision's fund 1564  
pursuant to division (A) (6) of this section. 1565

(L) (1) The investing authority shall establish and 1566  
maintain an inventory of all obligations and securities acquired 1567  
by the investing authority pursuant to this section. The 1568  
inventory shall include a description of each obligation or 1569  
security, including type, cost, par value, maturity date, 1570  
settlement date, and any coupon rate. 1571

(2) The investing authority shall also keep a complete 1572

record of all purchases and sales of the obligations and 1573  
securities made pursuant to this section. 1574

(3) The investing authority shall maintain a monthly 1575  
portfolio report and issue a copy of the monthly portfolio 1576  
report describing such investments to the county investment 1577  
advisory committee, detailing the current inventory of all 1578  
obligations and securities, all transactions during the month 1579  
that affected the inventory, any income received from the 1580  
obligations and securities, and any investment expenses paid, 1581  
and stating the names of any persons effecting transactions on 1582  
behalf of the investing authority. 1583

(4) The monthly portfolio report shall be a public record 1584  
and available for inspection under section 149.43 of the Revised 1585  
Code. 1586

(5) The inventory and the monthly portfolio report shall 1587  
be filed with the board of county commissioners. The monthly 1588  
portfolio report also shall be filed with the treasurer of 1589  
state. 1590

(M) An investing authority may enter into a written 1591  
investment or deposit agreement that includes a provision under 1592  
which the parties agree to submit to nonbinding arbitration to 1593  
settle any controversy that may arise out of the agreement, 1594  
including any controversy pertaining to losses of public moneys 1595  
resulting from investment or deposit. The arbitration provision 1596  
shall be set forth entirely in the agreement, and the agreement 1597  
shall include a conspicuous notice to the parties that any party 1598  
to the arbitration may apply to the court of common pleas of the 1599  
county in which the arbitration was held for an order to vacate, 1600  
modify, or correct the award. Any such party may also apply to 1601  
the court for an order to change venue to a court of common 1602

pleas located more than one hundred miles from the county in 1603  
which the investing authority is located. 1604

For purposes of this division, "investment or deposit 1605  
agreement" means any agreement between an investing authority 1606  
and a person, under which agreement the person agrees to invest, 1607  
deposit, or otherwise manage, on behalf of the investing 1608  
authority, a county's inactive moneys or moneys in a county 1609  
public library fund, or agrees to provide investment advice to 1610  
the investing authority. 1611

(N) (1) An investment held in the county portfolio on 1612  
September 27, 1996, that was a legal investment under the law as 1613  
it existed before September 27, 1996, may be held until 1614  
maturity. 1615

(2) An investment held in the county portfolio on 1616  
September 10, 2012, that was a legal investment under the law as 1617  
it existed before September 10, 2012, may be held until 1618  
maturity. 1619

**Sec. 150.05.** (A) The authority shall select, as program 1620  
administrators, not more than two private, for-profit investment 1621  
funds to acquire loans for the program fund and to invest money 1622  
in the program fund as prescribed in the investment policy 1623  
established or modified by the authority in accordance with 1624  
sections 150.03 and 150.04 of the Revised Code. The authority 1625  
shall give equal consideration, in selecting these program 1626  
administrators, to minority owned and controlled investment 1627  
funds, to funds owned and controlled by women, to ventures 1628  
involving minority owned and controlled funds, and to ventures 1629  
involving funds owned and controlled by women that otherwise 1630  
meet the policies and criteria established by the authority. To 1631  
be eligible for selection, an investment fund must be 1632

incorporated or organized under Chapter 1701., 1705., 1706., 1633  
1775., 1776., 1782., or 1783. of the Revised Code, must have an 1634  
established business presence in this state, and must be 1635  
capitalized in accordance with any state and federal laws 1636  
applicable to the issuance or sale of securities. 1637

The authority shall select program administrators only 1638  
after soliciting and evaluating requests for proposals as 1639  
prescribed in this section. The authority shall publish a notice 1640  
of a request for proposals in newspapers of general circulation 1641  
in this state once each week for two consecutive weeks before a 1642  
date specified by the authority as the date on which it will 1643  
begin accepting proposals. The notices shall contain a general 1644  
description of the subject of the proposed agreement and the 1645  
location where the request for proposals may be obtained. The 1646  
request for proposals shall include all the following: 1647

(1) Instructions and information to respondents concerning 1648  
the submission of proposals, including the name and address of 1649  
the office where proposals are to be submitted; 1650

(2) Instructions regarding the manner in which respondents 1651  
may communicate with the authority, including the names, titles, 1652  
and telephone numbers of the individuals to whom such 1653  
communications shall be directed; 1654

(3) Description of the performance criteria that will be 1655  
used to evaluate whether a respondent selected by the authority 1656  
is satisfying the authority's investment policy; 1657

(4) Description of the factors and criteria to be 1658  
considered in evaluating respondents' proposals, the relative 1659  
importance of each factor or criterion, and description of the 1660  
authority's evaluation procedure; 1661

(5) Description of any documents that may be incorporated 1662  
by reference into the request for proposals, provided that the 1663  
request specifies where such documents may be obtained and such 1664  
documents are readily available to all interested parties. 1665

After the date specified for receiving proposals, the 1666  
authority shall evaluate submitted proposals. The authority may 1667  
discuss a respondent's proposal with that respondent to clarify 1668  
or revise a proposal or the terms of the agreement. 1669

The authority shall choose for review proposals from at 1670  
least three respondents the authority considers qualified to 1671  
operate the program in the best interests of the investment 1672  
policy adopted by the authority. If three or fewer proposals are 1673  
submitted, the authority shall review each proposal. The 1674  
authority may cancel a request for proposals at any time before 1675  
entering into an agreement with a respondent. The authority 1676  
shall provide respondents fair and equal opportunity for such 1677  
discussions. The authority may terminate discussions with any 1678  
respondent upon written notice to the respondent. 1679

(B) After reviewing the chosen proposals, the authority 1680  
may select not more than two such respondents and enter into a 1681  
written agreement with each of the selected respondents, 1682  
provided that at no time shall there be agreements with more 1683  
than two persons. 1684

The agreement shall do all of the following: 1685

(1) Specify that borrowing and investing by the program 1686  
administrator will be budgeted to guarantee that no tax credits 1687  
will be granted during the first four years of the Ohio venture 1688  
capital program, and will be structured to ensure that payments 1689  
of principal, interest, or interest equivalent due in any fiscal 1690

year, when added to such payments due from any other program 1691  
administrator, does not exceed twenty million dollars; 1692

(2) Require investment by the program administrator or the 1693  
fund manager employed by the program administrator to be in 1694  
compliance with the investment policy established or modified in 1695  
accordance with sections 150.03 and 150.04 of the Revised Code 1696  
that is in effect at the time the investment is made, and 1697  
prohibit the program administrator or fund manager from engaging 1698  
in any investment activities other than activities to carry out 1699  
that policy; 1700

(3) Require periodic financial reporting by the program 1701  
administrator to the authority, which reporting shall include an 1702  
annual audit by an independent auditor and such other financial 1703  
reporting as is specified in the agreement or otherwise required 1704  
by the authority for the purpose of ensuring that the program 1705  
administrator is carrying out the investment policy; 1706

(4) Specify any like standards or general limitations in 1707  
addition to or in furtherance of investment standards or 1708  
limitations that apply pursuant to division (H) of section 1709  
150.03 of the Revised Code; 1710

(5) Require the program administrator to apply program 1711  
fund revenue first to the payment of principal borrowed by the 1712  
program administrator for investment under the program, then to 1713  
interest related to that principal, and then to amounts 1714  
necessary to cover the program administrator's pro rata share 1715  
required under division (B)(9) of this section; and require the 1716  
program administrator to pay the authority not less than ninety 1717  
per cent of the amount by which program fund revenue 1718  
attributable to investments under the program administrator's 1719  
investment authority exceeds amounts so applied; 1720

(6) Specify the procedures by which the program administrator shall certify immediately to the authority the necessity for the authority to issue tax credit certificates pursuant to contracts entered into under section 150.07 of the Revised Code;

(7) Specify any general limitations regarding the employment of a fund manager by the program administrator, in addition to an express limitation that the fund manager be a person with demonstrated, substantial, successful experience in the design and management of seed and venture capital investment programs and in capital formation. The fund manager may be, but need not be, an equity owner or affiliate of the program administrator.

(8) Specify the terms and conditions under which the authority or the program administrator may terminate the agreement, including in the circumstance that the program administrator or fund manager violates the investment policy;

(9) Require the program administrator or fund manager employed by the program administrator to provide capital in the form of a loan equal to one per cent of the amount of outstanding loans by lenders to the program fund. The loan from the program administrator or fund manager shall be on the same terms and conditions as loans from other lenders, except that the loan from the program administrator or fund manager shall not be secured by the Ohio venture capital fund or tax credits available to other lenders under division (B) of section 150.04 of the Revised Code. Such capital shall be placed at the same risk as the proceeds from such loans. The program administrator shall receive a pro rata share of the net income, including net loss, from the investment of money from the program fund, but is

not entitled to the security against losses provided under 1751  
section 150.04 of the Revised Code. 1752

**Sec. 718.01.** Any term used in this chapter that is not 1753  
otherwise defined in this chapter has the same meaning as when 1754  
used in a comparable context in laws of the United States 1755  
relating to federal income taxation or in Title LVII of the 1756  
Revised Code, unless a different meaning is clearly required. 1757  
Except as provided in section 718.81 of the Revised Code, if a 1758  
term used in this chapter that is not otherwise defined in this 1759  
chapter is used in a comparable context in both the laws of the 1760  
United States relating to federal income tax and in Title LVII 1761  
of the Revised Code and the use is not consistent, then the use 1762  
of the term in the laws of the United States relating to federal 1763  
income tax shall control over the use of the term in Title LVII 1764  
of the Revised Code. 1765

Except as otherwise provided in section 718.81 of the 1766  
Revised Code, as used in this chapter: 1767

(A) (1) "Municipal taxable income" means the following: 1768

(a) For a person other than an individual, income 1769  
apportioned or situated to the municipal corporation under 1770  
section 718.02 of the Revised Code, as applicable, reduced by 1771  
any pre-2017 net operating loss carryforward available to the 1772  
person for the municipal corporation. 1773

(b) (i) For an individual who is a resident of a municipal 1774  
corporation other than a qualified municipal corporation, income 1775  
reduced by exempt income to the extent otherwise included in 1776  
income, then reduced as provided in division (A) (2) of this 1777  
section, and further reduced by any pre-2017 net operating loss 1778  
carryforward available to the individual for the municipal 1779

corporation. 1780

(ii) For an individual who is a resident of a qualified 1781  
municipal corporation, Ohio adjusted gross income reduced by 1782  
income exempted, and increased by deductions excluded, by the 1783  
qualified municipal corporation from the qualified municipal 1784  
corporation's tax. If a qualified municipal corporation, on or 1785  
before December 31, 2013, exempts income earned by individuals 1786  
who are not residents of the qualified municipal corporation and 1787  
net profit of persons that are not wholly located within the 1788  
qualified municipal corporation, such individual or person shall 1789  
have no municipal taxable income for the purposes of the tax 1790  
levied by the qualified municipal corporation and may be 1791  
exempted by the qualified municipal corporation from the 1792  
requirements of section 718.03 of the Revised Code. 1793

(c) For an individual who is a nonresident of a municipal 1794  
corporation, income reduced by exempt income to the extent 1795  
otherwise included in income and then, as applicable, 1796  
apportioned or situated to the municipal corporation under 1797  
section 718.02 of the Revised Code, then reduced as provided in 1798  
division (A)(2) of this section, and further reduced by any pre- 1799  
2017 net operating loss carryforward available to the individual 1800  
for the municipal corporation. 1801

(2) In computing the municipal taxable income of a 1802  
taxpayer who is an individual, the taxpayer may subtract, as 1803  
provided in division (A)(1)(b)(i) or (c) of this section, the 1804  
amount of the individual's employee business expenses reported 1805  
on the individual's form 2106 that the individual deducted for 1806  
federal income tax purposes for the taxable year, subject to the 1807  
limitation imposed by section 67 of the Internal Revenue Code. 1808  
For the municipal corporation in which the taxpayer is a 1809

resident, the taxpayer may deduct all such expenses allowed for 1810  
federal income tax purposes. For a municipal corporation in 1811  
which the taxpayer is not a resident, the taxpayer may deduct 1812  
such expenses only to the extent the expenses are related to the 1813  
taxpayer's performance of personal services in that nonresident 1814  
municipal corporation. 1815

(B) "Income" means the following: 1816

(1) (a) For residents, all income, salaries, qualifying 1817  
wages, commissions, and other compensation from whatever source 1818  
earned or received by the resident, including the resident's 1819  
distributive share of the net profit of pass-through entities 1820  
owned directly or indirectly by the resident and any net profit 1821  
of the resident, except as provided in division (D) (5) of this 1822  
section. 1823

(b) For the purposes of division (B) (1) (a) of this 1824  
section: 1825

(i) Any net operating loss of the resident incurred in the 1826  
taxable year and the resident's distributive share of any net 1827  
operating loss generated in the same taxable year and 1828  
attributable to the resident's ownership interest in a pass- 1829  
through entity shall be allowed as a deduction, for that taxable 1830  
year and the following five taxable years, against any other net 1831  
profit of the resident or the resident's distributive share of 1832  
any net profit attributable to the resident's ownership interest 1833  
in a pass-through entity until fully utilized, subject to 1834  
division (B) (1) (d) of this section; 1835

(ii) The resident's distributive share of the net profit 1836  
of each pass-through entity owned directly or indirectly by the 1837  
resident shall be calculated without regard to any net operating 1838

loss that is carried forward by that entity from a prior taxable 1839  
year and applied to reduce the entity's net profit for the 1840  
current taxable year. 1841

(c) Division (B) (1) (b) of this section does not apply with 1842  
respect to any net profit or net operating loss attributable to 1843  
an ownership interest in an S corporation unless shareholders' 1844  
distributive shares of net profits from S corporations are 1845  
subject to tax in the municipal corporation as provided in 1846  
division (C) (14) (b) or (c) of this section. 1847

(d) Any amount of a net operating loss used to reduce a 1848  
taxpayer's net profit for a taxable year shall reduce the amount 1849  
of net operating loss that may be carried forward to any 1850  
subsequent year for use by that taxpayer. In no event shall the 1851  
cumulative deductions for all taxable years with respect to a 1852  
taxpayer's net operating loss exceed the original amount of that 1853  
net operating loss available to that taxpayer. 1854

(2) In the case of nonresidents, all income, salaries, 1855  
qualifying wages, commissions, and other compensation from 1856  
whatever source earned or received by the nonresident for work 1857  
done, services performed or rendered, or activities conducted in 1858  
the municipal corporation, including any net profit of the 1859  
nonresident, but excluding the nonresident's distributive share 1860  
of the net profit or loss of only pass-through entities owned 1861  
directly or indirectly by the nonresident. 1862

(3) For taxpayers that are not individuals, net profit of 1863  
the taxpayer; 1864

(4) Lottery, sweepstakes, gambling and sports winnings, 1865  
winnings from games of chance, and prizes and awards. If the 1866  
taxpayer is a professional gambler for federal income tax 1867

purposes, the taxpayer may deduct related wagering losses and 1868  
expenses to the extent authorized under the Internal Revenue 1869  
Code and claimed against such winnings. 1870

(C) "Exempt income" means all of the following: 1871

(1) The military pay or allowances of members of the armed 1872  
forces of the United States or members of their reserve 1873  
components, including the national guard of any state; 1874

(2) (a) Except as provided in division (C) (2) (b) of this 1875  
section, intangible income; 1876

(b) A municipal corporation that taxed any type of 1877  
intangible income on March 29, 1988, pursuant to Section 3 of 1878  
S.B. 238 of the 116th general assembly, may continue to tax that 1879  
type of income if a majority of the electors of the municipal 1880  
corporation voting on the question of whether to permit the 1881  
taxation of that type of intangible income after 1988 voted in 1882  
favor thereof at an election held on November 8, 1988. 1883

(3) Social security benefits, railroad retirement 1884  
benefits, unemployment compensation, pensions, retirement 1885  
benefit payments, payments from annuities, and similar payments 1886  
made to an employee or to the beneficiary of an employee under a 1887  
retirement program or plan, disability payments received from 1888  
private industry or local, state, or federal governments or from 1889  
charitable, religious or educational organizations, and the 1890  
proceeds of sickness, accident, or liability insurance policies. 1891  
As used in division (C) (3) of this section, "unemployment 1892  
compensation" does not include supplemental unemployment 1893  
compensation described in section 3402(o) (2) of the Internal 1894  
Revenue Code. 1895

(4) The income of religious, fraternal, charitable, 1896

scientific, literary, or educational institutions to the extent 1897  
such income is derived from tax-exempt real estate, tax-exempt 1898  
tangible or intangible property, or tax-exempt activities. 1899

(5) Compensation paid under section 3501.28 or 3501.36 of 1900  
the Revised Code to a person serving as a precinct election 1901  
official to the extent that such compensation does not exceed 1902  
one thousand dollars for the taxable year. Such compensation in 1903  
excess of one thousand dollars for the taxable year may be 1904  
subject to taxation by a municipal corporation. A municipal 1905  
corporation shall not require the payer of such compensation to 1906  
withhold any tax from that compensation. 1907

(6) Dues, contributions, and similar payments received by 1908  
charitable, religious, educational, or literary organizations or 1909  
labor unions, lodges, and similar organizations; 1910

(7) Alimony and child support received; 1911

(8) Compensation for personal injuries or for damages to 1912  
property from insurance proceeds or otherwise, excluding 1913  
compensation paid for lost salaries or wages or compensation 1914  
from punitive damages; 1915

(9) Income of a public utility when that public utility is 1916  
subject to the tax levied under section 5727.24 or 5727.30 of 1917  
the Revised Code. Division (C) (9) of this section does not apply 1918  
for purposes of Chapter 5745. of the Revised Code. 1919

(10) Gains from involuntary conversions, interest on 1920  
federal obligations, items of income subject to a tax levied by 1921  
the state and that a municipal corporation is specifically 1922  
prohibited by law from taxing, and income of a decedent's estate 1923  
during the period of administration except such income from the 1924  
operation of a trade or business; 1925

(11) Compensation or allowances excluded from federal gross income under section 107 of the Internal Revenue Code;	1926 1927
(12) Employee compensation that is not qualifying wages as defined in division (R) of this section;	1928 1929
(13) Compensation paid to a person employed within the boundaries of a United States air force base under the jurisdiction of the United States air force that is used for the housing of members of the United States air force and is a center for air force operations, unless the person is subject to taxation because of residence or domicile. If the compensation is subject to taxation because of residence or domicile, tax on such income shall be payable only to the municipal corporation of residence or domicile.	1930 1931 1932 1933 1934 1935 1936 1937 1938
(14) (a) Except as provided in division (C) (14) (b) or (c) of this section, an S corporation shareholder's distributive share of net profits of the S corporation, other than any part of the distributive share of net profits that represents wages as defined in section 3121(a) of the Internal Revenue Code or net earnings from self-employment as defined in section 1402(a) of the Internal Revenue Code.	1939 1940 1941 1942 1943 1944 1945
(b) If, pursuant to division (H) of former section 718.01 of the Revised Code as it existed before March 11, 2004, a majority of the electors of a municipal corporation voted in favor of the question at an election held on November 4, 2003, the municipal corporation may continue after 2002 to tax an S corporation shareholder's distributive share of net profits of an S corporation.	1946 1947 1948 1949 1950 1951 1952
(c) If, on December 6, 2002, a municipal corporation was imposing, assessing, and collecting a tax on an S corporation	1953 1954

shareholder's distributive share of net profits of the S 1955  
corporation to the extent the distributive share would be 1956  
allocated or apportioned to this state under divisions (B) (1) 1957  
and (2) of section 5733.05 of the Revised Code if the S 1958  
corporation were a corporation subject to taxes imposed under 1959  
Chapter 5733. of the Revised Code, the municipal corporation may 1960  
continue to impose the tax on such distributive shares to the 1961  
extent such shares would be so allocated or apportioned to this 1962  
state only until December 31, 2004, unless a majority of the 1963  
electors of the municipal corporation voting on the question of 1964  
continuing to tax such shares after that date voted in favor of 1965  
that question at an election held November 2, 2004. If a 1966  
majority of those electors voted in favor of the question, the 1967  
municipal corporation may continue after December 31, 2004, to 1968  
impose the tax on such distributive shares only to the extent 1969  
such shares would be so allocated or apportioned to this state. 1970

(d) A municipal corporation shall be deemed to have 1971  
elected to tax S corporation shareholders' distributive shares 1972  
of net profits of the S corporation in the hands of the 1973  
shareholders if a majority of the electors of a municipal 1974  
corporation voted in favor of a question at an election held 1975  
under division (C) (14) (b) or (c) of this section. The municipal 1976  
corporation shall specify by resolution or ordinance that the 1977  
tax applies to the distributive share of a shareholder of an S 1978  
corporation in the hands of the shareholder of the S 1979  
corporation. 1980

(15) To the extent authorized under a resolution or 1981  
ordinance adopted by a municipal corporation before January 1, 1982  
2016, all or a portion of the income of individuals or a class 1983  
of individuals under eighteen years of age. 1984

(16) (a) Except as provided in divisions (C) (16) (b), (c), 1985  
and (d) of this section, qualifying wages described in division 1986  
(B) (1) or (E) of section 718.011 of the Revised Code to the 1987  
extent the qualifying wages are not subject to withholding for 1988  
the municipal corporation under either of those divisions. 1989

(b) The exemption provided in division (C) (16) (a) of this 1990  
section does not apply with respect to the municipal corporation 1991  
in which the employee resided at the time the employee earned 1992  
the qualifying wages. 1993

(c) The exemption provided in division (C) (16) (a) of this 1994  
section does not apply to qualifying wages that an employer 1995  
elects to withhold under division (D) (2) of section 718.011 of 1996  
the Revised Code. 1997

(d) The exemption provided in division (C) (16) (a) of this 1998  
section does not apply to qualifying wages if both of the 1999  
following conditions apply: 2000

(i) For qualifying wages described in division (B) (1) of 2001  
section 718.011 of the Revised Code, the employee's employer 2002  
withholds and remits tax on the qualifying wages to the 2003  
municipal corporation in which the employee's principal place of 2004  
work is situated, or, for qualifying wages described in division 2005  
(E) of section 718.011 of the Revised Code, the employee's 2006  
employer withholds and remits tax on the qualifying wages to the 2007  
municipal corporation in which the employer's fixed location is 2008  
located; 2009

(ii) The employee receives a refund of the tax described 2010  
in division (C) (16) (d) (i) of this section on the basis of the 2011  
employee not performing services in that municipal corporation. 2012

(17) (a) Except as provided in division (C) (17) (b) or (c) 2013

of this section, compensation that is not qualifying wages paid 2014  
to a nonresident individual for personal services performed in 2015  
the municipal corporation on not more than twenty days in a 2016  
taxable year. 2017

(b) The exemption provided in division (C)(17)(a) of this 2018  
section does not apply under either of the following 2019  
circumstances: 2020

(i) The individual's base of operation is located in the 2021  
municipal corporation. 2022

(ii) The individual is a professional athlete, 2023  
professional entertainer, or public figure, and the compensation 2024  
is paid for the performance of services in the individual's 2025  
capacity as a professional athlete, professional entertainer, or 2026  
public figure. For purposes of division (C)(17)(b)(ii) of this 2027  
section, "professional athlete," "professional entertainer," and 2028  
"public figure" have the same meanings as in section 718.011 of 2029  
the Revised Code. 2030

(c) Compensation to which division (C)(17) of this section 2031  
applies shall be treated as earned or received at the 2032  
individual's base of operation. If the individual does not have 2033  
a base of operation, the compensation shall be treated as earned 2034  
or received where the individual is domiciled. 2035

(d) For purposes of division (C)(17) of this section, 2036  
"base of operation" means the location where an individual owns 2037  
or rents an office, storefront, or similar facility to which the 2038  
individual regularly reports and at which the individual 2039  
regularly performs personal services for compensation. 2040

(18) Compensation paid to a person for personal services 2041  
performed for a political subdivision on property owned by the 2042

political subdivision, regardless of whether the compensation is 2043  
received by an employee of the subdivision or another person 2044  
performing services for the subdivision under a contract with 2045  
the subdivision, if the property on which services are performed 2046  
is annexed to a municipal corporation pursuant to section 2047  
709.023 of the Revised Code on or after March 27, 2013, unless 2048  
the person is subject to such taxation because of residence. If 2049  
the compensation is subject to taxation because of residence, 2050  
municipal income tax shall be payable only to the municipal 2051  
corporation of residence. 2052

(19) In the case of a tax administered, collected, and 2053  
enforced by a municipal corporation pursuant to an agreement 2054  
with the board of directors of a joint economic development 2055  
district under section 715.72 of the Revised Code, the net 2056  
profits of a business, and the income of the employees of that 2057  
business, exempted from the tax under division (Q) of that 2058  
section. 2059

(20) All of the following: 2060

(a) Income derived from disaster work conducted in this 2061  
state by an out-of-state disaster business during a disaster 2062  
response period pursuant to a qualifying solicitation received 2063  
by the business; 2064

(b) Income of a qualifying employee described in division 2065  
(A) (14) (a) of section 5703.94 of the Revised Code, to the extent 2066  
such income is derived from disaster work conducted in this 2067  
state by the employee during a disaster response period pursuant 2068  
to a qualifying solicitation received by the employee's 2069  
employer; 2070

(c) Income of a qualifying employee described in division 2071

(A) (14) (b) of section 5703.94 of the Revised Code, to the extent 2072  
such income is derived from disaster work conducted in this 2073  
state by the employee during a disaster response period on 2074  
critical infrastructure owned or used by the employee's 2075  
employer. 2076

(21) Income the taxation of which is prohibited by the 2077  
constitution or laws of the United States. 2078

Any item of income that is exempt income of a pass-through 2079  
entity under division (C) of this section is exempt income of 2080  
each owner of the pass-through entity to the extent of that 2081  
owner's distributive or proportionate share of that item of the 2082  
entity's income. 2083

(D) (1) "Net profit" for a person who is an individual 2084  
means the individual's net profit required to be reported on 2085  
schedule C, schedule E, or schedule F reduced by any net 2086  
operating loss carried forward. For the purposes of division (D) 2087  
(1) of this section, the net operating loss carried forward 2088  
shall be calculated and deducted in the same manner as provided 2089  
in division (D) (3) of this section. 2090

(2) "Net profit" for a person other than an individual 2091  
means adjusted federal taxable income reduced by any net 2092  
operating loss incurred by the person in a taxable year 2093  
beginning on or after January 1, 2017, subject to the 2094  
limitations of division (D) (3) of this section. 2095

(3) (a) The amount of such net operating loss shall be 2096  
deducted from net profit to the extent necessary to reduce 2097  
municipal taxable income to zero, with any remaining unused 2098  
portion of the net operating loss carried forward to not more 2099  
than five consecutive taxable years following the taxable year 2100

in which the loss was incurred, but in no case for more years 2101  
than necessary for the deduction to be fully utilized. 2102

(b) No person shall use the deduction allowed by division 2103  
(D) (3) of this section to offset qualifying wages. 2104

(c) (i) For taxable years beginning in 2018, 2019, 2020, 2105  
2021, or 2022, a person may not deduct, for purposes of an 2106  
income tax levied by a municipal corporation that levies an 2107  
income tax before January 1, 2016, more than fifty per cent of 2108  
the amount of the deduction otherwise allowed by division (D) (3) 2109  
of this section. 2110

(ii) For taxable years beginning in 2023 or thereafter, a 2111  
person may deduct, for purposes of an income tax levied by a 2112  
municipal corporation that levies an income tax before January 2113  
1, 2016, the full amount allowed by division (D) (3) of this 2114  
section without regard to the limitation of division (D) (3) (b) 2115  
(i) of this section. 2116

(d) Any pre-2017 net operating loss carryforward deduction 2117  
that is available may be utilized before a taxpayer may deduct 2118  
any amount pursuant to division (D) (3) of this section. 2119

(e) Nothing in division (D) (3) (c) (i) of this section 2120  
precludes a person from carrying forward, for use with respect 2121  
to any return filed for a taxable year beginning after 2018, any 2122  
amount of net operating loss that was not fully utilized by 2123  
operation of division (D) (3) (c) (i) of this section. To the 2124  
extent that an amount of net operating loss that was not fully 2125  
utilized in one or more taxable years by operation of division 2126  
(D) (3) (c) (i) of this section is carried forward for use with 2127  
respect to a return filed for a taxable year beginning in 2019, 2128  
2020, 2021, or 2022, the limitation described in division (D) (3) 2129

(c) (i) of this section shall apply to the amount carried 2130  
forward. 2131

(4) For the purposes of this chapter, and notwithstanding 2132  
division (D) (2) of this section, net profit of a disregarded 2133  
entity shall not be taxable as against that disregarded entity, 2134  
but shall instead be included in the net profit of the owner of 2135  
the disregarded entity. 2136

(5) For the purposes of this chapter, and notwithstanding 2137  
any other provision of this chapter, the net profit of a 2138  
publicly traded partnership that makes the election described in 2139  
division (D) (5) of this section shall be taxed as if the 2140  
partnership were a C corporation, and shall not be treated as 2141  
the net profit or income of any owner of the partnership. 2142

A publicly traded partnership that is treated as a 2143  
partnership for federal income tax purposes and that is subject 2144  
to tax on its net profits in one or more municipal corporations 2145  
in this state may elect to be treated as a C corporation for 2146  
municipal income tax purposes. The publicly traded partnership 2147  
shall make the election in every municipal corporation in which 2148  
the partnership is subject to taxation on its net profits. The 2149  
election shall be made on the annual tax return filed in each 2150  
such municipal corporation. The publicly traded partnership 2151  
shall not be required to file the election with any municipal 2152  
corporation in which the partnership is not subject to taxation 2153  
on its net profits, but division (D) (5) of this section applies 2154  
to all municipal corporations in which an individual owner of 2155  
the partnership resides. 2156

(E) "Adjusted federal taxable income," for a person 2157  
required to file as a C corporation, or for a person that has 2158  
elected to be taxed as a C corporation under division (D) (5) of 2159

this section, means a C corporation's federal taxable income 2160  
before net operating losses and special deductions as determined 2161  
under the Internal Revenue Code, adjusted as follows: 2162

(1) Deduct intangible income to the extent included in 2163  
federal taxable income. The deduction shall be allowed 2164  
regardless of whether the intangible income relates to assets 2165  
used in a trade or business or assets held for the production of 2166  
income. 2167

(2) Add an amount equal to five per cent of intangible 2168  
income deducted under division (E) (1) of this section, but 2169  
excluding that portion of intangible income directly related to 2170  
the sale, exchange, or other disposition of property described 2171  
in section 1221 of the Internal Revenue Code; 2172

(3) Add any losses allowed as a deduction in the 2173  
computation of federal taxable income if the losses directly 2174  
relate to the sale, exchange, or other disposition of an asset 2175  
described in section 1221 or 1231 of the Internal Revenue Code; 2176

(4) (a) Except as provided in division (E) (4) (b) of this 2177  
section, deduct income and gain included in federal taxable 2178  
income to the extent the income and gain directly relate to the 2179  
sale, exchange, or other disposition of an asset described in 2180  
section 1221 or 1231 of the Internal Revenue Code; 2181

(b) Division (E) (4) (a) of this section does not apply to 2182  
the extent the income or gain is income or gain described in 2183  
section 1245 or 1250 of the Internal Revenue Code. 2184

(5) Add taxes on or measured by net income allowed as a 2185  
deduction in the computation of federal taxable income; 2186

(6) In the case of a real estate investment trust or 2187  
regulated investment company, add all amounts with respect to 2188

dividends to, distributions to, or amounts set aside for or 2189  
credited to the benefit of investors and allowed as a deduction 2190  
in the computation of federal taxable income; 2191

(7) Deduct, to the extent not otherwise deducted or 2192  
excluded in computing federal taxable income, any income derived 2193  
from a transfer agreement or from the enterprise transferred 2194  
under that agreement under section 4313.02 of the Revised Code; 2195

(8) Deduct exempt income to the extent not otherwise 2196  
deducted or excluded in computing adjusted federal taxable 2197  
income. 2198

(9) Deduct any net profit of a pass-through entity owned 2199  
directly or indirectly by the taxpayer and included in the 2200  
taxpayer's federal taxable income unless an affiliated group of 2201  
corporations includes that net profit in the group's federal 2202  
taxable income in accordance with division (E) (3) (b) of section 2203  
718.06 of the Revised Code. 2204

(10) Add any loss incurred by a pass-through entity owned 2205  
directly or indirectly by the taxpayer and included in the 2206  
taxpayer's federal taxable income unless an affiliated group of 2207  
corporations includes that loss in the group's federal taxable 2208  
income in accordance with division (E) (3) (b) of section 718.06 2209  
of the Revised Code. 2210

If the taxpayer is not a C corporation, is not a 2211  
disregarded entity that has made the election described in 2212  
division (L) (2) of this section, is not a publicly traded 2213  
partnership that has made the election described in division (D) 2214  
(5) of this section, and is not an individual, the taxpayer 2215  
shall compute adjusted federal taxable income under this section 2216  
as if the taxpayer were a C corporation, except guaranteed 2217

payments and other similar amounts paid or accrued to a partner, 2218  
former partner, shareholder, former shareholder, member, or 2219  
former member shall not be allowed as a deductible expense 2220  
unless such payments are in consideration for the use of capital 2221  
and treated as payment of interest under section 469 of the 2222  
Internal Revenue Code or United States treasury regulations. 2223  
Amounts paid or accrued to a qualified self-employed retirement 2224  
plan with respect to a partner, former partner, shareholder, 2225  
former shareholder, member, or former member of the taxpayer, 2226  
amounts paid or accrued to or for health insurance for a 2227  
partner, former partner, shareholder, former shareholder, 2228  
member, or former member, and amounts paid or accrued to or for 2229  
life insurance for a partner, former partner, shareholder, 2230  
former shareholder, member, or former member shall not be 2231  
allowed as a deduction. 2232

Nothing in division (E) of this section shall be construed 2233  
as allowing the taxpayer to add or deduct any amount more than 2234  
once or shall be construed as allowing any taxpayer to deduct 2235  
any amount paid to or accrued for purposes of federal self- 2236  
employment tax. 2237

(F) "Schedule C" means internal revenue service schedule C 2238  
(form 1040) filed by a taxpayer pursuant to the Internal Revenue 2239  
Code. 2240

(G) "Schedule E" means internal revenue service schedule E 2241  
(form 1040) filed by a taxpayer pursuant to the Internal Revenue 2242  
Code. 2243

(H) "Schedule F" means internal revenue service schedule F 2244  
(form 1040) filed by a taxpayer pursuant to the Internal Revenue 2245  
Code. 2246

(I) "Internal Revenue Code" has the same meaning as in 2247  
section 5747.01 of the Revised Code. 2248

(J) "Resident" means an individual who is domiciled in the 2249  
municipal corporation as determined under section 718.012 of the 2250  
Revised Code. 2251

(K) "Nonresident" means an individual that is not a 2252  
resident. 2253

(L) (1) "Taxpayer" means a person subject to a tax levied 2254  
on income by a municipal corporation in accordance with this 2255  
chapter. "Taxpayer" does not include a grantor trust or, except 2256  
as provided in division (L) (2) (a) of this section, a disregarded 2257  
entity. 2258

(2) (a) A single member limited liability company that is a 2259  
disregarded entity for federal tax purposes may be a separate 2260  
taxpayer from its single member in all Ohio municipal 2261  
corporations in which it either filed as a separate taxpayer or 2262  
did not file for its taxable year ending in 2003, if all of the 2263  
following conditions are met: 2264

(i) The limited liability company's single member is also 2265  
a limited liability company. 2266

(ii) The limited liability company and its single member 2267  
were formed and doing business in one or more Ohio municipal 2268  
corporations for at least five years before January 1, 2004. 2269

(iii) Not later than December 31, 2004, the limited 2270  
liability company and its single member each made an election to 2271  
be treated as a separate taxpayer under division (L) of this 2272  
section as this section existed on December 31, 2004. 2273

(iv) The limited liability company was not formed for the 2274

purpose of evading or reducing Ohio municipal corporation income 2275  
tax liability of the limited liability company or its single 2276  
member. 2277

(v) The Ohio municipal corporation that was the primary 2278  
place of business of the sole member of the limited liability 2279  
company consented to the election. 2280

(b) For purposes of division (L) (2) (a) (v) of this section, 2281  
a municipal corporation was the primary place of business of a 2282  
limited liability company if, for the limited liability 2283  
company's taxable year ending in 2003, its income tax liability 2284  
was greater in that municipal corporation than in any other 2285  
municipal corporation in Ohio, and that tax liability to that 2286  
municipal corporation for its taxable year ending in 2003 was at 2287  
least four hundred thousand dollars. 2288

(M) "Person" includes individuals, firms, companies, joint 2289  
stock companies, business trusts, estates, trusts, partnerships, 2290  
limited liability partnerships, limited liability companies, 2291  
associations, C corporations, S corporations, governmental 2292  
entities, and any other entity. 2293

(N) "Pass-through entity" means a partnership not treated 2294  
as an association taxable as a C corporation for federal income 2295  
tax purposes, a limited liability company not treated as an 2296  
association taxable as a C corporation for federal income tax 2297  
purposes, an S corporation, or any other class of entity from 2298  
which the income or profits of the entity are given pass-through 2299  
treatment for federal income tax purposes. "Pass-through entity" 2300  
does not include a trust, estate, grantor of a grantor trust, or 2301  
disregarded entity. 2302

(O) "S corporation" means a person that has made an 2303

election under subchapter S of Chapter 1 of Subtitle A of the Internal Revenue Code for its taxable year. (P) "Single member limited liability company" means a limited liability company that has one direct member. (Q) "Limited liability company" means a limited liability company formed under Chapter 1705. or 1706. of the Revised Code or under the laws of another state. (R) "Qualifying wages" means wages, as defined in section 3121(a) of the Internal Revenue Code, without regard to any wage limitations, adjusted as follows:

(1) Deduct the following amounts:

(a) Any amount included in wages if the amount constitutes compensation attributable to a plan or program described in section 125 of the Internal Revenue Code.

(b) Any amount included in wages if the amount constitutes payment on account of a disability related to sickness or an accident paid by a party unrelated to the employer, agent of an employer, or other payer.

(c) Any amount attributable to a nonqualified deferred compensation plan or program described in section 3121(v) (2) (C) of the Internal Revenue Code if the compensation is included in wages and the municipal corporation has, by resolution or ordinance adopted before January 1, 2016, exempted the amount from withholding and tax.

(d) Any amount included in wages if the amount arises from the sale, exchange, or other disposition of a stock option, the exercise of a stock option, or the sale, exchange, or other disposition of stock purchased under a stock option and the

municipal corporation has, by resolution or ordinance adopted 2332  
before January 1, 2016, exempted the amount from withholding and 2333  
tax. 2334

(e) Any amount included in wages that is exempt income. 2335

(2) Add the following amounts: 2336

(a) Any amount not included in wages solely because the 2337  
employee was employed by the employer before April 1, 1986. 2338

(b) Any amount not included in wages because the amount 2339  
arises from the sale, exchange, or other disposition of a stock 2340  
option, the exercise of a stock option, or the sale, exchange, 2341  
or other disposition of stock purchased under a stock option and 2342  
the municipal corporation has not, by resolution or ordinance, 2343  
exempted the amount from withholding and tax adopted before 2344  
January 1, 2016. Division (R) (2) (b) of this section applies only 2345  
to those amounts constituting ordinary income. 2346

(c) Any amount not included in wages if the amount is an 2347  
amount described in section 401(k), 403(b), or 457 of the 2348  
Internal Revenue Code. Division (R) (2) (c) of this section 2349  
applies only to employee contributions and employee deferrals. 2350

(d) Any amount that is supplemental unemployment 2351  
compensation benefits described in section 3402(o) (2) of the 2352  
Internal Revenue Code and not included in wages. 2353

(e) Any amount received that is treated as self-employment 2354  
income for federal tax purposes in accordance with section 2355  
1402(a) (8) of the Internal Revenue Code. 2356

(f) Any amount not included in wages if all of the 2357  
following apply: 2358

(i) For the taxable year the amount is employee 2359

compensation that is earned outside of the United States and 2360  
that either is included in the taxpayer's gross income for 2361  
federal income tax purposes or would have been included in the 2362  
taxpayer's gross income for such purposes if the taxpayer did 2363  
not elect to exclude the income under section 911 of the 2364  
Internal Revenue Code; 2365

(ii) For no preceding taxable year did the amount 2366  
constitute wages as defined in section 3121(a) of the Internal 2367  
Revenue Code; 2368

(iii) For no succeeding taxable year will the amount 2369  
constitute wages; and 2370

(iv) For any taxable year the amount has not otherwise 2371  
been added to wages pursuant to either division (R) (2) of this 2372  
section or section 718.03 of the Revised Code, as that section 2373  
existed before the effective date of H.B. 5 of the 130th general 2374  
assembly, March 23, 2015. 2375

(S) "Intangible income" means income of any of the 2376  
following types: income yield, interest, capital gains, 2377  
dividends, or other income arising from the ownership, sale, 2378  
exchange, or other disposition of intangible property including, 2379  
but not limited to, investments, deposits, money, or credits as 2380  
those terms are defined in Chapter 5701. of the Revised Code, 2381  
and patents, copyrights, trademarks, tradenames, investments in 2382  
real estate investment trusts, investments in regulated 2383  
investment companies, and appreciation on deferred compensation. 2384  
"Intangible income" does not include prizes, awards, or other 2385  
income associated with any lottery winnings, gambling winnings, 2386  
or other similar games of chance. 2387

(T) "Taxable year" means the corresponding tax reporting 2388

period as prescribed for the taxpayer under the Internal Revenue Code.	2389 2390
(U) "Tax administrator" means the individual charged with direct responsibility for administration of an income tax levied by a municipal corporation in accordance with this chapter, and also includes the following:	2391 2392 2393 2394
(1) A municipal corporation acting as the agent of another municipal corporation;	2395 2396
(2) A person retained by a municipal corporation to administer a tax levied by the municipal corporation, but only if the municipal corporation does not compensate the person in whole or in part on a contingency basis;	2397 2398 2399 2400
(3) The central collection agency or the regional income tax agency or their successors in interest, or another entity organized to perform functions similar to those performed by the central collection agency and the regional income tax agency.	2401 2402 2403 2404
"Tax administrator" does not include the tax commissioner.	2405
(V) "Employer" means a person that is an employer for federal income tax purposes.	2406 2407
(W) "Employee" means an individual who is an employee for federal income tax purposes.	2408 2409
(X) "Other payer" means any person, other than an individual's employer or the employer's agent, that pays an individual any amount included in the federal gross income of the individual. "Other payer" includes casino operators and video lottery terminal sales agents.	2410 2411 2412 2413 2414
(Y) "Calendar quarter" means the three-month period ending on the last day of March, June, September, or December.	2415 2416

(Z) "Form 2106" means internal revenue service form 2106	2417
filed by a taxpayer pursuant to the Internal Revenue Code.	2418
(AA) "Municipal corporation" includes a joint economic	2419
development district or joint economic development zone that	2420
levies an income tax under section 715.691, 715.70, 715.71, or	2421
715.72 of the Revised Code.	2422
(BB) "Disregarded entity" means a single member limited	2423
liability company, a qualifying subchapter S subsidiary, or	2424
another entity if the company, subsidiary, or entity is a	2425
disregarded entity for federal income tax purposes.	2426
(CC) "Generic form" means an electronic or paper form that	2427
is not prescribed by a particular municipal corporation and that	2428
is designed for reporting taxes withheld by an employer, agent	2429
of an employer, or other payer, estimated municipal income	2430
taxes, or annual municipal income tax liability or for filing a	2431
refund claim.	2432
(DD) "Tax return preparer" means any individual described	2433
in section 7701(a)(36) of the Internal Revenue Code and 26	2434
C.F.R. 301.7701-15.	2435
(EE) "Ohio business gateway" means the online computer	2436
network system, created under section 125.30 of the Revised	2437
Code, that allows persons to electronically file business reply	2438
forms with state agencies and includes any successor electronic	2439
filing and payment system.	2440
(FF) "Local board of tax review" and "board of tax review"	2441
mean the entity created under section 718.11 of the Revised	2442
Code.	2443
(GG) "Net operating loss" means a loss incurred by a	2444
person in the operation of a trade or business. "Net operating	2445

loss" does not include unutilized losses resulting from basis 2446  
limitations, at-risk limitations, or passive activity loss 2447  
limitations. 2448

(HH) "Casino operator" and "casino facility" have the same 2449  
meanings as in section 3772.01 of the Revised Code. 2450

(II) "Video lottery terminal" has the same meaning as in 2451  
section 3770.21 of the Revised Code. 2452

(JJ) "Video lottery terminal sales agent" means a lottery 2453  
sales agent licensed under Chapter 3770. of the Revised Code to 2454  
conduct video lottery terminals on behalf of the state pursuant 2455  
to section 3770.21 of the Revised Code. 2456

(KK) "Postal service" means the United States postal 2457  
service. 2458

(LL) "Certified mail," "express mail," "United States 2459  
mail," "postal service," and similar terms include any delivery 2460  
service authorized pursuant to section 5703.056 of the Revised 2461  
Code. 2462

(MM) "Postmark date," "date of postmark," and similar 2463  
terms include the date recorded and marked in the manner 2464  
described in division (B) (3) of section 5703.056 of the Revised 2465  
Code. 2466

(NN) "Related member" means a person that, with respect to 2467  
the taxpayer during all or any portion of the taxable year, is 2468  
either a related entity, a component member as defined in 2469  
section 1563(b) of the Internal Revenue Code, or a person to or 2470  
from whom there is attribution of stock ownership in accordance 2471  
with section 1563(e) of the Internal Revenue Code except, for 2472  
purposes of determining whether a person is a related member 2473  
under this division, "twenty per cent" shall be substituted for 2474

"5 percent" wherever "5 percent" appears in section 1563(e) of 2475  
the Internal Revenue Code. 2476

(OO) "Related entity" means any of the following: 2477

(1) An individual stockholder, or a member of the 2478  
stockholder's family enumerated in section 318 of the Internal 2479  
Revenue Code, if the stockholder and the members of the 2480  
stockholder's family own directly, indirectly, beneficially, or 2481  
constructively, in the aggregate, at least fifty per cent of the 2482  
value of the taxpayer's outstanding stock; 2483

(2) A stockholder, or a stockholder's partnership, estate, 2484  
trust, or corporation, if the stockholder and the stockholder's 2485  
partnerships, estates, trusts, or corporations own directly, 2486  
indirectly, beneficially, or constructively, in the aggregate, 2487  
at least fifty per cent of the value of the taxpayer's 2488  
outstanding stock; 2489

(3) A corporation, or a party related to the corporation 2490  
in a manner that would require an attribution of stock from the 2491  
corporation to the party or from the party to the corporation 2492  
under division (OO) (4) of this section, provided the taxpayer 2493  
owns directly, indirectly, beneficially, or constructively, at 2494  
least fifty per cent of the value of the corporation's 2495  
outstanding stock; 2496

(4) The attribution rules described in section 318 of the 2497  
Internal Revenue Code apply for the purpose of determining 2498  
whether the ownership requirements in divisions (OO) (1) to (3) 2499  
of this section have been met. 2500

(PP) (1) "Assessment" means a written finding by the tax 2501  
administrator that a person has underpaid municipal income tax, 2502  
or owes penalty and interest, or any combination of tax, 2503

penalty, or interest, to the municipal corporation that 2504  
commences the person's time limitation for making an appeal to 2505  
the local board of tax review pursuant to section 718.11 of the 2506  
Revised Code, and has "ASSESSMENT" written in all capital 2507  
letters at the top of such finding. 2508

(2) "Assessment" does not include an informal notice 2509  
denying a request for refund issued under division (B)(3) of 2510  
section 718.19 of the Revised Code, a billing statement 2511  
notifying a taxpayer of current or past-due balances owed to the 2512  
municipal corporation, a tax administrator's request for 2513  
additional information, a notification to the taxpayer of 2514  
mathematical errors, or a tax administrator's other written 2515  
correspondence to a person or taxpayer that does meet the 2516  
criteria prescribed by division (PP)(1) of this section. 2517

(QQ) "Taxpayers' rights and responsibilities" means the 2518  
rights provided to taxpayers in sections 718.11, 718.12, 718.19, 2519  
718.23, 718.36, 718.37, 718.38, 5717.011, and 5717.03 of the 2520  
Revised Code and the responsibilities of taxpayers to file, 2521  
report, withhold, remit, and pay municipal income tax and 2522  
otherwise comply with Chapter 718. of the Revised Code and 2523  
resolutions, ordinances, and rules adopted by a municipal 2524  
corporation for the imposition and administration of a municipal 2525  
income tax. 2526

(RR) "Qualified municipal corporation" means a municipal 2527  
corporation that, by resolution or ordinance adopted on or 2528  
before December 31, 2011, adopted Ohio adjusted gross income, as 2529  
defined by section 5747.01 of the Revised Code, as the income 2530  
subject to tax for the purposes of imposing a municipal income 2531  
tax. 2532

(SS) (1) "Pre-2017 net operating loss carryforward" means 2533

any net operating loss incurred in a taxable year beginning 2534  
before January 1, 2017, to the extent such loss was permitted, 2535  
by a resolution or ordinance of the municipal corporation that 2536  
was adopted by the municipal corporation before January 1, 2016, 2537  
to be carried forward and utilized to offset income or net 2538  
profit generated in such municipal corporation in future taxable 2539  
years. 2540

(2) For the purpose of calculating municipal taxable 2541  
income, any pre-2017 net operating loss carryforward may be 2542  
carried forward to any taxable year, including taxable years 2543  
beginning in 2017 or thereafter, for the number of taxable years 2544  
provided in the resolution or ordinance or until fully utilized, 2545  
whichever is earlier. 2546

(TT) "Small employer" means any employer that had total 2547  
revenue of less than five hundred thousand dollars during the 2548  
preceding taxable year. For purposes of this division, "total 2549  
revenue" means receipts of any type or kind, including, but not 2550  
limited to, sales receipts; payments; rents; profits; gains, 2551  
dividends, and other investment income; compensation; 2552  
commissions; premiums; money; property; grants; contributions; 2553  
donations; gifts; program service revenue; patient service 2554  
revenue; premiums; fees, including premium fees and service 2555  
fees; tuition payments; unrelated business revenue; 2556  
reimbursements; any type of payment from a governmental unit, 2557  
including grants and other allocations; and any other similar 2558  
receipts reported for federal income tax purposes or under 2559  
generally accepted accounting principles. "Small employer" does 2560  
not include the federal government; any state government, 2561  
including any state agency or instrumentality; any political 2562  
subdivision; or any entity treated as a government for financial 2563  
accounting and reporting purposes. 2564

(UU) "Audit" means the examination of a person or the inspection of the books, records, memoranda, or accounts of a person for the purpose of determining liability for a municipal income tax.

(VV) "Publicly traded partnership" means any partnership, an interest in which is regularly traded on an established securities market. A "publicly traded partnership" may have any number of partners.

(WW) "Tax commissioner" means the tax commissioner appointed under section 121.03 of the Revised Code.

(XX) "Out-of-state disaster business," "qualifying solicitation," "qualifying employee," "disaster work," "critical infrastructure," and "disaster response period" have the same meanings as in section 5703.94 of the Revised Code.

(YY) "Pension" means a retirement benefit plan, regardless of whether the plan satisfies the qualifications described under section 401(a) of the Internal Revenue Code, including amounts that are taxable under the "Federal Insurance Contributions Act," Chapter 21 of the Internal Revenue Code, excluding employee contributions and elective deferrals, and regardless of whether such amounts are paid in the same taxable year in which the amounts are included in the employee's wages, as defined by section 3121(a) of the Internal Revenue Code.

(ZZ) "Retirement benefit plan" means an arrangement whereby an entity provides benefits to individuals either on or after their termination of service because of retirement or disability. "Retirement benefit plan" does not include wage continuation payments, severance payments, or payments made for accrued personal or vacation time.

**Sec. 1329.01.** (A) As used in sections 1329.01 to 1329.10 2594  
of the Revised Code: 2595

(1) "Trade name" means a name used in business or trade to 2596  
designate the business of the user and to which the user asserts 2597  
a right to exclusive use. 2598

(2) "Fictitious name" means a name used in business or 2599  
trade that is fictitious and that the user has not registered or 2600  
is not entitled to register as a trade name. It does not include 2601  
the name of record of any domestic corporation that is formed 2602  
under Chapter 1701. or 1702. of the Revised Code, any foreign 2603  
corporation that is registered pursuant to Chapter 1703. of the 2604  
Revised Code, any domestic or foreign limited liability company 2605  
that is formed under or registered pursuant to Chapter 1705. or 2606  
1706. of the Revised Code, any domestic or foreign limited 2607  
partnership that is formed under or registered pursuant to 2608  
Chapter 1782. of the Revised Code, or any domestic or foreign 2609  
limited liability partnership that is formed under or registered 2610  
pursuant to Chapter 1775. or 1776. of the Revised Code. 2611

(3) "Person" includes any individual, general partnership, 2612  
limited partnership, limited liability partnership, corporation, 2613  
association, professional association, limited liability 2614  
company, society, foundation, federation, or organization formed 2615  
under the laws of this state or any other state. 2616

(B) Except as provided in section 1701.041 of the Revised 2617  
Code and subject to sections 1329.01 to 1329.10 of the Revised 2618  
Code, any person may register with the secretary of state, on a 2619  
form prescribed by the secretary of state, any trade name under 2620  
which the person is operating, setting forth all of the 2621  
following: 2622

(1) The name and business address of the applicant for registration and any of the following that is applicable:	2623 2624
(a) If the applicant is a general partnership, the name and address of at least one partner or the identifying number the secretary of state assigns to the partnership pursuant to section 1776.05 of the Revised Code;	2625 2626 2627 2628
(b) If the applicant is a limited partnership, a corporation, professional association, limited liability company, or other entity, the form of the entity and the state under the laws of which it was formed.	2629 2630 2631 2632
(2) The trade name to be registered;	2633
(3) The general nature of the business conducted by the applicant;	2634 2635
(4) The length of time during which the trade name has been used by the applicant in business operations in this state.	2636 2637
(C) The trade name application shall be signed by the applicant or by any authorized representative of the applicant.	2638 2639
A single trade name may be registered upon each trade name application submitted under sections 1329.01 to 1329.10 of the Revised Code.	2640 2641 2642
The trade name application shall be accompanied by a filing fee of thirty-nine dollars, payable to the secretary of state.	2643 2644 2645
(D) Any person who does business under a fictitious name and who has not registered and does not wish to register the fictitious name as a trade name or who cannot do so because the name is not available for registration shall report the use of the fictitious name to the secretary of state, on a form	2646 2647 2648 2649 2650

prescribed by the secretary of state, setting forth all of the 2651  
following: 2652

(1) The name and business address of the user and any of 2653  
the following that is applicable: 2654

(a) If the user is a general partnership, the name and 2655  
address of at least one partner or the identifying number the 2656  
secretary of state assigns to the partnership pursuant to 2657  
section 1775.105 of the Revised Code; 2658

(b) If the user is a limited partnership, a corporation, 2659  
professional association, limited liability company, or other 2660  
entity, the form of the entity and the state under whose laws it 2661  
was formed. 2662

(2) The fictitious name being used; 2663

(3) The general nature of the business conducted by the 2664  
user. 2665

(E) The report of use of a fictitious name shall be signed 2666  
by the user or by any authorized representative of the user. 2667

A single fictitious name may be registered upon each 2668  
fictitious name report submitted under sections 1329.01 to 2669  
1329.10 of the Revised Code. 2670

The fictitious name report shall be accompanied by a 2671  
filing fee of thirty-nine dollars, payable to the secretary of 2672  
state. 2673

A report under this division shall be made within thirty 2674  
days after the date of the first use of the fictitious name. 2675

**Sec. 1329.02.** (A) The secretary of state shall not file an 2676  
application for the registration of any trade name if the 2677

application indicates or implies that the trade name is 2678  
connected with a government agency of this state, another state, 2679  
or the United States and the trade name is not so connected or 2680  
if the application indicates or implies that the applicant is 2681  
incorporated and the application is not incorporated. 2682  
Additionally, the secretary of state shall not file an 2683  
application for the registration of any trade name if it is not 2684  
distinguishable upon the records in the office of the secretary 2685  
of state from any other trade name previously registered under 2686  
sections 1329.01 to 1329.03 of the Revised Code, any corporate 2687  
name, whether nonprofit or for profit and whether that of a 2688  
domestic corporation or of a foreign corporation authorized to 2689  
do business in this state, the name of any limited liability 2690  
company registered in the office of the secretary of state 2691  
pursuant to Chapter 1705. or 1706. of the Revised Code, whether 2692  
domestic or foreign, the name of any limited liability 2693  
partnership registered in the office of the secretary of state 2694  
pursuant to Chapter 1775. or 1776. of the Revised Code, whether 2695  
domestic or foreign, the name of any limited partnership 2696  
registered in the office of the secretary of state pursuant to 2697  
Chapter 1782. of the Revised Code, whether domestic or foreign, 2698  
or any trademark, or service mark previously filed and recorded 2699  
in the office of the secretary of state and not abandoned, 2700  
unless the written consent of the corporation, limited liability 2701  
company, limited liability partnership, or limited partnership, 2702  
or the person to whom is registered the exclusive right to use 2703  
the trade name is filed in accordance with division (C) of 2704  
section 1701.05 of the Revised Code with the application or the 2705  
written consent of the former registrant of the trademark or 2706  
service mark is filed with the application. The application for 2707  
the registration of a trade name and the consent form shall be 2708  
on a form prescribed by the secretary of state. 2709

(B) The secretary of state shall determine for purposes of 2710  
this section whether a name is distinguishable from another name 2711  
in a manner consistent with the provisions of division (B) of 2712  
section 1701.05 of the Revised Code. 2713

**Sec. 1701.03.** (A) A corporation may be formed under this 2714  
chapter for any purpose or combination of purposes for which 2715  
individuals lawfully may associate themselves, except that, if 2716  
the Revised Code contains special provisions pertaining to the 2717  
formation of any designated type of corporation other than a 2718  
professional association, as defined in section 1785.01 of the 2719  
Revised Code, a corporation of that type shall be formed in 2720  
accordance with the special provisions. 2721

(B) On and after July 1, 1994, a corporation may be formed 2722  
under this chapter for the purpose of carrying on the practice 2723  
of any profession, including, but not limited to, a corporation 2724  
for the purpose of providing public accounting or certified 2725  
public accounting services, a corporation for the erection, 2726  
owning, and conducting of a sanitarium for receiving and caring 2727  
for patients, medical and hygienic treatment of patients, and 2728  
instruction of nurses in the treatment of disease and in 2729  
hygiene, a corporation for the purpose of providing 2730  
architectural, landscape architectural, professional 2731  
engineering, or surveying services or any combination of those 2732  
types of services, and a corporation for the purpose of 2733  
providing a combination of the professional services, as defined 2734  
in section 1785.01 of the Revised Code, of optometrists 2735  
authorized under Chapter 4725. of the Revised Code, 2736  
chiropractors authorized under Chapter 4734. of the Revised Code 2737  
to practice chiropractic or acupuncture, psychologists 2738  
authorized under Chapter 4732. of the Revised Code, registered 2739  
or licensed practical nurses authorized under Chapter 4723. of 2740

the Revised Code, pharmacists authorized under Chapter 4729. of 2741  
the Revised Code, physical therapists authorized under sections 2742  
4755.40 to 4755.56 of the Revised Code, occupational therapists 2743  
authorized under sections 4755.04 to 4755.13 of the Revised 2744  
Code, mechanotherapists authorized under section 4731.151 of the 2745  
Revised Code, doctors of medicine and surgery, osteopathic 2746  
medicine and surgery, or podiatric medicine and surgery 2747  
authorized under Chapter 4731. of the Revised Code, and licensed 2748  
professional clinical counselors, licensed professional 2749  
counselors, independent social workers, social workers, 2750  
independent marriage and family therapists, or marriage and 2751  
family therapists authorized under Chapter 4757. of the Revised 2752  
Code. 2753

This chapter does not restrict, limit, or otherwise affect 2754  
the authority or responsibilities of any agency, board, 2755  
commission, department, office, or other entity to license, 2756  
register, and otherwise regulate the professional conduct of 2757  
individuals or organizations of any kind rendering professional 2758  
services, as defined in section 1785.01 of the Revised Code, in 2759  
this state or to regulate the practice of any profession that is 2760  
within the jurisdiction of the agency, board, commission, 2761  
department, office, or other entity, notwithstanding that an 2762  
individual is a director, officer, employee, or other agent of a 2763  
corporation formed under this chapter and is rendering 2764  
professional services or engaging in the practice of a 2765  
profession through a corporation formed under this chapter or 2766  
that the organization is a corporation formed under this 2767  
chapter. 2768

(C) Nothing in division (A) or (B) of this section 2769  
precludes the organization of a professional association in 2770  
accordance with this chapter and Chapter 1785. of the Revised 2771

Code or the formation of a limited liability company under 2772  
Chapter 1705. or 1706. of the Revised Code with respect to a 2773  
~~business, as defined in section 1705.01 of the Revised~~ 2774  
~~Code~~ trade, occupation, or profession. 2775

(D) No corporation formed for the purpose of providing a 2776  
combination of the professional services, as defined in section 2777  
1785.01 of the Revised Code, of optometrists authorized under 2778  
Chapter 4725. of the Revised Code, chiropractors authorized 2779  
under Chapter 4734. of the Revised Code to practice chiropractic 2780  
or acupuncture, psychologists authorized under Chapter 4732. of 2781  
the Revised Code, registered or licensed practical nurses 2782  
authorized under Chapter 4723. of the Revised Code, pharmacists 2783  
authorized under Chapter 4729. of the Revised Code, physical 2784  
therapists authorized under sections 4755.40 to 4755.56 of the 2785  
Revised Code, occupational therapists authorized under sections 2786  
4755.04 to 4755.13 of the Revised Code, mechanotherapists 2787  
authorized under section 4731.151 of the Revised Code, doctors 2788  
of medicine and surgery, osteopathic medicine and surgery, or 2789  
podiatric medicine and surgery authorized under Chapter 4731. of 2790  
the Revised Code, and licensed professional clinical counselors, 2791  
licensed professional counselors, independent social workers, 2792  
social workers, independent marriage and family therapists, or 2793  
marriage and family therapists authorized under Chapter 4757. of 2794  
the Revised Code shall control the professional clinical 2795  
judgment exercised within accepted and prevailing standards of 2796  
practice of a licensed, certificated, or otherwise legally 2797  
authorized optometrist, chiropractor, chiropractor practicing 2798  
acupuncture through the state chiropractic board, psychologist, 2799  
nurse, pharmacist, physical therapist, occupational therapist, 2800  
mechanotherapist, doctor of medicine and surgery, osteopathic 2801  
medicine and surgery, or podiatric medicine and surgery, 2802

licensed professional clinical counselor, licensed professional 2803  
counselor, independent social worker, social worker, independent 2804  
marriage and family therapist, or marriage and family therapist 2805  
in rendering care, treatment, or professional advice to an 2806  
individual patient. 2807

This division does not prevent a hospital, as defined in 2808  
section 3727.01 of the Revised Code, insurer, as defined in 2809  
section 3999.36 of the Revised Code, or intermediary 2810  
organization, as defined in section 1751.01 of the Revised Code, 2811  
from entering into a contract with a corporation described in 2812  
this division that includes a provision requiring utilization 2813  
review, quality assurance, peer review, or other performance or 2814  
quality standards. Those activities shall not be construed as 2815  
controlling the professional clinical judgment of an individual 2816  
practitioner listed in this division. 2817

**Sec. 1701.05.** (A) Except as provided in this section, and 2818  
in sections 1701.75, 1701.78, and 1701.82 of the Revised Code, 2819  
which sections relate to the reorganization, merger, and 2820  
consolidation of corporations, the corporate name of a domestic 2821  
corporation shall comply with all of the following: 2822

(1) It shall end with or include the word or abbreviation 2823  
"company," "co.," "corporation," "corp.," "incorporated," or 2824  
"inc." 2825

(2) It shall be distinguishable upon the records in the 2826  
office of the secretary of state from all of the following: 2827

(a) The name of any other corporation, whether nonprofit 2828  
or for profit and whether that of a domestic or of a foreign 2829  
corporation authorized to do business in this state; 2830

(b) The name of any limited liability company registered 2831

in the office of the secretary of state pursuant to Chapter 2832  
1705. or 1706. of the Revised Code, whether domestic or foreign; 2833

(c) The name of any limited liability partnership 2834  
registered in the office of the secretary of state pursuant to 2835  
Chapter 1775. or 1776. of the Revised Code, whether domestic or 2836  
foreign; 2837

(d) The name of any limited partnership registered in the 2838  
office of the secretary of state pursuant to Chapter 1782. of 2839  
the Revised Code, whether domestic or foreign; 2840

(e) Any trade name the exclusive right to which is at the 2841  
time in question registered in the office of the secretary of 2842  
state pursuant to Chapter 1329. of the Revised Code. 2843

(3) It shall not contain any language that indicates or 2844  
implies that the corporation is connected with a government 2845  
agency of this state, another state, or the United States. 2846

(B) The secretary of state shall determine for purposes of 2847  
this section whether a name is "distinguishable" from another 2848  
name upon the secretary of state's records. Without excluding 2849  
other names that may not constitute distinguishable names in 2850  
this state, a name is not considered distinguishable from 2851  
another name for purposes of this section solely because it 2852  
differs from the other name in only one or more of the following 2853  
manners: 2854

(1) The use of the word "corporation," "company," 2855  
"incorporated," "limited," or any abbreviation of any of those 2856  
words; 2857

(2) The use of any article, conjunction, contraction, 2858  
abbreviation, or punctuation; 2859

(3) The use of a different tense or number of the same word. 2860  
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(C) A corporation may apply to the secretary of state for authorization to use a name that is not distinguishable upon the secretary of state's records from the name of any other corporation, limited liability company, limited liability partnership, or limited partnership, or from a registered trade name, if there also is filed in the office of the secretary of state, on a form prescribed by the secretary of state, the consent of the other entity or, in the case of a registered trade name, the person in whose name is registered the exclusive right to use the name, which consent is evidenced in a writing signed by any authorized officer or any authorized representative of the other entity or person. 2862  
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(D) In case of judicial sale or judicial transfer, by sale or transfer of good will or otherwise, of the right to use the name of a corporation, whether nonprofit or for profit, and whether that of a domestic corporation or of a foreign corporation authorized to exercise its corporate privileges in this state or to do business in this state, the secretary of state, at the instance of the purchaser or transferee of such right, shall accept for filing articles of a corporation with a name the same as or similar to the name of such other corporation, if there also is filed in the office of the secretary of state a certified copy of the decree or order of court confirming or otherwise evidencing the purchase or transfer. 2874  
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(E) Any person who wishes to reserve a name for a proposed new corporation, or any corporation intending to change its name, may submit to the secretary of state a written 2887  
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application, on a form prescribed by the secretary of state, for 2890  
the exclusive right to use a specified name as the name of a 2891  
corporation. If the secretary of state finds that, under this 2892  
section, the specified name is available for such use, the 2893  
secretary of state shall file the application and, from the date 2894  
of the filing, the applicant shall have the exclusive right for 2895  
one hundred eighty days to use the specified name as the name of 2896  
a corporation, counting the date of such filing as the first of 2897  
one hundred eighty days. The right so obtained may be 2898  
transferred by the applicant or other holder thereof by the 2899  
filing in the office of the secretary of state of a written 2900  
transfer, on a form prescribed by the secretary of state, 2901  
stating the name and address of the transferee. 2902

**Sec. 1701.791.** (A) If the constituent entities in a merger 2903  
or consolidation include entities that are not corporations, the 2904  
constituent entities may be merged or consolidated into a 2905  
surviving or new entity that is not a domestic corporation, as 2906  
provided in this section. Pursuant to an agreement of merger or 2907  
consolidation between the constituent entities as provided in 2908  
this section, a domestic corporation and, if so provided, one or 2909  
more additional domestic or foreign entities, may be merged into 2910  
a surviving entity other than a domestic corporation, or a 2911  
domestic corporation together with one or more additional 2912  
domestic or foreign entities may be consolidated into a new 2913  
entity other than a domestic corporation, to be formed by such 2914  
consolidation. The merger or consolidation must be permitted by 2915  
the chapter of the Revised Code under which each domestic 2916  
constituent entity exists and by the laws under which each 2917  
foreign constituent entity exists. 2918

(B) The agreement of merger or consolidation shall set 2919  
forth all of the following: 2920

(1) The name and the form of entity of each constituent 2921  
entity and the state under the laws of which each constituent 2922  
entity exists; 2923

(2) In the case of a merger, that one or more specified 2924  
constituent entities will be merged into a specified surviving 2925  
foreign entity or surviving domestic entity other than a 2926  
domestic corporation or, in the case of a consolidation, that 2927  
the constituent entities will be consolidated into a new foreign 2928  
entity or domestic entity other than a corporation. The name of 2929  
such a surviving or new entity may be the same as or similar to 2930  
that of any constituent corporation or constituent limited 2931  
liability company. 2932

(3) The terms of the merger or consolidation, the mode of 2933  
carrying them into effect, and the manner and basis of 2934  
converting the shares or interests of the constituent entities 2935  
into, or substituting the shares or interests of the constituent 2936  
entities for, shares, interests, evidences of indebtedness, 2937  
other securities, cash, rights, or any other property or any 2938  
combination of shares, interests, evidences of indebtedness, 2939  
securities, cash, rights, or any other property of the surviving 2940  
entity, of the new entity, or of any other entity, including the 2941  
parent of any constituent entity, or any other person. No 2942  
conversion or substitution shall be effected if there are 2943  
reasonable grounds to believe that the surviving or new entity 2944  
would be rendered insolvent by the conversion or substitution. 2945

(4) If the surviving or new entity is a foreign 2946  
corporation, all additional statements and matters, other than 2947  
the name and address of the statutory agent, that would be 2948  
required by section 1701.78 of the Revised Code if the surviving 2949  
or new corporation were a domestic corporation; 2950

(5) The name and the form of entity of the surviving or 2951  
new entity, the state under the laws of which the surviving 2952  
entity exists or the new entity is to exist, and the location of 2953  
the principal office of the surviving or new entity in that 2954  
state; 2955

(6) All statements and matters required to be set forth in 2956  
an agreement of merger or consolidation by the laws under which 2957  
each constituent entity exists and, in the case of a 2958  
consolidation, the new entity is to exist; 2959

(7) The consent of the surviving or the new entity to be 2960  
sued and served with process in this state and the irrevocable 2961  
appointment of the secretary of state as its agent to accept 2962  
service of process in any proceeding in this state to enforce 2963  
against the surviving or new entity any obligation of any 2964  
domestic constituent corporation, or to enforce the rights of a 2965  
dissenting shareholder of any domestic constituent corporation; 2966

