

**As Reported by the House Civil Justice Committee**

**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 Representative Hambley**

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**A BILL**

To amend sections 111.16, 122.16, 122.173, 127.16, 1  
135.14, 135.142, 135.35, 150.05, 169.01, 169.03, 2  
169.08, 169.13, 718.01, 1329.01, 1329.02, 3  
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4735.24, 4755.111, 4755.471, 4757.37, 5701.14, 11  
5715.19, 5733.04, 5733.33, 5733.42, 5747.01, and 12  
5751.01; to enact sections 169.052, 1706.01, 13  
1706.02, 1706.03, 1706.04, 1706.05, 1706.06, 14  
1706.061, 1706.07, 1706.08, 1706.081, 1706.082, 15  
1706.09, 1706.16, 1706.161, 1706.17, 1706.171, 16  
1706.172, 1706.173, 1706.174, 1706.175, 1706.18, 17  
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1706.281, 1706.29, 1706.30, 1706.31, 1706.311, 19  
1706.32, 1706.33, 1706.331, 1706.332, 1706.34, 20  
1706.341, 1706.342, 1706.41, 1706.411, 1706.412, 21  
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1706.512, 1706.513, 1706.514, 1706.515, 1706.61,	24
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1706.615, 1706.616, 1706.617, 1706.62, 1706.71,	26
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1706.761, 1706.762, 1706.763, 1706.764,	29
1706.765, 1706.766, 1706.767, 1706.768,	30
1706.769, 1706.7610, 1706.7611, 1706.7612,	31
1706.7613, 1706.81, 1706.82, 1706.83, and	32
1706.84; and to repeal sections 1705.01,	33
1705.02, 1705.03, 1705.031, 1705.04, 1705.05,	34
1705.06, 1705.07, 1705.08, 1705.081, 1705.09,	35
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1705.46, 1705.47, 1705.48, 1705.49, 1705.50,	45
1705.51, 1705.52, 1705.53, 1705.54, 1705.55,	46
1705.56, 1705.57, 1705.58, and 1705.61 of the	47
Revised Code to enact the Ohio Revised Limited	48
Liability Company Act and to make changes to the	49
Unclaimed Funds Law.	50

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

**Section 1.** That sections 111.16, 122.16, 122.173, 135.14, 51  
135.142, 135.35, 150.05, 718.01, 1329.01, 1329.02, 1701.03, 52  
1701.05, 1701.791, 1702.05, 1702.411, 1703.04, 1729.36, 1729.38, 53  
1745.461, 1751.01, 1776.69, 1776.82, 1782.02, 1782.432, 1785.09, 54  
3345.203, 3964.03, 3964.17, 4701.14, 4703.18, 4703.331, 4715.18, 55  
4715.22, 4715.365, 4715.431, 4717.06, 4723.16, 4725.33, 56  
4729.161, 4729.541, 4731.226, 4731.228, 4732.28, 4733.16, 57  
4734.17, 4755.111, 4755.471, 4757.37, 5701.14, 5715.19, 5733.04, 58  
5733.33, 5733.42, 5747.01, and 5751.01 be amended and sections 59  
1706.01, 1706.02, 1706.03, 1706.04, 1706.05, 1706.06, 1706.061, 60  
1706.07, 1706.08, 1706.081, 1706.082, 1706.09, 1706.16, 61  
1706.161, 1706.17, 1706.171, 1706.172, 1706.173, 1706.174, 62  
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1706.411, 1706.412, 1706.46, 1706.461, 1706.47, 1706.471, 66  
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1706.512, 1706.513, 1706.514, 1706.515, 1706.61, 1706.611, 68  
1706.612, 1706.613, 1706.614, 1706.615, 1706.616, 1706.617, 69  
1706.62, 1706.71, 1706.711, 1706.712, 1706.713, 1706.72, 70  
1706.721, 1706.722, 1706.723, 1706.73, 1706.74, 1706.76, 71  
1706.761, 1706.762, 1706.763, 1706.764, 1706.765, 1706.766, 72  
1706.767, 1706.768, 1706.769, 1706.7610, 1706.7611, 1706.7612, 73  
1706.7613, 1706.81, 1706.82, 1706.83, and 1706.84 of the Revised 74  
Code be enacted to read as follows: 75

**Sec. 111.16.** Except as provided in section 1701.041 of the 76  
Revised Code, the secretary of state shall charge and collect, 77  
for the benefit of the state, the following fees: 78

(A) For filing and recording articles of incorporation of 79  
a domestic corporation, including designation of agent: 80

(1) Wherein the corporation shall not be authorized to issue any shares of capital stock, ninety-nine dollars;	81 82
(2) Wherein the corporation shall be authorized to issue shares of capital stock, with or without par value:	83 84
(a) Ten cents for each share authorized up to and including one thousand shares;	85 86
(b) Five cents for each share authorized in excess of one thousand shares up to and including ten thousand shares;	87 88
(c) Two cents for each share authorized in excess of ten thousand shares up to and including fifty thousand shares;	89 90
(d) One cent for each share authorized in excess of fifty thousand shares up to and including one hundred thousand shares;	91 92
(e) One-half cent for each share authorized in excess of one hundred thousand shares up to and including five hundred thousand shares;	93 94 95
(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.	96 97 98 99
(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:	100 101 102 103 104
(1) If the domestic corporation is not authorized to issue any shares of capital stock, fifty dollars;	105 106
(2) If the domestic corporation is authorized to issue	107

shares of capital stock, fifty dollars, and in case of any 108  
increase in the number of shares authorized to be issued, a 109  
further sum computed in accordance with the schedule set forth 110  
in division (A) (2) of this section less a credit computed in the 111  
same manner for the number of shares previously authorized to be 112  
issued by the corporation; provided no fee under division (B) (2) 113  
of this section shall be greater than one hundred thousand 114  
dollars; 115

(3) If the foreign corporation is not authorized to issue 116  
any shares of capital stock, fifty dollars; 117

(4) If the foreign corporation is authorized to issue 118  
shares of capital stock, fifty dollars. 119

(C) For filing and recording articles of incorporation of 120  
a savings and loan association, ninety-nine dollars; and for 121  
filing and recording a certificate of amendment to or amended 122  
articles of incorporation of a savings and loan association, 123  
fifty dollars; 124

(D) For filing and recording a certificate of conversion, 125  
including a designation of agent, a certificate of merger, or a 126  
certificate of consolidation, ninety-nine dollars and, in the 127  
case of any new corporation resulting from a consolidation or 128  
any surviving corporation that has an increased number of shares 129  
authorized to be issued resulting from a merger, an additional 130  
sum computed in accordance with the schedule set forth in 131  
division (A) (2) of this section less a credit computed in the 132  
same manner for the number of shares previously authorized to be 133  
issued or represented in this state by each of the corporations 134  
for which a consolidation or merger is effected by the 135  
certificate; 136

(E) For filing and recording articles of incorporation of a credit union or the American credit union guaranty association, ninety-nine dollars, and for filing and recording a certificate of increase in capital stock or any other amendment of the articles of incorporation of a credit union or the association, fifty dollars;	137 138 139 140 141 142
(F) For filing and recording articles of organization of a limited liability company, for filing and recording an application to become a registered foreign limited liability company, for filing and recording a registration application to become a domestic limited liability partnership, or for filing and recording an application to become a registered foreign limited liability partnership, ninety-nine dollars;	143 144 145 146 147 148 149
(G) For filing and recording a certificate of limited partnership or an application for registration as a foreign limited partnership, or for filing an initial statement of partnership authority pursuant to section 1776.33 of the Revised Code, ninety-nine dollars;	150 151 152 153 154
(H) For filing a copy of papers evidencing the incorporation of a municipal corporation or of annexation of territory by a municipal corporation, five dollars, to be paid by the municipal corporation, the petitioners therefor, or their agent;	155 156 157 158 159
(I) For filing and recording any of the following:	160
(1) A license to transact business in this state by a foreign corporation for profit pursuant to section 1703.04 of the Revised Code or a foreign nonprofit corporation pursuant to section 1703.27 of the Revised Code, ninety-nine dollars;	161 162 163 164
(2) A biennial report or biennial statement pursuant to	165

section 1775.63, 1776.83, or 1785.06 of the Revised Code,	166
twenty-five dollars;	167
(3) Except as otherwise provided in this section or any	168
other section of the Revised Code, any other certificate or	169
paper that is required to be filed and recorded or is permitted	170
to be filed and recorded by any provision of the Revised Code	171
with the secretary of state, twenty-five dollars.	172
(J) For filing any certificate or paper not required to be	173
recorded, five dollars;	174
(K) (1) For making copies of any certificate or other paper	175
filed in the office of the secretary of state, a fee not to	176
exceed one dollar per page, except as otherwise provided in the	177
Revised Code, and for creating and affixing the seal of the	178
office of the secretary of state to any good standing or other	179
certificate, five dollars. For copies of certificates or papers	180
required by state officers for official purpose, no charge shall	181
be made.	182
(2) For creating and affixing the seal of the office of	183
the secretary of state to the certificates described in division	184
(E) of section 1701.81, division (E) of section 1701.811,	185
division (E) of section 1705.38, division (E) of section	186
1705.381, division (D) of section 1702.43, division (E) of	187
section 1775.47, division (E) of section 1775.55, division (E)	188
of section 1776.70, division (E) of section 1776.74, division	189
(E) of section 1782.433, or division (E) of section 1782.4310 of	190
the Revised Code, twenty-five dollars.	191
(L) For a minister's license to solemnize marriages, ten	192
dollars;	193
(M) For examining documents to be filed at a later date	194

for the purpose of advising as to the acceptability of the	195
proposed filing, fifty dollars;	196
(N) Fifty dollars for filing and recording any of the	197
following:	198
(1) A certificate of dissolution and accompanying	199
documents, or a certificate of cancellation, under section	200
1701.86, 1702.47, 1705.43, <u>1706.471</u> , 1776.65, or 1782.10 of the	201
Revised Code;	202
(2) A notice of dissolution of a foreign licensed	203
corporation or a certificate of surrender of license by a	204
foreign licensed corporation under section 1703.17 of the	205
Revised Code;	206
(3) The withdrawal of registration of a foreign or	207
domestic limited liability partnership under section 1775.61,	208
1775.64, 1776.81, or 1776.86 of the Revised Code, or the	209
certificate of cancellation of registration of a foreign limited	210
liability company under section 1705.57 <u>or 1706.514</u> of the	211
Revised Code;	212
(4) The filing of a statement of denial under section	213
1776.34 of the Revised Code, a statement of dissociation under	214
section 1776.57 of the Revised Code, a statement of disclaimer	215
of general partner status under Chapter 1782. of the Revised	216
Code, or a cancellation of disclaimer of general partner status	217
under Chapter 1782. of the Revised Code.	218
(O) For filing a statement of continued existence by a	219
nonprofit corporation, twenty-five dollars;	220
(P) For filing a restatement under section 1705.08, <u>  </u>	221
<u>1706.161</u> , or 1782.09 of the Revised Code, an amendment to a	222
certificate of cancellation under section 1782.10 of the Revised	223

Code, an amendment under section 1705.08, <u>1706.161</u> , or 1782.09	224
of the Revised Code, or a correction under section 1705.55,	225
<u>1706.173, 1706.511, 1706.513, 1775.61, 1775.64, 1776.12, or</u>	226
1782.52 of the Revised Code, fifty dollars;	227
(Q) For filing for reinstatement of an entity cancelled by	228
operation of law, by the secretary of state, by order of the	229
department of taxation, or by order of a court, twenty-five	230
dollars;	231
(R) For filing and recording any of the following:	232
(1) A change of agent, resignation of agent, or change of	233
agent's address under section 1701.07, 1702.06, 1703.041,	234
1703.27, 1705.06, 1705.55, <u>1706.09</u> , 1746.04, 1747.03, 1776.07,	235
or 1782.04 of the Revised Code, twenty-five dollars;	236
(2) A multiple change of agent name or address,	237
standardization of agent address, or resignation of agent under	238
section 1701.07, 1702.06, 1703.041, 1703.27, 1705.06, 1705.55,	239
<u>1706.09</u> , 1746.04, 1747.03, 1776.07, or 1782.04 of the Revised	240
Code, one hundred twenty-five dollars, plus three dollars per	241
entity record being changed, by the multiple agent update.	242
(S) For filing and recording any of the following:	243
(1) An application for the exclusive right to use a name	244
or an application to reserve a name for future use under section	245
1701.05, 1702.05, 1703.31, 1705.05, <u>1706.07</u> , or 1746.06 of the	246
Revised Code, thirty-nine dollars;	247
(2) A trade name or fictitious name registration or	248
report, thirty-nine dollars;	249
(3) An application to renew any item covered by division	250
(S) (1) or (2) of this section that is permitted to be renewed,	251

twenty-five dollars;	252
(4) An assignment of rights for use of a name covered by	253
division (S) (1), (2), or (3) of this section, the cancellation	254
of a name registration or name reservation that is so covered,	255
or notice of a change of address of the registrant of a name	256
that is so covered, twenty-five dollars.	257
(T) For filing and recording a report to operate a	258
business trust or a real estate investment trust, either foreign	259
or domestic, ninety-nine dollars; and for filing and recording	260
an amendment to a report or associated trust instrument, or a	261
surrender of authority, to operate a business trust or real	262
estate investment trust, fifty dollars;	263
(U) (1) For filing and recording the registration of a	264
trademark, service mark, or mark of ownership, one hundred	265
twenty-five dollars;	266
(2) For filing and recording the change of address of a	267
registrant, the assignment of rights to a registration, a	268
renewal of a registration, or the cancellation of a registration	269
associated with a trademark, service mark, or mark of ownership,	270
twenty-five dollars.	271
(V) For filing a service of process with the secretary of	272
state, five dollars, except as otherwise provided in any section	273
of the Revised Code;	274
(W) For making, recording, and forwarding a commission	275
under section 107.06 of the Revised Code, the applicable fee	276
specified in that section.	277
Fees specified in this section may be paid by cash, check,	278
or money order, by credit card in accordance with section 113.40	279
of the Revised Code, or by an alternative payment program in	280

accordance with division (B) of section 111.18 of the Revised Code. Any credit card number or the expiration date of any credit card is not subject to disclosure under Chapter 149. of the Revised Code.

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

(1) "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:

(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.

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

(3) "Eligible costs associated with a voluntary action" means costs incurred during the qualifying period in performing a remedy or remedial activities, as defined in section 3746.01

of the Revised Code, and any costs incurred during the 309  
qualifying period in performing both a phase I and phase II 310  
property assessment, as defined in the rules adopted under 311  
section 3746.04 of the Revised Code, provided that the 312  
performance of the phase I and phase II property assessment 313  
resulted in the implementation of the remedy or remedial 314  
activities. 315

(4) "Inner city area" means, in a municipal corporation 316  
that has a population of at least one hundred thousand and does 317  
not meet the criteria of a labor surplus area or a distressed 318  
area, targeted investment areas established by the municipal 319  
corporation within its boundaries that are comprised of the most 320  
recent census block tracts that individually have at least 321  
twenty per cent of their population at or below the state 322  
poverty level or other census block tracts contiguous to such 323  
census block tracts. 324

(5) "Labor surplus area" means an area designated as a 325  
labor surplus area by the United States department of labor. 326

(6) "Official poverty line" has the same meaning as in 327  
division (A) of section 3923.51 of the Revised Code. 328

(7) "Partner" includes a member of a limited liability 329  
company formed under Chapter 1705. or 1706. of the Revised Code 330  
or under the laws of any other state if the limited liability 331  
company is not treated as a corporation for purposes of Chapter 332  
5733. of the Revised Code and is not classified as an 333  
association taxable as a corporation for federal income tax 334  
purposes. 335

(8) "Partnership" includes a limited liability company 336  
formed under Chapter 1705. or 1706. of the Revised Code or under 337

the laws of any other state if the limited liability company is 338  
not treated as a corporation for purposes of Chapter 5733. of 339  
the Revised Code and is not classified as an association taxable 340  
as a corporation for federal income tax purposes. 341

(9) "Qualifying period" means the period that begins July 342  
1, 1996, and ends June 30, 1999. 343

(10) "S corporation" means a corporation that has made an 344  
election under subchapter S of chapter one of subtitle A of the 345  
Internal Revenue Code for its taxable year under the Internal 346  
Revenue Code; 347

(11) "Situational distress area" means a county or a 348  
municipal corporation that has experienced or is experiencing a 349  
closing or downsizing of a major employer that will adversely 350  
affect the economy of the county or municipal corporation. In 351  
order for a county or municipal corporation to be designated as 352  
a situational distress area, the governing body of the county or 353  
municipal corporation shall submit a petition to the director of 354  
development in the form prescribed by the director. A county or 355  
municipal corporation may be designated as a situational 356  
distress area for a period not exceeding thirty-six months. 357

The petition shall include written documentation that 358  
demonstrates all of the following: 359

(a) The number of jobs lost by the closing or downsizing; 360

(b) The impact that the job loss has on the unemployment 361  
rate of the county or municipal corporation as measured by the 362  
director of job and family services; 363

(c) The annual payroll associated with the job loss; 364

(d) The amount of state and local taxes associated with 365

the job loss;	366
(e) The impact that the closing or downsizing has on the suppliers located in the county or municipal corporation.	367 368
(12) "Voluntary action" has the same meaning as in section 3746.01 of the Revised Code.	369 370
(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.	371 372 373 374
(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.	375 376 377 378
(15) "Eligible site" means property for which a covenant not to sue has been issued under section 3746.12 of the Revised Code.	379 380 381
(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	382 383 384 385 386 387 388 389 390 391 392 393 394

covenant not to sue has been issued. 395

The applicant shall request the certified professional 396  
that submitted the no further action letter for the eligible 397  
site under section 3746.11 of the Revised Code to submit an 398  
affidavit to the director of development verifying the eligible 399  
costs associated with the voluntary action at that site. 400

The director shall review the applications in the order 401  
they are received. If the director determines that the applicant 402  
meets the requirements of this section, the director may enter 403  
into an agreement granting a credit against the tax imposed by 404  
section 5733.06 or 5747.02 of the Revised Code. In making the 405  
determination, the director may consider the extent to which 406  
political subdivisions and other units of government will 407  
cooperate with the applicant to redevelop the eligible site. The 408  
agreement shall state the amount of the tax credit and the 409  
reporting requirements described in division (F) of this 410  
section. 411

(2) The maximum annual amount of credits the director of 412  
development may grant under such agreements shall be as follows: 413

1996 \$5,000,000 414

1997 \$10,000,000 415

1998 \$10,000,000 416

1999 \$5,000,000 417

For any year in which the director of development does not 418  
grant tax credits under this section equal to the maximum annual 419  
amount, the amount not granted for that year shall be added to 420  
the maximum annual amount that may be granted for the following 421  
year. However, the director shall not grant any tax credits 422

under this section after June 30, 1999.	423
(C) (1) If the covenant not to sue was issued in connection	424
with a site that is not located in an eligible area, the credit	425
amount is equal to the lesser of five hundred thousand dollars	426
or ten per cent of the eligible costs associated with a	427
voluntary action incurred by the taxpayer, partnership, or S	428
corporation.	429
(2) If a covenant not to sue was issued in connection with	430
a site that is located in an eligible area, the credit amount is	431
equal to the lesser of seven hundred fifty thousand dollars or	432
fifteen per cent of the eligible costs associated with a	433
voluntary action incurred by the taxpayer, partnership, or S	434
corporation.	435
(3) A taxpayer, partnership, or S corporation that has	436
been issued covenants not to sue under section 3746.12 of the	437
Revised Code for more than one site may apply to the director of	438
development to enter into more than one agreement granting a	439
credit against the tax imposed by section 5733.06 or 5747.02 of	440
the Revised Code.	441
(4) For each year for which a taxpayer, partnership, or S	442
corporation has been granted a credit under an agreement entered	443
into under this section, the director of development shall issue	444
a certificate to the taxpayer, partnership, or S corporation	445
indicating the amount of the credit the taxpayer, the partners	446
of the partnership, or the shareholders of the S corporation may	447
claim for that year, not including any amount that may be	448
carried forward from previous years under section 5733.34 of the	449
Revised Code.	450
(D) (1) Each agreement entered into under this section	451

shall incorporate a commitment by the taxpayer, partnership, or 452  
S corporation not to permit the use of an eligible site to cause 453  
the relocation of employment positions to that site from 454  
elsewhere in this state, except as otherwise provided in 455  
division (D)(2) of this section. The commitment shall be binding 456  
on the taxpayer, partnership, or S corporation for the lesser of 457  
five years from the date the agreement is entered into or the 458  
number of years the taxpayer, partnership, or S corporation is 459  
entitled to claim the tax credit under the agreement. 460

(2) An eligible site may be the site of employment 461  
positions relocated from elsewhere in this state if the director 462  
of development determines both of the following: 463

(a) That the site from which the employment positions 464  
would be relocated is inadequate to meet market and industry 465  
conditions, expansion plans, consolidation plans, or other 466  
business considerations affecting the relocating employer; 467

(b) That the governing body of the county, township, or 468  
municipal corporation from which the employment positions would 469  
be relocated has been notified of the possible relocation. 470

For purposes of this section, the movement of an 471  
employment position from one political subdivision to another 472  
political subdivision shall be considered a relocation of an 473  
employment position, but the transfer of an individual employee 474  
from one political subdivision to another political subdivision 475  
shall not be considered a relocation of an employment position 476  
as long as the individual's employment position in the first 477  
political subdivision is refilled. 478

(E) A taxpayer, partnership, or S corporation that has 479  
entered into an agreement granting a credit against the tax 480

imposed by section 5733.06 or 5747.02 of the Revised Code that 481  
subsequently recovers in a lawsuit or settlement of a lawsuit at 482  
least seventy-five per cent of the eligible costs associated 483  
with a voluntary action shall not claim any credit amount 484  
remaining, including any amounts carried forward from prior 485  
years, beginning with the taxable year in which the judgment in 486  
the lawsuit is entered or the settlement is finally agreed to. 487

Any amount of credit that a taxpayer, partnership, or S 488  
corporation may not claim by reason of this division shall not 489  
be considered to have been granted for the purpose of 490  
determining the total amount of credits that may be issued under 491  
division (B) (2) of this section. 492

(F) Each year for which a taxpayer, partnership, or S 493  
corporation claims a credit under section 5733.34 of the Revised 494  
Code, the taxpayer, partnership, or S corporation shall report 495  
the following to the director of development: 496

(1) The status of all cost recovery litigation described 497  
in division (E) of this section to which it was a party during 498  
the previous year; 499

(2) Confirmation that the covenant not to sue has not been 500  
revoked or has not been voided; 501

(3) Confirmation that the taxpayer, partnership, or S 502  
corporation has not permitted the eligible site to be used in 503  
such a manner as to cause the relocation of employment positions 504  
from elsewhere in this state in violation of the commitment 505  
required under division (D) of this section; 506

(4) Any other information the director of development 507  
requires to perform the director's duties under this section. 508

(G) The director of development shall annually certify, by 509

the first day of January of each year during the qualifying 510  
period, the eligible areas for the calendar year that includes 511  
that first day of January. 512

(H) The director of development, in accordance with 513  
Chapter 119. of the Revised Code, shall adopt rules necessary to 514  
implement this section, including rules prescribing forms 515  
required for administering this section. 516

**Sec. 122.173.** (A) As used in this section: 517

(1) "Manufacturing machinery and equipment" means engines 518  
and machinery, and tools and implements, of every kind used, or 519  
designed to be used, in refining and manufacturing. 520  
"Manufacturing machinery and equipment" does not include 521  
property acquired after December 31, 1999, that is used: 522

(a) For the transmission and distribution of electricity; 523

(b) For the generation of electricity, if fifty per cent 524  
or more of the electricity that the property generates is 525  
consumed, during the one-hundred-twenty-month period commencing 526  
with the date the property is placed in service, by persons that 527  
are not related members to the person who generates the 528  
electricity. 529

(2) "New manufacturing machinery and equipment" means 530  
manufacturing machinery and equipment, the original use in this 531  
state of which commences with the taxpayer or with a partnership 532  
of which the taxpayer is a partner. "New manufacturing machinery 533  
and equipment" does not include property acquired after December 534  
31, 1999, that is used: 535

(a) For the transmission and distribution of electricity; 536

(b) For the generation of electricity, if fifty per cent 537

or more of the electricity that the property generates is 538  
consumed, during the one-hundred-twenty-month period commencing 539  
with the date the property is placed in service, by persons that 540  
are not related members to the person who generates the 541  
electricity. 542

(3) (a) "Purchase" has the same meaning as in section 543  
179(d) (2) of the Internal Revenue Code. 544

(b) For purposes of this section, any property that is not 545  
manufactured or assembled primarily by the taxpayer is 546  
considered purchased at the time the agreement to acquire the 547  
property becomes binding. Any property that is manufactured or 548  
assembled primarily by the taxpayer is considered purchased at 549  
the time the taxpayer places the property in service in the 550  
county for which the taxpayer will calculate the county excess 551  
amount. 552

(c) Notwithstanding section 179(d) of the Internal Revenue 553  
Code, a taxpayer's direct or indirect acquisition of new 554  
manufacturing machinery and equipment is not purchased on or 555  
after July 1, 1995, if the taxpayer, or a person whose 556  
relationship to the taxpayer is described in subparagraphs (A), 557  
(B), or (C) of section 179(d) (2) of the Internal Revenue Code, 558  
had directly or indirectly entered into a binding agreement to 559  
acquire the property at any time prior to July 1, 1995. 560

(4) "Qualifying period" means the period that begins July 561  
1, 1995, and ends June 30, 2005. 562

(5) "County average new manufacturing machinery and 563  
equipment investment" means either of the following: 564

(a) The average annual cost of new manufacturing machinery 565  
and equipment purchased for use in the county during baseline 566

years, in the case of a taxpayer that was in existence for more than one year during baseline years.	567
	568
(b) Zero, in the case of a taxpayer that was not in existence for more than one year during baseline years.	569
	570
(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.	571
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(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.	576
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(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:	581
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	583
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	585
(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;	586
	587
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	589
(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;	590
	591
	592
	593
(c) (i) In the case of a municipal corporation, at least twenty per cent of the residents have a total income for the	594
	595

most recent census year that is below the official poverty line;	596
(ii) In the case of a county, in intercensal years, the	597
county has a ratio of transfer payment income to total county	598
income equal to or greater than twenty-five per cent.	599
(9) "Eligible area" means a distressed area, a labor	600
surplus area, an inner city area, or a situational distress	601
area.	602
(10) "Inner city area" means, in a municipal corporation	603
that has a population of at least one hundred thousand and does	604
not meet the criteria of a labor surplus area or a distressed	605
area, targeted investment areas established by the municipal	606
corporation within its boundaries that are comprised of the most	607
recent census block tracts that individually have at least	608
twenty per cent of their population at or below the state	609
poverty level or other census block tracts contiguous to such	610
census block tracts.	611
(11) "Labor surplus area" means an area designated as a	612
labor surplus area by the United States department of labor.	613
(12) "Official poverty line" has the same meaning as in	614
division (A) of section 3923.51 of the Revised Code.	615
(13) "Situational distress area" means a county or a	616
municipal corporation that has experienced or is experiencing a	617
closing or downsizing of a major employer that will adversely	618
affect the county's or municipal corporation's economy. In order	619
to be designated as a situational distress area, for a period	620
not to exceed thirty-six months, the county or municipal	621
corporation may petition the director of development. The	622
petition shall include written documentation that demonstrates	623
all of the following adverse effects on the local economy:	624

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

(f) Calendar years 1997, 1998, and 1999, with regard to a 652  
grant claimed for the purchase during calendar year 2003 of new 653  
manufacturing machinery and equipment; 654

(g) Calendar years 1998, 1999, and 2000, with regard to a 655  
grant claimed for the purchase during calendar year 2004 of new 656  
manufacturing machinery and equipment; 657

(h) Calendar years 1999, 2000, and 2001, with regard to a 658  
grant claimed for the purchase on or after January 1, 2005, and 659  
on or before June 30, 2005, of new manufacturing machinery and 660  
equipment. 661

(16) "Related member" has the same meaning as in section 662  
5733.042 of the Revised Code. 663

(17) "Qualifying controlled group" has the same meaning as 664  
in section 5733.04 of the Revised Code. 665

(18) "Tax liability" has the same meaning as in section 666  
122.172 of the Revised Code. 667