(8) If the surviving or new entity is a foreign 2967  
corporation that desires to transact business in this state as a 2968  
foreign corporation, a statement to that effect, together with a 2969  
statement regarding the appointment of a statutory agent and 2970  
service of any process, notice, or demand upon that statutory 2971  
agent or the secretary of state, as required when a foreign 2972  
corporation applies for a license to transact business in this 2973  
state; 2974

(9) If the surviving or new entity is a foreign limited 2975  
partnership that desires to transact business in this state as a 2976  
foreign limited partnership, a statement to that effect, 2977  
together with all of the information required under section 2978  
1782.49 of the Revised Code when a foreign limited partnership 2979  
registers to transact business in this state; 2980

(10) If the surviving or new entity is a foreign limited liability company that desires to transact business in this state as a foreign limited liability company, a statement to that effect, together with all of the information required under section 1705.54 or 1706.511 of the Revised Code when a foreign limited liability company registers to transact business in this state. 2981  
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(C) The agreement of merger or consolidation also may set forth any additional provision permitted by the laws of any state under the laws of which any constituent entity exists, consistent with the laws under which the surviving entity exists or the new entity is to exist. 2988  
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(D) To effect the merger or consolidation, the agreement of merger or consolidation shall be approved by the directors of each domestic constituent corporation, and adopted by the shareholders of each domestic constituent corporation, in the same manner and with the same notice to and vote of shareholders or of holders of a particular class of shares as is required by section 1701.78 of the Revised Code. The agreement also shall be approved or otherwise authorized by or on behalf of each other constituent entity in accordance with the laws under which it exists. 2993  
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(E) At any time before the filing of the certificate of merger or consolidation under section 1701.81 of the Revised Code, the merger or consolidation may be abandoned by the directors of any constituent corporation, the general partners of any constituent partnership, or the comparable representatives of any other constituent entity if the directors, general partners, or comparable representatives are authorized to do so by the agreement of merger or consolidation. 3003  
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The agreement of merger or consolidation may contain a 3011  
provision authorizing the directors of any constituent 3012  
corporation, the general partners of any constituent 3013  
partnership, or the comparable representatives of any other 3014  
constituent entity to amend the agreement of merger or 3015  
consolidation at any time before the filing of the certificate 3016  
of merger or consolidation, except that, after the adoption of 3017  
the agreement by the shareholders of any domestic constituent 3018  
corporation, the directors shall not be authorized to amend the 3019  
agreement to do any of the following: 3020

(1) Alter or change the amount or kind of shares, 3021  
interests, evidences of indebtedness, other securities, cash, 3022  
rights, or any other property to be received by shareholders of 3023  
the domestic constituent corporation in conversion of, or in 3024  
substitution for, their shares; 3025

(2) If the surviving or new entity is a foreign 3026  
corporation, alter or change any term of the articles of the 3027  
surviving or new foreign corporation, except for alterations or 3028  
changes that could otherwise be adopted by the directors of the 3029  
surviving or new foreign corporation; 3030

(3) If the surviving or new entity is a partnership or 3031  
other entity other than a corporation, alter or change any term 3032  
of the partnership agreement or comparable instrument of the 3033  
surviving or new partnership or other entity, except for 3034  
alterations or changes that otherwise could be adopted by the 3035  
general partners or comparable representatives of the surviving 3036  
or new partnership or other entity; 3037

(4) Alter or change any other terms and conditions of the 3038  
agreement of merger or consolidation if any of the alterations 3039  
or changes, alone or in the aggregate, would materially 3040

adversely affect the holders of any class or series of shares of 3041  
the domestic constituent corporation. 3042

**Sec. 1702.05.** (A) Except as provided in this section and 3043  
in sections 1702.41 and 1702.411 of the Revised Code, the 3044  
secretary of state shall not accept for filing in the secretary 3045  
of state's office any articles if the corporate name set forth 3046  
in the articles is not distinguishable upon the secretary of 3047  
state's records from any of the following: 3048

(1) The name of any other corporation, whether a nonprofit 3049  
corporation or a business corporation and whether that of a 3050  
domestic or of a foreign corporation authorized to do business 3051  
in this state; 3052

(2) The name of any limited liability company registered 3053  
in the office of the secretary of state pursuant to Chapter 3054  
1705. or 1706. of the Revised Code, whether domestic or foreign; 3055

(3) The name of any limited liability partnership 3056  
registered in the office of the secretary of state pursuant to 3057  
Chapter 1775. or 1776. of the Revised Code, whether domestic or 3058  
foreign; 3059

(4) The name of any limited partnership registered in the 3060  
office of the secretary of state pursuant to Chapter 1782. of 3061  
the Revised Code, whether domestic or foreign; 3062

(5) Any trade name, the exclusive right to which is at the 3063  
time in question registered in the office of the secretary of 3064  
state pursuant to Chapter 1329. of the Revised Code. 3065

(B) The secretary of state shall determine for purposes of 3066  
this section whether a name is "distinguishable" from another 3067  
name upon the secretary of state's records. Without excluding 3068  
other names that may not constitute distinguishable names in 3069

this state, a name is not considered distinguishable from 3070  
another name for purposes of this section solely because it 3071  
differs from the other name in only one or more of the following 3072  
manners: 3073

(1) The use of the word "corporation," "company," 3074  
"incorporated," "limited," or any abbreviation of any of those 3075  
words; 3076

(2) The use of any article, conjunction, contraction, 3077  
abbreviation, or punctuation; 3078

(3) The use of a different tense or number of the same 3079  
word. 3080

(C) A corporation may apply to the secretary of state for 3081  
authorization to use a name that is not distinguishable upon the 3082  
secretary of state's records from the name of any other 3083  
corporation, any limited liability company, limited liability 3084  
partnership, or limited partnership, or from a registered trade 3085  
name, if there also is filed in the office of the secretary of 3086  
state, on a form prescribed by the secretary of state, the 3087  
consent of the other entity, or, in the case of a registered 3088  
trade name, the person in whose name is registered the exclusive 3089  
right to use the name, which consent is evidenced in a writing 3090  
signed by any authorized officer or authorized representative of 3091  
the other entity or person. 3092

(D) In case of judicial sale or judicial transfer, by sale 3093  
or transfer of good will or otherwise, of the right to use the 3094  
name of a nonprofit corporation or business corporation, whether 3095  
that of a domestic corporation or of a foreign corporation 3096  
authorized to exercise its corporate privileges in this state or 3097  
to do business in this state, the secretary of state, at the 3098

instance of the purchaser or transferee of such right, shall 3099  
accept for filing articles of a corporation with a name the same 3100  
as or similar to the name of such other corporation, if there 3101  
also is filed in the office of the secretary of state a 3102  
certified copy of the decree or order of court confirming or 3103  
otherwise evidencing the purchase or transfer. 3104

(E) Any person who wishes to reserve a name for a proposed 3105  
new corporation, or any corporation intending to change its 3106  
name, may submit to the secretary of state a written 3107  
application, on a form prescribed by the secretary of state, for 3108  
the exclusive right to use a specified name as the name of a 3109  
corporation. If the secretary of state finds that, under this 3110  
section, the specified name is available for such use, the 3111  
secretary of state shall file such application, and, from the 3112  
date of such filing, such applicant shall have the exclusive 3113  
right for one hundred eighty days to use the specified name as 3114  
the name of a corporation, counting the date of such filing as 3115  
the first of the one hundred eighty days. The right so obtained 3116  
may be transferred by the applicant or other holder of the right 3117  
by the filing in the office of the secretary of state of a 3118  
written transfer, on a form prescribed by the secretary of 3119  
state, stating the name and address of the transferee. 3120

**Sec. 1702.411.** (A) (1) Pursuant to an agreement of merger 3121  
between the constituent entities as provided in this section, a 3122  
domestic corporation and, if so provided, one or more additional 3123  
domestic or foreign entities, may be merged into a surviving 3124  
entity other than a domestic corporation. Pursuant to an 3125  
agreement of consolidation, a domestic corporation together with 3126  
one or more additional domestic or foreign entities may be 3127  
consolidated into a new entity other than a domestic 3128  
corporation, to be formed by that consolidation. The merger or 3129

consolidation must be permitted by the chapter of the Revised 3130  
Code under which each domestic constituent entity exists and by 3131  
the laws under which each foreign constituent entity exists. The 3132  
name of the surviving or new entity may be the same as or 3133  
similar to that of any constituent entity. 3134

(2) To effect a merger or consolidation under this 3135  
section, the directors of each constituent domestic corporation 3136  
shall approve an agreement of merger or consolidation to be 3137  
signed by the chairperson of the board of directors, the 3138  
president, or a vice-president and by the secretary or an 3139  
assistant secretary. The agreement of merger or consolidation 3140  
shall be approved or otherwise authorized by or on behalf of 3141  
each other constituent entity in accordance with the laws under 3142  
which it exists. 3143

(3) The agreement of merger or consolidation shall set 3144  
forth all of the following: 3145

(a) The name and the form of entity of each constituent 3146  
entity and the state under the laws of which each constituent 3147  
entity exists; 3148

(b) In the case of a merger, that one or more specified 3149  
constituent entities will be merged into a specified surviving 3150  
foreign entity or surviving domestic entity other than a 3151  
domestic corporation or, in the case of a consolidation, that 3152  
the constituent entities will be consolidated into a new foreign 3153  
entity or domestic entity other than a domestic corporation. 3154

(c) The terms of the merger or consolidation and the mode 3155  
of carrying those terms into effect; 3156

(d) If the surviving or new entity is a foreign 3157  
corporation, all additional statements and matters, other than 3158

the name and address of the statutory agent, that would be 3159  
required by section 1702.41 of the Revised Code if the surviving 3160  
or new corporation were a domestic corporation; 3161

(e) The name and the form of entity of the surviving or 3162  
new entity, the state under the laws of which the surviving 3163  
entity exists or the new entity is to exist, and the location of 3164  
the principal office of the surviving or new entity in that 3165  
state; 3166

(f) All statements and matters required to be set forth in 3167  
an agreement of merger or consolidation by the laws under which 3168  
each constituent entity exists and, in the case of a 3169  
consolidation, the new entity is to exist; 3170

(g) The consent of the surviving or the new entity to be 3171  
sued and served with process in this state and the irrevocable 3172  
appointment of the secretary of state as its agent to accept 3173  
service of process in any proceeding in this state to enforce 3174  
against the surviving or new entity any obligation of any 3175  
domestic constituent corporation; 3176

(h) If the surviving or new entity is a foreign 3177  
corporation that desires to transact business in this state as a 3178  
foreign corporation, a statement to that effect, together with a 3179  
statement regarding the appointment of a statutory agent and 3180  
service of any process, notice, or demand upon that statutory 3181  
agent or the secretary of state, as required when a foreign 3182  
corporation applies for a license to transact business in this 3183  
state; 3184

(i) If the surviving or new entity is a foreign limited 3185  
partnership that desires to transact business in this state as a 3186  
foreign limited partnership, a statement to that effect, 3187

together with all of the information required under section 3188  
1782.49 of the Revised Code when a foreign limited partnership 3189  
registers to transact business in this state; 3190

(j) If the surviving or new entity is a foreign limited 3191  
liability company that desires to transact business in this 3192  
state as a foreign limited liability company, a statement to 3193  
that effect, together with all of the information required under 3194  
section 1705.54 or 1706.511 of the Revised Code when a foreign 3195  
limited liability company registers to transact business in this 3196  
state; 3197

(k) If the surviving or new entity is a foreign 3198  
unincorporated association that desires to transact business in 3199  
this state as a foreign unincorporated association, a statement 3200  
to that effect, together with all of the information required 3201  
under section 1745.461 of the Revised Code when a foreign 3202  
unincorporated association registers to transact business in 3203  
this state. 3204

(4) The agreement of merger or consolidation also may set 3205  
forth any additional provision permitted by the laws of any 3206  
state under the laws of which any constituent entity exists, 3207  
consistent with the laws under which the surviving entity exists 3208  
or the new entity is to exist. 3209

(B) (1) A merger or consolidation in which a domestic 3210  
public benefit corporation is one of the constituent entities 3211  
shall be approved by the court of common pleas of the county in 3212  
this state in which the principal office of the domestic public 3213  
benefit corporation is located in a proceeding of which the 3214  
attorney general's charitable law section has been given written 3215  
notice by certified mail within three days of the initiation of 3216  
the proceeding and in which proceeding the attorney general may 3217

intervene as of right. No approval by the court under division 3218  
(B) (1) of this section is required if either of the following 3219  
applies: 3220

(a) A public benefit entity is the surviving entity in the 3221  
case of a merger and continues to be a public benefit entity or 3222  
is the new entity in the case of a consolidation and continues 3223  
to be a public benefit entity. 3224

(b) A public benefit entity is not the surviving entity in 3225  
the case of a merger or is not the new entity in the case of a 3226  
consolidation, and all of the following apply: 3227

(i) On or prior to the effective date of the merger or 3228  
consolidation, assets with a value equal to the greater of the 3229  
fair market value of the net tangible and intangible assets, 3230  
including goodwill, of the domestic public benefit corporation 3231  
or the fair market value of the domestic public benefit 3232  
corporation if it is to be operated as a business concern are 3233  
transferred or conveyed to one or more persons that would have 3234  
received its assets under section 1702.49 of the Revised Code 3235  
had it voluntarily dissolved. 3236

(ii) The domestic public benefit corporation returns, 3237  
transfers, or conveys any assets held by it upon a condition 3238  
requiring return, transfer, or conveyance, which condition 3239  
occurs by reason of the merger or consolidation, in accordance 3240  
with that condition. 3241

(iii) The merger or consolidation is approved by a 3242  
majority of directors of the domestic public benefit corporation 3243  
who will not receive any financial or other benefit, directly or 3244  
indirectly, as a result of the merger or consolidation or by 3245  
agreement, and who are not and will not as a result of the 3246

merger or consolidation become members, partners, or other 3247  
owners, however denominated, of, shareholders in, directors, 3248  
officers, managers, employees, agents, or other representatives 3249  
of, or consultants to, the surviving or new entity. 3250

(2) At least twenty days before consummation of any merger 3251  
or consolidation of a domestic public benefit corporation 3252  
pursuant to division (B)(1)(b) of this section, written notice, 3253  
including a copy of the proposed plan of merger or 3254  
consolidation, shall be delivered to the attorney general's 3255  
charitable law section. The attorney general's charitable law 3256  
section may review a proposed merger or consolidation of a 3257  
domestic public benefit corporation under division (B)(1)(b) of 3258  
this section. The attorney general may require pursuant to 3259  
section 109.24 of the Revised Code the production of the 3260  
documents necessary for review of a proposed merger or 3261  
consolidation under division (B)(1)(b) of this section. The 3262  
attorney general may retain at the expense of the domestic 3263  
public benefit corporation one or more experts, including an 3264  
investment banker, actuary, appraiser, certified public 3265  
accountant, or other expert, that the attorney general considers 3266  
reasonably necessary to provide assistance in reviewing a 3267  
proposed merger or consolidation under division (B)(1)(b) of 3268  
this section. The attorney general may extend the date of any 3269  
merger or consolidation of a domestic public benefit corporation 3270  
under division (B)(1)(b) of this section for a period not to 3271  
exceed sixty days and shall provide notice of that extension to 3272  
the domestic public benefit corporation. The notice shall set 3273  
forth the reasons necessitating the extension. 3274

(3) No member, other than a member that is a public 3275  
benefit entity, or director of a domestic public benefit 3276  
corporation in that person's capacity as a member or director 3277

may receive or keep anything as a result of a merger or 3278  
consolidation other than membership or directorship in the 3279  
surviving or new public benefit entity without the prior written 3280  
consent of the attorney general or of the court of common pleas 3281  
of the county in this state in which the principal office of the 3282  
domestic public benefit corporation is located that is obtained 3283  
in a proceeding in which the attorney general's charitable law 3284  
section has been given written notice by certified mail within 3285  
three days of the initiation of the proceeding and in which 3286  
proceeding the attorney general may intervene as of right. The 3287  
court shall approve the transaction if it is in the public 3288  
interest. 3289

(4) The attorney general may institute a civil action to 3290  
enforce the requirements of divisions (B) (1), (2), and (3) of 3291  
this section in the court of common pleas of the county in this 3292  
state in which the principal office of the domestic public 3293  
benefit corporation is located or in the Franklin county court 3294  
of common pleas. In addition to any civil remedies that may 3295  
exist under common law or the Revised Code, a court may rescind 3296  
the transaction or grant injunctive relief or impose any 3297  
combination of these remedies. 3298

**Sec. 1703.04.** (A) To procure a license to transact 3299  
business in this state, a foreign corporation for profit shall 3300  
file with the secretary of state a certificate of good standing 3301  
or subsistence, dated not earlier than ninety days prior to the 3302  
filing of the application, under the seal of the secretary of 3303  
state, or other proper official, of the state under the laws of 3304  
which said corporation was incorporated, setting forth the exact 3305  
corporate title and the fact that the corporation is in good 3306  
standing or is a subsisting corporation. 3307

(B) To procure such a license, such corporation also shall 3308  
file with the secretary of state an application in such form as 3309  
the secretary of state prescribes, verified by the oath of any 3310  
authorized officer of such corporation, setting forth, but not 3311  
limited to: 3312

(1) The name of the corporation and, if its corporate name 3313  
is not available, the trade name under which it will do business 3314  
in this state; 3315

(2) The name of the state under the laws of which it was 3316  
incorporated; 3317

(3) The location and complete address of its principal 3318  
office; 3319

(4) The name of the county and the municipal corporation 3320  
or township in which its principal office within this state, if 3321  
any, is to be located; 3322

(5) The appointment of a designated agent and the complete 3323  
address of such agent; 3324

(6) The irrevocable consent of such corporation to service 3325  
of process on such agent so long as the authority of such agent 3326  
continues and to service of process upon the secretary of state 3327  
in the events provided for in section 1703.19 of the Revised 3328  
Code; 3329

(7) A brief summary of the corporate purposes to be 3330  
exercised within this state. 3331

(C) (1) No such application for a license shall be accepted 3332  
for filing if it appears that the name of the foreign 3333  
corporation is prohibited by law or is not distinguishable upon 3334  
the records in the office of the secretary of state from the 3335

name of any other corporation, whether nonprofit or for profit 3336  
and whether that of a domestic corporation or of a foreign 3337  
corporation authorized to transact business in this state, the 3338  
name of a limited liability company registered in the office of 3339  
the secretary of state pursuant to Chapter 1705. or 1706. of the 3340  
Revised Code, whether domestic or foreign, the name of any 3341  
limited liability partnership registered in the office of the 3342  
secretary of state pursuant to Chapter 1775. or 1776. of the 3343  
Revised Code, whether domestic or foreign, the name of any 3344  
limited partnership registered in the office of the secretary of 3345  
state pursuant to Chapter 1782. of the Revised Code, whether 3346  
domestic or foreign, or a trade name to which the exclusive 3347  
right at the time in question is registered in the manner 3348  
provided in Chapter 1329. of the Revised Code, unless there also 3349  
is filed with the secretary of state, on a form prescribed by 3350  
the secretary of state, the consent of the other entity or 3351  
person to the use of the name, evidenced in a writing signed by 3352  
any authorized officer of the other entity or authorized 3353  
representative of the other person owning the exclusive right to 3354  
the registered trade name. 3355

(2) Notwithstanding division (C)(1) of this section, if an 3356  
application for a license is not acceptable for filing solely 3357  
because the name of the foreign corporation is not 3358  
distinguishable from the name of another entity or registered 3359  
trade name, the foreign corporation may be authorized to 3360  
transact business in this state by filing with the secretary of 3361  
state, in addition to those items otherwise prescribed by this 3362  
section, a statement signed by an authorized officer directing 3363  
the foreign corporation to make application for a license to 3364  
transact business in this state under an assumed business name 3365  
or names that comply with the requirements of this division and 3366

stating that the foreign corporation will transact business in 3367  
this state only under the assumed name or names. The application 3368  
for a license shall be on a form prescribed by the secretary of 3369  
state. 3370

Sec. 1706.01. As used in this chapter: 3371

(A) "Articles of organization" means the articles of 3372  
organization described in section 1706.16 of the Revised Code, 3373  
and those articles of organization as amended or restated. 3374

(B) "Assignment" means a transfer, conveyance, deed, bill 3375  
of sale, lease, mortgage, security interest, encumbrance, gift, 3376  
or transfer by operation of law. 3377

(C) "Constituent limited liability company" means a 3378  
constituent entity that is a limited liability company. 3379

(D) "Constituent entity" means an entity that is party to 3380  
a merger. 3381

(E) "Contribution" means anything of value including cash, 3382  
property, or services rendered, or a promissory note or other 3383  
binding obligation to contribute cash or property or to perform 3384  
services, that a person contributes to a limited liability 3385  
company, or a series thereof, in the person's capacity as a 3386  
member. 3387

(F) "Converted entity" means the entity into which a 3388  
converting entity converts pursuant to sections 1706.72 to 3389  
1706.723 of the Revised Code. 3390

(G) "Converting limited liability company" means a 3391  
converting entity that is a limited liability company. 3392

(H) "Converting entity" means an entity that converts into 3393  
a converted entity pursuant to sections 1706.72 to 1706.723 of 3394

the Revised Code. 3395

(I) "Debtor in bankruptcy" means a person who is the 3396  
subject of an order for relief under Title 11 of the United 3397  
States Code, a comparable order under a successor statute of 3398  
general application, or a comparable order under any federal, 3399  
state, or foreign law governing insolvency. 3400

(J) "Distribution" means a transfer of money or other 3401  
property from a limited liability company, or a series thereof, 3402  
to another person on account of a membership interest. 3403

(K) "Entity" means a general partnership, limited 3404  
partnership, limited liability partnership, limited liability 3405  
company, association, corporation, professional corporation, 3406  
professional association, nonprofit corporation, business trust, 3407  
real estate investment trust, common law trust, statutory trust, 3408  
cooperative association, or any similar organization that has a 3409  
governing statute, in each case, whether foreign or domestic. 3410

(L) "Foreign limited liability company" means an entity 3411  
that is all of the following: 3412

(1) An unincorporated association; 3413

(2) Organized under the laws of a state other than this 3414  
state or under the laws of a foreign country; 3415

(3) Organized under a statute pursuant to which an 3416  
association may be formed that affords to each of its members 3417  
limited liability with respect to the liabilities of the entity; 3418

(4) Not required to be registered, qualified, or organized 3419  
under any statute of this state other than this chapter. 3420

(M) "Governing statute" means the law that governs an 3421  
entity's internal affairs. 3422

(N) "Limited liability company," except in the phrase 3423  
"foreign limited liability company," means an entity formed or 3424  
existing under this chapter. 3425

(O) "Manager" means any person designated by the limited 3426  
liability company or its members with the authority to manage 3427  
all or part of the activities or affairs of the limited 3428  
liability company on behalf of the limited liability company, 3429  
which person has agreed to serve in such capacity, whether such 3430  
person is designated as a manager, director, officer, or 3431  
otherwise. 3432

(P) "Member" means a person that has been admitted as a 3433  
member of a limited liability company under section 1706.27 of 3434  
the Revised Code and that has not dissociated as a member. 3435

(Q) "Membership interest" means a member's right to 3436  
receive distributions from a limited liability company or series 3437  
thereof. 3438

(R) "Operating agreement" means any valid agreement, 3439  
written or oral, of the members, or any written declaration of 3440  
the sole member, as to the affairs and activities of a limited 3441  
liability company and any series thereof. "Operating agreement" 3442  
includes any amendments to the operating agreement. 3443

(S) "Organizational documents" means any of the following: 3444

(1) For a general partnership or foreign general 3445  
partnership, its partnership agreement; 3446

(2) For a limited partnership or foreign limited 3447  
partnership, its certificate of limited partnership and 3448  
partnership agreement; 3449

(3) For a limited liability limited partnership or foreign 3450

<u>limited liability limited partnership, its certificate of</u>	3451
<u>limited partnership and partnership agreement;</u>	3452
<u>(4) For a limited liability company or foreign limited</u>	3453
<u>liability company, its articles of organization and operating</u>	3454
<u>agreement, or comparable records as provided in its governing</u>	3455
<u>statute;</u>	3456
<u>(5) For a business or statutory trust or foreign business</u>	3457
<u>or statutory trust, its trust instrument, or comparable records</u>	3458
<u>as provided in its governing statute;</u>	3459
<u>(6) For a for-profit corporation or foreign for-profit</u>	3460
<u>corporation, its articles of incorporation, regulations, and</u>	3461
<u>other agreements among its shareholders that are authorized by</u>	3462
<u>its governing statute, or comparable records as provided in its</u>	3463
<u>governing statute;</u>	3464
<u>(7) For a nonprofit corporation or foreign nonprofit</u>	3465
<u>corporation, its articles of incorporation, regulations, and</u>	3466
<u>other agreements that are authorized by its governing statute or</u>	3467
<u>comparable records as provided in its governing statute;</u>	3468
<u>(8) For a professional association, its articles of</u>	3469
<u>incorporation, regulations, and other agreements among its</u>	3470
<u>shareholders that are authorized by its governing statute, or</u>	3471
<u>comparable records as provided in its governing statute;</u>	3472
<u>(9) For any other entity, the basic records that create</u>	3473
<u>the entity, determine its internal governance, and determine the</u>	3474
<u>relations among the persons that own it, are members of it, or</u>	3475
<u>govern it.</u>	3476
<u>(T) "Organizer" means a person executing the initial</u>	3477
<u>articles of organization filed by the secretary of state in</u>	3478
<u>accordance with section 1706.16 of the Revised Code.</u>	3479

(U) "Person" means an individual, entity, trust, estate, 3480  
government, custodian, nominee, trustee, personal 3481  
representative, fiduciary, or any other individual, entity, or 3482  
series thereof in its own or any representative capacity, in 3483  
each case, whether foreign or domestic. As used in this 3484  
division, "government" includes a country, state, county, or 3485  
other political subdivision, agency, or instrumentality. 3486

(V) "Principal office" means the location specified by a 3487  
limited liability company, foreign limited liability company, or 3488  
other entity as its principal office in the last filed record in 3489  
which the limited liability company, foreign limited liability 3490  
company, or other entity specified its principal office on the 3491  
records of the secretary of state. If no such location has 3492  
previously been specified, then "principal office" means the 3493  
location reasonably apparent to an unaffiliated person as the 3494  
principal executive office of the limited liability company, 3495  
foreign limited liability company, or other entity. 3496

(W) "Record" means information that is inscribed on a 3497  
tangible medium or that is stored in an electronic or other 3498  
medium and is retrievable in written or paper form through an 3499  
automated process. 3500

(X) "Sign" means, with the present intent to authenticate 3501  
or adopt a record, either of the following: 3502

(1) To execute or adopt a tangible symbol; 3503

(2) To attach to or logically associate with the record an 3504  
electronic symbol, sound, or process. 3505

(Y) "State" means a state of the United States, the 3506  
District of Columbia, Puerto Rico, the United States Virgin 3507  
Islands, or any territory or insular possession subject to the 3508

<u>jurisdiction of the United States.</u>	3509
<u>(Z) "Surviving entity" means an entity into which one or</u>	3510
<u>more other entities are merged, whether the entity pre-existed</u>	3511
<u>the merger or was created pursuant to the merger.</u>	3512
<u>(AA) "Tribunal" means a court or, if provided in the</u>	3513
<u>operating agreement or otherwise agreed, an arbitrator,</u>	3514
<u>arbitration panel, or other tribunal.</u>	3515
<u>Sec. 1706.02. This chapter may be cited as the "Ohio</u>	3516
<u>Revised Limited Liability Company Act."</u>	3517
<u>Sec. 1706.03. (A) A person knows a fact when either of the</u>	3518
<u>following is met:</u>	3519
<u>(1) The person has actual knowledge of the fact.</u>	3520
<u>(2) The person is deemed to know the fact under law other</u>	3521
<u>than this chapter.</u>	3522
<u>(B) A person has notice of a fact when any of the</u>	3523
<u>following is met:</u>	3524
<u>(1) The person knows of the fact.</u>	3525
<u>(2) The person receives notification of the fact.</u>	3526
<u>(3) The person has reason to know the fact from all the</u>	3527
<u>facts known to the person at the time.</u>	3528
<u>(4) The person is deemed to have notice of the fact under</u>	3529
<u>division (D) of this section.</u>	3530
<u>(C) A person notifies another of a fact by taking steps</u>	3531
<u>reasonably required to inform the other person in ordinary</u>	3532
<u>course, whether or not the other person knows the fact.</u>	3533
<u>(D) A person is deemed to have notice of the following:</u>	3534

(1) The matters included in a limited liability company's articles of organization under divisions (A) (1) to (3) of section 1706.16 of the Revised Code, upon the filing of the articles; 3535  
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(2) A limited liability company's dissolution, ninety days after a certificate of dissolution under section 1706.471 of the Revised Code becomes effective; 3539  
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(3) A limited liability company's merger or conversion, ninety days after a certificate of merger under section 1706.712 of the Revised Code or certificate of conversion under section 1706.722 of the Revised Code becomes effective. 3542  
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(E) A member's knowledge, notice, or receipt of a notification of a fact relating to the limited liability company is not knowledge, notice, or receipt of a notification of a fact by the limited liability company solely by reason of the member's capacity as a member. 3546  
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**Sec. 1706.04.** (A) A limited liability company is a separate legal entity. A limited liability company's status for tax purposes shall not affect its status as a separate legal entity formed under this chapter. 3551  
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(B) A limited liability company has perpetual duration. 3555

**Sec. 1706.05.** (A) A limited liability company may carry on any lawful activity, whether or not for profit. 3556  
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(B) A limited liability company shall possess and may exercise all the powers and privileges granted by this chapter or by any other law or by its operating agreement, together with any powers incidental thereto, including those powers and privileges necessary or convenient to the conduct, promotion, or attainment of the business, purposes, or activities of the 3558  
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limited liability company. 3564

(C) Without limiting the general powers enumerated in 3565  
division (B) of this section, a limited liability company shall 3566  
have the power and authority to make contracts of guaranty and 3567  
suretyship and enter into interest rate, basis, currency, hedge, 3568  
or other swap agreements, or cap, floor, put, call, option, 3569  
exchange, or collar agreements, derivative agreements, or other 3570  
agreements similar to any of the foregoing. 3571

(D) A series established under this chapter has the power 3572  
and capacity, in the series' own name, to do all of the 3573  
following: 3574

(1) Sue and be sued; 3575

(2) Contract; 3576

(3) Hold and convey title to assets of the series, 3577  
including real property, personal property, and intangible 3578  
property; 3579

(4) Grant liens and security interests in assets of the 3580  
series. 3581

**Sec. 1706.06.** (A) This chapter shall be construed to give 3582  
maximum effect to the principles of freedom of contract and to 3583  
the enforceability of operating agreements. 3584

(B) Unless displaced by particular provisions of this 3585  
chapter, principles of law and equity supplement this chapter. 3586

(C) Rules that statutes in derogation of the common law 3587  
are to be strictly construed shall have no application to this 3588  
chapter. 3589

(D) Sections 1309.406 and 1309.408 of the Revised Code do 3590

not apply to any interest in a limited liability company, 3591  
including all rights, powers, and interests arising under an 3592  
operating agreement or this chapter. This division prevails over 3593  
those sections, and is expressly intended to permit the 3594  
enforcement of the provisions of an operating agreement that 3595  
would otherwise be ineffective under those sections. 3596

(E) This chapter applies to all limited liability 3597  
companies equally regardless of whether the limited liability 3598  
company has one or more members or whether it is formed by a 3599  
filing under section 1706.16 of the Revised Code or by merger, 3600  
consolidation, conversion, or otherwise. 3601

**Sec. 1706.061.** The law of this state governs all of the 3602  
following: 3603

(A) The organization and internal affairs of a limited 3604  
liability company; 3605

(B) The liability of a member as a member for the debts, 3606  
obligations, or other liabilities of a limited liability 3607  
company; 3608

(C) The authority of the members and agents of a limited 3609  
liability company; 3610

(D) The availability of the assets of a limited liability 3611  
company or series thereof for the obligations of the limited 3612  
liability company or another series thereof. 3613

**Sec. 1706.07.** (A) The name of a limited liability company 3614  
shall contain the words "limited liability company" or the 3615  
abbreviation "L.L.C.," "LLC," "limited," "ltd.," or "ltd". 3616

(B) Except as provided in this section and in sections 3617  
1701.75, 1701.78, 1701.82, 1705.36, and 1705.37 of the Revised 3618

Code, the secretary of state shall not accept for filing in the 3619  
secretary of state's office the articles of organization of a 3620  
limited liability company if the company name set forth in the 3621  
articles is not distinguishable on the records of the secretary 3622  
of state from the name of any of the following: 3623

(1) Any other limited liability company, whether the name 3624  
is of a domestic limited liability company or of a foreign 3625  
limited liability company registered as a foreign limited 3626  
liability company under this chapter; 3627

(2) Any corporation, whether the name is of a domestic 3628  
corporation or of a foreign corporation holding a license as a 3629  
foreign corporation under the laws of this state pursuant to 3630  
Chapter 1701., 1702., or 1703. of the Revised Code; 3631

(3) Any limited liability partnership, whether the name is 3632  
of a domestic limited liability partnership or a foreign limited 3633  
liability partnership registered pursuant to Chapter 1775. or 3634  
1776. of the Revised Code; 3635

(4) Any limited partnership, whether the name is of a 3636  
domestic limited partnership or a foreign limited partnership 3637  
registered pursuant to Chapter 1782. of the Revised Code; 3638

(5) Any trade name to which the exclusive right, at the 3639  
time in question, is registered in the office of the secretary 3640  
of state pursuant to Chapter 1329. of the Revised Code. 3641

(C) A limited liability company may apply to the secretary 3642  
of state for authorization to use a name that is not 3643  
distinguishable from the names identified in division (B) of of 3644  
this section if there also is filed in the office of the 3645  
secretary of state, on a form prescribed by the secretary of 3646  
state, the consent of the other person or, in the case of a 3647

registered trade name, the person in whose name is registered 3648  
the exclusive right to use the name, which consent is evidenced 3649  
in a writing signed by any authorized officer or any authorized 3650  
representative of the other person. 3651

(D) If a judicial sale or other transfer by order of a 3652  
tribunal involves the right to use the name of a limited 3653  
liability company or of a foreign limited liability company, 3654  
then division (B) of this section shall not be applicable with 3655  
respect to any person that is subject to the order. 3656

(E) Any person that wishes to reserve a name for a 3657  
proposed new limited liability company, a limited liability 3658  
company that intends to change its name, or an assumed name for 3659  
a foreign limited liability company whose name is not available 3660  
may submit to the secretary of state, on a form prescribed by 3661  
the secretary of state, a written application for the exclusive 3662  
right to use a specified name as the name of the company. If the 3663  
secretary of state finds, consistent with this section, that the 3664  
specified name is available for use, the secretary of state 3665  
shall file the application. From the date of the filing, the 3666  
applicant has the exclusive right for one hundred eighty days to 3667  
use the specified name as the name of the limited liability 3668  
company, counting the date of the filing as the first of the one 3669  
hundred eighty days. The right so obtained may be transferred by 3670  
the applicant or other holder of the right by filing in the 3671  
office of the secretary of state a written transfer, on a form 3672  
prescribed by the secretary of state, that states the name and 3673  
address of the transferee. 3674

**Sec. 1706.08.** (A) Except as otherwise provided in 3675  
divisions (B) and (C) of this section, both of the following 3676  
apply: 3677

(1) An operating agreement governs relations among the 3678  
members as members and between the members and the limited 3679  
liability company. 3680

(2) To the extent that an operating agreement does not 3681  
otherwise provide for a matter described in division (A) (1) of 3682  
this section, this chapter governs the matter. 3683

(B) (1) To the extent that, at law or in equity, a member, 3684  
manager, or other person has duties, including fiduciary duties, 3685  
to the limited liability company, or to another member or to 3686  
another person that is a party to or is otherwise bound by an 3687  
operating agreement, those duties may be expanded or restricted 3688  
or eliminated by a written operating agreement. However, an 3689  
operating agreement may not eliminate the implied covenant of 3690  
good faith and fair dealing. 3691

(2) A written operating agreement may provide for the 3692  
limitation or elimination of any and all liabilities for breach 3693  
of contract and breach of duties, including breach of fiduciary 3694  
duties, of a member, manager, or other person to a limited 3695  
liability company or to another member or to another person that 3696  
is a party to or is otherwise bound by an operating agreement. 3697  
However, an operating agreement may not limit or eliminate 3698  
liability for any act or omission that constitutes a bad faith 3699  
violation of the implied covenant of good faith and fair 3700  
dealing. 3701

(3) A member, manager, or other person shall not be liable 3702  
to a limited liability company or to another member or to 3703  
another person that is a party to or is otherwise bound by an 3704  
operating agreement for breach of fiduciary duty for the 3705  
member's or other person's good faith reliance on the operating 3706  
agreement. 3707

(4) An operating agreement may provide either or both of 3708  
the following: 3709

(a) That, a member or assignee who fails to perform in 3710  
accordance with, or to comply with the terms and conditions of, 3711  
the operating agreement shall be subject to specified penalties 3712  
or specified consequences; 3713

(b) That at the time or upon the happening of events 3714  
specified in the operating agreement, a member or assignee may 3715  
be subject to specified penalties or consequences. 3716

(5) A penalty or consequence that may be specified under 3717  
division (B)(4) of this section may include any of the 3718  
following: 3719

(a) Reducing or eliminating the defaulting member's or 3720  
assignee's proportionate interest in a limited liability 3721  
company; 3722

(b) Subordinating the member's or assignee's membership 3723  
interest to that of nondefaulting members or assignees; 3724

(c) Forcing a sale of the member's or assignee's 3725  
membership interest; 3726

(d) Forfeiting the defaulting member's or assignee's 3727  
membership interest; 3728

(e) The lending by other members or assignees of the 3729  
amount necessary to meet the defaulting member's or assignee's 3730  
commitment; 3731

(f) A fixing of the value of the defaulting member's or 3732  
assignee's membership interest by appraisal or by formula and 3733  
redemption or sale of the membership interest at that value; 3734

<u>(g) Any other penalty or consequence.</u>	3735
<u>(C) An operating agreement shall not do any of the following:</u>	3736 3737
<u>(1) Vary the nature of the limited liability company as a separate legal entity under division (A) of section 1706.04 of the Revised Code;</u>	3738 3739 3740
<u>(2) Except as otherwise provided in division (B) of section 1706.082 of the Revised Code, restrict the rights under this chapter of a person other than a member, dissociated member, or assignee;</u>	3741 3742 3743 3744
<u>(3) Vary the power of a court under section 1706.171 of the Revised Code;</u>	3745 3746
<u>(4) Eliminate the implied covenant of good faith and fair dealing;</u>	3747 3748
<u>(5) Eliminate or limit the liability of a member or other person for any act or omission that constitutes a bad faith violation of the implied covenant of good faith and fair dealing;</u>	3749 3750 3751 3752
<u>(6) Waive the requirements of division (A) of section 1706.281 of the Revised Code;</u>	3753 3754
<u>(7) Waive the prohibition on issuance of a certificate of a membership interest in bearer form under division (D) of section 1706.341 of the Revised Code;</u>	3755 3756 3757
<u>(8) Waive the requirements of division (B) of section 1706.761 of the Revised Code.</u>	3758 3759
<u>Sec. 1706.081. (A) A limited liability company is bound by and may enforce its operating agreement, whether or not the</u>	3760 3761

limited liability company has itself manifested assent to its 3762  
operating agreement. 3763

(B) A person that is admitted as a member of a limited 3764  
liability company becomes a party to and assents to the 3765  
operating agreement subject to division (A) of section 1706.281 3766  
of the Revised Code. 3767

(C) Two or more persons intending to be the initial 3768  
members of a limited liability company may make an agreement 3769  
providing that upon the formation of the limited liability 3770  
company the agreement will become its operating agreement. One 3771  
person intending to be the initial member of a limited liability 3772  
company may assent to terms providing that upon the formation of 3773  
the limited liability company the terms will become the 3774  
operating agreement. 3775

(D) The operating agreement of a limited liability company 3776  
having only one member shall not be unenforceable by reason of 3777  
there being only one person who is a party to the operating 3778  
agreement. 3779

**Sec. 1706.082.** (A) An operating agreement may be amended 3780  
upon the consent of all the members of a limited liability 3781  
company or in such other manner authorized by the operating 3782  
agreement. If an operating agreement provides for the manner in 3783  
which it may be amended, including by requiring the approval of 3784  
a person who is not a party to the operating agreement or the 3785  
satisfaction of conditions, it may be amended only in that 3786  
manner or as otherwise permitted by law; except that the 3787  
approval of any person may be waived by that person and any 3788  
conditions may be waived by all persons for whose benefit those 3789  
conditions were intended. 3790

(B) An operating agreement may provide rights to any person, including a person who is not a party to the operating agreement, to the extent set forth in the operating agreement. 3791  
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(C) The obligations of a limited liability company and its members to a person in the person's capacity as an assignee or dissociated member are governed by the operating agreement. An assignee and dissociated member are bound by the operating agreement. 3794  
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**Sec. 1706.09.** (A) Each limited liability company and foreign limited liability company that has an effective registration as a foreign limited liability company under section 1706.511 of the Revised Code shall maintain continuously in this state an agent for service of process on the company. The agent shall be one of the following: 3799  
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(1) A natural person who is a resident of this state; 3805

(2) A domestic or foreign corporation, nonprofit corporation, limited liability company, partnership, limited partnership, limited liability partnership, limited partnership association, professional association, business trust, or unincorporated nonprofit association that has a business address in this state. If the agent is an entity other than a domestic corporation, the agent shall meet the requirements of Title XVII of the Revised Code for an entity of the agent's type to transact business or exercise privileges in this state. 3806  
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(B) (1) The secretary of state shall not accept original articles of organization of a limited liability company or an original registration of a foreign limited liability company for filing unless both of the following accompany the articles or registration: 3815  
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(a) A written appointment of an agent as described in 3820  
division (A) of this section that is signed by an authorized 3821  
representative of the limited liability company or foreign 3822  
limited liability company; 3823

(b) A written acceptance of the appointment that is signed 3824  
by the designated agent on a form prescribed by the secretary of 3825  
state. 3826

(2) In cases not covered by division (B) (1) of this 3827  
section, the company shall appoint the agent described in 3828  
division (A) of this section and shall file with the secretary 3829  
of state, on a form prescribed by the secretary of state, a 3830  
written appointment of that agent that is signed by an 3831  
authorized representative of the company and a written 3832  
acceptance of the appointment that is signed by the designated 3833  
agent. 3834

(C) The written appointment of an agent shall set forth 3835  
the name and address in this state of the agent, including the 3836  
street and number or other particular description, and shall 3837  
otherwise be in such form as the secretary of state prescribes. 3838  
The secretary of state shall keep a record of the names of 3839  
limited liability companies and foreign limited liability 3840  
companies, and the names and addresses of their respective 3841  
agents. 3842

(D) If any agent described in division (A) of this section 3843  
dies, resigns, or moves outside of this state, the limited 3844  
liability company or foreign limited liability company shall 3845  
appoint forthwith another agent and file with the secretary of 3846  
state, on a form prescribed by the secretary of state, a written 3847  
appointment of the agent and acceptance of appointment as 3848  
described in division (B) (2) of this section. 3849

(E) If the agent described in division (A) of this section 3850  
changes the agent's address from the address stated in the 3851  
records of the secretary of state, the agent or the limited 3852  
liability company or foreign limited liability company shall 3853  
file forthwith with the secretary of state, on a form prescribed 3854  
by the secretary of state, a written statement setting forth the 3855  
new address. 3856

(F) An agent described in division (A) of this section may 3857  
resign by filing with the secretary of state, on a form 3858  
prescribed by the secretary of state, a written notice of 3859  
resignation that is signed by the agent and by mailing a copy of 3860  
that notice to the limited liability company or foreign limited 3861  
liability company at the current or last known address of its 3862  
principal office. The notice shall be mailed to the company on 3863  
or prior to the date that the notice is filed with the secretary 3864  
of state and shall set forth the name of the company, the name 3865  
and current address of the agent, the current or last known 3866  
address, including the street and number or other particular 3867  
description, of the company's principal office, a statement of 3868  
the resignation of the agent, and a statement that a copy of the 3869  
notice has been sent to the company within the time and in the 3870  
manner specified in this division. The authority of the 3871  
resigning agent terminates thirty days after the filing of the 3872  
notice with the secretary of state. 3873

(G) A limited liability company or foreign limited 3874  
liability company may revoke the appointment of its agent 3875  
described in division (A) of this section by filing with the 3876  
secretary of state, on a form prescribed by the secretary of 3877  
state, a written appointment of another agent and an acceptance 3878  
of appointment in the manner described in division (B) (2) of 3879  
this section and a statement indicating that the appointment of 3880

the former agent is revoked. 3881

(H) (1) Any legal process, notice, or demand required or 3882  
permitted by law to be served upon a limited liability company 3883  
may be served upon the company as follows: 3884

(a) By delivering a copy of the process, notice, or demand 3885  
to the address of the agent in this state as contained in the 3886  
records of the secretary of state; 3887

(b) If the agent described in division (A) of this section 3888  
is a natural person, by delivering a copy of the process, 3889  
notice, or demand to the agent. 3890

(2) If the agent described in division (A) of this section 3891  
cannot be found or no longer has the address that is stated in 3892  
the records of the secretary of state or the limited liability 3893  
company or foreign limited liability company has failed to 3894  
maintain an agent as required by this section and if the party 3895  
or the agent or representative of the party that desires service 3896  
of the process, notice, or demand files with the secretary of 3897  
state an affidavit that states that one of those circumstances 3898  
exists and states the most recent address of the company that 3899  
the party who desires service has been able to ascertain after a 3900  
diligent search, then the service of the process, notice, or 3901  
demand upon the secretary of state as the agent of the company 3902  
may be initiated by delivering to the secretary of state four 3903  
copies of the process, notice, or demand accompanied by a fee of 3904  
five dollars. The secretary of state shall give forthwith notice 3905  
of that delivery to the company at either its principal office 3906  
as shown upon the secretary of state's records or at any 3907  
different address specified in the affidavit of the party 3908  
desiring service and shall forward to the company at either 3909  
address by certified mail, return receipt requested, a copy of 3910

the process, notice, or demand. Service upon the company is made 3911  
when the secretary of state gives the notice and forwards the 3912  
process, notice, or demand as set forth in division (H) (2) of 3913  
this section. 3914

(I) The secretary of state shall keep a record of each 3915  
process, notice, and demand that pertains to a limited liability 3916  
company or foreign limited liability company and that is 3917  
delivered to the secretary of state's office under this section 3918  
or another law of this state that authorizes service upon the 3919  
secretary of state in connection with a limited liability 3920  
company or foreign limited liability company. In that record, 3921  
the secretary of state shall record the time of each delivery of 3922  
that type and the secretary of state's subsequent action with 3923  
respect to the process, notice, or demand. 3924

(J) This section does not limit or affect the right to 3925  
serve any process, notice, or demand upon a limited liability 3926  
company or foreign limited liability company in any other manner 3927  
permitted by law. 3928

(K) A written appointment of an agent or a written 3929  
statement filed by a limited liability company or foreign 3930  
limited liability company with the secretary of state shall be 3931  
signed by an authorized representative of the company. 3932

(L) Upon the failure of a limited liability company or 3933  
foreign limited liability company to continuously maintain a 3934  
statutory agent or file a change of name or address of a 3935  
statutory agent, the secretary of state shall give notice 3936  
thereof by ordinary or electronic mail to the company at the 3937  
electronic mail address provided to the secretary of state, or 3938  
at the address set forth in the notice of resignation. Unless 3939  
the default is cured within thirty days after the mailing by the 3940

secretary of state of the notice or within any further period of 3941  
time that the secretary of state grants, upon the expiration of 3942  
that period of time from the date of the mailing, the articles 3943  
of the limited liability company or the registration of the 3944  
foreign limited liability company shall be canceled without 3945  
further notice or action by the secretary of state. The 3946  
secretary of state shall make a notation of the cancellation on 3947  
the secretary of state's records. 3948

A limited liability company or foreign limited liability 3949  
company whose articles or registration has been canceled may be 3950  
reinstated by filing, on a form prescribed by the secretary of 3951  
state, an application for reinstatement and the required 3952  
appointment of agent or required statement, and by paying the 3953  
filing fee specified in division (Q) of section 111.16 of the 3954  
Revised Code. The rights and privileges of a limited liability 3955  
company or foreign limited liability company whose articles or 3956  
registration has been reinstated are subject to section 1706.46 3957  
of the Revised Code. The secretary of state shall furnish the 3958  
tax commissioner a monthly list of all limited liability 3959  
companies and foreign limited liability companies canceled and 3960  
reinstated under this division. 3961

**Sec. 1706.16.** (A) In order to form a limited liability 3962  
company, one or more persons shall execute articles of 3963  
organization and deliver the articles to the secretary of state 3964  
for filing. The articles of organization shall set forth all of 3965  
the following: 3966

(1) The name of the limited liability company; 3967

(2) The name and street address of the limited liability 3968  
company's statutory agent and a written acceptance of the 3969  
appointment that is signed by the agent; 3970

(3) If applicable, a statement as provided in division (B) 3971  
(3) of section 1706.761 of the Revised Code; 3972

(4) Any other matters the organizers or the members 3973  
determine to include in the articles of organization. 3974

(B) A limited liability company is formed when the 3975  
articles of organization are filed by the secretary of state or 3976  
at any later date or time specified in the articles of 3977  
organization. 3978

(C) The fact that articles of organization are on file in 3979  
the office of the secretary of state is notice of the matters 3980  
required to be included by divisions (A) (1) to (3) of this 3981  
section, but is not notice of any other fact. 3982

(D) An operating agreement may be entered into before, at 3983  
the time of, or after the filing of the articles of 3984  
organization. Regardless of when the operating agreement is 3985  
entered into, it may be made effective as of the filing of the 3986  
articles of organization or any other time provided in the 3987  
operating agreement. 3988

**Sec. 1706.161.** (A) The articles of organization may be 3989  
amended at any time. 3990

(B) The articles of organization may be restated with or 3991  
without amendment at any time. 3992

(C) To amend its articles of organization, a limited 3993  
liability company shall deliver to the secretary of state for 3994  
filing, on a form prescribed by the secretary of state, a 3995  
certificate of amendment containing both of the following 3996  
information: 3997

(1) The name and registration number of the limited 3998

liability company; 3999

(2) The changes the amendment makes to the articles of organization as most recently amended or restated. 4000  
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(D) Restated articles of organization shall be delivered to the secretary of state for filing in the same manner as an amendment. Restated articles of organization shall be designated as such in the heading and state in the heading or in an introductory paragraph the limited liability company's name and the date of the filing of its articles of organization. Any amendment or change effected in connection with the restatement of the articles of organization shall be subject to any other provision of this chapter, not inconsistent with this section, which would apply if a separate certificate of amendment were filed to effect the amendment or change. 4002  
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(E) The original articles of organization, as amended or supplemented, shall be superseded by the restated articles of organization. Thereafter, the articles of organization, including any further amendment or changes made thereby, shall be the articles of organization of the limited liability company, but the original effective date of formation shall remain unchanged. 4013  
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**Sec. 1706.17.** (A) A record delivered to the secretary of state for filing pursuant to this chapter shall be signed as provided by this section. 4020  
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(1) A limited liability company's initial articles of organization shall be signed by at least one person. 4023  
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(2) A record signed on behalf of a limited liability company shall be signed by a person authorized by the limited liability company. 4025  
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(3) A record filed on behalf of a dissolved limited liability company that has no members shall be signed by the person winding up the limited liability company's activities under division (A) of section 1706.472 of the Revised Code or a person appointed under division (B) of section 1706.472 of the Revised Code to wind up those activities. 4028  
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(4) A statement of denial by a person under section 1706.20 of the Revised Code shall be signed by that person. 4034  
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(5) Any other record shall be signed by the person on whose behalf the record is delivered to the secretary of state. 4036  
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(B) Any record to be filed under this chapter may be signed by an agent, including an attorney-in-fact. Powers of attorney relating to the signing of the record need not be delivered to the secretary of state. 4038  
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**Sec. 1706.171.** (A) If a person required by this chapter to sign a record or deliver a record to the secretary of state for filing under this chapter does not do so, any other person that is aggrieved by that failure to sign may petition the appropriate court to order any of the following: 4042  
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(1) The person to sign the record; 4047

(2) The person to deliver the record to the secretary of state for filing; 4048  
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(3) The secretary of state to file the record unsigned. 4050

(B) If a petitioner under division (A) of this section is not the limited liability company or foreign limited liability company to whom the record pertains, the petitioner shall make the limited liability company or foreign limited liability company a party to the action. A person aggrieved under division 4051  
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(A) of this section may seek the remedies provided in that 4056  
division in a separate action against the person required to 4057  
sign the record or as a part of any other action concerning the 4058  
limited liability company in which the person required to sign 4059  
the record is made a party. 4060

(C) A record filed unsigned pursuant to this section is 4061  
effective without being signed. 4062

(D) A court may award reasonable expenses, including 4063  
reasonable attorney's fees, to the prevailing party, in whole or 4064  
in part, with respect to any claim made under division (A) of 4065  
this section. 4066

**Sec. 1706.172.** (A) Each record authorized or required to 4067  
be delivered to the secretary of state for filing under this 4068  
chapter shall meet all of the following requirements: 4069

(1) The record shall contain all information required by 4070  
the law of this state to be contained in the record but, unless 4071  
otherwise provided by law, shall not be required to contain 4072  
other information. 4073

(2) The record shall be on or in a medium and in such form 4074  
acceptable to the secretary of state and from which the 4075  
secretary of state may create a record that contains all of the 4076  
information stated in the record. The secretary of state may 4077  
require that the record be delivered by any one or more means or 4078  
on or in any one or more media acceptable to the secretary of 4079  
state. The secretary of state is not required to file a record 4080  
that is not delivered by a means and in a medium that complies 4081  
with the requirements then established by the secretary of state 4082  
for the delivery and filing of records. If the secretary of 4083  
state permits a record to be delivered on paper, the record 4084

shall be typewritten or machine printed, and the secretary of 4085  
state may impose reasonable requirements upon the dimensions, 4086  
legibility, quality, and color of the paper and typewriting or 4087  
printing and upon the format and other attributes of any record 4088  
that is delivered electronically. The secretary of state shall, 4089  
at the earliest practicable time, allow for the delivery of a 4090  
record for filing to be accomplished electronically, without the 4091  
necessity for the delivery of a physical original record or the 4092  
image thereof, if all required information is delivered and is 4093  
readily retrievable from the data delivered. If the delivery of 4094  
a record for filing is required to be accomplished 4095  
electronically, that record shall not be accompanied by any 4096  
physical record unless the secretary of state permits that 4097  
accompaniment. 4098

(3) The record shall be in English. A person's name set 4099  
forth in the record need not be in English if expressed in 4100  
English letters or Arabic or Roman numerals. Records of a 4101  
foreign person need not be in English if accompanied by a 4102  
reasonably authenticated English translation. 4103

(B) Unless the secretary of state determines that a record 4104  
does not comply with the filing requirements of this chapter, 4105  
the secretary of state shall file the record and send a 4106  
certificate and a receipt for the fees to the person who 4107  
submitted the record. 4108

(C) Upon request and payment of the requisite fee, the 4109  
secretary of state shall furnish to the requester a certified 4110  
copy of a requested record. 4111

(D) Except as otherwise provided in division (F) of 4112  
section 1706.09 and section 1706.173 of the Revised Code, a 4113  
record delivered to the secretary of state for filing under this 4114

chapter may specify an effective time and a delayed effective 4115  
date of not more than ninety days following the date of receipt 4116  
by the secretary of state. Subject to division (F) of section 4117  
1706.09 and section 1706.173 of the Revised Code, a record filed 4118  
by the secretary of state is effective as follows: 4119

(1) If the record does not specify an effective time and 4120  
does not specify a delayed effective date, on the date the 4121  
record is filed as evidenced by the secretary of state's 4122  
endorsement of the date on the record; 4123

(2) If the record specifies an effective time but not a 4124  
delayed effective date, on the date the record is filed at the 4125  
time specified in the record; 4126

(3) If the record specifies a delayed effective date but 4127  
not an effective time, at 12:01 a.m. on the earlier of the 4128  
following: 4129

(a) The specified date; 4130

(b) The ninetieth day after the record is filed. 4131

(4) If the record specifies an effective time and a 4132  
delayed effective date, at the specified time on the earlier of 4133  
the following: 4134

(a) The specified date; 4135

(b) The ninetieth day after the record is filed. 4136

**Sec. 1706.173.** (A) A limited liability company or foreign 4137  
limited liability company may deliver to the secretary of state 4138  
for filing a certificate of correction to correct a record 4139  
previously delivered by the limited liability company or foreign 4140  
limited liability company to the secretary of state and filed by 4141  
the secretary of state if at the time of filing the record 4142

contained incorrect or inaccurate information or was defectively 4143  
signed. 4144

(B) A certificate of correction under division (A) of this 4145  
section shall not state a delayed effective date and shall do 4146  
all of the following: 4147

(1) Describe the record to be corrected, including its 4148  
filing date, or attach a copy of the record as filed; 4149

(2) Specify the inaccurate information or the defect in 4150  
the signing; 4151

(3) Correct the incorrect or inaccurate information or 4152  
defective signature. 4153

(C) When filed by the secretary of state, a certificate of 4154  
correction is effective retroactively as of the effective date 4155  
of the record the statement corrects, but the statement is 4156  
effective when filed as to persons that previously relied on the 4157  
uncorrected record and would be adversely affected by the 4158  
correction. 4159

**Sec. 1706.174.** (A) A person who signs a record authorized 4160  
or required to be filed under this chapter thereby affirms under 4161  
penalty for falsification as described in section 2921.13 of the 4162  
Revised Code that the facts stated in the record are true in all 4163  
material respects. 4164

(B) If a record delivered to the secretary of state for 4165  
filing under this chapter and filed by the secretary of state 4166  
contains incorrect or inaccurate information, a person that 4167  
suffers a loss by reasonable reliance on the information may 4168  
recover damages for the loss from a person that signed the 4169  
record, or caused another to sign it on the person's behalf, and 4170  
knew the information to be incorrect or inaccurate at the time 4171

the record was signed. 4172

Sec. 1706.175. (A) The secretary of state, upon request 4173  
and payment of the requisite fee, shall furnish to any person a 4174  
certificate of full force and effect for a limited liability 4175  
company if the records filed in the office of the secretary of 4176  
state show that the limited liability company has been formed 4177  
under the laws of this state. A certificate of full force and 4178  
effect shall state all of the following: 4179

(1) The limited liability company's name; 4180

(2) The limited liability company's date of formation; 4181

(3) That the limited liability company is in full force 4182  
and effect on the records of the secretary of state. 4183

(B) The secretary of state, upon request and payment of 4184  
the requisite fee, shall furnish to any person a certificate of 4185  
registration for a foreign limited liability company if the 4186  
records filed in the office of the secretary of state show that 4187  
the secretary of state has filed a certificate of registration 4188  
for the foreign limited liability company, has not canceled the 4189  
certificate of registration for the foreign limited liability 4190  
company, and has not filed a statement of cancellation of the 4191  
certificate of registration for the foreign limited liability 4192  
company. A certificate of registration shall state both of the 4193  
following: 4194

(1) The foreign limited liability company's name; 4195

(2) That the foreign limited liability company is 4196  
authorized to transact business in this state. 4197

(C) Subject to any qualification stated in the 4198  
certificate, a certificate of existence or certificate of 4199

registration issued by the secretary of state is, for a period 4200  
of thirty days after the date of such certificate, conclusive 4201  
evidence that the limited liability company is in existence or 4202  
the foreign limited liability company is authorized to transact 4203  
business in this state. 4204

**Sec. 1706.18.** No person shall have the power to bind the 4205  
limited liability company, or a series thereof, except: 4206

(A) To the extent the person is authorized to act as the 4207  
agent of the limited liability company or a series thereof under 4208  
or pursuant to the operating agreement; 4209

(B) To the extent the person is authorized to act as the 4210  
agent of the limited liability company or a series thereof 4211  
pursuant to division (A) of section 1706.30 of the Revised Code; 4212

(C) To the extent provided in section 1706.19 of the 4213  
Revised Code; 4214

(D) To the extent provided by law other than this chapter. 4215

**Sec. 1706.19.** (A) A limited liability company, on behalf 4216  
of itself or a series thereof, may deliver to the secretary of 4217  
state for filing on a form prescribed by the secretary of state 4218  
a statement of authority. Such a statement: 4219

(1) Shall include the name and registration number of the 4220  
limited liability company; 4221

(2) May state the authority of a specific person, or, with 4222  
respect to any position that exists in or with respect to the 4223  
limited liability company or series thereof, of all persons 4224  
holding the position, to enter into transactions on behalf of 4225  
the limited liability company or series thereof. 4226

(B) To amend or cancel a statement of authority filed by 4227

the secretary of state, a limited liability company shall, on 4228  
behalf of itself or a series thereof, deliver to the secretary 4229  
of state for filing an amendment or cancellation on a form 4230  
prescribed by the secretary of state stating all of the 4231  
following: 4232

(1) The name and registration number of the limited 4233  
liability company; 4234

(2) The date of filing of the statement of authority to 4235  
which the amendment or cancellation statement pertains; 4236

(3) The contents of the amendment or a declaration that 4237  
the statement to which it pertains is canceled. 4238

(C) An effective statement of authority is conclusive in 4239  
favor of a person that gives value in reliance on the statement, 4240  
except to the extent that when the person gives value the person 4241  
has knowledge to the contrary. 4242

(D) Upon filing, a certificate of dissolution filed 4243  
pursuant to division (B) (1) of section 1706.471 of the Revised 4244  
Code operates as a cancellation, under division (B) of this 4245  
section, of each statement of authority. 4246

(E) After a certificate of dissolution becomes effective, 4247  
a limited liability company may, on behalf of itself or a series 4248  
thereof, deliver to the secretary of state for filing a 4249  
statement of authority that is designated as a post-dissolution 4250  
or post-cancellation statement of authority. 4251

(F) Upon filing, a statement of denial filed pursuant to 4252  
section 1706.20 of the Revised Code operates as an amendment, 4253  
under division (B) of this section, of the statement of 4254  
authority to which the statement of denial pertains. 4255

Sec. 1706.20. A person named in a filed statement of 4256  
authority may deliver to the secretary of state for filing on a 4257  
form prescribed by the secretary of state a statement of denial 4258  
that does both of the following: 4259

(A) States the name and registration number of the limited 4260  
liability company and the date of filing of the statement of 4261  
authority to which the statement of denial pertains; 4262

(B) Denies the person's authority. 4263

Sec. 1706.26. A person who is a member of a limited 4264  
liability company is not liable, solely by reason of being a 4265  
member, for a debt, obligation, or liability of the limited 4266  
liability company or a series thereof, whether arising in 4267  
contract, tort, or otherwise; or for the acts or omissions of 4268  
any other member, agent, or employee of the limited liability 4269  
company or a series thereof. The failure of a limited liability 4270  
company or any of its members to observe any formalities 4271  
relating to the exercise of the limited liability company's 4272  
powers or the management of its activities is not a factor to 4273  
consider in, or a ground for, imposing liability on the members 4274  
for the debts, obligations, or liability of the limited 4275  
liability company. 4276

Sec. 1706.27. (A) In connection with the formation of a 4277  
limited liability company, a person is admitted as a member of 4278  
the limited liability company upon the occurrence of either of 4279  
the following: 4280

(1) If the organizer was authorized by one or more persons 4281  
intending to be members of the limited liability company to file 4282  
the articles of organization on their behalf, the formation of 4283  
the limited liability company; 4284

(2) If the organizer was not authorized by any other person intending to be members of the limited liability company, each organizer shall have the authority of a member of the limited liability company upon the formation of the limited liability company until the admission of the initial member of the limited liability company. 4285  
4286  
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(B) After formation of a limited liability company, a person may be admitted as a member of the limited liability company in any of the following manners: 4291  
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(1) As provided in the operating agreement; 4294

(2) As the result of a transaction effective under sections 1706.71 to 1706.74 of the Revised Code; 4295  
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(3) With the consent of all the members or in the case of a limited liability company having only one member, the consent of the member; 4297  
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(4) If, within ninety consecutive days after the occurrence of the dissociation of the last remaining member, both of the following occur: 4300  
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(a) All holders of the membership interest last assigned by the last person to have been a member consent to the designation of a person to be admitted as a member; 4303  
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4305

(b) The designated person consents to be admitted as a member effective as of the date the last person to have been a member ceased to be a member. 4306  
4307  
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(C) A person may be admitted as a member without acquiring a membership interest and without making or being obligated to make a contribution to the limited liability company. A person may be admitted as the sole member without acquiring a 4309  
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4311  
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membership interest and without making or being obligated to 4313  
make a contribution to the limited liability company. 4314

Sec. 1706.28. A contribution of a member to a limited 4315  
liability company, or a series thereof, may consist of cash, 4316  
property, services rendered, or a promissory note or other 4317  
binding obligation to contribute cash or property or to perform 4318  
services. 4319

Sec. 1706.281. (A) A promise by a member to make a 4320  
contribution to a limited liability company, or a series 4321  
thereof, is not enforceable unless set forth in a writing signed 4322  
by the member. 4323

(B) A member's obligation to make a contribution to a 4324  
limited liability company, or a series thereof, is not excused 4325  
by the member's death, disability, or other inability to perform 4326  
personally. If a member does not make a contribution required by 4327  
an enforceable promise, the member or the member's estate is 4328  
obligated, at the election of the limited liability company, or 4329  
a series thereof, to contribute money equal to the value of the 4330  
portion of the contribution that has not been made. The election 4331  
shall be in addition to, and not in lieu of, any other rights, 4332  
including the right to specific performance, that the limited 4333  
liability company, or a series thereof, may have under the 4334  
operating agreement or applicable law. 4335

(C) (1) The obligation of a member to make a contribution 4336  
to a limited liability company may be compromised only by 4337  
consent of all the members. A conditional obligation of a member 4338  
to make a contribution to a limited liability company may not be 4339  
enforced unless the conditions of the obligation have been 4340  
satisfied or waived as to or by that member. Conditional 4341  
obligations include contributions payable upon a discretionary 4342

call of a limited liability company before the time the call 4343  
occurs. 4344

(2) The obligation of a member associated with a series to 4345  
make a contribution to the series may be compromised only by 4346  
consent of all the members associated with that series. A 4347  
conditional obligation of a member to make a contribution to a 4348  
series may not be enforced unless the conditions of the 4349  
obligation have been satisfied or waived as to or by that 4350  
member. Conditional obligations include contributions payable 4351  
upon a discretionary call of that series before the time the 4352  
call occurs. 4353

(3) Division (C) (1) of this section shall not apply to a 4354  
member's obligation to make a contribution to a series of a 4355  
limited liability company. 4356

**Sec. 1706.29.** (A) (1) All members shall share equally in 4357  
any distributions made by a limited liability company before its 4358  
dissolution and winding up. 4359

(2) A member has a right to a distribution before the 4360  
dissolution and winding up of a limited liability company as 4361  
provided in the operating agreement. A decision to make a 4362  
distribution before the dissolution and winding up of the 4363  
limited liability company is a decision in the ordinary course 4364  
of activities of the limited liability company. A member's 4365  
dissociation does not entitle the dissociated member to a 4366  
distribution. 4367

(3) A member does not have a right to demand and receive a 4368  
distribution from a limited liability company in any form other 4369  
than money. Except as otherwise provided in division (C) of 4370  
section 1706.475 of the Revised Code, a limited liability 4371

company may distribute an asset in kind if each member receives 4372  
a percentage of the asset in proportion to the member's share of 4373  
contributions. 4374

(4) If a member becomes entitled to receive a 4375  
distribution, the member has the status of, and is entitled to 4376  
all remedies available to, a creditor of the limited liability 4377  
company with respect to the distribution. 4378

(B) (1) All members associated with a series shall share 4379  
equally in any distributions made by the series before its 4380  
dissolution and winding up. 4381

(2) A member associated with a series has a right to a 4382  
distribution before the dissolution and winding up of the series 4383  
as provided in the operating agreement. A decision of the series 4384  
to make a distribution before the dissolution and winding up of 4385  
the series is a decision in the ordinary course of activities of 4386  
the series. A member's dissociation from a series with which the 4387  
member is associated does not entitle the dissociated member to 4388  
a distribution from the series. 4389

(3) A member associated with a series does not have a 4390  
right to demand and receive a distribution from the series in 4391  
any form other than money. Except as otherwise provided in 4392  
division (C) of section 1706.7613 of the Revised Code, a series 4393  
may distribute an asset in kind if each member associated with 4394  
the series receives a percentage of the asset in proportion to 4395  
the member's share of distributions from the series. 4396

(4) If a member associated with a series becomes entitled 4397  
to receive a distribution from the series, the member has the 4398  
status of, and is entitled to all remedies available to, a 4399  
creditor of the series with respect to the distribution. 4400

(C) Division (A) of this section does not apply to a 4401  
distribution made by a series. 4402

**Sec. 1706.30.** (A) (1) The activities and affairs of the 4403  
limited liability company shall be under the direction, and 4404  
subject to the oversight, of its members. 4405

(2) The activities and affairs of a series shall be under 4406  
the direction, and subject to the oversight, of the members 4407  
associated with the series. 4408

(3) Division (A) (1) of this section shall not apply to the 4409  
activities and affairs of a series. 4410

(B) (1) Except as provided in division (C) of this section, 4411  
a matter in the ordinary course of activities of the limited 4412  
liability company may be decided by a majority of the members. 4413

(2) Except as provided in division (C) of this section, a 4414  
matter in the ordinary course of activities of a series may be 4415  
decided by a majority of the members associated with the series. 4416

(3) Division (B) (1) of this section shall not apply to 4417  
matters of a series. 4418

(C) (1) The consent of all members is required to do any of 4419  
the following: 4420

(a) Amend the operating agreement; 4421

(b) File a petition of the limited liability company for 4422  
relief under Title 11 of the United States Code, or a successor 4423  
statute of general application, or a comparable federal, state, 4424  
or foreign law governing insolvency; 4425

(c) Undertake any act outside the ordinary course of the 4426  
limited liability company's activities; 4427

(d) Undertake, authorize, or approve any other act or matter for which this chapter requires the consent of all members. 4428  
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(2) The consent of all members associated with a series is required to do either of the following: 4431  
4432

(a) Undertake any act outside the ordinary course of the series' activities; 4433  
4434

(b) Undertake, authorize, or approve any other act or matter for which this chapter requires the consent of all the members associated with a series. 4435  
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(D) Any matter requiring the consent of members may be decided without a meeting, and a member may appoint a proxy or other agent to consent or otherwise act for the member by signing an appointing record, personally or by the member's agent. 4438  
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(E) This chapter does not entitle a member to remuneration for services performed for a limited liability company. 4443  
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**Sec. 1706.31.** (A) Unless either a written operating agreement for the limited liability company or a written agreement with a member establishes additional fiduciary duties, in the event that there have been designated one or more managers to supervise or manage the activities or affairs of the limited liability company, the only obligation a member owes, in the member's capacity as a member, to the limited liability company and the other members is to discharge the member's duties and obligations under this chapter and the operating agreement in accordance with division (E) of this section. Divisions (C) and (D) of this section shall not apply to such a member. 4445  
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(B) Unless either a written operating agreement for the 4457  
limited liability company or a written agreement with a member 4458  
establishes additional fiduciary duties or the duties of the 4459  
member have been modified, waived, or eliminated as contemplated 4460  
by section 1706.08 of the Revised Code, in the event that there 4461  
have not been designated one or more managers to supervise or 4462  
manage the activities of the limited liability company, the only 4463  
fiduciary duties a member owes to the limited liability company 4464  
and the other members is the duty of loyalty and the duty of 4465  
care set forth in divisions (C) and (D) of this section. 4466