(B) (1) Subject to divisions (I) and (J) of this section, a 668  
grant is allowed against the tax imposed by section 5733.06 or 669  
5747.02 of the Revised Code for a taxpayer that purchases new 670  
manufacturing machinery and equipment during the qualifying 671  
period, provided that the new manufacturing machinery and 672  
equipment are installed in this state not later than June 30, 673  
2006. 674

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

owned in this state by the taxpayer on the first day of that 681  
calendar year. 682

As used in division (B) (2) (a) of this section, "calendar 683  
year" means the calendar year in which the machinery and 684  
equipment for which the grant is claimed was purchased. 685

(b) Division (B) (2) (a) of this section does not apply if 686  
the taxpayer claiming the grant applies for and is issued a 687  
waiver of the requirement of that division. A taxpayer may apply 688  
to the director of development for such a waiver in the manner 689  
prescribed by the director, and the director may issue such a 690  
waiver if the director determines that granting the grant is 691  
necessary to increase or retain employees in this state, and 692  
that the grant has not caused relocation of manufacturing 693  
machinery and equipment among counties within this state for the 694  
primary purpose of qualifying for the grant. 695

(C) (1) Except as otherwise provided in division (C) (2) and 696  
division (I) of this section, the grant amount is equal to seven 697  
and one-half per cent of the excess of the cost of the new 698  
manufacturing machinery and equipment purchased during the 699  
calendar year for use in a county over the county average new 700  
manufacturing machinery and equipment investment for that 701  
county. 702

(2) Subject to division (I) of this section, as used in 703  
division (C) (2) of this section, "county excess" means the 704  
taxpayer's excess cost for a county as computed under division 705  
(C) (1) of this section. 706

Subject to division (I) of this section, a taxpayer with a 707  
county excess, whose purchases included purchases for use in any 708  
eligible area in the county, the grant amount is equal to 709

thirteen and one-half per cent of the cost of the new 710  
manufacturing machinery and equipment purchased during the 711  
calendar year for use in the eligible areas in the county, 712  
provided that the cost subject to the thirteen and one-half per 713  
cent rate shall not exceed the county excess. If the county 714  
excess is greater than the cost of the new manufacturing 715  
machinery and equipment purchased during the calendar year for 716  
use in eligible areas in the county, the grant amount also shall 717  
include an amount equal to seven and one-half per cent of the 718  
amount of the difference. 719

(3) If a taxpayer is allowed a grant for purchases of new 720  
manufacturing machinery and equipment in more than one county or 721  
eligible area, it shall aggregate the amount of those grants 722  
each year. 723

(4) Except as provided in division (J) of this section, 724  
the taxpayer shall claim one-seventh of the grant amount for the 725  
taxable year ending in the calendar year in which the new 726  
manufacturing machinery and equipment is purchased for use in 727  
the county by the taxpayer or partnership. One-seventh of the 728  
taxpayer grant amount is allowed for each of the six ensuing 729  
taxable years. Except for carried-forward amounts, the taxpayer 730  
is not allowed any grant amount remaining if the new 731  
manufacturing machinery and equipment is sold by the taxpayer or 732  
partnership or is transferred by the taxpayer or partnership out 733  
of the county before the end of the seven-year period unless, at 734  
the time of the sale or transfer, the new manufacturing 735  
machinery and equipment has been fully depreciated for federal 736  
income tax purposes. 737

(5) (a) A taxpayer that acquires manufacturing machinery 738  
and equipment as a result of a merger with the taxpayer with 739

whom commenced the original use in this state of the 740  
manufacturing machinery and equipment, or with a taxpayer that 741  
was a partner in a partnership with whom commenced the original 742  
use in this state of the manufacturing machinery and equipment, 743  
is entitled to any remaining or carried-forward grant amounts to 744  
which the taxpayer was entitled. 745

(b) A taxpayer that enters into an agreement under 746  
division (C) (3) of section 5709.62 of the Revised Code and that 747  
acquires manufacturing machinery or equipment as a result of 748  
purchasing a large manufacturing facility, as defined in section 749  
5709.61 of the Revised Code, from another taxpayer with whom 750  
commenced the original use in this state of the manufacturing 751  
machinery or equipment, and that operates the large 752  
manufacturing facility so purchased, is entitled to any 753  
remaining or carried-forward grant amounts to which the other 754  
taxpayer who sold the facility would have been entitled under 755  
this section had the other taxpayer not sold the manufacturing 756  
facility or equipment. 757

(c) New manufacturing machinery and equipment is not 758  
considered sold if a pass-through entity transfers to another 759  
pass-through entity substantially all of its assets as part of a 760  
plan of reorganization under which substantially all gain and 761  
loss is not recognized by the pass-through entity that is 762  
transferring the new manufacturing machinery and equipment to 763  
the transferee and under which the transferee's basis in the new 764  
manufacturing machinery and equipment is determined, in whole or 765  
in part, by reference to the basis of the pass-through entity 766  
that transferred the new manufacturing machinery and equipment 767  
to the transferee. 768

(d) Division (C) (5) of this section applies only if the 769

acquiring taxpayer or transferee does not sell the new 770  
manufacturing machinery and equipment or transfer the new 771  
manufacturing machinery and equipment out of the county before 772  
the end of the seven-year period to which division (C) (4) of 773  
this section refers. 774

(e) Division (C) (5) (b) of this section applies only to the 775  
extent that the taxpayer that sold the manufacturing machinery 776  
or equipment, upon request, timely provides to the tax 777  
commissioner any information that the tax commissioner considers 778  
to be necessary to ascertain any remaining or carried-forward 779  
amounts to which the taxpayer that sold the facility would have 780  
been entitled under this section had the taxpayer not sold the 781  
manufacturing machinery or equipment. Nothing in division (C) (5) 782  
(b) or (e) of this section shall be construed to allow a 783  
taxpayer to claim any grant amount with respect to the acquired 784  
manufacturing machinery or equipment that is greater than the 785  
amount that would have been available to the other taxpayer that 786  
sold the manufacturing machinery or equipment had the other 787  
taxpayer not sold the manufacturing machinery or equipment. 788

(D) The taxpayer shall claim the grant allowed by this 789  
section in the manner provided by section 122.172 of the Revised 790  
Code. Any portion of the grant in excess of the taxpayer's tax 791  
liability for the taxable year shall not be refundable but may 792  
be carried forward for the next three consecutive taxable years. 793

(E) A taxpayer purchasing new manufacturing machinery and 794  
equipment and intending to claim the grant shall file, with the 795  
director of development, a notice of intent to claim the grant 796  
on a form prescribed by the director of development. The 797  
director of development shall inform the tax commissioner of the 798  
notice of intent to claim the grant. No grant may be claimed 799

under this section for any manufacturing machinery and equipment 800  
with respect to which a notice was not filed by the date of a 801  
timely filed return, including extensions, for the taxable year 802  
that includes September 30, 2005, but a notice filed on or 803  
before such date under division (E) of section 5733.33 of the 804  
Revised Code of the intent to claim the credit under that 805  
section also shall be considered a notice of the intent to claim 806  
a grant under this section. 807

(F) The director of development shall annually certify, by 808  
the first day of January of each year during the qualifying 809  
period, the eligible areas for the tax grant for the calendar 810  
year that includes that first day of January. The director shall 811  
send a copy of the certification to the tax commissioner. 812

(G) New manufacturing machinery and equipment for which a 813  
taxpayer claims the credit under section 5733.31 or 5733.311 of 814  
the Revised Code shall not be considered new manufacturing 815  
machinery and equipment for purposes of the grant under this 816  
section. 817

(H) (1) Notwithstanding sections 5733.11 and 5747.13 of the 818  
Revised Code, but subject to division (H) (2) of this section, 819  
the tax commissioner may issue an assessment against a person 820  
with respect to a grant claimed under this section for new 821  
manufacturing machinery and equipment described in division (A) 822  
(1) (b) or (2) (b) of this section, if the machinery or equipment 823  
subsequently does not qualify for the grant. 824

(2) Division (H) (1) of this section shall not apply after 825  
the twenty-fourth month following the last day of the period 826  
described in divisions (A) (1) (b) and (2) (b) of this section. 827

(I) Notwithstanding any other provision of this section to 828

the contrary, in the case of a qualifying controlled group, the 829  
grant available under this section to a taxpayer or taxpayers in 830  
the qualifying controlled group shall be computed as if all 831  
corporations in the group were a single corporation. The grant 832  
shall be allocated to such a taxpayer or taxpayers in the group 833  
in any amount elected for the taxable year by the group. The 834  
election shall be revocable and amendable during the period 835  
described in division (B) of section 5733.12 of the Revised 836  
Code. 837

This division applies to all purchases of new 838  
manufacturing machinery and equipment made on or after January 839  
1, 2001, and to all baseline years used to compute any grant 840  
attributable to such purchases; provided, that this division may 841  
be applied solely at the election of the qualifying controlled 842  
group with respect to all purchases of new manufacturing 843  
machinery and equipment made before that date, and to all 844  
baseline years used to compute any grant attributable to such 845  
purchases. The qualifying controlled group at any time may elect 846  
to apply this division to purchases made prior to January 1, 847  
2001, subject to the following: 848

(1) The election is irrevocable; 849

(2) The election need not accompany a timely filed report, 850  
but the election may accompany a subsequently filed but timely 851  
application for refund, a subsequently filed but timely amended 852  
report, or a subsequently filed but timely petition for 853  
reassessment. 854

(J) Except as provided in division (B) of section 122.172 855  
of the Revised Code, no grant under this section may be claimed 856  
for any taxable year for which a credit is allowed under section 857  
5733.33 of the Revised Code. If the tax imposed by section 858

5733.06 of the Revised Code for which a grant is allowed under 859  
this section has been prorated under division (G) (2) of section 860  
5733.01 of the Revised Code, the grant shall be prorated by the 861  
same percentage as the tax. 862

**Sec. 135.14.** (A) As used in this section: 863

(1) "Treasurer" does not include the treasurer of state, 864  
and "governing board" does not include the state board of 865  
deposit. 866

(2) "Other obligations" includes notes whether or not 867  
issued in anticipation of the issuance of bonds. 868

(B) The treasurer or governing board may invest or deposit 869  
any part or all of the interim moneys. The following 870  
classifications of obligations shall be eligible for such 871  
investment or deposit: 872

(1) United States treasury bills, notes, bonds, or any 873  
other obligation or security issued by the United States 874  
treasury or any other obligation guaranteed as to principal and 875  
interest by the United States. 876

Nothing in the classification of eligible obligations set 877  
forth in division (B) (1) of this section or in the 878  
classifications of eligible obligations set forth in divisions 879  
(B) (2) to (7) of this section shall be construed to authorize 880  
any investment in stripped principal or interest obligations of 881  
such eligible obligations. 882

(2) Bonds, notes, debentures, or any other obligations or 883  
securities issued by any federal government agency or 884  
instrumentality, including but not limited to, the federal 885  
national mortgage association, federal home loan bank, federal 886  
farm credit bank, federal home loan mortgage corporation, and 887

government national mortgage association. All federal agency 888  
securities shall be direct issuances of federal government 889  
agencies or instrumentalities. 890

(3) Interim deposits in the eligible institutions applying 891  
for interim moneys as provided in section 135.08 of the Revised 892  
Code. The award of interim deposits shall be made in accordance 893  
with section 135.09 of the Revised Code and the treasurer or the 894  
governing board shall determine the periods for which such 895  
interim deposits are to be made and shall award such interim 896  
deposits for such periods, provided that any eligible 897  
institution receiving an interim deposit award may, upon 898  
notification that the award has been made, decline to accept the 899  
interim deposit in which event the award shall be made as though 900  
the institution had not applied for such interim deposit. 901

(4) Bonds and other obligations of this state, or the 902  
political subdivisions of this state, provided that, with 903  
respect to bonds or other obligations of political subdivisions, 904  
all of the following apply: 905

(a) The bonds or other obligations are payable from 906  
general revenues of the political subdivision and backed by the 907  
full faith and credit of the political subdivision. 908

(b) The bonds or other obligations are rated at the time 909  
of purchase in the three highest classifications established by 910  
at least one nationally recognized standard rating service and 911  
purchased through a registered securities broker or dealer. 912

(c) The aggregate value of the bonds or other obligations 913  
does not exceed twenty per cent of interim moneys available for 914  
investment at the time of purchase. 915

(d) The treasurer or governing board is not the sole 916

purchaser of the bonds or other obligations at original	917
issuance.	918
(e) The bonds or other obligations mature within ten years	919
from the date of settlement.	920
No investment shall be made under division (B) (4) of this	921
section unless the treasurer or governing board has completed	922
additional training for making the investments authorized by	923
division (B) (4) of this section. The type and amount of	924
additional training shall be approved by the treasurer of state	925
and may be conducted by or provided under the supervision of the	926
treasurer of state.	927
(5) No-load money market mutual funds consisting	928
exclusively of obligations described in division (B) (1) or (2)	929
of this section and repurchase agreements secured by such	930
obligations, provided that investments in securities described	931
in this division are made only through eligible institutions	932
mentioned in section 135.03 of the Revised Code;	933
(6) The Ohio subdivision's fund as provided in section	934
135.45 of the Revised Code;	935
(7) Up to forty per cent of interim moneys available for	936
investment in either of the following:	937
(a) Commercial paper notes issued by an entity that is	938
defined in division (D) of section 1705.01 <u>or division (E) of</u>	939
<u>section 1706.01</u> of the Revised Code and that has assets	940
exceeding five hundred million dollars, to which notes all of	941
the following apply:	942
(i) The notes are rated at the time of purchase in the	943
highest classification established by at least two nationally	944
recognized standard rating services.	945

(ii) The aggregate value of the notes does not exceed ten 946  
per cent of the aggregate value of the outstanding commercial 947  
paper of the issuing corporation. 948

(iii) The notes mature not later than two hundred seventy 949  
days after purchase. 950

(iv) The investment in commercial paper notes of a single 951  
issuer shall not exceed in the aggregate five per cent of 952  
interim moneys available for investment at the time of purchase. 953

(b) Bankers acceptances of banks that are insured by the 954  
federal deposit insurance corporation and that mature not later 955  
than one hundred eighty days after purchase. 956

No investment shall be made pursuant to division (B) (7) of 957  
this section unless the treasurer or governing board has 958  
completed additional training for making the investments 959  
authorized by division (B) (7) of this section. The type and 960  
amount of additional training shall be approved by the treasurer 961  
of state and may be conducted by or provided under the 962  
supervision of the treasurer of state. 963

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

instrumentality or is created from both is considered a 975  
derivative instrument. An eligible investment described in this 976  
section with a variable interest rate payment, based upon a 977  
single interest payment or single index comprised of other 978  
eligible investments provided for in division (B)(1) or (2) of 979  
this section, is not a derivative, provided that such variable 980  
rate investment has a maximum maturity of two years. 981

(D) Except as provided in division (B)(4) or (E) of this 982  
section, any investment made pursuant to this section must 983  
mature within five years from the date of settlement, unless the 984  
investment is matched to a specific obligation or debt of the 985  
subdivision. 986

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

board. A written repurchase agreement with an eligible securities dealer shall be transacted on a delivery versus payment basis. The agreement shall contain the requirement that for each transaction pursuant to the agreement the participating institution or dealer shall provide all of the following information:

- (1) The par value of the securities;
- (2) The type, rate, and maturity date of the securities;
- (3) A numerical identifier generally accepted in the securities industry that designates the securities.

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

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

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

- (1) The Ohio subdivision's fund pursuant to division (B) of this section;
- (2) A fund created solely for the purpose of acquiring,

constructing, owning, leasing, or operating municipal utilities 1034  
pursuant to the authority provided under section 715.02 of the 1035  
Revised Code or Section 4 of Article XVIII, Ohio Constitution. 1036

For purposes of division (G) of this section, 1037  
"subdivision" includes a county. 1038

(H) The use of leverage, in which the treasurer or 1039  
governing board uses its current investment assets as collateral 1040  
for the purpose of purchasing other assets, is prohibited. The 1041  
issuance of taxable notes for the purpose of arbitrage is 1042  
prohibited. Contracting to sell securities that have not yet 1043  
been acquired by the treasurer or governing board, for the 1044  
purpose of purchasing such securities on the speculation that 1045  
bond prices will decline, is prohibited. 1046

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

liquidations is payable as other expenses of the treasurer's office. 1064  
1065

(J) If any investments or deposits purchased under the authority of this section are issuable to a designated payee or to the order of a designated payee, the name of the treasurer and the title of the treasurer's office shall be so designated. If any such securities are registrable either as to principal or interest, or both, then such securities shall be registered in the name of the treasurer as such. 1066  
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(K) The treasurer is responsible for the safekeeping of all documents evidencing a deposit or investment acquired by the treasurer under this section. Any securities may be deposited for safekeeping with a qualified trustee as provided in section 135.18 of the Revised Code, except the delivery of securities acquired under any repurchase agreement under this section shall be made to a qualified trustee, provided, however, that the qualified trustee shall be required to report to the treasurer, governing board, auditor of state, or an authorized outside auditor at any time upon request as to the identity, market value, and location of the document evidencing each security, and that if the participating institution is a designated depository of the subdivision for the current period of designation, the securities that are the subject of the repurchase agreement may be delivered to the treasurer or held in trust by the participating institution on behalf of the subdivision. Interest earned on any investments or deposits authorized by this section shall be collected by the treasurer and credited by the treasurer to the proper fund of the subdivision. 1073  
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Upon the expiration of the term of office of a treasurer 1093

or in the event of a vacancy in the office of treasurer by 1094  
reason of death, resignation, removal from office, or otherwise, 1095  
the treasurer or the treasurer's legal representative shall 1096  
transfer and deliver to the treasurer's successor all documents 1097  
evidencing a deposit or investment held by the treasurer. For 1098  
the investments and deposits so transferred and delivered, such 1099  
treasurer shall be credited with and the treasurer's successor 1100  
shall be charged with the amount of money held in such 1101  
investments and deposits. 1102

(L) Whenever investments or deposits acquired under this 1103  
section mature and become due and payable, the treasurer shall 1104  
present them for payment according to their tenor, and shall 1105  
collect the moneys payable thereon. The moneys so collected 1106  
shall be treated as public moneys subject to sections 135.01 to 1107  
135.21 of the Revised Code. 1108

(M) (1) All investments, except for investments in 1109  
securities described in divisions (B) (5) and (6) of this section 1110  
and for investments by a municipal corporation in the issues of 1111  
such municipal corporation, shall be made only through a member 1112  
of the financial industry regulatory authority (FINRA), through 1113  
a bank, savings bank, or savings and loan association regulated 1114  
by the superintendent of financial institutions, or through an 1115  
institution regulated by the comptroller of the currency, 1116  
federal deposit insurance corporation, or board of governors of 1117  
the federal reserve system. 1118

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

transfer from the custodian by the treasurer, governing board, 1124  
or qualified trustee. 1125

(N) In making investments authorized by this section, a 1126  
treasurer or governing board may retain the services of an 1127  
investment advisor, provided the advisor is licensed by the 1128  
division of securities under section 1707.141 of the Revised 1129  
Code or is registered with the securities and exchange 1130  
commission, and possesses experience in public funds investment 1131  
management, specifically in the area of state and local 1132  
government investment portfolios, or the advisor is an eligible 1133  
institution mentioned in section 135.03 of the Revised Code. 1134

(O) (1) Except as otherwise provided in divisions (O) (2) 1135  
and (3) of this section, no treasurer or governing board shall 1136  
make an investment or deposit under this section, unless there 1137  
is on file with the auditor of state a written investment policy 1138  
approved by the treasurer or governing board. The policy shall 1139  
require that all entities conducting investment business with 1140  
the treasurer or governing board shall sign the investment 1141  
policy of that subdivision. All brokers, dealers, and financial 1142  
institutions, described in division (M) (1) of this section, 1143  
initiating transactions with the treasurer or governing board by 1144  
giving advice or making investment recommendations shall sign 1145  
the treasurer's or governing board's investment policy thereby 1146  
acknowledging their agreement to abide by the policy's contents. 1147  
All brokers, dealers, and financial institutions, described in 1148  
division (M) (1) of this section, executing transactions 1149  
initiated by the treasurer or governing board, having read the 1150  
policy's contents, shall sign the investment policy thereby 1151  
acknowledging their comprehension and receipt. 1152

(2) If a written investment policy described in division 1153

(O) (1) of this section is not filed on behalf of the subdivision 1154  
with the auditor of state, the treasurer or governing board of 1155  
that subdivision shall invest the subdivision's interim moneys 1156  
only in interim deposits pursuant to division (B) (3) of this 1157  
section or interim deposits pursuant to section 135.145 of the 1158  
Revised Code and approved by the treasurer of state, no-load 1159  
money market mutual funds pursuant to division (B) (5) of this 1160  
section, or the Ohio subdivision's fund pursuant to division (B) 1161  
(6) of this section. 1162

(3) Divisions (O) (1) and (2) of this section do not apply 1163  
to a treasurer or governing board of a subdivision whose average 1164  
annual portfolio of investments held pursuant to this section is 1165  
one hundred thousand dollars or less, provided that the 1166  
treasurer or governing board certifies, on a form prescribed by 1167  
the auditor of state, that the treasurer or governing board will 1168  
comply and is in compliance with the provisions of sections 1169  
135.01 to 135.21 of the Revised Code. 1170

(P) A treasurer or governing board may enter into a 1171  
written investment or deposit agreement that includes a 1172  
provision under which the parties agree to submit to nonbinding 1173  
arbitration to settle any controversy that may arise out of the 1174  
agreement, including any controversy pertaining to losses of 1175  
public moneys resulting from investment or deposit. The 1176  
arbitration provision shall be set forth entirely in the 1177  
agreement, and the agreement shall include a conspicuous notice 1178  
to the parties that any party to the arbitration may apply to 1179  
the court of common pleas of the county in which the arbitration 1180  
was held for an order to vacate, modify, or correct the award. 1181  
Any such party may also apply to the court for an order to 1182  
change venue to a court of common pleas located more than one 1183  
hundred miles from the county in which the treasurer or 1184

governing board is located. 1185

For purposes of this division, "investment or deposit 1186  
agreement" means any agreement between a treasurer or governing 1187  
board and a person, under which agreement the person agrees to 1188  
invest, deposit, or otherwise manage a subdivision's interim 1189  
moneys on behalf of the treasurer or governing board, or agrees 1190  
to provide investment advice to the treasurer or governing 1191  
board. 1192

(Q) An investment made by the treasurer or governing board 1193  
pursuant to this section prior to September 27, 1996, that was a 1194  
legal investment under the law as it existed before September 1195  
27, 1996, may be held until maturity. 1196

**Sec. 135.142.** (A) In addition to the investments 1197  
authorized by section 135.14 of the Revised Code, any board of 1198  
education, by a two-thirds vote of its members, may authorize 1199  
the treasurer of the board of education to invest up to forty 1200  
per cent of the interim moneys of the board, available for 1201  
investment at any one time, in either of the following: 1202

(1) Commercial paper notes issued by any entity that is 1203  
defined in division (D) of section 1705.01 or division (E) of 1204  
section 1706.01 of the Revised Code and has assets exceeding 1205  
five hundred million dollars, and to which notes all of the 1206  
following apply: 1207

(a) The notes are rated at the time of purchase in the 1208  
highest classification established by at least two nationally 1209  
recognized standard rating services. 1210

(b) The aggregate value of the notes does not exceed ten 1211  
per cent of the aggregate value of the outstanding commercial 1212  
paper of the issuing corporation. 1213

(c) The notes mature no later than two hundred seventy 1214  
days after purchase. 1215

(d) The investment in commercial paper notes of a single 1216  
issuer shall not exceed in the aggregate five per cent of 1217  
interim moneys of the board available for investment at the time 1218  
of purchase. 1219

(2) Bankers' acceptances of banks that are insured by the 1220  
federal deposit insurance corporation and that mature no later 1221  
than one hundred eighty days after purchase. 1222

(B) No investment authorized pursuant to division (A) of 1223  
this section shall be made, whether or not authorized by a board 1224  
of education, unless the treasurer of the board of education has 1225  
completed additional training for making the types of 1226  
investments authorized pursuant to division (A) of this section. 1227  
The type and amount of such training shall be approved and may 1228  
be conducted by or provided under the supervision of the 1229  
treasurer of state. 1230

(C) The treasurer of the board of education shall prepare 1231  
annually and submit to the board of education, the 1232  
superintendent of public instruction, and the auditor of state, 1233  
on or before the thirty-first day of August, a report listing 1234  
each investment made pursuant to division (A) of this section 1235  
during the preceding fiscal year, income earned from such 1236  
investments, fees and commissions paid pursuant to division (D) 1237  
of this section, and any other information required by the 1238  
board, the superintendent, and the auditor of state. 1239

(D) A board of education may make appropriations and 1240  
expenditures for fees and commissions in connection with 1241  
investments made pursuant to division (A) of this section. 1242

(E) (1) In addition to the investments authorized by 1243  
section 135.14 of the Revised Code and division (A) of this 1244  
section, any board of education that is a party to an agreement 1245  
with the treasurer of state pursuant to division (G) of section 1246  
135.143 of the Revised Code and that has outstanding obligations 1247  
issued under authority of section 133.10 or 133.301 of the 1248  
Revised Code may authorize the treasurer of the board of 1249  
education to invest interim moneys of the board in debt 1250  
interests rated in either of the two highest rating 1251  
classifications by at least two nationally recognized standard 1252  
rating services and issued by entities that are defined in 1253  
division (D) of section 1705.01 or division (E) of section 1254  
1706.01 of the Revised Code. The debt interests purchased under 1255  
authority of division (E) of this section shall mature not later 1256  
than the latest maturity date of the outstanding obligations 1257  
issued under authority of section 133.10 or 133.301 of the 1258  
Revised Code. 1259

(2) If any of the debt interests acquired under division 1260  
(E) (1) of this section ceases to be rated as there required, its 1261  
issuer shall notify the treasurer of state of this fact within 1262  
twenty-four hours. At any time thereafter the treasurer of state 1263  
may require collateralization at the rate of one hundred two per 1264  
cent of any remaining obligation of the entity, with securities 1265  
authorized for investment under section 135.143 of the Revised 1266  
Code. The collateral shall be delivered to and held by a 1267  
custodian acceptable to the treasurer of state, marked to market 1268  
daily, and any default to be cured within twelve hours. 1269  
Unlimited substitution shall be allowed of comparable 1270  
securities. 1271

**Sec. 135.35.** (A) The investing authority shall deposit or 1272  
invest any part or all of the county's inactive moneys and shall 1273

invest all of the money in the county public library fund when 1274  
required by section 135.352 of the Revised Code. The following 1275  
classifications of securities and obligations are eligible for 1276  
such deposit or investment: 1277

(1) United States treasury bills, notes, bonds, or any 1278  
other obligation or security issued by the United States 1279  
treasury, any other obligation guaranteed as to principal or 1280  
interest by the United States, or any book entry, zero-coupon 1281  
United States treasury security that is a direct obligation of 1282  
the United States. 1283

Nothing in the classification of eligible securities and 1284  
obligations set forth in divisions (A) (2) to (10) of this 1285  
section shall be construed to authorize any investment in 1286  
stripped principal or interest obligations of such eligible 1287  
securities and obligations. 1288

(2) Bonds, notes, debentures, or any other obligations or 1289  
securities issued by any federal government agency or 1290  
instrumentality, including, but not limited to, the federal 1291  
national mortgage association, federal home loan bank, federal 1292  
farm credit bank, federal home loan mortgage corporation, and 1293  
government national mortgage association. All federal agency 1294  
securities shall be direct issuances of federal government 1295  
agencies or instrumentalities. 1296

(3) Time certificates of deposit or savings or deposit 1297  
accounts, including, but not limited to, passbook accounts, in 1298  
any eligible institution mentioned in section 135.32 of the 1299  
Revised Code; 1300

(4) Bonds and other obligations of this state or the 1301  
political subdivisions of this state, provided the bonds or 1302

other obligations of political subdivisions mature within ten 1303  
years from the date of settlement; 1304

(5) No-load money market mutual funds rated in the highest 1305  
category at the time of purchase by at least one nationally 1306  
recognized standard rating service or consisting exclusively of 1307  
obligations described in division (A) (1), (2), or (6) of section 1308  
135.143 of the Revised Code and repurchase agreements secured by 1309  
such obligations, provided that investments in securities 1310  
described in this division are made only through eligible 1311  
institutions mentioned in section 135.32 of the Revised Code; 1312

(6) The Ohio subdivision's fund as provided in section 1313  
135.45 of the Revised Code; 1314

(7) Securities lending agreements with any eligible 1315  
institution mentioned in section 135.32 of the Revised Code that 1316  
is a member of the federal reserve system or federal home loan 1317  
bank or with any recognized United States government securities 1318  
dealer meeting the description in division (J) (1) of this 1319  
section, under the terms of which agreements the investing 1320  
authority lends securities and the eligible institution or 1321  
dealer agrees to simultaneously exchange similar securities or 1322  
cash, equal value for equal value. 1323

Securities and cash received as collateral for a 1324  
securities lending agreement are not inactive moneys of the 1325  
county or moneys of a county public library fund. The investment 1326  
of cash collateral received pursuant to a securities lending 1327  
agreement may be invested only in instruments specified by the 1328  
investing authority in the written investment policy described 1329  
in division (K) of this section. 1330

(8) Up to forty per cent of the county's total average 1331

portfolio in either of the following investments: 1332

(a) Commercial paper notes issued by an entity that is 1333  
defined in division (D) of section 1705.01 or division (E) of 1334  
section 1706.01 of the Revised Code and that has assets 1335  
exceeding five hundred million dollars, to which notes all of 1336  
the following apply: 1337

(i) The notes are rated at the time of purchase in the 1338  
highest classification established by at least two nationally 1339  
recognized standard rating services. 1340

(ii) The aggregate value of the notes does not exceed ten 1341  
per cent of the aggregate value of the outstanding commercial 1342  
paper of the issuing corporation. 1343

(iii) The notes mature not later than two hundred seventy 1344  
days after purchase. 1345

(iv) The investment in commercial paper notes of a single 1346  
issuer shall not exceed in the aggregate five per cent of 1347  
interim moneys available for investment at the time of purchase. 1348

(b) Bankers acceptances of banks that are insured by the 1349  
federal deposit insurance corporation and that mature not later 1350  
than one hundred eighty days after purchase. 1351

No investment shall be made pursuant to division (A) (8) of 1352  
this section unless the investing authority has completed 1353  
additional training for making the investments authorized by 1354  
division (A) (8) of this section. The type and amount of 1355  
additional training shall be approved by the treasurer of state 1356  
and may be conducted by or provided under the supervision of the 1357  
treasurer of state. 1358

(9) Up to fifteen per cent of the county's total average 1359

portfolio in notes issued by corporations that are incorporated 1360  
under the laws of the United States and that are operating 1361  
within the United States, or by depository institutions that are 1362  
doing business under authority granted by the United States or 1363  
any state and that are operating within the United States, 1364  
provided both of the following apply: 1365

(a) The notes are rated in the three highest categories by 1366  
at least two nationally recognized standard rating services at 1367  
the time of purchase. 1368

(b) The notes mature not later than three years after 1369  
purchase. 1370

(10) Debt interests rated at the time of purchase in the 1371  
three highest categories by two nationally recognized standard 1372  
rating services and issued by foreign nations diplomatically 1373  
recognized by the United States government. All interest and 1374  
principal shall be denominated and payable in United States 1375  
funds. The investments made under division (A) (10) of this 1376  
section shall not exceed in the aggregate two per cent of a 1377  
county's total average portfolio. 1378

The investing authority shall invest under division (A) 1379  
(10) of this section in a debt interest issued by a foreign 1380  
nation only if the debt interest is backed by the full faith and 1381  
credit of that foreign nation, there is no prior history of 1382  
default, and the debt interest matures not later than five years 1383  
after purchase. For purposes of division (A) (10) of this 1384  
section, a debt interest is rated in the three highest 1385  
categories by two nationally recognized standard rating services 1386  
if either the debt interest itself or the issuer of the debt 1387  
interest is rated, or is implicitly rated, at the time of 1388  
purchase in the three highest categories by two nationally 1389

recognized standard rating services. 1390

(11) A current unpaid or delinquent tax line of credit 1391  
authorized under division (G) of section 135.341 of the Revised 1392  
Code, provided that all of the conditions for entering into such 1393  
a line of credit under that division are satisfied, or bonds and 1394  
other obligations of a county land reutilization corporation 1395  
organized under Chapter 1724. of the Revised Code, if the county 1396  
land reutilization corporation is located wholly or partly 1397  
within the same county as the investing authority. 1398

(B) Nothing in the classifications of eligible obligations 1399  
and securities set forth in divisions (A) (1) to (10) of this 1400  
section shall be construed to authorize investment in a 1401  
derivative, and no investing authority shall invest any county 1402  
inactive moneys or any moneys in a county public library fund in 1403  
a derivative. For purposes of this division, "derivative" means 1404  
a financial instrument or contract or obligation whose value or 1405  
return is based upon or linked to another asset or index, or 1406  
both, separate from the financial instrument, contract, or 1407  
obligation itself. Any security, obligation, trust account, or 1408  
other instrument that is created from an issue of the United 1409  
States treasury or is created from an obligation of a federal 1410  
agency or instrumentality or is created from both is considered 1411  
a derivative instrument. An eligible investment described in 1412  
this section with a variable interest rate payment, based upon a 1413  
single interest payment or single index comprised of other 1414  
eligible investments provided for in division (A) (1) or (2) of 1415  
this section, is not a derivative, provided that such variable 1416  
rate investment has a maximum maturity of two years. A treasury 1417  
inflation-protected security shall not be considered a 1418  
derivative, provided the security matures not later than five 1419  
years after purchase. 1420

(C) Except as provided in division (A) (4) or (D) of this 1421  
section, any investment made pursuant to this section must 1422  
mature within five years from the date of settlement, unless the 1423  
investment is matched to a specific obligation or debt of the 1424  
county or to a specific obligation or debt of a political 1425  
subdivision of this state, and the investment is specifically 1426  
approved by the investment advisory committee. 1427

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

agreement shall contain the requirement that for each 1452  
transaction pursuant to the agreement the participating 1453  
institution shall provide all of the following information: 1454

(1) The par value of the securities; 1455

(2) The type, rate, and maturity date of the securities; 1456

(3) A numerical identifier generally accepted in the 1457  
securities industry that designates the securities. 1458

No investing authority shall enter into a written 1459  
repurchase agreement under the terms of which the investing 1460  
authority agrees to sell securities owned by the county to a 1461  
purchaser and agrees with that purchaser to unconditionally 1462  
repurchase those securities. 1463

(E) No investing authority shall make an investment under 1464  
this section, unless the investing authority, at the time of 1465  
making the investment, reasonably expects that the investment 1466  
can be held until its maturity. The investing authority's 1467  
written investment policy shall specify the conditions under 1468  
which an investment may be redeemed or sold prior to maturity. 1469

(F) No investing authority shall pay a county's inactive 1470  
moneys or moneys of a county public library fund into a fund 1471  
established by another subdivision, treasurer, governing board, 1472  
or investing authority, if that fund was established by the 1473  
subdivision, treasurer, governing board, or investing authority 1474  
for the purpose of investing or depositing the public moneys of 1475  
other subdivisions. This division does not apply to the payment 1476  
of public moneys into either of the following: 1477

(1) The Ohio subdivision's fund pursuant to division (A) 1478

(6) of this section; 1479

(2) A fund created solely for the purpose of acquiring, 1480  
constructing, owning, leasing, or operating municipal utilities 1481  
pursuant to the authority provided under section 715.02 of the 1482  
Revised Code or Section 4 of Article XVIII, Ohio Constitution. 1483

For purposes of division (F) of this section, 1484  
"subdivision" includes a county. 1485

(G) The use of leverage, in which the county uses its 1486  
current investment assets as collateral for the purpose of 1487  
purchasing other assets, is prohibited. The issuance of taxable 1488  
notes for the purpose of arbitrage is prohibited. Contracting to 1489  
sell securities not owned by the county, for the purpose of 1490  
purchasing such securities on the speculation that bond prices 1491  
will decline, is prohibited. 1492

(H) Any securities, certificates of deposit, deposit 1493  
accounts, or any other documents evidencing deposits or 1494  
investments made under authority of this section shall be issued 1495  
in the name of the county with the county treasurer or investing 1496  
authority as the designated payee. If any such deposits or 1497  
investments are registrable either as to principal or interest, 1498  
or both, they shall be registered in the name of the treasurer. 1499

(I) The investing authority shall be responsible for the 1500  
safekeeping of all documents evidencing a deposit or investment 1501  
acquired under this section, including, but not limited to, 1502  
safekeeping receipts evidencing securities deposited with a 1503  
qualified trustee, as provided in section 135.37 of the Revised 1504  
Code, and documents confirming the purchase of securities under 1505  
any repurchase agreement under this section shall be deposited 1506  
with a qualified trustee, provided, however, that the qualified 1507  
trustee shall be required to report to the investing authority, 1508  
auditor of state, or an authorized outside auditor at any time 1509

upon request as to the identity, market value, and location of 1510  
the document evidencing each security, and that if the 1511  
participating institution is a designated depository of the 1512  
county for the current period of designation, the securities 1513  
that are the subject of the repurchase agreement may be 1514  
delivered to the treasurer or held in trust by the participating 1515  
institution on behalf of the investing authority. 1516

Upon the expiration of the term of office of an investing 1517  
authority or in the event of a vacancy in the office for any 1518  
reason, the officer or the officer's legal representative shall 1519  
transfer and deliver to the officer's successor all documents 1520  
mentioned in this division for which the officer has been 1521  
responsible for safekeeping. For all such documents transferred 1522  
and delivered, the officer shall be credited with, and the 1523  
officer's successor shall be charged with, the amount of moneys 1524  
evidenced by such documents. 1525

(J) (1) All investments, except for investments in 1526  
securities described in divisions (A) (5), (6), and (11) of this 1527  
section, shall be made only through a member of the financial 1528  
industry regulatory authority (FINRA), through a bank, savings 1529  
bank, or savings and loan association regulated by the 1530  
superintendent of financial institutions, or through an 1531  
institution regulated by the comptroller of the currency, 1532  
federal deposit insurance corporation, or board of governors of 1533  
the federal reserve system. 1534

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

transfer from the custodian by the treasurer, governing board, 1540  
or qualified trustee. 1541

(K) (1) Except as otherwise provided in division (K) (2) of 1542  
this section, no investing authority shall make an investment or 1543  
deposit under this section, unless there is on file with the 1544  
auditor of state a written investment policy approved by the 1545  
investing authority. The policy shall require that all entities 1546  
conducting investment business with the investing authority 1547  
shall sign the investment policy of that investing authority. 1548  
All brokers, dealers, and financial institutions, described in 1549  
division (J) (1) of this section, initiating transactions with 1550  
the investing authority by giving advice or making investment 1551  
recommendations shall sign the investing authority's investment 1552  
policy thereby acknowledging their agreement to abide by the 1553  
policy's contents. All brokers, dealers, and financial 1554  
institutions, described in division (J) (1) of this section, 1555  
executing transactions initiated by the investing authority, 1556  
having read the policy's contents, shall sign the investment 1557  
policy thereby acknowledging their comprehension and receipt. 1558

(2) If a written investment policy described in division 1559  
(K) (1) of this section is not filed on behalf of the county with 1560  
the auditor of state, the investing authority of that county 1561  
shall invest the county's inactive moneys and moneys of the 1562  
county public library fund only in time certificates of deposits 1563  
or savings or deposit accounts pursuant to division (A) (3) of 1564  
this section, no-load money market mutual funds pursuant to 1565  
division (A) (5) of this section, or the Ohio subdivision's fund 1566  
pursuant to division (A) (6) of this section. 1567

(L) (1) The investing authority shall establish and 1568  
maintain an inventory of all obligations and securities acquired 1569

by the investing authority pursuant to this section. The 1570  
inventory shall include a description of each obligation or 1571  
security, including type, cost, par value, maturity date, 1572  
settlement date, and any coupon rate. 1573

(2) The investing authority shall also keep a complete 1574  
record of all purchases and sales of the obligations and 1575  
securities made pursuant to this section. 1576

(3) The investing authority shall maintain a monthly 1577  
portfolio report and issue a copy of the monthly portfolio 1578  
report describing such investments to the county investment 1579  
advisory committee, detailing the current inventory of all 1580  
obligations and securities, all transactions during the month 1581  
that affected the inventory, any income received from the 1582  
obligations and securities, and any investment expenses paid, 1583  
and stating the names of any persons effecting transactions on 1584  
behalf of the investing authority. 1585

(4) The monthly portfolio report shall be a public record 1586  
and available for inspection under section 149.43 of the Revised 1587  
Code. 1588

(5) The inventory and the monthly portfolio report shall 1589  
be filed with the board of county commissioners. The monthly 1590  
portfolio report also shall be filed with the treasurer of 1591  
state. 1592

(M) An investing authority may enter into a written 1593  
investment or deposit agreement that includes a provision under 1594  
which the parties agree to submit to nonbinding arbitration to 1595  
settle any controversy that may arise out of the agreement, 1596  
including any controversy pertaining to losses of public moneys 1597  
resulting from investment or deposit. The arbitration provision 1598

shall be set forth entirely in the agreement, and the agreement 1599  
shall include a conspicuous notice to the parties that any party 1600  
to the arbitration may apply to the court of common pleas of the 1601  
county in which the arbitration was held for an order to vacate, 1602  
modify, or correct the award. Any such party may also apply to 1603  
the court for an order to change venue to a court of common 1604  
pleas located more than one hundred miles from the county in 1605  
which the investing authority is located. 1606

For purposes of this division, "investment or deposit 1607  
agreement" means any agreement between an investing authority 1608  
and a person, under which agreement the person agrees to invest, 1609  
deposit, or otherwise manage, on behalf of the investing 1610  
authority, a county's inactive moneys or moneys in a county 1611  
public library fund, or agrees to provide investment advice to 1612  
the investing authority. 1613

(N) (1) An investment held in the county portfolio on 1614  
September 27, 1996, that was a legal investment under the law as 1615  
it existed before September 27, 1996, may be held until 1616  
maturity. 1617

(2) An investment held in the county portfolio on 1618  
September 10, 2012, that was a legal investment under the law as 1619  
it existed before September 10, 2012, may be held until 1620  
maturity. 1621

**Sec. 150.05.** (A) The authority shall select, as program 1622  
administrators, not more than two private, for-profit investment 1623  
funds to acquire loans for the program fund and to invest money 1624  
in the program fund as prescribed in the investment policy 1625  
established or modified by the authority in accordance with 1626  
sections 150.03 and 150.04 of the Revised Code. The authority 1627  
shall give equal consideration, in selecting these program 1628

administrators, to minority owned and controlled investment 1629  
funds, to funds owned and controlled by women, to ventures 1630  
involving minority owned and controlled funds, and to ventures 1631  
involving funds owned and controlled by women that otherwise 1632  
meet the policies and criteria established by the authority. To 1633  
be eligible for selection, an investment fund must be 1634  
incorporated or organized under Chapter 1701., 1705., 1706., 1635  
1775., 1776., 1782., or 1783. of the Revised Code, must have an 1636  
established business presence in this state, and must be 1637  
capitalized in accordance with any state and federal laws 1638  
applicable to the issuance or sale of securities. 1639

The authority shall select program administrators only 1640  
after soliciting and evaluating requests for proposals as 1641  
prescribed in this section. The authority shall publish a notice 1642  
of a request for proposals in newspapers of general circulation 1643  
in this state once each week for two consecutive weeks before a 1644  
date specified by the authority as the date on which it will 1645  
begin accepting proposals. The notices shall contain a general 1646  
description of the subject of the proposed agreement and the 1647  
location where the request for proposals may be obtained. The 1648  
request for proposals shall include all the following: 1649

(1) Instructions and information to respondents concerning 1650  
the submission of proposals, including the name and address of 1651  
the office where proposals are to be submitted; 1652

(2) Instructions regarding the manner in which respondents 1653  
may communicate with the authority, including the names, titles, 1654  
and telephone numbers of the individuals to whom such 1655  
communications shall be directed; 1656

(3) Description of the performance criteria that will be 1657  
used to evaluate whether a respondent selected by the authority 1658

is satisfying the authority's investment policy; 1659

(4) Description of the factors and criteria to be 1660  
considered in evaluating respondents' proposals, the relative 1661  
importance of each factor or criterion, and description of the 1662  
authority's evaluation procedure; 1663

(5) Description of any documents that may be incorporated 1664  
by reference into the request for proposals, provided that the 1665  
request specifies where such documents may be obtained and such 1666  
documents are readily available to all interested parties. 1667

After the date specified for receiving proposals, the 1668  
authority shall evaluate submitted proposals. The authority may 1669  
discuss a respondent's proposal with that respondent to clarify 1670  
or revise a proposal or the terms of the agreement. 1671

The authority shall choose for review proposals from at 1672  
least three respondents the authority considers qualified to 1673  
operate the program in the best interests of the investment 1674  
policy adopted by the authority. If three or fewer proposals are 1675  
submitted, the authority shall review each proposal. The 1676  
authority may cancel a request for proposals at any time before 1677  
entering into an agreement with a respondent. The authority 1678  
shall provide respondents fair and equal opportunity for such 1679  
discussions. The authority may terminate discussions with any 1680  
respondent upon written notice to the respondent. 1681

(B) After reviewing the chosen proposals, the authority 1682  
may select not more than two such respondents and enter into a 1683  
written agreement with each of the selected respondents, 1684  
provided that at no time shall there be agreements with more 1685  
than two persons. 1686

The agreement shall do all of the following: 1687

(1) Specify that borrowing and investing by the program administrator will be budgeted to guarantee that no tax credits will be granted during the first four years of the Ohio venture capital program, and will be structured to ensure that payments of principal, interest, or interest equivalent due in any fiscal year, when added to such payments due from any other program administrator, does not exceed twenty million dollars;

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

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

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

(5) Require the program administrator to apply program fund revenue first to the payment of principal borrowed by the program administrator for investment under the program, then to interest related to that principal, and then to amounts necessary to cover the program administrator's pro rata share

required under division (B) (9) of this section; and require the 1718  
program administrator to pay the authority not less than ninety 1719  
per cent of the amount by which program fund revenue 1720  
attributable to investments under the program administrator's 1721  
investment authority exceeds amounts so applied; 1722

(6) Specify the procedures by which the program 1723  
administrator shall certify immediately to the authority the 1724  
necessity for the authority to issue tax credit certificates 1725  
pursuant to contracts entered into under section 150.07 of the 1726  
Revised Code; 1727

(7) Specify any general limitations regarding the 1728  
employment of a fund manager by the program administrator, in 1729  
addition to an express limitation that the fund manager be a 1730  
person with demonstrated, substantial, successful experience in 1731  
the design and management of seed and venture capital investment 1732  
programs and in capital formation. The fund manager may be, but 1733  
need not be, an equity owner or affiliate of the program 1734  
administrator. 1735

(8) Specify the terms and conditions under which the 1736  
authority or the program administrator may terminate the 1737  
agreement, including in the circumstance that the program 1738  
administrator or fund manager violates the investment policy; 1739

(9) Require the program administrator or fund manager 1740  
employed by the program administrator to provide capital in the 1741  
form of a loan equal to one per cent of the amount of 1742  
outstanding loans by lenders to the program fund. The loan from 1743  
the program administrator or fund manager shall be on the same 1744  
terms and conditions as loans from other lenders, except that 1745  
the loan from the program administrator or fund manager shall 1746  
not be secured by the Ohio venture capital fund or tax credits 1747

available to other lenders under division (B) of section 150.04 1748  
of the Revised Code. Such capital shall be placed at the same 1749  
risk as the proceeds from such loans. The program administrator 1750  
shall receive a pro rata share of the net income, including net 1751  
loss, from the investment of money from the program fund, but is 1752  
not entitled to the security against losses provided under 1753  
section 150.04 of the Revised Code. 1754

**Sec. 718.01.** Any term used in this chapter that is not 1755  
otherwise defined in this chapter has the same meaning as when 1756  
used in a comparable context in laws of the United States 1757  
relating to federal income taxation or in Title LVII of the 1758  
Revised Code, unless a different meaning is clearly required. 1759  
Except as provided in section 718.81 of the Revised Code, if a 1760  
term used in this chapter that is not otherwise defined in this 1761  
chapter is used in a comparable context in both the laws of the 1762  
United States relating to federal income tax and in Title LVII 1763  
of the Revised Code and the use is not consistent, then the use 1764  
of the term in the laws of the United States relating to federal 1765  
income tax shall control over the use of the term in Title LVII 1766  
of the Revised Code. 1767

Except as otherwise provided in section 718.81 of the 1768  
Revised Code, as used in this chapter: 1769

(A) (1) "Municipal taxable income" means the following: 1770

(a) For a person other than an individual, income 1771  
apportioned or situated to the municipal corporation under 1772  
section 718.02 of the Revised Code, as applicable, reduced by 1773  
any pre-2017 net operating loss carryforward available to the 1774  
person for the municipal corporation. 1775

(b) (i) For an individual who is a resident of a municipal 1776

corporation other than a qualified municipal corporation, income 1777  
reduced by exempt income to the extent otherwise included in 1778  
income, then reduced as provided in division (A) (2) of this 1779  
section, and further reduced by any pre-2017 net operating loss 1780  
carryforward available to the individual for the municipal 1781  
corporation. 1782

(ii) For an individual who is a resident of a qualified 1783  
municipal corporation, Ohio adjusted gross income reduced by 1784  
income exempted, and increased by deductions excluded, by the 1785  
qualified municipal corporation from the qualified municipal 1786  
corporation's tax. If a qualified municipal corporation, on or 1787  
before December 31, 2013, exempts income earned by individuals 1788  
who are not residents of the qualified municipal corporation and 1789  
net profit of persons that are not wholly located within the 1790  
qualified municipal corporation, such individual or person shall 1791  
have no municipal taxable income for the purposes of the tax 1792  
levied by the qualified municipal corporation and may be 1793  
exempted by the qualified municipal corporation from the 1794  
requirements of section 718.03 of the Revised Code. 1795

(c) For an individual who is a nonresident of a municipal 1796  
corporation, income reduced by exempt income to the extent 1797  
otherwise included in income and then, as applicable, 1798  
apportioned or situated to the municipal corporation under 1799  
section 718.02 of the Revised Code, then reduced as provided in 1800  
division (A) (2) of this section, and further reduced by any pre- 1801  
2017 net operating loss carryforward available to the individual 1802  
for the municipal corporation. 1803

(2) In computing the municipal taxable income of a 1804  
taxpayer who is an individual, the taxpayer may subtract, as 1805  
provided in division (A) (1) (b) (i) or (c) of this section, the 1806

amount of the individual's employee business expenses reported 1807  
on the individual's form 2106 that the individual deducted for 1808  
federal income tax purposes for the taxable year, subject to the 1809  
limitation imposed by section 67 of the Internal Revenue Code. 1810  
For the municipal corporation in which the taxpayer is a 1811  
resident, the taxpayer may deduct all such expenses allowed for 1812  
federal income tax purposes. For a municipal corporation in 1813  
which the taxpayer is not a resident, the taxpayer may deduct 1814  
such expenses only to the extent the expenses are related to the 1815  
taxpayer's performance of personal services in that nonresident 1816  
municipal corporation. 1817

(B) "Income" means the following: 1818

(1) (a) For residents, all income, salaries, qualifying 1819  
wages, commissions, and other compensation from whatever source 1820  
earned or received by the resident, including the resident's 1821  
distributive share of the net profit of pass-through entities 1822  
owned directly or indirectly by the resident and any net profit 1823  
of the resident, except as provided in division (D) (5) of this 1824  
section. 1825

(b) For the purposes of division (B) (1) (a) of this 1826  
section: 1827

(i) Any net operating loss of the resident incurred in the 1828  
taxable year and the resident's distributive share of any net 1829  
operating loss generated in the same taxable year and 1830  
attributable to the resident's ownership interest in a pass- 1831  
through entity shall be allowed as a deduction, for that taxable 1832  
year and the following five taxable years, against any other net 1833  
profit of the resident or the resident's distributive share of 1834  
any net profit attributable to the resident's ownership interest 1835  
in a pass-through entity until fully utilized, subject to 1836

division (B) (1) (d) of this section; 1837

(ii) The resident's distributive share of the net profit 1838  
of each pass-through entity owned directly or indirectly by the 1839  
resident shall be calculated without regard to any net operating 1840  
loss that is carried forward by that entity from a prior taxable 1841  
year and applied to reduce the entity's net profit for the 1842  
current taxable year. 1843

(c) Division (B) (1) (b) of this section does not apply with 1844  
respect to any net profit or net operating loss attributable to 1845  
an ownership interest in an S corporation unless shareholders' 1846  
distributive shares of net profits from S corporations are 1847  
subject to tax in the municipal corporation as provided in 1848  
division (C) (14) (b) or (c) of this section. 1849

(d) Any amount of a net operating loss used to reduce a 1850  
taxpayer's net profit for a taxable year shall reduce the amount 1851  
of net operating loss that may be carried forward to any 1852  
subsequent year for use by that taxpayer. In no event shall the 1853  
cumulative deductions for all taxable years with respect to a 1854  
taxpayer's net operating loss exceed the original amount of that 1855  
net operating loss available to that taxpayer. 1856

(2) In the case of nonresidents, all income, salaries, 1857  
qualifying wages, commissions, and other compensation from 1858  
whatever source earned or received by the nonresident for work 1859  
done, services performed or rendered, or activities conducted in 1860  
the municipal corporation, including any net profit of the 1861  
nonresident, but excluding the nonresident's distributive share 1862  
of the net profit or loss of only pass-through entities owned 1863  
directly or indirectly by the nonresident. 1864

(3) For taxpayers that are not individuals, net profit of 1865

the taxpayer; 1866

(4) Lottery, sweepstakes, gambling and sports winnings, 1867  
winnings from games of chance, and prizes and awards. If the 1868  
taxpayer is a professional gambler for federal income tax 1869  
purposes, the taxpayer may deduct related wagering losses and 1870  
expenses to the extent authorized under the Internal Revenue 1871  
Code and claimed against such winnings. 1872

(C) "Exempt income" means all of the following: 1873

(1) The military pay or allowances of members of the armed 1874  
forces of the United States or members of their reserve 1875  
components, including the national guard of any state; 1876

(2) (a) Except as provided in division (C) (2) (b) of this 1877  
section, intangible income; 1878

(b) A municipal corporation that taxed any type of 1879  
intangible income on March 29, 1988, pursuant to Section 3 of 1880  
S.B. 238 of the 116th general assembly, may continue to tax that 1881  
type of income if a majority of the electors of the municipal 1882  
corporation voting on the question of whether to permit the 1883  
taxation of that type of intangible income after 1988 voted in 1884  
favor thereof at an election held on November 8, 1988. 1885

(3) Social security benefits, railroad retirement 1886  
benefits, unemployment compensation, pensions, retirement 1887  
benefit payments, payments from annuities, and similar payments 1888  
made to an employee or to the beneficiary of an employee under a 1889  
retirement program or plan, disability payments received from 1890  
private industry or local, state, or federal governments or from 1891  
charitable, religious or educational organizations, and the 1892  
proceeds of sickness, accident, or liability insurance policies. 1893  
As used in division (C) (3) of this section, "unemployment 1894

compensation" does not include supplemental unemployment 1895  
compensation described in section 3402(o)(2) of the Internal 1896  
Revenue Code. 1897

(4) The income of religious, fraternal, charitable, 1898  
scientific, literary, or educational institutions to the extent 1899  
such income is derived from tax-exempt real estate, tax-exempt 1900  
tangible or intangible property, or tax-exempt activities. 1901

(5) Compensation paid under section 3501.28 or 3501.36 of 1902  
the Revised Code to a person serving as a precinct election 1903  
official to the extent that such compensation does not exceed 1904  
one thousand dollars for the taxable year. Such compensation in 1905  
excess of one thousand dollars for the taxable year may be 1906  
subject to taxation by a municipal corporation. A municipal 1907  
corporation shall not require the payer of such compensation to 1908  
withhold any tax from that compensation. 1909

(6) Dues, contributions, and similar payments received by 1910  
charitable, religious, educational, or literary organizations or 1911  
labor unions, lodges, and similar organizations; 1912

(7) Alimony and child support received; 1913

(8) Compensation for personal injuries or for damages to 1914  
property from insurance proceeds or otherwise, excluding 1915  
compensation paid for lost salaries or wages or compensation 1916  
from punitive damages; 1917

(9) Income of a public utility when that public utility is 1918  
subject to the tax levied under section 5727.24 or 5727.30 of 1919  
the Revised Code. Division (C)(9) of this section does not apply 1920  
for purposes of Chapter 5745. of the Revised Code. 1921