(C) A member's duty of loyalty to the limited liability 4467  
company and the other members is limited to the following: 4468

(1) To account to the limited liability company and hold 4469  
for it any property, profit, or benefit derived by the member in 4470  
the conduct and winding up of the limited liability company 4471  
business or derived from a use by the member of limited 4472  
liability company property or from the appropriation of a 4473  
limited liability company opportunity; 4474

(2) To refrain from dealing with the limited liability 4475  
company in the conduct or winding up of the limited liability 4476  
company business as or on behalf of a party having an interest 4477  
adverse to the limited liability company. 4478

(D) A member's duty of care to the limited liability 4479  
company and the other members in the conduct and winding up of 4480  
the limited liability company business is limited to refraining 4481  
from engaging in grossly negligent or reckless conduct, 4482  
intentional misconduct, or a knowing violation of law. 4483

(E) A member shall discharge the member's duties to the 4484  
limited liability company and the other members under this 4485

chapter and under the operating agreement and exercise any 4486  
rights consistent with the implied covenant of good faith and 4487  
fair dealing. 4488

(F) A member does not violate a duty or obligation under 4489  
this chapter or under the operating agreement merely because the 4490  
member's conduct furthers the member's own interest. 4491

(G) All the members of a limited liability company may 4492  
authorize or ratify, after full disclosure of all material 4493  
facts, a specific act or transaction that otherwise would 4494  
violate the duty of loyalty. It is a defense to a claim under 4495  
division (C) (2) of this section and any comparable claim in 4496  
equity or at common law that the transaction was fair to the 4497  
limited liability company. If, as permitted, by this division or 4498  
the limited liability company's operating agreement, a member 4499  
enters into a transaction with a limited liability company that 4500  
otherwise would be prohibited by division (C) (2) of this 4501  
section, the member's rights and obligations arising from the 4502  
transaction are the same as those of a person that is not a 4503  
member. 4504

(H) This section applies to a person winding up the 4505  
limited liability company business as the personal or legal 4506  
representative of the last surviving member as if the person 4507  
were a member. 4508

**Sec. 1706.311.** (A) Unless either a written operating 4509  
agreement for the limited liability company or a written 4510  
agreement with a manager establishes additional fiduciary duties 4511  
or the duties of the manager have been modified, waived, or 4512  
eliminated as contemplated by section 1706.08 of the Revised 4513  
Code, the only fiduciary duties of a manager to the limited 4514  
liability company or its members are the duty of loyalty and the 4515

duty of care set forth in divisions (B) and (C) of this section. 4516

(B) A manager's duty of loyalty to the limited liability company and its members is limited to the following: 4517  
4518

(1) To account to the limited liability company and hold for it any property, profit, or benefit derived by the manager in the conduct and winding up of the limited liability company business or derived from a use by the manager of limited liability company property or from the appropriation of a limited liability company opportunity; 4519  
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(2) To refrain from dealing with the limited liability company in the conduct or winding up of the limited liability company business as or on behalf of a party having an interest adverse to the limited liability company. 4525  
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(C) A manager's duty of care to the limited liability company in the conduct and winding up of the limited liability company activities is limited to acting in good faith, in a manner the manager reasonably believes to be in or not opposed to the best interests of the limited liability company. 4529  
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(D) For purposes of division (C) of this section, both of the following apply: 4534  
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(1) A manager of a limited liability company shall not be determined to have violated the manager's duties under division (C) of this section unless it is proved that the manager has not acted in good faith, in a manner the manager reasonably believes to be in or not opposed to the best interests of the limited liability company. 4536  
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(2) A manager shall not be considered to be acting in good faith if the manager has knowledge concerning the matter in question that would cause reliance on information, opinions, 4542  
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reports, or statements that are prepared or presented by any of 4545  
the persons described in section 1706.331 of the Revised Code to 4546  
be unwarranted. 4547

(E) A manager shall be liable for monetary relief for a 4548  
violation of the manager's duties under division (C) of this 4549  
section only if it is proved that the manager's action or 4550  
failure to act involved an act or omission undertaken with 4551  
deliberate intent to cause injury to the limited liability 4552  
company or undertaken with reckless disregard for the best 4553  
interests of the company. This division does not apply if, and 4554  
only to the extent that, at the time of a manager's act or 4555  
omission that is the subject of complaint, either of the 4556  
following is true: 4557

(1) The articles or the operating agreement of the limited 4558  
liability company state by specific reference to division (E) of 4559  
this section that the provisions of this division do not apply 4560  
to the limited liability company. 4561

(2) A written agreement between the manager and the 4562  
limited liability company states by specific reference to 4563  
division (E) of this section that the provisions of this 4564  
division do not apply to the manager. 4565

(F) All the members of a limited liability company may 4566  
authorize or ratify, after full disclosure of all material 4567  
facts, a specific act or transaction that would otherwise 4568  
violate the duty of loyalty. It is a defense to a claim under 4569  
division (B)(2) of this section and any comparable claim in 4570  
equity or at common law that the transaction was fair to the 4571  
limited liability company. If, as permitted by this division or 4572  
the operating agreement, a manager enters into a transaction 4573  
with the limited liability company that otherwise would be 4574

prohibited by division (B) (2) of this section, the manager's 4575  
rights and obligations arising from the transaction are the same 4576  
as those of a person that is not a manager. 4577

(G) A manager shall discharge the duties to the limited 4578  
liability company and the members under this chapter and under 4579  
the operating agreement and exercise any rights consistently 4580  
with the implied covenant of good faith and fair dealing. 4581

(H) Nothing in this section affects the duties of a 4582  
manager who acts in any capacity other than the manager's 4583  
capacity as a manager. If a manager of a limited liability 4584  
company also is a member of the limited liability company, the 4585  
actions taken in the capacity as a member of the limited 4586  
liability company shall be subject to section 1706.31 of the 4587  
Revised Code. Nothing in this section affects any contractual 4588  
obligations of a manager to the limited liability company. 4589

**Sec. 1706.32.** A limited liability company, or a series 4590  
thereof, may indemnify and hold harmless a member or other 4591  
person, pay in advance or reimburse expenses incurred by a 4592  
member or other person, and purchase and maintain insurance on 4593  
behalf of a member or other person. 4594

**Sec. 1706.33.** (A) Upon reasonable notice provided to the 4595  
limited liability company, a member may inspect and copy during 4596  
regular business hours, at a reasonable location specified by 4597  
the limited liability company, any record maintained by the 4598  
limited liability company, to the extent the information is 4599  
material to the member's rights and duties under the operating 4600  
agreement or this chapter. 4601

(B) A limited liability company may charge a person that 4602  
makes a demand under this section the reasonable costs of labor 4603

and materials for copying. 4604

(C) A member or dissociated member may exercise rights 4605  
under this section through an agent or, in the case of an 4606  
individual under legal disability, a legal representative. Any 4607  
restriction or condition imposed by the operating agreement or 4608  
under division (E) of this section applies both to the agent or 4609  
legal representative and the member or dissociated member. 4610

(D) The rights under this section do not extend to an 4611  
assignee who is not admitted as a member. 4612

(E) In addition to any restriction or condition stated in 4613  
its operating agreement, a limited liability company, as a 4614  
matter within the ordinary course of its activities, may do 4615  
either of the following: 4616

(1) Impose reasonable restrictions and conditions on 4617  
access to and use of information to be furnished under this 4618  
section, including designating information confidential and 4619  
imposing nondisclosure and safeguarding obligations on the 4620  
recipient; 4621

(2) Keep confidential from the members and any other 4622  
persons, for such period of time as the limited liability 4623  
company deems reasonable, any information that the limited 4624  
liability company reasonably believes to be in the nature of 4625  
trade secrets or other information the disclosure of which the 4626  
limited liability company in good faith believes is not in the 4627  
best interest of the limited liability company or could damage 4628  
the limited liability company or its activities, or that the 4629  
limited liability company is required by law or by agreement 4630  
with a third party to keep confidential. 4631

Sec. 1706.331. Each member and agent of a limited 4632

liability company shall be fully protected in relying in good 4633  
faith upon the records of the limited liability company and upon 4634  
information, opinions, reports, or statements presented by 4635  
another member or agent of the limited liability company, or by 4636  
any other person as to matters the member or the agent 4637  
reasonably believes are within that other person's professional 4638  
or expert competence, including information, opinions, reports, 4639  
or statements as to any of the following: 4640

(A) The value and amount of the assets, liabilities, 4641  
profits, or losses of the limited liability company, or a series 4642  
thereof; 4643

(B) The value and amount of assets or reserves or 4644  
contracts, agreements, or other undertakings that would be 4645  
sufficient to pay claims and obligations of the limited 4646  
liability company, or series thereof, or to make reasonable 4647  
provision to pay those claims and obligations; 4648

(C) Any other facts pertinent to the existence and amount 4649  
of assets from which distributions to members or creditors might 4650  
properly be paid. 4651

**Sec. 1706.332.** If a member dies, the deceased member's 4652  
personal representative or other legal representative may, for 4653  
purposes of settling the estate, exercise the rights of a 4654  
current member under section 1706.33 of the Revised Code. 4655

**Sec. 1706.34.** The only interest of a member that is 4656  
assignable is the member's membership interest. A membership 4657  
interest is personal property. 4658

**Sec. 1706.341.** (A) An assignment, in whole or in part, of 4659  
a membership interest: 4660

(1) Is permissible; 4661

(2) (a) Does not by itself cause a member to cease to be a member of the limited liability company; 4662  
4663

(b) Does not by itself cause a member to cease to be associated with a series of the limited liability company. 4664  
4665

(3) Does not by itself cause a dissolution and winding up of the limited liability company, or a series thereof; 4666  
4667

(4) Subject to section 1706.332 of the Revised Code, does not entitle the assignee to do either of the following: 4668  
4669

(a) Participate in the management or conduct of the activities of the limited liability company, or a series thereof; 4670  
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(b) Have access to records or other information concerning the activities of the limited liability company, or a series thereof. 4673  
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(B) An assignee has the right to receive, in accordance with the assignment, distributions to which the assignor would otherwise be entitled. 4676  
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(C) A membership interest may be evidenced by a certificate of membership interest issued by the limited liability company, or a series thereof. An operating agreement may provide for the assignment of the membership interest represented by the certificate and make other provisions with respect to the certificate. 4679  
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(D) A limited liability company, or a series thereof, shall not issue a certificate of membership interest in bearer form. 4685  
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(E) A limited liability company, or a series thereof, need not give effect to an assignee's rights under this section until 4688  
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the limited liability company, or a series thereof, has notice 4690  
of the assignment. 4691

(F) Except as otherwise provided in division (J) of 4692  
section 1706.411 of the Revised Code, when a member assigns a 4693  
membership interest, the assignor retains the rights of a member 4694  
other than the right to distributions assigned and retains all 4695  
duties and obligations of a member. 4696

(G) When a member assigns a membership interest to a 4697  
person that is admitted as a member with respect to the assigned 4698  
interest, the assignee is only liable for the member's 4699  
obligations under section 1706.281 of the Revised Code to the 4700  
extent that the obligations are known to the assignee when the 4701  
assignee voluntarily accepts admission as a member. 4702

**Sec. 1706.342.** (A) On application to a court of competent 4703  
jurisdiction by any judgment creditor of a member or assignee, 4704  
the court may charge the membership interest of the judgment 4705  
debtor with payment of the unsatisfied amount of the judgment 4706  
with interest. To the extent so charged and after the limited 4707  
liability company has been served with the charging order, the 4708  
judgment creditor has only the right to receive any distribution 4709  
or distributions to which the judgment debtor would otherwise be 4710  
entitled in respect of the membership interest. 4711

(B) After the limited liability company is served with a 4712  
charging order, the limited liability company or any member 4713  
shall be entitled to pay to or deposit with the clerk of the 4714  
court so issuing the charging order any distribution or 4715  
distributions to which the judgment debtor would otherwise be 4716  
entitled in respect of the charged membership interest, and the 4717  
payment or deposit shall discharge the limited liability company 4718  
and the judgment debtor from liability for the amount so paid or 4719

deposited and any interest that might accrue thereon. Upon 4720  
receipt of the payment or deposit, the clerk of the court shall 4721  
notify the judgment creditor of the receipt of the payment or 4722  
deposit. The judgment creditor shall, after any payment or 4723  
deposit into the court, petition the court for payment of so 4724  
much of the amount paid or deposited as may be necessary to pay 4725  
the judgment creditor's judgment. To the extent the court has 4726  
excess amounts paid or deposited on hand after the payment to 4727  
the judgment creditor, the excess amounts paid or deposited 4728  
shall be distributed to the judgment debtor, and the charging 4729  
order shall be extinguished. The court may, in its discretion, 4730  
order the clerk to deposit, pending the judgment creditor's 4731  
petition, any money paid or deposited with the clerk, in an 4732  
interest bearing account at a bank authorized to receive 4733  
deposits of public funds. 4734

(C) A charging order constitutes a lien on the judgment 4735  
debtor's membership interest. 4736

(D) Subject to division (C) of this section, both of the 4737  
following apply: 4738

(1) A judgment debtor that is a member retains the rights 4739  
of a member and remains subject to all duties and obligations of 4740  
a member. 4741

(2) A judgment debtor that is an assignee retains the 4742  
rights of an assignee and remains subject to all duties and 4743  
obligations of an assignee. 4744

(E) This chapter does not deprive any member or assignee 4745  
of the benefit of any exemption laws applicable to the member's 4746  
or assignee's membership interest. 4747

(F) This section provides the sole and exclusive remedy by 4748

which a judgment creditor of a member or assignee may satisfy a 4749  
judgment out of the judgment debtor's membership interest, and 4750  
the judgment creditor shall have no right to foreclose, under 4751  
this chapter or any other law, upon the charging order, the 4752  
charging order lien, or the judgment debtor's membership 4753  
interest. A judgment creditor of a member or assignee has no 4754  
right to obtain possession of, or otherwise exercise legal or 4755  
equitable remedies with respect to, the judgment debtor's 4756  
membership interest or the property of a limited liability 4757  
company. Court orders for actions or requests for accounts and 4758  
inquiries that the judgment debtor might have made to the 4759  
limited liability company are not available to a judgment 4760  
creditor attempting to satisfy the judgment out of the judgment 4761  
debtor's membership interest and may not be ordered by a court. 4762

**Sec. 1706.41.** (A) A person shall not voluntarily 4763  
dissociate from a limited liability company. 4764

(B) A person's dissociation from a limited liability 4765  
company is wrongful only if one of the following applies: 4766

(1) The dissociation is in breach of an express provision 4767  
of the operating agreement. 4768

(2) The person is expelled as a member by a determination 4769  
of a tribunal under division (D) of section 1706.411 of the 4770  
Revised Code. 4771

(3) The person is dissociated by becoming a debtor in 4772  
bankruptcy or making a general assignment for the benefit of 4773  
creditors. 4774

(C) A person that wrongfully dissociates as a member is 4775  
liable to the limited liability company and, subject to section 4776  
1706.61 of the Revised Code, to the other members for damages 4777

caused by the dissociation. The liability is in addition to any 4778  
other debt, obligation, or liability of the member to the 4779  
limited liability company or the other members. 4780

**Sec. 1706.411.** A person is dissociated as a member from a 4781  
limited liability company in any of the following circumstances: 4782

(A) An event stated in the operating agreement as causing 4783  
the person's dissociation occurs. 4784

(B) The person is expelled as a member pursuant to the 4785  
operating agreement. 4786

(C) The person is expelled as a member by the unanimous 4787  
consent of the other members if any of the following apply: 4788

(1) It is unlawful to carry on the limited liability 4789  
company's activities with the person as a member. 4790

(2) The person is an entity and, within ninety days after 4791  
the limited liability company notifies the person that it will 4792  
be expelled as a member because the person has filed a statement 4793  
of dissolution or the equivalent, or its right to transact 4794  
business has been suspended by its jurisdiction of formation, 4795  
the statement of dissolution or the equivalent has not been 4796  
revoked or its right to transact business has not been 4797  
reinstated. 4798

(3) The person is an entity and, within ninety days after 4799  
the limited liability company notifies the person that it will 4800  
be expelled as a member because the person has been dissolved 4801  
and its activities are being wound up, the entity has not been 4802  
reinstated or the dissolution and winding up have not been 4803  
revoked or canceled. 4804

(D) On application by the limited liability company, the 4805

person is expelled as a member by tribunal order for any of the 4806  
following reasons: 4807

(1) The person has engaged, or is engaging, in wrongful 4808  
conduct that has adversely and materially affected, or will 4809  
adversely and materially affect, the limited liability company's 4810  
activities. 4811

(2) The person has willfully or persistently committed, or 4812  
is willfully or persistently committing, a material breach of 4813  
the operating agreement or the person's duties or obligations 4814  
under this chapter or other applicable law. 4815

(3) The person has engaged, or is engaging, in conduct 4816  
relating to the limited liability company's activities that 4817  
makes it not reasonably practicable to carry on the activities 4818  
with the person as a member. 4819

(E) In the case of a person who is an individual, the 4820  
person dies, a guardian or general conservator is appointed for 4821  
the person, or a tribunal determines that the person has 4822  
otherwise become incapable of performing the person's duties as 4823  
a member under this chapter or the operating agreement. 4824

(F) The person becomes a debtor in bankruptcy, executes an 4825  
assignment for the benefit of creditors, or seeks, consents, or 4826  
acquiesces to the appointment of a trustee, receiver, or 4827  
liquidator of the person or of all or substantially all of the 4828  
person's property. This division shall not apply to a person who 4829  
is the sole remaining member of a limited liability company. 4830

(G) In the case of a person that is a trust or is acting 4831  
as a member by virtue of being a trustee of a trust, the trust's 4832  
entire membership interest in the limited liability company is 4833  
distributed, but not solely by reason of the substitution of a 4834

successor trustee. 4835

(H) In the case of a person that is an estate or is acting  
as a member by virtue of being a personal representative of an  
estate, the estate's entire membership interest in the limited  
liability company is distributed, but not solely by reason of  
the substitution of a successor personal representative. 4836  
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(I) In the case of a member that is not an individual, the  
legal existence of the person otherwise terminates. 4841  
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(J) There has been an assignment of all of the person's  
membership interest other than an assignment for security  
purposes. 4843  
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**Sec. 1706.412.** (A) A person who has dissociated as a  
member shall have no right to participate as a member in the  
activities and affairs of the limited liability company and is  
entitled only to receive the distributions to which that member  
would have been entitled if the member had not dissociated. 4846  
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(B) Upon a person's dissociation, the member's duty of  
loyalty and duty of care under divisions (C) and (D) of section  
1706.31 of the Revised Code continue only with regard to matters  
arising and events occurring before the member's dissociation,  
unless the member participates in winding up the limited  
liability company's business pursuant to section 1706.472 of the  
Revised Code. 4851  
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(C) A person's dissociation as a member does not of itself  
discharge the person from any debt, obligation, or liability to  
a limited liability company or the other members that the person  
incurred while a member. 4858  
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**Sec. 1706.46.** (A) Except as otherwise provided in this  
division, upon reinstatement of a limited liability company's 4862  
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articles or a foreign limited liability company's registration 4864  
in accordance with section 1706.09 of the Revised Code, the 4865  
rights and privileges, including all real or personal property 4866  
rights and credits and all contract and other rights, of the 4867  
company existing at the time its articles or registration were 4868  
canceled shall be fully vested in the company as if its articles 4869  
or registration had not been canceled, and the company shall 4870  
again be entitled to exercise the rights and privileges 4871  
authorized by its articles. The name of a company whose articles 4872  
have been canceled shall be reserved for a period of one year 4873  
after the date of cancellation. If the reinstatement is not made 4874  
within one year after the date of the cancellation of its 4875  
articles and it appears that a corporate name, limited liability 4876  
company name, limited liability partnership name, limited 4877  
partnership name, trade name, or assumed name has been filed, 4878  
the name of which is not distinguishable upon the record as 4879  
provided in section 1706.07 of the Revised Code, the secretary 4880  
of state shall require the applicant for reinstatement, as a 4881  
condition prerequisite to such reinstatement, to amend its 4882  
articles or registration by changing its name. 4883

(B) Upon reinstatement in accordance with section 1706.09 4884  
of the Revised Code, both of the following apply to the exercise 4885  
of or an attempt to exercise any rights or privileges, including 4886  
entering into or performing any contracts, on behalf of the 4887  
company by an officer, agent, or employee of the company, after 4888  
cancellation and prior to reinstatement of the articles or 4889  
registration: 4890

(1) The exercise of or an attempt to exercise any rights 4891  
or privileges on behalf of the company by the officer, agent, or 4892  
employee of the company has the same force and effect that the 4893  
exercise of or an attempt to exercise the right or privilege 4894

would have had if the company's articles or registration had not 4895  
been canceled, if both of the following apply: 4896

(a) The exercise of or an attempt to exercise the right or 4897  
privilege was within the scope of the company's articles that 4898  
existed prior to cancellation; 4899

(b) The officer, agent, or employee had no knowledge that 4900  
the company's articles or registration had been canceled. 4901

(2) The company is liable exclusively for the exercise of 4902  
or an attempt to exercise any rights or privileges on behalf of 4903  
the company by an officer, agent, or employee of the company, if 4904  
the conditions set forth in divisions (B) (1) (a) and (b) of this 4905  
section are met. 4906

(C) Upon reinstatement of a company's articles or 4907  
registration in accordance with section 1706.09 of the Revised 4908  
Code, the exercise of or an attempt to exercise any rights or 4909  
privileges on behalf of the company by an officer, agent, or 4910  
employee of the company, after cancellation and prior to 4911  
reinstatement of the articles or registration, does not 4912  
constitute a violation of section 1706.09 of the Revised Code, 4913  
if the conditions set forth in divisions (B) (1) (a) and (b) of 4914  
this section are met. 4915

(D) This section is remedial in nature and is to be 4916  
construed liberally to accomplish the purpose of providing full 4917  
reinstatement of a limited liability company's articles of 4918  
organization or a foreign limited liability company's 4919  
registration, in accordance with this section, to the time of 4920  
the cancellation of the articles or registration. 4921

**Sec. 1706.461.** (A) (1) A limited liability company or 4922  
foreign limited liability company may appeal a cancellation 4923

under division (L) of section 1706.09 of the Revised Code within 4924  
thirty days after the effective date of the cancellation. The 4925  
appeal shall be made to one of the following: 4926

(a) The court of common pleas of the county in which the 4927  
street address of the limited liability company or foreign 4928  
limited liability company's principal office is located; 4929

(b) If the limited liability company or foreign limited 4930  
liability company has no principal office in this state, to the 4931  
court of common pleas of the county in which the street address 4932  
of its statutory agent is located; 4933

(c) If the limited liability company or foreign limited 4934  
liability company has no statutory agent, to the Franklin county 4935  
court of common pleas. 4936

(2) The limited liability company or foreign limited 4937  
liability company shall commence its appeal by petitioning the 4938  
appropriate court to set aside the cancellation or to determine 4939  
that the limited liability company or foreign limited liability 4940  
company has cured the grounds for cancellation and attaching to 4941  
the petition copies of those records of the secretary of state 4942  
as may be relevant. 4943

(B) The appropriate court may take, or may summarily order 4944  
the secretary of state to take, whatever action the court 4945  
considers appropriate. 4946

(C) The appropriate court's order or decision may be 4947  
appealed as in any other civil proceeding. 4948

**Sec. 1706.47.** A limited liability company is dissolved, 4949  
and its activities shall be wound up, upon the occurrence of any 4950  
of the following: 4951

(A) An event or circumstance that the operating agreement states causes dissolution; 4952  
4953

(B) The consent of all the members; 4954

(C) A limited liability company with canceled articles has failed to cure the grounds for cancellation for three years or more and any member or person authorized pursuant to section 1706.18 of the Revised Code consents to the dissolution; 4955  
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(D) The passage of ninety consecutive days after the occurrence of the dissociation of the last remaining member; provided that upon dissociation of the last remaining member pursuant to division (E) of section 1706.411 of the Revised Code, the limited liability company shall not be dissolved if either of the following applies: 4959  
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(1) The operating agreement provides for the admission of a substitute member effective prior to the passage of such time period; 4965  
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(2) A substitute member has been admitted, as evidenced by a written record, prior to the passage of such time period, which admission is to be effective as of the date of such dissociation. 4968  
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(E) On application by a member, the entry by the appropriate court of an order dissolving the limited liability company on the grounds that it is not reasonably practicable to carry on the limited liability company's activities in conformity with the operating agreement. 4972  
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**Sec. 1706.471.** (A) A dissolved limited liability company continues its existence as a limited liability company but may not carry on any activities except as is appropriate to wind up and liquidate its activities and affairs. Appropriate activities 4977  
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<u>include all of the following:</u>	4981
<u>(1) Collecting its assets;</u>	4982
<u>(2) Disposing of its properties that will not be</u> <u>distributed in kind to persons owning membership interests;</u>	4983 4984
<u>(3) Discharging or making provisions for discharging its</u> <u>liabilities;</u>	4985 4986
<u>(4) Distributing its remaining property in accordance with</u> <u>section 1706.475 of the Revised Code;</u>	4987 4988
<u>(5) Doing every other act necessary to wind up and</u> <u>liquidate its activities and affairs.</u>	4989 4990
<u>(B) In winding up its activities, a limited liability</u> <u>company may do any of the following:</u>	4991 4992
<u>(1) Deliver to the secretary of state for filing, on a</u> <u>form prescribed by the secretary of state, a certificate of</u> <u>dissolution setting forth all of the following:</u>	4993 4994 4995
<u>(a) The name and registration number of the limited</u> <u>liability company;</u>	4996 4997
<u>(b) That the limited liability company has dissolved;</u>	4998
<u>(c) The effective date of the certificate of dissolution</u> <u>if it is not to be effective upon the filing. Such an effective</u> <u>date shall be a date certain and shall not be a date prior to</u> <u>the date of filing.</u>	4999 5000 5001 5002
<u>(d) A copy of the notice it will publish pursuant to</u> <u>division (A) of section 1706.474 of the Revised Code.</u>	5003 5004
<u>(e) Any other information the limited liability company</u> <u>considers proper.</u>	5005 5006

<u>(2) Preserve the limited liability company's activities</u>	5007
<u>and property as a going concern for a reasonable time;</u>	5008
<u>(3) Prosecute, defend, or settle actions or proceedings</u>	5009
<u>whether civil, criminal, or administrative;</u>	5010
<u>(4) Make an assignment of the limited liability company's</u>	5011
<u>property;</u>	5012
<u>(5) Resolve disputes by mediation or arbitration;</u>	5013
<u>(6) Merge or convert in accordance with sections 1706.71</u>	5014
<u>to 1706.74 of the Revised Code.</u>	5015
<u>(C) A limited liability company's dissolution, in itself:</u>	5016
<u>(1) Is not an assignment of the limited liability</u>	5017
<u>company's property;</u>	5018
<u>(2) Does not prevent the commencement of a proceeding by</u>	5019
<u>or against the limited liability company in its limited</u>	5020
<u>liability company name;</u>	5021
<u>(3) Does not abate or suspend a proceeding pending by or</u>	5022
<u>against the limited liability company on the effective date of</u>	5023
<u>dissolution;</u>	5024
<u>(4) Does not terminate the authority of its statutory</u>	5025
<u>agent;</u>	5026
<u>(5) Does not abate, suspend, or otherwise alter the</u>	5027
<u>application of section 1706.26 of the Revised Code.</u>	5028
<b><u>Sec. 1706.472. (A) Subject to division (C) (5) of section</u></b>	5029
<b><u>1706.471 of the Revised Code, after dissolution, the remaining</u></b>	5030
<b><u>members, if any, and if none, a person appointed by all holders</u></b>	5031
<b><u>of the membership interest last assigned by the last person to</u></b>	5032
<b><u>have been a member, may wind up the limited liability company's</u></b>	5033

activities. 5034

(B) The appropriate tribunal may order supervision of the winding up of a dissolved limited liability company, including the appointment of a person to wind up the limited liability company's activities as follows: 5035  
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(1) On application of a member, if the applicant establishes good cause; 5039  
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(2) On application of an assignee, if both of the following apply: 5041  
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(a) The limited liability company does not have any members; 5043  
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(b) Within a reasonable time following the dissolution, a person has not been appointed pursuant to division (A) of this section. 5045  
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(3) In connection with a proceeding under division (E) of section 1706.47 of the Revised Code. 5048  
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**Sec. 1706.473.** (A) A dissolved limited liability company may dispose of any known claims against it by following the procedures described in division (B) of this section at any time after the effective date of the dissolution of the limited liability company. 5050  
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(B) A dissolved limited liability company may give notice of its dissolution in a record to the holder of any known claim. The notice shall do all of the following: 5055  
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(1) Identify the dissolved limited liability company; 5058

(2) Describe the information required to be included in a claim; 5059  
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(3) Provide a mailing address to which the claim is to be sent; 5061  
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(4) State the deadline, by which the dissolved limited liability company must receive the claim. The deadline shall not be sooner than ninety days from the effective date of the notice. 5063  
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(5) State that if not sooner barred, the claim will be barred if not received by the deadline. 5067  
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(C) Unless sooner barred by any other statute limiting actions, a claim against a dissolved limited liability company is barred in either of the following circumstances: 5069  
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(1) A claimant who was given notice under division (B) of this section does not deliver the claim to the dissolved limited liability company by the deadline. 5072  
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(2) A claimant whose claim was rejected by the dissolved limited liability company does not commence a proceeding to enforce the claim within ninety days from the effective date of the rejected notice. 5075  
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(D) For purposes of this section, "claim" includes an unliquidated claim, but does not include either of the following: 5079  
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(1) A contingent liability that has not matured so that there is no immediate right to bring suit; 5082  
5083

(2) A claim based on an event occurring after the effective date of dissolution. 5084  
5085

(E) Nothing in this section shall be construed to extend any otherwise applicable statute or period of limitations. 5086  
5087

Sec. 1706.474. (A) A dissolved limited liability company 5088  
may publish notice of its dissolution and request that persons 5089  
with claims against the dissolved limited liability company 5090  
present them in accordance with the notice. 5091

(B) The notice described in division (A) of this section 5092  
shall meet all of the following requirements: 5093

(1) It shall be posted prominently on the principal web 5094  
site then maintained by the limited liability company, if any, 5095  
and provided to the secretary of state to be posted on the web 5096  
site maintained by the secretary of state in accordance with 5097  
division (J) of this section. The notice shall be considered 5098  
published when posted on both web sites or, if the limited 5099  
liability company does not then maintain a web site, when posted 5100  
on the web site maintained by the secretary of state. 5101

(2) It shall describe the information that must be 5102  
included in a claim and provide a mailing address to which the 5103  
claim must be sent. 5104

(3) It shall state that if not sooner barred, a claim 5105  
against the dissolved limited liability company will be barred 5106  
unless a proceeding to enforce the claim is commenced within two 5107  
years after the publication of the notice. 5108

(C) If a dissolved limited liability company publishes a 5109  
notice in accordance with division (B) of this section, unless 5110  
sooner barred by any other statute limiting actions, the claim 5111  
of each of the following claimants is barred unless the claimant 5112  
commences a proceeding to enforce the claim against the 5113  
dissolved limited liability company within two years after the 5114  
publication of the notice: 5115

(1) A claimant who was not given notice under division (B) 5116

of section 1706.473 of the Revised Code; 5117

(2) A claimant whose claim was timely sent to the 5118  
dissolved limited liability company but not acted on by the 5119  
dissolved limited liability company; 5120

(3) A claimant whose claim is contingent at the effective 5121  
date of the dissolution of the limited liability company, or is 5122  
based on an event occurring after the effective date of the 5123  
dissolution of the limited liability company. 5124

(D) A claim that is not barred under this section, any 5125  
other statute limiting actions, or section 1706.473 of the 5126  
Revised Code may be enforced as follows: 5127

(1) Against a dissolved limited liability company, to the 5128  
extent of its undistributed assets; 5129

(2) Except as provided in division (H) of this section, if 5130  
the assets of a dissolved limited liability company have been 5131  
distributed after dissolution, against a member or assignee to 5132  
the extent of that person's proportionate share of the claim or 5133  
of the assets distributed to the member or assignee after 5134  
dissolution, whichever is less. A person's total liability for 5135  
all claims under division (D) of this section may not exceed the 5136  
total amount of assets distributed to the person after 5137  
dissolution of the limited liability company. 5138

(E) A dissolved limited liability company that published a 5139  
notice under this section may file an application with the 5140  
appropriate court in the county in which the dissolved limited 5141  
liability company's principal office is located or, if it has 5142  
none in this state, in the county in which the dissolved limited 5143  
liability company's statutory agent is or was last located, for 5144  
a determination of the amount and form of security to be 5145

<u>provided for payment of the following claims:</u>	5146
<u>(1) Claims that are contingent;</u>	5147
<u>(2) Claims that have not been made known to the dissolved limited liability company;</u>	5148 5149
<u>(3) Claims that are based on an event occurring after the effective date of the dissolution of the limited liability company but that, based on the facts known to the dissolved limited liability company, are reasonably estimated to arise after the effective date of the dissolution of the limited liability company.</u>	5150 5151 5152 5153 5154 5155
<u>Provision need not be made for any claim that is or is reasonably anticipated to be barred under division (C) of this section.</u>	5156 5157 5158
<u>(F) Within ten days after the filing of the application provided for in division (E) of this section, notice of the proceeding shall be given by the dissolved limited liability company to each potential claimant as described in division (E) of this section.</u>	5159 5160 5161 5162 5163
<u>(G) The appropriate court may appoint a guardian ad litem to represent all claimants whose identities are unknown in any proceeding brought under this section. The reasonable fees and expenses of the guardian, including all reasonable expert witness fees, shall be paid by the dissolved limited liability company.</u>	5164 5165 5166 5167 5168 5169
<u>(H) Provision by the dissolved limited liability company for security in the amount and the form ordered by the appropriate court under division (E) of this section shall satisfy the dissolved limited liability company's obligation with respect to claims that are contingent, have not been made</u>	5170 5171 5172 5173 5174

known to the dissolved limited liability company, or are based 5175  
on an event occurring after the effective date of the 5176  
dissolution of the limited liability company. Such claims shall 5177  
not be enforced against a person owning a membership interest to 5178  
whom assets have been distributed by the dissolved limited 5179  
liability company after the effective date of the dissolution of 5180  
the limited liability company. 5181

(I) Nothing in this section shall be construed to extend 5182  
any otherwise applicable statute of limitations. 5183

(J) (1) Except as provided in division (J) (2) of this 5184  
section, the secretary of state shall make both of the following 5185  
available to the public in a format that is searchable, 5186  
viewable, and accessible through the internet: 5187

(a) A list of all limited liability companies that have 5188  
filed certificates of dissolution; 5189

(b) For each dissolved limited liability company on the 5190  
list described in division (J) (1) (a) of this section, a copy of 5191  
both the certificate of dissolution and the notice delivered 5192  
under division (B) of this section. 5193

(2) After the materials relating to any dissolved limited 5194  
liability company have been posted for five years, the secretary 5195  
of state may remove from the web site the information that the 5196  
secretary posted pursuant to division (J) (1) of this section 5197  
that relates to that dissolved company. 5198

**Sec. 1706.475.** (A) Upon the winding up of a limited 5199  
liability company, payment or adequate provision for payment, 5200  
shall be made to creditors, including members who are creditors, 5201  
in satisfaction of liabilities of the limited liability company. 5202

(B) After a limited liability company complies with 5203

division (A) of this section, any surplus shall be distributed 5204  
as follows: 5205

(1) First, to each person owning a membership interest 5206  
that reflects contributions made on account of the membership 5207  
interest and not previously returned, an amount equal to the 5208  
value of the person's unreturned contributions; 5209

(2) Then to each person owning a membership interest in 5210  
the proportions in which the owners of membership interests 5211  
share in distributions before dissolution. 5212

(C) If the limited liability company does not have 5213  
sufficient surplus to comply with division (B)(1) of this 5214  
section, any surplus shall be distributed among the owners of 5215  
membership interests in proportion to the value of their 5216  
respective unreturned contributions. 5217

**Sec. 1706.51.** (A) The law of the state or other 5218  
jurisdiction under which a foreign limited liability company is 5219  
formed governs all of the following: 5220

(1) The organization and internal affairs of the foreign 5221  
limited liability company; 5222

(2) The liability of a member as a member for the debts, 5223  
obligations, or other liabilities of the foreign limited 5224  
liability company or a series thereof; 5225

(3) The authority of the members and agents of a foreign 5226  
limited liability company or a series thereof; 5227

(4) The liability of the following for the obligations of 5228  
another series or the foreign limited liability company: 5229

(a) The assets of the foreign limited liability company; 5230

<u>(b) The assets of a series thereof.</u>	5231
<u>(B) A foreign limited liability company's application for registration as a foreign limited liability company may not be denied by reason of any difference between the laws of the jurisdiction under which the limited liability company is formed and the laws of this state.</u>	5232 5233 5234 5235 5236
<u>(C) A foreign limited liability company, including a foreign limited liability company that has filed a registration as a foreign limited liability company, may not engage in any activities in this state that a limited liability company is forbidden to engage in by the laws of this state.</u>	5237 5238 5239 5240 5241
<u>(D) A foreign limited liability company that has filed a registration as a foreign limited liability company shall in this state:</u>	5242 5243 5244
<u>(1) Have the same but no greater rights than a limited liability company;</u>	5245 5246
<u>(2) Have the same but no greater privileges than a limited liability company;</u>	5247 5248
<u>(3) Except as otherwise provided by this chapter, be subject to the same duties, restrictions, penalties, and liabilities now or later imposed on a limited liability company.</u>	5249 5250 5251
<b>Sec. 1706.511.</b> <u>(A) In order for a foreign limited liability company or any one or more of its series to transact business in this state, the foreign limited liability company shall register with the secretary of state. Neither a foreign limited liability company nor any one or more of its series may transact business in this state until the registration has been approved by the secretary of state and the foreign limited liability company or series is otherwise in compliance with</u>	5252 5253 5254 5255 5256 5257 5258 5259

<u>sections 1706.51 to 1706.515 of the Revised Code.</u>	5260
<u>(B) The registration as a foreign limited liability</u>	5261
<u>company shall state all of the following:</u>	5262
<u>(1) The name of the foreign limited liability company and,</u>	5263
<u>if the name does not comply with section 1706.07 of the Revised</u>	5264
<u>Code, the assumed name adopted pursuant to division (A) of</u>	5265
<u>section 1706.513 of the Revised Code;</u>	5266
<u>(2) The foreign limited liability company's jurisdiction</u>	5267
<u>of formation;</u>	5268
<u>(3) The name and street address of the foreign limited</u>	5269
<u>liability company's statutory agent and a written acceptance of</u>	5270
<u>the appointment that is signed by the agent;</u>	5271
<u>(4) That the foreign limited liability company is a</u>	5272
<u>foreign limited liability company;</u>	5273
<u>(5) The information required by division (C) of this</u>	5274
<u>section, if applicable.</u>	5275
<u>(C) If a foreign limited liability company establishes or</u>	5276
<u>provides for the establishment of one or more series of assets,</u>	5277
<u>it shall state all of the following in the registration as a</u>	5278
<u>foreign limited liability company:</u>	5279
<u>(1) The fact that it provides for the establishment of one</u>	5280
<u>or more series of assets;</u>	5281
<u>(2) Whether the debts, liabilities, and obligations</u>	5282
<u>incurred, contracted for, or otherwise existing with respect to</u>	5283
<u>a particular series, if any, shall be enforceable against the</u>	5284
<u>assets of that series only, and not against the assets of the</u>	5285
<u>foreign limited liability company generally or any other series</u>	5286
<u>thereof;</u>	5287

(3) Whether any of the debts, liabilities, obligations, 5288  
and expenses incurred, contracted for, or otherwise existing 5289  
with respect to the foreign limited liability company generally 5290  
or any other series thereof shall be enforceable against the 5291  
assets of that series. 5292

(D) Upon any change in circumstances that makes any 5293  
statement contained in its filed registration as a foreign 5294  
limited liability company no longer true, a foreign limited 5295  
liability company authorized to transact business in this state 5296  
shall deliver to the secretary of state for filing an 5297  
appropriate certificate of correction, on a form as prescribed 5298  
by the secretary of state, so that its statement of foreign 5299  
qualification is in all respects true. 5300

(E) A foreign limited liability company is authorized to 5301  
transact business in this state from the effective date of its 5302  
registration as a foreign limited liability company until the 5303  
earlier of the effective date of its cancellation of foreign 5304  
limited liability company or the effective date of the secretary 5305  
of state's cancellation of the registration as a foreign limited 5306  
liability company in accordance with section 1706.09 of the 5307  
Revised Code. 5308

**Sec. 1706.512.** (A) A foreign limited liability company 5309  
shall not be considered to be transacting business in this state 5310  
within the meaning of sections 1706.51 to 1706.515 of the 5311  
Revised Code by reason of its or any one or more of its series' 5312  
carrying on in this state any of the following actions: 5313

(1) Maintaining, defending, or settling in its own behalf 5314  
any proceeding or dispute; 5315

(2) Holding meetings or carrying on any other activities 5316

<u>concerning its internal affairs;</u>	5317
<u>(3) Maintaining accounts in financial institutions;</u>	5318
<u>(4) Maintaining offices or agencies for the assignment,</u>	5319
<u>exchange, and registration of the foreign limited liability</u>	5320
<u>company's or its series' own securities or interests or</u>	5321
<u>maintaining trustees or depositories with respect to those</u>	5322
<u>securities or interests;</u>	5323
<u>(5) Selling through independent contractors;</u>	5324
<u>(6) Soliciting or obtaining orders, whether by mail or</u>	5325
<u>electronic means or through employees or agents or otherwise, if</u>	5326
<u>the orders require acceptance outside this state before they</u>	5327
<u>become contracts;</u>	5328
<u>(7) Creating, as borrower or lender, or acquiring</u>	5329
<u>indebtedness, mortgages, or security interests in real or</u>	5330
<u>personal property;</u>	5331
<u>(8) Securing or collecting debts in its own behalf or</u>	5332
<u>enforcing mortgages or other security interests in real or</u>	5333
<u>personal property securing those debts, and holding, protecting,</u>	5334
<u>and maintaining property so acquired;</u>	5335
<u>(9) Owning real or personal property;</u>	5336
<u>(10) Conducting an isolated transaction that is not one in</u>	5337
<u>the course of repeated transactions of a like nature;</u>	5338
<u>(11) Transacting business in interstate commerce.</u>	5339
<u>(B) A foreign limited liability company shall not be</u>	5340
<u>considered to be transacting business in this state solely</u>	5341
<u>because it or any one or more of its series:</u>	5342
<u>(1) Owns a controlling interest in an entity that is</u>	5343

transacting business in this state; 5344

(2) Is a limited partner of a limited partnership or 5345  
foreign limited partnership that is transacting business in this 5346  
state; 5347

(3) Is a member of a limited liability company or foreign 5348  
limited liability company that is transacting business in this 5349  
state. 5350

(C) This section does not apply in determining the 5351  
contacts or activities that may subject a foreign limited 5352  
liability company, or a series thereof, to service of process, 5353  
taxation, or regulation under laws of this state other than this 5354  
chapter. 5355

(D) Nothing in this section shall limit or affect the 5356  
right to subject a foreign limited liability company, or a 5357  
series thereof, to the jurisdiction of the courts of this state 5358  
or to serve upon any foreign limited liability company, or 5359  
series thereof, any process, notice, or demand required or 5360  
permitted by law to be served upon a foreign limited liability 5361  
company, or series thereof, pursuant to any other provision of 5362  
law or pursuant to the applicable rules of civil procedure. 5363

**Sec. 1706.513.** (A) A foreign limited liability company 5364  
whose name does not comply with section 1706.07 of the Revised 5365  
Code may not file a registration as a foreign limited liability 5366  
company until it adopts, for the purpose of transacting business 5367  
in this state, an assumed name that complies with section 5368  
1706.07 of the Revised Code. A foreign limited liability company 5369  
that adopts an assumed name under this division and then files a 5370  
registration as a foreign limited liability company under that 5371  
assumed name need not file a name registration when transacting 5372

business under that assumed name. After filing the registration 5373  
as a foreign limited liability company under an assumed name, a 5374  
foreign limited liability company shall transact business in 5375  
this state under the assumed name unless the foreign limited 5376  
liability company has filed a name registration under another 5377  
name and is authorized to transact business in this state under 5378  
such name. 5379

(B) If a foreign limited liability company to which a 5380  
registration as a foreign limited liability company has been 5381  
filed changes its name to one that does not comply with section 5382  
1706.07 of the Revised Code, it may not thereafter transact 5383  
business in this state until it complies with division (A) of 5384  
this section by filing a certificate of correction. 5385

**Sec. 1706.514.** (A) A foreign limited liability company 5386  
that has a registration as a foreign limited liability company 5387  
in the records of the secretary of state may cancel its 5388  
registration as a limited liability company by delivering for 5389  
filing a certificate of cancellation of registration of a 5390  
foreign limited liability company to the secretary of state. 5391

(B) A certificate of cancellation of registration of a 5392  
foreign limited liability company shall set forth all of the 5393  
following: 5394

(1) The name and registration number of the foreign 5395  
limited liability company, any assumed name adopted for use in 5396  
this state, and the name of the jurisdiction under whose law it 5397  
is organized; 5398

(2) The name and street address of the statutory agent, or 5399  
if a statutory agent is no longer to be maintained, a statement 5400  
that the foreign limited liability company will not maintain a 5401

statutory agent, and the street address to which service of 5402  
process may be mailed pursuant to section 1706.09 of the Revised 5403  
Code; 5404

(3) That the foreign limited liability company, and all 5405  
series thereof, will no longer transact business in this state 5406  
and that it relinquishes its authority to transact business in 5407  
this state; 5408

(4) That the foreign limited liability company is 5409  
canceling its registration as a foreign limited liability 5410  
company; 5411

(5) That any statement of assumed name it has on file in 5412  
the records of the secretary of state and any assumed name with 5413  
respect to the foreign limited liability company, are withdrawn 5414  
upon the effective date of the cancellation of registration of a 5415  
foreign limited liability company. 5416

(C) The cancellation of registration of a foreign limited 5417  
liability company shall be effective upon filing by the 5418  
secretary of state, whereupon the registration as a foreign 5419  
limited liability company shall be canceled and the foreign 5420  
limited liability company, and all series thereof, shall be 5421  
without authority to transact business in this state. 5422

(D) Cancellation of a registration as a foreign limited 5423  
liability company shall not terminate the authority of any 5424  
statutory agent appointed by the foreign limited liability 5425  
company. 5426

**Sec. 1706.515.** (A) No foreign limited liability company, 5427  
or a series thereof, transacting business in this state, nor 5428  
anyone on its behalf, shall be permitted to maintain a 5429  
proceeding in any court in this state for the collection of its 5430

debts unless an effective registration as a limited liability 5431  
company for the foreign limited liability company is on file in 5432  
the records of the secretary of state. 5433

(B) A court may stay a proceeding commenced by a foreign 5434  
limited liability company, or series thereof, until it 5435  
determines whether the foreign limited liability company should 5436  
have a registration as a limited liability company on file in 5437  
the records of the secretary of state. If the court determines 5438  
that the foreign limited liability company should have a 5439  
registration as a limited liability company on file in the 5440  
records of the secretary of state, the court may further stay 5441  
the proceeding until there is an effective registration as a 5442  
limited liability company on file in the records of the 5443  
secretary of state with respect to the foreign limited liability 5444  
company. If a court determines that a foreign limited liability 5445  
company should have a registration as a limited liability 5446  
company on file in the records of the secretary of state, and 5447  
the foreign limited liability company subsequently delivers for 5448  
filing to the secretary of state a registration as a limited 5449  
liability company, no proceeding in any court in this state to 5450  
which the foreign limited liability company, or a series 5451  
thereof, is a party shall, after the effective date of the 5452  
registration as a foreign limited liability company, be 5453  
dismissed by reason of the foreign limited liability company's 5454  
prior noncompliance with section 1706.511 of the Revised Code. 5455

(C) If a foreign limited liability company, or a series 5456  
thereof, conducts activities in this state without having on 5457  
file in the records of the secretary of state a registration as 5458  
a foreign limited liability company, the foreign limited 5459  
liability company shall be liable to this state for an amount 5460  
equal to the fee as prescribed by the secretary of state from 5461

time to time. 5462

No registration as a foreign limited liability company 5463  
shall be filed until payment of the amounts due under this 5464  
division is made. 5465

(D) The amounts due to this state under division (C) of 5466  
this section may be recovered in an action brought by the 5467  
attorney general. Upon a finding by the court that a foreign 5468  
limited liability company, or series thereof, has conducted 5469  
activities in this state in violation of sections 1706.51 to 5470  
1706.515 of the Revised Code, the court may issue, in addition 5471  
to or in lieu of the imposition of a civil penalty, an 5472  
injunction restraining the further conducting of activities by 5473  
the foreign limited liability company and all of its series, and 5474  
the further exercise of any rights and privileges of a foreign 5475  
limited liability company in this state until all amounts plus 5476  
any interest and court costs that the court may assess have been 5477  
paid, and until the foreign limited liability company has 5478  
otherwise complied with sections 1706.51 to 1706.515 of the 5479  
Revised Code. 5480

(E) Notwithstanding divisions (A) and (B) of this section, 5481  
the conducting of activities in this state by a foreign limited 5482  
liability company, or a series thereof, without having a 5483  
registration as a foreign limited liability company on file in 5484  
the records of the secretary of state does not impair the 5485  
validity of the acts of the foreign limited liability company, 5486  
or a series thereof, or prevent the foreign limited liability 5487  
company, or a series thereof, from defending any proceeding in 5488  
this state. 5489

(F) Neither a member nor agent of a foreign limited 5490  
liability company nor a member associated with a series or agent 5491

of a series, is liable for the debts, obligations, or other 5492  
liabilities of the foreign limited liability company, or a 5493  
series thereof, solely because the foreign limited liability 5494  
company, or a series thereof, conducted activities in this state 5495  
without a registration as a foreign limited liability company 5496  
being on file in the records of the secretary of state. 5497

**Sec. 1706.61.** (A) A member may commence or maintain a 5498  
derivative action in the right of a limited liability company to 5499  
recover a judgment in favor of the limited liability company by 5500  
complying with sections 1706.61 to 1706.617 of the Revised Code. 5501

(B) A member associated with a series of a limited 5502  
liability company may commence or maintain a derivative action 5503  
in the right of the series to recover a judgment in favor of the 5504  
series by complying with sections 1706.61 to 1706.617 of the 5505  
Revised Code. 5506

**Sec. 1706.611.** (A) A member may commence or maintain a 5507  
derivative action in the right of the limited liability company 5508  
only if the member meets both of the following conditions: 5509

(1) The member fairly and adequately represents the 5510  
interests of the limited liability company in enforcing the 5511  
right of the limited liability company. 5512

(2) The member either: 5513

(a) Was a member of the limited liability company at the 5514  
time of the act or omission of which the member complains; 5515

(b) Acquired a membership interest through assignment by 5516  
operation of law from a person who was a member at the time of 5517  
the act or omission of which the member complains. 5518

(B) A member associated with a series of a limited 5519

liability company may commence or maintain a derivative action 5520  
in the right of the series only if the member meets both of the 5521  
following conditions: 5522

(1) The member fairly and adequately represents the 5523  
interests of the series in enforcing the right of the series. 5524

(2) The member either: 5525

(a) Was associated with the series at the time of the act 5526  
or omission of which the member complains; 5527

(b) Acquired a membership interest through assignment by 5528  
operation of law from a person who was a member associated with 5529  
the series at the time of the act or omission of which the 5530  
member complains. 5531

**Sec. 1706.612.** A member may not commence a derivative 5532  
action in the right of the limited liability company, or a 5533  
series thereof, until both of the following occur: 5534

(A) A written demand has been made upon the limited 5535  
liability company or the series to take suitable action. 5536

(B) Ninety days have expired from the date the demand was 5537  
made unless either of the following applies: 5538

(1) The member has earlier been notified that the demand 5539  
has been rejected by the limited liability company or the 5540  
series; 5541

(2) Irreparable injury to the limited liability company or 5542  
the series would result by waiting for the expiration of the 5543  
ninety-day period. 5544

**Sec. 1706.613.** For the purpose of allowing the limited 5545  
liability company or the series thereof time to undertake an 5546

inquiry into the allegations made in the demand or complaint 5547  
commenced pursuant to sections 1706.61 to 1706.617 of the 5548  
Revised Code, the court may stay any derivative action for the 5549  
period the court deems appropriate. 5550

**Sec. 1706.614.** (A) (1) A derivative action in the right of 5551  
a limited liability company shall be dismissed by the court on 5552  
motion by the limited liability company if one of the groups 5553  
specified in division (A) (2) of this section has determined in 5554  
good faith, after conducting a reasonable inquiry upon which its 5555  
conclusions are based, that the maintenance of the derivative 5556  
action is not in the best interests of the limited liability 5557  
company. 5558

(2) Subject to the requirements of division (A) (3) of this 5559  
section, the determination of whether the maintenance of a 5560  
derivative action in the right of a limited liability company is 5561  
in the best interests of the limited liability company shall be 5562  
made by a majority vote of either of the following: 5563

(a) The independent members of the limited liability 5564  
company; 5565

(b) The committee members of a committee consisting of 5566  
independent members appointed by a majority of the independent 5567  
members. 5568

(3) If the determination is not made pursuant to division 5569  
(A) (1) of this section, the determination shall be made by the 5570  
person, or, in the case of more than one person, by a majority 5571  
of the persons, sitting upon a panel of one or more persons 5572  
appointed by a court upon motion filed with the court by the 5573  
limited liability company for those purposes. 5574

(B) (1) A derivative action in the right of a series of a 5575

limited liability company shall be dismissed on motion by the 5576  
series if one of the groups specified in division (B) (2) of this 5577  
section has determined in good faith, after conducting a 5578  
reasonable inquiry upon which its conclusions are based that the 5579  
maintenance of the derivative action is not in the best 5580  
interests of the series. 5581

(2) Subject to the requirements of division (B) (3) of this 5582  
section, the determination whether the maintenance of a 5583  
derivative action on behalf of a series of a limited liability 5584  
company is in the best interests of the series shall be made by 5585  
a majority vote of either of the following: 5586

(a) The independent members associated with the series; 5587

(b) The committee members of a committee consisting of 5588  
independent members associated with the series appointed by a 5589  
majority of the independent members associated with the series. 5590

(3) If the determination is not made pursuant to division 5591  
(B) (1) of this section, the determination shall be made by the 5592  
person, or, in the case of more than one person, by a majority 5593  
of the persons, sitting upon a panel of one or more persons 5594  
appointed by a court upon motion filed with the court by the 5595  
series for those purposes. 5596

(C) The court shall appoint only independent persons to 5597  
the panel described in divisions (A) (3) and (B) (3) of this 5598  
section. 5599

(D) The presence of one or more of the following 5600  
circumstances, without more, shall not prevent a person from 5601  
being considered independent for purposes of this section: 5602

(1) The naming of the person as a defendant in the 5603  
derivative action or as a person against whom action is 5604

demanded; 5605

(2) The approval by that person of the act being 5606  
challenged in the derivative action or demand where the act did 5607  
not result in personal benefit to that person; 5608

(3) The making of the demand pursuant to section 1706.612 5609  
of the Revised Code or the commencement of the derivative action 5610  
pursuant to sections 1706.61 to 1706.617 of the Revised Code. 5611

(E) Subject to section 1706.615 of the Revised Code, a 5612  
panel appointed by the court pursuant to division (A) (3) or (B) 5613  
(3) of this section shall have the authority to continue, 5614  
settle, or discontinue the derivative proceeding as the court 5615  
may confer upon the panel. 5616

(F) The plaintiff in the derivative action shall have the 5617  
burden of proving that any of the requirements of division (A) 5618  
or (B) of this section have not been met. 5619

**Sec. 1706.615.** A derivative action may not be discontinued 5620  
or settled without the court's approval. If the court determines 5621  
that a proposed discontinuance or settlement will substantially 5622  
affect the interests of members of the limited liability 5623  
company, or the interests of members associated with a series of 5624  
the limited liability company, the court shall direct that 5625  
notice be given to the members affected. 5626

**Sec. 1706.616.** On termination of the derivative action the 5627  
court may do any of the following: 5628

(A) Order the limited liability company to pay the 5629  
plaintiff's reasonable expenses, including attorney fees, 5630  
incurred by the plaintiff in the derivative action if the court 5631  
finds that the derivative action has resulted in a substantial 5632  
benefit to the limited liability company; 5633

(B) Order a series to pay the plaintiff's reasonable 5634  
expenses, including attorney fees, incurred by the plaintiff in 5635  
the derivative action if the court finds that the derivative 5636  
action has resulted in a substantial benefit to the series; 5637

(C) Order the plaintiff to pay any defendant's reasonable 5638  
expenses, including attorney fees, incurred by the defendant in 5639  
defending the derivative action if it finds that the derivative 5640  
action was commenced or maintained without reasonable cause or 5641  
for an improper purpose; 5642

(D) Order a party to pay an opposing party's expenses 5643  
incurred because of the filing of a pleading, motion, or other 5644  
paper, if it finds both of the following: 5645

(1) That the pleading, motion, or other paper was not well 5646  
grounded in fact, after reasonable inquiry, or not warranted by 5647  
existing law or a good faith argument for the extension, 5648  
modification, or reversal of existing law. 5649

(2) That the pleading, motion, or other paper was 5650  
interposed for an improper purpose, such as to harass or cause 5651  
unnecessary delay or needless increase in the cost of 5652  
litigation. 5653

**Sec. 1706.617.** In any derivative action in the right of a 5654  
foreign limited liability company, or a series thereof, the 5655  
right of a person to commence or maintain a derivative action in 5656  
the right of a foreign limited liability company, or a series 5657  
thereof, and any matters raised in the action covered by 5658  
sections 1706.61 to 1706.616 of the Revised Code shall be 5659  
governed by the law of the jurisdiction under which the foreign 5660  
limited liability company was formed; except that any matters 5661  
raised in the action covered by sections 1706.613, 1706.615, and 5662

1706.616 of the Revised Code shall be governed by the law of 5663  
this state. 5664

**Sec. 1706.62.** (A) Subject to division (B) of this section, 5665  
a member may maintain a direct action against another member or 5666  
members or the limited liability company, or a series thereof, 5667  
to enforce the member's rights and otherwise protect the 5668  
member's interests, including rights and interests under the 5669  
operating agreement or this chapter or arising independently of 5670  
the membership relationship. 5671

(B) A member maintaining a direct action under division 5672  
(A) of this section must plead and prove an actual or threatened 5673  
injury that is not solely the result of an injury suffered or 5674  
threatened to be suffered by the limited liability company, or 5675  
series thereof. 5676

(C) (1) A member may maintain a direct action to enforce a 5677  
right of a limited liability company if all members at the time 5678  
of suit are parties to the action. 5679

(2) A member associated with a series may maintain a 5680  
direct action to enforce a right of the series if all members 5681  
associated with the series at the time of suit are parties to 5682  
the action. 5683

**Sec. 1706.71.** (A) A limited liability company may merge 5684  
with one or more other constituent entities pursuant to sections 5685  
1706.71 to 1706.713 of the Revised Code and to an agreement of 5686  
merger if all of the following conditions are met: 5687

(1) The governing statute of each of the other entities 5688  
authorizes the merger. 5689

(2) The merger is not prohibited by the law of a 5690  
jurisdiction that enacted any of the governing statutes. 5691

(3) Each of the other entities complies with its governing statute in effecting the merger. 5692  
5693

(B) An agreement of merger shall be in a record and shall include all of the following: 5694  
5695

(1) The name and form of each constituent entity; 5696

(2) The name and form of the surviving entity and, if the surviving entity is to be created pursuant to the merger, a statement to that effect; 5697  
5698  
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(3) The terms and conditions of the merger, including the manner and basis for converting the interests in each constituent entity into any combination of money, interests in the surviving entity, and other consideration as permitted under division (C) of this section; 5700  
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(4) If the surviving entity is to be created pursuant to the merger, the surviving entity's organizational documents that are proposed to be in a record; 5705  
5706  
5707

(5) If the surviving entity is not to be created pursuant to the merger, any amendments to be made by the merger to the surviving entity's organizational documents that are, or are proposed to be, in a record. 5708  
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(C) In connection with a merger, rights or securities of or interests in the constituent entity may be any of the following: 5712  
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(1) Exchanged for or converted into cash, property, or rights or securities of or interests in the surviving entity; 5715  
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(2) In addition to or in lieu of division (C) (1) of this section, exchanged for or converted into cash, property, or rights or securities of or interests in another entity; 5717  
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<u>(3) Canceled.</u>	5720
<u>Sec. 1706.711. (A) To be effective, an agreement of merger shall be consented to by all the members of a constituent limited liability company.</u>	5721 5722 5723
<u>(B) After the agreement of merger is approved, and at any time before a certificate of merger is delivered to the secretary of state for filing under section 1706.712 of the Revised Code, a constituent limited liability company may amend the agreement or abandon the merger:</u>	5724 5725 5726 5727 5728
<u>(1) As provided in the agreement; or</u>	5729
<u>(2) Except as otherwise prohibited in the agreement, with the same consent as was required to approve the agreement.</u>	5730 5731
<u>Sec. 1706.712. (A) After each constituent entity has approved the agreement of merger, a certificate of merger shall be signed on behalf of both of the following:</u>	5732 5733 5734
<u>(1) Each constituent limited liability company, as provided in division (A) of section 1706.17 of the Revised Code;</u>	5735 5736
<u>(2) Each other constituent entity, as provided in its governing statute.</u>	5737 5738
<u>(B) A certificate of merger under this section shall include all of the following:</u>	5739 5740
<u>(1) The name and form of each constituent entity, the jurisdiction of its governing statute, and its registration number, if any, as it appears on the records of the secretary of state;</u>	5741 5742 5743 5744
<u>(2) The name and form of the surviving entity, the jurisdiction of its governing statute, and, if the surviving</u>	5745 5746

entity is created pursuant to the merger, a statement to that effect; 5747  
5748

(3) The date the merger is effective under the governing statute of the surviving entity; 5749  
5750

(4) If the surviving entity is to be created pursuant to the merger: 5751  
5752

(a) If it will be a limited liability company, the limited liability company's articles of organization; 5753  
5754

(b) If it will be an entity other than a limited liability company, any organizational document that creates the entity that is required to be in a public record. 5755  
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(5) If the surviving entity exists before the merger, any amendments provided for in the agreement of merger for the organizational document that created the entity that are in a public record; 5758  
5759  
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(6) A statement as to each constituent entity that the merger was approved as required by the entity's governing statute; 5762  
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(7) If the surviving entity is a foreign entity not authorized to transact business in this state, the street address of its statutory agent; 5765  
5766  
5767

(8) Any additional information required by the governing statute of any constituent entity. 5768  
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(C) Each constituent limited liability company shall deliver the certificate of merger for filing in the office of the secretary of state. 5770  
5771  
5772

(D) A merger becomes effective under sections 1706.71 to 5773

<u>1706.74 of the Revised Code as follows:</u>	5774
<u>(1) If the surviving entity is a limited liability company, upon the later of the following:</u>	5775
<u>(a) Compliance with division (C) of this section;</u>	5776
<u>(b) As specified in the certificate of merger.</u>	5777
<u>(2) If the surviving entity is not a limited liability company, as provided by the governing statute of the surviving entity.</u>	5778
<u>Sec. 1706.713. (A) When a merger becomes effective, all of the following apply:</u>	5779
<u>(1) The surviving entity continues or comes into existence.</u>	5780
<u>(2) Each constituent entity that merges into the surviving entity ceases to exist as a separate entity.</u>	5781
<u>(3) All property owned by each constituent entity, or series thereof, that ceases to exist vests in the surviving entity without reservation or impairment.</u>	5782
<u>(4) All debts, obligations, or other liabilities of each constituent entity, or series thereof, that ceases to exist continue as debts, obligations, or other liabilities of the surviving entity.</u>	5783
<u>(5) An action or proceeding pending by or against any constituent entity, or series thereof, that ceases to exist continues as if the merger had not occurred.</u>	5784
<u>(6) Except as prohibited by other law, all of the rights, privileges, immunities, powers, and purposes of each constituent entity, or series thereof, that ceases to exist vest in the</u>	5785
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surviving entity. 5801

(7) Except as otherwise provided in the agreement of 5802  
merger, the terms and conditions of the agreement of merger take 5803  
effect. 5804

(8) Except as otherwise agreed, if a constituent limited 5805  
liability company ceases to exist, the merger does not dissolve 5806  
the limited liability company for the purposes of sections 5807  
1706.47 to 1706.475 of the Revised Code and does not dissolve a 5808  
series for purposes of sections 1706.76 to 1706.7613 of the 5809  
Revised Code. 5810

(9) If the surviving entity is created pursuant to the 5811  
merger: 5812

(a) If it is a limited liability company, the articles of 5813  
organization become effective; 5814

(b) If it is an entity other than a limited liability 5815  
company, the organizational document that creates the entity 5816  
becomes effective. 5817

(10) If the surviving entity existed before the merger, 5818  
any amendments provided for in the certificate of merger for the 5819  
organizational document that created the entity become 5820  
effective. 5821

(B) A surviving entity that is a foreign entity consents 5822  
to the jurisdiction of the courts of this state to enforce any 5823  
debt, obligation, or other liability owed by a constituent 5824  
entity, if before the merger the constituent entity was subject 5825  
to suit in this state on the debt, obligation, or other 5826  
liability. Service of process on a surviving entity that is a 5827  
foreign entity and not authorized to transact business in this 5828  
state for the purposes of enforcing a debt, obligation, or other 5829

liability may be made in the same manner and has the same 5830  
consequences as provided in section 1706.09 of the Revised Code 5831  
as if the surviving entity was a foreign limited liability 5832  
company. 5833

**Sec. 1706.72.** (A) An entity other than a limited liability 5834  
company may convert to a limited liability company, and a 5835  
limited liability company may convert to an entity other than a 5836  
limited liability company pursuant to sections 1706.72 to 5837  
1706.723 of the Revised Code and a written declaration of 5838  
conversion if all of the following apply: 5839

(1) The governing statute of the entity that is not a 5840  
limited liability company authorizes the conversion; 5841

(2) The law of the jurisdiction governing the converting 5842  
entity and the converted entity does not prohibit the 5843  
conversion; 5844

(3) The converting entity and the converted entity comply 5845  
with their respective governing statutes and organizational 5846  
documents in effecting the conversion. 5847

(B) A written declaration of conversion shall be in a 5848  
record and include all of the following: 5849

(1) The name and form of the converting entity before 5850  
conversion; 5851

(2) The name and form of the converted entity after 5852  
conversion; 5853

(3) The terms and conditions of the conversion, including 5854  
the manner and basis for converting interests in the converting 5855  
entity into any combination of money, interests in the converted 5856  
entity, and other consideration allowed under division (C) of 5857

this section. 5858

(4) The organizational documents of the converted entity 5859  
that are, or are proposed to be, in a record. 5860

(C) In connection with a conversion, rights or securities 5861  
of or interests in the converting entity may be any of the 5862  
following: 5863

(1) Exchanged for or converted into cash, property, or 5864  
rights or securities of or interests in the converted entity; 5865

(2) In addition to or in lieu of division (C) (1) of this 5866  
section, exchanged for or converted into cash, property, or 5867  
rights or securities of or interests in another entity; 5868

(3) Canceled. 5869

**Sec. 1706.721.** (A) A declaration of conversion must be 5870  
consented to by all the members of a converting limited 5871  
liability company. 5872

(B) After a conversion is approved, and at any time before 5873  
the certificate of conversion is delivered to the secretary of 5874  
state for filing under section 1706.722 of the Revised Code, a 5875  
converting limited liability company may amend the declaration 5876  
or abandon the conversion: 5877

(1) As provided in the declaration; or 5878

(2) Except as otherwise prohibited in the declaration, by 5879  
the same consent as was required to approve the declaration. 5880

**Sec. 1706.722.** (A) After a declaration of conversion is 5881  
approved, both of the following apply: 5882

(1) A converting limited liability company shall deliver 5883  
to the secretary of state for filing a certificate of 5884

conversion. The certificate of conversion shall be signed as 5885  
provided in division (A) of section 1706.17 of the Revised Code 5886  
and shall include all of the following: 5887

(a) A statement that the converting limited liability 5888  
company has been converted into the converted entity; 5889

(b) The name and form of the converted entity and the 5890  
jurisdiction of its governing statute; 5891

(c) The date the conversion is effective under the 5892  
governing statute of the converted entity; 5893

(d) A statement that the conversion was approved as 5894  
required by this chapter; 5895

(e) A statement that the conversion was approved as 5896  
required by the governing statute of the converted entity; 5897

(f) If the converted entity is a foreign entity not 5898  
authorized to transact business in this state, the street 5899  
address of its statutory agent for the purposes of division (B) 5900  
of section 1706.723 of the Revised Code. 5901

(2) If the converted entity is a limited liability 5902  
company, the converting entity shall deliver to the secretary of 5903  
state for filing articles of organization which shall include, 5904  
in addition to the information required by division (A) of 5905  
section 1706.16 of the Revised Code, all of the following: 5906

(a) A statement that the converted entity was converted 5907  
from the converting entity; 5908

(b) The name and form of the converting entity and the 5909  
jurisdiction of the converting entity's governing statute; 5910

(c) A statement that the conversion was approved as 5911

required by the governing statute of the converting entity. 5912

(B) A conversion shall become effective as follows: 5913

(1) If the converted entity is a limited liability 5914  
company, when the articles of organization take effect; 5915

(2) If the converted entity is not a limited liability 5916  
company, as provided by the governing statute of the converted 5917  
entity. 5918

**Sec. 1706.723.** (A) When a conversion takes effect, all of 5919  
the following apply: 5920

(1) All property owned by the converting entity, or series 5921  
thereof, remains vested in the converted entity. 5922

(2) All debts, obligations, or other liabilities of the 5923  
converting entity, or series thereof, continue as debts, 5924  
obligations, or other liabilities of the converted entity. 5925

(3) An action or proceeding pending by or against the 5926  
converting entity, or series thereof, continues as if the 5927  
conversion had not occurred. 5928

(4) Except as prohibited by law other than this chapter, 5929  
all of the rights, privileges, immunities, powers, and purposes 5930  
of the converting entity, or series thereof, remain vested in 5931  
the converted entity. 5932

(5) Except as otherwise provided in the plan of 5933  
conversion, the terms and conditions of the declaration of 5934  
conversion take effect. 5935

(6) Except as otherwise agreed, for all purposes of the 5936  
laws of this state, the converting entity, and any series 5937  
thereof, shall not be required to wind up its affairs or pay its 5938

liabilities and distribute its assets, and the conversion shall 5939  
not be deemed to constitute a dissolution of the converting 5940  
entity, or series thereof. 5941