(10) Gains from involuntary conversions, interest on 1922  
federal obligations, items of income subject to a tax levied by 1923

the state and that a municipal corporation is specifically 1924  
prohibited by law from taxing, and income of a decedent's estate 1925  
during the period of administration except such income from the 1926  
operation of a trade or business; 1927

(11) Compensation or allowances excluded from federal 1928  
gross income under section 107 of the Internal Revenue Code; 1929

(12) Employee compensation that is not qualifying wages as 1930  
defined in division (R) of this section; 1931

(13) Compensation paid to a person employed within the 1932  
boundaries of a United States air force base under the 1933  
jurisdiction of the United States air force that is used for the 1934  
housing of members of the United States air force and is a 1935  
center for air force operations, unless the person is subject to 1936  
taxation because of residence or domicile. If the compensation 1937  
is subject to taxation because of residence or domicile, tax on 1938  
such income shall be payable only to the municipal corporation 1939  
of residence or domicile. 1940

(14) (a) Except as provided in division (C) (14) (b) or (c) 1941  
of this section, an S corporation shareholder's distributive 1942  
share of net profits of the S corporation, other than any part 1943  
of the distributive share of net profits that represents wages 1944  
as defined in section 3121(a) of the Internal Revenue Code or 1945  
net earnings from self-employment as defined in section 1402(a) 1946  
of the Internal Revenue Code. 1947

(b) If, pursuant to division (H) of former section 718.01 1948  
of the Revised Code as it existed before March 11, 2004, a 1949  
majority of the electors of a municipal corporation voted in 1950  
favor of the question at an election held on November 4, 2003, 1951  
the municipal corporation may continue after 2002 to tax an S 1952

corporation shareholder's distributive share of net profits of 1953  
an S corporation. 1954

(c) If, on December 6, 2002, a municipal corporation was 1955  
imposing, assessing, and collecting a tax on an S corporation 1956  
shareholder's distributive share of net profits of the S 1957  
corporation to the extent the distributive share would be 1958  
allocated or apportioned to this state under divisions (B) (1) 1959  
and (2) of section 5733.05 of the Revised Code if the S 1960  
corporation were a corporation subject to taxes imposed under 1961  
Chapter 5733. of the Revised Code, the municipal corporation may 1962  
continue to impose the tax on such distributive shares to the 1963  
extent such shares would be so allocated or apportioned to this 1964  
state only until December 31, 2004, unless a majority of the 1965  
electors of the municipal corporation voting on the question of 1966  
continuing to tax such shares after that date voted in favor of 1967  
that question at an election held November 2, 2004. If a 1968  
majority of those electors voted in favor of the question, the 1969  
municipal corporation may continue after December 31, 2004, to 1970  
impose the tax on such distributive shares only to the extent 1971  
such shares would be so allocated or apportioned to this state. 1972

(d) A municipal corporation shall be deemed to have 1973  
elected to tax S corporation shareholders' distributive shares 1974  
of net profits of the S corporation in the hands of the 1975  
shareholders if a majority of the electors of a municipal 1976  
corporation voted in favor of a question at an election held 1977  
under division (C) (14) (b) or (c) of this section. The municipal 1978  
corporation shall specify by resolution or ordinance that the 1979  
tax applies to the distributive share of a shareholder of an S 1980  
corporation in the hands of the shareholder of the S 1981  
corporation. 1982

(15) To the extent authorized under a resolution or ordinance adopted by a municipal corporation before January 1, 2016, all or a portion of the income of individuals or a class of individuals under eighteen years of age.	1983 1984 1985 1986
(16) (a) Except as provided in divisions (C) (16) (b), (c), and (d) of this section, qualifying wages described in division (B) (1) or (E) of section 718.011 of the Revised Code to the extent the qualifying wages are not subject to withholding for the municipal corporation under either of those divisions.	1987 1988 1989 1990 1991
(b) The exemption provided in division (C) (16) (a) of this section does not apply with respect to the municipal corporation in which the employee resided at the time the employee earned the qualifying wages.	1992 1993 1994 1995
(c) The exemption provided in division (C) (16) (a) of this section does not apply to qualifying wages that an employer elects to withhold under division (D) (2) of section 718.011 of the Revised Code.	1996 1997 1998 1999
(d) The exemption provided in division (C) (16) (a) of this section does not apply to qualifying wages if both of the following conditions apply:	2000 2001 2002
(i) For qualifying wages described in division (B) (1) of section 718.011 of the Revised Code, the employee's employer withholds and remits tax on the qualifying wages to the municipal corporation in which the employee's principal place of work is situated, or, for qualifying wages described in division (E) of section 718.011 of the Revised Code, the employee's employer withholds and remits tax on the qualifying wages to the municipal corporation in which the employer's fixed location is located;	2003 2004 2005 2006 2007 2008 2009 2010 2011

(ii) The employee receives a refund of the tax described 2012  
in division (C) (16) (d) (i) of this section on the basis of the 2013  
employee not performing services in that municipal corporation. 2014

(17) (a) Except as provided in division (C) (17) (b) or (c) 2015  
of this section, compensation that is not qualifying wages paid 2016  
to a nonresident individual for personal services performed in 2017  
the municipal corporation on not more than twenty days in a 2018  
taxable year. 2019

(b) The exemption provided in division (C) (17) (a) of this 2020  
section does not apply under either of the following 2021  
circumstances: 2022

(i) The individual's base of operation is located in the 2023  
municipal corporation. 2024

(ii) The individual is a professional athlete, 2025  
professional entertainer, or public figure, and the compensation 2026  
is paid for the performance of services in the individual's 2027  
capacity as a professional athlete, professional entertainer, or 2028  
public figure. For purposes of division (C) (17) (b) (ii) of this 2029  
section, "professional athlete," "professional entertainer," and 2030  
"public figure" have the same meanings as in section 718.011 of 2031  
the Revised Code. 2032

(c) Compensation to which division (C) (17) of this section 2033  
applies shall be treated as earned or received at the 2034  
individual's base of operation. If the individual does not have 2035  
a base of operation, the compensation shall be treated as earned 2036  
or received where the individual is domiciled. 2037

(d) For purposes of division (C) (17) of this section, 2038  
"base of operation" means the location where an individual owns 2039  
or rents an office, storefront, or similar facility to which the 2040

individual regularly reports and at which the individual 2041  
regularly performs personal services for compensation. 2042

(18) Compensation paid to a person for personal services 2043  
performed for a political subdivision on property owned by the 2044  
political subdivision, regardless of whether the compensation is 2045  
received by an employee of the subdivision or another person 2046  
performing services for the subdivision under a contract with 2047  
the subdivision, if the property on which services are performed 2048  
is annexed to a municipal corporation pursuant to section 2049  
709.023 of the Revised Code on or after March 27, 2013, unless 2050  
the person is subject to such taxation because of residence. If 2051  
the compensation is subject to taxation because of residence, 2052  
municipal income tax shall be payable only to the municipal 2053  
corporation of residence. 2054

(19) In the case of a tax administered, collected, and 2055  
enforced by a municipal corporation pursuant to an agreement 2056  
with the board of directors of a joint economic development 2057  
district under section 715.72 of the Revised Code, the net 2058  
profits of a business, and the income of the employees of that 2059  
business, exempted from the tax under division (Q) of that 2060  
section. 2061

(20) All of the following: 2062

(a) Income derived from disaster work conducted in this 2063  
state by an out-of-state disaster business during a disaster 2064  
response period pursuant to a qualifying solicitation received 2065  
by the business; 2066

(b) Income of a qualifying employee described in division 2067  
(A) (14) (a) of section 5703.94 of the Revised Code, to the extent 2068  
such income is derived from disaster work conducted in this 2069

state by the employee during a disaster response period pursuant 2070  
to a qualifying solicitation received by the employee's 2071  
employer; 2072

(c) Income of a qualifying employee described in division 2073  
(A) (14) (b) of section 5703.94 of the Revised Code, to the extent 2074  
such income is derived from disaster work conducted in this 2075  
state by the employee during a disaster response period on 2076  
critical infrastructure owned or used by the employee's 2077  
employer. 2078

(21) Income the taxation of which is prohibited by the 2079  
constitution or laws of the United States. 2080

Any item of income that is exempt income of a pass-through 2081  
entity under division (C) of this section is exempt income of 2082  
each owner of the pass-through entity to the extent of that 2083  
owner's distributive or proportionate share of that item of the 2084  
entity's income. 2085

(D) (1) "Net profit" for a person who is an individual 2086  
means the individual's net profit required to be reported on 2087  
schedule C, schedule E, or schedule F reduced by any net 2088  
operating loss carried forward. For the purposes of division (D) 2089  
(1) of this section, the net operating loss carried forward 2090  
shall be calculated and deducted in the same manner as provided 2091  
in division (D) (3) of this section. 2092

(2) "Net profit" for a person other than an individual 2093  
means adjusted federal taxable income reduced by any net 2094  
operating loss incurred by the person in a taxable year 2095  
beginning on or after January 1, 2017, subject to the 2096  
limitations of division (D) (3) of this section. 2097

(3) (a) The amount of such net operating loss shall be 2098

deducted from net profit to the extent necessary to reduce 2099  
municipal taxable income to zero, with any remaining unused 2100  
portion of the net operating loss carried forward to not more 2101  
than five consecutive taxable years following the taxable year 2102  
in which the loss was incurred, but in no case for more years 2103  
than necessary for the deduction to be fully utilized. 2104

(b) No person shall use the deduction allowed by division 2105  
(D) (3) of this section to offset qualifying wages. 2106

(c) (i) For taxable years beginning in 2018, 2019, 2020, 2107  
2021, or 2022, a person may not deduct, for purposes of an 2108  
income tax levied by a municipal corporation that levies an 2109  
income tax before January 1, 2016, more than fifty per cent of 2110  
the amount of the deduction otherwise allowed by division (D) (3) 2111  
of this section. 2112

(ii) For taxable years beginning in 2023 or thereafter, a 2113  
person may deduct, for purposes of an income tax levied by a 2114  
municipal corporation that levies an income tax before January 2115  
1, 2016, the full amount allowed by division (D) (3) of this 2116  
section without regard to the limitation of division (D) (3) (b) 2117  
(i) of this section. 2118

(d) Any pre-2017 net operating loss carryforward deduction 2119  
that is available may be utilized before a taxpayer may deduct 2120  
any amount pursuant to division (D) (3) of this section. 2121

(e) Nothing in division (D) (3) (c) (i) of this section 2122  
precludes a person from carrying forward, for use with respect 2123  
to any return filed for a taxable year beginning after 2018, any 2124  
amount of net operating loss that was not fully utilized by 2125  
operation of division (D) (3) (c) (i) of this section. To the 2126  
extent that an amount of net operating loss that was not fully 2127

utilized in one or more taxable years by operation of division 2128  
(D) (3) (c) (i) of this section is carried forward for use with 2129  
respect to a return filed for a taxable year beginning in 2019, 2130  
2020, 2021, or 2022, the limitation described in division (D) (3) 2131  
(c) (i) of this section shall apply to the amount carried 2132  
forward. 2133

(4) For the purposes of this chapter, and notwithstanding 2134  
division (D) (2) of this section, net profit of a disregarded 2135  
entity shall not be taxable as against that disregarded entity, 2136  
but shall instead be included in the net profit of the owner of 2137  
the disregarded entity. 2138

(5) For the purposes of this chapter, and notwithstanding 2139  
any other provision of this chapter, the net profit of a 2140  
publicly traded partnership that makes the election described in 2141  
division (D) (5) of this section shall be taxed as if the 2142  
partnership were a C corporation, and shall not be treated as 2143  
the net profit or income of any owner of the partnership. 2144

A publicly traded partnership that is treated as a 2145  
partnership for federal income tax purposes and that is subject 2146  
to tax on its net profits in one or more municipal corporations 2147  
in this state may elect to be treated as a C corporation for 2148  
municipal income tax purposes. The publicly traded partnership 2149  
shall make the election in every municipal corporation in which 2150  
the partnership is subject to taxation on its net profits. The 2151  
election shall be made on the annual tax return filed in each 2152  
such municipal corporation. The publicly traded partnership 2153  
shall not be required to file the election with any municipal 2154  
corporation in which the partnership is not subject to taxation 2155  
on its net profits, but division (D) (5) of this section applies 2156  
to all municipal corporations in which an individual owner of 2157

the partnership resides. 2158

(E) "Adjusted federal taxable income," for a person 2159  
required to file as a C corporation, or for a person that has 2160  
elected to be taxed as a C corporation under division (D) (5) of 2161  
this section, means a C corporation's federal taxable income 2162  
before net operating losses and special deductions as determined 2163  
under the Internal Revenue Code, adjusted as follows: 2164

(1) Deduct intangible income to the extent included in 2165  
federal taxable income. The deduction shall be allowed 2166  
regardless of whether the intangible income relates to assets 2167  
used in a trade or business or assets held for the production of 2168  
income. 2169

(2) Add an amount equal to five per cent of intangible 2170  
income deducted under division (E) (1) of this section, but 2171  
excluding that portion of intangible income directly related to 2172  
the sale, exchange, or other disposition of property described 2173  
in section 1221 of the Internal Revenue Code; 2174

(3) Add any losses allowed as a deduction in the 2175  
computation of federal taxable income if the losses directly 2176  
relate to the sale, exchange, or other disposition of an asset 2177  
described in section 1221 or 1231 of the Internal Revenue Code; 2178

(4) (a) Except as provided in division (E) (4) (b) of this 2179  
section, deduct income and gain included in federal taxable 2180  
income to the extent the income and gain directly relate to the 2181  
sale, exchange, or other disposition of an asset described in 2182  
section 1221 or 1231 of the Internal Revenue Code; 2183

(b) Division (E) (4) (a) of this section does not apply to 2184  
the extent the income or gain is income or gain described in 2185  
section 1245 or 1250 of the Internal Revenue Code. 2186

(5) Add taxes on or measured by net income allowed as a deduction in the computation of federal taxable income;	2187 2188
(6) In the case of a real estate investment trust or regulated investment company, add all amounts with respect to dividends to, distributions to, or amounts set aside for or credited to the benefit of investors and allowed as a deduction in the computation of federal taxable income;	2189 2190 2191 2192 2193
(7) Deduct, to the extent not otherwise deducted or excluded in computing federal taxable income, any income derived from a transfer agreement or from the enterprise transferred under that agreement under section 4313.02 of the Revised Code;	2194 2195 2196 2197
(8) Deduct exempt income to the extent not otherwise deducted or excluded in computing adjusted federal taxable income.	2198 2199 2200
(9) Deduct any net profit of a pass-through entity owned directly or indirectly by the taxpayer and included in the taxpayer's federal taxable income unless an affiliated group of corporations includes that net profit in the group's federal taxable income in accordance with division (E) (3) (b) of section 718.06 of the Revised Code.	2201 2202 2203 2204 2205 2206
(10) Add any loss incurred by a pass-through entity owned directly or indirectly by the taxpayer and included in the taxpayer's federal taxable income unless an affiliated group of corporations includes that loss in the group's federal taxable income in accordance with division (E) (3) (b) of section 718.06 of the Revised Code.	2207 2208 2209 2210 2211 2212
If the taxpayer is not a C corporation, is not a disregarded entity that has made the election described in division (L) (2) of this section, is not a publicly traded	2213 2214 2215

partnership that has made the election described in division (D) 2216  
(5) of this section, and is not an individual, the taxpayer 2217  
shall compute adjusted federal taxable income under this section 2218  
as if the taxpayer were a C corporation, except guaranteed 2219  
payments and other similar amounts paid or accrued to a partner, 2220  
former partner, shareholder, former shareholder, member, or 2221  
former member shall not be allowed as a deductible expense 2222  
unless such payments are in consideration for the use of capital 2223  
and treated as payment of interest under section 469 of the 2224  
Internal Revenue Code or United States treasury regulations. 2225  
Amounts paid or accrued to a qualified self-employed retirement 2226  
plan with respect to a partner, former partner, shareholder, 2227  
former shareholder, member, or former member of the taxpayer, 2228  
amounts paid or accrued to or for health insurance for a 2229  
partner, former partner, shareholder, former shareholder, 2230  
member, or former member, and amounts paid or accrued to or for 2231  
life insurance for a partner, former partner, shareholder, 2232  
former shareholder, member, or former member shall not be 2233  
allowed as a deduction. 2234

Nothing in division (E) of this section shall be construed 2235  
as allowing the taxpayer to add or deduct any amount more than 2236  
once or shall be construed as allowing any taxpayer to deduct 2237  
any amount paid to or accrued for purposes of federal self- 2238  
employment tax. 2239

(F) "Schedule C" means internal revenue service schedule C 2240  
(form 1040) filed by a taxpayer pursuant to the Internal Revenue 2241  
Code. 2242

(G) "Schedule E" means internal revenue service schedule E 2243  
(form 1040) filed by a taxpayer pursuant to the Internal Revenue 2244  
Code. 2245

(H) "Schedule F" means internal revenue service schedule F	2246
(form 1040) filed by a taxpayer pursuant to the Internal Revenue	2247
Code.	2248
(I) "Internal Revenue Code" has the same meaning as in	2249
section 5747.01 of the Revised Code.	2250
(J) "Resident" means an individual who is domiciled in the	2251
municipal corporation as determined under section 718.012 of the	2252
Revised Code.	2253
(K) "Nonresident" means an individual that is not a	2254
resident.	2255
(L) (1) "Taxpayer" means a person subject to a tax levied	2256
on income by a municipal corporation in accordance with this	2257
chapter. "Taxpayer" does not include a grantor trust or, except	2258
as provided in division (L) (2) (a) of this section, a disregarded	2259
entity.	2260
(2) (a) A single member limited liability company that is a	2261
disregarded entity for federal tax purposes may be a separate	2262
taxpayer from its single member in all Ohio municipal	2263
corporations in which it either filed as a separate taxpayer or	2264
did not file for its taxable year ending in 2003, if all of the	2265
following conditions are met:	2266
(i) The limited liability company's single member is also	2267
a limited liability company.	2268
(ii) The limited liability company and its single member	2269
were formed and doing business in one or more Ohio municipal	2270
corporations for at least five years before January 1, 2004.	2271
(iii) Not later than December 31, 2004, the limited	2272
liability company and its single member each made an election to	2273

be treated as a separate taxpayer under division (L) of this 2274  
section as this section existed on December 31, 2004. 2275

(iv) The limited liability company was not formed for the 2276  
purpose of evading or reducing Ohio municipal corporation income 2277  
tax liability of the limited liability company or its single 2278  
member. 2279

(v) The Ohio municipal corporation that was the primary 2280  
place of business of the sole member of the limited liability 2281  
company consented to the election. 2282

(b) For purposes of division (L) (2) (a) (v) of this section, 2283  
a municipal corporation was the primary place of business of a 2284  
limited liability company if, for the limited liability 2285  
company's taxable year ending in 2003, its income tax liability 2286  
was greater in that municipal corporation than in any other 2287  
municipal corporation in Ohio, and that tax liability to that 2288  
municipal corporation for its taxable year ending in 2003 was at 2289  
least four hundred thousand dollars. 2290

(M) "Person" includes individuals, firms, companies, joint 2291  
stock companies, business trusts, estates, trusts, partnerships, 2292  
limited liability partnerships, limited liability companies, 2293  
associations, C corporations, S corporations, governmental 2294  
entities, and any other entity. 2295

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

does not include a trust, estate, grantor of a grantor trust, or 2303  
disregarded entity. 2304

(O) "S corporation" means a person that has made an 2305  
election under subchapter S of Chapter 1 of Subtitle A of the 2306  
Internal Revenue Code for its taxable year. 2307

(P) "Single member limited liability company" means a 2308  
limited liability company that has one direct member. 2309

(Q) "Limited liability company" means a limited liability 2310  
company formed under Chapter 1705. or 1706. of the Revised Code 2311  
or under the laws of another state. 2312

(R) "Qualifying wages" means wages, as defined in section 2313  
3121(a) of the Internal Revenue Code, without regard to any wage 2314  
limitations, adjusted as follows: 2315

(1) Deduct the following amounts: 2316

(a) Any amount included in wages if the amount constitutes 2317  
compensation attributable to a plan or program described in 2318  
section 125 of the Internal Revenue Code. 2319

(b) Any amount included in wages if the amount constitutes 2320  
payment on account of a disability related to sickness or an 2321  
accident paid by a party unrelated to the employer, agent of an 2322  
employer, or other payer. 2323

(c) Any amount attributable to a nonqualified deferred 2324  
compensation plan or program described in section 3121(v) (2) (C) 2325  
of the Internal Revenue Code if the compensation is included in 2326  
wages and the municipal corporation has, by resolution or 2327  
ordinance adopted before January 1, 2016, exempted the amount 2328  
from withholding and tax. 2329

(d) Any amount included in wages if the amount arises from 2330

the sale, exchange, or other disposition of a stock option, the 2331  
exercise of a stock option, or the sale, exchange, or other 2332  
disposition of stock purchased under a stock option and the 2333  
municipal corporation has, by resolution or ordinance adopted 2334  
before January 1, 2016, exempted the amount from withholding and 2335  
tax. 2336

(e) Any amount included in wages that is exempt income. 2337

(2) Add the following amounts: 2338

(a) Any amount not included in wages solely because the 2339  
employee was employed by the employer before April 1, 1986. 2340

(b) Any amount not included in wages because the amount 2341  
arises from the sale, exchange, or other disposition of a stock 2342  
option, the exercise of a stock option, or the sale, exchange, 2343  
or other disposition of stock purchased under a stock option and 2344  
the municipal corporation has not, by resolution or ordinance, 2345  
exempted the amount from withholding and tax adopted before 2346  
January 1, 2016. Division (R) (2) (b) of this section applies only 2347  
to those amounts constituting ordinary income. 2348

(c) Any amount not included in wages if the amount is an 2349  
amount described in section 401(k), 403(b), or 457 of the 2350  
Internal Revenue Code. Division (R) (2) (c) of this section 2351  
applies only to employee contributions and employee deferrals. 2352

(d) Any amount that is supplemental unemployment 2353  
compensation benefits described in section 3402(o) (2) of the 2354  
Internal Revenue Code and not included in wages. 2355

(e) Any amount received that is treated as self-employment 2356  
income for federal tax purposes in accordance with section 2357  
1402(a) (8) of the Internal Revenue Code. 2358

(f) Any amount not included in wages if all of the 2359  
following apply: 2360

(i) For the taxable year the amount is employee 2361  
compensation that is earned outside of the United States and 2362  
that either is included in the taxpayer's gross income for 2363  
federal income tax purposes or would have been included in the 2364  
taxpayer's gross income for such purposes if the taxpayer did 2365  
not elect to exclude the income under section 911 of the 2366  
Internal Revenue Code; 2367

(ii) For no preceding taxable year did the amount 2368  
constitute wages as defined in section 3121(a) of the Internal 2369  
Revenue Code; 2370

(iii) For no succeeding taxable year will the amount 2371  
constitute wages; and 2372

(iv) For any taxable year the amount has not otherwise 2373  
been added to wages pursuant to either division (R) (2) of this 2374  
section or section 718.03 of the Revised Code, as that section 2375  
existed before the effective date of H.B. 5 of the 130th general 2376  
assembly, March 23, 2015. 2377

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

income associated with any lottery winnings, gambling winnings,	2388
or other similar games of chance.	2389
(T) "Taxable year" means the corresponding tax reporting	2390
period as prescribed for the taxpayer under the Internal Revenue	2391
Code.	2392
(U) "Tax administrator" means the individual charged with	2393
direct responsibility for administration of an income tax levied	2394
by a municipal corporation in accordance with this chapter, and	2395
also includes the following:	2396
(1) A municipal corporation acting as the agent of another	2397
municipal corporation;	2398
(2) A person retained by a municipal corporation to	2399
administer a tax levied by the municipal corporation, but only	2400
if the municipal corporation does not compensate the person in	2401
whole or in part on a contingency basis;	2402
(3) The central collection agency or the regional income	2403
tax agency or their successors in interest, or another entity	2404
organized to perform functions similar to those performed by the	2405
central collection agency and the regional income tax agency.	2406
"Tax administrator" does not include the tax commissioner.	2407
(V) "Employer" means a person that is an employer for	2408
federal income tax purposes.	2409
(W) "Employee" means an individual who is an employee for	2410
federal income tax purposes.	2411
(X) "Other payer" means any person, other than an	2412
individual's employer or the employer's agent, that pays an	2413
individual any amount included in the federal gross income of	2414
the individual. "Other payer" includes casino operators and	2415

video lottery terminal sales agents.	2416
(Y) "Calendar quarter" means the three-month period ending	2417
on the last day of March, June, September, or December.	2418
(Z) "Form 2106" means internal revenue service form 2106	2419
filed by a taxpayer pursuant to the Internal Revenue Code.	2420
(AA) "Municipal corporation" includes a joint economic	2421
development district or joint economic development zone that	2422
levies an income tax under section 715.691, 715.70, 715.71, or	2423
715.72 of the Revised Code.	2424
(BB) "Disregarded entity" means a single member limited	2425
liability company, a qualifying subchapter S subsidiary, or	2426
another entity if the company, subsidiary, or entity is a	2427
disregarded entity for federal income tax purposes.	2428
(CC) "Generic form" means an electronic or paper form that	2429
is not prescribed by a particular municipal corporation and that	2430
is designed for reporting taxes withheld by an employer, agent	2431
of an employer, or other payer, estimated municipal income	2432
taxes, or annual municipal income tax liability or for filing a	2433
refund claim.	2434
(DD) "Tax return preparer" means any individual described	2435
in section 7701(a)(36) of the Internal Revenue Code and 26	2436
C.F.R. 301.7701-15.	2437
(EE) "Ohio business gateway" means the online computer	2438
network system, created under section 125.30 of the Revised	2439
Code, that allows persons to electronically file business reply	2440
forms with state agencies and includes any successor electronic	2441
filing and payment system.	2442
(FF) "Local board of tax review" and "board of tax review"	2443

mean the entity created under section 718.11 of the Revised Code.	2444 2445
(GG) "Net operating loss" means a loss incurred by a person in the operation of a trade or business. "Net operating loss" does not include unutilized losses resulting from basis limitations, at-risk limitations, or passive activity loss limitations.	2446 2447 2448 2449 2450
(HH) "Casino operator" and "casino facility" have the same meanings as in section 3772.01 of the Revised Code.	2451 2452
(II) "Video lottery terminal" has the same meaning as in section 3770.21 of the Revised Code.	2453 2454
(JJ) "Video lottery terminal sales agent" means a lottery sales agent licensed under Chapter 3770. of the Revised Code to conduct video lottery terminals on behalf of the state pursuant to section 3770.21 of the Revised Code.	2455 2456 2457 2458
(KK) "Postal service" means the United States postal service.	2459 2460
(LL) "Certified mail," "express mail," "United States mail," "postal service," and similar terms include any delivery service authorized pursuant to section 5703.056 of the Revised Code.	2461 2462 2463 2464
(MM) "Postmark date," "date of postmark," and similar terms include the date recorded and marked in the manner described in division (B) (3) of section 5703.056 of the Revised Code.	2465 2466 2467 2468
(NN) "Related member" means a person that, with respect to the taxpayer during all or any portion of the taxable year, is either a related entity, a component member as defined in	2469 2470 2471

section 1563(b) of the Internal Revenue Code, or a person to or 2472  
from whom there is attribution of stock ownership in accordance 2473  
with section 1563(e) of the Internal Revenue Code except, for 2474  
purposes of determining whether a person is a related member 2475  
under this division, "twenty per cent" shall be substituted for 2476  
"5 percent" wherever "5 percent" appears in section 1563(e) of 2477  
the Internal Revenue Code. 2478

(00) "Related entity" means any of the following: 2479

(1) An individual stockholder, or a member of the 2480  
stockholder's family enumerated in section 318 of the Internal 2481  
Revenue Code, if the stockholder and the members of the 2482  
stockholder's family own directly, indirectly, beneficially, or 2483  
constructively, in the aggregate, at least fifty per cent of the 2484  
value of the taxpayer's outstanding stock; 2485

(2) A stockholder, or a stockholder's partnership, estate, 2486  
trust, or corporation, if the stockholder and the stockholder's 2487  
partnerships, estates, trusts, or corporations own directly, 2488  
indirectly, beneficially, or constructively, in the aggregate, 2489  
at least fifty per cent of the value of the taxpayer's 2490  
outstanding stock; 2491

(3) A corporation, or a party related to the corporation 2492  
in a manner that would require an attribution of stock from the 2493  
corporation to the party or from the party to the corporation 2494  
under division (00)(4) of this section, provided the taxpayer 2495  
owns directly, indirectly, beneficially, or constructively, at 2496  
least fifty per cent of the value of the corporation's 2497  
outstanding stock; 2498

(4) The attribution rules described in section 318 of the 2499  
Internal Revenue Code apply for the purpose of determining 2500

whether the ownership requirements in divisions (OO) (1) to (3) 2501  
of this section have been met. 2502

(PP) (1) "Assessment" means a written finding by the tax 2503  
administrator that a person has underpaid municipal income tax, 2504  
or owes penalty and interest, or any combination of tax, 2505  
penalty, or interest, to the municipal corporation that 2506  
commences the person's time limitation for making an appeal to 2507  
the local board of tax review pursuant to section 718.11 of the 2508  
Revised Code, and has "ASSESSMENT" written in all capital 2509  
letters at the top of such finding. 2510

(2) "Assessment" does not include an informal notice 2511  
denying a request for refund issued under division (B) (3) of 2512  
section 718.19 of the Revised Code, a billing statement 2513  
notifying a taxpayer of current or past-due balances owed to the 2514  
municipal corporation, a tax administrator's request for 2515  
additional information, a notification to the taxpayer of 2516  
mathematical errors, or a tax administrator's other written 2517  
correspondence to a person or taxpayer that does meet the 2518  
criteria prescribed by division (PP) (1) of this section. 2519

(QQ) "Taxpayers' rights and responsibilities" means the 2520  
rights provided to taxpayers in sections 718.11, 718.12, 718.19, 2521  
718.23, 718.36, 718.37, 718.38, 5717.011, and 5717.03 of the 2522  
Revised Code and the responsibilities of taxpayers to file, 2523  
report, withhold, remit, and pay municipal income tax and 2524  
otherwise comply with Chapter 718. of the Revised Code and 2525  
resolutions, ordinances, and rules adopted by a municipal 2526  
corporation for the imposition and administration of a municipal 2527  
income tax. 2528

(RR) "Qualified municipal corporation" means a municipal 2529  
corporation that, by resolution or ordinance adopted on or 2530

before December 31, 2011, adopted Ohio adjusted gross income, as 2531  
defined by section 5747.01 of the Revised Code, as the income 2532  
subject to tax for the purposes of imposing a municipal income 2533  
tax. 2534

(SS) (1) "Pre-2017 net operating loss carryforward" means 2535  
any net operating loss incurred in a taxable year beginning 2536  
before January 1, 2017, to the extent such loss was permitted, 2537  
by a resolution or ordinance of the municipal corporation that 2538  
was adopted by the municipal corporation before January 1, 2016, 2539  
to be carried forward and utilized to offset income or net 2540  
profit generated in such municipal corporation in future taxable 2541  
years. 2542

(2) For the purpose of calculating municipal taxable 2543  
income, any pre-2017 net operating loss carryforward may be 2544  
carried forward to any taxable year, including taxable years 2545  
beginning in 2017 or thereafter, for the number of taxable years 2546  
provided in the resolution or ordinance or until fully utilized, 2547  
whichever is earlier. 2548

(TT) "Small employer" means any employer that had total 2549  
revenue of less than five hundred thousand dollars during the 2550  
preceding taxable year. For purposes of this division, "total 2551  
revenue" means receipts of any type or kind, including, but not 2552  
limited to, sales receipts; payments; rents; profits; gains, 2553  
dividends, and other investment income; compensation; 2554  
commissions; premiums; money; property; grants; contributions; 2555  
donations; gifts; program service revenue; patient service 2556  
revenue; premiums; fees, including premium fees and service 2557  
fees; tuition payments; unrelated business revenue; 2558  
reimbursements; any type of payment from a governmental unit, 2559  
including grants and other allocations; and any other similar 2560

receipts reported for federal income tax purposes or under 2561  
generally accepted accounting principles. "Small employer" does 2562  
not include the federal government; any state government, 2563  
including any state agency or instrumentality; any political 2564  
subdivision; or any entity treated as a government for financial 2565  
accounting and reporting purposes. 2566

(UU) "Audit" means the examination of a person or the 2567  
inspection of the books, records, memoranda, or accounts of a 2568  
person for the purpose of determining liability for a municipal 2569  
income tax. 2570

(VV) "Publicly traded partnership" means any partnership, 2571  
an interest in which is regularly traded on an established 2572  
securities market. A "publicly traded partnership" may have any 2573  
number of partners. 2574

(WW) "Tax commissioner" means the tax commissioner 2575  
appointed under section 121.03 of the Revised Code. 2576

(XX) "Out-of-state disaster business," "qualifying 2577  
solicitation," "qualifying employee," "disaster work," "critical 2578  
infrastructure," and "disaster response period" have the same 2579  
meanings as in section 5703.94 of the Revised Code. 2580

(YY) "Pension" means a retirement benefit plan, regardless 2581  
of whether the plan satisfies the qualifications described under 2582  
section 401(a) of the Internal Revenue Code, including amounts 2583  
that are taxable under the "Federal Insurance Contributions 2584  
Act," Chapter 21 of the Internal Revenue Code, excluding 2585  
employee contributions and elective deferrals, and regardless of 2586  
whether such amounts are paid in the same taxable year in which 2587  
the amounts are included in the employee's wages, as defined by 2588  
section 3121(a) of the Internal Revenue Code. 2589

(ZZ) "Retirement benefit plan" means an arrangement 2590  
whereby an entity provides benefits to individuals either on or 2591  
after their termination of service because of retirement or 2592  
disability. "Retirement benefit plan" does not include wage 2593  
continuation payments, severance payments, or payments made for 2594  
accrued personal or vacation time. 2595

**Sec. 1329.01.** (A) As used in sections 1329.01 to 1329.10 2596  
of the Revised Code: 2597

(1) "Trade name" means a name used in business or trade to 2598  
designate the business of the user and to which the user asserts 2599  
a right to exclusive use. 2600

(2) "Fictitious name" means a name used in business or 2601  
trade that is fictitious and that the user has not registered or 2602  
is not entitled to register as a trade name. It does not include 2603  
the name of record of any domestic corporation that is formed 2604  
under Chapter 1701. or 1702. of the Revised Code, any foreign 2605  
corporation that is registered pursuant to Chapter 1703. of the 2606  
Revised Code, any domestic or foreign limited liability company 2607  
that is formed under or registered pursuant to Chapter 1705. or 2608  
1706. of the Revised Code, any domestic or foreign limited 2609  
partnership that is formed under or registered pursuant to 2610  
Chapter 1782. of the Revised Code, or any domestic or foreign 2611  
limited liability partnership that is formed under or registered 2612  
pursuant to Chapter 1775. or 1776. of the Revised Code. 2613

(3) "Person" includes any individual, general partnership, 2614  
limited partnership, limited liability partnership, corporation, 2615  
association, professional association, limited liability 2616  
company, society, foundation, federation, or organization formed 2617  
under the laws of this state or any other state. 2618

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

(1) The name and business address of the applicant for registration and any of the following that is applicable:

(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;

(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.

(2) The trade name to be registered;

(3) The general nature of the business conducted by the applicant;

(4) The length of time during which the trade name has been used by the applicant in business operations in this state.

(C) The trade name application shall be signed by the applicant or by any authorized representative of the applicant.

A single trade name may be registered upon each trade name application submitted under sections 1329.01 to 1329.10 of the Revised Code.

The trade name application shall be accompanied by a filing fee of thirty-nine dollars, payable to the secretary of

state. 2647

(D) Any person who does business under a fictitious name 2648  
and who has not registered and does not wish to register the 2649  
fictitious name as a trade name or who cannot do so because the 2650  
name is not available for registration shall report the use of 2651  
the fictitious name to the secretary of state, on a form 2652  
prescribed by the secretary of state, setting forth all of the 2653  
following: 2654

(1) The name and business address of the user and any of 2655  
the following that is applicable: 2656

(a) If the user is a general partnership, the name and 2657  
address of at least one partner or the identifying number the 2658  
secretary of state assigns to the partnership pursuant to 2659  
section 1775.105 of the Revised Code; 2660

(b) If the user is a limited partnership, a corporation, 2661  
professional association, limited liability company, or other 2662  
entity, the form of the entity and the state under whose laws it 2663  
was formed. 2664

(2) The fictitious name being used; 2665

(3) The general nature of the business conducted by the 2666  
user. 2667

(E) The report of use of a fictitious name shall be signed 2668  
by the user or by any authorized representative of the user. 2669

A single fictitious name may be registered upon each 2670  
fictitious name report submitted under sections 1329.01 to 2671  
1329.10 of the Revised Code. 2672

The fictitious name report shall be accompanied by a 2673  
filing fee of thirty-nine dollars, payable to the secretary of 2674

state. 2675

A report under this division shall be made within thirty 2676  
days after the date of the first use of the fictitious name. 2677

**Sec. 1329.02.** (A) The secretary of state shall not file an 2678  
application for the registration of any trade name if the 2679  
application indicates or implies that the trade name is 2680  
connected with a government agency of this state, another state, 2681  
or the United States and the trade name is not so connected or 2682  
if the application indicates or implies that the applicant is 2683  
incorporated and the application is not incorporated. 2684

Additionally, the secretary of state shall not file an 2685  
application for the registration of any trade name if it is not 2686  
distinguishable upon the records in the office of the secretary 2687  
of state from any other trade name previously registered under 2688  
sections 1329.01 to 1329.03 of the Revised Code, any corporate 2689  
name, whether nonprofit or for profit and whether that of a 2690  
domestic corporation or of a foreign corporation authorized to 2691  
do business in this state, the name of any limited liability 2692  
company registered in the office of the secretary of state 2693  
pursuant to Chapter 1705. or 1706. of the Revised Code, whether 2694  
domestic or foreign, the name of any limited liability 2695  
partnership registered in the office of the secretary of state 2696  
pursuant to Chapter 1775. or 1776. of the Revised Code, whether 2697  
domestic or foreign, the name of any limited partnership 2698  
registered in the office of the secretary of state pursuant to 2699  
Chapter 1782. of the Revised Code, whether domestic or foreign, 2700  
or any trademark, or service mark previously filed and recorded 2701  
in the office of the secretary of state and not abandoned, 2702  
unless the written consent of the corporation, limited liability 2703  
company, limited liability partnership, or limited partnership, 2704  
or the person to whom is registered the exclusive right to use 2705

the trade name is filed in accordance with division (C) of 2706  
section 1701.05 of the Revised Code with the application or the 2707  
written consent of the former registrant of the trademark or 2708  
service mark is filed with the application. The application for 2709  
the registration of a trade name and the consent form shall be 2710  
on a form prescribed by the secretary of state. 2711

(B) The secretary of state shall determine for purposes of 2712  
this section whether a name is distinguishable from another name 2713  
in a manner consistent with the provisions of division (B) of 2714  
section 1701.05 of the Revised Code. 2715

**Sec. 1701.03.** (A) A corporation may be formed under this 2716  
chapter for any purpose or combination of purposes for which 2717  
individuals lawfully may associate themselves, except that, if 2718  
the Revised Code contains special provisions pertaining to the 2719  
formation of any designated type of corporation other than a 2720  
professional association, as defined in section 1785.01 of the 2721  
Revised Code, a corporation of that type shall be formed in 2722  
accordance with the special provisions. 2723

(B) On and after July 1, 1994, a corporation may be formed 2724  
under this chapter for the purpose of carrying on the practice 2725  
of any profession, including, but not limited to, a corporation 2726  
for the purpose of providing public accounting or certified 2727  
public accounting services, a corporation for the erection, 2728  
owning, and conducting of a sanitarium for receiving and caring 2729  
for patients, medical and hygienic treatment of patients, and 2730  
instruction of nurses in the treatment of disease and in 2731  
hygiene, a corporation for the purpose of providing 2732  
architectural, landscape architectural, professional 2733  
engineering, or surveying services or any combination of those 2734  
types of services, and a corporation for the purpose of 2735

providing a combination of the professional services, as defined 2736  
in section 1785.01 of the Revised Code, of optometrists 2737  
authorized under Chapter 4725. of the Revised Code, 2738  
chiropractors authorized under Chapter 4734. of the Revised Code 2739  
to practice chiropractic or acupuncture, psychologists 2740  
authorized under Chapter 4732. of the Revised Code, registered 2741  
or licensed practical nurses authorized under Chapter 4723. of 2742  
the Revised Code, pharmacists authorized under Chapter 4729. of 2743  
the Revised Code, physical therapists authorized under sections 2744  
4755.40 to 4755.56 of the Revised Code, occupational therapists 2745  
authorized under sections 4755.04 to 4755.13 of the Revised 2746  
Code, mechanotherapists authorized under section 4731.151 of the 2747  
Revised Code, doctors of medicine and surgery, osteopathic 2748  
medicine and surgery, or podiatric medicine and surgery 2749  
authorized under Chapter 4731. of the Revised Code, and licensed 2750  
professional clinical counselors, licensed professional 2751  
counselors, independent social workers, social workers, 2752  
independent marriage and family therapists, or marriage and 2753  
family therapists authorized under Chapter 4757. of the Revised 2754  
Code. 2755

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

professional services or engaging in the practice of a 2767  
profession through a corporation formed under this chapter or 2768  
that the organization is a corporation formed under this 2769  
chapter. 2770

(C) Nothing in division (A) or (B) of this section 2771  
precludes the organization of a professional association in 2772  
accordance with this chapter and Chapter 1785. of the Revised 2773  
Code or the formation of a limited liability company under 2774  
Chapter 1705. or 1706. of the Revised Code with respect to a 2775  
~~business, as defined in section 1705.01 of the Revised~~ 2776  
~~Code~~ trade, occupation, or profession. 2777

(D) No corporation formed for the purpose of providing a 2778  
combination of the professional services, as defined in section 2779  
1785.01 of the Revised Code, of optometrists authorized under 2780  
Chapter 4725. of the Revised Code, chiropractors authorized 2781  
under Chapter 4734. of the Revised Code to practice chiropractic 2782  
or acupuncture, psychologists authorized under Chapter 4732. of 2783  
the Revised Code, registered or licensed practical nurses 2784  
authorized under Chapter 4723. of the Revised Code, pharmacists 2785  
authorized under Chapter 4729. of the Revised Code, physical 2786  
therapists authorized under sections 4755.40 to 4755.56 of the 2787  
Revised Code, occupational therapists authorized under sections 2788  
4755.04 to 4755.13 of the Revised Code, mechanotherapists 2789  
authorized under section 4731.151 of the Revised Code, doctors 2790  
of medicine and surgery, osteopathic medicine and surgery, or 2791  
podiatric medicine and surgery authorized under Chapter 4731. of 2792  
the Revised Code, and licensed professional clinical counselors, 2793  
licensed professional counselors, independent social workers, 2794  
social workers, independent marriage and family therapists, or 2795  
marriage and family therapists authorized under Chapter 4757. of 2796  
the Revised Code shall control the professional clinical 2797

judgment exercised within accepted and prevailing standards of 2798  
practice of a licensed, certificated, or otherwise legally 2799  
authorized optometrist, chiropractor, chiropractor practicing 2800  
acupuncture through the state chiropractic board, psychologist, 2801  
nurse, pharmacist, physical therapist, occupational therapist, 2802  
mechanotherapist, doctor of medicine and surgery, osteopathic 2803  
medicine and surgery, or podiatric medicine and surgery, 2804  
licensed professional clinical counselor, licensed professional 2805  
counselor, independent social worker, social worker, independent 2806  
marriage and family therapist, or marriage and family therapist 2807  
in rendering care, treatment, or professional advice to an 2808  
individual patient. 2809

This division does not prevent a hospital, as defined in 2810  
section 3727.01 of the Revised Code, insurer, as defined in 2811  
section 3999.36 of the Revised Code, or intermediary 2812  
organization, as defined in section 1751.01 of the Revised Code, 2813  
from entering into a contract with a corporation described in 2814  
this division that includes a provision requiring utilization 2815  
review, quality assurance, peer review, or other performance or 2816  
quality standards. Those activities shall not be construed as 2817  
controlling the professional clinical judgment of an individual 2818  
practitioner listed in this division. 2819

**Sec. 1701.05.** (A) Except as provided in this section, and 2820  
in sections 1701.75, 1701.78, and 1701.82 of the Revised Code, 2821  
which sections relate to the reorganization, merger, and 2822  
consolidation of corporations, the corporate name of a domestic 2823  
corporation shall comply with all of the following: 2824

(1) It shall end with or include the word or abbreviation 2825  
"company," "co.," "corporation," "corp.," "incorporated," or 2826  
"inc." 2827

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

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

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

(c) 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;

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

(e) 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.

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

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

(1) The use of the word "corporation," "company,"	2857
"incorporated," "limited," or any abbreviation of any of those	2858
words;	2859
(2) The use of any article, conjunction, contraction,	2860
abbreviation, or punctuation;	2861
(3) The use of a different tense or number of the same	2862
word.	2863
(C) A corporation may apply to the secretary of state for	2864
authorization to use a name that is not distinguishable upon the	2865
secretary of state's records from the name of any other	2866
corporation, limited liability company, limited liability	2867
partnership, or limited partnership, or from a registered trade	2868
name, if there also is filed in the office of the secretary of	2869
state, on a form prescribed by the secretary of state, the	2870
consent of the other entity or, in the case of a registered	2871
trade name, the person in whose name is registered the exclusive	2872
right to use the name, which consent is evidenced in a writing	2873
signed by any authorized officer or any authorized	2874
representative of the other entity or person.	2875
(D) In case of judicial sale or judicial transfer, by sale	2876
or transfer of good will or otherwise, of the right to use the	2877
name of a corporation, whether nonprofit or for profit, and	2878
whether that of a domestic corporation or of a foreign	2879
corporation authorized to exercise its corporate privileges in	2880
this state or to do business in this state, the secretary of	2881
state, at the instance of the purchaser or transferee of such	2882
right, shall accept for filing articles of a corporation with a	2883
name the same as or similar to the name of such other	2884
corporation, if there also is filed in the office of the	2885
secretary of state a certified copy of the decree or order of	2886

court confirming or otherwise evidencing the purchase or 2887  
transfer. 2888

(E) Any person who wishes to reserve a name for a proposed 2889  
new corporation, or any corporation intending to change its 2890  
name, may submit to the secretary of state a written 2891  
application, on a form prescribed by the secretary of state, for 2892  
the exclusive right to use a specified name as the name of a 2893  
corporation. If the secretary of state finds that, under this 2894  
section, the specified name is available for such use, the 2895  
secretary of state shall file the application and, from the date 2896  
of the filing, the applicant shall have the exclusive right for 2897  
one hundred eighty days to use the specified name as the name of 2898  
a corporation, counting the date of such filing as the first of 2899  
one hundred eighty days. The right so obtained may be 2900  
transferred by the applicant or other holder thereof by the 2901  
filing in the office of the secretary of state of a written 2902  
transfer, on a form prescribed by the secretary of state, 2903  
stating the name and address of the transferee. 2904

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

the chapter of the Revised Code under which each domestic 2918  
constituent entity exists and by the laws under which each 2919  
foreign constituent entity exists. 2920

(B) The agreement of merger or consolidation shall set 2921  
forth all of the following: 2922

(1) The name and the form of entity of each constituent 2923  
entity and the state under the laws of which each constituent 2924  
entity exists; 2925

(2) In the case of a merger, that one or more specified 2926  
constituent entities will be merged into a specified surviving 2927  
foreign entity or surviving domestic entity other than a 2928  
domestic corporation or, in the case of a consolidation, that 2929  
the constituent entities will be consolidated into a new foreign 2930  
entity or domestic entity other than a corporation. The name of 2931  
such a surviving or new entity may be the same as or similar to 2932  
that of any constituent corporation or constituent limited 2933  
liability company. 2934

(3) The terms of the merger or consolidation, the mode of 2935  
carrying them into effect, and the manner and basis of 2936  
converting the shares or interests of the constituent entities 2937  
into, or substituting the shares or interests of the constituent 2938  
entities for, shares, interests, evidences of indebtedness, 2939  
other securities, cash, rights, or any other property or any 2940  
combination of shares, interests, evidences of indebtedness, 2941  
securities, cash, rights, or any other property of the surviving 2942  
entity, of the new entity, or of any other entity, including the 2943  
parent of any constituent entity, or any other person. No 2944  
conversion or substitution shall be effected if there are 2945  
reasonable grounds to believe that the surviving or new entity 2946  
would be rendered insolvent by the conversion or substitution. 2947

(4) If the surviving or new entity is a foreign 2948  
corporation, all additional statements and matters, other than 2949  
the name and address of the statutory agent, that would be 2950  
required by section 1701.78 of the Revised Code if the surviving 2951  
or new corporation were a domestic corporation; 2952

(5) The name and the form of entity of the surviving or 2953  
new entity, the state under the laws of which the surviving 2954  
entity exists or the new entity is to exist, and the location of 2955  
the principal office of the surviving or new entity in that 2956  
state; 2957

(6) All statements and matters required to be set forth in 2958  
an agreement of merger or consolidation by the laws under which 2959  
each constituent entity exists and, in the case of a 2960  
consolidation, the new entity is to exist; 2961

(7) The consent of the surviving or the new entity to be 2962  
sued and served with process in this state and the irrevocable 2963  
appointment of the secretary of state as its agent to accept 2964  
service of process in any proceeding in this state to enforce 2965  
against the surviving or new entity any obligation of any 2966  
domestic constituent corporation, or to enforce the rights of a 2967  
dissenting shareholder of any domestic constituent corporation; 2968

(8) If the surviving or new entity is a foreign 2969  
corporation that desires to transact business in this state as a 2970  
foreign corporation, a statement to that effect, together with a 2971  
statement regarding the appointment of a statutory agent and 2972  
service of any process, notice, or demand upon that statutory 2973  
agent or the secretary of state, as required when a foreign 2974  
corporation applies for a license to transact business in this 2975  
state; 2976

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

(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.

(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.

(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.

(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 3007  
directors of any constituent corporation, the general partners 3008  
of any constituent partnership, or the comparable 3009  
representatives of any other constituent entity if the 3010  
directors, general partners, or comparable representatives are 3011  
authorized to do so by the agreement of merger or consolidation. 3012

The agreement of merger or consolidation may contain a 3013  
provision authorizing the directors of any constituent 3014  
corporation, the general partners of any constituent 3015  
partnership, or the comparable representatives of any other 3016  
constituent entity to amend the agreement of merger or 3017  
consolidation at any time before the filing of the certificate 3018  
of merger or consolidation, except that, after the adoption of 3019  
the agreement by the shareholders of any domestic constituent 3020  
corporation, the directors shall not be authorized to amend the 3021  
agreement to do any of the following: 3022

(1) Alter or change the amount or kind of shares, 3023  
interests, evidences of indebtedness, other securities, cash, 3024  
rights, or any other property to be received by shareholders of 3025  
the domestic constituent corporation in conversion of, or in 3026  
substitution for, their shares; 3027

(2) If the surviving or new entity is a foreign 3028  
corporation, alter or change any term of the articles of the 3029  
surviving or new foreign corporation, except for alterations or 3030  
changes that could otherwise be adopted by the directors of the 3031  
surviving or new foreign corporation; 3032

(3) If the surviving or new entity is a partnership or 3033  
other entity other than a corporation, alter or change any term 3034  
of the partnership agreement or comparable instrument of the 3035  
surviving or new partnership or other entity, except for 3036

alterations or changes that otherwise could be adopted by the 3037  
general partners or comparable representatives of the surviving 3038  
or new partnership or other entity; 3039

(4) Alter or change any other terms and conditions of the 3040  
agreement of merger or consolidation if any of the alterations 3041  
or changes, alone or in the aggregate, would materially 3042  
adversely affect the holders of any class or series of shares of 3043  
the domestic constituent corporation. 3044

**Sec. 1702.05.** (A) Except as provided in this section and 3045  
in sections 1702.41 and 1702.411 of the Revised Code, the 3046  
secretary of state shall not accept for filing in the secretary 3047  
of state's office any articles if the corporate name set forth 3048  
in the articles is not distinguishable upon the secretary of 3049  
state's records from any of the following: 3050

(1) The name of any other corporation, whether a nonprofit 3051  
corporation or a business corporation and whether that of a 3052  
domestic or of a foreign corporation authorized to do business 3053  
in this state; 3054

(2) The name of any limited liability company registered 3055  
in the office of the secretary of state pursuant to Chapter 3056  
1705. or 1706. of the Revised Code, whether domestic or foreign; 3057

(3) The name of any limited liability partnership 3058  
registered in the office of the secretary of state pursuant to 3059  
Chapter 1775. or 1776. of the Revised Code, whether domestic or 3060  
foreign; 3061

(4) The name of any limited partnership registered in the 3062  
office of the secretary of state pursuant to Chapter 1782. of 3063  
the Revised Code, whether domestic or foreign; 3064

(5) Any trade name, the exclusive right to which is at the 3065

time in question registered in the office of the secretary of 3066  
state pursuant to Chapter 1329. of the Revised Code. 3067

(B) The secretary of state shall determine for purposes of 3068  
this section whether a name is "distinguishable" from another 3069  
name upon the secretary of state's records. Without excluding 3070  
other names that may not constitute distinguishable names in 3071  
this state, a name is not considered distinguishable from 3072  
another name for purposes of this section solely because it 3073  
differs from the other name in only one or more of the following 3074  
manners: 3075

(1) The use of the word "corporation," "company," 3076  
"incorporated," "limited," or any abbreviation of any of those 3077  
words; 3078

(2) The use of any article, conjunction, contraction, 3079  
abbreviation, or punctuation; 3080

(3) The use of a different tense or number of the same 3081  
word. 3082

(C) A corporation may apply to the secretary of state for 3083  
authorization to use a name that is not distinguishable upon the 3084  
secretary of state's records from the name of any other 3085  
corporation, any limited liability company, limited liability 3086  
partnership, or limited partnership, or from a registered trade 3087  
name, if there also is filed in the office of the secretary of 3088  
state, on a form prescribed by the secretary of state, the 3089  
consent of the other entity, or, in the case of a registered 3090  
trade name, the person in whose name is registered the exclusive 3091  
right to use the name, which consent is evidenced in a writing 3092  
signed by any authorized officer or authorized representative of 3093  
the other entity or person. 3094

(D) In case of judicial sale or judicial transfer, by sale 3095  
or transfer of good will or otherwise, of the right to use the 3096  
name of a nonprofit corporation or business corporation, whether 3097  
that of a domestic corporation or of a foreign corporation 3098  
authorized to exercise its corporate privileges in this state or 3099  
to do business in this state, the secretary of state, at the 3100  
instance of the purchaser or transferee of such right, shall 3101  
accept for filing articles of a corporation with a name the same 3102  
as or similar to the name of such other corporation, if there 3103  
also is filed in the office of the secretary of state a 3104  
certified copy of the decree or order of court confirming or 3105  
otherwise evidencing the purchase or transfer. 3106

(E) Any person who wishes to reserve a name for a proposed 3107  
new corporation, or any corporation intending to change its 3108  
name, may submit to the secretary of state a written 3109  
application, on a form prescribed by the secretary of state, for 3110  
the exclusive right to use a specified name as the name of a 3111  
corporation. If the secretary of state finds that, under this 3112  
section, the specified name is available for such use, the 3113  
secretary of state shall file such application, and, from the 3114  
date of such filing, such applicant shall have the exclusive 3115  
right for one hundred eighty days to use the specified name as 3116  
the name of a corporation, counting the date of such filing as 3117  
the first of the one hundred eighty days. The right so obtained 3118  
may be transferred by the applicant or other holder of the right 3119  
by the filing in the office of the secretary of state of a 3120  
written transfer, on a form prescribed by the secretary of 3121  
state, stating the name and address of the transferee. 3122

**Sec. 1702.411.** (A) (1) Pursuant to an agreement of merger 3123  
between the constituent entities as provided in this section, a 3124  
domestic corporation and, if so provided, one or more additional 3125

domestic or foreign entities, may be merged into a surviving 3126  
entity other than a domestic corporation. Pursuant to an 3127  
agreement of consolidation, a domestic corporation together with 3128  
one or more additional domestic or foreign entities may be 3129  
consolidated into a new entity other than a domestic 3130  
corporation, to be formed by that consolidation. The merger or 3131  
consolidation must be permitted by the chapter of the Revised 3132  
Code under which each domestic constituent entity exists and by 3133  
the laws under which each foreign constituent entity exists. The 3134  
name of the surviving or new entity may be the same as or 3135  
similar to that of any constituent entity. 3136