(7) For all purposes of the laws of this state, the 5942  
rights, privileges, powers, and interests in property of the 5943  
converting entity, and all series thereof, as well as the debts, 5944  
liabilities, and duties of the converting entity, and all series 5945  
thereof, shall not be deemed to have been assigned to the 5946  
converted entity as a consequence of the conversion. 5947

(8) If the converted entity is a limited liability 5948  
company, for all purposes of the laws of this state, the limited 5949  
liability company shall be deemed to be the same entity as the 5950  
converting entity, and the conversion shall constitute a 5951  
continuation of the existence of the converting entity in the 5952  
form of a limited liability company. 5953

(9) If the converted entity is a limited liability 5954  
company, the existence of the limited liability company shall be 5955  
deemed to have commenced on the date the converting entity 5956  
commenced its existence in the jurisdiction in which the 5957  
converting entity was first created, formed, organized, 5958  
incorporated, or otherwise came into being. 5959

(B) A converted entity that is a foreign entity consents 5960  
to the jurisdiction of the courts of this state to enforce any 5961  
debt, obligation, or other liability for which the converting 5962  
limited liability company, or series thereof, is liable if, 5963  
before the conversion, the converting limited liability company, 5964  
or series thereof, was subject to suit in this state on the 5965  
debt, obligation, or other liability. Service of process on a 5966  
converted entity that is a foreign entity and not authorized to 5967  
transact business in this state for purposes of enforcing a 5968

debt, obligation, or other liability under this division may be 5969  
made in the same manner and has the same consequences as 5970  
provided in section 1706.09 of the Revised Code, as if the 5971  
converted entity were a foreign limited liability company. 5972

**Sec. 1706.73.** (A) If a member of a constituent or 5973  
converting limited liability company will have personal 5974  
liability with respect to a surviving or converted entity, 5975  
approval or amendment of a plan of merger or a declaration of 5976  
conversion are ineffective without the consent of the member, 5977  
unless both of the following conditions are met: 5978

(1) The limited liability company's operating agreement 5979  
provides for approval of a merger or conversion with the consent 5980  
of fewer than all the members. 5981

(2) The member has consented to the provision of the 5982  
operating agreement described in division (A)(1) of this 5983  
section. 5984

(B) A member does not give the consent required by 5985  
division (A) of this section merely by consenting to a provision 5986  
of the operating agreement that permits the operating agreement 5987  
to be amended with the consent of fewer than all the members. 5988

**Sec. 1706.74.** Sections 1706.71 to 1706.74 of the Revised 5989  
Code do not preclude an entity from being merged or converted 5990  
under law other than this chapter. 5991

**Sec. 1706.76.** (A) An operating agreement may establish or 5992  
provide for the establishment of one or more designated series 5993  
of assets that has both of the following: 5994

(1) Either or both of the following: 5995

(a) Separate rights, powers, or duties with respect to 5996

specified property or obligations of the limited liability 5997  
company or profits and losses associated with specified property 5998  
or obligations; 5999

(b) A separate purpose or investment objective. 6000

(2) At least one member associated with each series. 6001

(B) A series established in accordance with division (A) 6002  
of this section may carry on any activity, whether or not for 6003  
profit. 6004

**Sec. 1706.761.** (A) Subject to division (B) of this 6005  
section, both of the following apply: 6006

(1) The debts, liabilities, obligations, and expenses 6007  
incurred, contracted for, or otherwise existing with respect to 6008  
a series shall be enforceable against the assets of that series 6009  
only, and shall not be enforceable against the assets of the 6010  
limited liability company generally or any other series thereof. 6011

(2) None of the debts, liabilities, obligations, and 6012  
expenses incurred, contracted for, or otherwise existing with 6013  
respect to the limited liability company generally or any other 6014  
series thereof shall be enforceable against the assets of a 6015  
series. 6016

(B) Division (A) of this section applies only if all of 6017  
the following conditions are met: 6018

(1) The records maintained for that series account for the 6019  
assets of that series separately from the other assets of the 6020  
company or any other series. 6021

(2) The operating agreement contains a statement to the 6022  
effect of the limitations provided in division (A) of this 6023  
section. 6024

(3) The limited liability company's articles of organization contains a statement that the limited liability company may have one or more series of assets subject to the limitations provided in division (A) of this section. 6025  
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**Sec. 1706.762.** (A) Assets of a series may be held directly or indirectly, including in the name of the series, in the name of the limited liability company, through a nominee, or otherwise. 6029  
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(B) If the records of a series are maintained in a manner so that the assets of the series can be reasonably identified by specific listing, category, type, quantity, or computational or allocational formula or procedure, including a percentage or share of any assets, or by any other method in which the identity of the assets can be objectively determined, the records are considered to satisfy the requirement of division (B)(1) of section 1706.761 of the Revised Code. 6033  
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**Sec. 1706.763.** The statement of limitation on liabilities of a series required by division (B)(3) of section 1706.761 of the Revised Code is sufficient regardless of whether either of the following applies: 6041  
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6044

(A) The limited liability company has established any series under this chapter when the statement of limitations is contained in the articles of organization; 6045  
6046  
6047

(B) The statement of limitations makes reference to a specific series of the limited liability company. 6048  
6049

**Sec. 1706.764.** (A) A person shall not voluntarily dissociate as a member associated with a series. 6050  
6051

(B) A person's dissociation from a series is wrongful only if one of the following applies: 6052  
6053

(1) The person's dissociation is in breach of an express provision of the operating agreement. 6054  
6055

(2) The person is expelled as a member associated with the series by determination of a tribunal under division (E) of section 1706.765 of the Revised Code. 6056  
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(3) The person is dissociated as a member associated with a series by becoming a debtor in bankruptcy or making a general assignment for the benefit of creditors. 6059  
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(C) A person that wrongfully dissociates as a member associated with a series is liable to the series and, subject to section 1706.61 of the Revised Code, to the other members associated with that series for damages caused by the dissociation. The liability is in addition to any other debt, obligation, or liability of the member associated with a series to the series or the other members associated with that series. 6062  
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**Sec. 1706.765. A person is dissociated as a member associated with a series when any of the following occurs:** 6069  
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(A) An event stated in the operating agreement as causing the person's dissociation from the series occurs. 6071  
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(B) The person is dissociated as a member of the limited liability company pursuant to section 1706.411 of the Revised Code. 6073  
6074  
6075

(C) The person is expelled as a member associated with that series pursuant to the operating agreement. 6076  
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(D) The person is expelled as a member associated with the series by the unanimous consent of the other members associated with that series and if any of the following applies: 6078  
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6080

(1) It is unlawful to carry on the series' activities with 6081

the person as a member associated with that series. 6082

(2) The person is an entity and, within ninety days after 6083  
the series notifies the person that it will be expelled as a 6084  
member associated with that series because the person has filed 6085  
a certificate of dissolution or the equivalent, or its right to 6086  
transact business has been suspended by its jurisdiction of 6087  
formation, the certificate of dissolution or the equivalent has 6088  
not been revoked or its right to transact business has not been 6089  
reinstated. 6090

(3) The person is an entity and, within ninety days after 6091  
the series notifies the person that it will be expelled as a 6092  
member associated with that series because the person has been 6093  
dissolved and its activities are being wound up, the entity has 6094  
not been reinstated or the dissolution and winding up have not 6095  
been revoked or canceled. 6096

(E) On application by the series, the person is expelled 6097  
as a member associated with that series by tribunal order for 6098  
any of the following reasons: 6099

(1) The person has engaged, or is engaging, in wrongful 6100  
conduct that has adversely and materially affected, or will 6101  
adversely and materially affect, that series' activities. 6102

(2) The person has willfully or persistently committed, or 6103  
is willfully or persistently committing, a material breach of 6104  
the operating agreement or the person's duties or obligations 6105  
under this chapter or other applicable law. 6106

(3) The person has engaged, or is engaging, in conduct 6107  
relating to that series' activities that makes it not reasonably 6108  
practicable to carry on the activities with the person as a 6109  
member associated with that series. 6110

(F) In the case of a person who is an individual, the person dies, a guardian or general conservator is appointed for the person, or a tribunal determines that the person has otherwise become incapable of performing the person's duties as a member associated with a series under this chapter or the operating agreement. 6111  
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(G) The person becomes a debtor in bankruptcy, executes an assignment for the benefit of creditors, or seeks, consents, or acquiesces to the appointment of a trustee, receiver, or liquidator of the person or of all or substantially all of the person's property. This division shall not apply to a person who is the sole remaining member associated with a series. 6117  
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(H) In the case of a person that is a trust or is acting as a member associated with a series by virtue of being a trustee of a trust, the trust's entire membership interest associated with the series is distributed, but not solely by reason of the substitution of a successor trustee. 6123  
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(I) In the case of a person that is an estate or is acting as a member associated with a series by virtue of being a personal representative of an estate, the estate's entire membership interest associated with the series is distributed, but not solely by reason of the substitution of a successor personal representative. 6128  
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(J) In the case of a member associated with a series that is not an individual, the legal existence of the person otherwise terminates. 6134  
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**Sec. 1706.766.** (A) A person who has dissociated as a member associated with a series shall have no right to participate in the activities and affairs of that series and is 6137  
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entitled only to receive the distributions to which that member 6140  
would have been entitled if the member had not dissociated from 6141  
that series. 6142

(B) A person's dissociation as a member associated with a 6143  
series does not of itself discharge the person from any debt, 6144  
obligation, or liability to that series, the limited liability 6145  
company, or the other members that the person incurred while a 6146  
member associated with that series. 6147

(C) A member's dissociation from a series does not, in 6148  
itself, cause the member to dissociate from any other series or 6149  
require the winding up of the series. 6150

(D) A member's dissociation from a series does not, in 6151  
itself, cause the member to dissociate from the limited 6152  
liability company. 6153

**Sec. 1706.767.** A series may be dissolved and its 6154  
activities and affairs may be wound up without causing the 6155  
dissolution of the limited liability company. The dissolution 6156  
and winding up of a series does not abate, suspend, or otherwise 6157  
affect the limitation on liabilities of the series provided by 6158  
section 1706.761 of the Revised Code. 6159

**Sec. 1706.768.** A series is dissolved and its activities 6160  
and affairs shall be wound up upon the first to occur of the 6161  
following: 6162

(A) The dissolution of the limited liability company under 6163  
section 1706.47 of the Revised Code; 6164

(B) An event or circumstance that the operating agreement 6165  
states causes dissolution of the series; 6166

(C) The consent of all of the members associated with the 6167

series; 6168

(D) The passage of ninety days after the occurrence of the 6169  
dissociation of the last remaining member associated with the 6170  
series; 6171

(E) On application by a member associated with the series, 6172  
the entry by the appropriate court of an order dissolving the 6173  
series on the grounds that it is not reasonably practicable to 6174  
carry on the series' activities in conformity with the operating 6175  
agreement. 6176

**Sec. 1706.769.** (A) A dissolved series continues its 6177  
existence as a series but shall not carry on any activities 6178  
except as is appropriate to wind up and liquidate its activities 6179  
and affairs. Appropriate activities include all of the 6180  
following: 6181

(1) Collecting the assets of the series; 6182

(2) Disposing of the properties of the series that will 6183  
not be distributed in kind to persons owning membership 6184  
interests associated with the series; 6185

(3) Discharging or making provisions for discharging the 6186  
liabilities of the series; 6187

(4) Distributing the remaining property of the series in 6188  
accordance with section 1706.7613 of the Revised Code; 6189

(5) Doing any other act necessary to wind up and liquidate 6190  
the series' activities and affairs. 6191

(B) In winding up a series' activities, a series may do 6192  
any of the following: 6193

(1) Preserve the series' activities and property as a 6194

<u>going concern for a reasonable time;</u>	6195
<u>(2) Prosecute, defend, or settle actions or proceedings whether civil, criminal, or administrative;</u>	6196
<u>(3) Make an assignment of the series' property;</u>	6198
<u>(4) Resolve disputes by mediation or arbitration.</u>	6199
<u>(C) A series' dissolution, in itself:</u>	6200
<u>(1) Is not an assignment of the series' property;</u>	6201
<u>(2) Does not prevent the commencement of a proceeding by or against the series in the series' name;</u>	6202
<u>(3) Does not abate or suspend a proceeding pending by or against the series on the effective date of dissolution;</u>	6204
<u>(4) Does not abate, suspend, or otherwise alter the application of section 1706.7613 of the Revised Code.</u>	6206
<u>Sec. 1706.7610. (A) Subject to division (C) of section 1706.769 of the Revised Code, after dissolution of a series, the remaining members associated with the series, if any, and if none, a person appointed by all holders of the membership interest last assigned by the last person to have been a member associated with the series, may wind up the series' activities.</u>	6208
<u>(B) The appropriate tribunal may order supervision of the winding up of a dissolved series, including the appointment of a person to wind up the series' activities for any of the following reasons:</u>	6214
<u>(1) On application of a member associated with the series, if the applicant establishes good cause;</u>	6218
<u>(2) On application of an assignee associated with a series, if both of the following apply:</u>	6220

- (a) There are no members associated with the series. 6222
- (b) Within a reasonable time following the dissolution a person has not been appointed pursuant to division (A) of this section. 6223  
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- (3) In connection with a proceeding under division (E) of section 1706.768 of the Revised Code. 6226  
6227
- Sec. 1706.7611.** (A) A dissolved series may dispose of any known claims against it by following the procedures described in division (B) of this section, at any time after the effective date of the dissolution of the series. 6228  
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- (B) A dissolved series may give notice of the dissolution in a record to the holder of any known claim. The notice shall do all of the following: 6232  
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- (1) Identify the limited liability company and the dissolved series; 6235  
6236
- (2) Describe the information required to be included in a claim; 6237  
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- (3) Provide a mailing address to which the claim is to be sent; 6239  
6240
- (4) State the deadline by which the dissolved series must receive the claim. The deadline shall not be sooner than one hundred twenty days from the effective date of the notice. 6241  
6242  
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- (5) State that if not sooner barred, the claim will be barred if not received by the deadline. 6244  
6245
- (C) Unless sooner barred by any other statute limiting actions, a claim against a dissolved series is barred in either of the following circumstances: 6246  
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(1) If a claimant who was given notice under division (B) of this section does not deliver the claim to the dissolved series by the deadline; 6249  
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(2) If a claimant whose claim was rejected by the dissolved series does not commence a proceeding to enforce the claim within ninety days from the effective date of the rejected notice. 6252  
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(D) For purposes of this section, "claim" includes an unliquidated claim, but does not include a contingent liability that has not matured so that there is no immediate right to bring suit or a claim based on an event occurring after the effective date of dissolution. 6256  
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(E) Nothing in this section shall be construed to extend any otherwise applicable statute of limitations. 6261  
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**Sec. 1706.7612.** (A) A dissolved series may publish notice of its dissolution and request that persons with claims against the dissolved series present them in accordance with the notice. 6263  
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(B) The notice authorized by division (A) of this section shall meet all of the following criteria: 6266  
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(1) It shall be posted prominently on the principal web site then maintained by the limited liability company, if any, and provided to the secretary of state to be posted on the web site maintained by the secretary of state in accordance with division (J) of section 1706.474 of the Revised Code. The notice shall be considered published when posted on the secretary of state's web site. 6268  
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(2) It shall describe the information that must be included in a claim and provide a mailing address to which the claim must be sent. 6275  
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(3) It shall state that if not sooner barred, a claim 6278  
against the dissolved series will be barred unless a proceeding 6279  
to enforce the claim is commenced within two years following the 6280  
publication of the notice. 6281

(C) If a dissolved series publishes a notice in accordance 6282  
with division (B) of this section, unless sooner barred by any 6283  
other statute limiting actions, the claim of each of the 6284  
following claimants is barred unless the claimant commences a 6285  
proceeding to enforce the claim against the dissolved series 6286  
within two years after the publication date of the notice: 6287

(1) A claimant who was not given notice under division (B) 6288  
of section 1706.7611 of the Revised Code; 6289

(2) A claimant whose claim was timely sent to the 6290  
dissolved series but not acted on by the dissolved series; 6291

(3) A claimant whose claim is contingent at the effective 6292  
date of the dissolution of the series, or is based on an event 6293  
occurring after the effective date of the dissolution of the 6294  
series. 6295

(D) A claim that is not barred under this section, any 6296  
other statute limiting actions, or section 1706.7611 of the 6297  
Revised Code may be enforced against either of the following: 6298

(1) A dissolved series, to the extent of its undistributed 6299  
assets associated with the series; 6300

(2) A member or assignee associated with the series to the 6301  
extent of that person's proportionate share of the claim or of 6302  
the assets of the series distributed to the member or assignee 6303  
after dissolution, whichever is less, except as provided in 6304  
division (H) of this section and only if the assets of a 6305  
dissolved series have been distributed after dissolution. A 6306

person's total liability for all claims under division (D) of 6307  
this section shall not exceed the total amount of assets of the 6308  
series distributed to the person after dissolution of the 6309  
series. 6310

(E) A dissolved series that published a notice under this 6311  
section may file an application with the appropriate court in 6312  
the county in which the limited liability company's principal 6313  
office is located or, if it has none in this state, in the 6314  
county in which the limited liability company's statutory agent 6315  
is or was last located. The application shall be for a 6316  
determination of the amount and form of security to be provided 6317  
for payment of claims that are contingent or have not been made 6318  
known to the dissolved series or that are based on an event 6319  
occurring after the effective date of the dissolution of the 6320  
series but that, based on the facts known to the dissolved 6321  
series, are reasonably estimated to arise after the effective 6322  
date of the dissolution of the series. Provision need not be 6323  
made for any claim that is or is reasonably anticipated to be 6324  
barred under division (C) of this section. 6325

(F) Within ten days after the filing of the application 6326  
provided for in division (E) of this section, notice of the 6327  
proceeding shall be given by the dissolved series to each 6328  
potential claimant as described in that division. 6329

(G) The appropriate court may appoint a guardian ad litem 6330  
to represent all claimants whose identities are unknown in any 6331  
proceeding brought under this section. The reasonable fees and 6332  
expenses of the guardian, including all reasonable expert 6333  
witness fees, shall be paid by the dissolved series. 6334

(H) Provision by the dissolved series for security in the 6335  
amount and the form ordered by the appropriate court under 6336

division (E) of this section shall satisfy the dissolved series' 6337  
obligation with respect to claims that are contingent, have not 6338  
been made known to the dissolved series, or are based on an 6339  
event occurring after the effective date of the dissolution of 6340  
the series. Those claims may not be enforced against a person 6341  
owning a membership interest to whom assets have been 6342  
distributed by the dissolved series after the effective date of 6343  
the dissolution of the series. 6344

(I) Nothing in this section shall be construed to extend 6345  
any otherwise applicable statute of limitations. 6346

**Sec. 1706.7613.** (A) Upon the winding up of a series, 6347  
payment or adequate provision for payment shall be made to 6348  
creditors of the series, including, to the extent permitted by 6349  
law, members who are associated with the series and who are also 6350  
creditors of the series, in satisfaction of liabilities of the 6351  
series. 6352

(B) After a series complies with division (A) of this 6353  
section, any surplus shall be distributed as follows: 6354

(1) First, to each person owning a membership interest 6355  
associated with the series that reflects contributions made on 6356  
account of that membership interest and not previously returned, 6357  
an amount equal to the value of the person's unreturned 6358  
contributions; 6359

(2) Then to each person owning a membership interest 6360  
associated with the series in the proportions in which the 6361  
owners of membership interests associated with the series share 6362  
in distributions prior to dissolution of the series. 6363

(C) If the series does not have sufficient surplus to 6364  
comply with division (B) (1) of this section, any surplus shall 6365

be distributed among the owners of membership interests 6366  
associated with the series in proportion to the value of their 6367  
respective unreturned contributions. 6368

**Sec. 1706.81.** This chapter modifies, limits, and 6369  
supersedes the federal "Electronic Signatures in Global and 6370  
National Commerce Act," 15 U.S.C. 7001 et seq., but does not 6371  
modify, limit, or supersede 15 U.S.C. 7001(c) or authorize 6372  
electronic delivery of any of the notices described in 15 U.S.C. 6373  
7003(b). 6374

**Sec. 1706.82.** A limited liability company formed and 6375  
existing under this chapter may conduct its activities and 6376  
affairs, carry on its operations, and have and exercise the 6377  
powers granted by this chapter in any state, foreign country, or 6378  
other jurisdiction. 6379

**Sec. 1706.83.** (A) Prior to January 1, 2022, this chapter 6380  
shall govern the following limited liability companies: 6381

(1) A limited liability company formed on or after January 6382  
1, 2021, except a limited liability company that is continuing 6383  
the business of a dissolved limited liability company under 6384  
section 1705.44 of the Revised Code; 6385

(2) A limited liability company formed before January 1, 6386  
2021, that elects, pursuant to division (C) of this section, to 6387  
be governed by this chapter. 6388

(B) On and after January 1, 2022, this chapter shall 6389  
govern all limited liability companies, including every foreign 6390  
limited liability company that files an application for 6391  
registration as a foreign limited liability company on or after 6392  
January 1, 2022, every foreign limited liability company that 6393  
registers a name in this state on or after January 1, 2022, 6394

every foreign limited liability company that has registered a 6395  
name in this state prior to January 1, 2022, and every foreign 6396  
limited liability company that has filed an application for 6397  
registration as a foreign limited liability company prior to 6398  
January 1, 2022, pursuant to Chapter 1705. of the Revised Code. 6399

(C) On and after January 1, 2021, but prior to January 1, 6400  
2022, a limited liability company may elect, in the manner 6401  
provided in its operating agreement or by law for amending the 6402  
operating agreement, to be subject to this chapter. 6403

**Sec. 1706.84.** Unless expressly stated to the contrary in 6404  
this chapter, all amendments of this chapter shall apply to 6405  
limited liability companies and members and agents whether or 6406  
not existing as such at the time of the enactment of any such 6407  
amendment. 6408

**Sec. 1729.36.** (A) An association may merge or consolidate 6409  
with one or more entities, if such merger or consolidation is 6410  
permitted by the laws under which each constituent entity exists 6411  
and the association complies with this section. 6412

(B) Each constituent association shall comply with section 6413  
1729.35 of the Revised Code with respect to form and approval of 6414  
an agreement of merger or consolidation, and each constituent 6415  
entity shall comply with the applicable provisions of the laws 6416  
under which it exists, except that the agreement of merger or 6417  
consolidation, by whatever name designated, shall comply with 6418  
divisions (C) and (D) of this section. 6419

(C) The agreement of merger or consolidation shall set 6420  
forth all of the following: 6421

(1) The names of the states and the laws under which each 6422  
constituent entity exists; 6423

(2) All statements and matters required to be set forth in 6424  
agreements of merger or consolidation by the laws under which 6425  
any constituent entity exists; 6426

(3) A statement that the surviving or new entity is to be 6427  
an association, a foreign association, a corporation other than 6428  
a cooperative, or a limited liability company; 6429

(4) If the surviving or new entity is to be a foreign 6430  
entity: 6431

(a) The place where the principal office of the surviving 6432  
or new entity is to be located in the state in which the 6433  
surviving or new entity is to exist; 6434

(b) The consent by the surviving or new entity that it may 6435  
be sued and served with process in this state in any proceeding 6436  
for the enforcement of any obligation of any constituent 6437  
association or domestic entity; 6438

(c) The consent by the surviving or new entity that it 6439  
shall be subject to the applicable provisions of Chapter 1703. 6440  
of the Revised Code, if it is a foreign corporation or foreign 6441  
association, or to sections 1705.53 to 1705.58 or 1706.51 to 6442  
1706.515 of the Revised Code, if it is a foreign limited 6443  
liability company; 6444

(d) If it is desired that the surviving or new entity 6445  
exercise its corporate privileges in this state as a foreign 6446  
entity. 6447

(D) The agreement also may set forth other provisions 6448  
permitted by the laws of any state in which any constituent 6449  
entity exists. 6450

(E) If the surviving or new entity is an association, the 6451

merger or consolidation shall take effect in accordance with 6452  
sections 1729.37 and 1729.38 of the Revised Code. 6453

(F) If the surviving or new entity is an entity other than 6454  
an association, the merger or consolidation shall take effect in 6455  
accordance with the applicable provisions of the laws under 6456  
which it exists. 6457

**Sec. 1729.38.** (A) (1) Upon adoption of an agreement of 6458  
merger or consolidation under section 1729.35 or 1729.36 of the 6459  
Revised Code, a certificate, signed by any authorized officer or 6460  
representative of each constituent association or entity, shall 6461  
be filed with the secretary of state on a form prescribed by the 6462  
secretary of state that sets forth the following: 6463

(a) The name and form of each constituent association or 6464  
entity and the state law under which each constituent entity 6465  
exists; 6466

(b) A statement that each constituent association or 6467  
entity has adopted the agreement of merger or consolidation, the 6468  
manner of adoption, and that the agreement was adopted in 6469  
compliance with the laws applicable to each constituent 6470  
association or entity; 6471

(c) The effective date of the merger or consolidation, 6472  
which date may be on or after the date of filing of the 6473  
certificate; 6474

(d) In the case of a merger, a statement that one or more 6475  
specified constituent associations or entities will be merged 6476  
into a specified surviving association or entity or, in the case 6477  
of a consolidation, a statement that the constituent 6478  
associations or entities will be consolidated into a new 6479  
association or entity; 6480

(e) The name and address of the statutory agent upon whom 6481  
any process, notice, or demand against any constituent 6482  
association or entity, or the surviving or new association or 6483  
entity, may be served. 6484

(2) In the case of a merger into an association or 6485  
domestic entity, any amendments to the articles of incorporation 6486  
or the articles of organization of the surviving association or 6487  
entity shall be filed with the certificate. 6488

(3) In the case of a consolidation to form a new domestic 6489  
association or entity, the articles of incorporation or the 6490  
articles of organization of the new association or entity shall 6491  
be filed with the certificate. 6492

(4) If the surviving or new entity is a foreign entity 6493  
that desires to transact business in this state as a foreign 6494  
entity, the certificate shall be accompanied by the information 6495  
required for qualification of a foreign entity in this state by 6496  
Chapter 1703. of the Revised Code, in the case of a foreign 6497  
corporation or foreign cooperative, or by sections 1705.53 and 6498  
1705.54 or 1706.511 of the Revised Code, in the case of a 6499  
foreign limited liability company. 6500

(B) A copy of the certificate of merger or consolidation, 6501  
certified by the secretary of state, may be filed for record in 6502  
the office of the county recorder of any county in this state. 6503  
For such recording, the county recorder shall charge and collect 6504  
the same fee as in the case of deeds. The certified copy of the 6505  
certificate of merger or consolidation shall be recorded in the 6506  
official records of the county recorder. 6507

(C) For purposes of this section, "domestic entity" means 6508  
a corporation other than an association or a limited liability 6509

company organized under the laws of this state. 6510

**Sec. 1745.461.** (A) (1) Pursuant to an agreement of merger 6511  
between the constituent entities as provided in this section, a 6512  
domestic unincorporated nonprofit association and, if so 6513  
provided, one or more additional domestic or foreign entities 6514  
may be merged into a surviving entity other than a domestic 6515  
unincorporated nonprofit association. Pursuant to an agreement 6516  
of consolidation, a domestic unincorporated nonprofit 6517  
association together with one or more additional domestic or 6518  
foreign entities may be consolidated into a new entity other 6519  
than a domestic unincorporated nonprofit association to be 6520  
formed by that consolidation. The merger or consolidation must 6521  
be permitted by the chapter of the Revised Code under which each 6522  
domestic constituent entity exists and by the laws under which 6523  
each foreign constituent entity exists. 6524

(2) To effect a merger or consolidation under this 6525  
section, the manager or managers of each constituent 6526  
unincorporated nonprofit association shall approve an agreement 6527  
of merger or consolidation to be signed by the manager, the 6528  
chairperson, the president, or a vice-president and by the 6529  
secretary or an assistant secretary or, if there are no 6530  
officers, by an authorized manager. The agreement of merger or 6531  
consolidation shall be approved or otherwise authorized by or on 6532  
behalf of each other constituent entity in accordance with the 6533  
laws under which it exists. 6534

(3) The agreement of merger or consolidation shall set 6535  
forth all of the following: 6536

(a) The name and the form of entity of each constituent 6537  
entity and the state under the laws of which each constituent 6538  
entity exists; 6539

(b) In the case of a merger, that one or more specified 6540  
constituent entities will be merged into a specified surviving 6541  
foreign entity or surviving domestic entity other than a 6542  
domestic unincorporated nonprofit association or, in the case of 6543  
a consolidation, that the constituent entities will be 6544  
consolidated into a new foreign entity or domestic entity other 6545  
than a domestic unincorporated nonprofit association. The name 6546  
of the surviving or new entity may be the same as or similar to 6547  
that of any constituent entity. 6548

(c) The terms of the merger or consolidation and the mode 6549  
of carrying those terms into effect; 6550

(d) If the surviving or new entity is a foreign 6551  
unincorporated nonprofit association, all additional statements 6552  
and matters, other than the name and address of the statutory 6553  
agent, that would be required by section 1745.46 of the Revised 6554  
Code if the surviving or new unincorporated nonprofit 6555  
association were a domestic unincorporated nonprofit 6556  
association; 6557

(e) The name and the form of entity of the surviving or 6558  
new entity, the state under the laws of which the surviving 6559  
entity exists or the new entity is to exist, and the location of 6560  
the principal office of the surviving or new entity in that 6561  
state; 6562

(f) All statements and matters required to be set forth in 6563  
an agreement of merger or consolidation by the laws under which 6564  
each constituent entity exists and, in the case of a 6565  
consolidation, the new entity is to exist; 6566

(g) The consent of the surviving or the new entity to be 6567  
sued and served with process in this state and the irrevocable 6568

appointment of the secretary of state as its agent to accept 6569  
service of process in any proceeding in this state to enforce 6570  
against the surviving or new entity any obligation of any 6571  
domestic constituent unincorporated nonprofit association. Such 6572  
service shall be made upon the secretary of state by leaving 6573  
duplicate copies of such process, together with an affidavit of 6574  
the plaintiff or one of the plaintiff's attorneys, showing the 6575  
last known address of such association, and a fee of up to five 6576  
dollars that shall be included as taxable costs in the case of 6577  
judicial proceedings. Upon receipt of such process, affidavit, 6578  
and fee, the secretary of state shall immediately give notice to 6579  
the association at the address specified in the affidavit and 6580  
forward to such address by certified mail, with a request for 6581  
return receipt, a copy of such process. 6582

(h) If the surviving or new entity is a foreign 6583  
unincorporated nonprofit association that desires to transact 6584  
business in this state as a foreign unincorporated nonprofit 6585  
association, a statement to that effect, together with a 6586  
statement regarding the appointment of a statutory agent and 6587  
service of any process, notice, or demand upon that statutory 6588  
agent or the secretary of state; 6589

(i) If the surviving or new entity is a foreign limited 6590  
partnership that desires to transact business in this state as a 6591  
foreign limited partnership, a statement to that effect, 6592  
together with all of the information required under section 6593  
1782.49 of the Revised Code when a foreign limited partnership 6594  
registers to transact business in this state; 6595

(j) If the surviving or new entity is a foreign limited 6596  
liability company that desires to transact business in this 6597  
state as a foreign limited liability company, a statement to 6598

that effect, together with all of the information required under 6599  
section 1705.54 or 1706.511 of the Revised Code when a foreign 6600  
limited liability company registers to transact business in this 6601  
state; 6602

(k) If the surviving or new entity is a foreign 6603  
unincorporated association that desires to transact business in 6604  
this state as a foreign unincorporated association, a statement 6605  
to that effect, together with all of the information, if any, 6606  
required by the secretary of state when a foreign unincorporated 6607  
association registers to transact business in this state. 6608

(4) The agreement of merger or consolidation also may set 6609  
forth any additional provision permitted by the laws of any 6610  
state under the laws of which any constituent entity exists, 6611  
consistent with the laws under which the surviving entity exists 6612  
or the new entity is to exist. 6613

(B) A merger or consolidation pursuant to this section in 6614  
which a public benefit association is one of the constituent 6615  
entities shall be subject to, and shall comply with, the 6616  
provisions of divisions (B) (1) (b), (2), (3), and (4) of section 6617  
1745.46 of the Revised Code. 6618

**Sec. 1751.01.** As used in this chapter: 6619

(A) (1) "Basic health care services" means the following 6620  
services when medically necessary: 6621

(a) Physician's services, except when such services are 6622  
supplemental under division (B) of this section; 6623

(b) Inpatient hospital services; 6624

(c) Outpatient medical services; 6625

(d) Emergency health services; 6626

(e) Urgent care services; 6627

(f) Diagnostic laboratory services and diagnostic and 6628  
therapeutic radiologic services; 6629

(g) Diagnostic and treatment services, other than 6630  
prescription drug services, for biologically based mental 6631  
illnesses; 6632

(h) Preventive health care services, including, but not 6633  
limited to, voluntary family planning services, infertility 6634  
services, periodic physical examinations, prenatal obstetrical 6635  
care, and well-child care; 6636

(i) Routine patient care for patients enrolled in an 6637  
eligible cancer clinical trial pursuant to section 3923.80 of 6638  
the Revised Code. 6639

"Basic health care services" does not include experimental 6640  
procedures. 6641

Except as provided by divisions (A) (2) and (3) of this 6642  
section in connection with the offering of coverage for 6643  
diagnostic and treatment services for biologically based mental 6644  
illnesses, a health insuring corporation shall not offer 6645  
coverage for a health care service, defined as a basic health 6646  
care service by this division, unless it offers coverage for all 6647  
listed basic health care services. However, this requirement 6648  
does not apply to the coverage of beneficiaries enrolled in 6649  
medicare pursuant to a medicare contract, or to the coverage of 6650  
beneficiaries enrolled in the federal employee health benefits 6651  
program pursuant to 5 U.S.C.A. 8905, or to the coverage of 6652  
medicaid recipients, or to the coverage of beneficiaries under 6653  
any federal health care program regulated by a federal 6654  
regulatory body, or to the coverage of beneficiaries under any 6655

contract covering officers or employees of the state that has 6656  
been entered into by the department of administrative services. 6657

(2) A health insuring corporation may offer coverage for 6658  
diagnostic and treatment services for biologically based mental 6659  
illnesses without offering coverage for all other basic health 6660  
care services. A health insuring corporation may offer coverage 6661  
for diagnostic and treatment services for biologically based 6662  
mental illnesses alone or in combination with one or more 6663  
supplemental health care services. However, a health insuring 6664  
corporation that offers coverage for any other basic health care 6665  
service shall offer coverage for diagnostic and treatment 6666  
services for biologically based mental illnesses in combination 6667  
with the offer of coverage for all other listed basic health 6668  
care services. 6669

(3) A health insuring corporation that offers coverage for 6670  
basic health care services is not required to offer coverage for 6671  
diagnostic and treatment services for biologically based mental 6672  
illnesses in combination with the offer of coverage for all 6673  
other listed basic health care services if all of the following 6674  
apply: 6675

(a) The health insuring corporation submits documentation 6676  
certified by an independent member of the American academy of 6677  
actuaries to the superintendent of insurance showing that 6678  
incurred claims for diagnostic and treatment services for 6679  
biologically based mental illnesses for a period of at least six 6680  
months independently caused the health insuring corporation's 6681  
costs for claims and administrative expenses for the coverage of 6682  
basic health care services to increase by more than one per cent 6683  
per year. 6684

(b) The health insuring corporation submits a signed 6685

letter from an independent member of the American academy of 6686  
actuaries to the superintendent of insurance opining that the 6687  
increase in costs described in division (A) (3) (a) of this 6688  
section could reasonably justify an increase of more than one 6689  
per cent in the annual premiums or rates charged by the health 6690  
insuring corporation for the coverage of basic health care 6691  
services. 6692

(c) The superintendent of insurance makes the following 6693  
determinations from the documentation and opinion submitted 6694  
pursuant to divisions (A) (3) (a) and (b) of this section: 6695

(i) Incurred claims for diagnostic and treatment services 6696  
for biologically based mental illnesses for a period of at least 6697  
six months independently caused the health insuring 6698  
corporation's costs for claims and administrative expenses for 6699  
the coverage of basic health care services to increase by more 6700  
than one per cent per year. 6701

(ii) The increase in costs reasonably justifies an 6702  
increase of more than one per cent in the annual premiums or 6703  
rates charged by the health insuring corporation for the 6704  
coverage of basic health care services. 6705

Any determination made by the superintendent under this 6706  
division is subject to Chapter 119. of the Revised Code. 6707

(B) (1) "Supplemental health care services" means any 6708  
health care services other than basic health care services that 6709  
a health insuring corporation may offer, alone or in combination 6710  
with either basic health care services or other supplemental 6711  
health care services, and includes: 6712

(a) Services of facilities for intermediate or long-term 6713  
care, or both; 6714

(b) Dental care services;	6715
(c) Vision care and optometric services including lenses and frames;	6716 6717
(d) Podiatric care or foot care services;	6718
(e) Mental health services, excluding diagnostic and treatment services for biologically based mental illnesses;	6719 6720
(f) Short-term outpatient evaluative and crisis- intervention mental health services;	6721 6722
(g) Medical or psychological treatment and referral services for alcohol and drug abuse or addiction;	6723 6724
(h) Home health services;	6725
(i) Prescription drug services;	6726
(j) Nursing services;	6727
(k) Services of a dietitian licensed under Chapter 4759. of the Revised Code;	6728 6729
(l) Physical therapy services;	6730
(m) Chiropractic services;	6731
(n) Any other category of services approved by the superintendent of insurance.	6732 6733
(2) If a health insuring corporation offers prescription drug services under this division, the coverage shall include prescription drug services for the treatment of biologically based mental illnesses on the same terms and conditions as other physical diseases and disorders.	6734 6735 6736 6737 6738
(C) "Specialty health care services" means one of the supplemental health care services listed in division (B) of this	6739 6740

section, when provided by a health insuring corporation on an 6741  
outpatient-only basis and not in combination with other 6742  
supplemental health care services. 6743

(D) "Biologically based mental illnesses" means 6744  
schizophrenia, schizoaffective disorder, major depressive 6745  
disorder, bipolar disorder, paranoia and other psychotic 6746  
disorders, obsessive-compulsive disorder, and panic disorder, as 6747  
these terms are defined in the most recent edition of the 6748  
diagnostic and statistical manual of mental disorders published 6749  
by the American psychiatric association. 6750

(E) "Closed panel plan" means a health care plan that 6751  
requires enrollees to use participating providers. 6752

(F) "Compensation" means remuneration for the provision of 6753  
health care services, determined on other than a fee-for-service 6754  
or discounted-fee-for-service basis. 6755

(G) "Contractual periodic prepayment" means the formula 6756  
for determining the premium rate for all subscribers of a health 6757  
insuring corporation. 6758

(H) "Corporation" means a corporation formed under Chapter 6759  
1701. or 1702. of the Revised Code or the similar laws of 6760  
another state. 6761

(I) "Emergency health services" means those health care 6762  
services that must be available on a seven-days-per-week, 6763  
twenty-four-hours-per-day basis in order to prevent jeopardy to 6764  
an enrollee's health status that would occur if such services 6765  
were not received as soon as possible, and includes, where 6766  
appropriate, provisions for transportation and indemnity 6767  
payments or service agreements for out-of-area coverage. 6768

(J) "Enrollee" means any natural person who is entitled to 6769

receive health care benefits provided by a health insuring corporation. 6770  
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(K) "Evidence of coverage" means any certificate, agreement, policy, or contract issued to a subscriber that sets out the coverage and other rights to which such person is entitled under a health care plan. 6772  
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(L) "Health care facility" means any facility, except a health care practitioner's office, that provides preventive, diagnostic, therapeutic, acute convalescent, rehabilitation, mental health, intellectual disability, intermediate care, or skilled nursing services. 6776  
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(M) "Health care services" means basic, supplemental, and specialty health care services. 6781  
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(N) "Health delivery network" means any group of providers or health care facilities, or both, or any representative thereof, that have entered into an agreement to offer health care services in a panel rather than on an individual basis. 6783  
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(O) "Health insuring corporation" means a corporation, as defined in division (H) of this section, that, pursuant to a policy, contract, certificate, or agreement, pays for, reimburses, or provides, delivers, arranges for, or otherwise makes available, basic health care services, supplemental health care services, or specialty health care services, or a combination of basic health care services and either supplemental health care services or specialty health care services, through either an open panel plan or a closed panel plan. 6787  
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"Health insuring corporation" does not include a limited liability company formed pursuant to Chapter 1705. or 1706. of 6797  
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the Revised Code, an insurer licensed under Title XXXIX of the Revised Code if that insurer offers only open panel plans under which all providers and health care facilities participating receive their compensation directly from the insurer, a corporation formed by or on behalf of a political subdivision or a department, office, or institution of the state, or a public entity formed by or on behalf of a board of county commissioners, a county board of developmental disabilities, an alcohol and drug addiction services board, a board of alcohol, drug addiction, and mental health services, or a community mental health board, as those terms are used in Chapters 340. and 5126. of the Revised Code. Except as provided by division (D) of section 1751.02 of the Revised Code, or as otherwise provided by law, no board, commission, agency, or other entity under the control of a political subdivision may accept insurance risk in providing for health care services. However, nothing in this division shall be construed as prohibiting such entities from purchasing the services of a health insuring corporation or a third-party administrator licensed under Chapter 3959. of the Revised Code.

(P) "Intermediary organization" means a health delivery network or other entity that contracts with licensed health insuring corporations or self-insured employers, or both, to provide health care services, and that enters into contractual arrangements with other entities for the provision of health care services for the purpose of fulfilling the terms of its contracts with the health insuring corporations and self-insured employers.

(Q) "Intermediate care" means residential care above the level of room and board for patients who require personal assistance and health-related services, but who do not require

skilled nursing care. 6830

(R) "Medical record" means the personal information that 6831  
relates to an individual's physical or mental condition, medical 6832  
history, or medical treatment. 6833

(S) (1) "Open panel plan" means a health care plan that 6834  
provides incentives for enrollees to use participating providers 6835  
and that also allows enrollees to use providers that are not 6836  
participating providers. 6837

(2) No health insuring corporation may offer an open panel 6838  
plan, unless the health insuring corporation is also licensed as 6839  
an insurer under Title XXXIX of the Revised Code, the health 6840  
insuring corporation, on June 4, 1997, holds a certificate of 6841  
authority or license to operate under Chapter 1736. or 1740. of 6842  
the Revised Code, or an insurer licensed under Title XXXIX of 6843  
the Revised Code is responsible for the out-of-network risk as 6844  
evidenced by both an evidence of coverage filing under section 6845  
1751.11 of the Revised Code and a policy and certificate filing 6846  
under section 3923.02 of the Revised Code. 6847

(T) "Osteopathic hospital" means a hospital registered 6848  
under section 3701.07 of the Revised Code that advocates 6849  
osteopathic principles and the practice and perpetuation of 6850  
osteopathic medicine by doing any of the following: 6851

(1) Maintaining a department or service of osteopathic 6852  
medicine or a committee on the utilization of osteopathic 6853  
principles and methods, under the supervision of an osteopathic 6854  
physician; 6855

(2) Maintaining an active medical staff, the majority of 6856  
which is comprised of osteopathic physicians; 6857

(3) Maintaining a medical staff executive committee that 6858

has osteopathic physicians as a majority of its members. 6859

(U) "Panel" means a group of providers or health care 6860  
facilities that have joined together to deliver health care 6861  
services through a contractual arrangement with a health 6862  
insuring corporation, employer group, or other payor. 6863

(V) "Person" has the same meaning as in section 1.59 of 6864  
the Revised Code, and, unless the context otherwise requires, 6865  
includes any insurance company holding a certificate of 6866  
authority under Title XXXIX of the Revised Code, any subsidiary 6867  
and affiliate of an insurance company, and any government 6868  
agency. 6869

(W) "Premium rate" means any set fee regularly paid by a 6870  
subscriber to a health insuring corporation. A "premium rate" 6871  
does not include a one-time membership fee, an annual 6872  
administrative fee, or a nominal access fee, paid to a managed 6873  
health care system under which the recipient of health care 6874  
services remains solely responsible for any charges accessed for 6875  
those services by the provider or health care facility. 6876

(X) "Primary care provider" means a provider that is 6877  
designated by a health insuring corporation to supervise, 6878  
coordinate, or provide initial care or continuing care to an 6879  
enrollee, and that may be required by the health insuring 6880  
corporation to initiate a referral for specialty care and to 6881  
maintain supervision of the health care services rendered to the 6882  
enrollee. 6883

(Y) "Provider" means any natural person or partnership of 6884  
natural persons who are licensed, certified, accredited, or 6885  
otherwise authorized in this state to furnish health care 6886  
services, or any professional association organized under 6887

Chapter 1785. of the Revised Code, provided that nothing in this 6888  
chapter or other provisions of law shall be construed to 6889  
preclude a health insuring corporation, health care 6890  
practitioner, or organized health care group associated with a 6891  
health insuring corporation from employing certified nurse 6892  
practitioners, certified nurse anesthetists, clinical nurse 6893  
specialists, certified nurse-midwives, pharmacists, dietitians, 6894  
physician assistants, dental assistants, dental hygienists, 6895  
optometric technicians, or other allied health personnel who are 6896  
licensed, certified, accredited, or otherwise authorized in this 6897  
state to furnish health care services. 6898

(Z) "Provider sponsored organization" means a corporation, 6899  
as defined in division (H) of this section, that is at least 6900  
eighty per cent owned or controlled by one or more hospitals, as 6901  
defined in section 3727.01 of the Revised Code, or one or more 6902  
physicians licensed to practice medicine or surgery or 6903  
osteopathic medicine and surgery under Chapter 4731. of the 6904  
Revised Code, or any combination of such physicians and 6905  
hospitals. Such control is presumed to exist if at least eighty 6906  
per cent of the voting rights or governance rights of a provider 6907  
sponsored organization are directly or indirectly owned, 6908  
controlled, or otherwise held by any combination of the 6909  
physicians and hospitals described in this division. 6910

(AA) "Solicitation document" means the written materials 6911  
provided to prospective subscribers or enrollees, or both, and 6912  
used for advertising and marketing to induce enrollment in the 6913  
health care plans of a health insuring corporation. 6914

(BB) "Subscriber" means a person who is responsible for 6915  
making payments to a health insuring corporation for 6916  
participation in a health care plan, or an enrollee whose 6917

employment or other status is the basis of eligibility for 6918  
enrollment in a health insuring corporation. 6919

(CC) "Urgent care services" means those health care 6920  
services that are appropriately provided for an unforeseen 6921  
condition of a kind that usually requires medical attention 6922  
without delay but that does not pose a threat to the life, limb, 6923  
or permanent health of the injured or ill person, and may 6924  
include such health care services provided out of the health 6925  
insuring corporation's approved service area pursuant to 6926  
indemnity payments or service agreements. 6927

**Sec. 1776.69.** (A) Pursuant to a written agreement of 6928  
merger or consolidation between the constituent entities as this 6929  
section provides, a domestic partnership and one or more 6930  
additional domestic or foreign entities may merge into a 6931  
surviving entity other than a domestic partnership, or a 6932  
domestic partnership together with one or more additional 6933  
domestic or foreign entities may consolidate into a new entity, 6934  
other than a domestic partnership, that is formed by the 6935  
consolidation. No merger or consolidation may be carried out 6936  
pursuant to this section unless it is permitted by the Revised 6937  
Code chapter under which each domestic constituent entity exists 6938  
and by the laws under which each foreign constituent entity 6939  
exists. 6940

(B) Any written agreement of any merger or consolidation 6941  
shall set forth all of the following: 6942

(1) The name and the form of entity of each constituent 6943  
entity and the state under the laws of which each constituent 6944  
entity exists; 6945

(2) In the case of a merger, that one or more specified 6946

constituent domestic partnerships and other specified 6947  
constituent entities will be merged into a specified surviving 6948  
foreign entity or surviving domestic entity other than a 6949  
domestic partnership, or, in the case of a consolidation, that 6950  
the constituent entities will be consolidated into a new foreign 6951  
entity or a new domestic entity other than a domestic 6952  
partnership; 6953

(3) If the surviving or new entity is a foreign 6954  
partnership, all statements and matters that section 1776.68 of 6955  
the Revised Code would require if the surviving or new entity 6956  
were a domestic partnership; 6957

(4) The name and the form of entity of the surviving or 6958  
new entity, the state under the laws of which the surviving 6959  
entity exists or the new entity is to exist, and the location of 6960  
the principal office of the surviving or new entity; 6961

(5) Any additional statements and matters required to be 6962  
set forth in an agreement of merger or consolidation by the laws 6963  
under which each constituent entity exists and, in the case of a 6964  
consolidation, the new entity is to exist; 6965

(6) If the surviving or new entity is a foreign entity, 6966  
the consent of the surviving or new foreign entity to be sued 6967  
and served with process in this state and the irrevocable 6968  
appointment of the secretary of state as its agent to accept 6969  
service of process in any proceeding in this state to enforce 6970  
against the surviving or new foreign entity any obligation of 6971  
any constituent domestic partnership or to enforce the rights of 6972  
a dissenting partner of any constituent domestic partnership; 6973

(7) If the surviving or new entity is a foreign 6974  
corporation that desires to transact business in this state as a 6975

foreign corporation, a statement to that effect, together with a 6976  
statement regarding the appointment of a statutory agent and 6977  
service of any process, notice, or demand upon that statutory 6978  
agent or the secretary of state, as required when a foreign 6979  
corporation applies for a license to transact business in this 6980  
state; 6981

(8) If the surviving or new entity is a foreign limited 6982  
partnership that desires to transact business in this state as a 6983  
foreign limited partnership, a statement to that effect, 6984  
together with all of the information required under section 6985  
1782.49 of the Revised Code when a foreign limited partnership 6986  
registers to transact business in this state; 6987

(9) If the surviving or new entity is a foreign limited 6988  
liability company that desires to transact business in this 6989  
state as a foreign limited liability company, a statement to 6990  
that effect, together with all of the information required under 6991  
section 1705.54 or 1706.511 of the Revised Code when a foreign 6992  
limited liability company registers to transact business in this 6993  
state; 6994

(10) If the surviving or new entity is a foreign limited 6995  
liability partnership that desires to transact business in this 6996  
state as a foreign limited liability partnership, a statement to 6997  
that effect, together with all of the information required under 6998  
section 1776.86 of the Revised Code when a foreign limited 6999  
liability partnership registers to transact business in this 7000  
state. 7001

(C) The written agreement of merger or consolidation also 7002  
may set forth any additional provision permitted by the laws of 7003  
any state under the laws of which any constituent entity exists, 7004  
consistent with the laws under which the surviving entity exists 7005

or the new entity is to exist. 7006

(D) To effect the merger or consolidation, the partners of 7007  
each constituent domestic partnership shall adopt an agreement 7008  
of merger or consolidation in the same manner and with the same 7009  
notice to and vote or action of partners or of a particular 7010  
class or group of partners as section 1776.68 of the Revised 7011  
Code requires. The agreement of merger or consolidation also 7012  
shall be approved or otherwise authorized by or on behalf of 7013  
each constituent entity in accordance with the laws under which 7014  
it exists. An agreement of merger or consolidation is not 7015  
effective against a person who would continue to be or who would 7016  
become a general partner of an entity that is the surviving or 7017  
new entity in a merger or consolidation unless that person 7018  
specifically agrees in writing either to continue or to become, 7019  
as the case may be, a general partner of the surviving or new 7020  
entity. 7021

(E) (1) At any time before filing the certificate of merger 7022  
or consolidation pursuant to section 1776.70 of the Revised 7023  
Code, if the agreement of merger or consolidation permits, the 7024  
partners of any constituent partnership, the directors of any 7025  
constituent corporation, or the comparable representatives of 7026  
any other constituent entity may abandon the merger or 7027  
consolidation. 7028

(2) The agreement of merger or consolidation may authorize 7029  
less than all of the partners of any constituent partnership, 7030  
the directors of any constituent corporation, or the comparable 7031  
representatives of any other constituent entity to amend the 7032  
agreement of merger or consolidation at any time before the 7033  
filing of the certificate of merger or consolidation, except 7034  
that, after the adoption of the agreement of merger or 7035

consolidation by the partners of any constituent domestic 7036  
partnership, only with the approval of all the partners may any 7037  
agreement of merger or consolidation be amended to do any of the 7038  
following: 7039

(a) Alter or change the amount or kind of interests, 7040  
shares, evidences of indebtedness, other securities, cash, 7041  
rights, or any other property to be received by partners of the 7042  
constituent domestic partnership in conversion of or in exchange 7043  
for their interests; 7044

(b) If the surviving or new entity is a partnership, alter 7045  
or change any term of the partnership agreement of the surviving 7046  
or new partnership, except for alterations or changes that could 7047  
be adopted by those partners by the terms of the partnership 7048  
agreement of the surviving or new partnership as would be in 7049  
effect after the merger or consolidation; 7050

(c) If the surviving or new entity is a corporation or any 7051  
other entity other than a partnership, alter or change any term 7052  
of the articles or comparable instrument of the surviving or new 7053  
corporation or entity, except for alterations or changes that 7054  
otherwise could be adopted by the directors or comparable 7055  
representatives of the surviving or new corporation or entity; 7056

(d) Alter or change any other terms and conditions of the 7057  
agreement of merger or consolidation if any of the alterations 7058  
or changes, alone or in the aggregate, would materially 7059  
adversely affect the partners or any class or group of partners 7060  
of the constituent domestic partnership. 7061

**Sec. 1776.82.** (A) The name of a limited liability 7062  
partnership shall contain "registered limited liability 7063  
partnership," "registered partnership having limited liability," 7064

"limited liability partnership," "R.L.L.P.," "P.L.L.," "L.L.P.," 7065  
"RLLP," "PLL," or "LLP." 7066

(B) The name of a domestic registered limited liability 7067  
partnership or foreign limited liability partnership shall be 7068  
distinguishable upon the records in the office of the secretary 7069  
of state from all of the following: 7070

(1) The name of any other limited liability partnership 7071  
registered in the office of the secretary of state pursuant to 7072  
this chapter or Chapter 1775. of the Revised Code, whether 7073  
domestic or foreign; 7074

(2) The name of any domestic corporation that is formed 7075  
under Chapter 1701. or 1702. of the Revised Code or any foreign 7076  
corporation that is registered pursuant to Chapter 1703. of the 7077  
Revised Code; 7078

(3) The name of any limited liability company registered 7079  
in the office of the secretary of state pursuant to Chapter 7080  
1705. or 1706. of the Revised Code, whether domestic or foreign; 7081

(4) The name of any limited partnership registered in the 7082  
office of the secretary of state pursuant to Chapter 1782. of 7083  
the Revised Code, whether domestic or foreign; 7084

(5) Any trade name the exclusive right to which is at the 7085  
time in question registered in the office of the secretary of 7086  
state pursuant to Chapter 1329. of the Revised Code. 7087

**Sec. 1782.02.** (A) The name of any limited partnership, as 7088  
set forth in its certificate of limited partnership, shall 7089  
include "Limited Partnership," "L.P.," "Limited," or "Ltd." and 7090  
shall not contain the name of a limited partner unless either of 7091  
the following are true: 7092

(1) It is also the name of a general partner;	7093
(2) The business of the limited partnership had been carried on under that name before the admission of that limited partner.	7094 7095 7096
(B) The name of a limited partnership shall be distinguishable upon the records in the office of the secretary of state from all of the following:	7097 7098 7099
(1) The name of any other limited partnership registered in the office of the secretary of state pursuant to this chapter, whether domestic or foreign;	7100 7101 7102
(2) The name of any domestic corporation that is formed under Chapter 1701. or 1702. of the Revised Code or any foreign corporation that is registered pursuant to Chapter 1703. of the Revised Code;	7103 7104 7105 7106
(3) The name of any limited liability company registered in the office of the secretary of state pursuant to Chapter 1705. <u>or 1706.</u> of the Revised Code, whether domestic or foreign;	7107 7108 7109
(4) The name of any limited liability partnership registered in the office of the secretary of state pursuant to Chapter 1775. or 1776. of the Revised Code, whether domestic or foreign;	7110 7111 7112 7113
(5) Any trade name the exclusive right to which is at the time in question registered in the office of the secretary of state pursuant to Chapter 1329. of the Revised Code.	7114 7115 7116
<b>Sec. 1782.432.</b> (A) Pursuant to an agreement of merger or consolidation between the constituent entities as provided in this section, a domestic limited partnership and one or more additional domestic or foreign entities may be merged into a	7117 7118 7119 7120

surviving entity other than a domestic limited partnership, or a 7121  
domestic limited partnership together with one or more 7122  
additional domestic or foreign entities may be consolidated into 7123  
a new entity other than a domestic limited partnership to be 7124  
formed by such consolidation. The merger or consolidation must 7125  
be permitted by the chapter of the Revised Code under which each 7126  
domestic constituent entity exists and by the laws under which 7127  
each foreign constituent entity exists. 7128

(B) The agreement of merger or consolidation shall set 7129  
forth all of the following: 7130

(1) The name and the form of entity of each constituent 7131  
entity and the state under the laws of which each constituent 7132  
entity exists; 7133

(2) In the case of a merger, that one or more specified 7134  
constituent domestic limited partnerships and other specified 7135  
constituent entities will be merged into a specified surviving 7136  
foreign entity or surviving domestic entity other than a 7137  
domestic limited partnership, or, in the case of a 7138  
consolidation, that the constituent entities will be 7139  
consolidated into a new foreign entity or a new domestic entity 7140  
other than a domestic limited partnership; 7141

(3) If the surviving or new entity is a foreign limited 7142  
partnership, all additional statements and matters, other than 7143  
the name and address of the statutory agent, that would be 7144  
required by section 1782.431 of the Revised Code if the 7145  
surviving or new entity were a domestic limited partnership; 7146

(4) The name and the form of entity of the surviving or 7147  
new entity, the state under the laws of which the surviving 7148  
entity exists or the new entity is to exist, and the location of 7149

the principal office of the surviving or new entity; 7150

(5) All additional statements and matters required to be 7151  
set forth in such an agreement of merger or consolidation by the 7152  
laws under which each constituent entity exists and, in the case 7153  
of a consolidation, the new entity is to exist; 7154

(6) The consent of the surviving or new entity to be sued 7155  
and served with process in this state and the irrevocable 7156  
appointment of the secretary of state as its agent to accept 7157  
service of process in any proceeding in this state to enforce 7158  
against the surviving or new entity any obligation of any 7159  
constituent domestic limited partnership or to enforce the 7160  
rights of a dissenting partner of any constituent domestic 7161  
limited partnership; 7162

(7) If the surviving or new entity is a foreign 7163  
corporation that desires to transact business in this state as a 7164  
foreign corporation, a statement to that effect, together with a 7165  
statement regarding the appointment of a statutory agent and 7166  
service of any process, notice, or demand upon that statutory 7167  
agent or the secretary of state, as required when a foreign 7168  
corporation applies for a license to transact business in this 7169  
state; 7170

(8) If the surviving or new entity is a foreign limited 7171  
partnership that desires to transact business in this state as a 7172  
foreign limited partnership, a statement to that effect, 7173  
together with all of the information required under section 7174  
1782.49 of the Revised Code when a foreign limited partnership 7175  
registers to transact business in this state; 7176

(9) If the surviving or new entity is a foreign limited 7177  
liability company that desires to transact business in this 7178

state as a foreign limited liability company, a statement to 7179  
that effect, together with all of the information required under 7180  
section 1705.54 or 1706.511 of the Revised Code when a foreign 7181  
limited liability company registers to transact business in this 7182  
state. 7183

(C) The agreement of merger or consolidation also may set 7184  
forth any additional provision permitted by the laws of any 7185  
state under the laws of which any constituent entity exists, 7186  
consistent with the laws under which the surviving entity exists 7187  
or the new entity is to exist. 7188

(D) To effect the merger or consolidation, the agreement 7189  
of merger or consolidation shall be adopted by the general 7190  
partners of each constituent domestic limited partnership, in 7191  
the same manner and with the same notice to and vote or action 7192  
of partners or of a particular class or group of partners as is 7193  
required by section 1782.431 of the Revised Code. The agreement 7194  
of merger or consolidation also shall be approved or otherwise 7195  
authorized by or on behalf of each constituent entity in 7196  
accordance with the laws under which it exists. Each person who 7197  
will continue to be or who will become a general partner of a 7198  
partnership that is the surviving or new entity in a merger or 7199  
consolidation shall specifically agree to continue or to become, 7200  
as the case may be, a general partner of the surviving or new 7201  
entity. 7202

(E) At any time before the filing of the certificate of 7203  
merger or consolidation pursuant to section 1782.433 of the 7204  
Revised Code, the merger or consolidation may be abandoned by 7205  
the general partners of any constituent partnership, the 7206  
directors of any constituent corporation, or the comparable 7207  
representatives of any other constituent entity if the general 7208

partners, directors, or comparable representatives are 7209  
authorized to do so by the agreement of merger or consolidation. 7210  
The agreement of merger or consolidation may contain a provision 7211  
authorizing the general partners of any constituent partnership, 7212  
the directors of any constituent corporation, or the comparable 7213  
representatives of any other constituent entity to amend the 7214  
agreement of merger or consolidation at any time before the 7215  
filing of the certificate of merger or consolidation, except 7216  
that after the adoption of the agreement of merger or 7217  
consolidation by the limited partners of any constituent 7218  
domestic limited partnership, the general partners shall not be 7219  
authorized to amend the agreement of merger or consolidation to 7220  
do any of the following: 7221

(1) Alter or change the amount or kind of interests, 7222  
shares, evidences of indebtedness, other securities, cash, 7223  
rights, or any other property to be received by limited partners 7224  
of the constituent domestic limited partnership in conversion of 7225  
or in substitution for their interests; 7226

(2) If the surviving or new entity is a partnership, alter 7227  
or change any term of the partnership agreement of the surviving 7228  
or new partnership, except for alterations or changes that 7229  
otherwise could be adopted by the general partners of the 7230  
surviving or new partnership; 7231

(3) If the surviving or new entity is a corporation or any 7232  
other entity other than a partnership, alter or change any term 7233  
of the articles or comparable instrument of the surviving or new 7234  
corporation or entity, except for alterations or changes that 7235  
otherwise could be adopted by the directors or comparable 7236  
representatives of the surviving or new corporation or entity; 7237

(4) Alter or change any other terms and conditions of the 7238

agreement of merger or consolidation if any of the alterations 7239  
or changes, alone or in the aggregate, would materially 7240  
adversely affect the limited partners or any class or group of 7241  
limited partners of the constituent domestic limited 7242  
partnership. 7243

**Sec. 1785.09.** This chapter does not preclude the rendering 7244  
of a professional service within this state by a corporation 7245  
formed under division (B) of section 1701.03 of the Revised 7246  
Code, a limited liability company formed under Chapter 1705. or 7247  
1706. of the Revised Code, or a foreign limited liability 7248  
company registered with the secretary of state and transacting 7249  
business in this state in accordance with sections 1705.53 to 7250  
1705.58 or 1706.51 to 1706.515 of the Revised Code. 7251

**Sec. 3345.203.** (A) As used in this section: 7252

(1) "Claims expenses" means payment of judgments, 7253  
settlement of claims, expense, loss, and damage. 7254

(2) "State university or college" has the same meaning as 7255  
in section 3345.12 of the Revised Code. 7256

(B) Regardless of whether a state university or college 7257  
secures insurance coverages under division (B)(1), (2), or (3) 7258  
of section 3345.202 of the Revised Code, the board of trustees 7259  
of the state university or college may join with other state 7260  
universities or colleges in establishing and maintaining a joint 7261  
self-insurance pool to do both of the following: 7262

(1) Provide for payment of claims expenses that arise, or 7263  
are claimed to have arisen, from an act or omission of the state 7264  
university or college or any of its employees or other persons 7265  
authorized by the board while doing either of the following: 7266

(a) Acting in the scope of their employment or official 7267

responsibilities; 7268

(b) Being engaged in activities undertaken at the request 7269  
or direction, or for the benefit, of the state university or 7270  
college. 7271

(2) Indemnify or hold harmless the state university's or 7272  
college's employees against such loss or damage. 7273

The joint self-insurance pool shall be pursuant to a 7274  
written agreement and to the extent that the board considers the 7275  
pool to be necessary. 7276

(C) All of the following apply to a joint self-insurance 7277  
pool under this section: 7278

(1) The funds shall be reserved as are necessary, in the 7279  
exercise of sound and prudent actuarial judgment, to cover 7280  
potential state university or college and employee liabilities, 7281  
loss, and damage. A report of aggregate amounts so reserved and 7282  
aggregate disbursements made from such funds shall be prepared 7283  
and maintained in the office of the pool administrator described 7284  
in division (C) (2) of this section. The report shall be prepared 7285  
and maintained not later than ninety days after the close of the 7286  
pool's fiscal year. 7287

The report required by this division shall include, but 7288  
not be limited to, the aggregate of disbursements made for the 7289  
administration of the pool, including claims paid, costs of the 7290  
legal representation of state universities or colleges and 7291  
employees, and fees paid to consultants. The report also shall 7292  
be accompanied by a written report of a member of the American 7293  
academy of actuaries certifying whether the amounts reserved 7294  
conform to the requirements of this division, are computed in 7295  
accordance with accepted loss reserving standards, and are 7296

fairly stated in accordance with sound loss reserving 7297  
principles. 7298

The pool administrator described in division (C) (2) of 7299  
this section shall make the report required by this division 7300  
available for inspection by any person at all reasonable times 7301  
during regular business hours. Upon the request of such person, 7302  
the pool administrator shall make copies of the report available 7303  
at cost within a reasonable period of time. The pool 7304  
administrator also shall submit a copy of the report to the 7305  
auditor of state. The report required by this division is in 7306  
lieu of the records required by division (A) of section 149.431 7307  
of the Revised Code. 7308

(2) The board of trustees establishing a joint self- 7309  
insurance pool may award a contract, without the necessity of 7310  
competitive bidding, to a pool administrator for purposes of 7311  
administration of the joint self-insurance pool. A "pool 7312  
administrator" may be any person, political subdivision, limited 7313  
liability company organized under Chapter 1705. or 1706. of the 7314  
Revised Code, nonprofit corporation organized under Chapter 7315  
1702. of the Revised Code, or regional council of governments 7316  
created under Chapter 167. of the Revised Code. The board shall 7317  
not enter into such a contract without full, prior, public 7318  
disclosure of all terms and conditions. The disclosure shall 7319  
include, at a minimum, a statement listing all representations 7320  
made in connection with any possible savings and losses 7321  
resulting from the contract, and potential liability of any 7322  
state university or college or employee. The proposed contract 7323  
and statement shall be disclosed and presented at a meeting of 7324  
the board of trustees of the state university or college prior 7325  
to the meeting at which the board of trustees of the state 7326  
university or college authorizes the contract. 7327

(3) A joint self-insurance pool shall include a contract 7328  
with a member of the American academy of actuaries for the 7329  
preparation of the written evaluation of the reserve funds 7330  
required under division (C)(1) of this section. 7331

(4) A joint self-insurance pool may allocate the costs of 7332  
funding the pool among the funds or accounts in the treasuries 7333  
of the state universities or colleges on the basis of their 7334  
relative exposure and loss experience. A joint self-insurance 7335  
program may require any deductible under the program to be paid 7336  
from funds or accounts in the treasury of the state university 7337  
or college from which a loss was directly attributable. 7338

(D) Two or more state universities or colleges may also 7339  
authorize the establishment and maintenance of a joint risk- 7340  
management program, including but not limited to the employment 7341  
of risk managers and consultants, for the purpose of preventing 7342  
and reducing the risks covered by insurance, self-insurance, or 7343  
joint self-insurance programs. A joint risk-management program 7344  
shall not include fidelity, surety, or guarantee bonding. 7345

(E) A state university or college is not liable under a 7346  
joint self-insurance pool for any amount in excess of amounts 7347  
payable pursuant to the written agreement for the participation 7348  
of the state university or college in the joint self-insurance 7349  
pool. Under a joint self-insurance pool agreement a state 7350  
university or college may, to the extent permitted under the 7351  
written agreement, assume the risks of any other state 7352  
university or college, including the indemnification of its 7353  
employees. A joint self-insurance pool, established under this 7354  
section, is deemed a separate legal entity for the public 7355  
purpose of enabling the members of the joint self-insurance pool 7356  
to obtain insurance or to provide for a formalized, jointly 7357

administered self-insurance fund for its members. An entity 7358  
created pursuant to this section is exempt from all state and 7359  
local taxes. 7360

(F) (1) In the manner provided by and subject to the 7361  
applicable provisions of section 3345.12 of the Revised Code, 7362  
any state university or college may issue obligations and may 7363  
also issue notes in anticipation of such obligations, pursuant 7364  
to a resolution of its board of trustees or other governing body 7365  
for the purpose of providing funds to do both of the following: 7366

(a) Pay claims expenses, whether by way of a reserve or 7367  
otherwise; 7368

(b) Pay the state university or college's portion of the 7369  
cost of establishing and maintaining a joint self-insurance pool 7370  
or to provide for the reserve in a special fund authorized by 7371  
division (C) (1) of this section. 7372

(2) Sections 9.98 to 9.983 of the Revised Code apply to 7373  
bonds or notes authorized under this section. 7374

(G) (1) A joint self-insurance pool, in addition to its 7375  
powers to provide self-insurance against any and all liabilities 7376  
under this chapter, may also include any one or more of the 7377  
following forms of property or casualty self-insurance for the 7378  
purpose of covering any other liabilities or risks of the 7379  
members of the pool: 7380

(a) Public general liability, professional liability, or 7381  
employee liability; 7382

(b) Individual or fleet motor vehicle or automobile 7383  
liability and protection against other liability and loss 7384  
associated with the ownership, maintenance, and use of motor 7385  
vehicles; 7386

(c) Aircraft liability and protection against other	7387
liability and loss associated with the ownership, maintenance,	7388
and use of aircraft;	7389
(d) Loss or damage to property and loss of use and	7390
occupancy of property by fire, lightning, hail, tempest, flood,	7391
earthquake, or snow, explosion, accident, or other risk;	7392
(e) Marine, inland transportation and navigation, boiler,	7393
containers, pipes, engines, flywheels, elevators, and machinery;	7394
(f) Environmental impairment;	7395
(g) Loss or damage by any hazard upon any other risk to	7396
which state universities or colleges are subject, which is not	7397
prohibited by statute or at common law from being the subject of	7398
casualty or property insurance.	7399
(2) A joint self-insurance pool is not an insurance	7400
company. Its operation does not constitute doing an insurance	7401
business and is not subject to the insurance laws of this state.	7402
(H) A public official or employee of a state university or	7403
college who is or becomes a member of the governing body of a	7404
joint self-insurance pool in which the state university or	7405
college participates is not in violation of any of the following	7406
as a result of the state university or college entering into the	7407
written agreement to participate in the pool or into any	7408
contract with the pool:	7409
(1) Division (D) or (E) of section 102.03 of the Revised	7410
Code;	7411
(2) Division (C) of section 102.04 of the Revised Code;	7412
(3) Section 2921.42 of the Revised Code.	7413

(I) This section shall not be construed to affect the ability of any state university or college to self-insure under the authority conferred by any other section of the Revised Code.

(J) The establishment or participation in a joint self-insurance pool under this section shall not constitute a waiver of any immunity or defense available to the member state university or college or to any covered entity.