(2) To effect a merger or consolidation under this 3137  
section, the directors of each constituent domestic corporation 3138  
shall approve an agreement of merger or consolidation to be 3139  
signed by the chairperson of the board of directors, the 3140  
president, or a vice-president and by the secretary or an 3141  
assistant secretary. The agreement of merger or consolidation 3142  
shall be approved or otherwise authorized by or on behalf of 3143  
each other constituent entity in accordance with the laws under 3144  
which it exists. 3145

(3) The agreement of merger or consolidation shall set 3146  
forth all of the following: 3147

(a) The name and the form of entity of each constituent 3148  
entity and the state under the laws of which each constituent 3149  
entity exists; 3150

(b) In the case of a merger, that one or more specified 3151  
constituent entities will be merged into a specified surviving 3152  
foreign entity or surviving domestic entity other than a 3153  
domestic corporation or, in the case of a consolidation, that 3154  
the constituent entities will be consolidated into a new foreign 3155

entity or domestic entity other than a domestic corporation. 3156

(c) The terms of the merger or consolidation and the mode 3157  
of carrying those terms into effect; 3158

(d) If the surviving or new entity is a foreign 3159  
corporation, all additional statements and matters, other than 3160  
the name and address of the statutory agent, that would be 3161  
required by section 1702.41 of the Revised Code if the surviving 3162  
or new corporation were a domestic corporation; 3163

(e) The name and the form of entity of the surviving or 3164  
new entity, the state under the laws of which the surviving 3165  
entity exists or the new entity is to exist, and the location of 3166  
the principal office of the surviving or new entity in that 3167  
state; 3168

(f) All statements and matters required to be set forth in 3169  
an agreement of merger or consolidation by the laws under which 3170  
each constituent entity exists and, in the case of a 3171  
consolidation, the new entity is to exist; 3172

(g) The consent of the surviving or the new entity to be 3173  
sued and served with process in this state and the irrevocable 3174  
appointment of the secretary of state as its agent to accept 3175  
service of process in any proceeding in this state to enforce 3176  
against the surviving or new entity any obligation of any 3177  
domestic constituent corporation; 3178

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

corporation applies for a license to transact business in this 3185  
state; 3186

(i) If the surviving or new entity is a foreign limited 3187  
partnership that desires to transact business in this state as a 3188  
foreign limited partnership, a statement to that effect, 3189  
together with all of the information required under section 3190  
1782.49 of the Revised Code when a foreign limited partnership 3191  
registers to transact business in this state; 3192

(j) If the surviving or new entity is a foreign limited 3193  
liability company that desires to transact business in this 3194  
state as a foreign limited liability company, a statement to 3195  
that effect, together with all of the information required under 3196  
section 1705.54 or 1706.511 of the Revised Code when a foreign 3197  
limited liability company registers to transact business in this 3198  
state; 3199

(k) If the surviving or new entity is a foreign 3200  
unincorporated association that desires to transact business in 3201  
this state as a foreign unincorporated association, a statement 3202  
to that effect, together with all of the information required 3203  
under section 1745.461 of the Revised Code when a foreign 3204  
unincorporated association registers to transact business in 3205  
this state. 3206

(4) The agreement of merger or consolidation also may set 3207  
forth any additional provision permitted by the laws of any 3208  
state under the laws of which any constituent entity exists, 3209  
consistent with the laws under which the surviving entity exists 3210  
or the new entity is to exist. 3211

(B) (1) A merger or consolidation in which a domestic 3212  
public benefit corporation is one of the constituent entities 3213

shall be approved by the court of common pleas of the county in 3214  
this state in which the principal office of the domestic public 3215  
benefit corporation is located in a proceeding of which the 3216  
attorney general's charitable law section has been given written 3217  
notice by certified mail within three days of the initiation of 3218  
the proceeding and in which proceeding the attorney general may 3219  
intervene as of right. No approval by the court under division 3220  
(B) (1) of this section is required if either of the following 3221  
applies: 3222

(a) A public benefit entity is the surviving entity in the 3223  
case of a merger and continues to be a public benefit entity or 3224  
is the new entity in the case of a consolidation and continues 3225  
to be a public benefit entity. 3226

(b) A public benefit entity is not the surviving entity in 3227  
the case of a merger or is not the new entity in the case of a 3228  
consolidation, and all of the following apply: 3229

(i) On or prior to the effective date of the merger or 3230  
consolidation, assets with a value equal to the greater of the 3231  
fair market value of the net tangible and intangible assets, 3232  
including goodwill, of the domestic public benefit corporation 3233  
or the fair market value of the domestic public benefit 3234  
corporation if it is to be operated as a business concern are 3235  
transferred or conveyed to one or more persons that would have 3236  
received its assets under section 1702.49 of the Revised Code 3237  
had it voluntarily dissolved. 3238

(ii) The domestic public benefit corporation returns, 3239  
transfers, or conveys any assets held by it upon a condition 3240  
requiring return, transfer, or conveyance, which condition 3241  
occurs by reason of the merger or consolidation, in accordance 3242  
with that condition. 3243

(iii) The merger or consolidation is approved by a 3244  
majority of directors of the domestic public benefit corporation 3245  
who will not receive any financial or other benefit, directly or 3246  
indirectly, as a result of the merger or consolidation or by 3247  
agreement, and who are not and will not as a result of the 3248  
merger or consolidation become members, partners, or other 3249  
owners, however denominated, of, shareholders in, directors, 3250  
officers, managers, employees, agents, or other representatives 3251  
of, or consultants to, the surviving or new entity. 3252

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

the domestic public benefit corporation. The notice shall set 3275  
forth the reasons necessitating the extension. 3276

(3) No member, other than a member that is a public 3277  
benefit entity, or director of a domestic public benefit 3278  
corporation in that person's capacity as a member or director 3279  
may receive or keep anything as a result of a merger or 3280  
consolidation other than membership or directorship in the 3281  
surviving or new public benefit entity without the prior written 3282  
consent of the attorney general or of the court of common pleas 3283  
of the county in this state in which the principal office of the 3284  
domestic public benefit corporation is located that is obtained 3285  
in a proceeding in which the attorney general's charitable law 3286  
section has been given written notice by certified mail within 3287  
three days of the initiation of the proceeding and in which 3288  
proceeding the attorney general may intervene as of right. The 3289  
court shall approve the transaction if it is in the public 3290  
interest. 3291

(4) The attorney general may institute a civil action to 3292  
enforce the requirements of divisions (B) (1), (2), and (3) of 3293  
this section in the court of common pleas of the county in this 3294  
state in which the principal office of the domestic public 3295  
benefit corporation is located or in the Franklin county court 3296  
of common pleas. In addition to any civil remedies that may 3297  
exist under common law or the Revised Code, a court may rescind 3298  
the transaction or grant injunctive relief or impose any 3299  
combination of these remedies. 3300

**Sec. 1703.04.** (A) To procure a license to transact 3301  
business in this state, a foreign corporation for profit shall 3302  
file with the secretary of state a certificate of good standing 3303  
or subsistence, dated not earlier than ninety days prior to the 3304

filing of the application, under the seal of the secretary of 3305  
state, or other proper official, of the state under the laws of 3306  
which said corporation was incorporated, setting forth the exact 3307  
corporate title and the fact that the corporation is in good 3308  
standing or is a subsisting corporation. 3309

(B) To procure such a license, such corporation also shall 3310  
file with the secretary of state an application in such form as 3311  
the secretary of state prescribes, verified by the oath of any 3312  
authorized officer of such corporation, setting forth, but not 3313  
limited to: 3314

(1) The name of the corporation and, if its corporate name 3315  
is not available, the trade name under which it will do business 3316  
in this state; 3317

(2) The name of the state under the laws of which it was 3318  
incorporated; 3319

(3) The location and complete address of its principal 3320  
office; 3321

(4) The name of the county and the municipal corporation 3322  
or township in which its principal office within this state, if 3323  
any, is to be located; 3324

(5) The appointment of a designated agent and the complete 3325  
address of such agent; 3326

(6) The irrevocable consent of such corporation to service 3327  
of process on such agent so long as the authority of such agent 3328  
continues and to service of process upon the secretary of state 3329  
in the events provided for in section 1703.19 of the Revised 3330  
Code; 3331

(7) A brief summary of the corporate purposes to be 3332

exercised within this state. 3333

(C) (1) No such application for a license shall be accepted 3334  
for filing if it appears that the name of the foreign 3335  
corporation is prohibited by law or is not distinguishable upon 3336  
the records in the office of the secretary of state from the 3337  
name of any other corporation, whether nonprofit or for profit 3338  
and whether that of a domestic corporation or of a foreign 3339  
corporation authorized to transact business in this state, the 3340  
name of a limited liability company registered in the office of 3341  
the secretary of state pursuant to Chapter 1705. or 1706. of the 3342  
Revised Code, whether domestic or foreign, the name of any 3343  
limited liability partnership registered in the office of the 3344  
secretary of state pursuant to Chapter 1775. or 1776. of the 3345  
Revised Code, whether domestic or foreign, the name of any 3346  
limited partnership registered in the office of the secretary of 3347  
state pursuant to Chapter 1782. of the Revised Code, whether 3348  
domestic or foreign, or a trade name to which the exclusive 3349  
right at the time in question is registered in the manner 3350  
provided in Chapter 1329. of the Revised Code, unless there also 3351  
is filed with the secretary of state, on a form prescribed by 3352  
the secretary of state, the consent of the other entity or 3353  
person to the use of the name, evidenced in a writing signed by 3354  
any authorized officer of the other entity or authorized 3355  
representative of the other person owning the exclusive right to 3356  
the registered trade name. 3357

(2) Notwithstanding division (C) (1) of this section, if an 3358  
application for a license is not acceptable for filing solely 3359  
because the name of the foreign corporation is not 3360  
distinguishable from the name of another entity or registered 3361  
trade name, the foreign corporation may be authorized to 3362  
transact business in this state by filing with the secretary of 3363

state, in addition to those items otherwise prescribed by this 3364  
section, a statement signed by an authorized officer directing 3365  
the foreign corporation to make application for a license to 3366  
transact business in this state under an assumed business name 3367  
or names that comply with the requirements of this division and 3368  
stating that the foreign corporation will transact business in 3369  
this state only under the assumed name or names. The application 3370  
for a license shall be on a form prescribed by the secretary of 3371  
state. 3372

Sec. 1706.01. As used in this chapter: 3373

(A) "Articles of organization" means the articles of 3374  
organization described in section 1706.16 of the Revised Code, 3375  
and those articles of organization as amended or restated. 3376

(B) "Assignment" means a transfer, conveyance, deed, bill 3377  
of sale, lease, mortgage, security interest, encumbrance, gift, 3378  
or transfer by operation of law. 3379

(C) "Constituent limited liability company" means a 3380  
constituent entity that is a limited liability company. 3381

(D) "Constituent entity" means an entity that is party to 3382  
a merger. 3383

(E) "Contribution" means anything of value including cash, 3384  
property, or services rendered, or a promissory note or other 3385  
binding obligation to contribute cash or property or to perform 3386  
services, that a person contributes to a limited liability 3387  
company, or a series thereof, in the person's capacity as a 3388  
member. 3389

(F) "Converted entity" means the entity into which a 3390  
converting entity converts pursuant to sections 1706.72 to 3391  
1706.723 of the Revised Code. 3392

(G) "Converting limited liability company" means a 3393  
converting entity that is a limited liability company. 3394

(H) "Converting entity" means an entity that converts into 3395  
a converted entity pursuant to sections 1706.72 to 1706.723 of 3396  
the Revised Code. 3397

(I) "Debtor in bankruptcy" means a person who is the 3398  
subject of an order for relief under Title 11 of the United 3399  
States Code, a comparable order under a successor statute of 3400  
general application, or a comparable order under any federal, 3401  
state, or foreign law governing insolvency. 3402

(J) "Distribution" means a transfer of money or other 3403  
property from a limited liability company, or a series thereof, 3404  
to another person on account of a membership interest. 3405

(K) "Entity" means a general partnership, limited 3406  
partnership, limited liability partnership, limited liability 3407  
company, association, corporation, professional corporation, 3408  
professional association, nonprofit corporation, business trust, 3409  
real estate investment trust, common law trust, statutory trust, 3410  
cooperative association, or any similar organization that has a 3411  
governing statute, in each case, whether foreign or domestic. 3412

(L) "Foreign limited liability company" means an entity 3413  
that is all of the following: 3414

(1) An unincorporated association; 3415

(2) Organized under the laws of a state other than this 3416  
state or under the laws of a foreign country; 3417

(3) Organized under a statute pursuant to which an 3418  
association may be formed that affords to each of its members 3419  
limited liability with respect to the liabilities of the entity; 3420

<u>(4) Not required to be registered, qualified, or organized</u>	3421
<u>under any statute of this state other than this chapter.</u>	3422
<u>(M) "Governing statute" means the law that governs an</u>	3423
<u>entity's internal affairs.</u>	3424
<u>(N) "Limited liability company," except in the phrase</u>	3425
<u>"foreign limited liability company," means an entity formed or</u>	3426
<u>existing under this chapter.</u>	3427
<u>(O) "Manager" means any person designated by the limited</u>	3428
<u>liability company or its members with the authority to manage</u>	3429
<u>all or part of the activities or affairs of the limited</u>	3430
<u>liability company on behalf of the limited liability company,</u>	3431
<u>which person has agreed to serve in such capacity, whether such</u>	3432
<u>person is designated as a manager, director, officer, or</u>	3433
<u>otherwise.</u>	3434
<u>(P) "Member" means a person that has been admitted as a</u>	3435
<u>member of a limited liability company under section 1706.27 of</u>	3436
<u>the Revised Code and that has not dissociated as a member.</u>	3437
<u>(Q) "Membership interest" means a member's right to</u>	3438
<u>receive distributions from a limited liability company or series</u>	3439
<u>thereof.</u>	3440
<u>(R) "Operating agreement" means any valid agreement,</u>	3441
<u>written or oral, of the members, or any written declaration of</u>	3442
<u>the sole member, as to the affairs and activities of a limited</u>	3443
<u>liability company and any series thereof. "Operating agreement"</u>	3444
<u>includes any amendments to the operating agreement.</u>	3445
<u>(S) "Organizational documents" means any of the following:</u>	3446
<u>(1) For a general partnership or foreign general</u>	3447
<u>partnership, its partnership agreement;</u>	3448

<u>(2) For a limited partnership or foreign limited</u>	3449
<u>partnership, its certificate of limited partnership and</u>	3450
<u>partnership agreement;</u>	3451
<u>(3) For a limited liability limited partnership or foreign</u>	3452
<u>limited liability limited partnership, its certificate of</u>	3453
<u>limited partnership and partnership agreement;</u>	3454
<u>(4) For a limited liability company or foreign limited</u>	3455
<u>liability company, its articles of organization and operating</u>	3456
<u>agreement, or comparable records as provided in its governing</u>	3457
<u>statute;</u>	3458
<u>(5) For a business or statutory trust or foreign business</u>	3459
<u>or statutory trust, its trust instrument, or comparable records</u>	3460
<u>as provided in its governing statute;</u>	3461
<u>(6) For a for-profit corporation or foreign for-profit</u>	3462
<u>corporation, its articles of incorporation, regulations, and</u>	3463
<u>other agreements among its shareholders that are authorized by</u>	3464
<u>its governing statute, or comparable records as provided in its</u>	3465
<u>governing statute;</u>	3466
<u>(7) For a nonprofit corporation or foreign nonprofit</u>	3467
<u>corporation, its articles of incorporation, regulations, and</u>	3468
<u>other agreements that are authorized by its governing statute or</u>	3469
<u>comparable records as provided in its governing statute;</u>	3470
<u>(8) For a professional association, its articles of</u>	3471
<u>incorporation, regulations, and other agreements among its</u>	3472
<u>shareholders that are authorized by its governing statute, or</u>	3473
<u>comparable records as provided in its governing statute;</u>	3474
<u>(9) For any other entity, the basic records that create</u>	3475
<u>the entity, determine its internal governance, and determine the</u>	3476
<u>relations among the persons that own it, are members of it, or</u>	3477

govern it. 3478

(T) "Organizer" means a person executing the initial 3479  
articles of organization filed by the secretary of state in 3480  
accordance with section 1706.16 of the Revised Code. 3481

(U) "Person" means an individual, entity, trust, estate, 3482  
government, custodian, nominee, trustee, personal 3483  
representative, fiduciary, or any other individual, entity, or 3484  
series thereof in its own or any representative capacity, in 3485  
each case, whether foreign or domestic. As used in this 3486  
division, "government" includes a country, state, county, or 3487  
other political subdivision, agency, or instrumentality. 3488

(V) "Principal office" means the location specified by a 3489  
limited liability company, foreign limited liability company, or 3490  
other entity as its principal office in the last filed record in 3491  
which the limited liability company, foreign limited liability 3492  
company, or other entity specified its principal office on the 3493  
records of the secretary of state. If no such location has 3494  
previously been specified, then "principal office" means the 3495  
location reasonably apparent to an unaffiliated person as the 3496  
principal executive office of the limited liability company, 3497  
foreign limited liability company, or other entity. 3498

(W) "Record" means information that is inscribed on a 3499  
tangible medium or that is stored in an electronic or other 3500  
medium and is retrievable in written or paper form through an 3501  
automated process. 3502

(X) "Sign" means, with the present intent to authenticate 3503  
or adopt a record, either of the following: 3504

(1) To execute or adopt a tangible symbol; 3505

(2) To attach to or logically associate with the record an 3506

electronic symbol, sound, or process. 3507

(Y) "State" means a state of the United States, the 3508  
District of Columbia, Puerto Rico, the United States Virgin 3509  
Islands, or any territory or insular possession subject to the 3510  
jurisdiction of the United States. 3511

(Z) "Surviving entity" means an entity into which one or 3512  
more other entities are merged, whether the entity pre-existed 3513  
the merger or was created pursuant to the merger. 3514

(AA) "Tribunal" means a court or, if provided in the 3515  
operating agreement or otherwise agreed, an arbitrator, 3516  
arbitration panel, or other tribunal. 3517

**Sec. 1706.02.** This chapter may be cited as the "Ohio 3518  
Revised Limited Liability Company Act." 3519

**Sec. 1706.03.** (A) A person knows a fact when either of the 3520  
following is met: 3521

(1) The person has actual knowledge of the fact. 3522

(2) The person is deemed to know the fact under law other 3523  
than this chapter. 3524

(B) A person has notice of a fact when any of the 3525  
following is met: 3526

(1) The person knows of the fact. 3527

(2) The person receives notification of the fact. 3528

(3) The person has reason to know the fact from all the 3529  
facts known to the person at the time. 3530

(4) The person is deemed to have notice of the fact under 3531  
division (D) of this section. 3532

(C) A person notifies another of a fact by taking steps 3533  
reasonably required to inform the other person in ordinary 3534  
course, whether or not the other person knows the fact. 3535

(D) A person is deemed to have notice of the following: 3536

(1) The matters included in a limited liability company's 3537  
articles of organization under divisions (A) (1) to (3) of 3538  
section 1706.16 of the Revised Code, upon the filing of the 3539  
articles; 3540

(2) A limited liability company's dissolution, ninety days 3541  
after a certificate of dissolution under section 1706.471 of the 3542  
Revised Code becomes effective; 3543

(3) A limited liability company's merger or conversion, 3544  
ninety days after a certificate of merger under section 1706.712 3545  
of the Revised Code or certificate of conversion under section 3546  
1706.722 of the Revised Code becomes effective. 3547

(E) A member's knowledge, notice, or receipt of a 3548  
notification of a fact relating to the limited liability company 3549  
is not knowledge, notice, or receipt of a notification of a fact 3550  
by the limited liability company solely by reason of the 3551  
member's capacity as a member. 3552

**Sec. 1706.04.** (A) A limited liability company is a 3553  
separate legal entity. A limited liability company's status for 3554  
tax purposes shall not affect its status as a separate legal 3555  
entity formed under this chapter. 3556

(B) A limited liability company has perpetual duration. 3557

**Sec. 1706.05.** (A) A limited liability company may carry on 3558  
any lawful activity, whether or not for profit. 3559

(B) A limited liability company shall possess and may 3560

exercise all the powers and privileges granted by this chapter 3561  
or by any other law or by its operating agreement, together with 3562  
any powers incidental thereto, including those powers and 3563  
privileges necessary or convenient to the conduct, promotion, or 3564  
attainment of the business, purposes, or activities of the 3565  
limited liability company. 3566

(C) Without limiting the general powers enumerated in 3567  
division (B) of this section, a limited liability company shall 3568  
have the power and authority to make contracts of guaranty and 3569  
suretyship and enter into interest rate, basis, currency, hedge, 3570  
or other swap agreements, or cap, floor, put, call, option, 3571  
exchange, or collar agreements, derivative agreements, or other 3572  
agreements similar to any of the foregoing. 3573

(D) A series established under this chapter has the power 3574  
and capacity, in the series' own name, to do all of the 3575  
following: 3576

(1) Sue and be sued; 3577

(2) Contract; 3578

(3) Hold and convey title to assets of the series, 3579  
including real property, personal property, and intangible 3580  
property; 3581

(4) Grant liens and security interests in assets of the 3582  
series. 3583

**Sec. 1706.06.** (A) This chapter shall be construed to give 3584  
maximum effect to the principles of freedom of contract and to 3585  
the enforceability of operating agreements. 3586

(B) Unless displaced by particular provisions of this 3587  
chapter, principles of law and equity supplement this chapter. 3588

(C) Rules that statutes in derogation of the common law 3589  
are to be strictly construed shall have no application to this 3590  
chapter. 3591

(D) Sections 1309.406 and 1309.408 of the Revised Code do 3592  
not apply to any interest in a limited liability company, 3593  
including all rights, powers, and interests arising under an 3594  
operating agreement or this chapter. This division prevails over 3595  
those sections, and is expressly intended to permit the 3596  
enforcement of the provisions of an operating agreement that 3597  
would otherwise be ineffective under those sections. 3598

(E) This chapter applies to all limited liability 3599  
companies equally regardless of whether the limited liability 3600  
company has one or more members or whether it is formed by a 3601  
filing under section 1706.16 of the Revised Code or by merger, 3602  
consolidation, conversion, or otherwise. 3603

**Sec. 1706.061.** The law of this state governs all of the 3604  
following: 3605

(A) The organization and internal affairs of a limited 3606  
liability company; 3607

(B) The liability of a member as a member for the debts, 3608  
obligations, or other liabilities of a limited liability 3609  
company; 3610

(C) The authority of the members and agents of a limited 3611  
liability company; 3612

(D) The availability of the assets of a limited liability 3613  
company or series thereof for the obligations of the limited 3614  
liability company or another series thereof. 3615

**Sec. 1706.07.** (A) The name of a limited liability company 3616

shall contain the words "limited liability company" or the 3617  
abbreviation "L.L.C.," "LLC," "limited," "ltd.," or "ltd". 3618

(B) Except as provided in this section and in sections 3619  
1701.75, 1701.78, 1701.82, 1705.36, and 1705.37 of the Revised 3620  
Code, the secretary of state shall not accept for filing in the 3621  
secretary of state's office the articles of organization of a 3622  
limited liability company if the company name set forth in the 3623  
articles is not distinguishable on the records of the secretary 3624  
of state from the name of any of the following: 3625

(1) Any other limited liability company, whether the name 3626  
is of a domestic limited liability company or of a foreign 3627  
limited liability company registered as a foreign limited 3628  
liability company under this chapter; 3629

(2) Any corporation, whether the name is of a domestic 3630  
corporation or of a foreign corporation holding a license as a 3631  
foreign corporation under the laws of this state pursuant to 3632  
Chapter 1701., 1702., or 1703. of the Revised Code; 3633

(3) Any limited liability partnership, whether the name is 3634  
of a domestic limited liability partnership or a foreign limited 3635  
liability partnership registered pursuant to Chapter 1775. or 3636  
1776. of the Revised Code; 3637

(4) Any limited partnership, whether the name is of a 3638  
domestic limited partnership or a foreign limited partnership 3639  
registered pursuant to Chapter 1782. of the Revised Code; 3640

(5) Any trade name to which the exclusive right, at the 3641  
time in question, is registered in the office of the secretary 3642  
of state pursuant to Chapter 1329. of the Revised Code. 3643

(C) A limited liability company may apply to the secretary 3644  
of state for authorization to use a name that is not 3645

distinguishable from the names identified in division (B) of of 3646  
this section if there also is filed in the office of the 3647  
secretary of state, on a form prescribed by the secretary of 3648  
state, the consent of the other person or, in the case of a 3649  
registered trade name, the person in whose name is registered 3650  
the exclusive right to use the name, which consent is evidenced 3651  
in a writing signed by any authorized officer or any authorized 3652  
representative of the other person. 3653

(D) If a judicial sale or other transfer by order of a 3654  
tribunal involves the right to use the name of a limited 3655  
liability company or of a foreign limited liability company, 3656  
then division (B) of this section shall not be applicable with 3657  
respect to any person that is subject to the order. 3658

(E) Any person that wishes to reserve a name for a 3659  
proposed new limited liability company, a limited liability 3660  
company that intends to change its name, or an assumed name for 3661  
a foreign limited liability company whose name is not available 3662  
may submit to the secretary of state, on a form prescribed by 3663  
the secretary of state, a written application for the exclusive 3664  
right to use a specified name as the name of the company. If the 3665  
secretary of state finds, consistent with this section, that the 3666  
specified name is available for use, the secretary of state 3667  
shall file the application. From the date of the filing, the 3668  
applicant has the exclusive right for one hundred eighty days to 3669  
use the specified name as the name of the limited liability 3670  
company, counting the date of the filing as the first of the one 3671  
hundred eighty days. The right so obtained may be transferred by 3672  
the applicant or other holder of the right by filing in the 3673  
office of the secretary of state a written transfer, on a form 3674  
prescribed by the secretary of state, that states the name and 3675  
address of the transferee. 3676

Sec. 1706.08. (A) Except as otherwise provided in 3677  
divisions (B) and (C) of this section, both of the following 3678  
apply: 3679

(1) An operating agreement governs relations among the 3680  
members as members and between the members and the limited 3681  
liability company. 3682

(2) To the extent that an operating agreement does not 3683  
otherwise provide for a matter described in division (A)(1) of 3684  
this section, this chapter governs the matter. 3685

(B)(1) To the extent that, at law or in equity, a member, 3686  
manager, or other person has duties, including fiduciary duties, 3687  
to the limited liability company, or to another member or to 3688  
another person that is a party to or is otherwise bound by an 3689  
operating agreement, those duties may be expanded or restricted 3690  
or eliminated by a written operating agreement. However, an 3691  
operating agreement may not eliminate the implied covenant of 3692  
good faith and fair dealing. 3693

(2) A written operating agreement may provide for the 3694  
limitation or elimination of any and all liabilities for breach 3695  
of contract and breach of duties, including breach of fiduciary 3696  
duties, of a member, manager, or other person to a limited 3697  
liability company or to another member or to another person that 3698  
is a party to or is otherwise bound by an operating agreement. 3699  
However, an operating agreement may not limit or eliminate 3700  
liability for any act or omission that constitutes a bad faith 3701  
violation of the implied covenant of good faith and fair 3702  
dealing. 3703

(3) A member, manager, or other person shall not be liable 3704  
to a limited liability company or to another member or to 3705

another person that is a party to or is otherwise bound by an 3706  
operating agreement for breach of fiduciary duty for the 3707  
member's or other person's good faith reliance on the operating 3708  
agreement. 3709

(4) An operating agreement may provide either or both of 3710  
the following: 3711

(a) That, a member or assignee who fails to perform in 3712  
accordance with, or to comply with the terms and conditions of, 3713  
the operating agreement shall be subject to specified penalties 3714  
or specified consequences; 3715

(b) That at the time or upon the happening of events 3716  
specified in the operating agreement, a member or assignee may 3717  
be subject to specified penalties or consequences. 3718

(5) A penalty or consequence that may be specified under 3719  
division (B) (4) of this section may include any of the 3720  
following: 3721

(a) Reducing or eliminating the defaulting member's or 3722  
assignee's proportionate interest in a limited liability 3723  
company; 3724

(b) Subordinating the member's or assignee's membership 3725  
interest to that of nondefaulting members or assignees; 3726

(c) Forcing a sale of the member's or assignee's 3727  
membership interest; 3728

(d) Forfeiting the defaulting member's or assignee's 3729  
membership interest; 3730

(e) The lending by other members or assignees of the 3731  
amount necessary to meet the defaulting member's or assignee's 3732  
commitment; 3733

<u>(f) A fixing of the value of the defaulting member's or assignee's membership interest by appraisal or by formula and redemption or sale of the membership interest at that value;</u>	3734
	3735
	3736
<u>(g) Any other penalty or consequence.</u>	3737
<u>(C) An operating agreement shall not do any of the following:</u>	3738
	3739
<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>	3740
	3741
	3742
<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>	3743
	3744
	3745
	3746
<u>(3) Vary the power of a court under section 1706.171 of the Revised Code;</u>	3747
	3748
<u>(4) Eliminate the implied covenant of good faith and fair dealing;</u>	3749
	3750
<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>	3751
	3752
	3753
	3754
<u>(6) Waive the requirements of division (A) of section 1706.281 of the Revised Code;</u>	3755
	3756
<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>	3757
	3758
	3759
<u>(8) Waive the requirements of division (B) of section</u>	3760

1706.761 of the Revised Code. 3761

Sec. 1706.081. (A) A limited liability company is bound by 3762  
and may enforce its operating agreement, whether or not the 3763  
limited liability company has itself manifested assent to its 3764  
operating agreement. 3765

(B) A person that is admitted as a member of a limited 3766  
liability company becomes a party to and assents to the 3767  
operating agreement subject to division (A) of section 1706.281 3768  
of the Revised Code. 3769

(C) Two or more persons intending to be the initial 3770  
members of a limited liability company may make an agreement 3771  
providing that upon the formation of the limited liability 3772  
company the agreement will become its operating agreement. One 3773  
person intending to be the initial member of a limited liability 3774  
company may assent to terms providing that upon the formation of 3775  
the limited liability company the terms will become the 3776  
operating agreement. 3777

(D) The operating agreement of a limited liability company 3778  
having only one member shall not be unenforceable by reason of 3779  
there being only one person who is a party to the operating 3780  
agreement. 3781

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

approval of any person may be waived by that person and any 3790  
conditions may be waived by all persons for whose benefit those 3791  
conditions were intended. 3792

(B) An operating agreement may provide rights to any 3793  
person, including a person who is not a party to the operating 3794  
agreement, to the extent set forth in the operating agreement. 3795

(C) The obligations of a limited liability company and its 3796  
members to a person in the person's capacity as an assignee or 3797  
dissociated member are governed by the operating agreement. An 3798  
assignee and dissociated member are bound by the operating 3799  
agreement. 3800

**Sec. 1706.09.** (A) Each limited liability company and 3801  
foreign limited liability company that has an effective 3802  
registration as a foreign limited liability company under 3803  
section 1706.511 of the Revised Code shall maintain continuously 3804  
in this state an agent for service of process on the company. 3805  
The agent shall be one of the following: 3806

(1) A natural person who is a resident of this state; 3807

(2) A domestic or foreign corporation, nonprofit 3808  
corporation, limited liability company, partnership, limited 3809  
partnership, limited liability partnership, limited partnership 3810  
association, professional association, business trust, or 3811  
unincorporated nonprofit association that has a business address 3812  
in this state. If the agent is an entity other than a domestic 3813  
corporation, the agent shall meet the requirements of Title XVII 3814  
of the Revised Code for an entity of the agent's type to 3815  
transact business or exercise privileges in this state. 3816

(B) (1) The secretary of state shall not accept original 3817  
articles of organization of a limited liability company or an 3818

original registration of a foreign limited liability company for 3819  
filing unless both of the following accompany the articles or 3820  
registration: 3821

(a) A written appointment of an agent as described in 3822  
division (A) of this section that is signed by an authorized 3823  
representative of the limited liability company or foreign 3824  
limited liability company; 3825

(b) A written acceptance of the appointment that is signed 3826  
by the designated agent on a form prescribed by the secretary of 3827  
state. 3828

(2) In cases not covered by division (B) (1) of this 3829  
section, the company shall appoint the agent described in 3830  
division (A) of this section and shall file with the secretary 3831  
of state, on a form prescribed by the secretary of state, a 3832  
written appointment of that agent that is signed by an 3833  
authorized representative of the company and a written 3834  
acceptance of the appointment that is signed by the designated 3835  
agent. 3836

(C) The written appointment of an agent shall set forth 3837  
the name and address in this state of the agent, including the 3838  
street and number or other particular description, and shall 3839  
otherwise be in such form as the secretary of state prescribes. 3840  
The secretary of state shall keep a record of the names of 3841  
limited liability companies and foreign limited liability 3842  
companies, and the names and addresses of their respective 3843  
agents. 3844

(D) If any agent described in division (A) of this section 3845  
dies, resigns, or moves outside of this state, the limited 3846  
liability company or foreign limited liability company shall 3847

appoint forthwith another agent and file with the secretary of 3848  
state, on a form prescribed by the secretary of state, a written 3849  
appointment of the agent and acceptance of appointment as 3850  
described in division (B) (2) of this section. 3851

(E) If the agent described in division (A) of this section 3852  
changes the agent's address from the address stated in the 3853  
records of the secretary of state, the agent or the limited 3854  
liability company or foreign limited liability company shall 3855  
file forthwith with the secretary of state, on a form prescribed 3856  
by the secretary of state, a written statement setting forth the 3857  
new address. 3858

(F) An agent described in division (A) of this section may 3859  
resign by filing with the secretary of state, on a form 3860  
prescribed by the secretary of state, a written notice of 3861  
resignation that is signed by the agent and by mailing a copy of 3862  
that notice to the limited liability company or foreign limited 3863  
liability company at the current or last known address of its 3864  
principal office. The notice shall be mailed to the company on 3865  
or prior to the date that the notice is filed with the secretary 3866  
of state and shall set forth the name of the company, the name 3867  
and current address of the agent, the current or last known 3868  
address, including the street and number or other particular 3869  
description, of the company's principal office, a statement of 3870  
the resignation of the agent, and a statement that a copy of the 3871  
notice has been sent to the company within the time and in the 3872  
manner specified in this division. The authority of the 3873  
resigning agent terminates thirty days after the filing of the 3874  
notice with the secretary of state. 3875

(G) A limited liability company or foreign limited 3876  
liability company may revoke the appointment of its agent 3877

described in division (A) of this section by filing with the 3878  
secretary of state, on a form prescribed by the secretary of 3879  
state, a written appointment of another agent and an acceptance 3880  
of appointment in the manner described in division (B) (2) of 3881  
this section and a statement indicating that the appointment of 3882  
the former agent is revoked. 3883

(H) (1) Any legal process, notice, or demand required or 3884  
permitted by law to be served upon a limited liability company 3885  
may be served upon the company as follows: 3886

(a) By delivering a copy of the process, notice, or demand 3887  
to the address of the agent in this state as contained in the 3888  
records of the secretary of state; 3889

(b) If the agent described in division (A) of this section 3890  
is a natural person, by delivering a copy of the process, 3891  
notice, or demand to the agent. 3892

(2) If the agent described in division (A) of this section 3893  
cannot be found or no longer has the address that is stated in 3894  
the records of the secretary of state or the limited liability 3895  
company or foreign limited liability company has failed to 3896  
maintain an agent as required by this section and if the party 3897  
or the agent or representative of the party that desires service 3898  
of the process, notice, or demand files with the secretary of 3899  
state an affidavit that states that one of those circumstances 3900  
exists and states the most recent address of the company that 3901  
the party who desires service has been able to ascertain after a 3902  
diligent search, then the service of the process, notice, or 3903  
demand upon the secretary of state as the agent of the company 3904  
may be initiated by delivering to the secretary of state four 3905  
copies of the process, notice, or demand accompanied by a fee of 3906  
five dollars. The secretary of state shall give forthwith notice 3907

of that delivery to the company at either its principal office 3908  
as shown upon the secretary of state's records or at any 3909  
different address specified in the affidavit of the party 3910  
desiring service and shall forward to the company at either 3911  
address by certified mail, return receipt requested, a copy of 3912  
the process, notice, or demand. Service upon the company is made 3913  
when the secretary of state gives the notice and forwards the 3914  
process, notice, or demand as set forth in division (H) (2) of 3915  
this section. 3916

(I) The secretary of state shall keep a record of each 3917  
process, notice, and demand that pertains to a limited liability 3918  
company or foreign limited liability company and that is 3919  
delivered to the secretary of state's office under this section 3920  
or another law of this state that authorizes service upon the 3921  
secretary of state in connection with a limited liability 3922  
company or foreign limited liability company. In that record, 3923  
the secretary of state shall record the time of each delivery of 3924  
that type and the secretary of state's subsequent action with 3925  
respect to the process, notice, or demand. 3926

(J) This section does not limit or affect the right to 3927  
serve any process, notice, or demand upon a limited liability 3928  
company or foreign limited liability company in any other manner 3929  
permitted by law. 3930

(K) A written appointment of an agent or a written 3931  
statement filed by a limited liability company or foreign 3932  
limited liability company with the secretary of state shall be 3933  
signed by an authorized representative of the company. 3934

(L) Upon the failure of a limited liability company or 3935  
foreign limited liability company to continuously maintain a 3936  
statutory agent or file a change of name or address of a 3937

statutory agent, the secretary of state shall give notice 3938  
thereof by ordinary or electronic mail to the company at the 3939  
electronic mail address provided to the secretary of state, or 3940  
at the address set forth in the notice of resignation. Unless 3941  
the default is cured within thirty days after the mailing by the 3942  
secretary of state of the notice or within any further period of 3943  
time that the secretary of state grants, upon the expiration of 3944  
that period of time from the date of the mailing, the articles 3945  
of the limited liability company or the registration of the 3946  
foreign limited liability company shall be canceled without 3947  
further notice or action by the secretary of state. The 3948  
secretary of state shall make a notation of the cancellation on 3949  
the secretary of state's records. 3950

A limited liability company or foreign limited liability 3951  
company whose articles or registration has been canceled may be 3952  
reinstated by filing, on a form prescribed by the secretary of 3953  
state, an application for reinstatement and the required 3954  
appointment of agent or required statement, and by paying the 3955  
filing fee specified in division (Q) of section 111.16 of the 3956  
Revised Code. The rights and privileges of a limited liability 3957  
company or foreign limited liability company whose articles or 3958  
registration has been reinstated are subject to section 1706.46 3959  
of the Revised Code. The secretary of state shall furnish the 3960  
tax commissioner a monthly list of all limited liability 3961  
companies and foreign limited liability companies canceled and 3962  
reinstated under this division. 3963

**Sec. 1706.16.** (A) In order to form a limited liability 3964  
company, one or more persons shall execute articles of 3965  
organization and deliver the articles to the secretary of state 3966  
for filing. The articles of organization shall set forth all of 3967  
the following: 3968

<u>(1) The name of the limited liability company;</u>	3969
<u>(2) The name and street address of the limited liability company's statutory agent and a written acceptance of the appointment that is signed by the agent;</u>	3970 3971 3972
<u>(3) If applicable, a statement as provided in division (B) (3) of section 1706.761 of the Revised Code;</u>	3973 3974
<u>(4) Any other matters the organizers or the members determine to include in the articles of organization.</u>	3975 3976
<u>(B) A limited liability company is formed when the articles of organization are filed by the secretary of state or at any later date or time specified in the articles of organization.</u>	3977 3978 3979 3980
<u>(C) The fact that articles of organization are on file in the office of the secretary of state is notice of the matters required to be included by divisions (A) (1) to (3) of this section, but is not notice of any other fact.</u>	3981 3982 3983 3984
<u>(D) An operating agreement may be entered into before, at the time of, or after the filing of the articles of organization. Regardless of when the operating agreement is entered into, it may be made effective as of the filing of the articles of organization or any other time provided in the operating agreement.</u>	3985 3986 3987 3988 3989 3990
<b>Sec. 1706.161.</b> <u>(A) The articles of organization may be amended at any time.</u>	3991 3992
<u>(B) The articles of organization may be restated with or without amendment at any time.</u>	3993 3994
<u>(C) To amend its articles of organization, a limited liability company shall deliver to the secretary of state for</u>	3995 3996

filing, on a form prescribed by the secretary of state, a 3997  
certificate of amendment containing both of the following 3998  
information: 3999

(1) The name and registration number of the limited 4000  
liability company; 4001

(2) The changes the amendment makes to the articles of 4002  
organization as most recently amended or restated. 4003

(D) Restated articles of organization shall be delivered 4004  
to the secretary of state for filing in the same manner as an 4005  
amendment. Restated articles of organization shall be designated 4006  
as such in the heading and state in the heading or in an 4007  
introductory paragraph the limited liability company's name and 4008  
the date of the filing of its articles of organization. Any 4009  
amendment or change effected in connection with the restatement 4010  
of the articles of organization shall be subject to any other 4011  
provision of this chapter, not inconsistent with this section, 4012  
which would apply if a separate certificate of amendment were 4013  
filed to effect the amendment or change. 4014

(E) The original articles of organization, as amended or 4015  
supplemented, shall be superseded by the restated articles of 4016  
organization. Thereafter, the articles of organization, 4017  
including any further amendment or changes made thereby, shall 4018  
be the articles of organization of the limited liability 4019  
company, but the original effective date of formation shall 4020  
remain unchanged. 4021

**Sec. 1706.17.** (A) A record delivered to the secretary of 4022  
state for filing pursuant to this chapter shall be signed as 4023  
provided by this section. 4024

(1) A limited liability company's initial articles of 4025

organization shall be signed by at least one person. 4026

(2) A record signed on behalf of a limited liability 4027  
company shall be signed by a person authorized by the limited 4028  
liability company. 4029

(3) A record filed on behalf of a dissolved limited 4030  
liability company that has no members shall be signed by the 4031  
person winding up the limited liability company's activities 4032  
under division (A) of section 1706.472 of the Revised Code or a 4033  
person appointed under division (B) of section 1706.472 of the 4034  
Revised Code to wind up those activities. 4035

(4) A statement of denial by a person under section 4036  
1706.20 of the Revised Code shall be signed by that person. 4037

(5) Any other record shall be signed by the person on 4038  
whose behalf the record is delivered to the secretary of state. 4039

(B) Any record to be filed under this chapter may be 4040  
signed by an agent, including an attorney-in-fact. Powers of 4041  
attorney relating to the signing of the record need not be 4042  
delivered to the secretary of state. 4043

**Sec. 1706.171.** (A) If a person required by this chapter to 4044  
sign a record or deliver a record to the secretary of state for 4045  
filing under this chapter does not do so, any other person that 4046  
is aggrieved by that failure to sign may petition the 4047  
appropriate court to order any of the following: 4048

(1) The person to sign the record; 4049

(2) The person to deliver the record to the secretary of 4050  
state for filing; 4051

(3) The secretary of state to file the record unsigned. 4052

(B) If a petitioner under division (A) of this section is 4053  
not the limited liability company or foreign limited liability 4054  
company to whom the record pertains, the petitioner shall make 4055  
the limited liability company or foreign limited liability 4056  
company a party to the action. A person aggrieved under division 4057  
(A) of this section may seek the remedies provided in that 4058  
division in a separate action against the person required to 4059  
sign the record or as a part of any other action concerning the 4060  
limited liability company in which the person required to sign 4061  
the record is made a party. 4062

(C) A record filed unsigned pursuant to this section is 4063  
effective without being signed. 4064

(D) A court may award reasonable expenses, including 4065  
reasonable attorney's fees, to the prevailing party, in whole or 4066  
in part, with respect to any claim made under division (A) of 4067  
this section. 4068

**Sec. 1706.172.** (A) Each record authorized or required to 4069  
be delivered to the secretary of state for filing under this 4070  
chapter shall meet all of the following requirements: 4071

(1) The record shall contain all information required by 4072  
the law of this state to be contained in the record but, unless 4073  
otherwise provided by law, shall not be required to contain 4074  
other information. 4075

(2) The record shall be on or in a medium and in such form 4076  
acceptable to the secretary of state and from which the 4077  
secretary of state may create a record that contains all of the 4078  
information stated in the record. The secretary of state may 4079  
require that the record be delivered by any one or more means or 4080  
on or in any one or more media acceptable to the secretary of 4081

state. The secretary of state is not required to file a record 4082  
that is not delivered by a means and in a medium that complies 4083  
with the requirements then established by the secretary of state 4084  
for the delivery and filing of records. If the secretary of 4085  
state permits a record to be delivered on paper, the record 4086  
shall be typewritten or machine printed, and the secretary of 4087  
state may impose reasonable requirements upon the dimensions, 4088  
legibility, quality, and color of the paper and typewriting or 4089  
printing and upon the format and other attributes of any record 4090  
that is delivered electronically. The secretary of state shall, 4091  
at the earliest practicable time, allow for the delivery of a 4092  
record for filing to be accomplished electronically, without the 4093  
necessity for the delivery of a physical original record or the 4094  
image thereof, if all required information is delivered and is 4095  
readily retrievable from the data delivered. If the delivery of 4096  
a record for filing is required to be accomplished 4097  
electronically, that record shall not be accompanied by any 4098  
physical record unless the secretary of state permits that 4099  
accompaniment. 4100

(3) The record shall be in English. A person's name set 4101  
forth in the record need not be in English if expressed in 4102  
English letters or Arabic or Roman numerals. Records of a 4103  
foreign person need not be in English if accompanied by a 4104  
reasonably authenticated English translation. 4105

(B) Unless the secretary of state determines that a record 4106  
does not comply with the filing requirements of this chapter, 4107  
the secretary of state shall file the record and send a 4108  
certificate and a receipt for the fees to the person who 4109  
submitted the record. 4110

(C) Upon request and payment of the requisite fee, the 4111

secretary of state shall furnish to the requester a certified 4112  
copy of a requested record. 4113

(D) Except as otherwise provided in division (F) of 4114  
section 1706.09 and section 1706.173 of the Revised Code, a 4115  
record delivered to the secretary of state for filing under this 4116  
chapter may specify an effective time and a delayed effective 4117  
date of not more than ninety days following the date of receipt 4118  
by the secretary of state. Subject to division (F) of section 4119  
1706.09 and section 1706.173 of the Revised Code, a record filed 4120  
by the secretary of state is effective as follows: 4121

(1) If the record does not specify an effective time and 4122  
does not specify a delayed effective date, on the date the 4123  
record is filed as evidenced by the secretary of state's 4124  
endorsement of the date on the record; 4125

(2) If the record specifies an effective time but not a 4126  
delayed effective date, on the date the record is filed at the 4127  
time specified in the record; 4128

(3) If the record specifies a delayed effective date but 4129  
not an effective time, at 12:01 a.m. on the earlier of the 4130  
following: 4131

(a) The specified date; 4132

(b) The ninetieth day after the record is filed. 4133

(4) If the record specifies an effective time and a 4134  
delayed effective date, at the specified time on the earlier of 4135  
the following: 4136

(a) The specified date; 4137

(b) The ninetieth day after the record is filed. 4138

Sec. 1706.173. (A) A limited liability company or foreign 4139  
limited liability company may deliver to the secretary of state 4140  
for filing a certificate of correction to correct a record 4141  
previously delivered by the limited liability company or foreign 4142  
limited liability company to the secretary of state and filed by 4143  
the secretary of state if at the time of filing the record 4144  
contained incorrect or inaccurate information or was defectively 4145  
signed. 4146

(B) A certificate of correction under division (A) of this 4147  
section shall not state a delayed effective date and shall do 4148  
all of the following: 4149

(1) Describe the record to be corrected, including its 4150  
filing date, or attach a copy of the record as filed; 4151

(2) Specify the inaccurate information or the defect in 4152  
the signing; 4153

(3) Correct the incorrect or inaccurate information or 4154  
defective signature. 4155

(C) When filed by the secretary of state, a certificate of 4156  
correction is effective retroactively as of the effective date 4157  
of the record the statement corrects, but the statement is 4158  
effective when filed as to persons that previously relied on the 4159  
uncorrected record and would be adversely affected by the 4160  
correction. 4161

Sec. 1706.174. (A) A person who signs a record authorized 4162  
or required to be filed under this chapter thereby affirms under 4163  
penalty for falsification as described in section 2921.13 of the 4164  
Revised Code that the facts stated in the record are true in all 4165  
material respects. 4166

(B) If a record delivered to the secretary of state for 4167

filing under this chapter and filed by the secretary of state 4168  
contains incorrect or inaccurate information, a person that 4169  
suffers a loss by reasonable reliance on the information may 4170  
recover damages for the loss from a person that signed the 4171  
record, or caused another to sign it on the person's behalf, and 4172  
knew the information to be incorrect or inaccurate at the time 4173  
the record was signed. 4174

**Sec. 1706.175.** (A) The secretary of state, upon request 4175  
and payment of the requisite fee, shall furnish to any person a 4176  
certificate of full force and effect for a limited liability 4177  
company if the records filed in the office of the secretary of 4178  
state show that the limited liability company has been formed 4179  
under the laws of this state. A certificate of full force and 4180  
effect shall state all of the following: 4181

(1) The limited liability company's name; 4182

(2) The limited liability company's date of formation; 4183

(3) That the limited liability company is in full force 4184  
and effect on the records of the secretary of state. 4185

(B) The secretary of state, upon request and payment of 4186  
the requisite fee, shall furnish to any person a certificate of 4187  
registration for a foreign limited liability company if the 4188  
records filed in the office of the secretary of state show that 4189  
the secretary of state has filed a certificate of registration 4190  
for the foreign limited liability company, has not canceled the 4191  
certificate of registration for the foreign limited liability 4192  
company, and has not filed a statement of cancellation of the 4193  
certificate of registration for the foreign limited liability 4194  
company. A certificate of registration shall state both of the 4195  
following: 4196

<u>(1) The foreign limited liability company's name;</u>	4197
<u>(2) That the foreign limited liability company is</u>	4198
<u>authorized to transact business in this state.</u>	4199
<u>(C) Subject to any qualification stated in the</u>	4200
<u>certificate, a certificate of existence or certificate of</u>	4201
<u>registration issued by the secretary of state is, for a period</u>	4202
<u>of thirty days after the date of such certificate, conclusive</u>	4203
<u>evidence that the limited liability company is in existence or</u>	4204
<u>the foreign limited liability company is authorized to transact</u>	4205
<u>business in this state.</u>	4206
<b><u>Sec. 1706.18. No person shall have the power to bind the</u></b>	4207
<b><u>limited liability company, or a series thereof, except:</u></b>	4208
<u>(A) To the extent the person is authorized to act as the</u>	4209
<u>agent of the limited liability company or a series thereof under</u>	4210
<u>or pursuant to the operating agreement;</u>	4211
<u>(B) To the extent the person is authorized to act as the</u>	4212
<u>agent of the limited liability company or a series thereof</u>	4213
<u>pursuant to division (A) of section 1706.30 of the Revised Code;</u>	4214
<u>(C) To the extent provided in section 1706.19 of the</u>	4215
<u>Revised Code;</u>	4216
<u>(D) To the extent provided by law other than this chapter.</u>	4217
<b><u>Sec. 1706.19. (A) A limited liability company, on behalf</u></b>	4218
<b><u>of itself or a series thereof, may deliver to the secretary of</u></b>	4219
<b><u>state for filing on a form prescribed by the secretary of state</u></b>	4220
<b><u>a statement of authority. Such a statement:</u></b>	4221
<u>(1) Shall include the name and registration number of the</u>	4222
<u>limited liability company;</u>	4223

(2) May state the authority of a specific person, or, with 4224  
respect to any position that exists in or with respect to the 4225  
limited liability company or series thereof, of all persons 4226  
holding the position, to enter into transactions on behalf of 4227  
the limited liability company or series thereof. 4228

(B) To amend or cancel a statement of authority filed by 4229  
the secretary of state, a limited liability company shall, on 4230  
behalf of itself or a series thereof, deliver to the secretary 4231  
of state for filing an amendment or cancellation on a form 4232  
prescribed by the secretary of state stating all of the 4233  
following: 4234

(1) The name and registration number of the limited 4235  
liability company; 4236

(2) The date of filing of the statement of authority to 4237  
which the amendment or cancellation statement pertains; 4238

(3) The contents of the amendment or a declaration that 4239  
the statement to which it pertains is canceled. 4240

(C) An effective statement of authority is conclusive in 4241  
favor of a person that gives value in reliance on the statement, 4242  
except to the extent that when the person gives value the person 4243  
has knowledge to the contrary. 4244

(D) Upon filing, a certificate of dissolution filed 4245  
pursuant to division (B) (1) of section 1706.471 of the Revised 4246  
Code operates as a cancellation, under division (B) of this 4247  
section, of each statement of authority. 4248

(E) After a certificate of dissolution becomes effective, 4249  
a limited liability company may, on behalf of itself or a series 4250  
thereof, deliver to the secretary of state for filing a 4251  
statement of authority that is designated as a post-dissolution 4252

or post-cancellation statement of authority. 4253

(F) Upon filing, a statement of denial filed pursuant to 4254  
section 1706.20 of the Revised Code operates as an amendment, 4255  
under division (B) of this section, of the statement of 4256  
authority to which the statement of denial pertains. 4257

**Sec. 1706.20.** A person named in a filed statement of 4258  
authority may deliver to the secretary of state for filing on a 4259  
form prescribed by the secretary of state a statement of denial 4260  
that does both of the following: 4261

(A) States the name and registration number of the limited 4262  
liability company and the date of filing of the statement of 4263  
authority to which the statement of denial pertains; 4264

(B) Denies the person's authority. 4265

**Sec. 1706.26.** A person who is a member of a limited 4266  
liability company is not liable, solely by reason of being a 4267  
member, for a debt, obligation, or liability of the limited 4268  
liability company or a series thereof, whether arising in 4269  
contract, tort, or otherwise; or for the acts or omissions of 4270  
any other member, agent, or employee of the limited liability 4271  
company or a series thereof. The failure of a limited liability 4272  
company or any of its members to observe any formalities 4273  
relating to the exercise of the limited liability company's 4274  
powers or the management of its activities is not a factor to 4275  
consider in, or a ground for, imposing liability on the members 4276  
for the debts, obligations, or liability of the limited 4277  
liability company. 4278

**Sec. 1706.27.** (A) In connection with the formation of a 4279  
limited liability company, a person is admitted as a member of 4280  
the limited liability company upon the occurrence of either of 4281

the following: 4282

(1) If the organizer was authorized by one or more persons 4283  
intending to be members of the limited liability company to file 4284  
the articles of organization on their behalf, the formation of 4285  
the limited liability company; 4286

(2) If the organizer was not authorized by any other 4287  
person intending to be members of the limited liability company, 4288  
each organizer shall have the authority of a member of the 4289  
limited liability company upon the formation of the limited 4290  
liability company until the admission of the initial member of 4291  
the limited liability company. 4292

(B) After formation of a limited liability company, a 4293  
person may be admitted as a member of the limited liability 4294  
company in any of the following manners: 4295

(1) As provided in the operating agreement; 4296

(2) As the result of a transaction effective under 4297  
sections 1706.71 to 1706.74 of the Revised Code; 4298

(3) With the consent of all the members or in the case of 4299  
a limited liability company having only one member, the consent 4300  
of the member; 4301

(4) If, within ninety consecutive days after the 4302  
occurrence of the dissociation of the last remaining member, 4303  
both of the following occur: 4304

(a) All holders of the membership interest last assigned 4305  
by the last person to have been a member consent to the 4306  
designation of a person to be admitted as a member; 4307

(b) The designated person consents to be admitted as a 4308  
member effective as of the date the last person to have been a 4309

member ceased to be a member. 4310

(C) A person may be admitted as a member without acquiring 4311  
a membership interest and without making or being obligated to 4312  
make a contribution to the limited liability company. A person 4313  
may be admitted as the sole member without acquiring a 4314  
membership interest and without making or being obligated to 4315  
make a contribution to the limited liability company. 4316

Sec. 1706.28. A contribution of a member to a limited 4317  
liability company, or a series thereof, may consist of cash, 4318  
property, services rendered, or a promissory note or other 4319  
binding obligation to contribute cash or property or to perform 4320  
services. 4321

Sec. 1706.281. (A) A promise by a member to make a 4322  
contribution to a limited liability company, or a series 4323  
thereof, is not enforceable unless set forth in a writing signed 4324  
by the member. 4325

(B) A member's obligation to make a contribution to a 4326  
limited liability company, or a series thereof, is not excused 4327  
by the member's death, disability, or other inability to perform 4328  
personally. If a member does not make a contribution required by 4329  
an enforceable promise, the member or the member's estate is 4330  
obligated, at the election of the limited liability company, or 4331  
a series thereof, to contribute money equal to the value of the 4332  
portion of the contribution that has not been made. The election 4333  
shall be in addition to, and not in lieu of, any other rights, 4334  
including the right to specific performance, that the limited 4335  
liability company, or a series thereof, may have under the 4336  
operating agreement or applicable law. 4337