(K) (1) Both of the following shall be determined in the court of claims pursuant to section 2743.02 of the Revised Code:

(a) Any claims or litigation relating to the administration of a joint self-insurance pool created pursuant to this section, including any immunities or defenses;

(b) Any claims relating to the scope of or denial of coverage under that pool or its administration.

(2) The pool administrator described in division (C) (2) of this section and its employees, while in the course of administering a joint self-insurance pool under this section, shall:

(a) Be deemed to be an instrumentality of the state for the purposes of Chapter 2743. of the Revised Code;

(b) Be deemed to be performing a public duty, as defined in section 2743.01 of the Revised Code; and

(c) Have the defenses to, and immunities from, civil liability provided in section 2743.02 of the Revised Code.

**Sec. 3964.03.** (A) A captive insurance company shall be organized under Chapter 1701., 1702., ~~or~~ 1705., or 1706. of the Revised Code.

(B) A captive insurance company shall not operate in this state unless all of the following are met:

(1) The captive insurance company obtains from the superintendent a license to do the business of captive insurance in this state.

(2) The captive insurance company's board of directors holds at least one meeting each year in this state.

(3) The captive insurance company maintains its principal place of business in this state.

(4) The person managing the captive insurance company is a resident of this state.

(5) The captive insurance company appoints a registered agent to accept service of process and act on its behalf in this state.

(C) Whenever an agent required under division (B) (5) of this section cannot, with reasonable diligence, be found at the registered office of the captive insurance company, the superintendent shall be an agent of such a captive insurance company upon whom any process, notice, or demand may be served.

(D) A captive insurance company seeking a license to be a captive insurance company in this state shall file an application with the superintendent and shall submit all of the following along with the application:

(1) A certified copy of its articles of incorporation, bylaws, or other organizational document and code of regulations;

(2) A statement, made under oath by the president and secretary, in a form prescribed by the superintendent, showing

the captive insurance company's financial condition;	7470
(3) A statement of the captive insurance company's assets relative to its risks, detailing the amount of assets and their liquidity;	7471 7472 7473
(4) An account of the adequacy of the expertise, experience, and character of the person or persons who will manage the captive insurance company;	7474 7475 7476
(5) An account of the loss prevention programs of the persons that the captive insurance company insures;	7477 7478
(6) Actuarial assumptions and methodologies that will be utilized in calculating reserves;	7479 7480
(7) Any other information considered necessary by the superintendent to determine whether the proposed captive insurance company will be able to meet its obligations.	7481 7482 7483
(E) (1) A special purpose financial captive insurance company shall follow the national association of insurance commissioner's accounting practices and procedures manual.	7484 7485 7486
(2) (a) Upon request, the superintendent may allow a special purpose financial captive insurance company to use a reserve basis other than that found in the national association of insurance commissioner's accounting practices and procedures manual.	7487 7488 7489 7490 7491
(b) The superintendent, in accordance with Chapter 119. of the Revised Code, shall adopt rules that define acceptable alternative reserve bases.	7492 7493 7494
(c) Such rules shall be adopted prior to availability for use of any such alternative reserve basis and shall ensure that the resulting reserves meet all of the following conditions:	7495 7496 7497

(i) Quantify the benefits and guarantees, and the funding, 7498  
associated with the contracts and their risks at a level of 7499  
conservatism that reflects conditions that include unfavorable 7500  
events that have a reasonable probability of occurring during 7501  
the lifetime of the contracts. For policies or contracts with 7502  
significant tail risk, reflects conditions appropriately adverse 7503  
to quantify the tail risk. 7504

(ii) Incorporate assumptions, risk analysis methods, and 7505  
financial models and management techniques that are consistent 7506  
with, but not necessarily identical to, those utilized within 7507  
the company's overall risk assessment process, while recognizing 7508  
potential differences in financial reporting structures and any 7509  
prescribed assumptions or methods; 7510

(iii) Provide margins for uncertainty including adverse 7511  
deviation and estimation error, such that the greater the 7512  
uncertainty the larger the margin and resulting reserve. 7513

(d) An alternative basis for calculating a reserve 7514  
approved by the superintendent shall be treated as a public 7515  
document after the date the alternative basis for calculating 7516  
the reserve has been approved, regardless of the application of 7517  
the uniform trade secrets act set forth in sections 1333.61 to 7518  
1333.69 of the Revised Code. 7519

(3) The special purpose financial captive insurance 7520  
company shall submit a request for an alternative reserve basis 7521  
in writing, and affirmed by the company's appointed actuary, 7522  
that includes, at a minimum, the following information for the 7523  
superintendent to consider in evaluating the request: 7524

(a) The reserves based on the national association of 7525  
insurance commissioner's accounting practices and procedures 7526

manual and the reserves based on the proposed alternative method 7527  
for calculation and the difference between these two 7528  
calculations; 7529

(b) A detailed analysis of the proposed alternative method 7530  
explaining why the use of an alternative basis for calculating 7531  
the reserve is appropriate; 7532

(c) All assumptions utilized within the proposed 7533  
alternative method, together with the source of the assumptions, 7534  
as well as information, satisfactory to the superintendent, 7535  
supporting the appropriateness of the assumptions and analysis 7536  
and identifying the assumptions that result in the greatest 7537  
variability in the reserve and how that analysis was used in 7538  
setting those assumptions; 7539

(d) A detailed overview of the corporate governance and 7540  
oversight of the actuarial valuation function; 7541

(e) Any other information the superintendent may require 7542  
to assess the proposed alternative method for approval or 7543  
disapproval. 7544

(4) At the expense of the special purpose financial 7545  
captive insurance company, the superintendent may require the 7546  
company to secure the affirmation of an independent qualified 7547  
actuary in support of any alternative basis for calculating the 7548  
reserve that is requested pursuant to this section or to assist 7549  
the superintendent in the review of said request. 7550

(5) If the superintendent approves the use of an 7551  
alternative basis for calculating a reserve, the special purpose 7552  
financial captive insurance company, and the ceding insurer 7553  
shall each include a note in its financial statements disclosing 7554  
the use of a basis other than the national association of 7555

insurance commissioner's accounting practices and procedures 7556  
manual and the difference between the reserve amount determined 7557  
under the alternative basis and the reserve amount that would 7558  
have been determined had the company utilized the national 7559  
association of insurance commissioner's accounting practices and 7560  
procedures manual. 7561

(6) (a) The superintendent shall establish an acceptable 7562  
total capital and surplus requirement for each insurance company 7563  
that will cede risks and obligations to a special purpose 7564  
financial captive insurance company. The total capital and 7565  
surplus requirement must be met at the time the special purpose 7566  
financial captive insurance company applies for a license to do 7567  
the business of captive insurance. The total capital and surplus 7568  
requirement shall be determined in accordance with a minimum 7569  
required total capital and surplus methodology that meets both 7570  
of the following requirements: 7571

(i) Is consistent with current risk-based capital 7572  
principles; 7573

(ii) Takes into account all material risks and 7574  
obligations, as well as the assets, of the insurance company. 7575

(b) An insurance company ceding risks and obligations to a 7576  
special purpose financial captive insurance company shall fully 7577  
disclose all material risks and obligations, as well as its 7578  
assets and all affiliated captive insurance company risks. The 7579  
ceding insurance company shall advise the superintendent 7580  
whenever there is a material change to such risks, obligations, 7581  
or assets. 7582

(F) In determining whether to approve an application for a 7583  
license, the superintendent shall consider all of the following: 7584

(1) The character, reputation, financial standing, and 7585  
purposes of the incorporators, or other founders, of the captive 7586  
insurance company; 7587

(2) The character, reputation, financial responsibility, 7588  
experience relating to insurance, and business qualifications of 7589  
the officers and directors of the captive insurance company; 7590

(3) The amount of liquidity and assets of the captive 7591  
insurance company relative to the risks to be assumed; 7592

(4) The adequacy of the expertise, experience, and 7593  
character of the person or persons who will manage the captive 7594  
insurance company; 7595

(5) The overall soundness of the plan of operation; 7596

(6) The adequacy of the loss prevention programs of the 7597  
persons that the captive insurance company insures. 7598

(G) (1) Each captive insurance company that offers direct 7599  
insurance to its parent shall submit to the superintendent for 7600  
approval a detailed description of the coverages, deductibles, 7601  
coverage limits, proposed rates or rating plans, documentation 7602  
from a qualified actuary that demonstrates the actuarial 7603  
soundness of the proposed rates or rating plans, and other such 7604  
additional information as the superintendent may require. 7605

(2) (a) Any captive insurance company licensed under the 7606  
provisions of this chapter that seeks to make any material 7607  
change to any item described in division (G) (1) of this section 7608  
shall submit to the superintendent for approval a detailed 7609  
description of the revision, documentation from a qualified 7610  
actuary that demonstrates the actuarial soundness of the revised 7611  
rates or rating plans, and other such additional information as 7612  
the superintendent may require. 7613

(b) Each filing under division (G) (2) (a) of this section 7614  
is deemed approved thirty days after the filing is received by 7615  
the superintendent of insurance, unless the filing is 7616  
disapproved by the superintendent during that thirty-day period. 7617

(c) If at any time subsequent to the thirty-day review 7618  
period the superintendent finds that a filing does not 7619  
demonstrate actuarial soundness, the superintendent shall hold a 7620  
hearing requiring the captive insurance company to show cause 7621  
why an order should not be made by the superintendent to 7622  
disapprove the revised rates or rating plans. 7623

(d) If, upon such a hearing, the superintendent finds that 7624  
the captive insurance company failed to demonstrate the 7625  
actuarial soundness of the rates or rating plans, the 7626  
superintendent shall issue an order directing the captive 7627  
insurance company to cease and desist from using the revised 7628  
rates or rating plans and to use rates or rating plans as 7629  
determined appropriate by the superintendent. 7630

(H) Except as otherwise provided in this division, 7631  
documents and information submitted by a captive insurance 7632  
company pursuant to this section are not subject to section 7633  
149.43 of the Revised Code, and are confidential, and may not be 7634  
disclosed by the superintendent or any employee of the 7635  
department of insurance without the written consent of the 7636  
company. 7637

(1) Such documents and information may be discoverable in 7638  
a civil action in which the captive insurance company filing the 7639  
material is a party upon a finding by a court of competent 7640  
jurisdiction that the information sought is relevant and 7641  
necessary to the case and the information sought is unavailable 7642  
from other, nonconfidential sources. 7643

(2) The superintendent may, at the superintendent's sole discretion, share documents required under this section with the chief deputy rehabilitator, the chief deputy liquidator, other deputy rehabilitators and liquidators, and any other person employed by, or acting on behalf of the superintendent pursuant to Chapter 3901. or 3903. of the Revised Code, with other local, state, federal, and international regulatory and law enforcement agencies, with local, state, and federal prosecutors, and with the national association of insurance commissioners and its affiliates and subsidiaries provided that the recipient agrees to maintain the confidential or privileged status of the documents and has authority to do so.

(I) (1) Each applicant for a license to do the business of a captive insurance company in this state shall pay to the superintendent a nonrefundable fee of five hundred dollars for processing its application for a license. The superintendent is authorized to retain legal, financial, and examination services from outside the department, at the expense of the applicant. Each captive insurance company shall annually pay a license renewal fee of five hundred dollars.

(2) The fees collected pursuant to division (I) (1) of this section shall be deposited into the state treasury to the credit of the captive insurance regulation and supervision fund created under section 3964.15 of the Revised Code.

**Sec. 3964.17.** (A) As used in sections 3964.17 to 3964.1710 of the Revised Code:

(1) "Protected cell" means an incorporated cell that is organized pursuant to Chapter 1701., 1702., ~~or 1705.~~ or 1706. of the Revised Code and that has a separate legal identity from the protected cell captive insurance company of which it is a

part. 7674

(2) "Protected cell captive insurance company" means a 7675  
captive insurance company that meets all of the following 7676  
requirements: 7677

(a) Is formed and licensed under the provisions of this 7678  
chapter; 7679

(b) Insures or reinsures the risks of separate 7680  
participants through a participant contract; 7681

(c) Segregates each participant's liability into a 7682  
protected cell. 7683

(3) "Participant" means an individual, company, 7684  
corporation, partnership, limited liability company, and their 7685  
affiliated entities that insure or reinsure with a protected 7686  
cell. "Participant" includes an insurance agent licensed in this 7687  
state that accepts a stated percentage of risk on a pro rata 7688  
basis within a defined category of business underwritten by a 7689  
licensed insurance company that is domiciled in this state and 7690  
that is affiliated with a protected cell captive insurance 7691  
company. 7692

(4) "Participant contract" means a contract by which a 7693  
protected cell insures or reinsures the risks of a participant. 7694

(a) A participant that is not an insurance agent licensed 7695  
in this state shall insure or reinsure only its own risks 7696  
through a protected cell. 7697

(b) If the participant is an insurance agent licensed in 7698  
this state, the participant contract must define each risk 7699  
covered by the contract with fixed and certain terms. 7700

(B) A captive insurance company may be organized as a 7701

protected cell captive insurance company and shall be permitted 7702  
to form one or more protected cells under this section to insure 7703  
or reinsure risks of one or more participants. 7704

(C) The assets and liabilities of each protected cell 7705  
shall be held separately from the assets and liabilities of all 7706  
other protected cells. 7707

(D) A protected cell of a protected cell captive insurance 7708  
company shall be organized pursuant to Chapter 1701., 1702., ~~or~~ 7709  
1705., or 1706. of the Revised Code. 7710

(E) A protected cell captive insurance company shall, at 7711  
the time of paying the annual fee required under section 3964.13 7712  
of the Revised Code, pay an additional annual fee for each 7713  
protected cell in an amount to be established by the 7714  
superintendent. 7715

(F) Each protected cell of a protected cell captive 7716  
insurance company shall be treated as a captive insurance 7717  
company for purposes of this chapter. 7718

(G) Unless otherwise permitted by the articles of 7719  
incorporation, bylaws, code of regulations, or other 7720  
organizational document of a protected cell captive insurance 7721  
company, each protected cell of the protected cell captive 7722  
insurance company shall have the same directors, secretary, and 7723  
registered office as the protected cell captive insurance 7724  
company. 7725

(H) A protected cell captive insurance company may provide 7726  
in its articles of incorporation, bylaws, code of regulations, 7727  
or other organizational documents that a protected cell it 7728  
creates shall be wound up and dissolved upon any of the 7729  
following: 7730

(1) The bankruptcy, death, expulsion, insanity, 7731  
resignation, or retirement of any participant of the protected 7732  
cell; 7733

(2) The happening of some event that is not the expiration 7734  
of a fixed period of time; 7735

(3) The expiration of a fixed period of time. 7736

(I) (1) The articles of incorporation, bylaws, code of 7737  
regulations, or other organizational documents, of a protected 7738  
cell captive insurance company shall provide that a protected 7739  
cell shall not own shares or membership interests in the 7740  
protected cell captive insurance company of which it is a part. 7741

(2) Such a document may provide that a protected cell may 7742  
own shares or membership interests in any other protected cell 7743  
of the protected cell captive insurance company of which it is a 7744  
part. 7745

(J) The name of a protected cell captive insurance company 7746  
shall include the words "protected cell captive" or the 7747  
abbreviation "PCC." 7748

(K) A protected cell captive insurance company shall 7749  
assign a distinctive name to each of its protected cells that 7750  
meets all of the following: 7751

(1) The name identifies the protected cell as being part 7752  
of the protected cell captive insurance company. 7753

(2) The name distinguishes the protected cell from any 7754  
other protected cell of the protected cell captive insurance 7755  
company. 7756

(3) The name includes the words "protected cell" or the 7757  
abbreviation "PC." 7758

(L) A protected cell may enter into an agreement with its 7759  
protected cell captive insurance company or with another 7760  
protected cell of the same protected cell captive insurance 7761  
company. 7762

(M) (1) The assets of a protected cell captive insurance 7763  
company shall be either cell assets or general assets. 7764

(2) The cell assets comprise the assets of the protected 7765  
cell captive insurance company that are held within or on behalf 7766  
of its protected cells. 7767

(3) The general assets of a protected cell captive 7768  
insurance company comprise the assets of the protected cell 7769  
captive insurance company that are not cell assets. 7770

(N) (1) The liabilities of a protected cell captive 7771  
insurance company shall be either cell liabilities or general 7772  
liabilities. 7773

(2) The cell liabilities comprise the obligations of the 7774  
protected cell captive insurance company attributable to its 7775  
protected cells. 7776

(3) The general liabilities of a protected cell captive 7777  
insurance company comprise the obligations of the protected cell 7778  
captive insurance company that are not cell liabilities. 7779

(O) Each protected cell insurance company shall account 7780  
separately on its books and records for each of its protected 7781  
cells to reflect the financial condition and results of 7782  
operations of the protected cell, including net income or loss, 7783  
dividends or other distributions to participants, and such other 7784  
factors as may be provided by participant contracts or required 7785  
by the superintendent. 7786

(P) Each protected cell captive insurance company shall 7787  
annually file with the superintendent such financial reports as 7788  
the superintendent requires, which shall include financial 7789  
statements detailing the financial experience of each protected 7790  
cell and a statement regarding the adequacy of reserves kept to 7791  
make full provision for the liabilities insured by each 7792  
protected cell. 7793

(Q) An officer or manager of a protected cell captive 7794  
insurance company shall immediately notify the superintendent if 7795  
any protected cell of the protected cell captive insurance 7796  
company or the protected cell captive insurance company itself 7797  
is trending toward reserves that are inadequate, or if a 7798  
protected cell or the protected cell captive insurance company 7799  
becomes insolvent or is otherwise unable to meet its claims or 7800  
other obligations. 7801

(R) The duties of a director of a protected cell captive 7802  
insurance company under this chapter shall be in addition to, 7803  
and not in lieu of, those under other applicable law. 7804

**Sec. 4701.14.** (A) Except as permitted by rules adopted by 7805  
the accountancy board, no individual shall assume or use the 7806  
title or designation "certified public accountant," "certified 7807  
accountant," "chartered accountant," "enrolled accountant," 7808  
"licensed accountant," or "registered accountant," or any other 7809  
title or designation likely to be confused with "certified 7810  
public accountant," or any of the abbreviations "CPA," "PA," 7811  
"CA," "EA," "LA," or "RA," or similar abbreviations likely to be 7812  
confused with "CPA," or any other title, designation, words, 7813  
letters, abbreviation, sign, card, or device tending to indicate 7814  
that the individual is a certified public accountant, unless the 7815  
individual holds a CPA certificate and holds an Ohio permit. 7816

However, an individual who possesses a foreign certificate, has 7817  
registered under section 4701.09 of the Revised Code, and holds 7818  
an Ohio permit may use the title permitted under the laws of the 7819  
individual's other licensing jurisdiction, followed by the name 7820  
of the jurisdiction. 7821

(B) Except as permitted by rules adopted by the board, no 7822  
individual shall assume or use the title or designation "public 7823  
accountant," "certified public accountant," "certified 7824  
accountant," "chartered accountant," "enrolled accountant," 7825  
"registered accountant," or "licensed accountant," or any other 7826  
title or designation likely to be confused with "public 7827  
accountant," or any of the abbreviations "PA," "CPA," "CA," 7828  
"EA," "LA," or "RA," or similar abbreviations likely to be 7829  
confused with "PA," or any other title, designation, words, 7830  
letters, abbreviation, sign, card, or device tending to indicate 7831  
that the individual is a public accountant, unless the 7832  
individual holds a PA registration and holds an Ohio permit, or 7833  
unless the individual holds a CPA certificate. An individual who 7834  
holds a PA registration and an Ohio permit may hold self out to 7835  
the public as an "accountant" or "auditor." 7836

(C) Except as provided in divisions (C)(1), (2), (3), and 7837  
(4) of this section, no partnership, professional association, 7838  
corporation-for-profit, limited liability company, or other 7839  
business organization not addressed in this section that is 7840  
practicing public accounting in this state shall assume or use 7841  
the title or designation "certified public accountant," "public 7842  
accountant," "certified accountant," "chartered accountant," 7843  
"enrolled accountant," "licensed accountant," "registered 7844  
accountant," or any other title or designation likely to be 7845  
confused with "certified public accountant" or "public 7846  
accountant," or any of the abbreviations "CPA," "PA," "CA," 7847

"EA," "RA," or "LA," or similar abbreviations likely to be 7848  
confused with "CPA" or "PA," or any other title, designation, 7849  
words, letters, abbreviation, sign, card, or device tending to 7850  
indicate that the business organization is a public accounting 7851  
firm. 7852

(1) (a) A partnership may assume or use the title or 7853  
designation "certified public accountant," the abbreviation 7854  
"CPA," or any other title, designation, words, letters, 7855  
abbreviation, sign, card, or device tending to indicate that the 7856  
partnership is composed of certified public accountants if it is 7857  
a registered firm, if a majority of its partners who are 7858  
individuals hold a CPA certificate or a foreign certificate, and 7859  
if a majority of the owners of any qualified firm that is a 7860  
partner hold a CPA certificate or a foreign certificate. 7861

(b) A partnership may assume or use the title or 7862  
designation "public accountant," the abbreviation "PA," or any 7863  
other title, designation, words, letters, abbreviation, sign, 7864  
card, or device tending to indicate that the partnership is 7865  
composed of public accountants if it is a registered firm, if a 7866  
majority of its partners who are individuals hold a PA 7867  
registration, a CPA certificate, or a foreign certificate, and 7868  
if a majority of the owners of any qualified firm that is a 7869  
partner hold a PA registration, a CPA certificate, or a foreign 7870  
certificate. 7871

(2) (a) A professional association incorporated under 7872  
Chapter 1785. of the Revised Code may assume or use the title or 7873  
designation "certified public accountant," the abbreviation 7874  
"CPA," or any other title, designation, words, letters, 7875  
abbreviation, sign, card, or device tending to indicate that the 7876  
professional association is composed of certified public 7877

accountants if it is a registered firm, if a majority of its 7878  
shareholders who are individuals hold a CPA certificate or a 7879  
foreign certificate, and if a majority of the owners of any 7880  
qualified firm that is a shareholder hold a CPA certificate or a 7881  
foreign certificate. 7882

(b) A professional association incorporated under Chapter 7883  
1785. of the Revised Code may assume or use the title or 7884  
designation "public accountant," the abbreviation "PA," or any 7885  
other title, designation, words, letters, abbreviation, sign, 7886  
card, or device tending to indicate that the professional 7887  
association is composed of public accountants if it is a 7888  
registered firm, if a majority of its shareholders who are 7889  
individuals hold a PA registration, a CPA certificate, or a 7890  
foreign certificate, and if a majority of the owners of any 7891  
qualified firm that is a shareholder hold a PA registration, a 7892  
CPA certificate, or a foreign certificate. 7893

(3) (a) A corporation-for-profit incorporated under Chapter 7894  
1701. of the Revised Code may assume or use the title or 7895  
designation "certified public accountant," the abbreviation 7896  
"CPA," or any other title, designation, words, letters, 7897  
abbreviation, sign, card, or device tending to indicate that the 7898  
corporation is composed of certified public accountants if it is 7899  
a registered firm, if a majority of its shareholders who are 7900  
individuals hold a CPA certificate or a foreign certificate, and 7901  
if a majority of the owners of any qualified firm that is a 7902  
shareholder hold a CPA certificate or a foreign certificate. 7903

(b) A corporation incorporated under Chapter 1701. of the 7904  
Revised Code may assume or use the title or designation "public 7905  
accountant," the abbreviation "PA," or any other title, 7906  
designation, words, letters, abbreviation, sign, card, or device 7907

tending to indicate that the corporation is composed of public 7908  
accountants if it is a registered firm, if a majority of the 7909  
shareholders who are individuals hold a PA registration, a CPA 7910  
certificate, or a foreign certificate, and if a majority of the 7911  
owners of any qualified firm that is a shareholder hold a PA 7912  
registration, a CPA certificate, or a foreign certificate. 7913

(4) (a) A limited liability company organized under Chapter 7914  
1705. or 1706. of the Revised Code may assume or use the title 7915  
or designation "certified public accountant," the abbreviation 7916  
"CPA," or any other title, designation, words, letters, 7917  
abbreviation, sign, card, or device tending to indicate that the 7918  
limited liability company is composed of certified public 7919  
accountants if it is a registered firm, if a majority of its 7920  
members who are individuals hold a CPA certificate or a foreign 7921  
certificate, and if a majority of the owners of any qualified 7922  
firm that is a member hold a CPA certificate or a foreign 7923  
certificate. 7924

(b) A limited liability company organized under Chapter 7925  
1705. or 1706. of the Revised Code may assume or use the title 7926  
or designation "public accountant," the abbreviation "PA," or 7927  
any other title, designation, words, letters, abbreviation, 7928  
sign, card, or device tending to indicate that the limited 7929  
liability company is composed of public accountants if it is a 7930  
registered firm, if a majority of the members who are 7931  
individuals hold a PA registration, CPA certificate, or a 7932  
foreign certificate, and if a majority of the owners of any 7933  
qualified firm that is a member hold a PA registration, a CPA 7934  
certificate, or a foreign certificate. 7935

(D) No individual shall sign, affix, or associate the 7936  
individual's name or any trade or assumed name used by the 7937

individual in the individual's profession or business to any 7938  
attest report with any wording indicating that the individual is 7939  
an accountant or auditor, or with any wording accompanying or 7940  
contained in the attest report that indicates that the 7941  
individual has expert knowledge in accounting or auditing or 7942  
expert knowledge regarding compliance with conditions 7943  
established by law or contract, including, but not limited to, 7944  
statutes, ordinances, regulations, grants, loans, and 7945  
appropriations, unless the individual holds an Ohio permit. 7946  
However, this division does not prohibit any officer, employee, 7947  
partner, or principal of any organization from affixing the 7948  
officer's, employee's, partner's, or principal's signature to 7949  
any statement or report in reference to the financial affairs of 7950  
that organization with any wording designating the position, 7951  
title, or office that the individual holds in that organization. 7952  
This division also does not prohibit any act of a public 7953  
official or public employee in the performance of the public 7954  
official's or public employee's duties. 7955

(E) No person shall sign, affix, or associate the name of 7956  
a partnership, limited liability company, professional 7957  
association, corporation-for-profit, or other business 7958  
organization not addressed in this section to any attest report 7959  
with any wording accompanying or contained in the attest report 7960  
that indicates that the partnership, limited liability company, 7961  
professional association, corporation-for-profit, or other 7962  
business organization is composed of or employs accountants or 7963  
auditors or persons having expert knowledge in accounting or 7964  
auditing or expert knowledge regarding compliance with 7965  
conditions established by law or contract, including, but not 7966  
limited to, statutes, ordinances, regulations, grants, loans, 7967  
and appropriations, unless the partnership, limited liability 7968

company, professional association, corporation-for-profit, or 7969  
other business organization is a registered firm. 7970

(F) No individual who does not hold an Ohio permit shall 7971  
hold self out to the public as an "accountant" or "auditor" by 7972  
use of either or both of those words on any sign, card, or 7973  
letterhead, in any advertisement or directory, or otherwise, 7974  
without indicating on the sign, card, or letterhead, in the 7975  
advertisement or directory, or in the other manner of holding 7976  
out that the person does not hold an Ohio permit. An individual 7977  
who holds a CPA certificate and an Ohio permit may hold self out 7978  
to the public as an "accountant" or "auditor." However, this 7979  
division does not prohibit any officer, employee, partner, or 7980  
principal of any organization from describing self by the 7981  
position, title, or office the person holds in that 7982  
organization. This division also does not prohibit any act of a 7983  
public official or public employee in the performance of the 7984  
public official's or public employee's duties. 7985

(G) No partnership, professional association, corporation- 7986  
for-profit, limited liability company, or other business 7987  
organization not addressed in this section that is not entitled 7988  
to assume or use the title "certified public accountant" or 7989  
"public accountant" under division (C) of this section shall 7990  
hold itself out to the public as a partnership, professional 7991  
association, corporation-for-profit, limited liability company, 7992  
or other business organization not addressed in this section as 7993  
being composed of or employing "accountants" or "auditors" by 7994  
use of either or both of those words on any sign, card, or 7995  
letterhead, in any advertisement or directory, or otherwise, 7996  
without indicating on the sign, card, or letterhead, in the 7997  
advertisement or directory, or in the other manner of holding 7998  
out that the partnership, professional association, corporation- 7999

for-profit, limited liability company, or other business 8000  
organization is not a registered firm and is not permitted by 8001  
law to practice as a public accounting firm. 8002

(H) No person shall assume or use the title or designation 8003  
"certified public accountant" or "public accountant" in 8004  
conjunction with names indicating or implying that there is a 8005  
partnership or in conjunction with the designation "and Company" 8006  
or "and Co." or a similar designation if, in any of those cases, 8007  
there is in fact no bona fide partnership entitled to designate 8008  
itself as a partnership of certified public accountants under 8009  
division (C) (1) (a) of this section or as a partnership of public 8010  
accountants under division (C) (1) (b) of this section. However, a 8011  
sole proprietor or partnership that was on October 22, 1959, or 8012  
a corporation that on or after September 30, 1974, has been, 8013  
lawfully using a title or designation of those types in 8014  
conjunction with names or designations of those types, may 8015  
continue to do so if the sole proprietor, partnership, or 8016  
corporation otherwise complies with this section. 8017

(I) (1) Notwithstanding any other provision of this 8018  
chapter, an individual whose principal place of business is not 8019  
in this state and who holds a valid foreign certificate as a 8020  
certified public accountant shall be presumed to have 8021  
qualifications substantially equivalent to this state's CPA 8022  
requirements and shall have all of the privileges of a holder of 8023  
a CPA certificate and an Ohio permit without the need to obtain 8024  
a CPA certificate and an Ohio permit if the accountancy board 8025  
has found and has specified in its rules adopted pursuant to 8026  
division (A) of section 4701.03 of the Revised Code that the CPA 8027  
requirements of the state that issued the individual's foreign 8028  
certificate are substantially equivalent to this state's CPA 8029  
requirements. 8030

(2) Any individual exercising the privilege afforded under 8031  
division (I)(1) of this section hereby consents and is subject, 8032  
as a condition of the grant of the privilege, to all of the 8033  
following: 8034

(a) The personal and subject matter jurisdiction of the 8035  
accountancy board; 8036

(b) All practice and disciplinary provisions of this 8037  
chapter and the accountancy board's rules; 8038

(c) The appointment of the board that issued the 8039  
individual's foreign certificate as the individual's agent upon 8040  
whom process may be served in any action or proceeding by the 8041  
accountancy board against the individual. 8042

(3) The holder of a CPA certificate and an Ohio permit who 8043  
offers or renders attest services or uses the holder's CPA title 8044  
in another state shall be subject to disciplinary action in this 8045  
state for an act committed in the other state for which the 8046  
holder of a foreign certificate issued by the other state would 8047  
be subject to discipline in the other state. 8048

(4) The holder of a foreign certificate who offers or 8049  
renders attest services or uses a CPA title or designation in 8050  
this state pursuant to the privilege afforded by division (I)(1) 8051  
of this section shall be subject to disciplinary action in this 8052  
state for any act that would subject the holder of a CPA 8053  
certificate and an Ohio permit to disciplinary action in this 8054  
state. 8055

**Sec. 4703.18.** (A) No person shall enter upon the practice 8056  
of architecture or hold forth as an architect or registered 8057  
architect, unless the person has complied with sections 4703.01 8058  
to 4703.19 of the Revised Code and is the holder of a 8059

certificate of qualification to practice architecture issued or 8060  
renewed and registered under those sections. 8061

(B) Sections 4703.01 to 4703.19 of the Revised Code do not 8062  
prevent persons other than architects from filing applications 8063  
for building permits or obtaining those permits. 8064

(C) Sections 4703.01 to 4703.19 of the Revised Code do not 8065  
prevent persons other than architects from preparing plans, 8066  
drawings, specifications, or data, filing applications for 8067  
building permits, or obtaining those permits for residential 8068  
buildings, as defined by section 3781.06 of the Revised Code, or 8069  
buildings erected as industrialized one-, two-, or three-family 8070  
units or structures within the meaning of the term 8071  
"industrialized unit" as provided in section 3781.06 of the 8072  
Revised Code. 8073

(D) Sections 4703.01 to 4703.19 of the Revised Code do not 8074  
prevent persons other than architects from preparing drawings or 8075  
data, from filing applications for building permits, or from 8076  
obtaining those permits for the installation of replacement 8077  
equipment or systems that are similar in type or capacity to the 8078  
equipment or systems being replaced, and for any improvement, 8079  
alteration, repair, painting, decorating, or other modification 8080  
of any buildings or structures subject to sections 3781.06 to 8081  
3781.18 and 3791.04 of the Revised Code where the building 8082  
official determines that no plans or specifications are required 8083  
for approval. 8084

(E) Sections 4703.01 to 4703.19 of the Revised Code do not 8085  
exclude a registered professional engineer from architectural 8086  
practice that may be incident to the practice of engineering or 8087  
exclude a registered architect from engineering practice that 8088  
may be incident to the practice of architecture. 8089

(F) Sections 4703.01 to 4703.19 of the Revised Code do not 8090  
prevent a firm, partnership, association, limited liability 8091  
company, or corporation of architects registered under those 8092  
sections from providing architectural services and do not 8093  
prevent an individual registered as a landscape architect under 8094  
sections 4703.30 to 4703.49 of the Revised Code or as a 8095  
professional engineer under Chapter 4733. of the Revised Code 8096  
from being a member or trustee of a firm, partnership, 8097  
association, limited liability company, or corporation of that 8098  
type, but a member or trustee of that type shall not engage in 8099  
the practice of architecture or hold forth as an architect 8100  
contrary to sections 4703.01 to 4703.19 of the Revised Code and 8101  
shall not practice a profession in which the person is not 8102  
licensed. 8103

(G) A firm, partnership, association, limited liability 8104  
company, or corporation may provide architectural services in 8105  
this state as long as the services are provided only through 8106  
natural persons registered to provide those services in this 8107  
state, subject to the exemptions in section 4703.17 of the 8108  
Revised Code and subject otherwise to the requirements of 8109  
sections 4703.01 to 4703.19 of the Revised Code. 8110

(H) No firm, partnership, association, limited liability 8111  
company, or corporation shall provide architectural services, 8112  
hold itself out to the public as providing architectural 8113  
services, or use a name including the word "architect" or any 8114  
modification or derivation of the word, unless the firm, 8115  
partnership, association, limited liability company, or 8116  
corporation files all information required to be filed under 8117  
this section with the architects board and otherwise complies 8118  
with all requirements of sections 4703.01 to 4703.19 of the 8119  
Revised Code. A nonprofit membership corporation may use a name 8120

including the word "architect" or any modification or derivation 8121  
of the word without complying with this section. 8122

(I) A corporation may be organized under Chapter 1701. of 8123  
the Revised Code, a professional association may be organized 8124  
under Chapter 1785. of the Revised Code, or a limited liability 8125  
company may be formed under Chapter 1705. or 1706. of the 8126  
Revised Code for the purpose of providing professional 8127  
engineering, surveying, architectural, or landscape 8128  
architectural services, or any combination of those services. A 8129  
corporation organized under Chapter 1701. of the Revised Code 8130  
for the purpose of providing those services also may be 8131  
organized for any other purpose in accordance with that chapter. 8132

(J) No firm, partnership, association, limited liability 8133  
company, or corporation shall provide or offer to provide 8134  
architectural services in this state unless more than fifty per 8135  
cent of the partners, members, or shareholders, more than fifty 8136  
per cent of the directors in the case of a corporation or 8137  
professional association, more than fifty per cent of the 8138  
managers in the case of a limited liability company the 8139  
management of which is not reserved to its members, and more 8140  
than fifty per cent of the trustees in the case of an employee 8141  
stock ownership plan, are professional engineers, surveyors, 8142  
architects, or landscape architects or a combination of those 8143  
professions, who are registered in this or any other state and 8144  
who own more than fifty per cent of the interests in the firm, 8145  
partnership, association, limited liability company, or 8146  
corporation; unless the requirements of this division and of 8147  
section 1785.02 of the Revised Code are satisfied with respect 8148  
to any professional association organized under Chapter 1785. of 8149  
the Revised Code; or unless the requirements of this division 8150  
and of Chapter 1705. or 1706. of the Revised Code are satisfied 8151

with respect to a limited liability company formed under that 8152  
chapter. 8153

A corporation is exempt from the requirements of division 8154  
(J) of this section if the corporation was granted a charter 8155  
prior to August 7, 1943, to engage in providing architectural 8156  
services or was otherwise lawfully providing architectural 8157  
services prior to November 15, 1982, in this state. 8158

(K) Each firm, partnership, association, limited liability 8159  
company, or corporation through which architectural services are 8160  
offered or provided in this state shall designate one or more 8161  
trustees, partners, managers, members, officers, or directors as 8162  
being in responsible charge of the professional architectural 8163  
activities and decisions, and those designated persons shall be 8164  
registered in this state. In the case of a corporation holding a 8165  
certificate of authorization provided for in division (L) of 8166  
this section, at least one of the persons so designated shall be 8167  
a director of the corporation. Each firm, partnership, 8168  
association, limited liability company, or corporation of that 8169  
type shall annually file with the architects board the name and 8170  
address of each trustee, partner, manager, officer, director, 8171  
member, or shareholder, and each firm, partnership, association, 8172  
limited liability company, or corporation of that type shall 8173  
annually file with the board the name and address of all persons 8174  
designated as being in responsible charge of the professional 8175  
architectural activities and decisions and any other information 8176  
the board may require. If there is a change in any such person 8177  
in the interval between filings, the change shall be filed with 8178  
the board in the manner and within the time that the board 8179  
determines. 8180

(L) No corporation organized under Chapter 1701. of the 8181

Revised Code shall engage in providing architectural services in 8182  
this state without obtaining a certificate of authorization from 8183  
the architects board. A corporation desiring a certificate of 8184  
authorization shall file with the board a copy of its articles 8185  
of incorporation and a listing on the form that the board 8186  
directs of the names and addresses of all trustees, officers, 8187  
directors, and shareholders of the corporation, the names and 8188  
addresses of any individuals providing professional services on 8189  
behalf of the corporation who are registered to practice 8190  
architecture in this state, and any other information the board 8191  
requires. If all requirements of sections 4703.01 to 4703.19 of 8192  
the Revised Code are met, the board may issue a certificate of 8193  
authorization to the corporation. Except for a corporation that 8194  
was granted a charter prior to August 7, 1943, to engage in 8195  
providing architectural services or that was otherwise lawfully 8196  
providing architectural services prior to November 15, 1982, no 8197  
certificate of authorization shall be issued unless persons 8198  
owning more than fifty per cent of the corporation's shares and 8199  
more than fifty per cent of the interests in the corporation are 8200  
professional engineers, surveyors, architects, or landscape 8201  
architects, or a combination of those professions, who are 8202  
registered in this or any other state. Any corporation that 8203  
holds a certificate of authorization under this section and 8204  
otherwise meets the requirements of sections 4703.01 to 4703.19 8205  
of the Revised Code may be organized for any purposes for which 8206  
corporations may be organized under Chapter 1701. of the Revised 8207  
Code and shall not be limited to the purposes of providing 8208  
professional engineering, surveying, architectural, or landscape 8209  
architectural services or any combination of those professions. 8210  
The board, by rules adopted in accordance with Chapter 119. of 8211  
the Revised Code, may require any firm, partnership, 8212  
association, or limited liability company not organized under 8213

Chapter 1701. of the Revised Code that provides architectural 8214  
services to obtain a certificate of authorization. If the board 8215  
so requires, no firm, partnership, association, or limited 8216  
liability company shall engage in providing architectural 8217  
services without obtaining the certificate and complying with 8218  
the rules. 8219

(M) This section does not modify any law applicable to the 8220  
relationship between a person furnishing a professional service 8221  
and a person receiving that service, including liability arising 8222  
out of that service. 8223

(N) Nothing in this section restricts or limits in any 8224  
manner the authority or duty of the architects board with 8225  
respect to natural persons providing professional services or 8226  
any law or rule pertaining to standards of professional conduct. 8227

**Sec. 4703.331.** (A) A firm, partnership, association, 8228  
limited liability company, or corporation may provide landscape 8229  
architectural services in this state as long as the services are 8230  
provided only through natural persons registered to provide 8231  
those services in this state and subject to the requirements of 8232  
this chapter. 8233

(B) No firm, partnership, association, limited liability 8234  
company, or corporation shall provide landscape architectural 8235  
services, hold itself out to the public as providing landscape 8236  
architectural services, or use a name including the word 8237  
"landscape architect," "professional landscape architect," or 8238  
"registered landscape architect" or any modification or 8239  
derivation of those words, unless the firm, partnership, 8240  
association, limited liability company, or corporation files all 8241  
information required to be filed under this section with the 8242  
Ohio landscape architects board and otherwise complies with all 8243

requirements of this chapter. A nonprofit membership corporation 8244  
may use a name including the word "landscape architect," 8245  
"professional landscape architect," or "registered landscape 8246  
architect" or any modification or derivation of those words 8247  
without complying with this section. 8248

(C) A corporation may be organized under Chapter 1701. of 8249  
the Revised Code, a professional association may be organized 8250  
under Chapter 1785. of the Revised Code, or a limited liability 8251  
company may be formed under Chapter 1705. or 1706. of the 8252  
Revised Code for the purpose of providing professional 8253  
engineering, surveying, architectural, or landscape 8254  
architectural services, or any combination of those services. A 8255  
corporation organized under Chapter 1701. of the Revised Code 8256  
for the purpose of providing those services also may be 8257  
organized for any other purpose in accordance with that chapter. 8258

(D) No firm, partnership, association, limited liability 8259  
company, or corporation shall provide or offer to provide 8260  
landscape architectural services in this state unless more than 8261  
fifty per cent of the partners, members, or shareholders, more 8262  
than fifty per cent of the directors in the case of a 8263  
corporation or professional association, more than fifty per 8264  
cent of the managers in the case of a limited liability company 8265  
the management of which is not reserved to its members, and more 8266  
than fifty per cent of the trustees in the case of an employee 8267  
stock ownership plan, are professional engineers, surveyors, 8268  
architects, or landscape architects or a combination of those 8269  
professions, who are registered in this or any other state and 8270  
who own more than fifty per cent of the interests in the firm, 8271  
partnership, association, limited liability company, or 8272  
corporation; unless the requirements of this division and of 8273  
section 1785.02 of the Revised Code are satisfied with respect 8274

to any professional association organized under Chapter 1785. of 8275  
the Revised Code; or unless the requirements of this division 8276  
and of Chapter 1705. or 1706. of the Revised Code are satisfied 8277  
with respect to a limited liability company formed under that 8278  
chapter. 8279

(E) Each firm, partnership, association, limited liability 8280  
company, or corporation through which landscape architectural 8281  
services are offered or provided in this state shall designate 8282  
one or more trustees, partners, managers, members, officers, or 8283  
directors as being in responsible charge of the professional 8284  
landscape architectural activities and decisions, and those 8285  
designated persons shall be registered in this state. Each firm, 8286  
partnership, association, limited liability company, or 8287  
corporation of that type shall annually file with the board the 8288  
name and address of each trustees, partner, manager, officer, 8289  
director, member, or shareholder, and each firm, partnership, 8290  
association, limited liability company, or corporation of that 8291  
type shall annually file with the board the name and address of 8292  
all persons designated as being in responsible charge of the 8293  
professional landscape architectural activities and decisions 8294  
and any other information the board may require. If there is a 8295  
change in any such person in the interval between filings, the 8296  
change shall be filed with the board in the manner and within 8297  
the time that the board determines. 8298

(F) No corporation organized under Chapter 1701. of the 8299  
Revised Code shall engage in providing landscape architectural 8300  
services in this state without obtaining a certificate of 8301  
authorization from the board. A corporation desiring a 8302  
certificate of authorization shall file with the board a copy of 8303  
its articles of incorporation and a listing on the form that the 8304  
board directs of the names and addresses of all trustees, 8305

officers, directors, and shareholders of the corporation, the 8306  
names and addresses of any individuals providing professional 8307  
services on behalf of the corporation who are registered to 8308  
practice landscape architecture in this state, and any other 8309  
information the board requires. If all requirements of this 8310  
chapter are met, the board may issue a certificate of 8311  
authorization to the corporation. No certificate of 8312  
authorization shall be issued unless persons owning more than 8313  
fifty per cent of the corporation's shares and more than fifty 8314  
per cent of the interests in the corporation are professional 8315  
engineers, surveyors, architects, or landscape architects, or a 8316  
combination of those professions, who are registered in this or 8317  
any other state. Any corporation that holds a certificate of 8318  
authorization under this section and otherwise meets the 8319  
requirements of this chapter may be organized for any purposes 8320  
for which corporations may be organized under Chapter 1701. of 8321  
the Revised Code and shall not be limited to the purposes of 8322  
providing professional engineering, surveying, architectural, or 8323  
landscape architectural services or any combination of those 8324  
services. The board, by rules adopted in accordance with Chapter 8325  
119. of the Revised Code, may require any firm, partnership, 8326  
association, or limited liability company not organized under 8327  
Chapter 1701. of the Revised Code that provides landscape 8328  
architectural services to obtain a certificate of authorization. 8329  
If the board so requires, no firm, partnership, association, or 8330  
limited liability company shall engage in providing landscape 8331  
architectural services without obtaining the certificate and 8332  
complying with the rules. 8333

(G) This section does not modify any law applicable to the 8334  
relationship between a person furnishing a professional service 8335  
and a person receiving that service, including liability arising 8336

out of that service. 8337

(H) Nothing in this section shall restrict or limit in any 8338  
manner the authority or duty of the board with respect to 8339  
natural persons providing professional services or any law or 8340  
rule pertaining to standards of professional conduct. 8341

**Sec. 4715.18.** (A) No person shall practice or offer to 8342  
practice dentistry or dental surgery under the name of any 8343  
company, association, corporation, or other entity other than 8344  
one of the following: 8345

(1) A corporation-for-profit formed under Chapter 1701. of 8346  
the Revised Code; 8347

(2) A professional association established under Chapter 8348  
1785. of the Revised Code; 8349

(3) A limited liability company formed under Chapter 1705. 8350  
or 1706. of the Revised Code; 8351

(4) A federally qualified health center, federally 8352  
qualified health center look-alike, free clinic, nonprofit 8353  
shelter or health care facility, or nonprofit clinic that 8354  
provides health care services or dental services to indigent and 8355  
uninsured persons. 8356

(B) Any person practicing or offering to practice 8357  
dentistry or dental surgery shall do so under the person's name, 8358  
the name of a professional association, professional 8359  
partnership, corporation-for-profit, or limited liability 8360  
company that includes the person's name, or the name of an 8361  
organization specified in division (A) (4) of this section. 8362

(C) As used in this section: 8363

(1) "Federally qualified health center" and "federally 8364

qualified health center look-alike" have the same meanings as in 8365  
section 3701.047 of the Revised Code. 8366

(2) "Free clinic" and "nonprofit shelter or health care 8367  
facility" have the same meanings as in section 3701.071 of the 8368  
Revised Code. 8369

(3) "Nonprofit clinic" has the same meaning as in section 8370  
3715.87 of the Revised Code. 8371

(4) "Indigent and uninsured person" has the same meaning 8372  
as in section 2305.234 of the Revised Code. 8373

**Sec. 4715.22.** (A) (1) This section applies only when a 8374  
licensed dental hygienist is not practicing in accordance with 8375  
either of the following: 8376

(a) A permit issued pursuant to section 4715.363 of the 8377  
Revised Code authorizing practice under the oral health access 8378  
supervision of a dentist; 8379

(b) Section 4715.431 of the Revised Code. 8380

(2) As used in this section, "health care facility" means 8381  
either of the following: 8382

(a) A hospital registered under section 3701.07 of the 8383  
Revised Code; 8384

(b) A home, as defined in section 3721.01 of the Revised 8385  
Code. 8386

(B) A licensed dental hygienist shall practice under the 8387  
supervision, order, control, and full responsibility of a 8388  
dentist licensed under this chapter. A dental hygienist may 8389  
practice in a dental office, public or private school, health 8390  
care facility, dispensary, or public institution. Except as 8391

provided in divisions (C) to (E) of this section, a dental 8392  
hygienist may not provide dental hygiene services to a patient 8393  
when the supervising dentist is not physically present at the 8394  
location where the dental hygienist is practicing. 8395

(C) A dental hygienist may provide, for not more than 8396  
fifteen consecutive business days, dental hygiene services to a 8397  
patient when the supervising dentist is not physically present 8398  
at the location where the services are provided if all of the 8399  
following requirements are met: 8400

(1) The dental hygienist has at least one year and a 8401  
minimum of one thousand five hundred hours of experience in the 8402  
practice of dental hygiene. 8403

(2) The dental hygienist has successfully completed a 8404  
course approved by the state dental board in the identification 8405  
and prevention of potential medical emergencies. 8406

(3) The dental hygienist does not perform, while the 8407  
supervising dentist is absent from the location, procedures 8408  
while the patient is anesthetized, definitive root planing, 8409  
definitive subgingival curettage, or other procedures identified 8410  
in rules the state dental board adopts. 8411

(4) The supervising dentist has evaluated the dental 8412  
hygienist's skills. 8413

(5) The supervising dentist examined the patient not more 8414  
than one year prior to the date the dental hygienist provides 8415  
the dental hygiene services to the patient. 8416

(6) The dental hygienist complies with written protocols 8417  
or written standing orders that the supervising dentist 8418  
establishes, including those established for emergencies. 8419

(7) The supervising dentist completed and evaluated a 8420  
medical and dental history of the patient not more than one year 8421  
prior to the date the dental hygienist provides dental hygiene 8422  
services to the patient and, except when the dental hygiene 8423  
services are provided in a health care facility, the supervising 8424  
dentist determines that the patient is in a medically stable 8425  
condition. 8426

(8) If the dental hygiene services are provided in a 8427  
health care facility, a doctor of medicine and surgery or 8428  
osteopathic medicine and surgery licensed under Chapter 4731. of 8429  
the Revised Code or a registered nurse licensed under Chapter 8430  
4723. of the Revised Code is present in the health care facility 8431  
when the services are provided. 8432

(9) In advance of the appointment for dental hygiene 8433  
services, the patient is notified that the supervising dentist 8434  
will be absent from the location and that the dental hygienist 8435  
cannot diagnose the patient's dental health care status. 8436

(10) The dental hygienist is employed by, or under 8437  
contract with, one of the following: 8438

(a) The supervising dentist; 8439

(b) A dentist licensed under this chapter who is one of 8440  
the following: 8441

(i) The employer of the supervising dentist; 8442

(ii) A shareholder in a professional association formed 8443  
under Chapter 1785. of the Revised Code of which the supervising 8444  
dentist is a shareholder; 8445

(iii) A member or manager of a limited liability company 8446  
formed under Chapter 1705. or 1706. of the Revised Code of which 8447

the supervising dentist is a member or manager; 8448

(iv) A shareholder in a corporation formed under division 8449  
(B) of section 1701.03 of the Revised Code of which the 8450  
supervising dentist is a shareholder; 8451

(v) A partner or employee of a partnership or a limited 8452  
liability partnership formed under Chapter 1775. or 1776. of the 8453  
Revised Code of which the supervising dentist is a partner or 8454  
employee. 8455

(c) A government entity that employs the dental hygienist 8456  
to provide dental hygiene services in a public school or in 8457  
connection with other programs the government entity 8458  
administers. 8459

(D) A dental hygienist may provide dental hygiene services 8460  
to a patient when the supervising dentist is not physically 8461  
present at the location where the services are provided if the 8462  
services are provided as part of a dental hygiene program that 8463  
is approved by the state dental board and all of the following 8464  
requirements are met: 8465

(1) The program is operated through a school district 8466  
board of education or the governing board of an educational 8467  
service center; the board of health of a city or general health 8468  
district or the authority having the duties of a board of health 8469  
under section 3709.05 of the Revised Code; a national, state, 8470  
district, or local dental association; or any other public or 8471  
private entity recognized by the state dental board. 8472

(2) The supervising dentist is employed by or a volunteer 8473  
for, and the patients are referred by, the entity through which 8474  
the program is operated. 8475

(3) (a) Except as provided in division (D) (3) (b) of this 8476

section, the services are performed after examination and 8477  
diagnosis by the dentist and in accordance with the dentist's 8478  
written treatment plan. 8479

(b) The requirement in division (D) (3) (a) of this section 8480  
does not apply when the only services to be provided by the 8481  
dental hygienist are the placement of pit and fissure sealants 8482  
and the application of fluoride varnish. 8483

(E) A dental hygienist may do any of the following when 8484  
the supervising dentist is not physically present at the 8485  
location where the services are provided, regardless of whether 8486  
the dentist has examined the patient, if the dental hygienist is 8487  
employed by, or under contract with, the supervising dentist or 8488  
another person or government entity specified in division (C) 8489  
(10) (b) or (c) of this section: 8490

(1) Apply fluoride varnish; 8491

(2) Apply desensitizing agents, excluding silver diamine 8492  
fluoride; 8493

(3) Apply disclosing solutions; 8494

(4) Apply pit and fissure sealants; 8495

(5) Recement temporary crowns or recement crowns with 8496  
temporary cement; 8497

(6) Conduct caries susceptibility testing; 8498

(7) Provide instruction on oral hygiene home care, 8499  
including the use of toothbrushes and dental floss; 8500

(8) Discuss general nonmedical nutrition information for 8501  
the purpose of maintaining good oral health. 8502

As used in division (E) (8) of this section, "general 8503

nonmedical nutrition information" means information on the 8504  
following: principles of good nutrition and food preparation, 8505  
food to be included in the normal daily diet, the essential 8506  
nutrients needed by the body, recommended amounts of the 8507  
essential nutrients, the actions of nutrients on the body, the 8508  
effects of deficiencies or excesses of nutrients, or food and 8509  
supplements that are good sources of essential nutrients. 8510

(F) No person shall do either of the following: 8511

(1) Practice dental hygiene in a manner that is separate 8512  
or otherwise independent from the dental practice of a 8513  
supervising dentist; 8514

(2) Establish or maintain an office or practice that is 8515  
primarily devoted to the provision of dental hygiene services. 8516

(G) The state dental board shall adopt rules under 8517  
division (C) of section 4715.03 of the Revised Code identifying 8518  
procedures a dental hygienist may not perform when practicing in 8519  
the absence of the supervising dentist pursuant to division (C) 8520  
or (D) of this section. 8521

**Sec. 4715.365.** (A) A dentist who holds a current, valid 8522  
oral health access supervision permit issued under section 8523  
4715.362 of the Revised Code may authorize a dental hygienist 8524  
who holds a current, valid permit issued under section 4715.363 8525  
of the Revised Code to perform dental hygiene services at a 8526  
facility when no dentist is physically present if all of the 8527  
following conditions are met: 8528

(1) The authorizing dentist's authorization is in writing 8529  
and includes, at a minimum, all of the following: 8530

(a) The authorizing dentist's name and permit number; 8531

(b) The dental hygienist's name and permit number;	8532
(c) The patient's name;	8533
(d) The name and address of the location where the dental hygiene services are to be provided;	8534 8535
(e) The date of authorization;	8536
(f) A statement, signed by the dental hygienist, that the hygienist agrees to comply with section 4715.366 of the Revised Code.	8537 8538 8539
(2) The authorizing dentist has personally evaluated the dental hygienist's skills prior to authorizing the dental hygienist to provide the dental hygiene services.	8540 8541 8542
(3) Prior to authorizing the dental hygienist to perform the dental hygiene services, the patient's medical and dental history is made available to the authorizing dentist and the authorizing dentist reviews and evaluates the history and determines that the patient may safely receive dental hygiene services.	8543 8544 8545 8546 8547 8548
(4) Immediately prior to the provision of dental hygiene services, the patient or patient's representative verifies, by the signature or mark of the patient or representative, that no medically significant changes to the patient's medical or dental history have occurred since the authorizing dentist most recently reviewed and evaluated the history and determined that the patient could safely receive dental hygiene services. The signature or mark may be provided through reasonable accommodation, including the use of assistive technology or augmentative devices.	8549 8550 8551 8552 8553 8554 8555 8556 8557 8558
(5) Prior to receiving dental hygiene services, the	8559

patient and the operator of the facility where the dental 8560  
hygiene services are to be provided are notified that no dentist 8561  
will be present at the location and that the dental hygienist is 8562  
prohibited from doing either of the following: 8563

(a) Diagnosing the patient's oral health care status; 8564

(b) Providing dental hygiene services to the same patient 8565  
on a subsequent occasion until the patient has received a 8566  
clinical evaluation performed by a dentist, except in instances 8567  
described in division (D) (2) of this section. 8568

(6) The dental hygienist is employed by, or under contract 8569  
with, one of the following: 8570

(a) The authorizing dentist; 8571

(b) A dentist who is any of the following: 8572

(i) The authorizing dentist's employer; 8573

(ii) A shareholder in a professional association, formed 8574  
under Chapter 1785. of the Revised Code, of which the 8575  
authorizing dentist is a shareholder; 8576

(iii) A member or manager of a limited liability company, 8577  
formed under Chapter 1705. or 1706. of the Revised Code, of 8578  
which the authorizing dentist is a member or manager; 8579

(iv) A shareholder in a corporation, formed under division 8580  
(B) of section 1701.03 of the Revised Code, of which the 8581  
authorizing dentist is a shareholder; 8582

(v) A partner or employee of a partnership, formed under 8583  
Chapter 1775. of the Revised Code, of which the authorizing 8584  
dentist is a partner or employee; 8585

(vi) A partner or employee of a limited liability 8586

partnership, formed under Chapter 1775. of the Revised Code, of 8587  
which the authorizing dentist is a partner or employee. 8588

(c) A government entity that employs the dental hygienist 8589  
to provide dental hygiene services; 8590

(d) An entity that employs the authorizing dentist so long 8591  
as the dentist's practice is not in violation of section 4715.18 8592  
of the Revised Code. 8593

(7) If the patient to whom the services are to be provided 8594  
previously received dental hygiene services under this section, 8595  
there is written evidence that the patient received a clinical 8596  
evaluation after the most recent provision of those services. 8597

(B) No dentist shall authorize a dental hygienist to 8598  
perform, and no dental hygienist shall perform, dental hygiene 8599  
services on a patient under this section unless all of the 8600  
conditions in division (A) of this section are met. 8601

(C) If a patient or patient's representative indicates, 8602  
under division (A) (4) of this section, that a medically 8603  
significant change has occurred in the patient's medical or 8604  
dental history since the authorizing dentist's most recent 8605  
review and evaluation of the medical and dental history required 8606  
by division (A) (3) of this section, no dental hygiene services 8607  
shall be provided under this section until the authorizing 8608  
dentist completes another review and evaluation of the patient's 8609  
medical and dental history. The authorizing dentist may complete 8610  
the subsequent review and evaluation of the patient's medical 8611  
and dental history by telephone, facsimile, electronic mail, 8612  
video, or any other means of electronic communication. 8613

(D) (1) Except as provided in division (D) (2) of this 8614  
section, no dentist shall authorize a dental hygienist to 8615

provide, and no dental hygienist shall provide, dental hygiene 8616  
services under this section to the same patient on a subsequent 8617  
occasion until the patient has received a clinical evaluation 8618  
performed by a dentist. 8619

(2) Division (D)(1) of this section does not apply if the 8620  
patient requires multiple visits to complete one or more 8621  
procedures that could not be completed during the visit in which 8622  
dental hygiene services were commenced. If the patient requires 8623  
multiple visits to complete the one or more procedures that 8624  
could not be completed during the visit in which dental hygiene 8625  
services were commenced, the one or more procedures shall be 8626  
completed not later than eight weeks after the visit in which 8627  
the dental hygiene services were commenced. 8628

(E) No authorizing dentist shall authorize a dental 8629  
hygienist to diagnose a patient's oral health care status. No 8630  
dental hygienist practicing under a permit issued under section 8631  
4715.363 of the Revised Code to practice under the oral health 8632  
access supervision of a dentist shall diagnose a patient's oral 8633  
health care status. 8634

**Sec. 4715.431.** (A) If all of the conditions in division 8635  
(B) of this section are met, an authorizing dentist may do 8636  
either of the following under a teledentistry permit without 8637  
examining a patient in person: 8638

(1) Authorize a dental hygienist or expanded function 8639  
dental auxiliary to perform services as set forth in division 8640  
(E) or (F) of this section, as applicable, at a location where 8641  
no dentist is physically present; 8642

(2) Prescribe a drug that is not a controlled substance 8643  
for a patient who is at a location where no dentist is 8644

physically present. 8645

(B) The conditions that must be met under division (A) of 8646  
this section are the following: 8647

(1) The authorizing dentist must prepare a written 8648  
authorization that includes all of the following: 8649

(a) The authorizing dentist's name and permit number; 8650

(b) The name of the dental hygienist or expanded function 8651  
dental auxiliary; 8652

(c) The patient's name; 8653

(d) The name and address of the location where the 8654  
services are to be provided; 8655

(e) The date of the authorization; 8656

(f) A statement signed by the dental hygienist or expanded 8657  
function dental auxiliary agreeing to comply with the written 8658  
protocols or written standing orders the authorizing dentist 8659  
establishes, including those for dealing with emergencies; 8660

(g) Any other information the dentist considers 8661  
appropriate. 8662

(2) Before any dental services are provided all of the 8663  
following must occur: 8664

(a) The patient is notified that an authorizing dentist 8665  
will perform a clinical evaluation through teledentistry. 8666

(b) The patient is given an explanation of alternatives 8667  
to, and the capabilities and limitations of, teledentistry. 8668

(c) (i) Subject to division (B) (2) (c) (ii) of this section, 8669  
the patient consents to the provision of services through 8670

teledentistry and the consent is documented in the patient's 8671  
record. 8672

(ii) If the services to be provided are the placement of 8673  
interim therapeutic restorations or the application of silver 8674  
diamine fluoride, the requirements for informed consent in rules 8675  
adopted under division (C) of section 4715.436 of the Revised 8676  
Code have been met. 8677

(3) The authorizing dentist establishes the patient's 8678  
identity and physical location through synchronous, real-time 8679  
communication. 8680

(4) The authorizing dentist provides dental services 8681  
through teledentistry only as is appropriate for the patient and 8682  
in accordance with appropriate standards of care. 8683

(5) The authorizing dentist establishes a diagnosis and 8684  
treatment plan and documents it in the patient's record. 8685

(6) The authorizing dentist specifies the services the 8686  
dental hygienist or expanded function dental auxiliary is 8687  
authorized to provide to the patient. 8688

(7) The dental hygienist or expanded function dental 8689  
auxiliary is employed by, or under contract with, one of the 8690  
following: 8691

(a) The authorizing dentist; 8692

(b) A dentist who is any of the following: 8693

(i) The authorizing dentist's employer; 8694

(ii) A shareholder in a professional association formed 8695  
under Chapter 1785. of the Revised Code of which the authorizing 8696  
dentist is a shareholder; 8697

(iii) A member or manager of a limited liability company 8698  
formed under Chapter 1705. or 1706. of the Revised Code of which 8699  
the authorizing dentist is a member or manager; 8700

(iv) A shareholder in a corporation formed under division 8701  
(B) of section 1701.03 of the Revised Code of which the 8702  
authorizing dentist is a shareholder; 8703

(v) A partner or employee of a partnership, formed under 8704  
Chapter 1775. of the Revised Code, of which the authorizing 8705  
dentist is a partner or employee; 8706

(vi) A partner or employee of a limited liability 8707  
partnership, formed under Chapter 1775. of the Revised Code, of 8708  
which the authorizing dentist is a partner or employee. 8709

(C) A dentist retains responsibility for ensuring the 8710  
safety and quality of services provided to patients through 8711  
teledentistry. Services delivered through teledentistry must be 8712  
consistent with in-person services. Persons involved with 8713  
providing services through teledentistry must abide by laws 8714  
addressing the privacy and security of the patient's dental and 8715  
medical information. 8716

(D) An authorizing dentist may not have more than a total 8717  
of three dental hygienists and expanded ~~dental~~-function dental 8718  
auxiliaries working under the dentist's authorization pursuant 8719  
to this section at any time. 8720

(E) (1) If authorized to do so by an authorizing dentist in 8721  
accordance with this section, a dental hygienist may provide 8722  
dental hygiene services at a location where no dentist is 8723  
physically present if all of the following requirements are met: 8724

(a) The dental hygienist has at least one year and a 8725  
minimum of one thousand five hundred hours of experience in the 8726

practice of dental hygiene. 8727

(b) The dental hygienist has completed a course described 8728  
in division (C) (2) of section 4715.22 of the Revised Code on the 8729  
identification and prevention of potential medical emergencies. 8730

(c) The authorizing dentist has evaluated the dental 8731  
hygienist's skills. 8732

(d) The dental hygienist complies with written protocols 8733  
or written standing orders established by the authorizing 8734  
dentist, including written protocols established for 8735  
emergencies. 8736

(2) If authorized to do so by an authorizing dentist in 8737  
accordance with this section, a dental hygienist may place 8738  
interim therapeutic restorations when a dentist is not 8739  
physically present at the location where the dental hygienist is 8740  
practicing if the requirements of division (E) (1) of this 8741  
section are met and the dental hygienist has successfully 8742  
completed a state dental board-approved course in the proper 8743  
placement of interim therapeutic restorations. 8744

(3) If authorized to do so by an authorizing dentist in 8745  
accordance with this section, a dental hygienist may apply 8746  
silver diamine fluoride when a dentist is not physically present 8747  
at the location where the dental hygienist is practicing if the 8748  
requirements of division (E) (1) of this section are met and the 8749  
dental hygienist has successfully completed a state dental 8750  
board-approved course in the application of silver diamine 8751  
fluoride. 8752

(F) (1) If authorized to do so by an authorizing dentist in 8753  
accordance with this section, an expanded function dental 8754  
auxiliary may provide the services listed in divisions (A) (2) to 8755

(10) of section 4715.64 of the Revised Code, and any additional 8756  
procedures authorized pursuant to division (A)(11) of that 8757  
section, when a dentist is not physically present at the 8758  
location where the expanded function dental auxiliary is 8759  
practicing if all of the following requirements are met: 8760

(a) The expanded function dental auxiliary has at least 8761  
one year and a minimum of one thousand five hundred hours of 8762  
experience practicing as an expanded function dental auxiliary. 8763

(b) The expanded function dental auxiliary has completed a 8764  
course described in division (C)(2) of section 4715.64 of the 8765  
Revised Code on the identification and prevention of potential 8766  
medical emergencies. 8767

(c) The authorizing dentist has evaluated the expanded 8768  
function dental auxiliary's skills. 8769

(d) The expanded function dental auxiliary complies with 8770  
written protocols or written standing orders established by the 8771  
authorizing dentist, including written protocols for 8772  
emergencies. 8773

(2) If authorized to do so by an authorizing dentist in 8774  
accordance with this section, an expanded function dental 8775  
auxiliary who meets the requirements of division (F)(1) of this 8776  
section and has successfully completed a state dental board- 8777  
approved course in the proper placement of interim therapeutic 8778  
restorations may place interim therapeutic restorations when a 8779  
dentist is not physically present at the location where the 8780  
expanded function dental auxiliary is practicing. 8781

(3) If authorized to do so by an authorizing dentist in 8782  
accordance with this section, an expanded function dental 8783  
auxiliary who meets the requirements of division (F)(1) of this 8784

section and has successfully completed a state dental board- 8785  
approved course in the application of silver diamine fluoride 8786  
may apply silver diamine fluoride when a dentist is not 8787  
physically present at the location where the expanded function 8788  
dental auxiliary is practicing. 8789

(4) If authorized to do so by an authorizing dentist in 8790  
accordance with this section, an expanded function dental 8791  
auxiliary who meets the requirements of division (F) (1) of this 8792  
section and holds a current, valid dental x-ray machine operator 8793  
certificate issued by the board pursuant to section 4715.53 of 8794  
the Revised Code may perform, for the purpose of contributing to 8795  
the provision of dental care to a dental patient, standard, 8796  
diagnostic radiologic procedures when a dentist is not 8797  
physically present at the location where the expanded function 8798  
dental auxiliary is practicing. 8799

**Sec. 4717.06.** (A) (1) A licensed funeral director who 8800  
desires to obtain a license to operate a funeral home, a 8801  
licensed embalmer who desires to obtain a license to operate an 8802  
embalming facility, or a holder of a crematory operator permit 8803  
who desires to obtain a license to operate a crematory facility 8804  
shall apply to the board of embalmers and funeral directors on a 8805  
form prescribed by the board. The application shall include the 8806  
initial license application fee set forth in section 4717.07 of 8807  
the Revised Code and proof satisfactory to the board that the 8808  
funeral home, embalming facility, or crematory facility is in 8809  
compliance with rules adopted by the board under section 4717.04 8810  
of the Revised Code, rules adopted by the board of building 8811  
standards under Chapter 3781. of the Revised Code, and all other 8812  
federal, state, and local requirements relating to the safety of 8813  
the premises. 8814

(2) If the funeral home, embalming facility, or crematory facility to which the license application pertains is owned by a corporation or limited liability company, the application shall include the name and address of the corporation's or limited liability company's statutory agent appointed under section 1701.07~~or, 1705.06, or 1706.09~~ of the Revised Code or, in the case of a foreign corporation, the corporation's designated agent appointed under section 1703.041 of the Revised Code. If the funeral home, embalming facility, or crematory facility to which the application pertains is owned by a partnership, the application shall include the name and address of each of the partners. If, at any time after the submission of a license application or issuance of a license, the statutory or designated agent of a corporation or limited liability company owning a funeral home, embalming facility, or crematory facility or the address of the statutory or designated agent changes or, in the case of a partnership, any of the partners of the funeral home, embalming facility, or crematory facility or the address of any of the partners changes, the applicant for or holder of the license to operate the funeral home, embalming facility, or crematory facility shall submit written notice to the board, within thirty days after the change, informing the board of the change and of any name or address of a statutory or designated agent or partner that has changed from that contained in the application for the license or the most recent notice submitted under division (A) (2) of this section.

(B) (1) The board of embalmers and funeral directors shall issue a license to operate a funeral home only to a licensed funeral director who is named in the application as the funeral director actually in charge and ultimately responsible for the funeral home. The board shall issue the license only for the

address at which the funeral home is physically located and 8846  
operated. The funeral home license and licenses of the embalmers 8847  
and funeral directors employed by the funeral home shall be 8848  
displayed in a conspicuous place within the funeral home. The 8849  
name of the funeral director to whom the funeral home license 8850  
has been issued shall be conspicuously displayed immediately on 8851  
the outside or the inside of the primary entrance to the funeral 8852  
home that is used by the public. 8853

(2) The funeral home shall have on the premises one of the 8854  
following: 8855

(a) If embalming will take place at the funeral home, an 8856  
embalming room that is adequately equipped and maintained. The 8857  
embalming room shall be kept in a clean and sanitary manner and 8858  
used only for the embalming, preparation, or holding of dead 8859  
human bodies. The embalming room shall contain only the 8860  
articles, facilities, and instruments necessary for those 8861  
purposes. 8862

(b) If embalming will not take place at the funeral home, 8863  
a holding room that is adequately equipped and maintained. The 8864  
holding room shall be kept in a clean and sanitary manner and 8865  
used only for the preparation, other than embalming, and holding 8866  
of dead human bodies. The holding room shall contain only the 8867  
articles and facilities necessary for those purposes. 8868

(3) Each funeral home shall be directly supervised by a 8869  
funeral director licensed under this chapter, who may supervise 8870  
more than one funeral home. 8871

(C) (1) The board shall issue a license to operate an 8872  
embalming facility only to a licensed embalmer who is actually 8873  
in charge of and ultimately responsible for the embalming 8874

facility. The board shall issue the license only for the address 8875  
at which the embalming facility is physically located and 8876  
operated. The license shall be displayed in a conspicuous place 8877  
within the facility. The name of the embalmer to whom the 8878  
embalming facility license has been issued shall be 8879  
conspicuously displayed on the outside or inside of the primary 8880  
entrance to the embalming facility. 8881

(2) The embalming facility shall be adequately equipped 8882  
and maintained in a sanitary manner. The embalming room at such 8883  
a facility shall contain only the articles, facilities, and 8884  
instruments necessary for its stated purpose. The embalming room 8885  
shall be kept in a clean and sanitary condition and used only 8886  
for the care and preparation of dead human bodies. 8887

(D) (1) The board shall issue a license to operate a 8888  
crematory facility only to a crematory operator who is actually 8889  
in charge and ultimately responsible for the crematory facility. 8890  
The board shall issue the license only for the address at which 8891  
the crematory facility is physically located and operated. The 8892  
license shall be displayed in a conspicuous place within the 8893  
crematory facility. The name of the crematory operator to whom 8894  
the crematory facility license has been issued shall be 8895  
conspicuously displayed on the outside or inside of the primary 8896  
entrance to the crematory facility. 8897

(2) The crematory facility shall be adequately equipped 8898  
and maintained in a clean and sanitary manner. The crematory 8899  
facility may be located in a funeral home, embalming facility, 8900  
cemetery building, or other building in which the crematory 8901  
facility may lawfully operate. If a crematory facility engages 8902  
in the cremation of animals, the crematory facility shall 8903  
cremate animals in a cremation chamber that also is not used to 8904

cremate dead human bodies or human body parts and shall not 8905  
cremate animals in a cremation chamber used for the cremation of 8906  
dead human bodies and human body parts. Cremation chambers that 8907  
are used for the cremation of dead human bodies or human body 8908  
parts and cremation chambers used for the cremation of animals 8909  
may be located in the same area. Cremation chambers used for the 8910  
cremation of animals shall have conspicuously displayed on the 8911  
unit a notice that the unit is to be used for animals only. 8912

(3) A license to operate a crematory facility shall be 8913  
issued to the person actually in charge of the crematory 8914  
facility. This section does not require the individual who is 8915  
actually in charge of the crematory facility to be an embalmer 8916  
or funeral director licensed under this chapter. 8917

(4) Nothing in this section or rules adopted under section 8918  
4717.04 of the Revised Code precludes the establishment and 8919  
operation of a crematory facility on or adjacent to the property 8920  
on which a cemetery, funeral home, or embalming facility is 8921  
located. 8922

**Sec. 4723.16.** (A) An individual whom the board of nursing 8923  
licenses or otherwise legally authorizes to engage in the 8924  
practice of nursing as a registered nurse, advanced practice 8925  
registered nurse, or licensed practical nurse may render the 8926  
professional services of a registered, advanced practice 8927  
registered, or licensed practical nurse within this state 8928  
through a corporation formed under division (B) of section 8929  
1701.03 of the Revised Code, a limited liability company formed 8930  
under Chapter 1705. or 1706. of the Revised Code, a partnership, 8931  
or a professional association formed under Chapter 1785. of the 8932  
Revised Code. This division does not preclude an individual of 8933  
that nature from rendering professional services as a 8934

registered, advanced practice registered, or licensed practical 8935  
nurse through another form of business entity, including, but 8936  
not limited to, a nonprofit corporation or foundation, or in 8937  
another manner that is authorized by or in accordance with this 8938  
chapter, another chapter of the Revised Code, or rules of the 8939  
board of nursing adopted pursuant to this chapter. 8940

(B) A corporation, limited liability company, partnership, 8941  
or professional association described in division (A) of this 8942  
section may be formed for the purpose of providing a combination 8943  
of the professional services of the following individuals who 8944  
are licensed, certificated, or otherwise legally authorized to 8945  
practice their respective professions: 8946

(1) Optometrists who are authorized to practice optometry 8947  
under Chapter 4725. of the Revised Code; 8948

(2) Chiropractors who are authorized to practice 8949  
chiropractic or acupuncture under Chapter 4734. of the Revised 8950  
Code; 8951

(3) Psychologists who are authorized to practice 8952  
psychology under Chapter 4732. of the Revised Code; 8953

(4) Registered, advanced practice registered, or licensed 8954  
practical nurses who are authorized to practice nursing as 8955  
registered nurses, advanced practice registered nurses, or 8956  
licensed practical nurses under this chapter; 8957

(5) Pharmacists who are authorized to practice pharmacy 8958  
under Chapter 4729. of the Revised Code; 8959

(6) Physical therapists who are authorized to practice 8960  
physical therapy under sections 4755.40 to 4755.56 of the 8961  
Revised Code; 8962

(7) Occupational therapists who are licensed to practice occupational therapy under sections 4755.04 to 4755.13 of the Revised Code;

(8) Mechanotherapists who are authorized to practice mechanotherapy under section 4731.151 of the Revised Code;

(9) Doctors of medicine and surgery, osteopathic medicine and surgery, or podiatric medicine and surgery who are licensed, certificated, or otherwise legally authorized for their respective practices under Chapter 4731. of the Revised Code;

(10) Licensed professional clinical counselors, licensed professional counselors, independent social workers, social workers, independent marriage and family therapists, or marriage and family therapists who are authorized for their respective practices under Chapter 4757. of the Revised Code.

This division shall apply notwithstanding a provision of a code of ethics applicable to a nurse that prohibits a registered, advanced practice registered, or licensed practical nurse from engaging in the practice of nursing as a registered nurse, advanced practice registered nurse, or licensed practical nurse in combination with a person who is licensed, certificated, or otherwise legally authorized to practice optometry, chiropractic, acupuncture through the state chiropractic board, psychology, pharmacy, physical therapy, occupational therapy, mechanotherapy, medicine and surgery, osteopathic medicine and surgery, podiatric medicine and surgery, professional counseling, social work, or marriage and family therapy, but who is not also licensed, certificated, or otherwise legally authorized to engage in the practice of nursing as a registered nurse, advanced practice registered nurse, or licensed practical nurse.

**Sec. 4725.33.** (A) An individual whom the state vision professionals board licenses to engage in the practice of optometry may render the professional services of an optometrist within this state through a corporation formed under division (B) of section 1701.03 of the Revised Code, a limited liability company formed under Chapter 1705. or 1706. of the Revised Code, a partnership, or a professional association formed under Chapter 1785. of the Revised Code. This division does not preclude an optometrist from rendering professional services as an optometrist through another form of business entity, including, but not limited to, a nonprofit corporation or foundation, or in another manner that is authorized by or in accordance with this chapter, another chapter of the Revised Code, or rules of the state vision professionals board adopted pursuant to this chapter.

(B) A corporation, limited liability company, partnership, or professional association described in division (A) of this section may be formed for the purpose of providing a combination of the professional services of the following individuals who are licensed, certificated, or otherwise legally authorized to practice their respective professions:

(1) Optometrists who are authorized to practice optometry under Chapter 4725. of the Revised Code;

(2) Chiropractors who are authorized to practice chiropractic or acupuncture under Chapter 4734. of the Revised Code;

(3) Psychologists who are authorized to practice psychology under Chapter 4732. of the Revised Code;

(4) Registered or licensed practical nurses who are

authorized to practice nursing as registered nurses or as 9022  
licensed practical nurses under Chapter 4723. of the Revised 9023  
Code; 9024

(5) Pharmacists who are authorized to practice pharmacy 9025  
under Chapter 4729. of the Revised Code; 9026

(6) Physical therapists who are authorized to practice 9027  
physical therapy under sections 4755.40 to 4755.56 of the 9028  
Revised Code; 9029

(7) Occupational therapists who are authorized to practice 9030  
occupational therapy under sections 4755.04 to 4755.13 of the 9031  
Revised Code; 9032

(8) Mechanotherapists who are authorized to practice 9033  
mechanotherapy under section 4731.151 of the Revised Code; 9034

(9) Doctors of medicine and surgery, osteopathic medicine 9035  
and surgery, or podiatric medicine and surgery who are 9036  
authorized for their respective practices under Chapter 4731. of 9037  
the Revised Code; 9038

(10) Licensed professional clinical counselors, licensed 9039  
professional counselors, independent social workers, social 9040  
workers, independent marriage and family therapists, or marriage 9041  
and family therapists who are authorized for their respective 9042  
practices under Chapter 4757. of the Revised Code. 9043

This division shall apply notwithstanding a provision of a 9044  
code of ethics applicable to an optometrist that prohibits an 9045  
optometrist from engaging in the practice of optometry in 9046  
combination with a person who is licensed, certificated, or 9047  
otherwise legally authorized to practice chiropractic, 9048  
acupuncture through the state chiropractic board, psychology, 9049  
nursing, pharmacy, physical therapy, occupational therapy, 9050

mechanotherapy, medicine and surgery, osteopathic medicine and 9051  
surgery, podiatric medicine and surgery, professional 9052  
counseling, social work, or marriage and family therapy, but who 9053  
is not also licensed, certificated, or otherwise legally 9054  
authorized to engage in the practice of optometry. 9055

**Sec. 4729.161.** (A) An individual registered with the state 9056  
board of pharmacy to engage in the practice of pharmacy may 9057  
render the professional services of a pharmacist within this 9058  
state through a corporation formed under division (B) of section 9059  
1701.03 of the Revised Code, a limited liability company formed 9060  
under Chapter 1705. or 1706. of the Revised Code, a partnership, 9061  
or a professional association formed under Chapter 1785. of the 9062  
Revised Code. This division does not preclude an individual of 9063  
that nature from rendering professional services as a pharmacist 9064  
through another form of business entity, including, but not 9065  
limited to, a nonprofit corporation or foundation, or in another 9066  
manner that is authorized by or in accordance with this chapter, 9067  
another chapter of the Revised Code, or rules of the state board 9068  
of pharmacy adopted pursuant to this chapter. 9069

(B) A corporation, limited liability company, partnership, 9070  
or professional association described in division (A) of this 9071  
section may be formed for the purpose of providing a combination 9072  
of the professional services of the following individuals who 9073  
are licensed, certificated, or otherwise legally authorized to 9074  
practice their respective professions: 9075

(1) Optometrists who are authorized to practice optometry 9076  
under Chapter 4725. of the Revised Code; 9077

(2) Chiropractors who are authorized to practice 9078  
chiropractic or acupuncture under Chapter 4734. of the Revised 9079  
Code; 9080

(3) Psychologists who are authorized to practice	9081
psychology under Chapter 4732. of the Revised Code;	9082
(4) Registered or licensed practical nurses who are	9083
authorized to practice nursing as registered nurses or as	9084
licensed practical nurses under Chapter 4723. of the Revised	9085
Code;	9086
(5) Pharmacists who are authorized to practice pharmacy	9087
under Chapter 4729. of the Revised Code;	9088
(6) Physical therapists who are authorized to practice	9089
physical therapy under sections 4755.40 to 4755.56 of the	9090
Revised Code;	9091
(7) Occupational therapists who are authorized to practice	9092
occupational therapy under sections 4755.04 to 4755.13 of the	9093
Revised Code;	9094
(8) Mechanotherapists who are authorized to practice	9095
mechanotherapy under section 4731.151 of the Revised Code;	9096
(9) Doctors of medicine and surgery, osteopathic medicine	9097
and surgery, or podiatric medicine and surgery who are	9098
authorized for their respective practices under Chapter 4731. of	9099
the Revised Code;	9100
(10) Licensed professional clinical counselors, licensed	9101
professional counselors, independent social workers, social	9102
workers, independent marriage and family therapists, or marriage	9103
and family therapists who are authorized for their respective	9104
practices under Chapter 4757. of the Revised Code.	9105
This division shall apply notwithstanding a provision of a	9106
code of ethics applicable to a pharmacist that prohibits a	9107
pharmacist from engaging in the practice of pharmacy in	9108

combination with a person who is licensed, certificated, or 9109  
otherwise legally authorized to practice optometry, 9110  
chiropractic, acupuncture through the state chiropractic board, 9111  
psychology, nursing, physical therapy, occupational therapy, 9112  
mechanotherapy, medicine and surgery, osteopathic medicine and 9113  
surgery, podiatric medicine and surgery, professional 9114  
counseling, social work, or marriage and family therapy, but who 9115  
is not also licensed, certificated, or otherwise legally 9116  
authorized to engage in the practice of pharmacy. 9117

**Sec. 4729.541.** (A) Except as provided in divisions (B) to 9118  
(D) of this section, all of the following are exempt from 9119  
licensure as a terminal distributor of dangerous drugs: 9120

(1) A licensed health professional authorized to prescribe 9121  
drugs; 9122

(2) A business entity that is a corporation formed under 9123  
division (B) of section 1701.03 of the Revised Code, a limited 9124  
liability company formed under Chapter 1705. or 1706. of the 9125  
Revised Code, or a professional association formed under Chapter 9126  
1785. of the Revised Code if the entity has a sole shareholder 9127  
who is a prescriber and is authorized to provide the 9128  
professional services being offered by the entity; 9129

(3) A business entity that is a corporation formed under 9130  
division (B) of section 1701.03 of the Revised Code, a limited 9131  
liability company formed under Chapter 1705. or 1706. of the 9132  
Revised Code, a partnership or a limited liability partnership 9133  
formed under Chapter 1775. of the Revised Code, or a 9134  
professional association formed under Chapter 1785. of the 9135  
Revised Code, if, to be a shareholder, member, or partner, an 9136  
individual is required to be licensed, certified, or otherwise 9137  
legally authorized under Title XLVII of the Revised Code to 9138

perform the professional service provided by the entity and each 9139  
such individual is a prescriber; 9140

(4) An individual who holds a current license, 9141  
certificate, or registration issued under Title XLVII of the 9142  
Revised Code and has been certified to conduct diabetes 9143  
education by a national certifying body specified in rules 9144  
adopted by the state board of pharmacy under section 4729.68 of 9145  
the Revised Code, but only with respect to insulin that will be 9146  
used for the purpose of diabetes education and only if diabetes 9147  
education is within the individual's scope of practice under 9148  
statutes and rules regulating the individual's profession; 9149

(5) An individual who holds a valid certificate issued by 9150  
a nationally recognized S.C.U.B.A. diving certifying 9151  
organization approved by the state board of pharmacy under rules 9152  
adopted by the board, but only with respect to medical oxygen 9153  
that will be used for the purpose of emergency care or treatment 9154  
at the scene of a diving emergency; 9155

(6) With respect to epinephrine autoinjectors that may be 9156  
possessed under section 3313.7110, 3313.7111, 3314.143, 3326.28, 9157  
or 3328.29 of the Revised Code, any of the following: the board 9158  
of education of a city, local, exempted village, or joint 9159  
vocational school district; a chartered or nonchartered 9160  
nonpublic school; a community school established under Chapter 9161  
3314. of the Revised Code; a STEM school established under 9162  
Chapter 3326. of the Revised Code; or a college-preparatory 9163  
boarding school established under Chapter 3328. of the Revised 9164  
Code; 9165

(7) With respect to epinephrine autoinjectors that may be 9166  
possessed under section 5101.76 of the Revised Code, any of the 9167  
following: a residential camp, as defined in section 2151.011 of 9168

the Revised Code; a child day camp, as defined in section 9169  
5104.01 of the Revised Code; or a child day camp operated by any 9170  
county, township, municipal corporation, township park district 9171  
created under section 511.18 of the Revised Code, park district 9172  
created under section 1545.04 of the Revised Code, or joint 9173  
recreation district established under section 755.14 of the 9174  
Revised Code; 9175

(8) With respect to epinephrine autoinjectors that may be 9176  
possessed under Chapter 3728. of the Revised Code, a qualified 9177  
entity, as defined in section 3728.01 of the Revised Code; 9178

(9) With respect to inhalers that may be possessed under 9179  
section 3313.7113, 3313.7114, 3314.144, 3326.30, or 3328.30 of 9180  
the Revised Code, any of the following: the board of education 9181  
of a city, local, exempted village, or joint vocational school 9182  
district; a chartered or nonchartered nonpublic school; a 9183  
community school established under Chapter 3314. of the Revised 9184  
Code; a STEM school established under Chapter 3326. of the 9185  
Revised Code; or a college-preparatory boarding school 9186  
established under Chapter 3328. of the Revised Code; 9187

(10) With respect to inhalers that may be possessed under 9188  
section 5101.77 of the Revised Code, any of the following: a 9189  
residential camp, as defined in section 2151.011 of the Revised 9190  
Code; a child day camp, as defined in section 5104.01 of the 9191  
Revised Code; or a child day camp operated by any county, 9192  
township, municipal corporation, township park district created 9193  
under section 511.18 of the Revised Code, park district created 9194  
under section 1545.04 of the Revised Code, or joint recreation 9195  
district established under section 755.14 of the Revised Code; 9196

(11) With respect to naloxone that may be possessed under 9197  
section 2925.61 of the Revised Code, a law enforcement agency 9198

and its peace officers; 9199

(12) With respect to naloxone that may be possessed under 9200  
section 4729.514 of the Revised Code, a service entity, as 9201  
defined in that section; 9202

(13) A facility that is owned and operated by the United 9203  
States department of defense, the United States department of 9204  
veterans affairs, or any other federal agency. 9205

(B) If a person described in division (A) of this section 9206  
is a pain management clinic or is operating a pain management 9207  
clinic, the person shall hold a license as a terminal 9208  
distributor of dangerous drugs with a pain management clinic 9209  
classification issued under section 4729.552 of the Revised 9210  
Code. 9211

(C) If a person described in division (A) of this section 9212  
is operating a facility, clinic, or other location described in 9213  
division (B) of section 4729.553 of the Revised Code that must 9214  
hold a category III terminal distributor of dangerous drugs 9215  
license with an office-based opioid treatment classification, 9216  
the person shall hold a license with that classification. 9217

(D) Any of the persons described in divisions (A) (1) to 9218  
(12) of this section shall hold a license as a terminal 9219  
distributor of dangerous drugs in order to possess, have custody 9220  
or control of, and distribute any of the following: 9221

(1) Dangerous drugs that are compounded or used for the 9222  
purpose of compounding; 9223

(2) A schedule I, II, III, IV, or V controlled substance, 9224  
as defined in section 3719.01 of the Revised Code. 9225

**Sec. 4731.226.** (A) (1) An individual whom the state medical 9226

board licenses, certificates, or otherwise legally authorizes to 9227  
engage in the practice of medicine and surgery, osteopathic 9228  
medicine and surgery, or podiatric medicine and surgery may 9229  
render the professional services of a doctor of medicine and 9230  
surgery, osteopathic medicine and surgery, or podiatric medicine 9231  
and surgery within this state through a corporation formed under 9232  
division (B) of section 1701.03 of the Revised Code, a limited 9233  
liability company formed under Chapter 1705. or 1706. of the 9234  
Revised Code, a partnership, or a professional association 9235  
formed under Chapter 1785. of the Revised Code. Division (A) (1) 9236  
of this section does not preclude an individual of that nature 9237  
from rendering professional services as a doctor of medicine and 9238  
surgery, osteopathic medicine and surgery, or podiatric medicine 9239  
and surgery through another form of business entity, including, 9240  
but not limited to, a nonprofit corporation or foundation, or in 9241  
another manner that is authorized by or in accordance with this 9242  
chapter, another chapter of the Revised Code, or rules of the 9243  
state medical board adopted pursuant to this chapter. 9244

(2) An individual whom the state medical board authorizes 9245  
to engage in the practice of mechanotherapy may render the 9246  
professional services of a mechanotherapist within this state 9247  
through a corporation formed under division (B) of section 9248  
1701.03 of the Revised Code, a limited liability company formed 9249  
under Chapter 1705. or 1706. of the Revised Code, a partnership, 9250  
or a professional association formed under Chapter 1785. of the 9251  
Revised Code. Division (A) (2) of this section does not preclude 9252  
an individual of that nature from rendering professional 9253  
services as a mechanotherapist through another form of business 9254  
entity, including, but not limited to, a nonprofit corporation 9255  
or foundation, or in another manner that is authorized by or in 9256  
accordance with this chapter, another chapter of the Revised 9257

Code, or rules of the state medical board adopted pursuant to 9258  
this chapter. 9259

(B) A corporation, limited liability company, partnership, 9260  
or professional association described in division (A) of this 9261  
section may be formed for the purpose of providing a combination 9262  
of the professional services of the following individuals who 9263  
are licensed, certificated, or otherwise legally authorized to 9264  
practice their respective professions: 9265

(1) Optometrists who are authorized to practice optometry 9266  
under Chapter 4725. of the Revised Code; 9267

(2) Chiropractors who are authorized to practice 9268  
chiropractic or acupuncture under Chapter 4734. of the Revised 9269  
Code; 9270

(3) Psychologists who are authorized to practice 9271  
psychology under Chapter 4732. of the Revised Code; 9272

(4) Registered or licensed practical nurses who are 9273  
authorized to practice nursing as registered nurses or as 9274  
licensed practical nurses under Chapter 4723. of the Revised 9275  
Code; 9276

(5) Pharmacists who are authorized to practice pharmacy 9277  
under Chapter 4729. of the Revised Code; 9278

(6) Physical therapists who are authorized to practice 9279  
physical therapy under sections 4755.40 to 4755.56 of the 9280  
Revised Code; 9281

(7) Occupational therapists who are authorized to practice 9282  
occupational therapy under sections 4755.04 to 4755.13 of the 9283  
Revised Code; 9284

(8) Mechanotherapists who are authorized to practice 9285

mechanotherapy under section 4731.151 of the Revised Code; 9286

(9) Doctors of medicine and surgery, osteopathic medicine 9287  
and surgery, or podiatric medicine and surgery who are 9288  
authorized for their respective practices under this chapter; 9289

(10) Licensed professional clinical counselors, licensed 9290  
professional counselors, independent social workers, social 9291  
workers, independent marriage and family therapists, or marriage 9292  
and family therapists who are authorized for their respective 9293  
practices under Chapter 4757. of the Revised Code. 9294

(C) Division (B) of this section shall apply 9295  
notwithstanding a provision of a code of ethics described in 9296  
division (B)(18) of section 4731.22 of the Revised Code that 9297  
prohibits either of the following: 9298

(1) A doctor of medicine and surgery, osteopathic medicine 9299  
and surgery, or podiatric medicine and surgery from engaging in 9300  
the doctor's authorized practice in combination with a person 9301  
who is licensed, certificated, or otherwise legally authorized 9302  
to engage in the practice of optometry, chiropractic, 9303  
acupuncture through the state chiropractic board, psychology, 9304  
nursing, pharmacy, physical therapy, occupational therapy, 9305  
mechanotherapy, professional counseling, social work, or 9306  
marriage and family therapy, but who is not also licensed, 9307  
certificated, or otherwise legally authorized to practice 9308  
medicine and surgery, osteopathic medicine and surgery, or 9309  
podiatric medicine and surgery. 9310

(2) A mechanotherapist from engaging in the practice of 9311  
mechanotherapy in combination with a person who is licensed, 9312  
certificated, or otherwise legally authorized to engage in the 9313  
practice of optometry, chiropractic, acupuncture through the 9314

state chiropractic board, psychology, nursing, pharmacy, 9315  
physical therapy, occupational therapy, medicine and surgery, 9316  
osteopathic medicine and surgery, podiatric medicine and 9317  
surgery, professional counseling, social work, or marriage and 9318  
family therapy, but who is not also licensed, certificated, or 9319  
otherwise legally authorized to engage in the practice of 9320  
mechanotherapy. 9321

**Sec. 4731.228.** (A) As used in this section: 9322

(1) "Federally qualified health center" has the same 9323  
meaning as in section 3701.047 of the Revised Code. 9324

(2) "Federally qualified health center look-alike" has the 9325  
same meaning as in section 3701.047 of the Revised Code. 9326

(3) "Health care entity" means any of the following that 9327  
employs a physician to provide physician services: 9328

(a) A hospital registered with the department of health 9329  
under section 3701.07 of the Revised Code; 9330

(b) A corporation formed under division (B) of section 9331  
1701.03 of the Revised Code; 9332

(c) A corporation formed under Chapter 1702. of the 9333  
Revised Code; 9334

(d) A limited liability company formed under Chapter 1705. 9335  
or 1706. of the Revised Code; 9336

(e) A health insuring corporation holding a certificate of 9337  
authority under Chapter 1751. of the Revised Code; 9338

(f) A partnership; 9339

(g) A professional association formed under Chapter 1785. 9340  
of the Revised Code. 9341

(4) "Physician" means an individual authorized under this chapter to practice medicine and surgery, osteopathic medicine and surgery, or podiatric medicine and surgery.

(5) "Physician services" means direct patient care services provided by a physician.

(6) "Termination" means the end of a physician's employment with a health care entity for any reason.

(B) This section applies when a physician's employment with a health care entity to provide physician services is terminated for any reason, unless the physician continues to provide medical services for patients of the health care entity on an independent contractor basis.

(C) (1) Except as provided in division (C) (2) of this section, a health care entity shall send notice of the termination of a physician's employment to each patient who received physician services from the physician in the two-year period immediately preceding the date of employment termination. Only patients of the health care entity who received services from the physician are to receive the notice.

(2) If the health care entity provides to the physician a list of patients treated and patient contact information, the health care entity may require the physician to send the notice required by this section.

(D) The notice provided under division (C) of this section shall be provided not later than the date of termination or thirty days after the health care entity has actual knowledge of termination or resignation of the physician, whichever is later. The notice shall be provided in accordance with rules adopted by the state medical board under section 4731.05 of the Revised

Code. The notice shall include at least all of the following: 9371

(1) A notice to the patient that the physician will no 9372  
longer be practicing medicine as an employee of the health care 9373  
entity; 9374

(2) Except in situations in which the health care entity 9375  
has a good faith concern that the physician's conduct or the 9376  
medical care provided by the physician would jeopardize the 9377  
health and safety of patients, the physician's name and, if 9378  
known by the health care entity, information provided by the 9379  
physician that the patient may use to contact the physician; 9380

(3) The date on which the physician ceased or will cease 9381  
to practice as an employee of the health care entity; 9382

(4) Contact information for an alternative physician or 9383  
physicians employed by the health care entity or contact 9384  
information for a group practice that can provide care for the 9385  
patient; 9386

(5) Contact information that enables the patient to obtain 9387  
information on the patient's medical records. 9388

(E) The requirements of this section do not apply to any 9389  
of the following: 9390

(1) A physician rendering services to a patient on an 9391  
episodic basis or in an emergency department or urgent care 9392  
center, when it should not be reasonably expected that related 9393  
medical services will be rendered by the physician to the 9394  
patient in the future; 9395

(2) A medical director or other physician providing 9396  
services in a similar capacity to a medical director to patients 9397  
through a hospice care program licensed pursuant to section 9398

3712.04 of the Revised Code.	9399
(3) Medical residents, interns, and fellows who work in hospitals, health systems, federally qualified health centers, and federally qualified health center look-alikes as part of their medical education and training.	9400 9401 9402 9403
(4) A physician providing services to a patient through a community mental health services provider certified by the director of mental health and addiction services under section 5119.36 of the Revised Code or a community addiction services provider certified by the director under that section.	9404 9405 9406 9407 9408
(5) A physician providing services to a patient through a federally qualified health center or a federally qualified health center look-alike.	9409 9410 9411
<b>Sec. 4732.28.</b> (A) An individual whom the state board of psychology licenses, certificates, or otherwise legally authorizes to engage in the practice of psychology may render the professional services of a psychologist within this state through a corporation formed under division (B) of section 1701.03 of the Revised Code, a limited liability company formed under Chapter 1705. <u>or 1706.</u> of the Revised Code, a partnership, or a professional association formed under Chapter 1785. of the Revised Code. This division does not preclude an individual of that nature from rendering professional services as a psychologist through another form of business entity, including, but not limited to, a nonprofit corporation or foundation, or in another manner that is authorized by or in accordance with this chapter, another chapter of the Revised Code, or rules of the state board of psychology adopted pursuant to this chapter.	9412 9413 9414 9415 9416 9417 9418 9419 9420 9421 9422 9423 9424 9425 9426
(B) A corporation, limited liability company, partnership,	9427

or professional association described in division (A) of this 9428  
section may be formed for the purpose of providing a combination 9429  
of the professional services of the following individuals who 9430  
are licensed, certificated, or otherwise legally authorized to 9431  
practice their respective professions: 9432

(1) Optometrists who are authorized to practice optometry 9433  
under Chapter 4725. of the Revised Code; 9434

(2) Chiropractors who are authorized to practice 9435  
chiropractic or acupuncture under Chapter 4734. of the Revised 9436  
Code; 9437

(3) Psychologists who are authorized to practice 9438  
psychology under this chapter; 9439

(4) Registered or licensed practical nurses who are 9440  
authorized to practice nursing as registered nurses or as 9441  
licensed practical nurses under Chapter 4723. of the Revised 9442  
Code; 9443

(5) Pharmacists who are authorized to practice pharmacy 9444  
under Chapter 4729. of the Revised Code; 9445

(6) Physical therapists who are authorized to practice 9446  
physical therapy under sections 4755.40 to 4755.56 of the 9447  
Revised Code; 9448

(7) Occupational therapists who are authorized to practice 9449  
occupational therapy under sections 4755.04 to 4755.13 of the 9450  
Revised Code; 9451

(8) Mechanotherapists who are authorized to practice 9452  
mechanotherapy under section 4731.151 of the Revised Code; 9453

(9) Doctors of medicine and surgery, osteopathic medicine 9454  
and surgery, or podiatric medicine and surgery who are 9455

authorized for their respective practices under Chapter 4731. of 9456  
the Revised Code; 9457

(10) Licensed professional clinical counselors, licensed 9458  
professional counselors, independent social workers, social 9459  
workers, independent marriage and family therapists, or marriage 9460  
and family therapists who are authorized for their respective 9461  
practices under Chapter 4757. of the Revised Code. 9462

This division shall apply notwithstanding a provision of a 9463  
code of ethics applicable to a psychologist that prohibits a 9464  
psychologist from engaging in the practice of psychology in 9465  
combination with a person who is licensed, certificated, or 9466  
otherwise legally authorized to practice optometry, 9467  
chiropractic, acupuncture through the state chiropractic board, 9468  
nursing, pharmacy, physical therapy, occupational therapy, 9469  
mechanotherapy, medicine and surgery, osteopathic medicine and 9470  
surgery, podiatric medicine and surgery, professional 9471  
counseling, social work, or marriage and family therapy, but who 9472  
is not also licensed, certificated, or otherwise legally 9473  
authorized to engage in the practice of psychology. 9474

**Sec. 4733.16.** (A) A firm, partnership, association, 9475  
limited liability company, or corporation may provide 9476  
professional engineering or professional surveying services in 9477  
this state as long as the services are provided only through 9478  
natural persons registered to provide those services in the 9479  
state, subject to the exemptions in sections 4733.17 and 4733.18 9480  
of the Revised Code and subject otherwise to the requirements of 9481  
this chapter. 9482

(B) No firm, partnership, association, limited liability 9483  
company, or corporation, except a corporation that was granted a 9484  
charter prior to August 7, 1943, to engage in providing 9485

professional engineering or professional surveying services in 9486  
this state or that was otherwise lawfully providing engineering 9487  
services in this state prior to November 15, 1982, shall engage 9488  
in providing professional engineering or professional surveying 9489  
services, hold itself out to the public as being engaged in 9490  
providing professional engineering or professional surveying 9491  
services, or use a name including one or more of the words 9492  
"engineer," "engineering," "surveyor," or "surveying" or any 9493  
modification or derivation of those words, unless the firm, 9494  
partnership, association, limited liability company, or 9495  
corporation obtains a certificate of authorization from the 9496  
state board of registration for professional engineers and 9497  
surveyors and files all information required to be filed under 9498  
this section with the state board of registration for 9499  
professional engineers and surveyors and otherwise complies with 9500  
all requirements of this chapter. A nonprofit membership 9501  
corporation may use a name including one or more of the words 9502  
"engineer," "engineering," "surveyor," or "surveying" or any 9503  
modification or derivation of those words without complying with 9504  
this section. 9505

(C) A corporation may be organized under Chapter 1701. of 9506  
the Revised Code, a professional association may be organized 9507  
under Chapter 1785. of the Revised Code, or a limited liability 9508  
company may be formed under Chapter 1705. or 1706. of the 9509  
Revised Code for the purpose of providing professional 9510  
engineering, professional surveying, architectural, or landscape 9511  
architectural services or any combination of those services. A 9512  
corporation organized under Chapter 1701. of the Revised Code 9513  
for the purpose of providing those services also may be 9514  
organized for any other purpose in accordance with that chapter. 9515

(D) Each firm, partnership, association, limited liability 9516

company, or corporation through which professional engineering 9517  
or professional surveying services are offered or provided in 9518  
this state shall designate one or more full-time partners, 9519  
managers, members, officers, or directors as being responsible 9520  
for and in responsible charge of the professional engineering or 9521  
professional surveying activities and decisions, and those 9522  
designated persons shall be registered in this state. Each firm, 9523  
partnership, association, limited liability company, or 9524  
corporation shall annually file with the state board of 9525  
registration for professional engineers and surveyors the name 9526  
and address of all owners and all persons designated as being in 9527  
responsible charge of the professional engineering or 9528  
professional surveying activities and decisions and any other 9529  
information the board may require. 9530

(E) The state board of registration for professional 9531  
engineers and surveyors shall issue a certificate of 9532  
authorization to each firm, partnership, association, limited 9533  
liability company, or corporation that satisfies the 9534  
requirements of this chapter, including providing information 9535  
that the board may require pursuant to division (D) of this 9536  
section. 9537

(F) This section does not modify any law applicable to the 9538  
relationship between a person furnishing a professional service 9539  
and a person receiving that service, including liability arising 9540  
out of that service. 9541

(G) Nothing in this section shall restrict or limit in any 9542  
manner the authority or duty of the state board of registration 9543  
for professional engineers and surveyors with respect to natural 9544  
persons providing professional services or any law or rule 9545  
pertaining to standards of professional conduct. 9546

(H) Corporations, partnerships, associations, limited liability companies, or firms organized under the laws of another state or country wishing to provide professional engineering or professional surveying services shall obtain a certificate of authorization and meet the applicable requirements of this section.

**Sec. 4734.17.** (A) An individual whom the state chiropractic board licenses to engage in the practice of chiropractic or certifies to practice acupuncture may render the professional services of a chiropractor or chiropractor certified to practice acupuncture within this state through a corporation formed under division (B) of section 1701.03 of the Revised Code, a limited liability company formed under Chapter 1705. or 1706. of the Revised Code, a partnership, or a professional association formed under Chapter 1785. of the Revised Code. This division does not preclude a chiropractor from rendering professional services as a chiropractor or chiropractor certified to practice acupuncture through another form of business entity, including, but not limited to, a nonprofit corporation or foundation, or in another manner that is authorized by or in accordance with this chapter, another chapter of the Revised Code, or rules of the state chiropractic board adopted pursuant to this chapter.

(B) A corporation, limited liability company, partnership, or professional association described in division (A) of this section may be formed for the purpose of providing a combination of the professional services of the following individuals who are licensed, certificated, or otherwise legally authorized to practice their respective professions:

(1) Optometrists who are authorized to practice optometry,

under Chapter 4725. of the Revised Code;	9577
(2) Chiropractors who are authorized to practice	9578
chiropractic or acupuncture under this chapter;	9579
(3) Psychologists who are authorized to practice	9580
psychology under Chapter 4732. of the Revised Code;	9581
(4) Registered or licensed practical nurses who are	9582
authorized to practice nursing as registered nurses or as	9583
licensed practical nurses under Chapter 4723. of the Revised	9584
Code;	9585
(5) Pharmacists who are authorized to practice pharmacy	9586
under Chapter 4729. of the Revised Code;	9587
(6) Physical therapists who are authorized to practice	9588
physical therapy under sections 4755.40 to 4755.56 of the	9589
Revised Code;	9590
(7) Occupational therapists who are authorized to practice	9591
occupational therapy under sections 4755.04 to 4755.13 of the	9592
Revised Code;	9593
(8) Mechanotherapists who are authorized to practice	9594
mechanotherapy under section 4731.151 of the Revised Code;	9595
(9) Doctors of medicine and surgery, osteopathic medicine	9596
and surgery, or podiatric medicine and surgery who are	9597
authorized for their respective practices under Chapter 4731. of	9598
the Revised Code;	9599
(10) Licensed professional clinical counselors, licensed	9600
professional counselors, independent social workers, social	9601
workers, independent marriage and family therapists, or marriage	9602
and family therapists who are authorized for their respective	9603
practices under Chapter 4757. of the Revised Code.	9604

This division shall apply notwithstanding a provision of 9605  
any code of ethics established or adopted under section 4734.16 9606  
of the Revised Code that prohibits an individual from engaging 9607  
in the practice of chiropractic or acupuncture in combination 9608  
with an individual who is licensed, certificated, or otherwise 9609  
authorized for the practice of optometry, psychology, nursing, 9610  
pharmacy, physical therapy, occupational therapy, 9611  
mechanotherapy, medicine and surgery, osteopathic medicine and 9612  
surgery, podiatric medicine and surgery, professional 9613  
counseling, social work, or marriage and family therapy, but who 9614  
is not also licensed under this chapter to engage in the 9615  
practice of chiropractic. 9616

**Sec. 4755.111.** (A) An individual whom the occupational 9617  
therapy section of the Ohio occupational therapy, physical 9618  
therapy, and athletic trainers board licenses, certificates, or 9619  
otherwise legally authorizes to engage in the practice of 9620  
occupational therapy may render the professional services of an 9621  
occupational therapist within this state through a corporation 9622  
formed under division (B) of section 1701.03 of the Revised 9623  
Code, a limited liability company formed under Chapter 1705. or 9624  
1706. of the Revised Code, a partnership, or a professional 9625  
association formed under Chapter 1785. of the Revised Code. This 9626  
division does not preclude an individual of that nature from 9627  
rendering professional services as an occupational therapist 9628  
through another form of business entity, including, but not 9629  
limited to, a nonprofit corporation or foundation, or in another 9630  
manner that is authorized by or in accordance with sections 9631  
4755.04 to 4755.13 of the Revised Code, another chapter of the 9632  
Revised Code, or rules of the Ohio occupational therapy, 9633  
physical therapy, and athletic trainers board adopted pursuant 9634  
to sections 4755.04 to 4755.13 of the Revised Code. 9635

(B) A corporation, limited liability company, partnership, 9636  
or professional association described in division (A) of this 9637  
section may be formed for the purpose of providing a combination 9638  
of the professional services of the following individuals who 9639  
are licensed, certificated, or otherwise legally authorized to 9640  
practice their respective professions: 9641

(1) Optometrists who are authorized to practice optometry 9642  
under Chapter 4725. of the Revised Code; 9643

(2) Chiropractors who are authorized to practice 9644  
chiropractic or acupuncture under Chapter 4734. of the Revised 9645  
Code; 9646

(3) Psychologists who are authorized to practice 9647  
psychology under Chapter 4732. of the Revised Code; 9648

(4) Registered or licensed practical nurses who are 9649  
authorized to practice nursing as registered nurses or as 9650  
licensed practical nurses under Chapter 4723. of the Revised 9651  
Code; 9652

(5) Pharmacists who are authorized to practice pharmacy 9653  
under Chapter 4729. of the Revised Code; 9654

(6) Physical therapists who are authorized to practice 9655  
physical therapy under sections 4755.40 to 4755.56 of the 9656  
Revised Code; 9657

(7) Occupational therapists who are authorized to practice 9658  
occupational therapy under sections 4755.04 to 4755.13 of the 9659  
Revised Code; 9660

(8) Mechanotherapists who are authorized to practice 9661  
mechanotherapy under section 4731.151 of the Revised Code; 9662

(9) Doctors of medicine and surgery, osteopathic medicine 9663

and surgery, or podiatric medicine and surgery who are 9664  
authorized for their respective practices under Chapter 4731. of 9665  
the Revised Code; 9666

(10) Licensed professional clinical counselors, licensed 9667  
professional counselors, independent social workers, social 9668  
workers, independent marriage and family therapists, or marriage 9669  
and family therapists who are authorized for their respective 9670  
practices under Chapter 4757. of the Revised Code. 9671

This division shall apply notwithstanding a provision of a 9672  
code of ethics applicable to an occupational therapist that 9673  
prohibits an occupational therapist from engaging in the 9674  
practice of occupational therapy in combination with a person 9675  
who is licensed, certificated, or otherwise legally authorized 9676  
to practice optometry, chiropractic, acupuncture through the 9677  
state chiropractic board, psychology, nursing, pharmacy, 9678  
physical therapy, mechanotherapy, medicine and surgery, 9679  
osteopathic medicine and surgery, podiatric medicine and 9680  
surgery, professional counseling, social work, or marriage and 9681  
family therapy but who is not also licensed, certificated, or 9682  
otherwise legally authorized to engage in the practice of 9683  
occupational therapy. 9684

**Sec. 4755.471.** (A) An individual whom the physical therapy 9685  
section of the Ohio occupational therapy, physical therapy, and 9686  
athletic trainers board licenses, certificates, or otherwise 9687  
legally authorizes to engage in the practice of physical therapy 9688  
may render the professional services of a physical therapist 9689  
within this state through a corporation formed under division 9690  
(B) of section 1701.03 of the Revised Code, a limited liability 9691  
company formed under Chapter 1705. or 1706. of the Revised Code, 9692  
a partnership, or a professional association formed under 9693

Chapter 1785. of the Revised Code. This division does not 9694  
preclude an individual of that nature from rendering 9695  
professional services as a physical therapist through another 9696  
form of business entity, including, but not limited to, a 9697  
nonprofit corporation or foundation, or in another manner that 9698  
is authorized by or in accordance with sections 4755.40 to 9699  
4755.53 of the Revised Code, another chapter of the Revised 9700  
Code, or rules of the Ohio occupational therapy, physical 9701  
therapy, and athletic trainers board adopted pursuant to 9702  
sections 4755.40 to 4755.53 of the Revised Code. 9703

(B) A corporation, limited liability company, partnership, 9704  
or professional association described in division (A) of this 9705  
section may be formed for the purpose of providing a combination 9706  
of the professional services of the following individuals who 9707  
are licensed, certificated, or otherwise legally authorized to 9708  
practice their respective professions: 9709

(1) Optometrists who are authorized to practice optometry 9710  
under Chapter 4725. of the Revised Code; 9711

(2) Chiropractors who are authorized to practice 9712  
chiropractic or acupuncture under Chapter 4734. of the Revised 9713  
Code; 9714

(3) Psychologists who are authorized to practice 9715  
psychology under Chapter 4732. of the Revised Code; 9716

(4) Registered or licensed practical nurses who are 9717  
authorized to practice nursing as registered nurses or as 9718  
licensed practical nurses under Chapter 4723. of the Revised 9719  
Code; 9720

(5) Pharmacists who are authorized to practice pharmacy 9721  
under Chapter 4729. of the Revised Code; 9722

(6) Physical therapists who are authorized to practice 9723  
physical therapy under sections 4755.40 to 4755.56 of the 9724  
Revised Code; 9725

(7) Occupational therapists who are authorized to practice 9726  
occupational therapy under sections 4755.04 to 4755.13 of the 9727  
Revised Code; 9728

(8) Mechanotherapists who are authorized to practice 9729  
mechanotherapy under section 4731.151 of the Revised Code; 9730

(9) Doctors of medicine and surgery, osteopathic medicine 9731  
and surgery, or podiatric medicine and surgery who are 9732  
authorized for their respective practices under Chapter 4731. of 9733  
the Revised Code; 9734

(10) Licensed professional clinical counselors, licensed 9735  
professional counselors, independent social workers, social 9736  
workers, independent marriage and family therapists, or marriage 9737  
and family therapists who are authorized for their respective 9738  
practices under Chapter 4757. of the Revised Code. 9739

This division shall apply notwithstanding a provision of a 9740  
code of ethics applicable to a physical therapist that prohibits 9741  
a physical therapist from engaging in the practice of physical 9742  
therapy in combination with a person who is licensed, 9743  
certificated, or otherwise legally authorized to practice 9744  
optometry, chiropractic, acupuncture through the state 9745  
chiropractic board, psychology, nursing, pharmacy, occupational 9746  
therapy, mechanotherapy, medicine and surgery, osteopathic 9747  
medicine and surgery, podiatric medicine and surgery, 9748  
professional counseling, social work, or marriage and family 9749  
therapy, but who is not also licensed, certificated, or 9750  
otherwise legally authorized to engage in the practice of 9751

physical therapy. 9752

**Sec. 4757.37.** (A) An individual whom the counselor, social 9753  
worker, and marriage and family therapist board licenses, 9754  
certificates, or otherwise legally authorizes to engage in the 9755  
practice of professional counseling, social work, or marriage 9756  
and family therapy may render the professional services of a 9757  
licensed professional clinical counselor, licensed professional 9758  
counselor, independent social worker, social worker, independent 9759  
marriage and family therapist, or marriage and family therapist 9760  
within this state through a corporation formed under division 9761  
(B) of section 1701.03 of the Revised Code, a limited liability 9762  
company formed under Chapter 1705. or 1706. of the Revised Code, 9763  
a partnership, or a professional association formed under 9764  
Chapter 1785. of the Revised Code. This division does not 9765  
preclude such an individual from rendering professional services 9766  
as a licensed professional clinical counselor, licensed 9767  
professional counselor, independent social worker, social 9768  
worker, independent marriage and family therapist, or marriage 9769  
and family therapist through another form of business entity, 9770  
including, but not limited to, a nonprofit corporation or 9771  
foundation, or in another manner that is authorized by or in 9772  
accordance with this chapter, another chapter of the Revised 9773  
Code, or rules of the counselor, social worker, and marriage and 9774  
family therapist board adopted pursuant to this chapter. 9775

(B) A corporation, limited liability company, partnership, 9776  
or professional association described in division (A) of this 9777  
section may be formed for the purpose of providing a combination 9778  
of the professional services of the following individuals who 9779  
are licensed, certificated, or otherwise legally authorized to 9780  
practice their respective professions: 9781

(1) Optometrists who are authorized to practice optometry	9782
under Chapter 4725. of the Revised Code;	9783
(2) Chiropractors who are authorized to practice	9784
chiropractic or acupuncture under Chapter 4734. of the Revised	9785
Code;	9786
(3) Psychologists who are authorized to practice	9787
psychology under Chapter 4732. of the Revised Code;	9788
(4) Registered or licensed practical nurses who are	9789
authorized to practice nursing as registered nurses or as	9790
licensed practical nurses under Chapter 4723. of the Revised	9791
Code;	9792
(5) Pharmacists who are authorized to practice pharmacy	9793
under Chapter 4729. of the Revised Code;	9794
(6) Physical therapists who are authorized to practice	9795
physical therapy under sections 4755.40 to 4755.56 of the	9796
Revised Code;	9797
(7) Occupational therapists who are authorized to practice	9798
occupational therapy under sections 4755.04 to 4755.13 of the	9799
Revised Code;	9800
(8) Mechanotherapists who are authorized to practice	9801
mechanotherapy under section 4731.151 of the Revised Code;	9802
(9) Doctors of medicine and surgery, osteopathic medicine	9803
and surgery, or podiatric medicine and surgery who are	9804
authorized for their respective practices under Chapter 4731. of	9805
the Revised Code;	9806
(10) Licensed professional clinical counselors, licensed	9807
professional counselors, independent social workers, social	9808
workers, independent marriage and family therapists, or marriage	9809

and family therapists who are authorized for their respective 9810  
practices under this chapter. 9811

This division applies notwithstanding a provision of a 9812  
code of ethics applicable to an individual who is a licensed 9813  
professional clinical counselor, licensed professional 9814  
counselor, independent social worker, social worker, independent 9815  
marriage and family therapist, or marriage and family therapist 9816  
that prohibits the individual from engaging in the individual's 9817  
practice in combination with a person who is licensed, 9818  
certificated, or otherwise legally authorized to practice 9819  
optometry, chiropractic, acupuncture through the state 9820  
chiropractic board, psychology, nursing, pharmacy, physical 9821  
therapy, occupational therapy, mechanotherapy, medicine and 9822  
surgery, osteopathic medicine and surgery, or podiatric medicine 9823  
and surgery, but who is not also licensed, certificated, or 9824  
otherwise legally authorized to engage in the practice of 9825  
professional counseling, social work, or marriage and family 9826  
therapy. 9827

**Sec. 5701.14.** For purposes of Title LVII of the Revised 9828  
Code: 9829

(A) In order to determine a limited liability company's 9830  
nonprofit status, an entity is operating with a nonprofit 9831  
purpose under section 1705.02 of the Revised Code or carrying on 9832  
any nonprofit activity under section 1706.05 of the Revised Code 9833  
if that entity is organized other than for the pecuniary gain or 9834  
profit of, and its net earnings or any part of its net earnings 9835  
are not distributable to, its members, its directors, its 9836  
officers, or other private persons, except that the payment of 9837  
reasonable compensation for services rendered, payments and 9838  
distributions in furtherance of its nonprofit purpose, and the 9839

distribution of assets on dissolution permitted by section 9840  
1702.49 of the Revised Code are not pecuniary gain or profit or 9841  
distribution of net earnings. In no event shall payments and 9842  
distributions in furtherance of an entity's nonprofit purpose 9843  
deprive the entity of its nonprofit status as long as all of the 9844  
members of that entity are operating with a nonprofit purpose. 9845

(B) A single member limited liability company that 9846  
operates with a nonprofit purpose, as described in division (A) 9847  
of this section, shall be treated as part of the same legal 9848  
entity as its nonprofit member, and all assets and liabilities 9849  
of that single member limited liability company shall be 9850  
considered to be that of the nonprofit member. Filings or 9851  
applications for exemptions or other tax purposes may be made 9852  
either by the single member limited liability company or its 9853  
nonprofit member. 9854

**Sec. 5715.19.** (A) As used in this section, "member" has 9855  
the same meaning as in section 1705.01 or 1706.01 of the Revised 9856  
Code, as applicable, and "internet identifier of record" has the 9857  
same meaning as in section 9.312 of the Revised Code. 9858

(1) Subject to division (A)(2) of this section, a 9859  
complaint against any of the following determinations for the 9860  
current tax year shall be filed with the county auditor on or 9861  
before the thirty-first day of March of the ensuing tax year or 9862  
the date of closing of the collection for the first half of real 9863  
and public utility property taxes for the current tax year, 9864  
whichever is later: 9865

(a) Any classification made under section 5713.041 of the 9866  
Revised Code; 9867

(b) Any determination made under section 5713.32 or 9868

5713.35 of the Revised Code;	9869
(c) Any recoupment charge levied under section 5713.35 of the Revised Code;	9870 9871
(d) The determination of the total valuation or assessment of any parcel that appears on the tax list, except parcels assessed by the tax commissioner pursuant to section 5727.06 of the Revised Code;	9872 9873 9874 9875
(e) The determination of the total valuation of any parcel that appears on the agricultural land tax list, except parcels assessed by the tax commissioner pursuant to section 5727.06 of the Revised Code;	9876 9877 9878 9879
(f) Any determination made under division (A) of section 319.302 of the Revised Code.	9880 9881
If such a complaint is filed by mail or certified mail, the date of the United States postmark placed on the envelope or sender's receipt by the postal service shall be treated as the date of filing. A private meter postmark on an envelope is not a valid postmark for purposes of establishing the filing date.	9882 9883 9884 9885 9886
Any person owning taxable real property in the county or in a taxing district with territory in the county; such a person's spouse; an individual who is retained by such a person and who holds a designation from a professional assessment organization, such as the institute for professionals in taxation, the national council of property taxation, or the international association of assessing officers; a public accountant who holds a permit under section 4701.10 of the Revised Code, a general or residential real estate appraiser licensed or certified under Chapter 4763. of the Revised Code, or a real estate broker licensed under Chapter 4735. of the	9887 9888 9889 9890 9891 9892 9893 9894 9895 9896 9897

Revised Code, who is retained by such a person; if the person is 9898  
a firm, company, association, partnership, limited liability 9899  
company, or corporation, an officer, a salaried employee, a 9900  
partner, or a member of that person; if the person is a trust, a 9901  
trustee of the trust; the board of county commissioners; the 9902  
prosecuting attorney or treasurer of the county; the board of 9903  
township trustees of any township with territory within the 9904  
county; the board of education of any school district with any 9905  
territory in the county; or the mayor or legislative authority 9906  
of any municipal corporation with any territory in the county 9907  
may file such a complaint regarding any such determination 9908  
affecting any real property in the county, except that a person 9909  
owning taxable real property in another county may file such a 9910  
complaint only with regard to any such determination affecting 9911  
real property in the county that is located in the same taxing 9912  
district as that person's real property is located. The county 9913  
auditor shall present to the county board of revision all 9914  
complaints filed with the auditor. 9915

(2) As used in division (A)(2) of this section, "interim 9916  
period" means, for each county, the tax year to which section 9917  
5715.24 of the Revised Code applies and each subsequent tax year 9918  
until the tax year in which that section applies again. 9919

No person, board, or officer shall file a complaint 9920  
against the valuation or assessment of any parcel that appears 9921  
on the tax list if it filed a complaint against the valuation or 9922  
assessment of that parcel for any prior tax year in the same 9923  
interim period, unless the person, board, or officer alleges 9924  
that the valuation or assessment should be changed due to one or 9925  
more of the following circumstances that occurred after the tax 9926  
lien date for the tax year for which the prior complaint was 9927  
filed and that the circumstances were not taken into 9928

consideration with respect to the prior complaint: 9929

(a) The property was sold in an arm's length transaction, 9930  
as described in section 5713.03 of the Revised Code; 9931

(b) The property lost value due to some casualty; 9932

(c) Substantial improvement was added to the property; 9933

(d) An increase or decrease of at least fifteen per cent 9934  
in the property's occupancy has had a substantial economic 9935  
impact on the property. 9936

(3) If a county board of revision, the board of tax 9937  
appeals, or any court dismisses a complaint filed under this 9938  
section or section 5715.13 of the Revised Code for the reason 9939  
that the act of filing the complaint was the unauthorized 9940  
practice of law or the person filing the complaint was engaged 9941  
in the unauthorized practice of law, the party affected by a 9942  
decrease in valuation or the party's agent, or the person owning 9943  
taxable real property in the county or in a taxing district with 9944  
territory in the county, may refile the complaint, 9945  
notwithstanding division (A) (2) of this section. 9946

(4) (a) No complaint filed under this section or section 9947  
5715.13 of the Revised Code shall be dismissed for the reason 9948  
that the complaint fails to accurately identify the owner of the 9949  
property that is the subject of the complaint. 9950

(b) If a complaint fails to accurately identify the owner 9951  
of the property that is the subject of the complaint, the board 9952  
of revision shall exercise due diligence to ensure the correct 9953  
property owner is notified as required by divisions (B) and (C) 9954  
of this section. 9955

(5) Notwithstanding division (A) (2) of this section, a 9956

person, board, or officer may file a complaint against the 9957  
valuation or assessment of any parcel that appears on the tax 9958  
list if it filed a complaint against the valuation or assessment 9959  
of that parcel for any prior tax year in the same interim period 9960  
if the person, board, or officer withdrew the complaint before 9961  
the complaint was heard by the board. 9962

(B) Within thirty days after the last date such complaints 9963  
may be filed, the auditor shall give notice of each complaint in 9964  
which the stated amount of overvaluation, undervaluation, 9965  
discriminatory valuation, illegal valuation, or incorrect 9966  
determination is at least seventeen thousand five hundred 9967  
dollars to each property owner whose property is the subject of 9968  
the complaint, if the complaint was not filed by the owner or 9969  
the owner's spouse, and to each board of education whose school 9970  
district may be affected by the complaint. Within thirty days 9971  
after receiving such notice, a board of education; a property 9972  
owner; the owner's spouse; an individual who is retained by such 9973  
an owner and who holds a designation from a professional 9974  
assessment organization, such as the institute for professionals 9975  
in taxation, the national council of property taxation, or the 9976  
international association of assessing officers; a public 9977  
accountant who holds a permit under section 4701.10 of the 9978  
Revised Code, a general or residential real estate appraiser 9979  
licensed or certified under Chapter 4763. of the Revised Code, 9980  
or a real estate broker licensed under Chapter 4735. of the 9981  
Revised Code, who is retained by such a person; or, if the 9982  
property owner is a firm, company, association, partnership, 9983  
limited liability company, corporation, or trust, an officer, a 9984  
salaried employee, a partner, a member, or trustee of that 9985  
property owner, may file a complaint in support of or objecting 9986  
to the amount of alleged overvaluation, undervaluation, 9987

discriminatory valuation, illegal valuation, or incorrect 9988  
determination stated in a previously filed complaint or 9989  
objecting to the current valuation. Upon the filing of a 9990  
complaint under this division, the board of education or the 9991  
property owner shall be made a party to the action. 9992

(C) Each board of revision shall notify any complainant 9993  
and also the property owner, if the property owner's address is 9994  
known, when a complaint is filed by one other than the property 9995  
owner, not less than ten days prior to the hearing, either by 9996  
certified mail or, if the board has record of an internet 9997  
identifier of record associated with the owner, by ordinary mail 9998  
and by that internet identifier of record of the time and place 9999  
the same will be heard. The board of revision shall hear and 10000  
render its decision on a complaint within ninety days after the 10001  
filing thereof with the board, except that if a complaint is 10002  
filed within thirty days after receiving notice from the auditor 10003  
as provided in division (B) of this section, the board shall 10004  
hear and render its decision within ninety days after such 10005  
filing. 10006

(D) The determination of any such complaint shall relate 10007  
back to the date when the lien for taxes or recoupment charges 10008  
for the current year attached or the date as of which liability 10009  
for such year was determined. Liability for taxes and recoupment 10010  
charges for such year and each succeeding year until the 10011  
complaint is finally determined and for any penalty and interest 10012  
for nonpayment thereof within the time required by law shall be 10013  
based upon the determination, valuation, or assessment as 10014  
finally determined. Each complaint shall state the amount of 10015  
overvaluation, undervaluation, discriminatory valuation, illegal 10016  
valuation, or incorrect classification or determination upon 10017  
which the complaint is based. The treasurer shall accept any 10018

amount tendered as taxes or recoupment charge upon property 10019  
concerning which a complaint is then pending, computed upon the 10020  
claimed valuation as set forth in the complaint. If a complaint 10021  
filed under this section for the current year is not determined 10022  
by the board within the time prescribed for such determination, 10023  
the complaint and any proceedings in relation thereto shall be 10024  
continued by the board as a valid complaint for any ensuing year 10025  
until such complaint is finally determined by the board or upon 10026  
any appeal from a decision of the board. In such case, the 10027  
original complaint shall continue in effect without further 10028  
filing by the original taxpayer, the original taxpayer's 10029  
assignee, or any other person or entity authorized to file a 10030  
complaint under this section. 10031

(E) If a taxpayer files a complaint as to the 10032  
classification, valuation, assessment, or any determination 10033  
affecting the taxpayer's own property and tenders less than the 10034  
full amount of taxes or recoupment charges as finally 10035  
determined, an interest charge shall accrue as follows: 10036

(1) If the amount finally determined is less than the 10037  
amount billed but more than the amount tendered, the taxpayer 10038  
shall pay interest at the rate per annum prescribed by section 10039  
5703.47 of the Revised Code, computed from the date that the 10040  
taxes were due on the difference between the amount finally 10041  
determined and the amount tendered. This interest charge shall 10042  
be in lieu of any penalty or interest charge under section 10043  
323.121 of the Revised Code unless the taxpayer failed to file a 10044  
complaint and tender an amount as taxes or recoupment charges 10045  
within the time required by this section, in which case section 10046  
323.121 of the Revised Code applies. 10047

(2) If the amount of taxes finally determined is equal to 10048

or greater than the amount billed and more than the amount 10049  
tendered, the taxpayer shall pay interest at the rate prescribed 10050  
by section 5703.47 of the Revised Code from the date the taxes 10051  
were due on the difference between the amount finally determined 10052  
and the amount tendered, such interest to be in lieu of any 10053  
interest charge but in addition to any penalty prescribed by 10054  
section 323.121 of the Revised Code. 10055

(F) Upon request of a complainant, the tax commissioner 10056  
shall determine the common level of assessment of real property 10057  
in the county for the year stated in the request that is not 10058  
valued under section 5713.31 of the Revised Code, which common 10059  
level of assessment shall be expressed as a percentage of true 10060  
value and the common level of assessment of lands valued under 10061  
such section, which common level of assessment shall also be 10062  
expressed as a percentage of the current agricultural use value 10063  
of such lands. Such determination shall be made on the basis of 10064  
the most recent available sales ratio studies of the 10065  
commissioner and such other factual data as the commissioner 10066  
deems pertinent. 10067

(G) A complainant shall provide to the board of revision 10068  
all information or evidence within the complainant's knowledge 10069  
or possession that affects the real property that is the subject 10070  
of the complaint. A complainant who fails to provide such 10071  
information or evidence is precluded from introducing it on 10072  
appeal to the board of tax appeals or the court of common pleas, 10073  
except that the board of tax appeals or court may admit and 10074  
consider the evidence if the complainant shows good cause for 10075  
the complainant's failure to provide the information or evidence 10076  
to the board of revision. 10077

(H) In case of the pendency of any proceeding in court 10078

based upon an alleged excessive, discriminatory, or illegal 10079  
valuation or incorrect classification or determination, the 10080  
taxpayer may tender to the treasurer an amount as taxes upon 10081  
property computed upon the claimed valuation as set forth in the 10082  
complaint to the court. The treasurer may accept the tender. If 10083  
the tender is not accepted, no penalty shall be assessed because 10084  
of the nonpayment of the full taxes assessed. 10085

**Sec. 5733.04.** As used in this chapter: 10086

(A) "Issued and outstanding shares of stock" applies to 10087  
nonprofit corporations, as provided in section 5733.01 of the 10088  
Revised Code, and includes, but is not limited to, membership 10089  
certificates and other instruments evidencing ownership of an 10090  
interest in such nonprofit corporations, and with respect to a 10091  
financial institution that does not have capital stock, "issued 10092  
and outstanding shares of stock" includes, but is not limited 10093  
to, ownership interests of depositors in the capital employed in 10094  
such an institution. 10095

(B) "Taxpayer" means a corporation subject to the tax 10096  
imposed by section 5733.06 of the Revised Code. 10097

(C) "Resident" means a corporation organized under the 10098  
laws of this state. 10099

(D) "Commercial domicile" means the principal place from 10100  
which the trade or business of the taxpayer is directed or 10101  
managed. 10102

(E) "Taxable year" means the period prescribed by division 10103  
(A) of section 5733.031 of the Revised Code upon the net income 10104  
of which the value of the taxpayer's issued and outstanding 10105  
shares of stock is determined under division (B) of section 10106  
5733.05 of the Revised Code or the period prescribed by division 10107

(A) of section 5733.031 of the Revised Code that immediately precedes the date as of which the total value of the corporation is determined under division (A) or (C) of section 5733.05 of the Revised Code.

(F) "Tax year" means the calendar year in and for which the tax imposed by section 5733.06 of the Revised Code is required to be paid.

(G) "Internal Revenue Code" means the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as amended.

(H) "Federal income tax" means the income tax imposed by the Internal Revenue Code.

(I) Except as provided in section 5733.058 of the Revised Code, "net income" means the taxpayer's taxable income before operating loss deduction and special deductions, as required to be reported for the taxpayer's taxable year under the Internal Revenue Code, subject to the following adjustments:

(1) (a) Deduct any net operating loss incurred in any taxable years ending in 1971 or thereafter, but exclusive of any net operating loss incurred in taxable years ending prior to January 1, 1971. This deduction shall not be allowed in any tax year commencing before December 31, 1973, but shall be carried over and allowed in tax years commencing after December 31, 1973, until fully utilized in the next succeeding taxable year or years in which the taxpayer has net income, but in no case for more than the designated carryover period as described in division (I) (1) (b) of this section. The amount of such net operating loss, as determined under the allocation and apportionment provisions of section 5733.051 and division (B) of section 5733.05 of the Revised Code for the year in which the

net operating loss occurs, shall be deducted from net income, as 10137  
determined under the allocation and apportionment provisions of 10138  
section 5733.051 and division (B) of section 5733.05 of the 10139  
Revised Code, to the extent necessary to reduce net income to 10140  
zero with the remaining unused portion of the deduction, if any, 10141  
carried forward to the remaining years of the designated 10142  
carryover period as described in division (I)(1)(b) of this 10143  
section, or until fully utilized, whichever occurs first. 10144

(b) For losses incurred in taxable years ending on or 10145  
before December 31, 1981, the designated carryover period shall 10146  
be the five consecutive taxable years after the taxable year in 10147  
which the net operating loss occurred. For losses incurred in 10148  
taxable years ending on or after January 1, 1982, and beginning 10149  
before August 6, 1997, the designated carryover period shall be 10150  
the fifteen consecutive taxable years after the taxable year in 10151  
which the net operating loss occurs. For losses incurred in 10152  
taxable years beginning on or after August 6, 1997, the 10153  
designated carryover period shall be the twenty consecutive 10154  
taxable years after the taxable year in which the net operating 10155  
loss occurs. 10156

(c) The tax commissioner may require a taxpayer to furnish 10157  
any information necessary to support a claim for deduction under 10158  
division (I)(1)(a) of this section and no deduction shall be 10159  
allowed unless the information is furnished. 10160

(2) Deduct any amount included in net income by 10161  
application of section 78 or 951 of the Internal Revenue Code, 10162  
amounts received for royalties, technical or other services 10163  
derived from sources outside the United States, and dividends 10164  
received from a subsidiary, associate, or affiliated corporation 10165  
that neither transacts any substantial portion of its business 10166

nor regularly maintains any substantial portion of its assets 10167  
within the United States. For purposes of determining net 10168  
foreign source income deductible under division (I) (2) of this 10169  
section, the amount of gross income from all such sources other 10170  
than dividend income and income derived by application of 10171  
section 78 or 951 of the Internal Revenue Code shall be reduced 10172  
by: 10173

(a) The amount of any reimbursed expenses for personal 10174  
services performed by employees of the taxpayer for the 10175  
subsidiary, associate, or affiliated corporation; 10176

(b) Ten per cent of the amount of royalty income and 10177  
technical assistance fees; 10178

(c) Fifteen per cent of the amount of all other income. 10179

The amounts described in divisions (I) (2) (a) to (c) of 10180  
this section are deemed to be the expenses attributable to the 10181  
production of deductible foreign source income unless the 10182  
taxpayer shows, by clear and convincing evidence, less actual 10183  
expenses, or the tax commissioner shows, by clear and convincing 10184  
evidence, more actual expenses. 10185

(3) Add any loss or deduct any gain resulting from the 10186  
sale, exchange, or other disposition of a capital asset, or an 10187  
asset described in section 1231 of the Internal Revenue Code, to 10188  
the extent that such loss or gain occurred prior to the first 10189  
taxable year on which the tax provided for in section 5733.06 of 10190  
the Revised Code is computed on the corporation's net income. 10191  
For purposes of division (I) (3) of this section, the amount of 10192  
the prior loss or gain shall be measured by the difference 10193  
between the original cost or other basis of the asset and the 10194  
fair market value as of the beginning of the first taxable year 10195

on which the tax provided for in section 5733.06 of the Revised Code is computed on the corporation's net income. At the option of the taxpayer, the amount of the prior loss or gain may be a percentage of the gain or loss, which percentage shall be determined by multiplying the gain or loss by a fraction, the numerator of which is the number of months from the acquisition of the asset to the beginning of the first taxable year on which the fee provided in section 5733.06 of the Revised Code is computed on the corporation's net income, and the denominator of which is the number of months from the acquisition of the asset to the sale, exchange, or other disposition of the asset. The adjustments described in this division do not apply to any gain or loss where the gain or loss is recognized by a qualifying taxpayer, as defined in section 5733.0510 of the Revised Code, with respect to a qualifying taxable event, as defined in that section.

(4) Deduct the dividend received deduction provided by section 243 of the Internal Revenue Code.

(5) Deduct any interest or interest equivalent on public obligations and purchase obligations to the extent included in federal taxable income. As used in divisions (I) (5) and (6) of this section, "public obligations," "purchase obligations," and "interest or interest equivalent" have the same meanings as in section 5709.76 of the Revised Code.

(6) Add any loss or deduct any gain resulting from the sale, exchange, or other disposition of public obligations to the extent included in federal taxable income.

(7) To the extent not otherwise allowed, deduct any dividends or distributions received by a taxpayer from a public utility, excluding an electric company and a combined company,

and, for tax years 2005 and thereafter, a telephone company, if 10226  
the taxpayer owns at least eighty per cent of the issued and 10227  
outstanding common stock of the public utility. As used in 10228  
division (I)(7) of this section, "public utility" means a public 10229  
utility as defined in Chapter 5727. of the Revised Code, whether 10230  
or not the public utility is doing business in the state. 10231

(8) To the extent not otherwise allowed, deduct any 10232  
dividends received by a taxpayer from an insurance company, if 10233  
the taxpayer owns at least eighty per cent of the issued and 10234  
outstanding common stock of the insurance company. As used in 10235  
division (I)(8) of this section, "insurance company" means an 10236  
insurance company that is taxable under Chapter 5725. or 5729. 10237  
of the Revised Code. 10238

(9) Deduct expenditures for modifying existing buildings 10239  
or structures to meet American national standards institute 10240  
standard A-117.1-1961 (R-1971), as amended; provided, that no 10241  
deduction shall be allowed to the extent that such deduction is 10242  
not permitted under federal law or under rules of the tax 10243  
commissioner. Those deductions as are allowed may be taken over 10244  
a period of five years. The tax commissioner shall adopt rules 10245  
under Chapter 119. of the Revised Code establishing reasonable 10246  
limitations on the extent that expenditures for modifying 10247  
existing buildings or structures are attributable to the purpose 10248  
of making the buildings or structures accessible to and usable 10249  
by physically handicapped persons. 10250

(10) Deduct the amount of wages and salaries, if any, not 10251  
otherwise allowable as a deduction but that would have been 10252  
allowable as a deduction in computing federal taxable income 10253  
before operating loss deduction and special deductions for the 10254  
taxable year, had the targeted jobs credit allowed and 10255

determined under sections 38, 51, and 52 of the Internal Revenue Code not been in effect. 10256  
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(11) Deduct net interest income on obligations of the United States and its territories and possessions or of any authority, commission, or instrumentality of the United States to the extent the laws of the United States prohibit inclusion of the net interest for purposes of determining the value of the taxpayer's issued and outstanding shares of stock under division (B) of section 5733.05 of the Revised Code. As used in division (I) (11) of this section, "net interest" means interest net of any expenses taken on the federal income tax return that would not have been allowed under section 265 of the Internal Revenue Code if the interest were exempt from federal income tax. 10258  
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(12) (a) Except as set forth in division (I) (12) (d) of this section, to the extent not included in computing the taxpayer's federal taxable income before operating loss deduction and special deductions, add gains and deduct losses from direct or indirect sales, exchanges, or other dispositions, made by a related entity who is not a taxpayer, of the taxpayer's indirect, beneficial, or constructive investment in the stock or debt of another entity, unless the gain or loss has been included in computing the federal taxable income before operating loss deduction and special deductions of another taxpayer with a more closely related investment in the stock or debt of the other entity. The amount of gain added or loss deducted shall not exceed the product obtained by multiplying such gain or loss by the taxpayer's proportionate share, directly, indirectly, beneficially, or constructively, of the outstanding stock of the related entity immediately prior to the direct or indirect sale, exchange, or other disposition. 10269  
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(b) Except as set forth in division (I)(12)(e) of this section, to the extent not included in computing the taxpayer's federal taxable income before operating loss deduction and special deductions, add gains and deduct losses from direct or indirect sales, exchanges, or other dispositions made by a related entity who is not a taxpayer, of intangible property other than stock, securities, and debt, if such property was owned, or used in whole or in part, at any time prior to or at the time of the sale, exchange, or disposition by either the taxpayer or by a related entity that was a taxpayer at any time during the related entity's ownership or use of such property, unless the gain or loss has been included in computing the federal taxable income before operating loss deduction and special deductions of another taxpayer with a more closely related ownership or use of such intangible property. The amount of gain added or loss deducted shall not exceed the product obtained by multiplying such gain or loss by the taxpayer's proportionate share, directly, indirectly, beneficially, or constructively, of the outstanding stock of the related entity immediately prior to the direct or indirect sale, exchange, or other disposition.

(c) As used in division (I)(12) of this section, "related entity" means those entities described in divisions (I)(12)(c)(i) to (iii) of this section:

(i) An individual stockholder, or a member of the stockholder's family enumerated in section 318 of the Internal Revenue Code, if the stockholder and the members of the stockholder's family own, directly, indirectly, beneficially, or constructively, in the aggregate, at least fifty per cent of the value of the taxpayer's outstanding stock;

(ii) A stockholder, or a stockholder's partnership, 10316  
estate, trust, or corporation, if the stockholder and the 10317  
stockholder's partnerships, estates, trusts, and corporations 10318  
own directly, indirectly, beneficially, or constructively, in 10319  
the aggregate, at least fifty per cent of the value of the 10320  
taxpayer's outstanding stock; 10321

(iii) A corporation, or a party related to the corporation 10322  
in a manner that would require an attribution of stock from the 10323  
corporation to the party or from the party to the corporation 10324  
under division (I) (12) (c) (iv) of this section, if the taxpayer 10325  
owns, directly, indirectly, beneficially, or constructively, at 10326  
least fifty per cent of the value of the corporation's 10327  
outstanding stock. 10328

(iv) The attribution rules of section 318 of the Internal 10329  
Revenue Code apply for purposes of determining whether the 10330  
ownership requirements in divisions (I) (12) (c) (i) to (iii) of 10331  
this section have been met. 10332

(d) For purposes of the adjustments required by division 10333  
(I) (12) (a) of this section, the term "investment in the stock or 10334  
debt of another entity" means only those investments where the 10335  
taxpayer and the taxpayer's related entities directly, 10336  
indirectly, beneficially, or constructively own, in the 10337  
aggregate, at any time during the twenty-four month period 10338  
commencing one year prior to the direct or indirect sale, 10339  
exchange, or other disposition of such investment at least fifty 10340  
per cent or more of the value of either the outstanding stock or 10341  
such debt of such other entity. 10342

(e) For purposes of the adjustments required by division 10343  
(I) (12) (b) of this section, the term "related entity" excludes 10344  
all of the following: 10345

(i) Foreign corporations as defined in section 7701 of the Internal Revenue Code;	10346 10347
(ii) Foreign partnerships as defined in section 7701 of the Internal Revenue Code;	10348 10349
(iii) Corporations, partnerships, estates, and trusts created or organized in or under the laws of the Commonwealth of Puerto Rico or any possession of the United States;	10350 10351 10352
(iv) Foreign estates and foreign trusts as defined in section 7701 of the Internal Revenue Code.	10353 10354
The exclusions described in divisions (I) (12) (e) (i) to (iv) of this section do not apply if the corporation, partnership, estate, or trust is described in any one of divisions (C) (1) to (5) of section 5733.042 of the Revised Code.	10355 10356 10357 10358
(f) Nothing in division (I) (12) of this section shall require or permit a taxpayer to add any gains or deduct any losses described in divisions (I) (12) (f) (i) and (ii) of this section:	10359 10360 10361 10362
(i) Gains or losses recognized for federal income tax purposes by an individual, estate, or trust without regard to the attribution rules described in division (I) (12) (c) of this section;	10363 10364 10365 10366
(ii) A related entity's gains or losses described in division (I) (12) (b) of this section if the taxpayer's ownership of or use of such intangible property was limited to a period not exceeding nine months and was attributable to a transaction or a series of transactions executed in accordance with the election or elections made by the taxpayer or a related entity pursuant to section 338 of the Internal Revenue Code.	10367 10368 10369 10370 10371 10372 10373

(13) Any adjustment required by section 5733.042 of the Revised Code.	10374 10375
(14) Add any amount claimed as a credit under section 5733.0611 of the Revised Code to the extent that such amount satisfies either of the following:	10376 10377 10378
(a) It was deducted or excluded from the computation of the corporation's taxable income before operating loss deduction and special deductions as required to be reported for the corporation's taxable year under the Internal Revenue Code;	10379 10380 10381 10382
(b) It resulted in a reduction of the corporation's taxable income before operating loss deduction and special deductions as required to be reported for any of the corporation's taxable years under the Internal Revenue Code.	10383 10384 10385 10386
(15) Deduct the amount contributed by the taxpayer to an individual development account program established by a county department of job and family services pursuant to sections 329.11 to 329.14 of the Revised Code for the purpose of matching funds deposited by program participants. On request of the tax commissioner, the taxpayer shall provide any information that, in the tax commissioner's opinion, is necessary to establish the amount deducted under division (I) (15) of this section.	10387 10388 10389 10390 10391 10392 10393 10394
(16) Any adjustment required by section 5733.0510 or 5733.0511 of the Revised Code.	10395 10396
(17) (a) (i) Add five-sixths of the amount of depreciation expense allowed under subsection (k) of section 168 of the Internal Revenue Code, including a person's proportionate or distributive share of the amount of depreciation expense allowed by that subsection to any pass-through entity in which the person has direct or indirect ownership.	10397 10398 10399 10400 10401 10402

(ii) Add five-sixths of the amount of qualifying section 179 depreciation expense, including a person's proportionate or distributive share of the amount of qualifying section 179 depreciation expense allowed to any pass-through entity in which the person has a direct or indirect ownership. For the purposes of this division, "qualifying section 179 depreciation expense" means the difference between (I) the amount of depreciation expense directly or indirectly allowed to the taxpayer under section 179 of the Internal Revenue Code, and (II) the amount of depreciation expense directly or indirectly allowed to the taxpayer under section 179 of the Internal Revenue Code as that section existed on December 31, 2002.

The tax commissioner, under procedures established by the commissioner, may waive the add-backs related to a pass-through entity if the person owns, directly or indirectly, less than five per cent of the pass-through entity.

(b) Nothing in division (I) (17) of this section shall be construed to adjust or modify the adjusted basis of any asset.

(c) To the extent the add-back is attributable to property generating income or loss allocable under section 5733.051 of the Revised Code, the add-back shall be allocated to the same location as the income or loss generated by that property. Otherwise, the add-back shall be apportioned, subject to division (B) (2) (d) of section 5733.05 of the Revised Code.

(18) (a) If a person is required to make the add-back under division (I) (17) (a) of this section for a tax year, the person shall deduct one-fifth of the amount added back for each of the succeeding five tax years.

(b) If the amount deducted under division (I) (18) (a) of

this section is attributable to an add-back allocated under 10432  
division (I) (17) (c) of this section, the amount deducted shall 10433  
be allocated to the same location. Otherwise, the amount shall 10434  
be apportioned using the apportionment factors for the taxable 10435  
year in which the deduction is taken, subject to division (B) (2) 10436  
(d) of section 5733.05 of the Revised Code. 10437

(J) Except as otherwise expressly provided or clearly 10438  
appearing from the context, any term used in this chapter has 10439  
the same meaning as when used in a comparable context in the 10440  
laws of the United States relating to federal income taxes. Any 10441  
reference in this chapter to the Internal Revenue Code includes 10442  
other laws of the United States relating to federal income 10443  
taxes. 10444

(K) "Financial institution" has the meaning given by 10445  
section 5725.01 of the Revised Code but does not include a 10446  
production credit association as described in 85 Stat. 597, 12 10447  
U.S.C.A. 2091. 10448

(L) (1) A "qualifying holding company" is any corporation 10449  
satisfying all of the following requirements: 10450

(a) Subject to divisions (L) (2) and (3) of this section, 10451  
the net book value of the corporation's intangible assets is 10452  
greater than or equal to ninety per cent of the net book value 10453  
of all of its assets and at least fifty per cent of the net book 10454  
value of all of its assets represents direct or indirect 10455  
investments in the equity of, loans and advances to, and 10456  
accounts receivable due from related members; 10457

(b) At least ninety per cent of the corporation's gross 10458  
income for the taxable year is attributable to the following: 10459

(i) The maintenance, management, ownership, acquisition, 10460

use, and disposition of its intangible property, its aircraft 10461  
the use of which is not subject to regulation under 14 C.F.R. 10462  
part 121 or part 135, and any real property described in 10463  
division (L) (2) (c) of this section; 10464

(ii) The collection and distribution of income from such 10465  
property. 10466

(c) The corporation is not a financial institution on the 10467  
last day of the taxable year ending prior to the first day of 10468  
the tax year; 10469

(d) The corporation's related members make a good faith 10470  
and reasonable effort to make timely and fully the adjustments 10471  
required by division (D) of section 5733.05 of the Revised Code 10472  
and to pay timely and fully all uncontested taxes, interest, 10473  
penalties, and other fees and charges imposed under this 10474  
chapter; 10475

(e) Subject to division (L) (4) of this section, the 10476  
corporation elects to be treated as a qualifying holding company 10477  
for the tax year. 10478

A corporation otherwise satisfying divisions (L) (1) (a) to 10479  
(e) of this section that does not elect to be a qualifying 10480  
holding company is not a qualifying holding company for the 10481  
purposes of this chapter. 10482

(2) (a) (i) For purposes of making the ninety per cent 10483  
computation under division (L) (1) (a) of this section, the net 10484  
book value of the corporation's assets shall not include the net 10485  
book value of aircraft or real property described in division 10486  
(L) (1) (b) (i) of this section. 10487

(ii) For purposes of making the fifty per cent computation 10488  
under division (L) (1) (a) of this section, the net book value of 10489

assets shall include the net book value of aircraft or real 10490  
property described in division (L) (1) (b) (i) of this section. 10491

(b) (i) As used in division (L) of this section, 10492  
"intangible asset" includes, but is not limited to, the 10493  
corporation's direct interest in each pass-through entity only 10494  
if at all times during the corporation's taxable year ending 10495  
prior to the first day of the tax year the corporation's and the 10496  
corporation's related members' combined direct and indirect 10497  
interests in the capital or profits of such pass-through entity 10498  
do not exceed fifty per cent. If the corporation's interest in 10499  
the pass-through entity is an intangible asset for that taxable 10500  
year, then the distributive share of any income from the pass- 10501  
through entity shall be income from an intangible asset for that 10502  
taxable year. 10503

(ii) If a corporation's and the corporation's related 10504  
members' combined direct and indirect interests in the capital 10505  
or profits of a pass-through entity exceed fifty per cent at any 10506  
time during the corporation's taxable year ending prior to the 10507  
first day of the tax year, "intangible asset" does not include 10508  
the corporation's direct interest in the pass-through entity, 10509  
and the corporation shall include in its assets its 10510  
proportionate share of the assets of any such pass-through 10511  
entity and shall include in its gross income its distributive 10512  
share of the gross income of such pass-through entity in the 10513  
same form as was earned by the pass-through entity. 10514

(iii) A pass-through entity's direct or indirect 10515  
proportionate share of any other pass-through entity's assets 10516  
shall be included for the purpose of computing the corporation's 10517  
proportionate share of the pass-through entity's assets under 10518  
division (L) (2) (b) (ii) of this section, and such pass-through 10519

entity's distributive share of any other pass-through entity's 10520  
gross income shall be included for purposes of computing the 10521  
corporation's distributive share of the pass-through entity's 10522  
gross income under division (L) (2) (b) (ii) of this section. 10523

(c) For the purposes of divisions (L) (1) (b) (i), (1) (b) 10524  
(ii), (2) (a) (i), and (2) (a) (ii) of this section, real property 10525  
is described in division (L) (2) (c) of this section only if all 10526  
of the following conditions are present at all times during the 10527  
taxable year ending prior to the first day of the tax year: 10528

(i) The real property serves as the headquarters of the 10529  
corporation's trade or business, or is the place from which the 10530  
corporation's trade or business is principally managed or 10531  
directed; 10532

(ii) Not more than ten per cent of the value of the real 10533  
property and not more than ten per cent of the square footage of 10534  
the building or buildings that are part of the real property is 10535  
used, made available, or occupied for the purpose of providing, 10536  
acquiring, transferring, selling, or disposing of tangible 10537  
property or services in the normal course of business to persons 10538  
other than related members, the corporation's employees and 10539  
their families, and such related members' employees and their 10540  
families. 10541

(d) As used in division (L) of this section, "related 10542  
member" has the same meaning as in division (A) (6) of section 10543  
5733.042 of the Revised Code without regard to division (B) of 10544  
that section. 10545

(3) The percentages described in division (L) (1) (a) of 10546  
this section shall be equal to the quarterly average of those 10547  
percentages as calculated during the corporation's taxable year 10548

ending prior to the first day of the tax year. 10549

(4) With respect to the election described in division (L) 10550  
(1) (e) of this section: 10551

(a) The election need not accompany a timely filed report; 10552

(b) The election need not accompany the report; rather, 10553  
the election may accompany a subsequently filed but timely 10554  
application for refund and timely amended report, or a 10555  
subsequently filed but timely petition for reassessment; 10556

(c) The election is not irrevocable; 10557

(d) The election applies only to the tax year specified by 10558  
the corporation; 10559

(e) The corporation's related members comply with division 10560  
(L) (1) (d) of this section. 10561

Nothing in division (L) (4) of this section shall be 10562  
construed to extend any statute of limitations set forth in this 10563  
chapter. 10564

(M) "Qualifying controlled group" means two or more 10565  
corporations that satisfy the ownership and control requirements 10566  
of division (A) of section 5733.052 of the Revised Code. 10567

(N) "Limited liability company" means any limited 10568  
liability company formed under Chapter 1705. or 1706. of the 10569  
Revised Code or under the laws of any other state. 10570

(O) "Pass-through entity" means a corporation that has 10571  
made an election under subchapter S of Chapter 1 of Subtitle A 10572  
of the Internal Revenue Code for its taxable year under that 10573  
code, or a partnership, limited liability company, or any other 10574  
person, other than an individual, trust, or estate, if the 10575

partnership, limited liability company, or other person is not 10576  
classified for federal income tax purposes as an association 10577  
taxed as a corporation. 10578

(P) "Electric company," "combined company," and "telephone 10579  
company" have the same meanings as in section 5727.01 of the 10580  
Revised Code. 10581

(Q) "Business income" means income arising from 10582  
transactions, activities, and sources in the regular course of a 10583  
trade or business and includes income from real property, 10584  
tangible personal property, and intangible personal property if 10585  
the acquisition, rental, management, and disposition of the 10586  
property constitute integral parts of the regular course of a 10587  
trade or business operation. "Business income" includes income, 10588  
including gain or loss, from a partial or complete liquidation 10589  
of a business, including, but not limited to, gain or loss from 10590  
the sale or other disposition of goodwill. 10591

(R) "Nonbusiness income" means all income other than 10592  
business income. 10593

**Sec. 5733.33.** (A) As used in this section: 10594

(1) "Manufacturing machinery and equipment" means engines 10595  
and machinery, and tools and implements, of every kind used, or 10596  
designed to be used, in refining and manufacturing. 10597  
"Manufacturing machinery and equipment" does not include 10598  
property acquired after December 31, 1999, that is used: 10599

(a) For the transmission and distribution of electricity; 10600

(b) For the generation of electricity, if fifty per cent 10601  
or more of the electricity that the property generates is 10602  
consumed, during the one-hundred-twenty-month period commencing 10603  
with the date the property is placed in service, by persons that 10604

are not related members to the person who generates the 10605  
electricity. 10606

(2) "New manufacturing machinery and equipment" means 10607  
manufacturing machinery and equipment, the original use in this 10608  
state of which commences with the taxpayer or with a partnership 10609  
of which the taxpayer is a partner. "New manufacturing machinery 10610  
and equipment" does not include property acquired after December 10611  
31, 1999, that is used: 10612

(a) For the transmission and distribution of electricity; 10613

(b) For the generation of electricity, if fifty per cent 10614  
or more of the electricity that the property generates is 10615  
consumed, during the one-hundred-twenty-month period commencing 10616  
with the date the property is placed in service, by persons that 10617  
are not related members to the person who generates the 10618  
electricity. 10619

(3) (a) "Purchase" has the same meaning as in section 10620  
179(d) (2) of the Internal Revenue Code. 10621

(b) For purposes of this section, any property that is not 10622  
manufactured or assembled primarily by the taxpayer is 10623  
considered purchased at the time the agreement to acquire the 10624  
property becomes binding. Any property that is manufactured or 10625  
assembled primarily by the taxpayer is considered purchased at 10626  
the time the taxpayer places the property in service in the 10627  
county for which the taxpayer will calculate the county excess 10628  
amount. 10629

(c) Notwithstanding section 179(d) of the Internal Revenue 10630  
Code, a taxpayer's direct or indirect acquisition of new 10631  
manufacturing machinery and equipment is not purchased on or 10632  
after July 1, 1995, if the taxpayer, or a person whose 10633

relationship to the taxpayer is described in subparagraphs (A), 10634  
(B), or (C) of section 179(d)(2) of the Internal Revenue Code, 10635  
had directly or indirectly entered into a binding agreement to 10636  
acquire the property at any time prior to July 1, 1995. 10637

(4) "Qualifying period" means the period that begins July 10638  
1, 1995, and ends June 30, 2005. 10639

(5) "County average new manufacturing machinery and 10640  
equipment investment" means either of the following: 10641

(a) The average annual cost of new manufacturing machinery 10642  
and equipment purchased for use in the county during baseline 10643  
years, in the case of a taxpayer that was in existence for more 10644  
than one year during baseline years. 10645

(b) Zero, in the case of a taxpayer that was not in 10646  
existence for more than one year during baseline years. 10647

(6) "Partnership" includes a limited liability company 10648  
formed under Chapter 1705. or 1706. of the Revised Code or under 10649  
the laws of any other state, provided that the company is not 10650  
classified for federal income tax purposes as an association 10651  
taxable as a corporation. 10652

(7) "Partner" includes a member of a limited liability 10653  
company formed under Chapter 1705. or 1706. of the Revised Code 10654  
or under the laws of any other state, provided that the company 10655  
is not classified for federal income tax purposes as an 10656  
association taxable as a corporation. 10657

(8) "Distressed area" means either a municipal corporation 10658  
that has a population of at least fifty thousand or a county 10659  
that meets two of the following criteria of economic distress, 10660  
or a municipal corporation the majority of the population of 10661  
which is situated in such a county: 10662

(a) Its average rate of unemployment, during the most recent five-year period for which data are available, is equal to at least one hundred twenty-five per cent of the average rate of unemployment for the United States for the same period;

(b) It has a per capita income equal to or below eighty per cent of the median county per capita income of the United States as determined by the most recently available figures from the United States census bureau;

(c) (i) In the case of a municipal corporation, at least twenty per cent of the residents have a total income for the most recent census year that is below the official poverty line;

(ii) In the case of a county, in intercensal years, the county has a ratio of transfer payment income to total county income equal to or greater than twenty-five per cent.

(9) "Eligible area" means a distressed area, a labor surplus area, an inner city area, or a situational distress area.

(10) "Inner city area" means, in a municipal corporation that has a population of at least one hundred thousand and does not meet the criteria of a labor surplus area or a distressed area, targeted investment areas established by the municipal corporation within its boundaries that are comprised of the most recent census block tracts that individually have at least twenty per cent of their population at or below the state poverty level or other census block tracts contiguous to such census block tracts.

(11) "Labor surplus area" means an area designated as a labor surplus area by the United States department of labor.

(12) "Official poverty line" has the same meaning as in

division (A) of section 3923.51 of the Revised Code. 10692

(13) "Situational distress area" means a county or a 10693  
municipal corporation that has experienced or is experiencing a 10694  
closing or downsizing of a major employer, that will adversely 10695  
affect the county's or municipal corporation's economy. In order 10696  
to be designated as a situational distress area for a period not 10697  
to exceed thirty-six months, the county or municipal corporation 10698  
may petition the director of development. The petition shall 10699  
include written documentation that demonstrates all of the 10700  
following adverse effects on the local economy: 10701

(a) The number of jobs lost by the closing or downsizing; 10702

(b) The impact that the job loss has on the county's or 10703  
municipal corporation's unemployment rate as measured by the 10704  
state director of job and family services; 10705

(c) The annual payroll associated with the job loss; 10706

(d) The amount of state and local taxes associated with 10707  
the job loss; 10708

(e) The impact that the closing or downsizing has on the 10709  
suppliers located in the county or municipal corporation. 10710

(14) "Cost" has the same meaning and limitation as in 10711  
section 179(d) (3) of the Internal Revenue Code. 10712

(15) "Baseline years" means: 10713

(a) Calendar years 1992, 1993, and 1994, with regard to a 10714  
credit claimed for the purchase during calendar year 1995, 1996, 10715  
1997, or 1998 of new manufacturing machinery and equipment; 10716

(b) Calendar years 1993, 1994, and 1995, with regard to a 10717  
credit claimed for the purchase during calendar year 1999 of new 10718

manufacturing machinery and equipment;	10719
(c) Calendar years 1994, 1995, and 1996, with regard to a credit claimed for the purchase during calendar year 2000 of new manufacturing machinery and equipment;	10720 10721 10722
(d) Calendar years 1995, 1996, and 1997, with regard to a credit claimed for the purchase during calendar year 2001 of new manufacturing machinery and equipment;	10723 10724 10725
(e) Calendar years 1996, 1997, and 1998, with regard to a credit claimed for the purchase during calendar year 2002 of new manufacturing machinery and equipment;	10726 10727 10728
(f) Calendar years 1997, 1998, and 1999, with regard to a credit claimed for the purchase during calendar year 2003 of new manufacturing machinery and equipment;	10729 10730 10731
(g) Calendar years 1998, 1999, and 2000, with regard to a credit claimed for the purchase during calendar year 2004 of new manufacturing machinery and equipment;	10732 10733 10734
(h) Calendar years 1999, 2000, and 2001, with regard to a credit claimed for the purchase on or after January 1, 2005, and on or before June 30, 2005, of new manufacturing machinery and equipment.	10735 10736 10737 10738
(16) "Related member" has the same meaning as in section 5733.042 of the Revised Code.	10739 10740
(B) (1) Subject to division (I) of this section, a nonrefundable credit is allowed against the tax imposed by section 5733.06 of the Revised Code for a taxpayer that purchases new manufacturing machinery and equipment during the qualifying period, provided that the new manufacturing machinery and equipment are installed in this state no later than June 30,	10741 10742 10743 10744 10745 10746

2006. No credit shall be allowed under this section for taxable 10747  
years ending on or after July 1, 2005. The elimination of the 10748  
credit for those taxable years includes the elimination of any 10749  
remaining one-sevenths of credit amounts for which a portion was 10750  
allowed for prior taxable years and the elimination of any 10751  
credit carry-forward, but the purchases on which the credits 10752  
were based remain subject to grants under section 122.173 of the 10753  
Revised Code for those remaining one-seventh amounts or carry- 10754  
forward amounts. 10755

(2) (a) Except as otherwise provided in division (B) (2) (b) 10756  
of this section, a credit may be claimed under this section in 10757  
excess of one million dollars only if the cost of all 10758  
manufacturing machinery and equipment owned in this state by the 10759  
taxpayer claiming the credit on the last day of the calendar 10760  
year exceeds the cost of all manufacturing machinery and 10761  
equipment owned in this state by the taxpayer on the first day 10762  
of that calendar year. 10763

As used in division (B) (2) (a) of this section, "calendar 10764  
year" means the calendar year in which the machinery and 10765  
equipment for which the credit is claimed was purchased. 10766

(b) Division (B) (2) (a) of this section does not apply if 10767  
the taxpayer claiming the credit applies for and is issued a 10768  
waiver of the requirement of that division. A taxpayer may apply 10769  
to the director of development for such a waiver in the manner 10770  
prescribed by the director, and the director may issue such a 10771  
waiver if the director determines that granting the credit is 10772  
necessary to increase or retain employees in this state, and 10773  
that the credit has not caused relocation of manufacturing 10774  
machinery and equipment among counties within this state for the 10775  
primary purpose of qualifying for the credit. 10776

(C) (1) Except as otherwise provided in division (C) (2) and 10777  
division (I) of this section, the credit amount is equal to 10778  
seven and one-half per cent of the excess of the cost of the new 10779  
manufacturing machinery and equipment purchased during the 10780  
calendar year for use in a county over the county average new 10781  
manufacturing machinery and equipment investment for that 10782  
county. 10783

(2) Subject to division (I) of this section, as used in 10784  
division (C) (2) of this section "county excess" means the 10785  
taxpayer's excess cost for a county as computed under division 10786  
(C) (1) of this section. 10787

Subject to division (I) of this section, a taxpayer with a 10788  
county excess, whose purchases included purchases for use in any 10789  
eligible area in the county, the credit amount is equal to 10790  
thirteen and one-half per cent of the cost of the new 10791  
manufacturing machinery and equipment purchased during the 10792  
calendar year for use in the eligible areas in the county, 10793  
provided that the cost subject to the thirteen and one-half per 10794  
cent rate shall not exceed the county excess. If the county 10795  
excess is greater than the cost of the new manufacturing 10796  
machinery and equipment purchased during the calendar year for 10797  
use in eligible areas in the county, the credit amount also 10798  
shall include an amount equal to seven and one-half per cent of 10799  
the amount of the difference. 10800

(3) If a taxpayer is allowed a credit for purchases of new 10801  
manufacturing machinery and equipment in more than one county or 10802  
eligible area, it shall aggregate the amount of those credits 10803  
each year. 10804

(4) The taxpayer shall claim one-seventh of the credit 10805  
amount for the tax year immediately following the calendar year 10806

in which the new manufacturing machinery and equipment is 10807  
purchased for use in the county by the taxpayer or partnership. 10808  
One-seventh of the taxpayer credit amount is allowed for each of 10809  
the six ensuing tax years. Except for carried-forward amounts, 10810  
the taxpayer is not allowed any credit amount remaining if the 10811  
new manufacturing machinery and equipment is sold by the 10812  
taxpayer or partnership or is transferred by the taxpayer or 10813  
partnership out of the county before the end of the seven-year 10814  
period unless, at the time of the sale or transfer, the new 10815  
manufacturing machinery and equipment has been fully depreciated 10816  
for federal income tax purposes. 10817

(5) (a) A taxpayer that acquires manufacturing machinery 10818  
and equipment as a result of a merger with the taxpayer with 10819  
whom commenced the original use in this state of the 10820  
manufacturing machinery and equipment, or with a taxpayer that 10821  
was a partner in a partnership with whom commenced the original 10822  
use in this state of the manufacturing machinery and equipment, 10823  
is entitled to any remaining or carried-forward credit amounts 10824  
to which the taxpayer was entitled. 10825

(b) A taxpayer that enters into an agreement under 10826  
division (C) (3) of section 5709.62 of the Revised Code and that 10827  
acquires manufacturing machinery or equipment as a result of 10828  
purchasing a large manufacturing facility, as defined in section 10829  
5709.61 of the Revised Code, from another taxpayer with whom 10830  
commenced the original use in this state of the manufacturing 10831  
machinery or equipment, and that operates the large 10832  
manufacturing facility so purchased, is entitled to any 10833  
remaining or carried-forward credit amounts to which the other 10834  
taxpayer who sold the facility would have been entitled under 10835  
this section had the other taxpayer not sold the manufacturing 10836  
facility or equipment. 10837

(c) New manufacturing machinery and equipment is not 10838  
considered sold if a pass-through entity transfers to another 10839  
pass-through entity substantially all of its assets as part of a 10840  
plan of reorganization under which substantially all gain and 10841  
loss is not recognized by the pass-through entity that is 10842  
transferring the new manufacturing machinery and equipment to 10843  
the transferee and under which the transferee's basis in the new 10844  
manufacturing machinery and equipment is determined, in whole or 10845  
in part, by reference to the basis of the pass-through entity 10846  
which transferred the new manufacturing machinery and equipment 10847  
to the transferee. 10848

(d) Division (C) (5) of this section shall apply only if 10849  
the acquiring taxpayer or transferee does not sell the new 10850  
manufacturing machinery and equipment or transfer the new 10851  
manufacturing machinery and equipment out of the county before 10852  
the end of the seven-year period to which division (C) (4) of 10853  
this section refers. 10854

(e) Division (C) (5) (b) of this section applies only to the 10855  
extent that the taxpayer that sold the manufacturing machinery 10856  
or equipment, upon request, timely provides to the tax 10857  
commissioner any information that the tax commissioner considers 10858  
to be necessary to ascertain any remaining or carried-forward 10859  
amounts to which the taxpayer that sold the facility would have 10860  
been entitled under this section had the taxpayer not sold the 10861  
manufacturing machinery or equipment. Nothing in division (C) (5) 10862  
(b) or (e) of this section shall be construed to allow a 10863  
taxpayer to claim any credit amount with respect to the acquired 10864  
manufacturing machinery or equipment that is greater than the 10865  
amount that would have been available to the other taxpayer that 10866  
sold the manufacturing machinery or equipment had the other 10867  
taxpayer not sold the manufacturing machinery or equipment. 10868

(D) The taxpayer shall claim the credit in the order 10869  
required under section 5733.98 of the Revised Code. Each year, 10870  
any credit amount in excess of the tax due under section 5733.06 10871  
of the Revised Code after allowing for any other credits that 10872  
precede the credit under this section in that order may be 10873  
carried forward for three tax years. 10874

(E) A taxpayer purchasing new manufacturing machinery and 10875  
equipment and intending to claim the credit shall file, with the 10876  
department of development, a notice of intent to claim the 10877  
credit on a form prescribed by the department of development. 10878  
The department of development shall inform the tax commissioner 10879  
of the notice of intent to claim the credit. No credit may be 10880  
claimed under this section for any manufacturing machinery and 10881  
equipment with respect to which a notice was not filed by the 10882  
date of a timely filed return, including extensions, for the 10883  
taxable year that includes September 30, 2005. 10884

(F) The director of development shall annually certify, by 10885  
the first day of January of each year during the qualifying 10886  
period, the eligible areas for the tax credit for the calendar 10887  
year that includes that first day of January. The director shall 10888  
send a copy of the certification to the tax commissioner. 10889

(G) New manufacturing machinery and equipment for which a 10890  
taxpayer claims the credit under section 5733.31 or 5733.311 of 10891  
the Revised Code shall not be considered new manufacturing 10892  
machinery and equipment for purposes of the credit under this 10893  
section. 10894

(H) (1) Notwithstanding sections 5733.11 and 5747.13 of the 10895  
Revised Code, but subject to division (H) (2) of this section, 10896  
the tax commissioner may issue an assessment against a person 10897  
with respect to a credit claimed under this section for new 10898

manufacturing machinery and equipment described in division (A) 10899  
(1) (b) or (2) (b) of this section, if the machinery or equipment 10900  
subsequently does not qualify for the credit. 10901

(2) Division (H) (1) of this section shall not apply after 10902  
the twenty-fourth month following the last day of the period 10903  
described in divisions (A) (1) (b) and (2) (b) of this section. 10904

(I) Notwithstanding any other provision of this section to 10905  
the contrary, in the case of a qualifying controlled group, the 10906  
credit available under this section to a taxpayer or taxpayers 10907  
in the qualifying controlled group shall be computed as if all 10908  
corporations in the group were a single corporation. The credit 10909  
shall be allocated to such a taxpayer or taxpayers in the group 10910  
in any amount elected for the taxable year by the group. Such 10911  
election shall be revocable and amendable during the period 10912  
described in division (B) of section 5733.12 of the Revised 10913  
Code. 10914

This division applies to all purchases of new 10915  
manufacturing machinery and equipment made on or after January 10916  
1, 2001, and to all baseline years used to compute any credit 10917  
attributable to such purchases; provided, that this division may 10918  
be applied solely at the election of the qualifying controlled 10919  
group with respect to all purchases of new manufacturing 10920  
machinery and equipment made before that date, and to all 10921  
baseline years used to compute any credit attributable to such 10922  
purchases. The qualifying controlled group at any time may elect 10923  
to apply this division to purchases made prior to January 1, 10924  
2001, subject to the following: 10925

(1) The election is irrevocable; 10926

(2) The election need not accompany a timely filed report, 10927

but the election may accompany a subsequently filed but timely 10928  
application for refund, a subsequently filed but timely amended 10929  
report, or a subsequently filed but timely petition for 10930  
reassessment. 10931

**Sec. 5733.42.** (A) As used in this section: 10932

(1) "Eligible training program" means a program to provide 10933  
job skills to eligible employees who are unable effectively to 10934  
function on the job due to skill deficiencies or who would 10935  
otherwise be displaced because of their skill deficiencies or 10936  
inability to use new technology, or to provide job skills to 10937  
eligible employees that enable them to perform other job duties 10938  
for the taxpayer. Eligible training programs do not include 10939  
executive, management, or personal enrichment training programs, 10940  
or training programs intended exclusively for personal career 10941  
development. 10942

(2) "Eligible employee" means an individual who is 10943  
employed in this state by a taxpayer and has been so employed by 10944  
the same taxpayer for at least one hundred eighty consecutive 10945  
days before the day an application for the credit is filed under 10946  
this section. "Eligible employee" does not include any employee 10947  
for which a credit is claimed pursuant to division (A) (5) of 10948  
section 5709.65 of the Revised Code for all or any part of the 10949  
same year, an employee who is not a full-time employee, or 10950  
executive or managerial personnel, except for the immediate 10951  
supervisors of nonexecutive, nonmanagerial personnel. 10952

(3) "Eligible training costs" means: 10953

(a) Direct instructional costs, such as instructor 10954  
salaries, materials and supplies, textbooks and manuals, 10955  
videotapes, and other instructional media and training equipment 10956

used exclusively for the purpose of training eligible employees; 10957

(b) Wages paid to eligible employees for time devoted 10958  
exclusively to an eligible training program during normal paid 10959  
working hours. 10960

(4) "Full-time employee" means an individual who is 10961  
employed for consideration for at least thirty-five hours per 10962  
week, or who renders any other standard of service generally 10963  
accepted by custom or specified by contract as full-time 10964  
employment. 10965

(5) "Partnership" includes a limited liability company 10966  
formed under Chapter 1705. or 1706. of the Revised Code or under 10967  
the laws of another state, provided that the company is not 10968  
classified for federal income tax purposes as an association 10969  
taxable as a corporation. 10970

(B) There is hereby allowed a nonrefundable credit against 10971  
the tax imposed by section 5733.06 of the Revised Code for 10972  
taxpayers for which a tax credit certificate is issued under 10973  
division (C) of this section. The credit may be claimed for tax 10974  
years 2004, 2005, 2006, 2007, and 2008. The amount of the credit 10975  
for tax year 2004 shall equal one-half of the average of the 10976  
eligible training costs paid or incurred by the taxpayer during 10977  
calendar years 1999, 2000, and 2001, not to exceed one thousand 10978  
dollars for each eligible employee on account of whom eligible 10979  
training costs were paid or incurred by the taxpayer during 10980  
those calendar years. The amount of the credit for tax year 2005 10981  
shall equal one-half of the average of the eligible training 10982  
costs paid or incurred by the taxpayer during calendar years 10983  
2002, 2003, and 2004, not to exceed one thousand dollars for 10984  
each eligible employee on account of whom eligible training 10985  
costs were paid or incurred by the taxpayer during those 10986

calendar years. The amount of the credit for tax year 2006 shall equal one-half of the average of the eligible training costs paid or incurred by the taxpayer during calendar years 2003, 2004, and 2005, not to exceed one thousand dollars for each eligible employee on account of whom eligible training costs were paid or incurred by the taxpayer during those calendar years. The amount of the credit for tax year 2007 shall equal one-half of the average of the eligible training costs paid or incurred by the taxpayer during calendar years 2004, 2005, and 2006, not to exceed one thousand dollars for each eligible employee on account of whom eligible training costs were paid or incurred by the taxpayer during those calendar years. The amount of the credit for tax year 2008 shall equal one-half of the average of the eligible training costs paid or incurred by the taxpayer during calendar years 2005, 2006, and 2007, not to exceed one thousand dollars for each eligible employee on account of whom eligible training costs were paid or incurred by the taxpayer during those calendar years.

The credit claimed by a taxpayer each tax year shall not exceed one hundred thousand dollars.

(C) A taxpayer who proposes to conduct an eligible training program may apply to the director of job and family services for a tax credit certificate under this section. The taxpayer may apply for such a certificate for tax years 2004, 2005, 2006, 2007, and 2008 subject to division (L) of this section. The director shall prescribe the form of the application, which shall require a detailed description of the proposed training program. The director may require applicants to remit an application fee with each application filed with the director. The fee shall not exceed the reasonable and necessary expenses incurred by the director in receiving, reviewing, and

approving such applications and issuing tax credit certificates. 11018  
Proceeds from fees shall be used solely for the purpose of 11019  
receiving, reviewing, and approving such applications and 11020  
issuing such certificates. 11021

After receipt of an application, the director shall 11022  
authorize a credit under this section by issuing a tax credit 11023  
certificate, in the form prescribed by the director, if the 11024  
director determines all of the following: 11025

(1) The proposed training program is an eligible training 11026  
program under this section; 11027

(2) The proposed training program is economically sound 11028  
and will benefit the people of this state by improving workforce 11029  
skills and strengthening the economy of this state; 11030

(3) Receiving the tax credit is a major factor in the 11031  
taxpayer's decision to go forward with the training program; 11032

(4) Authorization of the credit is consistent with 11033  
division (H) of this section. 11034

The credit also is allowed for a taxpayer that is a 11035  
partner in a partnership that pays or incurs eligible training 11036  
costs. Such a taxpayer shall determine the taxpayer's credit 11037  
amount in the manner prescribed by division (K) of this section. 11038

(D) If the director of job and family services denies an 11039  
application for a tax credit certificate, the director shall 11040  
send notice of the denial and the reason for denial to the 11041  
applicant by certified mail, return receipt requested. If the 11042  
director determines that an authorized training program, as 11043  
actually conducted, fails to meet the requirements of this 11044  
section or to comply with any condition set forth in the 11045  
authorization, the director may reduce the amount of the tax 11046

credit previously granted. If the director reduces a tax credit, 11047  
the director shall send notice of the reduction and the reason 11048  
for the reduction to the taxpayer by certified mail, return 11049  
receipt requested, and shall certify the reduction to the tax 11050  
commissioner or, in the case of the reduction of a credit 11051  
claimed by an insurance company, the superintendent of 11052  
insurance. The tax commissioner or superintendent of insurance 11053  
shall reduce the credit that may be claimed by the taxpayer 11054  
accordingly. Within sixty days after receiving a notice of 11055  
denial or notice of reduction of the tax credit, an applicant or 11056  
taxpayer may request, in writing, a hearing before the director 11057  
to review the denial or reduction. Within sixty days after 11058  
receiving a request that is filed within the prescribed time, 11059  
the director shall hold such a hearing at a location to be 11060  
determined by the director. Within thirty days after the hearing 11061  
is adjourned, the director shall issue a redetermination 11062  
affirming, reversing, or modifying the denial or reduction of 11063  
the tax credit and send notice of the redetermination to the 11064  
applicant or taxpayer by certified mail, return receipt 11065  
requested, and shall issue a notice of the redetermination to 11066  
the tax commissioner or superintendent of insurance. If an 11067  
applicant or taxpayer is aggrieved by the director's 11068  
redetermination, the applicant or taxpayer may appeal the 11069  
redetermination to the board of tax appeals in the manner 11070  
prescribed by section 5717.02 of the Revised Code. 11071

(E) A taxpayer to which a tax credit certificate is issued 11072  
shall retain records indicating the eligible training costs it 11073  
pays or incurs for the eligible training program for which the 11074  
certificate is issued for four years following the end of the 11075  
tax year for which the credit is claimed. Such records shall be 11076  
open to inspection by the director of job and family services 11077

upon the director's request during business hours. 11078

Financial statements and other information submitted by an 11079  
applicant to the director of job and family services for a tax 11080  
credit under this section, and any information taken for any 11081  
purpose from such statements or information, are not public 11082  
records subject to section 149.43 of the Revised Code. However, 11083  
the director of job and family services, the tax commissioner, 11084  
or superintendent of insurance may make use of the statements 11085  
and other information for purposes of issuing public reports or 11086  
in connection with court proceedings concerning tax credits 11087  
allowed under this section and sections 5725.31 and 5729.07 of 11088  
the Revised Code. 11089

(F) The director of job and family services, in accordance 11090  
with Chapter 119. of the Revised Code, shall adopt rules 11091  
necessary to implement this section and sections 5725.31 and 11092  
5729.07 of the Revised Code. The rules shall be adopted after 11093  
consultation with the tax commissioner and the superintendent of 11094  
insurance. The rules shall require that if a taxpayer to which a 11095  
tax credit certificate is issued under any of those sections 11096  
permanently relocates or transfers employees trained under the 11097  
tax credit certificate to another state or country within two 11098  
years of receiving the certificate, the taxpayer shall repay the 11099  
total amount of the tax credit received by the taxpayer for any 11100  
employees permanently relocated or transferred. At the time the 11101  
director gives public notice under division (A) of section 11102  
119.03 of the Revised Code of the adoption of the rules, the 11103  
director shall submit copies of the proposed rules to the 11104  
chairpersons and ranking minority members of the standing 11105  
committees in the senate and the house of representatives to 11106  
which legislation on economic development matters are 11107  
customarily referred. 11108

(G) On or before the thirtieth day of September of 2001, 11109  
2003, 2004, 2005, 2006, 2007, and 2008 the director of job and 11110  
family services shall submit a report to the governor, the 11111  
president of the senate, and the speaker of the house of 11112  
representatives on the tax credit program under this section and 11113  
sections 5725.31 and 5729.07 of the Revised Code. The report 11114  
shall include information on the number of training programs 11115  
that were authorized under those sections during the preceding 11116  
calendar year, a description of each authorized training 11117  
program, the dollar amounts of the credits granted, and an 11118  
estimate of the impact of the credits on the economy of this 11119  
state. 11120

(H) The aggregate amount of credits authorized under this 11121  
section and sections 5725.31 and 5729.07 of the Revised Code 11122  
shall not exceed twenty million dollars per calendar year. No 11123  
more than ten million dollars in credits per calendar year shall 11124  
be authorized for persons engaged primarily in manufacturing. No 11125  
less than five million dollars in credits per calendar year 11126  
shall be set aside for persons engaged primarily in activities 11127  
other than manufacturing and having fewer than five hundred 11128  
employees. Subject to such limits, the director of job and 11129  
family services shall adopt a rule under division (F) of this 11130  
section that establishes criteria and procedures for 11131  
distribution of the credits. 11132

(I) A nonrefundable credit allowed under this section 11133  
shall be claimed in the order required under section 5733.98 of 11134  
the Revised Code. 11135

(J) The taxpayer may carry forward any credit amount in 11136  
excess of its tax due after allowing for any other credits that 11137  
precede the credit under this section in the order required 11138

under section 5733.98 of the Revised Code. The excess credit may 11139  
be carried forward for three years following the tax year for 11140  
which it is first claimed under this section. 11141

(K) A taxpayer that is a partner in a partnership on the 11142  
last day of the third calendar year of the three-year period 11143  
during which the partnership pays or incurs eligible training 11144  
costs may claim a credit under this section for the tax year 11145  
immediately following that calendar year. The amount of a 11146  
partner's credit equals the partner's interest in the 11147  
partnership on the last day of such calendar year multiplied by 11148  
the credit available to the partnership as computed by the 11149  
partnership. 11150

(L) The director of job and family services shall not 11151  
authorize any credits under this section and sections 5725.31 11152  
and 5729.07 of the Revised Code for eligible training costs paid 11153  
or incurred after December 31, 2007. 11154

**Sec. 5747.01.** Except as otherwise expressly provided or 11155  
clearly appearing from the context, any term used in this 11156  
chapter that is not otherwise defined in this section has the 11157  
same meaning as when used in a comparable context in the laws of 11158  
the United States relating to federal income taxes or if not 11159  
used in a comparable context in those laws, has the same meaning 11160  
as in section 5733.40 of the Revised Code. Any reference in this 11161  
chapter to the Internal Revenue Code includes other laws of the 11162  
United States relating to federal income taxes. 11163

As used in this chapter: 11164

(A) "Adjusted gross income" or "Ohio adjusted gross 11165  
income" means federal adjusted gross income, as defined and used 11166  
in the Internal Revenue Code, adjusted as provided in this 11167

section:	11168
(1) Add interest or dividends on obligations or securities of any state or of any political subdivision or authority of any state, other than this state and its subdivisions and authorities.	11169 11170 11171 11172
(2) Add interest or dividends on obligations of any authority, commission, instrumentality, territory, or possession of the United States to the extent that the interest or dividends are exempt from federal income taxes but not from state income taxes.	11173 11174 11175 11176 11177
(3) Deduct interest or dividends on obligations of the United States and its territories and possessions or of any authority, commission, or instrumentality of the United States to the extent that the interest or dividends are included in federal adjusted gross income but exempt from state income taxes under the laws of the United States.	11178 11179 11180 11181 11182 11183
(4) Deduct disability and survivor's benefits to the extent included in federal adjusted gross income.	11184 11185
(5) Deduct benefits under Title II of the Social Security Act and tier 1 railroad retirement benefits to the extent included in federal adjusted gross income under section 86 of the Internal Revenue Code.	11186 11187 11188 11189
(6) In the case of a taxpayer who is a beneficiary of a trust that makes an accumulation distribution as defined in section 665 of the Internal Revenue Code, add, for the beneficiary's taxable years beginning before 2002, the portion, if any, of such distribution that does not exceed the undistributed net income of the trust for the three taxable years preceding the taxable year in which the distribution is	11190 11191 11192 11193 11194 11195 11196

made to the extent that the portion was not included in the 11197  
trust's taxable income for any of the trust's taxable years 11198  
beginning in 2002 or thereafter. "Undistributed net income of a 11199  
trust" means the taxable income of the trust increased by (a) (i) 11200  
the additions to adjusted gross income required under division 11201  
(A) of this section and (ii) the personal exemptions allowed to 11202  
the trust pursuant to section 642(b) of the Internal Revenue 11203  
Code, and decreased by (b) (i) the deductions to adjusted gross 11204  
income required under division (A) of this section, (ii) the 11205  
amount of federal income taxes attributable to such income, and 11206  
(iii) the amount of taxable income that has been included in the 11207  
adjusted gross income of a beneficiary by reason of a prior 11208  
accumulation distribution. Any undistributed net income included 11209  
in the adjusted gross income of a beneficiary shall reduce the 11210  
undistributed net income of the trust commencing with the 11211  
earliest years of the accumulation period. 11212

(7) Deduct the amount of wages and salaries, if any, not 11213  
otherwise allowable as a deduction but that would have been 11214  
allowable as a deduction in computing federal adjusted gross 11215  
income for the taxable year, had the targeted jobs credit 11216  
allowed and determined under sections 38, 51, and 52 of the 11217  
Internal Revenue Code not been in effect. 11218

(8) Deduct any interest or interest equivalent on public 11219  
obligations and purchase obligations to the extent that the 11220  
interest or interest equivalent is included in federal adjusted 11221  
gross income. 11222

(9) Add any loss or deduct any gain resulting from the 11223  
sale, exchange, or other disposition of public obligations to 11224  
the extent that the loss has been deducted or the gain has been 11225  
included in computing federal adjusted gross income. 11226

(10) Deduct or add amounts, as provided under section 11227  
5747.70 of the Revised Code, related to contributions to 11228  
variable college savings program accounts made or tuition units 11229  
purchased pursuant to Chapter 3334. of the Revised Code. 11230

(11) (a) Deduct, to the extent not otherwise allowable as a 11231  
deduction or exclusion in computing federal or Ohio adjusted 11232  
gross income for the taxable year, the amount the taxpayer paid 11233  
during the taxable year for medical care insurance and qualified 11234  
long-term care insurance for the taxpayer, the taxpayer's 11235  
spouse, and dependents. No deduction for medical care insurance 11236  
under division (A) (11) (a) of this section shall be allowed 11237  
either to any taxpayer who is eligible to participate in any 11238  
subsidized health plan maintained by any employer of the 11239  
taxpayer or of the taxpayer's spouse, or to any taxpayer who is 11240  
entitled to, or on application would be entitled to, benefits 11241  
under part A of Title XVIII of the "Social Security Act," 49 11242  
Stat. 620 (1935), 42 U.S.C. 301, as amended. For the purposes of 11243  
division (A) (11) (a) of this section, "subsidized health plan" 11244  
means a health plan for which the employer pays any portion of 11245  
the plan's cost. The deduction allowed under division (A) (11) (a) 11246  
of this section shall be the net of any related premium refunds, 11247  
related premium reimbursements, or related insurance premium 11248  
dividends received during the taxable year. 11249

(b) Deduct, to the extent not otherwise deducted or 11250  
excluded in computing federal or Ohio adjusted gross income 11251  
during the taxable year, the amount the taxpayer paid during the 11252  
taxable year, not compensated for by any insurance or otherwise, 11253  
for medical care of the taxpayer, the taxpayer's spouse, and 11254  
dependents, to the extent the expenses exceed seven and one-half 11255  
per cent of the taxpayer's federal adjusted gross income. 11256

(c) Deduct, to the extent not otherwise deducted or 11257  
excluded in computing federal or Ohio adjusted gross income, any 11258  
amount included in federal adjusted gross income under section 11259  
105 or not excluded under section 106 of the Internal Revenue 11260  
Code solely because it relates to an accident and health plan 11261  
for a person who otherwise would be a "qualifying relative" and 11262  
thus a "dependent" under section 152 of the Internal Revenue 11263  
Code but for the fact that the person fails to meet the income 11264  
and support limitations under section 152(d)(1)(B) and (C) of 11265  
the Internal Revenue Code. 11266

(d) For purposes of division (A)(11) of this section, 11267  
"medical care" has the meaning given in section 213 of the 11268  
Internal Revenue Code, subject to the special rules, 11269  
limitations, and exclusions set forth therein, and "qualified 11270  
long-term care" has the same meaning given in section 7702B(c) 11271  
of the Internal Revenue Code. Solely for purposes of divisions 11272  
(A)(11)(a) and (c) of this section, "dependent" includes a 11273  
person who otherwise would be a "qualifying relative" and thus a 11274  
"dependent" under section 152 of the Internal Revenue Code but 11275  
for the fact that the person fails to meet the income and 11276  
support limitations under section 152(d)(1)(B) and (C) of the 11277  
Internal Revenue Code. 11278

(12)(a) Deduct any amount included in federal adjusted 11279  
gross income solely because the amount represents a 11280  
reimbursement or refund of expenses that in any year the 11281  
taxpayer had deducted as an itemized deduction pursuant to 11282  
section 63 of the Internal Revenue Code and applicable United 11283  
States department of the treasury regulations. The deduction 11284  
otherwise allowed under division (A)(12)(a) of this section 11285  
shall be reduced to the extent the reimbursement is attributable 11286  
to an amount the taxpayer deducted under this section in any 11287

taxable year.	11288
(b) Add any amount not otherwise included in Ohio adjusted gross income for any taxable year to the extent that the amount is attributable to the recovery during the taxable year of any amount deducted or excluded in computing federal or Ohio adjusted gross income in any taxable year.	11289 11290 11291 11292 11293
(13) Deduct any portion of the deduction described in section 1341(a)(2) of the Internal Revenue Code, for repaying previously reported income received under a claim of right, that meets both of the following requirements:	11294 11295 11296 11297
(a) It is allowable for repayment of an item that was included in the taxpayer's adjusted gross income for a prior taxable year and did not qualify for a credit under division (A) or (B) of section 5747.05 of the Revised Code for that year;	11298 11299 11300 11301
(b) It does not otherwise reduce the taxpayer's adjusted gross income for the current or any other taxable year.	11302 11303
(14) Deduct an amount equal to the deposits made to, and net investment earnings of, a medical savings account during the taxable year, in accordance with section 3924.66 of the Revised Code. The deduction allowed by division (A)(14) of this section does not apply to medical savings account deposits and earnings otherwise deducted or excluded for the current or any other taxable year from the taxpayer's federal adjusted gross income.	11304 11305 11306 11307 11308 11309 11310
(15)(a) Add an amount equal to the funds withdrawn from a medical savings account during the taxable year, and the net investment earnings on those funds, when the funds withdrawn were used for any purpose other than to reimburse an account holder for, or to pay, eligible medical expenses, in accordance with section 3924.66 of the Revised Code;	11311 11312 11313 11314 11315 11316

(b) Add the amounts distributed from a medical savings account under division (A) (2) of section 3924.68 of the Revised Code during the taxable year. 11317  
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(16) Add any amount claimed as a credit under section 5747.059 of the Revised Code to the extent that such amount satisfies either of the following: 11320  
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(a) The amount was deducted or excluded from the computation of the taxpayer's federal adjusted gross income as required to be reported for the taxpayer's taxable year under the Internal Revenue Code; 11323  
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(b) The amount resulted in a reduction of the taxpayer's federal adjusted gross income as required to be reported for any of the taxpayer's taxable years under the Internal Revenue Code. 11327  
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(17) Deduct the amount contributed by the taxpayer to an individual development account program established by a county department of job and family services pursuant to sections 329.11 to 329.14 of the Revised Code for the purpose of matching funds deposited by program participants. On request of the tax commissioner, the taxpayer shall provide any information that, in the tax commissioner's opinion, is necessary to establish the amount deducted under division (A) (17) of this section. 11330  
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(18) Beginning in taxable year 2001 but not for any taxable year beginning after December 31, 2005, if the taxpayer is married and files a joint return and the combined federal adjusted gross income of the taxpayer and the taxpayer's spouse for the taxable year does not exceed one hundred thousand dollars, or if the taxpayer is single and has a federal adjusted gross income for the taxable year not exceeding fifty thousand dollars, deduct amounts paid during the taxable year for 11338  
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qualified tuition and fees paid to an eligible institution for 11346  
the taxpayer, the taxpayer's spouse, or any dependent of the 11347  
taxpayer, who is a resident of this state and is enrolled in or 11348  
attending a program that culminates in a degree or diploma at an 11349  
eligible institution. The deduction may be claimed only to the 11350  
extent that qualified tuition and fees are not otherwise 11351  
deducted or excluded for any taxable year from federal or Ohio 11352  
adjusted gross income. The deduction may not be claimed for 11353  
educational expenses for which the taxpayer claims a credit 11354  
under section 5747.27 of the Revised Code. 11355

(19) Add any reimbursement received during the taxable 11356  
year of any amount the taxpayer deducted under division (A) (18) 11357  
of this section in any previous taxable year to the extent the 11358  
amount is not otherwise included in Ohio adjusted gross income. 11359

(20) (a) (i) Subject to divisions (A) (20) (a) (iii), (iv), and 11360  
(v) of this section, add five-sixths of the amount of 11361  
depreciation expense allowed by subsection (k) of section 168 of 11362  
the Internal Revenue Code, including the taxpayer's 11363  
proportionate or distributive share of the amount of 11364  
depreciation expense allowed by that subsection to a pass- 11365  
through entity in which the taxpayer has a direct or indirect 11366  
ownership interest. 11367

(ii) Subject to divisions (A) (20) (a) (iii), (iv), and (v) 11368  
of this section, add five-sixths of the amount of qualifying 11369  
section 179 depreciation expense, including the taxpayer's 11370  
proportionate or distributive share of the amount of qualifying 11371  
section 179 depreciation expense allowed to any pass-through 11372  
entity in which the taxpayer has a direct or indirect ownership 11373  
interest. 11374

(iii) Subject to division (A) (20) (a) (v) of this section, 11375

for taxable years beginning in 2012 or thereafter, if the 11376  
increase in income taxes withheld by the taxpayer is equal to or 11377  
greater than ten per cent of income taxes withheld by the 11378  
taxpayer during the taxpayer's immediately preceding taxable 11379  
year, "two-thirds" shall be substituted for "five-sixths" for 11380  
the purpose of divisions (A) (20) (a) (i) and (ii) of this section. 11381

(iv) Subject to division (A) (20) (a) (v) of this section, 11382  
for taxable years beginning in 2012 or thereafter, a taxpayer is 11383  
not required to add an amount under division (A) (20) of this 11384  
section if the increase in income taxes withheld by the taxpayer 11385  
and by any pass-through entity in which the taxpayer has a 11386  
direct or indirect ownership interest is equal to or greater 11387  
than the sum of (I) the amount of qualifying section 179 11388  
depreciation expense and (II) the amount of depreciation expense 11389  
allowed to the taxpayer by subsection (k) of section 168 of the 11390  
Internal Revenue Code, and including the taxpayer's 11391  
proportionate or distributive shares of such amounts allowed to 11392  
any such pass-through entities. 11393

(v) If a taxpayer directly or indirectly incurs a net 11394  
operating loss for the taxable year for federal income tax 11395  
purposes, to the extent such loss resulted from depreciation 11396  
expense allowed by subsection (k) of section 168 of the Internal 11397  
Revenue Code and by qualifying section 179 depreciation expense, 11398  
"the entire" shall be substituted for "five-sixths of the" for 11399  
the purpose of divisions (A) (20) (a) (i) and (ii) of this section. 11400

The tax commissioner, under procedures established by the 11401  
commissioner, may waive the add-backs related to a pass-through 11402  
entity if the taxpayer owns, directly or indirectly, less than 11403  
five per cent of the pass-through entity. 11404

(b) Nothing in division (A) (20) of this section shall be 11405

construed to adjust or modify the adjusted basis of any asset. 11406

(c) To the extent the add-back required under division (A) 11407  
(20) (a) of this section is attributable to property generating 11408  
nonbusiness income or loss allocated under section 5747.20 of 11409  
the Revised Code, the add-back shall be situated to the same 11410  
location as the nonbusiness income or loss generated by the 11411  
property for the purpose of determining the credit under 11412  
division (A) of section 5747.05 of the Revised Code. Otherwise, 11413  
the add-back shall be apportioned, subject to one or more of the 11414  
four alternative methods of apportionment enumerated in section 11415  
5747.21 of the Revised Code. 11416

(d) For the purposes of division (A) (20) (a) (v) of this 11417  
section, net operating loss carryback and carryforward shall not 11418  
include the allowance of any net operating loss deduction 11419  
carryback or carryforward to the taxable year to the extent such 11420  
loss resulted from depreciation allowed by section 168(k) of the 11421  
Internal Revenue Code and by the qualifying section 179 11422  
depreciation expense amount. 11423

(e) For the purposes of divisions (A) (20) and (21) of this 11424  
section: 11425

(i) "Income taxes withheld" means the total amount 11426  
withheld and remitted under sections 5747.06 and 5747.07 of the 11427  
Revised Code by an employer during the employer's taxable year. 11428

(ii) "Increase in income taxes withheld" means the amount 11429  
by which the amount of income taxes withheld by an employer 11430  
during the employer's current taxable year exceeds the amount of 11431  
income taxes withheld by that employer during the employer's 11432  
immediately preceding taxable year. 11433

(iii) "Qualifying section 179 depreciation expense" means 11434

the difference between (I) the amount of depreciation expense 11435  
directly or indirectly allowed to a taxpayer under section 179 11436  
of the Internal Revised Code, and (II) the amount of 11437  
depreciation expense directly or indirectly allowed to the 11438  
taxpayer under section 179 of the Internal Revenue Code as that 11439  
section existed on December 31, 2002. 11440

(21) (a) If the taxpayer was required to add an amount 11441  
under division (A) (20) (a) of this section for a taxable year, 11442  
deduct one of the following: 11443

(i) One-fifth of the amount so added for each of the five 11444  
succeeding taxable years if the amount so added was five-sixths 11445  
of qualifying section 179 depreciation expense or depreciation 11446  
expense allowed by subsection (k) of section 168 of the Internal 11447  
Revenue Code; 11448

(ii) One-half of the amount so added for each of the two 11449  
succeeding taxable years if the amount so added was two-thirds 11450  
of such depreciation expense; 11451

(iii) One-sixth of the amount so added for each of the six 11452  
succeeding taxable years if the entire amount of such 11453  
depreciation expense was so added. 11454

(b) If the amount deducted under division (A) (21) (a) of 11455  
this section is attributable to an add-back allocated under 11456  
division (A) (20) (c) of this section, the amount deducted shall 11457  
be situated to the same location. Otherwise, the add-back shall 11458  
be apportioned using the apportionment factors for the taxable 11459  
year in which the deduction is taken, subject to one or more of 11460  
the four alternative methods of apportionment enumerated in 11461  
section 5747.21 of the Revised Code. 11462

(c) No deduction is available under division (A) (21) (a) of 11463

this section with regard to any depreciation allowed by section 11464  
168(k) of the Internal Revenue Code and by the qualifying 11465  
section 179 depreciation expense amount to the extent that such 11466  
depreciation results in or increases a federal net operating 11467  
loss carryback or carryforward. If no such deduction is 11468  
available for a taxable year, the taxpayer may carry forward the 11469  
amount not deducted in such taxable year to the next taxable 11470  
year and add that amount to any deduction otherwise available 11471  
under division (A) (21) (a) of this section for that next taxable 11472  
year. The carryforward of amounts not so deducted shall continue 11473  
until the entire addition required by division (A) (20) (a) of 11474  
this section has been deducted. 11475

(d) No refund shall be allowed as a result of adjustments 11476  
made by division (A) (21) of this section. 11477

(22) Deduct, to the extent not otherwise deducted or 11478  
excluded in computing federal or Ohio adjusted gross income for 11479  
the taxable year, the amount the taxpayer received during the 11480  
taxable year as reimbursement for life insurance premiums under 11481  
section 5919.31 of the Revised Code. 11482

(23) Deduct, to the extent not otherwise deducted or 11483  
excluded in computing federal or Ohio adjusted gross income for 11484  
the taxable year, the amount the taxpayer received during the 11485  
taxable year as a death benefit paid by the adjutant general 11486  
under section 5919.33 of the Revised Code. 11487

(24) Deduct, to the extent included in federal adjusted 11488  
gross income and not otherwise allowable as a deduction or 11489  
exclusion in computing federal or Ohio adjusted gross income for 11490  
the taxable year, military pay and allowances received by the 11491  
taxpayer during the taxable year for active duty service in the 11492  
United States army, air force, navy, marine corps, or coast 11493

guard or reserve components thereof or the national guard. The 11494  
deduction may not be claimed for military pay and allowances 11495  
received by the taxpayer while the taxpayer is stationed in this 11496  
state. 11497

(25) Deduct, to the extent not otherwise allowable as a 11498  
deduction or exclusion in computing federal or Ohio adjusted 11499  
gross income for the taxable year and not otherwise compensated 11500  
for by any other source, the amount of qualified organ donation 11501  
expenses incurred by the taxpayer during the taxable year, not 11502  
to exceed ten thousand dollars. A taxpayer may deduct qualified 11503  
organ donation expenses only once for all taxable years 11504  
beginning with taxable years beginning in 2007. 11505

For the purposes of division (A) (25) of this section: 11506

(a) "Human organ" means all or any portion of a human 11507  
liver, pancreas, kidney, intestine, or lung, and any portion of 11508  
human bone marrow. 11509

(b) "Qualified organ donation expenses" means travel 11510  
expenses, lodging expenses, and wages and salary forgone by a 11511  
taxpayer in connection with the taxpayer's donation, while 11512  
living, of one or more of the taxpayer's human organs to another 11513  
human being. 11514

(26) Deduct, to the extent not otherwise deducted or 11515  
excluded in computing federal or Ohio adjusted gross income for 11516  
the taxable year, amounts received by the taxpayer as retired 11517  
personnel pay for service in the uniformed services or reserve 11518  
components thereof, or the national guard, or received by the 11519  
surviving spouse or former spouse of such a taxpayer under the 11520  
survivor benefit plan on account of such a taxpayer's death. If 11521  
the taxpayer receives income on account of retirement paid under 11522

the federal civil service retirement system or federal employees 11523  
retirement system, or under any successor retirement program 11524  
enacted by the congress of the United States that is established 11525  
and maintained for retired employees of the United States 11526  
government, and such retirement income is based, in whole or in 11527  
part, on credit for the taxpayer's uniformed service, the 11528  
deduction allowed under this division shall include only that 11529  
portion of such retirement income that is attributable to the 11530  
taxpayer's uniformed service, to the extent that portion of such 11531  
retirement income is otherwise included in federal adjusted 11532  
gross income and is not otherwise deducted under this section. 11533  
Any amount deducted under division (A) (26) of this section is 11534  
not included in a taxpayer's adjusted gross income for the 11535  
purposes of section 5747.055 of the Revised Code. No amount may 11536  
be deducted under division (A) (26) of this section on the basis 11537  
of which a credit was claimed under section 5747.055 of the 11538  
Revised Code. 11539

(27) Deduct, to the extent not otherwise deducted or 11540  
excluded in computing federal or Ohio adjusted gross income for 11541  
the taxable year, the amount the taxpayer received during the 11542  
taxable year from the military injury relief fund created in 11543  
section 5902.05 of the Revised Code. 11544

(28) Deduct, to the extent not otherwise deducted or 11545  
excluded in computing federal or Ohio adjusted gross income for 11546  
the taxable year, the amount the taxpayer received as a veterans 11547  
bonus during the taxable year from the Ohio department of 11548  
veterans services as authorized by Section 2r of Article VIII, 11549  
Ohio Constitution. 11550

(29) Deduct, to the extent not otherwise deducted or 11551  
excluded in computing federal or Ohio adjusted gross income for 11552

the taxable year, any income derived from a transfer agreement 11553  
or from the enterprise transferred under that agreement under 11554  
section 4313.02 of the Revised Code. 11555

(30) Deduct, to the extent not otherwise deducted or 11556  
excluded in computing federal or Ohio adjusted gross income for 11557  
the taxable year, Ohio college opportunity or federal Pell grant 11558  
amounts received by the taxpayer or the taxpayer's spouse or 11559  
dependent pursuant to section 3333.122 of the Revised Code or 20 11560  
U.S.C. 1070a, et seq., and used to pay room or board furnished 11561  
by the educational institution for which the grant was awarded 11562  
at the institution's facilities, including meal plans 11563  
administered by the institution. For the purposes of this 11564  
division, receipt of a grant includes the distribution of a 11565  
grant directly to an educational institution and the crediting 11566  
of the grant to the enrollee's account with the institution. 11567

(31) Deduct from the portion of an individual's federal 11568  
adjusted gross income that is business income, to the extent not 11569  
otherwise deducted or excluded in computing federal adjusted 11570  
gross income for the taxable year, one hundred twenty-five 11571  
thousand dollars for each spouse if spouses file separate 11572  
returns under section 5747.08 of the Revised Code or two hundred 11573  
fifty thousand dollars for all other individuals. 11574

(32) Deduct, as provided under section 5747.78 of the 11575  
Revised Code, contributions to ABLE savings accounts made in 11576  
accordance with sections 113.50 to 113.56 of the Revised Code. 11577

(33) (a) Deduct, to the extent not otherwise deducted or 11578  
excluded in computing federal or Ohio adjusted gross income 11579  
during the taxable year, all of the following: 11580

(i) Compensation paid to a qualifying employee described 11581

in division (A) (14) (a) of section 5703.94 of the Revised Code to 11582  
the extent such compensation is for disaster work conducted in 11583  
this state during a disaster response period pursuant to a 11584  
qualifying solicitation received by the employee's employer; 11585

(ii) Compensation paid to a qualifying employee described 11586  
in division (A) (14) (b) of section 5703.94 of the Revised Code to 11587  
the extent such compensation is for disaster work conducted in 11588  
this state by the employee during the disaster response period 11589  
on critical infrastructure owned or used by the employee's 11590  
employer; 11591

(iii) Income received by an out-of-state disaster business 11592  
for disaster work conducted in this state during a disaster 11593  
response period, or, if the out-of-state disaster business is a 11594  
pass-through entity, a taxpayer's distributive share of the 11595  
pass-through entity's income from the business conducting 11596  
disaster work in this state during a disaster response period, 11597  
if, in either case, the disaster work is conducted pursuant to a 11598  
qualifying solicitation received by the business. 11599

(b) All terms used in division (A) (33) of this section 11600  
have the same meanings as in section 5703.94 of the Revised 11601  
Code. 11602

(34) For a taxpayer who is a qualifying Ohio educator, 11603  
deduct, to the extent not otherwise deducted or excluded in 11604  
computing federal or Ohio adjusted gross income for the taxable 11605  
year, the lesser of two hundred fifty dollars or the amount of 11606  
expenses described in subsections (a) (2) (D) (i) and (ii) of 11607  
section 62 of the Internal Revenue Code paid or incurred by the 11608  
taxpayer during the taxpayer's taxable year in excess of the 11609  
amount the taxpayer is authorized to deduct for that taxable 11610  
year under subsection (a) (2) (D) of that section. 11611

(B) "Business income" means income, including gain or loss, arising from transactions, activities, and sources in the regular course of a trade or business and includes income, gain, or loss from real property, tangible property, and intangible property if the acquisition, rental, management, and disposition of the property constitute integral parts of the regular course of a trade or business operation. "Business income" includes income, including gain or loss, from a partial or complete liquidation of a business, including, but not limited to, gain or loss from the sale or other disposition of goodwill.

(C) "Nonbusiness income" means all income other than business income and may include, but is not limited to, compensation, rents and royalties from real or tangible personal property, capital gains, interest, dividends and distributions, patent or copyright royalties, or lottery winnings, prizes, and awards.

(D) "Compensation" means any form of remuneration paid to an employee for personal services.

(E) "Fiduciary" means a guardian, trustee, executor, administrator, receiver, conservator, or any other person acting in any fiduciary capacity for any individual, trust, or estate.

(F) "Fiscal year" means an accounting period of twelve months ending on the last day of any month other than December.

(G) "Individual" means any natural person.

(H) "Internal Revenue Code" means the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as amended.

(I) "Resident" means any of the following, provided that division (I) (3) of this section applies only to taxable years of a trust beginning in 2002 or thereafter:

(1) An individual who is domiciled in this state, subject 11641  
to section 5747.24 of the Revised Code; 11642

(2) The estate of a decedent who at the time of death was 11643  
domiciled in this state. The domicile tests of section 5747.24 11644  
of the Revised Code are not controlling for purposes of division 11645  
(I) (2) of this section. 11646

(3) A trust that, in whole or part, resides in this state. 11647  
If only part of a trust resides in this state, the trust is a 11648  
resident only with respect to that part. 11649

For the purposes of division (I) (3) of this section: 11650

(a) A trust resides in this state for the trust's current 11651  
taxable year to the extent, as described in division (I) (3) (d) 11652  
of this section, that the trust consists directly or indirectly, 11653  
in whole or in part, of assets, net of any related liabilities, 11654  
that were transferred, or caused to be transferred, directly or 11655  
indirectly, to the trust by any of the following: 11656

(i) A person, a court, or a governmental entity or 11657  
instrumentality on account of the death of a decedent, but only 11658  
if the trust is described in division (I) (3) (e) (i) or (ii) of 11659  
this section; 11660

(ii) A person who was domiciled in this state for the 11661  
purposes of this chapter when the person directly or indirectly 11662  
transferred assets to an irrevocable trust, but only if at least 11663  
one of the trust's qualifying beneficiaries is domiciled in this 11664  
state for the purposes of this chapter during all or some 11665  
portion of the trust's current taxable year; 11666

(iii) A person who was domiciled in this state for the 11667  
purposes of this chapter when the trust document or instrument 11668  
or part of the trust document or instrument became irrevocable, 11669

but only if at least one of the trust's qualifying beneficiaries 11670  
is a resident domiciled in this state for the purposes of this 11671  
chapter during all or some portion of the trust's current 11672  
taxable year. If a trust document or instrument became 11673  
irrevocable upon the death of a person who at the time of death 11674  
was domiciled in this state for purposes of this chapter, that 11675  
person is a person described in division (I) (3) (a) (iii) of this 11676  
section. 11677

(b) A trust is irrevocable to the extent that the 11678  
transferor is not considered to be the owner of the net assets 11679  
of the trust under sections 671 to 678 of the Internal Revenue 11680  
Code. 11681

(c) With respect to a trust other than a charitable lead 11682  
trust, "qualifying beneficiary" has the same meaning as 11683  
"potential current beneficiary" as defined in section 1361(e) (2) 11684  
of the Internal Revenue Code, and with respect to a charitable 11685  
lead trust "qualifying beneficiary" is any current, future, or 11686  
contingent beneficiary, but with respect to any trust 11687  
"qualifying beneficiary" excludes a person or a governmental 11688  
entity or instrumentality to any of which a contribution would 11689  
qualify for the charitable deduction under section 170 of the 11690  
Internal Revenue Code. 11691

(d) For the purposes of division (I) (3) (a) of this 11692  
section, the extent to which a trust consists directly or 11693  
indirectly, in whole or in part, of assets, net of any related 11694  
liabilities, that were transferred directly or indirectly, in 11695  
whole or part, to the trust by any of the sources enumerated in 11696  
that division shall be ascertained by multiplying the fair 11697  
market value of the trust's assets, net of related liabilities, 11698  
by the qualifying ratio, which shall be computed as follows: 11699

(i) The first time the trust receives assets, the 11700  
numerator of the qualifying ratio is the fair market value of 11701  
those assets at that time, net of any related liabilities, from 11702  
sources enumerated in division (I) (3) (a) of this section. The 11703  
denominator of the qualifying ratio is the fair market value of 11704  
all the trust's assets at that time, net of any related 11705  
liabilities. 11706

(ii) Each subsequent time the trust receives assets, a 11707  
revised qualifying ratio shall be computed. The numerator of the 11708  
revised qualifying ratio is the sum of (1) the fair market value 11709  
of the trust's assets immediately prior to the subsequent 11710  
transfer, net of any related liabilities, multiplied by the 11711  
qualifying ratio last computed without regard to the subsequent 11712  
transfer, and (2) the fair market value of the subsequently 11713  
transferred assets at the time transferred, net of any related 11714  
liabilities, from sources enumerated in division (I) (3) (a) of 11715  
this section. The denominator of the revised qualifying ratio is 11716  
the fair market value of all the trust's assets immediately 11717  
after the subsequent transfer, net of any related liabilities. 11718

(iii) Whether a transfer to the trust is by or from any of 11719  
the sources enumerated in division (I) (3) (a) of this section 11720  
shall be ascertained without regard to the domicile of the 11721  
trust's beneficiaries. 11722

(e) For the purposes of division (I) (3) (a) (i) of this 11723  
section: 11724

(i) A trust is described in division (I) (3) (e) (i) of this 11725  
section if the trust is a testamentary trust and the testator of 11726  
that testamentary trust was domiciled in this state at the time 11727  
of the testator's death for purposes of the taxes levied under 11728  
Chapter 5731. of the Revised Code. 11729

(ii) A trust is described in division (I) (3) (e) (ii) of 11730  
this section if the transfer is a qualifying transfer described 11731  
in any of divisions (I) (3) (f) (i) to (vi) of this section, the 11732  
trust is an irrevocable inter vivos trust, and at least one of 11733  
the trust's qualifying beneficiaries is domiciled in this state 11734  
for purposes of this chapter during all or some portion of the 11735  
trust's current taxable year. 11736

(f) For the purposes of division (I) (3) (e) (ii) of this 11737  
section, a "qualifying transfer" is a transfer of assets, net of 11738  
any related liabilities, directly or indirectly to a trust, if 11739  
the transfer is described in any of the following: 11740

(i) The transfer is made to a trust, created by the 11741  
decedent before the decedent's death and while the decedent was 11742  
domiciled in this state for the purposes of this chapter, and, 11743  
prior to the death of the decedent, the trust became irrevocable 11744  
while the decedent was domiciled in this state for the purposes 11745  
of this chapter. 11746

(ii) The transfer is made to a trust to which the 11747  
decedent, prior to the decedent's death, had directly or 11748  
indirectly transferred assets, net of any related liabilities, 11749  
while the decedent was domiciled in this state for the purposes 11750  
of this chapter, and prior to the death of the decedent the 11751  
trust became irrevocable while the decedent was domiciled in 11752  
this state for the purposes of this chapter. 11753

(iii) The transfer is made on account of a contractual 11754  
relationship existing directly or indirectly between the 11755  
transferor and either the decedent or the estate of the decedent 11756  
at any time prior to the date of the decedent's death, and the 11757  
decedent was domiciled in this state at the time of death for 11758  
purposes of the taxes levied under Chapter 5731. of the Revised 11759

Code. 11760

(iv) The transfer is made to a trust on account of a 11761  
contractual relationship existing directly or indirectly between 11762  
the transferor and another person who at the time of the 11763  
decedent's death was domiciled in this state for purposes of 11764  
this chapter. 11765

(v) The transfer is made to a trust on account of the will 11766  
of a testator who was domiciled in this state at the time of the 11767  
testator's death for purposes of the taxes levied under Chapter 11768  
5731. of the Revised Code. 11769

(vi) The transfer is made to a trust created by or caused 11770  
to be created by a court, and the trust was directly or 11771  
indirectly created in connection with or as a result of the 11772  
death of an individual who, for purposes of the taxes levied 11773  
under Chapter 5731. of the Revised Code, was domiciled in this 11774  
state at the time of the individual's death. 11775

(g) The tax commissioner may adopt rules to ascertain the 11776  
part of a trust residing in this state. 11777

(J) "Nonresident" means an individual or estate that is 11778  
not a resident. An individual who is a resident for only part of 11779  
a taxable year is a nonresident for the remainder of that 11780  
taxable year. 11781

(K) "Pass-through entity" has the same meaning as in 11782  
section 5733.04 of the Revised Code. 11783

(L) "Return" means the notifications and reports required 11784  
to be filed pursuant to this chapter for the purpose of 11785  
reporting the tax due and includes declarations of estimated tax 11786  
when so required. 11787

(M) "Taxable year" means the calendar year or the taxpayer's fiscal year ending during the calendar year, or fractional part thereof, upon which the adjusted gross income is calculated pursuant to this chapter.

(N) "Taxpayer" means any person subject to the tax imposed by section 5747.02 of the Revised Code or any pass-through entity that makes the election under division (D) of section 5747.08 of the Revised Code.

(O) "Dependents" means one of the following:

(1) For taxable years beginning on or after January 1, 2018, and before January 1, 2026, dependents as defined in the Internal Revenue Code;

(2) For all other taxable years, dependents as defined in the Internal Revenue Code and as claimed in the taxpayer's federal income tax return for the taxable year or which the taxpayer would have been permitted to claim had the taxpayer filed a federal income tax return.

(P) "Principal county of employment" means, in the case of a nonresident, the county within the state in which a taxpayer performs services for an employer or, if those services are performed in more than one county, the county in which the major portion of the services are performed.

(Q) As used in sections 5747.50 to 5747.55 of the Revised Code:

(1) "Subdivision" means any county, municipal corporation, park district, or township.

(2) "Essential local government purposes" includes all functions that any subdivision is required by general law to

exercise, including like functions that are exercised under a 11816  
charter adopted pursuant to the Ohio Constitution. 11817

(R) "Overpayment" means any amount already paid that 11818  
exceeds the figure determined to be the correct amount of the 11819  
tax. 11820

(S) "Taxable income" or "Ohio taxable income" applies only 11821  
to estates and trusts, and means federal taxable income, as 11822  
defined and used in the Internal Revenue Code, adjusted as 11823  
follows: 11824

(1) Add interest or dividends, net of ordinary, necessary, 11825  
and reasonable expenses not deducted in computing federal 11826  
taxable income, on obligations or securities of any state or of 11827  
any political subdivision or authority of any state, other than 11828  
this state and its subdivisions and authorities, but only to the 11829  
extent that such net amount is not otherwise includible in Ohio 11830  
taxable income and is described in either division (S)(1)(a) or 11831  
(b) of this section: 11832

(a) The net amount is not attributable to the S portion of 11833  
an electing small business trust and has not been distributed to 11834  
beneficiaries for the taxable year; 11835

(b) The net amount is attributable to the S portion of an 11836  
electing small business trust for the taxable year. 11837

(2) Add interest or dividends, net of ordinary, necessary, 11838  
and reasonable expenses not deducted in computing federal 11839  
taxable income, on obligations of any authority, commission, 11840  
instrumentality, territory, or possession of the United States 11841  
to the extent that the interest or dividends are exempt from 11842  
federal income taxes but not from state income taxes, but only 11843  
to the extent that such net amount is not otherwise includible 11844

in Ohio taxable income and is described in either division (S) 11845  
(1) (a) or (b) of this section; 11846

(3) Add the amount of personal exemption allowed to the 11847  
estate pursuant to section 642(b) of the Internal Revenue Code; 11848

(4) Deduct interest or dividends, net of related expenses 11849  
deducted in computing federal taxable income, on obligations of 11850  
the United States and its territories and possessions or of any 11851  
authority, commission, or instrumentality of the United States 11852  
to the extent that the interest or dividends are exempt from 11853  
state taxes under the laws of the United States, but only to the 11854  
extent that such amount is included in federal taxable income 11855  
and is described in either division (S) (1) (a) or (b) of this 11856  
section; 11857

(5) Deduct the amount of wages and salaries, if any, not 11858  
otherwise allowable as a deduction but that would have been 11859  
allowable as a deduction in computing federal taxable income for 11860  
the taxable year, had the targeted jobs credit allowed under 11861  
sections 38, 51, and 52 of the Internal Revenue Code not been in 11862  
effect, but only to the extent such amount relates either to 11863  
income included in federal taxable income for the taxable year 11864  
or to income of the S portion of an electing small business 11865  
trust for the taxable year; 11866

(6) Deduct any interest or interest equivalent, net of 11867  
related expenses deducted in computing federal taxable income, 11868  
on public obligations and purchase obligations, but only to the 11869  
extent that such net amount relates either to income included in 11870  
federal taxable income for the taxable year or to income of the 11871  
S portion of an electing small business trust for the taxable 11872  
year; 11873

(7) Add any loss or deduct any gain resulting from sale, 11874  
exchange, or other disposition of public obligations to the 11875  
extent that such loss has been deducted or such gain has been 11876  
included in computing either federal taxable income or income of 11877  
the S portion of an electing small business trust for the 11878  
taxable year; 11879

(8) Except in the case of the final return of an estate, 11880  
add any amount deducted by the taxpayer on both its Ohio estate 11881  
tax return pursuant to section 5731.14 of the Revised Code, and 11882  
on its federal income tax return in determining federal taxable 11883  
income; 11884

(9) (a) Deduct any amount included in federal taxable 11885  
income solely because the amount represents a reimbursement or 11886  
refund of expenses that in a previous year the decedent had 11887  
deducted as an itemized deduction pursuant to section 63 of the 11888  
Internal Revenue Code and applicable treasury regulations. The 11889  
deduction otherwise allowed under division (S) (9) (a) of this 11890  
section shall be reduced to the extent the reimbursement is 11891  
attributable to an amount the taxpayer or decedent deducted 11892  
under this section in any taxable year. 11893

(b) Add any amount not otherwise included in Ohio taxable 11894  
income for any taxable year to the extent that the amount is 11895  
attributable to the recovery during the taxable year of any 11896  
amount deducted or excluded in computing federal or Ohio taxable 11897  
income in any taxable year, but only to the extent such amount 11898  
has not been distributed to beneficiaries for the taxable year. 11899

(10) Deduct any portion of the deduction described in 11900  
section 1341(a) (2) of the Internal Revenue Code, for repaying 11901  
previously reported income received under a claim of right, that 11902  
meets both of the following requirements: 11903

(a) It is allowable for repayment of an item that was 11904  
included in the taxpayer's taxable income or the decedent's 11905  
adjusted gross income for a prior taxable year and did not 11906  
qualify for a credit under division (A) or (B) of section 11907  
5747.05 of the Revised Code for that year. 11908

(b) It does not otherwise reduce the taxpayer's taxable 11909  
income or the decedent's adjusted gross income for the current 11910  
or any other taxable year. 11911

(11) Add any amount claimed as a credit under section 11912  
5747.059 of the Revised Code to the extent that the amount 11913  
satisfies either of the following: 11914

(a) The amount was deducted or excluded from the 11915  
computation of the taxpayer's federal taxable income as required 11916  
to be reported for the taxpayer's taxable year under the 11917  
Internal Revenue Code; 11918

(b) The amount resulted in a reduction in the taxpayer's 11919  
federal taxable income as required to be reported for any of the 11920  
taxpayer's taxable years under the Internal Revenue Code. 11921

(12) Deduct any amount, net of related expenses deducted 11922  
in computing federal taxable income, that a trust is required to 11923  
report as farm income on its federal income tax return, but only 11924  
if the assets of the trust include at least ten acres of land 11925  
satisfying the definition of "land devoted exclusively to 11926  
agricultural use" under section 5713.30 of the Revised Code, 11927  
regardless of whether the land is valued for tax purposes as 11928  
such land under sections 5713.30 to 5713.38 of the Revised Code. 11929  
If the trust is a pass-through entity investor, section 5747.231 11930  
of the Revised Code applies in ascertaining if the trust is 11931  
eligible to claim the deduction provided by division (S) (12) of 11932

this section in connection with the pass-through entity's farm income. 11933  
11934

Except for farm income attributable to the S portion of an electing small business trust, the deduction provided by division (S)(12) of this section is allowed only to the extent that the trust has not distributed such farm income. Division (S)(12) of this section applies only to taxable years of a trust beginning in 2002 or thereafter. 11935  
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(13) Add the net amount of income described in section 641(c) of the Internal Revenue Code to the extent that amount is not included in federal taxable income. 11941  
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(14) Add or deduct the amount the taxpayer would be required to add or deduct under division (A)(20) or (21) of this section if the taxpayer's Ohio taxable income were computed in the same manner as an individual's Ohio adjusted gross income is computed under this section. In the case of a trust, division (S)(14) of this section applies only to any of the trust's taxable years beginning in 2002 or thereafter. 11944  
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(T) "School district income" and "school district income tax" have the same meanings as in section 5748.01 of the Revised Code. 11951  
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(U) As used in divisions (A)(8), (A)(9), (S)(6), and (S)(7) of this section, "public obligations," "purchase obligations," and "interest or interest equivalent" have the same meanings as in section 5709.76 of the Revised Code. 11954  
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(V) "Limited liability company" means any limited liability company formed under Chapter 1705. or 1706. of the Revised Code or under the laws of any other state. 11958  
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(W) "Pass-through entity investor" means any person who, 11961

during any portion of a taxable year of a pass-through entity, 11962  
is a partner, member, shareholder, or equity investor in that 11963  
pass-through entity. 11964

(X) "Banking day" has the same meaning as in section 11965  
1304.01 of the Revised Code. 11966

(Y) "Month" means a calendar month. 11967

(Z) "Quarter" means the first three months, the second 11968  
three months, the third three months, or the last three months 11969  
of the taxpayer's taxable year. 11970

(AA) (1) "Eligible institution" means a state university or 11971  
state institution of higher education as defined in section 11972  
3345.011 of the Revised Code, or a private, nonprofit college, 11973  
university, or other post-secondary institution located in this 11974  
state that possesses a certificate of authorization issued by 11975  
the chancellor of higher education pursuant to Chapter 1713. of 11976  
the Revised Code or a certificate of registration issued by the 11977  
state board of career colleges and schools under Chapter 3332. 11978  
of the Revised Code. 11979

(2) "Qualified tuition and fees" means tuition and fees 11980  
imposed by an eligible institution as a condition of enrollment 11981  
or attendance, not exceeding two thousand five hundred dollars 11982  
in each of the individual's first two years of post-secondary 11983  
education. If the individual is a part-time student, "qualified 11984  
tuition and fees" includes tuition and fees paid for the 11985  
academic equivalent of the first two years of post-secondary 11986  
education during a maximum of five taxable years, not exceeding 11987  
a total of five thousand dollars. "Qualified tuition and fees" 11988  
does not include: 11989

(a) Expenses for any course or activity involving sports, 11990

games, or hobbies unless the course or activity is part of the individual's degree or diploma program;	11991 11992
(b) The cost of books, room and board, student activity fees, athletic fees, insurance expenses, or other expenses unrelated to the individual's academic course of instruction;	11993 11994 11995
(c) Tuition, fees, or other expenses paid or reimbursed through an employer, scholarship, grant in aid, or other educational benefit program.	11996 11997 11998
(BB) (1) "Modified business income" means the business income included in a trust's Ohio taxable income after such taxable income is first reduced by the qualifying trust amount, if any.	11999 12000 12001 12002
(2) "Qualifying trust amount" of a trust means capital gains and losses from the sale, exchange, or other disposition of equity or ownership interests in, or debt obligations of, a qualifying investee to the extent included in the trust's Ohio taxable income, but only if the following requirements are satisfied:	12003 12004 12005 12006 12007 12008
(a) The book value of the qualifying investee's physical assets in this state and everywhere, as of the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the date on which the trust recognizes the gain or loss, is available to the trust.	12009 12010 12011 12012 12013
(b) The requirements of section 5747.011 of the Revised Code are satisfied for the trust's taxable year in which the trust recognizes the gain or loss.	12014 12015 12016
Any gain or loss that is not a qualifying trust amount is modified business income, qualifying investment income, or modified nonbusiness income, as the case may be.	12017 12018 12019

(3) "Modified nonbusiness income" means a trust's Ohio taxable income other than modified business income, other than the qualifying trust amount, and other than qualifying investment income, as defined in section 5747.012 of the Revised Code, to the extent such qualifying investment income is not otherwise part of modified business income.

(4) "Modified Ohio taxable income" applies only to trusts, and means the sum of the amounts described in divisions (BB) (4) (a) to (c) of this section:

(a) The fraction, calculated under section 5747.013, and applying section 5747.231 of the Revised Code, multiplied by the sum of the following amounts:

(i) The trust's modified business income;

(ii) The trust's qualifying investment income, as defined in section 5747.012 of the Revised Code, but only to the extent the qualifying investment income does not otherwise constitute modified business income and does not otherwise constitute a qualifying trust amount.

(b) The qualifying trust amount multiplied by a fraction, the numerator of which is the sum of the book value of the qualifying investee's physical assets in this state on the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the day on which the trust recognizes the qualifying trust amount, and the denominator of which is the sum of the book value of the qualifying investee's total physical assets everywhere on the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the day on which the trust recognizes the qualifying trust amount. If, for a taxable year, the trust recognizes a qualifying trust amount

with respect to more than one qualifying investee, the amount 12049  
described in division (BB) (4) (b) of this section shall equal the 12050  
sum of the products so computed for each such qualifying 12051  
investee. 12052

(c) (i) With respect to a trust or portion of a trust that 12053  
is a resident as ascertained in accordance with division (I) (3) 12054  
(d) of this section, its modified nonbusiness income. 12055

(ii) With respect to a trust or portion of a trust that is 12056  
not a resident as ascertained in accordance with division (I) (3) 12057  
(d) of this section, the amount of its modified nonbusiness 12058  
income satisfying the descriptions in divisions (B) (2) to (5) of 12059  
section 5747.20 of the Revised Code, except as otherwise 12060  
provided in division (BB) (4) (c) (ii) of this section. With 12061  
respect to a trust or portion of a trust that is not a resident 12062  
as ascertained in accordance with division (I) (3) (d) of this 12063  
section, the trust's portion of modified nonbusiness income 12064  
recognized from the sale, exchange, or other disposition of a 12065  
debt interest in or equity interest in a section 5747.212 12066  
entity, as defined in section 5747.212 of the Revised Code, 12067  
without regard to division (A) of that section, shall not be 12068  
allocated to this state in accordance with section 5747.20 of 12069  
the Revised Code but shall be apportioned to this state in 12070  
accordance with division (B) of section 5747.212 of the Revised 12071  
Code without regard to division (A) of that section. 12072

If the allocation and apportionment of a trust's income 12073  
under divisions (BB) (4) (a) and (c) of this section do not fairly 12074  
represent the modified Ohio taxable income of the trust in this 12075  
state, the alternative methods described in division (C) of 12076  
section 5747.21 of the Revised Code may be applied in the manner 12077  
and to the same extent provided in that section. 12078

(5) (a) Except as set forth in division (BB) (5) (b) of this section, "qualifying investee" means a person in which a trust has an equity or ownership interest, or a person or unit of government the debt obligations of either of which are owned by a trust. For the purposes of division (BB) (2) (a) of this section and for the purpose of computing the fraction described in division (BB) (4) (b) of this section, all of the following apply:

(i) If the qualifying investee is a member of a qualifying controlled group on the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the date on which the trust recognizes the gain or loss, then "qualifying investee" includes all persons in the qualifying controlled group on such last day.

(ii) If the qualifying investee, or if the qualifying investee and any members of the qualifying controlled group of which the qualifying investee is a member on the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the date on which the trust recognizes the gain or loss, separately or cumulatively own, directly or indirectly, on the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the date on which the trust recognizes the qualifying trust amount, more than fifty per cent of the equity of a pass-through entity, then the qualifying investee and the other members are deemed to own the proportionate share of the pass-through entity's physical assets which the pass-through entity directly or indirectly owns on the last day of the pass-through entity's calendar or fiscal year ending within or with the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the date on which the trust recognizes the qualifying trust amount.

(iii) For the purposes of division (BB) (5) (a) (iii) of this section, "upper level pass-through entity" means a pass-through entity directly or indirectly owning any equity of another pass-through entity, and "lower level pass-through entity" means that other pass-through entity.

An upper level pass-through entity, whether or not it is also a qualifying investee, is deemed to own, on the last day of the upper level pass-through entity's calendar or fiscal year, the proportionate share of the lower level pass-through entity's physical assets that the lower level pass-through entity directly or indirectly owns on the last day of the lower level pass-through entity's calendar or fiscal year ending within or with the last day of the upper level pass-through entity's fiscal or calendar year. If the upper level pass-through entity directly and indirectly owns less than fifty per cent of the equity of the lower level pass-through entity on each day of the upper level pass-through entity's calendar or fiscal year in which or with which ends the calendar or fiscal year of the lower level pass-through entity and if, based upon clear and convincing evidence, complete information about the location and cost of the physical assets of the lower pass-through entity is not available to the upper level pass-through entity, then solely for purposes of ascertaining if a gain or loss constitutes a qualifying trust amount, the upper level pass-through entity shall be deemed as owning no equity of the lower level pass-through entity for each day during the upper level pass-through entity's calendar or fiscal year in which or with which ends the lower level pass-through entity's calendar or fiscal year. Nothing in division (BB) (5) (a) (iii) of this section shall be construed to provide for any deduction or exclusion in computing any trust's Ohio taxable income.

(b) With respect to a trust that is not a resident for the taxable year and with respect to a part of a trust that is not a resident for the taxable year, "qualifying investee" for that taxable year does not include a C corporation if both of the following apply:

(i) During the taxable year the trust or part of the trust recognizes a gain or loss from the sale, exchange, or other disposition of equity or ownership interests in, or debt obligations of, the C corporation.

(ii) Such gain or loss constitutes nonbusiness income.

(6) "Available" means information is such that a person is able to learn of the information by the due date plus extensions, if any, for filing the return for the taxable year in which the trust recognizes the gain or loss.

(CC) "Qualifying controlled group" has the same meaning as in section 5733.04 of the Revised Code.

(DD) "Related member" has the same meaning as in section 5733.042 of the Revised Code.

(EE) (1) For the purposes of division (EE) of this section:

(a) "Qualifying person" means any person other than a qualifying corporation.

(b) "Qualifying corporation" means any person classified for federal income tax purposes as an association taxable as a corporation, except either of the following:

(i) A corporation that has made an election under subchapter S, chapter one, subtitle A, of the Internal Revenue Code for its taxable year ending within, or on the last day of, the investor's taxable year;

(ii) A subsidiary that is wholly owned by any corporation 12168  
that has made an election under subchapter S, chapter one, 12169  
subtitle A of the Internal Revenue Code for its taxable year 12170  
ending within, or on the last day of, the investor's taxable 12171  
year. 12172

(2) For the purposes of this chapter, unless expressly 12173  
stated otherwise, no qualifying person indirectly owns any asset 12174  
directly or indirectly owned by any qualifying corporation. 12175

(FF) For purposes of this chapter and Chapter 5751. of the 12176  
Revised Code: 12177

(1) "Trust" does not include a qualified pre-income tax 12178  
trust. 12179

(2) A "qualified pre-income tax trust" is any pre-income 12180  
tax trust that makes a qualifying pre-income tax trust election 12181  
as described in division (FF)(3) of this section. 12182

(3) A "qualifying pre-income tax trust election" is an 12183  
election by a pre-income tax trust to subject to the tax imposed 12184  
by section 5751.02 of the Revised Code the pre-income tax trust 12185  
and all pass-through entities of which the trust owns or 12186  
controls, directly, indirectly, or constructively through 12187  
related interests, five per cent or more of the ownership or 12188  
equity interests. The trustee shall notify the tax commissioner 12189  
in writing of the election on or before April 15, 2006. The 12190  
election, if timely made, shall be effective on and after 12191  
January 1, 2006, and shall apply for all tax periods and tax 12192  
years until revoked by the trustee of the trust. 12193

(4) A "pre-income tax trust" is a trust that satisfies all 12194  
of the following requirements: 12195

(a) The document or instrument creating the trust was 12196

executed by the grantor before January 1, 1972; 12197

(b) The trust became irrevocable upon the creation of the 12198  
trust; and 12199

(c) The grantor was domiciled in this state at the time 12200  
the trust was created. 12201

(GG) "Uniformed services" has the same meaning as in 10 12202  
U.S.C. 101. 12203

(HH) "Taxable business income" means the amount by which 12204  
an individual's business income that is included in federal 12205  
adjusted gross income exceeds the amount of business income the 12206  
individual is authorized to deduct under division (A) (31) of 12207  
this section for the taxable year. 12208

(II) "Employer" does not include a franchisor with respect 12209  
to the franchisor's relationship with a franchisee or an 12210  
employee of a franchisee, unless the franchisor agrees to assume 12211  
that role in writing or a court of competent jurisdiction 12212  
determines that the franchisor exercises a type or degree of 12213  
control over the franchisee or the franchisee's employees that 12214  
is not customarily exercised by a franchisor for the purpose of 12215  
protecting the franchisor's trademark, brand, or both. For 12216  
purposes of this division, "franchisor" and "franchisee" have 12217  
the same meanings as in 16 C.F.R. 436.1. 12218

(JJ) "Modified adjusted gross income" means Ohio adjusted 12219  
gross income plus any amount deducted under division (A) (31) of 12220  
this section for the taxable year. 12221

(KK) "Qualifying Ohio educator" means an individual who, 12222  
for a taxable year, qualifies as an eligible educator, as that 12223  
term is defined in section 62 of the Internal Revenue Code, and 12224  
who holds a certificate, license, or permit described in Chapter 12225

3319. or section 3301.071 of the Revised Code.	12226
<b>Sec. 5751.01.</b> As used in this chapter:	12227
(A) "Person" means, but is not limited to, individuals,	12228
combinations of individuals of any form, receivers, assignees,	12229
trustees in bankruptcy, firms, companies, joint-stock companies,	12230
business trusts, estates, partnerships, limited liability	12231
partnerships, limited liability companies, associations, joint	12232
ventures, clubs, societies, for-profit corporations, S	12233
corporations, qualified subchapter S subsidiaries, qualified	12234
subchapter S trusts, trusts, entities that are disregarded for	12235
federal income tax purposes, and any other entities.	12236
(B) "Consolidated elected taxpayer" means a group of two	12237
or more persons treated as a single taxpayer for purposes of	12238
this chapter as the result of an election made under section	12239
5751.011 of the Revised Code.	12240
(C) "Combined taxpayer" means a group of two or more	12241
persons treated as a single taxpayer for purposes of this	12242
chapter under section 5751.012 of the Revised Code.	12243
(D) "Taxpayer" means any person, or any group of persons	12244
in the case of a consolidated elected taxpayer or combined	12245
taxpayer treated as one taxpayer, required to register or pay	12246
tax under this chapter. "Taxpayer" does not include excluded	12247
persons.	12248
(E) "Excluded person" means any of the following:	12249
(1) Any person with not more than one hundred fifty	12250
thousand dollars of taxable gross receipts during the calendar	12251
year. Division (E) (1) of this section does not apply to a person	12252
that is a member of a consolidated elected taxpayer;	12253

(2) A public utility that paid the excise tax imposed by section 5727.24 or 5727.30 of the Revised Code based on one or more measurement periods that include the entire tax period under this chapter, except that a public utility that is a combined company is a taxpayer with regard to the following gross receipts:

(a) Taxable gross receipts directly attributed to a public utility activity, but not directly attributed to an activity that is subject to the excise tax imposed by section 5727.24 or 5727.30 of the Revised Code;

(b) Taxable gross receipts that cannot be directly attributed to any activity, multiplied by a fraction whose numerator is the taxable gross receipts described in division (E) (2) (a) of this section and whose denominator is the total taxable gross receipts that can be directly attributed to any activity;

(c) Except for any differences resulting from the use of an accrual basis method of accounting for purposes of determining gross receipts under this chapter and the use of the cash basis method of accounting for purposes of determining gross receipts under section 5727.24 of the Revised Code, the gross receipts directly attributed to the activity of a natural gas company shall be determined in a manner consistent with division (D) of section 5727.03 of the Revised Code.

As used in division (E) (2) of this section, "combined company" and "public utility" have the same meanings as in section 5727.01 of the Revised Code.

(3) A financial institution, as defined in section 5726.01 of the Revised Code, that paid the tax imposed by section

5726.02 of the Revised Code based on one or more taxable years	12283
that include the entire tax period under this chapter;	12284
(4) A person directly or indirectly owned by one or more	12285
financial institutions, as defined in section 5726.01 of the	12286
Revised Code, that paid the tax imposed by section 5726.02 of	12287
the Revised Code based on one or more taxable years that include	12288
the entire tax period under this chapter.	12289
For the purposes of division (E) (4) of this section, a	12290
person owns another person under the following circumstances:	12291
(a) In the case of corporations issuing capital stock, one	12292
corporation owns another corporation if it owns fifty per cent	12293
or more of the other corporation's capital stock with current	12294
voting rights;	12295
(b) In the case of a limited liability company, one person	12296
owns the company if that person's membership interest, as	12297
defined in section 1705.01 <u>or 1706.01</u> of the Revised Code <u>as</u>	12298
<u>applicable</u> , is fifty per cent or more of the combined membership	12299
interests of all persons owning such interests in the company;	12300
(c) In the case of a partnership, trust, or other	12301
unincorporated business organization other than a limited	12302
liability company, one person owns the organization if, under	12303
the articles of organization or other instrument governing the	12304
affairs of the organization, that person has a beneficial	12305
interest in the organization's profits, surpluses, losses, or	12306
distributions of fifty per cent or more of the combined	12307
beneficial interests of all persons having such an interest in	12308
the organization.	12309
(5) A domestic insurance company or foreign insurance	12310
company, as defined in section 5725.01 of the Revised Code, that	12311

paid the insurance company premiums tax imposed by section 12312  
5725.18 or Chapter 5729. of the Revised Code, or an unauthorized 12313  
insurance company whose gross premiums are subject to tax under 12314  
section 3905.36 of the Revised Code based on one or more 12315  
measurement periods that include the entire tax period under 12316  
this chapter; 12317

(6) A person that solely facilitates or services one or 12318  
more securitizations of phase-in-recovery property pursuant to a 12319  
final financing order as those terms are defined in section 12320  
4928.23 of the Revised Code. For purposes of this division, 12321  
"securitization" means transferring one or more assets to one or 12322  
more persons and then issuing securities backed by the right to 12323  
receive payment from the asset or assets so transferred. 12324

(7) Except as otherwise provided in this division, a pre- 12325  
income tax trust as defined in division (FF) (4) of section 12326  
5747.01 of the Revised Code and any pass-through entity of which 12327  
such pre-income tax trust owns or controls, directly, 12328  
indirectly, or constructively through related interests, more 12329  
than five per cent of the ownership or equity interests. If the 12330  
pre-income tax trust has made a qualifying pre-income tax trust 12331  
election under division (FF) (3) of section 5747.01 of the 12332  
Revised Code, then the trust and the pass-through entities of 12333  
which it owns or controls, directly, indirectly, or 12334  
constructively through related interests, more than five per 12335  
cent of the ownership or equity interests, shall not be excluded 12336  
persons for purposes of the tax imposed under section 5751.02 of 12337  
the Revised Code. 12338

(8) Nonprofit organizations or the state and its agencies, 12339  
instrumentalities, or political subdivisions. 12340

(F) Except as otherwise provided in divisions (F) (2), (3), 12341

and (4) of this section, "gross receipts" means the total amount realized by a person, without deduction for the cost of goods sold or other expenses incurred, that contributes to the production of gross income of the person, including the fair market value of any property and any services received, and any debt transferred or forgiven as consideration.

(1) The following are examples of gross receipts:

(a) Amounts realized from the sale, exchange, or other disposition of the taxpayer's property to or with another;

(b) Amounts realized from the taxpayer's performance of services for another;

(c) Amounts realized from another's use or possession of the taxpayer's property or capital;

(d) Any combination of the foregoing amounts.

(2) "Gross receipts" excludes the following amounts:

(a) Interest income except interest on credit sales;

(b) Dividends and distributions from corporations, and distributive or proportionate shares of receipts and income from a pass-through entity as defined under section 5733.04 of the Revised Code;

(c) Receipts from the sale, exchange, or other disposition of an asset described in section 1221 or 1231 of the Internal Revenue Code, without regard to the length of time the person held the asset. Notwithstanding section 1221 of the Internal Revenue Code, receipts from hedging transactions also are excluded to the extent the transactions are entered into primarily to protect a financial position, such as managing the risk of exposure to (i) foreign currency fluctuations that

affect assets, liabilities, profits, losses, equity, or 12370  
investments in foreign operations; (ii) interest rate 12371  
fluctuations; or (iii) commodity price fluctuations. As used in 12372  
division (F) (2) (c) of this section, "hedging transaction" has 12373  
the same meaning as used in section 1221 of the Internal Revenue 12374  
Code and also includes transactions accorded hedge accounting 12375  
treatment under statement of financial accounting standards 12376  
number 133 of the financial accounting standards board. For the 12377  
purposes of division (F) (2) (c) of this section, the actual 12378  
transfer of title of real or tangible personal property to 12379  
another entity is not a hedging transaction. 12380

(d) Proceeds received attributable to the repayment, 12381  
maturity, or redemption of the principal of a loan, bond, mutual 12382  
fund, certificate of deposit, or marketable instrument; 12383

(e) The principal amount received under a repurchase 12384  
agreement or on account of any transaction properly 12385  
characterized as a loan to the person; 12386

(f) Contributions received by a trust, plan, or other 12387  
arrangement, any of which is described in section 501(a) of the 12388  
Internal Revenue Code, or to which Title 26, Subtitle A, Chapter 12389  
1, Subchapter (D) of the Internal Revenue Code applies; 12390

(g) Compensation, whether current or deferred, and whether 12391  
in cash or in kind, received or to be received by an employee, 12392  
former employee, or the employee's legal successor for services 12393  
rendered to or for an employer, including reimbursements 12394  
received by or for an individual for medical or education 12395  
expenses, health insurance premiums, or employee expenses, or on 12396  
account of a dependent care spending account, legal services 12397  
plan, any cafeteria plan described in section 125 of the 12398  
Internal Revenue Code, or any similar employee reimbursement; 12399

(h) Proceeds received from the issuance of the taxpayer's own stock, options, warrants, puts, or calls, or from the sale of the taxpayer's treasury stock;	12400 12401 12402
(i) Proceeds received on the account of payments from insurance policies, except those proceeds received for the loss of business revenue;	12403 12404 12405
(j) Gifts or charitable contributions received; membership dues received by trade, professional, homeowners', or condominium associations; and payments received for educational courses, meetings, meals, or similar payments to a trade, professional, or other similar association; and fundraising receipts received by any person when any excess receipts are donated or used exclusively for charitable purposes;	12406 12407 12408 12409 12410 12411 12412
(k) Damages received as the result of litigation in excess of amounts that, if received without litigation, would be gross receipts;	12413 12414 12415
(l) Property, money, and other amounts received or acquired by an agent on behalf of another in excess of the agent's commission, fee, or other remuneration;	12416 12417 12418
(m) Tax refunds, other tax benefit recoveries, and reimbursements for the tax imposed under this chapter made by entities that are part of the same combined taxpayer or consolidated elected taxpayer group, and reimbursements made by entities that are not members of a combined taxpayer or consolidated elected taxpayer group that are required to be made for economic parity among multiple owners of an entity whose tax obligation under this chapter is required to be reported and paid entirely by one owner, pursuant to the requirements of sections 5751.011 and 5751.012 of the Revised Code;	12419 12420 12421 12422 12423 12424 12425 12426 12427 12428

(n) Pension reversions;	12429
(o) Contributions to capital;	12430
(p) Sales or use taxes collected as a vendor or an out-of-state seller on behalf of the taxing jurisdiction from a consumer or other taxes the taxpayer is required by law to collect directly from a purchaser and remit to a local, state, or federal tax authority;	12431 12432 12433 12434 12435
(q) In the case of receipts from the sale of cigarettes, tobacco products, or vapor products by a wholesale dealer, retail dealer, distributor, manufacturer, vapor distributor, or seller, all as defined in section 5743.01 of the Revised Code, an amount equal to the federal and state excise taxes paid by any person on or for such cigarettes, tobacco products, or vapor products under subtitle E of the Internal Revenue Code or Chapter 5743. of the Revised Code;	12436 12437 12438 12439 12440 12441 12442 12443
(r) In the case of receipts from the sale, transfer, exchange, or other disposition of motor fuel as "motor fuel" is defined in section 5736.01 of the Revised Code, an amount equal to the value of the motor fuel, including federal and state motor fuel excise taxes and receipts from billing or invoicing the tax imposed under section 5736.02 of the Revised Code to another person;	12444 12445 12446 12447 12448 12449 12450
(s) In the case of receipts from the sale of beer or intoxicating liquor, as defined in section 4301.01 of the Revised Code, by a person holding a permit issued under Chapter 4301. or 4303. of the Revised Code, an amount equal to federal and state excise taxes paid by any person on or for such beer or intoxicating liquor under subtitle E of the Internal Revenue Code or Chapter 4301. or 4305. of the Revised Code;	12451 12452 12453 12454 12455 12456 12457

(t) Receipts realized by a new motor vehicle dealer or 12458  
used motor vehicle dealer, as defined in section 4517.01 of the 12459  
Revised Code, from the sale or other transfer of a motor 12460  
vehicle, as defined in that section, to another motor vehicle 12461  
dealer for the purpose of resale by the transferee motor vehicle 12462  
dealer, but only if the sale or other transfer was based upon 12463  
the transferee's need to meet a specific customer's preference 12464  
for a motor vehicle; 12465

(u) Receipts from a financial institution described in 12466  
division (E) (3) of this section for services provided to the 12467  
financial institution in connection with the issuance, 12468  
processing, servicing, and management of loans or credit 12469  
accounts, if such financial institution and the recipient of 12470  
such receipts have at least fifty per cent of their ownership 12471  
interests owned or controlled, directly or constructively 12472  
through related interests, by common owners; 12473

(v) Receipts realized from administering anti-neoplastic 12474  
drugs and other cancer chemotherapy, biologicals, therapeutic 12475  
agents, and supportive drugs in a physician's office to patients 12476  
with cancer; 12477

(w) Funds received or used by a mortgage broker that is 12478  
not a dealer in intangibles, other than fees or other 12479  
consideration, pursuant to a table-funding mortgage loan or 12480  
warehouse-lending mortgage loan. Terms used in division (F) (2) 12481  
(w) of this section have the same meanings as in section 1322.01 12482  
of the Revised Code, except "mortgage broker" means a person 12483  
assisting a buyer in obtaining a mortgage loan for a fee or 12484  
other consideration paid by the buyer or a lender, or a person 12485  
engaged in table-funding or warehouse-lending mortgage loans 12486  
that are first lien mortgage loans. 12487

(x) Property, money, and other amounts received by a professional employer organization, as defined in section 4125.01 of the Revised Code, from a client employer, as defined in that section, in excess of the administrative fee charged by the professional employer organization to the client employer;	12488 12489 12490 12491 12492
(y) In the case of amounts retained as commissions by a permit holder under Chapter 3769. of the Revised Code, an amount equal to the amounts specified under that chapter that must be paid to or collected by the tax commissioner as a tax and the amounts specified under that chapter to be used as purse money;	12493 12494 12495 12496 12497
(z) Qualifying distribution center receipts.	12498
(i) For purposes of division (F)(2)(z) of this section:	12499
(I) "Qualifying distribution center receipts" means receipts of a supplier from qualified property that is delivered to a qualified distribution center, multiplied by a quantity that equals one minus the Ohio delivery percentage. If the qualified distribution center is a refining facility, "supplier" includes all dealers, brokers, processors, sellers, vendors, cosigners, and distributors of qualified property.	12500 12501 12502 12503 12504 12505 12506
(II) "Qualified property" means tangible personal property delivered to a qualified distribution center that is shipped to that qualified distribution center solely for further shipping by the qualified distribution center to another location in this state or elsewhere or, in the case of gold, silver, platinum, or palladium delivered to a refining facility solely for refining to a grade and fineness acceptable for delivery to a registered commodities exchange. "Further shipping" includes storing and repackaging property into smaller or larger bundles, so long as the property is not subject to further manufacturing or	12507 12508 12509 12510 12511 12512 12513 12514 12515 12516

processing. "Refining" is limited to extracting impurities from 12517  
gold, silver, platinum, or palladium through smelting or some 12518  
other process at a refining facility. 12519

(III) "Qualified distribution center" means a warehouse, a 12520  
facility similar to a warehouse, or a refining facility in this 12521  
state that, for the qualifying year, is operated by a person 12522  
that is not part of a combined taxpayer group and that has a 12523  
qualifying certificate. All warehouses or facilities similar to 12524  
warehouses that are operated by persons in the same taxpayer 12525  
group and that are located within one mile of each other shall 12526  
be treated as one qualified distribution center. All refining 12527  
facilities that are operated by persons in the same taxpayer 12528  
group and that are located in the same or adjacent counties may 12529  
be treated as one qualified distribution center. 12530

(IV) "Qualifying year" means the calendar year to which 12531  
the qualifying certificate applies. 12532

(V) "Qualifying period" means the period of the first day 12533  
of July of the second year preceding the qualifying year through 12534  
the thirtieth day of June of the year preceding the qualifying 12535  
year. 12536

(VI) "Qualifying certificate" means the certificate issued 12537  
by the tax commissioner after the operator of a distribution 12538  
center files an annual application with the commissioner. The 12539  
application and annual fee shall be filed and paid for each 12540  
qualified distribution center on or before the first day of 12541  
September before the qualifying year or within forty-five days 12542  
after the distribution center opens, whichever is later. 12543

The applicant must substantiate to the commissioner's 12544  
satisfaction that, for the qualifying period, all persons 12545

operating the distribution center have more than fifty per cent 12546  
of the cost of the qualified property shipped to a location such 12547  
that it would be situated outside this state under the provisions 12548  
of division (E) of section 5751.033 of the Revised Code. The 12549  
applicant must also substantiate that the distribution center 12550  
cumulatively had costs from its suppliers equal to or exceeding 12551  
five hundred million dollars during the qualifying period. (For 12552  
purposes of division (F) (2) (z) (i) (VI) of this section, 12553  
"supplier" excludes any person that is part of the consolidated 12554  
elected taxpayer group, if applicable, of the operator of the 12555  
qualified distribution center.) The commissioner may require the 12556  
applicant to have an independent certified public accountant 12557  
certify that the calculation of the minimum thresholds required 12558  
for a qualified distribution center by the operator of a 12559  
distribution center has been made in accordance with generally 12560  
accepted accounting principles. The commissioner shall issue or 12561  
deny the issuance of a certificate within sixty days after the 12562  
receipt of the application. A denial is subject to appeal under 12563  
section 5717.02 of the Revised Code. If the operator files a 12564  
timely appeal under section 5717.02 of the Revised Code, the 12565  
operator shall be granted a qualifying certificate effective for 12566  
the remainder of the qualifying year or until the appeal is 12567  
finalized, whichever is earlier. If the operator does not 12568  
prevail in the appeal, the operator shall pay the ineligible 12569  
operator's supplier tax liability. 12570

(VII) "Ohio delivery percentage" means the proportion of 12571  
the total property delivered to a destination inside Ohio from 12572  
the qualified distribution center during the qualifying period 12573  
compared with total deliveries from such distribution center 12574  
everywhere during the qualifying period. 12575

(VIII) "Refining facility" means one or more buildings 12576

located in a county in the Appalachian region of this state as 12577  
defined by section 107.21 of the Revised Code and utilized for 12578  
refining or smelting gold, silver, platinum, or palladium to a 12579  
grade and fineness acceptable for delivery to a registered 12580  
commodities exchange. 12581

(IX) "Registered commodities exchange" means a board of 12582  
trade, such as New York mercantile exchange, inc. or commodity 12583  
exchange, inc., designated as a contract market by the commodity 12584  
futures trading commission under the "Commodity Exchange Act," 7 12585  
U.S.C. 1 et seq., as amended. 12586

(X) "Ineligible operator's supplier tax liability" means 12587  
an amount equal to the tax liability of all suppliers of a 12588  
distribution center had the distribution center not been issued 12589  
a qualifying certificate for the qualifying year. Ineligible 12590  
operator's supplier tax liability shall not include interest or 12591  
penalties. The tax commissioner shall determine an ineligible 12592  
operator's supplier tax liability based on information that the 12593  
commissioner may request from the operator of the distribution 12594  
center. An operator shall provide a list of all suppliers of the 12595  
distribution center and the corresponding costs of qualified 12596  
property for the qualifying year at issue within sixty days of a 12597  
request by the commissioner under this division. 12598

(ii) (I) If the distribution center is new and was not open 12599  
for the entire qualifying period, the operator of the 12600  
distribution center may request that the commissioner grant a 12601  
qualifying certificate. If the certificate is granted and it is 12602  
later determined that more than fifty per cent of the qualified 12603  
property during that year was not shipped to a location such 12604  
that it would be situated outside of this state under the 12605  
provisions of division (E) of section 5751.033 of the Revised 12606

Code or if it is later determined that the person that operates 12607  
the distribution center had average monthly costs from its 12608  
suppliers of less than forty million dollars during that year, 12609  
then the operator of the distribution center shall pay the 12610  
ineligible operator's supplier tax liability. (For purposes of 12611  
division (F) (2) (z) (ii) of this section, "supplier" excludes any 12612  
person that is part of the consolidated elected taxpayer group, 12613  
if applicable, of the operator of the qualified distribution 12614  
center.) 12615

(II) The commissioner may grant a qualifying certificate 12616  
to a distribution center that does not qualify as a qualified 12617  
distribution center for an entire qualifying period if the 12618  
operator of the distribution center demonstrates that the 12619  
business operations of the distribution center have changed or 12620  
will change such that the distribution center will qualify as a 12621  
qualified distribution center within thirty-six months after the 12622  
date the operator first applies for a certificate. If, at the 12623  
end of that thirty-six-month period, the business operations of 12624  
the distribution center have not changed such that the 12625  
distribution center qualifies as a qualified distribution 12626  
center, the operator of the distribution center shall pay the 12627  
ineligible operator's supplier tax liability for each year that 12628  
the distribution center received a certificate but did not 12629  
qualify as a qualified distribution center. For each year the 12630  
distribution center receives a certificate under division (F) (2) 12631  
(z) (ii) (II) of this section, the distribution center shall pay 12632  
all applicable fees required under division (F) (2) (z) of this 12633  
section and shall submit an updated business plan showing the 12634  
progress the distribution center made toward qualifying as a 12635  
qualified distribution center during the preceding year. 12636

(III) An operator may appeal a determination under 12637

division (F) (2) (z) (ii) (I) or (II) of this section that the 12638  
ineligible operator is liable for the operator's supplier tax 12639  
liability as a result of not qualifying as a qualified 12640  
distribution center, as provided in section 5717.02 of the 12641  
Revised Code. 12642

(iii) When filing an application for a qualifying 12643  
certificate under division (F) (2) (z) (i) (VI) of this section, the 12644  
operator of a qualified distribution center also shall provide 12645  
documentation, as the commissioner requires, for the 12646  
commissioner to ascertain the Ohio delivery percentage. The 12647  
commissioner, upon issuing the qualifying certificate, also 12648  
shall certify the Ohio delivery percentage. The operator of the 12649  
qualified distribution center may appeal the commissioner's 12650  
certification of the Ohio delivery percentage in the same manner 12651  
as an appeal is taken from the denial of a qualifying 12652  
certificate under division (F) (2) (z) (i) (VI) of this section. 12653

(iv) (I) In the case where the distribution center is new 12654  
and not open for the entire qualifying period, the operator 12655  
shall make a good faith estimate of an Ohio delivery percentage 12656  
for use by suppliers in their reports of taxable gross receipts 12657  
for the remainder of the qualifying period. The operator of the 12658  
facility shall disclose to the suppliers that such Ohio delivery 12659  
percentage is an estimate and is subject to recalculation. By 12660  
the due date of the next application for a qualifying 12661  
certificate, the operator shall determine the actual Ohio 12662  
delivery percentage for the estimated qualifying period and 12663  
proceed as provided in division (F) (2) (z) (iii) of this section 12664  
with respect to the calculation and recalculation of the Ohio 12665  
delivery percentage. The supplier is required to file, within 12666  
sixty days after receiving notice from the operator of the 12667  
qualified distribution center, amended reports for the impacted 12668

calendar quarter or quarters or calendar year, whichever the case may be. Any additional tax liability or tax overpayment shall be subject to interest but shall not be subject to the imposition of any penalty so long as the amended returns are timely filed.

(II) The operator of a distribution center that receives a qualifying certificate under division (F) (2) (z) (ii) (II) of this section shall make a good faith estimate of the Ohio delivery percentage that the operator estimates will apply to the distribution center at the end of the thirty-six-month period after the operator first applied for a qualifying certificate under that division. The result of the estimate shall be multiplied by a factor of one and seventy-five one-hundredths. The product of that calculation shall be the Ohio delivery percentage used by suppliers in their reports of taxable gross receipts for each qualifying year that the distribution center receives a qualifying certificate under division (F) (2) (z) (ii) (II) of this section, except that, if the product is less than five per cent, the Ohio delivery percentage used shall be five per cent and that, if the product exceeds forty-nine per cent, the Ohio delivery percentage used shall be forty-nine per cent.

(v) Qualifying certificates and Ohio delivery percentages issued by the commissioner shall be open to public inspection and shall be timely published by the commissioner. A supplier relying in good faith on a certificate issued under this division shall not be subject to tax on the qualifying distribution center receipts under division (F) (2) (z) of this section. An operator receiving a qualifying certificate is liable for the ineligible operator's supplier tax liability for each year the operator received a certificate but did not qualify as a qualified distribution center.

(vi) The annual fee for a qualifying certificate shall be 12700  
one hundred thousand dollars for each qualified distribution 12701  
center. If a qualifying certificate is not issued, the annual 12702  
fee is subject to refund after the exhaustion of all appeals 12703  
provided for in division (F) (2) (z) (i) (VI) of this section. The 12704  
first one hundred thousand dollars of the annual application 12705  
fees collected each calendar year shall be credited to the 12706  
revenue enhancement fund. The remainder of the annual 12707  
application fees collected shall be distributed in the same 12708  
manner required under section 5751.20 of the Revised Code. 12709

(vii) The tax commissioner may require that adequate 12710  
security be posted by the operator of the distribution center on 12711  
appeal when the commissioner disagrees that the applicant has 12712  
met the minimum thresholds for a qualified distribution center 12713  
as set forth in division (F) (2) (z) of this section. 12714

(aa) Receipts of an employer from payroll deductions 12715  
relating to the reimbursement of the employer for advancing 12716  
moneys to an unrelated third party on an employee's behalf; 12717

(bb) Cash discounts allowed and taken; 12718

(cc) Returns and allowances; 12719

(dd) Bad debts from receipts on the basis of which the tax 12720  
imposed by this chapter was paid in a prior quarterly tax 12721  
payment period. For the purpose of this division, "bad debts" 12722  
means any debts that have become worthless or uncollectible 12723  
between the preceding and current quarterly tax payment periods, 12724  
have been uncollected for at least six months, and that may be 12725  
claimed as a deduction under section 166 of the Internal Revenue 12726  
Code and the regulations adopted under that section, or that 12727  
could be claimed as such if the taxpayer kept its accounts on 12728

the accrual basis. "Bad debts" does not include repossessed 12729  
property, uncollectible amounts on property that remains in the 12730  
possession of the taxpayer until the full purchase price is 12731  
paid, or expenses in attempting to collect any account 12732  
receivable or for any portion of the debt recovered; 12733

(ee) Any amount realized from the sale of an account 12734  
receivable to the extent the receipts from the underlying 12735  
transaction giving rise to the account receivable were included 12736  
in the gross receipts of the taxpayer; 12737

(ff) Any receipts directly attributed to a transfer 12738  
agreement or to the enterprise transferred under that agreement 12739  
under section 4313.02 of the Revised Code. 12740

(gg) (i) As used in this division: 12741

(I) "Qualified uranium receipts" means receipts from the 12742  
sale, exchange, lease, loan, production, processing, or other 12743  
disposition of uranium within a uranium enrichment zone 12744  
certified by the tax commissioner under division (F) (2) (gg) (ii) 12745  
of this section. "Qualified uranium receipts" does not include 12746  
any receipts with a situs in this state outside a uranium 12747  
enrichment zone certified by the tax commissioner under division 12748  
(F) (2) (gg) (ii) of this section. 12749

(II) "Uranium enrichment zone" means all real property 12750  
that is part of a uranium enrichment facility licensed by the 12751  
United States nuclear regulatory commission and that was or is 12752  
owned or controlled by the United States department of energy or 12753  
its successor. 12754

(ii) Any person that owns, leases, or operates real or 12755  
tangible personal property constituting or located within a 12756  
uranium enrichment zone may apply to the tax commissioner to 12757

have the uranium enrichment zone certified for the purpose of 12758  
excluding qualified uranium receipts under division (F) (2) (gg) 12759  
of this section. The application shall include such information 12760  
that the tax commissioner prescribes. Within sixty days after 12761  
receiving the application, the tax commissioner shall certify 12762  
the zone for that purpose if the commissioner determines that 12763  
the property qualifies as a uranium enrichment zone as defined 12764  
in division (F) (2) (gg) of this section, or, if the tax 12765  
commissioner determines that the property does not qualify, the 12766  
commissioner shall deny the application or request additional 12767  
information from the applicant. If the tax commissioner denies 12768  
an application, the commissioner shall state the reasons for the 12769  
denial. The applicant may appeal the denial of an application to 12770  
the board of tax appeals pursuant to section 5717.02 of the 12771  
Revised Code. If the applicant files a timely appeal, the tax 12772  
commissioner shall conditionally certify the applicant's 12773  
property. The conditional certification shall expire when all of 12774  
the applicant's appeals are exhausted. Until final resolution of 12775  
the appeal, the applicant shall retain the applicant's records 12776  
in accordance with section 5751.12 of the Revised Code, 12777  
notwithstanding any time limit on the preservation of records 12778  
under that section. 12779

(hh) In the case of amounts collected by a licensed casino 12780  
operator from casino gaming, amounts in excess of the casino 12781  
operator's gross casino revenue. In this division, "casino 12782  
operator" and "casino gaming" have the meanings defined in 12783  
section 3772.01 of the Revised Code, and "gross casino revenue" 12784  
has the meaning defined in section 5753.01 of the Revised Code. 12785

(ii) Receipts realized from the sale of agricultural 12786  
commodities by an agricultural commodity handler, both as 12787  
defined in section 926.01 of the Revised Code, that is licensed 12788

by the director of agriculture to handle agricultural 12789  
commodities in this state. 12790

(jj) Qualifying integrated supply chain receipts. 12791

As used in division (F) (2) (jj) of this section: 12792

(i) "Qualifying integrated supply chain receipts" means 12793  
receipts of a qualified integrated supply chain vendor from the 12794  
sale of qualified property delivered to, or integrated supply 12795  
chain services provided to, another qualified integrated supply 12796  
chain vendor or to a retailer that is a member of the integrated 12797  
supply chain. "Qualifying integrated supply chain receipts" does 12798  
not include receipts of a person that is not a qualified 12799  
integrated supply chain vendor from the sale of raw materials to 12800  
a member of an integrated supply chain, or receipts of a member 12801  
of an integrated supply chain from the sale of qualified 12802  
property or integrated supply chain services to a person that is 12803  
not a member of the integrated supply chain. 12804

(ii) "Qualified property" means any of the following: 12805

(I) Component parts used to hold, contain, package, or 12806  
dispense qualified products, excluding equipment; 12807

(II) Work-in-process inventory that will become, comprise, 12808  
or form a component part of a qualified product capable of being 12809  
sold at retail, excluding equipment, machinery, furniture, and 12810  
fixtures; 12811

(III) Finished goods inventory that is a qualified product 12812  
capable of being sold at retail in the inventory's present form. 12813

(iii) "Qualified integrated supply chain vendor" means a 12814  
person that is a member of an integrated supply chain and that 12815  
provides integrated supply chain services within a qualified 12816

integrated supply chain district to a retailer that is a member 12817  
of the integrated supply chain or to another qualified 12818  
integrated supply chain vendor that is located within the same 12819  
such district as the person but does not share a common owner 12820  
with that person. 12821

(iv) "Qualified product" means a personal care, health, or 12822  
beauty product or an aromatic product, including a candle. 12823  
"Qualified product" does not include a drug that may be 12824  
dispensed only pursuant to a prescription, durable medical 12825  
equipment, mobility enhancing equipment, or a prosthetic device, 12826  
as those terms are defined in section 5739.01 of the Revised 12827  
Code. 12828

(v) "Integrated supply chain" means two or more qualified 12829  
integrated supply chain vendors certified on the most recent 12830  
list certified to the tax commissioner under this division that 12831  
systematically collaborate and coordinate business operations 12832  
with a retailer on the flow of tangible personal property from 12833  
material sourcing through manufacturing, assembly, packaging, 12834  
and delivery to the retailer to improve long-term financial 12835  
performance of each vendor and the supply chain that includes 12836  
the retailer. 12837

For the purpose of the certification required under this 12838  
division, the reporting person for each retailer, on or before 12839  
the first day of October of each year, shall certify to the tax 12840  
commissioner a list of the qualified integrated supply chain 12841  
vendors providing or receiving integrated supply chain services 12842  
within a qualified integrated supply chain district for the 12843  
ensuing calendar year. On or before the following first day of 12844  
November, the commissioner shall issue a certificate to the 12845  
retailer and to each vendor certified to the commissioner on 12846

that list. The certificate shall include the names of the 12847  
retailer and of the qualified integrated supply chain vendors. 12848

The retailer shall notify the commissioner of any changes 12849  
to the list, including additions to or subtractions from the 12850  
list or changes in the name or legal entity of vendors certified 12851  
on the list, within sixty days after the date the retailer 12852  
becomes aware of the change. Within thirty days after receiving 12853  
that notification, the commissioner shall issue a revised 12854  
certificate to the retailer and to each vendor certified on the 12855  
list. The revised certificate shall include the effective date 12856  
of the change. 12857

Each recipient of a certificate issued pursuant to this 12858  
division shall maintain a copy of the certificate for four years 12859  
from the date the certificate was received. 12860

(vi) "Integrated supply chain services" means procuring 12861  
raw materials or manufacturing, processing, refining, 12862  
assembling, packaging, or repackaging tangible personal property 12863  
that will become finished goods inventory capable of being sold 12864  
at retail by a retailer that is a member of an integrated supply 12865  
chain. 12866

(vii) "Retailer" means a person primarily engaged in 12867  
making retail sales and any member of that person's consolidated 12868  
elected taxpayer group or combined taxpayer group, whether or 12869  
not that member is primarily engaged in making retail sales. 12870

(viii) "Qualified integrated supply chain district" means 12871  
the parcel or parcels of land from which a retailer's integrated 12872  
supply chain that existed on September 29, 2015, provides or 12873  
receives integrated supply chain services, and to which all of 12874  
the following apply: 12875

(I) The parcel or parcels are located wholly in a county 12876  
having a population of greater than one hundred sixty-five 12877  
thousand but less than one hundred seventy thousand based on the 12878  
2010 federal decennial census. 12879

(II) The parcel or parcels are located wholly in the 12880  
corporate limits of a municipal corporation with a population 12881  
greater than seven thousand five hundred and less than eight 12882  
thousand based on the 2010 federal decennial census that is 12883  
partly located in the county described in division (F) (2) (jj) 12884  
(viii) (I) of this section, as those corporate limits existed on 12885  
September 29, 2015. 12886

(III) The aggregate acreage of the parcel or parcels 12887  
equals or exceeds one hundred acres. 12888

(kk) In the case of a railroad company described in 12889  
division (D) (9) of section 5727.01 of the Revised Code that 12890  
purchases dyed diesel fuel directly from a supplier as defined 12891  
by section 5736.01 of the Revised Code, an amount equal to the 12892  
product of the number of gallons of dyed diesel fuel purchased 12893  
directly from such a supplier multiplied by the average 12894  
wholesale price for a gallon of diesel fuel as determined under 12895  
section 5736.02 of the Revised Code for the period during which 12896  
the fuel was purchased multiplied by a fraction, the numerator 12897  
of which equals the rate of tax levied by section 5736.02 of the 12898  
Revised Code less the rate of tax computed in section 5751.03 of 12899  
the Revised Code, and the denominator of which equals the rate 12900  
of tax computed in section 5751.03 of the Revised Code. 12901

(ll) Receipts realized by an out-of-state disaster 12902  
business from disaster work conducted in this state during a 12903  
disaster response period pursuant to a qualifying solicitation 12904  
received by the business. Terms used in division (F) (2) (ll) of 12905

this section have the same meanings as in section 5703.94 of the Revised Code. 12906  
12907

(mm) Any receipts for which the tax imposed by this chapter is prohibited by the constitution or laws of the United States or the constitution of this state. 12908  
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(3) In the case of a taxpayer when acting as a real estate broker, "gross receipts" includes only the portion of any fee for the service of a real estate broker, or service of a real estate salesperson associated with that broker, that is retained by the broker and not paid to an associated real estate salesperson or another real estate broker. For the purposes of this division, "real estate broker" and "real estate salesperson" have the same meanings as in section 4735.01 of the Revised Code. 12911  
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(4) A taxpayer's method of accounting for gross receipts for a tax period shall be the same as the taxpayer's method of accounting for federal income tax purposes for the taxpayer's federal taxable year that includes the tax period. If a taxpayer's method of accounting for federal income tax purposes changes, its method of accounting for gross receipts under this chapter shall be changed accordingly. 12920  
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(G) "Taxable gross receipts" means gross receipts situated to this state under section 5751.033 of the Revised Code. 12927  
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(H) A person has "substantial nexus with this state" if any of the following applies. The person: 12929  
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(1) Owns or uses a part or all of its capital in this state; 12931  
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(2) Holds a certificate of compliance with the laws of this state authorizing the person to do business in this state; 12933  
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(3) Has bright-line presence in this state;	12935
(4) Otherwise has nexus with this state to an extent that the person can be required to remit the tax imposed under this chapter under the Constitution of the United States.	12936 12937 12938
(I) A person has "bright-line presence" in this state for a reporting period and for the remaining portion of the calendar year if any of the following applies. The person:	12939 12940 12941
(1) Has at any time during the calendar year property in this state with an aggregate value of at least fifty thousand dollars. For the purpose of division (I) (1) of this section, owned property is valued at original cost and rented property is valued at eight times the net annual rental charge.	12942 12943 12944 12945 12946
(2) Has during the calendar year payroll in this state of at least fifty thousand dollars. Payroll in this state includes all of the following:	12947 12948 12949
(a) Any amount subject to withholding by the person under section 5747.06 of the Revised Code;	12950 12951
(b) Any other amount the person pays as compensation to an individual under the supervision or control of the person for work done in this state; and	12952 12953 12954
(c) Any amount the person pays for services performed in this state on its behalf by another.	12955 12956
(3) Has during the calendar year taxable gross receipts of at least five hundred thousand dollars.	12957 12958
(4) Has at any time during the calendar year within this state at least twenty-five per cent of the person's total property, total payroll, or total gross receipts.	12959 12960 12961

(5) Is domiciled in this state as an individual or for corporate, commercial, or other business purposes.	12962 12963
(J) "Tangible personal property" has the same meaning as in section 5739.01 of the Revised Code.	12964 12965
(K) "Internal Revenue Code" means the Internal Revenue Code of 1986, 100 Stat. 2085, 26 U.S.C. 1, as amended. Any term used in this chapter that is not otherwise defined has the same meaning as when used in a comparable context in the laws of the United States relating to federal income taxes unless a different meaning is clearly required. Any reference in this chapter to the Internal Revenue Code includes other laws of the United States relating to federal income taxes.	12966 12967 12968 12969 12970 12971 12972 12973
(L) "Calendar quarter" means a three-month period ending on the thirty-first day of March, the thirtieth day of June, the thirtieth day of September, or the thirty-first day of December.	12974 12975 12976
(M) "Tax period" means the calendar quarter or calendar year on the basis of which a taxpayer is required to pay the tax imposed under this chapter.	12977 12978 12979
(N) "Calendar year taxpayer" means a taxpayer for which the tax period is a calendar year.	12980 12981
(O) "Calendar quarter taxpayer" means a taxpayer for which the tax period is a calendar quarter.	12982 12983
(P) "Agent" means a person authorized by another person to act on its behalf to undertake a transaction for the other, including any of the following:	12984 12985 12986
(1) A person receiving a fee to sell financial instruments;	12987 12988
(2) A person retaining only a commission from a	12989

transaction with the other proceeds from the transaction being	12990
remitted to another person;	12991
(3) A person issuing licenses and permits under section	12992
1533.13 of the Revised Code;	12993
(4) A lottery sales agent holding a valid license issued	12994
under section 3770.05 of the Revised Code;	12995
(5) A person acting as an agent of the division of liquor	12996
control under section 4301.17 of the Revised Code.	12997
(Q) "Received" includes amounts accrued under the accrual	12998
method of accounting.	12999
(R) "Reporting person" means a person in a consolidated	13000
elected taxpayer or combined taxpayer group that is designated	13001
by that group to legally bind the group for all filings and tax	13002
liabilities and to receive all legal notices with respect to	13003
matters under this chapter, or, for the purposes of section	13004
5751.04 of the Revised Code, a separate taxpayer that is not a	13005
member of such a group.	13006
<b>Section 2.</b> That existing sections 111.16, 122.16, 122.173,	13007
135.14, 135.142, 135.35, 150.05, 718.01, 1329.01, 1329.02,	13008
1701.03, 1701.05, 1701.791, 1702.05, 1702.411, 1703.04, 1729.36,	13009
1729.38, 1745.461, 1751.01, 1776.69, 1776.82, 1782.02, 1782.432,	13010
1785.09, 3345.203, 3964.03, 3964.17, 4701.14, 4703.18, 4703.331,	13011
4715.18, 4715.22, 4715.365, 4715.431, 4717.06, 4723.16, 4725.33,	13012
4729.161, 4729.541, 4731.226, 4731.228, 4732.28, 4733.16,	13013
4734.17, 4755.111, 4755.471, 4757.37, 5701.14, 5715.19, 5733.04,	13014
5733.33, 5733.42, 5747.01, and 5751.01 of the Revised Code are	13015
hereby repealed.	13016
<b>Section 3.</b> That sections 1705.01, 1705.02, 1705.03,	13017
1705.031, 1705.04, 1705.05, 1705.06, 1705.07, 1705.08, 1705.081,	13018

1705.09, 1705.10, 1705.11, 1705.12, 1705.13, 1705.14, 1705.15, 13019  
1705.16, 1705.161, 1705.17, 1705.18, 1705.19, 1705.20, 1705.21, 13020  
1705.22, 1705.23, 1705.24, 1705.25, 1705.26, 1705.27, 1705.28, 13021  
1705.281, 1705.282, 1705.29, 1705.291, 1705.292, 1705.30, 13022  
1705.31, 1705.32, 1705.33, 1705.34, 1705.35, 1705.36, 1705.361, 13023  
1705.37, 1705.371, 1705.38, 1705.381, 1705.39, 1705.391, 13024  
1705.40, 1705.41, 1705.42, 1705.43, 1705.44, 1705.45, 1705.46, 13025  
1705.47, 1705.48, 1705.49, 1705.50, 1705.51, 1705.52, 1705.53, 13026  
1705.54, 1705.55, 1705.56, 1705.57, 1705.58, and 1705.61 of the 13027  
Revised Code are hereby repealed. 13028

**Section 4.** Section 3 of this act shall take effect on 13029  
January 1, 2022. 13030

**Section 5.** The repeal of a statute by this act shall not 13031  
affect an action commenced, proceeding brought, or right accrued 13032  
prior to January 1, 2022. 13033

**Section 6.** The General Assembly, applying the principle 13034  
stated in division (B) of section 1.52 of the Revised Code that 13035  
amendments are to be harmonized if reasonably capable of 13036  
simultaneous operation, finds that the following sections, 13037  
presented in this act as composites of the sections as amended 13038  
by the acts indicated, are the resulting versions of the 13039  
sections in effect prior to the effective date of the sections 13040  
as presented in this act: 13041

Section 111.16 of the Revised Code as amended by both Sub. 13042  
H.B. 31 and Sub. H.B. 133 of the 132nd General Assembly. 13043

Section 135.35 of the Revised Code as amended by Am. Sub. 13044  
H.B. 49, Sub. H.B. 251, and S.B. 163, all of the 132 General 13045  
Assembly. 13046

Section 3345.203 of the Revised Code as amended by both 13047

Am. Sub. H.B. 384 and Sub. S.B. 3 of the 131st General Assembly.

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