(C) (1) The obligation of a member to make a contribution 4338

to a limited liability company may be compromised only by 4339  
consent of all the members. A conditional obligation of a member 4340  
to make a contribution to a limited liability company may not be 4341  
enforced unless the conditions of the obligation have been 4342  
satisfied or waived as to or by that member. Conditional 4343  
obligations include contributions payable upon a discretionary 4344  
call of a limited liability company before the time the call 4345  
occurs. 4346

(2) The obligation of a member associated with a series to 4347  
make a contribution to the series may be compromised only by 4348  
consent of all the members associated with that series. A 4349  
conditional obligation of a member to make a contribution to a 4350  
series may not be enforced unless the conditions of the 4351  
obligation have been satisfied or waived as to or by that 4352  
member. Conditional obligations include contributions payable 4353  
upon a discretionary call of that series before the time the 4354  
call occurs. 4355

(3) Division (C)(1) of this section shall not apply to a 4356  
member's obligation to make a contribution to a series of a 4357  
limited liability company. 4358

**Sec. 1706.29.** (A)(1) All members shall share equally in 4359  
any distributions made by a limited liability company before its 4360  
dissolution and winding up. 4361

(2) A member has a right to a distribution before the 4362  
dissolution and winding up of a limited liability company as 4363  
provided in the operating agreement. A decision to make a 4364  
distribution before the dissolution and winding up of the 4365  
limited liability company is a decision in the ordinary course 4366  
of activities of the limited liability company. A member's 4367  
dissociation does not entitle the dissociated member to a 4368

distribution. 4369

(3) A member does not have a right to demand and receive a 4370  
distribution from a limited liability company in any form other 4371  
than money. Except as otherwise provided in division (C) of 4372  
section 1706.475 of the Revised Code, a limited liability 4373  
company may distribute an asset in kind if each member receives 4374  
a percentage of the asset in proportion to the member's share of 4375  
contributions. 4376

(4) If a member becomes entitled to receive a 4377  
distribution, the member has the status of, and is entitled to 4378  
all remedies available to, a creditor of the limited liability 4379  
company with respect to the distribution. 4380

(B) (1) All members associated with a series shall share 4381  
equally in any distributions made by the series before its 4382  
dissolution and winding up. 4383

(2) A member associated with a series has a right to a 4384  
distribution before the dissolution and winding up of the series 4385  
as provided in the operating agreement. A decision of the series 4386  
to make a distribution before the dissolution and winding up of 4387  
the series is a decision in the ordinary course of activities of 4388  
the series. A member's dissociation from a series with which the 4389  
member is associated does not entitle the dissociated member to 4390  
a distribution from the series. 4391

(3) A member associated with a series does not have a 4392  
right to demand and receive a distribution from the series in 4393  
any form other than money. Except as otherwise provided in 4394  
division (C) of section 1706.7613 of the Revised Code, a series 4395  
may distribute an asset in kind if each member associated with 4396  
the series receives a percentage of the asset in proportion to 4397

the member's share of distributions from the series. 4398

(4) If a member associated with a series becomes entitled to receive a distribution from the series, the member has the status of, and is entitled to all remedies available to, a creditor of the series with respect to the distribution. 4399  
4400  
4401  
4402

(C) Division (A) of this section does not apply to a distribution made by a series. 4403  
4404

**Sec. 1706.30.** (A) (1) The activities and affairs of the limited liability company shall be under the direction, and subject to the oversight, of its members. 4405  
4406  
4407

(2) The activities and affairs of a series shall be under the direction, and subject to the oversight, of the members associated with the series. 4408  
4409  
4410

(3) Division (A) (1) of this section shall not apply to the activities and affairs of a series. 4411  
4412

(B) (1) Except as provided in division (C) of this section, a matter in the ordinary course of activities of the limited liability company may be decided by a majority of the members. 4413  
4414  
4415

(2) Except as provided in division (C) of this section, a matter in the ordinary course of activities of a series may be decided by a majority of the members associated with the series. 4416  
4417  
4418

(3) Division (B) (1) of this section shall not apply to matters of a series. 4419  
4420

(C) (1) The consent of all members is required to do any of the following: 4421  
4422

(a) Amend the operating agreement; 4423

(b) File a petition of the limited liability company for 4424

relief under Title 11 of the United States Code, or a successor 4425  
statute of general application, or a comparable federal, state, 4426  
or foreign law governing insolvency; 4427

(c) Undertake any act outside the ordinary course of the 4428  
limited liability company's activities; 4429

(d) Undertake, authorize, or approve any other act or 4430  
matter for which this chapter requires the consent of all 4431  
members. 4432

(2) The consent of all members associated with a series is 4433  
required to do either of the following: 4434

(a) Undertake any act outside the ordinary course of the 4435  
series' activities; 4436

(b) Undertake, authorize, or approve any other act or 4437  
matter for which this chapter requires the consent of all the 4438  
members associated with a series. 4439

(D) Any matter requiring the consent of members may be 4440  
decided without a meeting, and a member may appoint a proxy or 4441  
other agent to consent or otherwise act for the member by 4442  
signing an appointing record, personally or by the member's 4443  
agent. 4444

(E) This chapter does not entitle a member to remuneration 4445  
for services performed for a limited liability company. 4446

**Sec. 1706.31.** (A) Unless either a written operating 4447  
agreement for the limited liability company or a written 4448  
agreement with a member establishes additional fiduciary duties, 4449  
in the event that there have been designated one or more 4450  
managers to supervise or manage the activities or affairs of the 4451  
limited liability company, the only obligation a member owes, in 4452

the member's capacity as a member, to the limited liability 4453  
company and the other members is to discharge the member's 4454  
duties and obligations under this chapter and the operating 4455  
agreement in accordance with division (E) of this section. 4456  
Divisions (C) and (D) of this section shall not apply to such a 4457  
member. 4458

(B) Unless either a written operating agreement for the 4459  
limited liability company or a written agreement with a member 4460  
establishes additional fiduciary duties or the duties of the 4461  
member have been modified, waived, or eliminated as contemplated 4462  
by section 1706.08 of the Revised Code, in the event that there 4463  
have not been designated one or more managers to supervise or 4464  
manage the activities of the limited liability company, the only 4465  
fiduciary duties a member owes to the limited liability company 4466  
and the other members is the duty of loyalty and the duty of 4467  
care set forth in divisions (C) and (D) of this section. 4468

(C) A member's duty of loyalty to the limited liability 4469  
company and the other members is limited to the following: 4470

(1) To account to the limited liability company and hold 4471  
for it any property, profit, or benefit derived by the member in 4472  
the conduct and winding up of the limited liability company 4473  
business or derived from a use by the member of limited 4474  
liability company property or from the appropriation of a 4475  
limited liability company opportunity; 4476

(2) To refrain from dealing with the limited liability 4477  
company in the conduct or winding up of the limited liability 4478  
company business as or on behalf of a party having an interest 4479  
adverse to the limited liability company. 4480

(D) A member's duty of care to the limited liability 4481

company and the other members in the conduct and winding up of 4482  
the limited liability company business is limited to refraining 4483  
from engaging in grossly negligent or reckless conduct, 4484  
intentional misconduct, or a knowing violation of law. 4485

(E) A member shall discharge the member's duties to the 4486  
limited liability company and the other members under this 4487  
chapter and under the operating agreement and exercise any 4488  
rights consistent with the implied covenant of good faith and 4489  
fair dealing. 4490

(F) A member does not violate a duty or obligation under 4491  
this chapter or under the operating agreement merely because the 4492  
member's conduct furthers the member's own interest. 4493

(G) All the members of a limited liability company may 4494  
authorize or ratify, after full disclosure of all material 4495  
facts, a specific act or transaction that otherwise would 4496  
violate the duty of loyalty. It is a defense to a claim under 4497  
division (C) (2) of this section and any comparable claim in 4498  
equity or at common law that the transaction was fair to the 4499  
limited liability company. If, as permitted, by this division or 4500  
the limited liability company's operating agreement, a member 4501  
enters into a transaction with a limited liability company that 4502  
otherwise would be prohibited by division (C) (2) of this 4503  
section, the member's rights and obligations arising from the 4504  
transaction are the same as those of a person that is not a 4505  
member. 4506

(H) This section applies to a person winding up the 4507  
limited liability company business as the personal or legal 4508  
representative of the last surviving member as if the person 4509  
were a member. 4510

Sec. 1706.311. (A) Unless either a written operating 4511  
agreement for the limited liability company or a written 4512  
agreement with a manager establishes additional fiduciary duties 4513  
or the duties of the manager have been modified, waived, or 4514  
eliminated as contemplated by section 1706.08 of the Revised 4515  
Code, the only fiduciary duties of a manager to the limited 4516  
liability company or its members are the duty of loyalty and the 4517  
duty of care set forth in divisions (B) and (C) of this section. 4518

(B) A manager's duty of loyalty to the limited liability 4519  
company and its members is limited to the following: 4520

(1) To account to the limited liability company and hold 4521  
for it any property, profit, or benefit derived by the manager 4522  
in the conduct and winding up of the limited liability company 4523  
business or derived from a use by the manager of limited 4524  
liability company property or from the appropriation of a 4525  
limited liability company opportunity; 4526

(2) To refrain from dealing with the limited liability 4527  
company in the conduct or winding up of the limited liability 4528  
company business as or on behalf of a party having an interest 4529  
adverse to the limited liability company. 4530

(C) A manager's duty of care to the limited liability 4531  
company in the conduct and winding up of the limited liability 4532  
company activities is limited to acting in good faith, in a 4533  
manner the manager reasonably believes to be in or not opposed 4534  
to the best interests of the limited liability company. 4535

(D) For purposes of division (C) of this section, both of 4536  
the following apply: 4537

(1) A manager of a limited liability company shall not be 4538  
determined to have violated the manager's duties under division 4539

(C) of this section unless it is proved that the manager has not 4540  
acted in good faith, in a manner the manager reasonably believes 4541  
to be in or not opposed to the best interests of the limited 4542  
liability company. 4543

(2) A manager shall not be considered to be acting in good 4544  
faith if the manager has knowledge concerning the matter in 4545  
question that would cause reliance on information, opinions, 4546  
reports, or statements that are prepared or presented by any of 4547  
the persons described in section 1706.331 of the Revised Code to 4548  
be unwarranted. 4549

(E) A manager shall be liable for monetary relief for a 4550  
violation of the manager's duties under division (C) of this 4551  
section only if it is proved that the manager's action or 4552  
failure to act involved an act or omission undertaken with 4553  
deliberate intent to cause injury to the limited liability 4554  
company or undertaken with reckless disregard for the best 4555  
interests of the company. This division does not apply if, and 4556  
only to the extent that, at the time of a manager's act or 4557  
omission that is the subject of complaint, either of the 4558  
following is true: 4559

(1) The articles or the operating agreement of the limited 4560  
liability company state by specific reference to division (E) of 4561  
this section that the provisions of this division do not apply 4562  
to the limited liability company. 4563

(2) A written agreement between the manager and the 4564  
limited liability company states by specific reference to 4565  
division (E) of this section that the provisions of this 4566  
division do not apply to the manager. 4567

(F) All the members of a limited liability company may 4568

authorize or ratify, after full disclosure of all material 4569  
facts, a specific act or transaction that would otherwise 4570  
violate the duty of loyalty. It is a defense to a claim under 4571  
division (B) (2) of this section and any comparable claim in 4572  
equity or at common law that the transaction was fair to the 4573  
limited liability company. If, as permitted by this division or 4574  
the operating agreement, a manager enters into a transaction 4575  
with the limited liability company that otherwise would be 4576  
prohibited by division (B) (2) of this section, the manager's 4577  
rights and obligations arising from the transaction are the same 4578  
as those of a person that is not a manager. 4579

(G) A manager shall discharge the duties to the limited 4580  
liability company and the members under this chapter and under 4581  
the operating agreement and exercise any rights consistently 4582  
with the implied covenant of good faith and fair dealing. 4583

(H) Nothing in this section affects the duties of a 4584  
manager who acts in any capacity other than the manager's 4585  
capacity as a manager. If a manager of a limited liability 4586  
company also is a member of the limited liability company, the 4587  
actions taken in the capacity as a member of the limited 4588  
liability company shall be subject to section 1706.31 of the 4589  
Revised Code. Nothing in this section affects any contractual 4590  
obligations of a manager to the limited liability company. 4591

**Sec. 1706.32.** A limited liability company, or a series 4592  
thereof, may indemnify and hold harmless a member or other 4593  
person, pay in advance or reimburse expenses incurred by a 4594  
member or other person, and purchase and maintain insurance on 4595  
behalf of a member or other person. 4596

**Sec. 1706.33.** (A) Upon reasonable notice provided to the 4597  
limited liability company, a member may inspect and copy during 4598

regular business hours, at a reasonable location specified by 4599  
the limited liability company, any record maintained by the 4600  
limited liability company, to the extent the information is 4601  
material to the member's rights and duties under the operating 4602  
agreement or this chapter. 4603

(B) A limited liability company may charge a person that 4604  
makes a demand under this section the reasonable costs of labor 4605  
and materials for copying. 4606

(C) A member or dissociated member may exercise rights 4607  
under this section through an agent or, in the case of an 4608  
individual under legal disability, a legal representative. Any 4609  
restriction or condition imposed by the operating agreement or 4610  
under division (E) of this section applies both to the agent or 4611  
legal representative and the member or dissociated member. 4612

(D) The rights under this section do not extend to an 4613  
assignee who is not admitted as a member. 4614

(E) In addition to any restriction or condition stated in 4615  
its operating agreement, a limited liability company, as a 4616  
matter within the ordinary course of its activities, may do 4617  
either of the following: 4618

(1) Impose reasonable restrictions and conditions on 4619  
access to and use of information to be furnished under this 4620  
section, including designating information confidential and 4621  
imposing nondisclosure and safeguarding obligations on the 4622  
recipient; 4623

(2) Keep confidential from the members and any other 4624  
persons, for such period of time as the limited liability 4625  
company deems reasonable, any information that the limited 4626  
liability company reasonably believes to be in the nature of 4627

trade secrets or other information the disclosure of which the 4628  
limited liability company in good faith believes is not in the 4629  
best interest of the limited liability company or could damage 4630  
the limited liability company or its activities, or that the 4631  
limited liability company is required by law or by agreement 4632  
with a third party to keep confidential. 4633

**Sec. 1706.331.** Each member and agent of a limited 4634  
liability company shall be fully protected in relying in good 4635  
faith upon the records of the limited liability company and upon 4636  
information, opinions, reports, or statements presented by 4637  
another member or agent of the limited liability company, or by 4638  
any other person as to matters the member or the agent 4639  
reasonably believes are within that other person's professional 4640  
or expert competence, including information, opinions, reports, 4641  
or statements as to any of the following: 4642

(A) The value and amount of the assets, liabilities, 4643  
profits, or losses of the limited liability company, or a series 4644  
thereof; 4645

(B) The value and amount of assets or reserves or 4646  
contracts, agreements, or other undertakings that would be 4647  
sufficient to pay claims and obligations of the limited 4648  
liability company, or series thereof, or to make reasonable 4649  
provision to pay those claims and obligations; 4650

(C) Any other facts pertinent to the existence and amount 4651  
of assets from which distributions to members or creditors might 4652  
properly be paid. 4653

**Sec. 1706.332.** If a member dies, the deceased member's 4654  
personal representative or other legal representative may, for 4655  
purposes of settling the estate, exercise the rights of a 4656

current member under section 1706.33 of the Revised Code. 4657

Sec. 1706.34. The only interest of a member that is 4658  
assignable is the member's membership interest. A membership 4659  
interest is personal property. 4660

Sec. 1706.341. (A) An assignment, in whole or in part, of 4661  
a membership interest: 4662

(1) Is permissible; 4663

(2) (a) Does not by itself cause a member to cease to be a 4664  
member of the limited liability company; 4665

(b) Does not by itself cause a member to cease to be 4666  
associated with a series of the limited liability company. 4667

(3) Does not by itself cause a dissolution and winding up 4668  
of the limited liability company, or a series thereof; 4669

(4) Subject to section 1706.332 of the Revised Code, does 4670  
not entitle the assignee to do either of the following: 4671

(a) Participate in the management or conduct of the 4672  
activities of the limited liability company, or a series 4673  
thereof; 4674

(b) Have access to records or other information concerning 4675  
the activities of the limited liability company, or a series 4676  
thereof. 4677

(B) An assignee has the right to receive, in accordance 4678  
with the assignment, distributions to which the assignor would 4679  
otherwise be entitled. 4680

(C) A membership interest may be evidenced by a 4681  
certificate of membership interest issued by the limited 4682  
liability company, or a series thereof. An operating agreement 4683

may provide for the assignment of the membership interest 4684  
represented by the certificate and make other provisions with 4685  
respect to the certificate. 4686

(D) A limited liability company, or a series thereof, 4687  
shall not issue a certificate of membership interest in bearer 4688  
form. 4689

(E) A limited liability company, or a series thereof, need 4690  
not give effect to an assignee's rights under this section until 4691  
the limited liability company, or a series thereof, has notice 4692  
of the assignment. 4693

(F) Except as otherwise provided in division (J) of 4694  
section 1706.411 of the Revised Code, when a member assigns a 4695  
membership interest, the assignor retains the rights of a member 4696  
other than the right to distributions assigned and retains all 4697  
duties and obligations of a member. 4698

(G) When a member assigns a membership interest to a 4699  
person that is admitted as a member with respect to the assigned 4700  
interest, the assignee is only liable for the member's 4701  
obligations under section 1706.281 of the Revised Code to the 4702  
extent that the obligations are known to the assignee when the 4703  
assignee voluntarily accepts admission as a member. 4704

**Sec. 1706.342.** (A) On application to a court of competent 4705  
jurisdiction by any judgment creditor of a member or assignee, 4706  
the court may charge the membership interest of the judgment 4707  
debtor with payment of the unsatisfied amount of the judgment 4708  
with interest. To the extent so charged and after the limited 4709  
liability company has been served with the charging order, the 4710  
judgment creditor has only the right to receive any distribution 4711  
or distributions to which the judgment debtor would otherwise be 4712

entitled in respect of the membership interest. 4713

(B) After the limited liability company is served with a 4714  
charging order, the limited liability company or any member 4715  
shall be entitled to pay to or deposit with the clerk of the 4716  
court so issuing the charging order any distribution or 4717  
distributions to which the judgment debtor would otherwise be 4718  
entitled in respect of the charged membership interest, and the 4719  
payment or deposit shall discharge the limited liability company 4720  
and the judgment debtor from liability for the amount so paid or 4721  
deposited and any interest that might accrue thereon. Upon 4722  
receipt of the payment or deposit, the clerk of the court shall 4723  
notify the judgment creditor of the receipt of the payment or 4724  
deposit. The judgment creditor shall, after any payment or 4725  
deposit into the court, petition the court for payment of so 4726  
much of the amount paid or deposited as may be necessary to pay 4727  
the judgment creditor's judgment. To the extent the court has 4728  
excess amounts paid or deposited on hand after the payment to 4729  
the judgment creditor, the excess amounts paid or deposited 4730  
shall be distributed to the judgment debtor, and the charging 4731  
order shall be extinguished. The court may, in its discretion, 4732  
order the clerk to deposit, pending the judgment creditor's 4733  
petition, any money paid or deposited with the clerk, in an 4734  
interest bearing account at a bank authorized to receive 4735  
deposits of public funds. 4736

(C) A charging order constitutes a lien on the judgment 4737  
debtor's membership interest. 4738

(D) Subject to division (C) of this section, both of the 4739  
following apply: 4740

(1) A judgment debtor that is a member retains the rights 4741  
of a member and remains subject to all duties and obligations of 4742

a member. 4743

(2) A judgment debtor that is an assignee retains the 4744  
rights of an assignee and remains subject to all duties and 4745  
obligations of an assignee. 4746

(E) This chapter does not deprive any member or assignee 4747  
of the benefit of any exemption laws applicable to the member's 4748  
or assignee's membership interest. 4749

(F) This section provides the sole and exclusive remedy by 4750  
which a judgment creditor of a member or assignee may satisfy a 4751  
judgment out of the judgment debtor's membership interest, and 4752  
the judgment creditor shall have no right to foreclose, under 4753  
this chapter or any other law, upon the charging order, the 4754  
charging order lien, or the judgment debtor's membership 4755  
interest. A judgment creditor of a member or assignee has no 4756  
right to obtain possession of, or otherwise exercise legal or 4757  
equitable remedies with respect to, the judgment debtor's 4758  
membership interest or the property of a limited liability 4759  
company. Court orders for actions or requests for accounts and 4760  
inquiries that the judgment debtor might have made to the 4761  
limited liability company are not available to a judgment 4762  
creditor attempting to satisfy the judgment out of the judgment 4763  
debtor's membership interest and may not be ordered by a court. 4764

**Sec. 1706.41.** (A) A person shall not voluntarily 4765  
dissociate from a limited liability company. 4766

(B) A person's dissociation from a limited liability 4767  
company is wrongful only if one of the following applies: 4768

(1) The dissociation is in breach of an express provision 4769  
of the operating agreement. 4770

(2) The person is expelled as a member by a determination 4771

of a tribunal under division (D) of section 1706.411 of the 4772  
Revised Code. 4773

(3) The person is dissociated by becoming a debtor in 4774  
bankruptcy or making a general assignment for the benefit of 4775  
creditors. 4776

(C) A person that wrongfully dissociates as a member is 4777  
liable to the limited liability company and, subject to section 4778  
1706.61 of the Revised Code, to the other members for damages 4779  
caused by the dissociation. The liability is in addition to any 4780  
other debt, obligation, or liability of the member to the 4781  
limited liability company or the other members. 4782

**Sec. 1706.411.** A person is dissociated as a member from a 4783  
limited liability company in any of the following circumstances: 4784

(A) An event stated in the operating agreement as causing 4785  
the person's dissociation occurs. 4786

(B) The person is expelled as a member pursuant to the 4787  
operating agreement. 4788

(C) The person is expelled as a member by the unanimous 4789  
consent of the other members if any of the following apply: 4790

(1) It is unlawful to carry on the limited liability 4791  
company's activities with the person as a member. 4792

(2) The person is an entity and, within ninety days after 4793  
the limited liability company notifies the person that it will 4794  
be expelled as a member because the person has filed a statement 4795  
of dissolution or the equivalent, or its right to transact 4796  
business has been suspended by its jurisdiction of formation, 4797  
the statement of dissolution or the equivalent has not been 4798  
revoked or its right to transact business has not been 4799

reinstated. 4800

(3) The person is an entity and, within ninety days after 4801  
the limited liability company notifies the person that it will 4802  
be expelled as a member because the person has been dissolved 4803  
and its activities are being wound up, the entity has not been 4804  
reinstated or the dissolution and winding up have not been 4805  
revoked or canceled. 4806

(D) On application by the limited liability company, the 4807  
person is expelled as a member by tribunal order for any of the 4808  
following reasons: 4809

(1) The person has engaged, or is engaging, in wrongful 4810  
conduct that has adversely and materially affected, or will 4811  
adversely and materially affect, the limited liability company's 4812  
activities. 4813

(2) The person has willfully or persistently committed, or 4814  
is willfully or persistently committing, a material breach of 4815  
the operating agreement or the person's duties or obligations 4816  
under this chapter or other applicable law. 4817

(3) The person has engaged, or is engaging, in conduct 4818  
relating to the limited liability company's activities that 4819  
makes it not reasonably practicable to carry on the activities 4820  
with the person as a member. 4821

(E) In the case of a person who is an individual, the 4822  
person dies, a guardian or general conservator is appointed for 4823  
the person, or a tribunal determines that the person has 4824  
otherwise become incapable of performing the person's duties as 4825  
a member under this chapter or the operating agreement. 4826

(F) The person becomes a debtor in bankruptcy, executes an 4827  
assignment for the benefit of creditors, or seeks, consents, or 4828

acquiesces to the appointment of a trustee, receiver, or 4829  
liquidator of the person or of all or substantially all of the 4830  
person's property. This division shall not apply to a person who 4831  
is the sole remaining member of a limited liability company. 4832

(G) In the case of a person that is a trust or is acting 4833  
as a member by virtue of being a trustee of a trust, the trust's 4834  
entire membership interest in the limited liability company is 4835  
distributed, but not solely by reason of the substitution of a 4836  
successor trustee. 4837

(H) In the case of a person that is an estate or is acting 4838  
as a member by virtue of being a personal representative of an 4839  
estate, the estate's entire membership interest in the limited 4840  
liability company is distributed, but not solely by reason of 4841  
the substitution of a successor personal representative. 4842

(I) In the case of a member that is not an individual, the 4843  
legal existence of the person otherwise terminates. 4844

(J) There has been an assignment of all of the person's 4845  
membership interest other than an assignment for security 4846  
purposes. 4847

**Sec. 1706.412.** (A) A person who has dissociated as a 4848  
member shall have no right to participate as a member in the 4849  
activities and affairs of the limited liability company and is 4850  
entitled only to receive the distributions to which that member 4851  
would have been entitled if the member had not dissociated. 4852

(B) Upon a person's dissociation, the member's duty of 4853  
loyalty and duty of care under divisions (C) and (D) of section 4854  
1706.31 of the Revised Code continue only with regard to matters 4855  
arising and events occurring before the member's dissociation, 4856  
unless the member participates in winding up the limited 4857

liability company's business pursuant to section 1706.472 of the 4858  
Revised Code. 4859

(C) A person's dissociation as a member does not of itself 4860  
discharge the person from any debt, obligation, or liability to 4861  
a limited liability company or the other members that the person 4862  
incurred while a member. 4863

**Sec. 1706.46.** (A) Except as otherwise provided in this 4864  
division, upon reinstatement of a limited liability company's 4865  
articles or a foreign limited liability company's registration 4866  
in accordance with section 1706.09 of the Revised Code, the 4867  
rights and privileges, including all real or personal property 4868  
rights and credits and all contract and other rights, of the 4869  
company existing at the time its articles or registration were 4870  
canceled shall be fully vested in the company as if its articles 4871  
or registration had not been canceled, and the company shall 4872  
again be entitled to exercise the rights and privileges 4873  
authorized by its articles. The name of a company whose articles 4874  
have been canceled shall be reserved for a period of one year 4875  
after the date of cancellation. If the reinstatement is not made 4876  
within one year after the date of the cancellation of its 4877  
articles and it appears that a corporate name, limited liability 4878  
company name, limited liability partnership name, limited 4879  
partnership name, trade name, or assumed name has been filed, 4880  
the name of which is not distinguishable upon the record as 4881  
provided in section 1706.07 of the Revised Code, the secretary 4882  
of state shall require the applicant for reinstatement, as a 4883  
condition prerequisite to such reinstatement, to amend its 4884  
articles or registration by changing its name. 4885

(B) Upon reinstatement in accordance with section 1706.09 4886  
of the Revised Code, both of the following apply to the exercise 4887

of or an attempt to exercise any rights or privileges, including 4888  
entering into or performing any contracts, on behalf of the 4889  
company by an officer, agent, or employee of the company, after 4890  
cancellation and prior to reinstatement of the articles or 4891  
registration: 4892

(1) The exercise of or an attempt to exercise any rights 4893  
or privileges on behalf of the company by the officer, agent, or 4894  
employee of the company has the same force and effect that the 4895  
exercise of or an attempt to exercise the right or privilege 4896  
would have had if the company's articles or registration had not 4897  
been canceled, if both of the following apply: 4898

(a) The exercise of or an attempt to exercise the right or 4899  
privilege was within the scope of the company's articles that 4900  
existed prior to cancellation; 4901

(b) The officer, agent, or employee had no knowledge that 4902  
the company's articles or registration had been canceled. 4903

(2) The company is liable exclusively for the exercise of 4904  
or an attempt to exercise any rights or privileges on behalf of 4905  
the company by an officer, agent, or employee of the company, if 4906  
the conditions set forth in divisions (B)(1)(a) and (b) of this 4907  
section are met. 4908

(C) Upon reinstatement of a company's articles or 4909  
registration in accordance with section 1706.09 of the Revised 4910  
Code, the exercise of or an attempt to exercise any rights or 4911  
privileges on behalf of the company by an officer, agent, or 4912  
employee of the company, after cancellation and prior to 4913  
reinstatement of the articles or registration, does not 4914  
constitute a violation of section 1706.09 of the Revised Code, 4915  
if the conditions set forth in divisions (B)(1)(a) and (b) of 4916

this section are met. 4917

(D) This section is remedial in nature and is to be 4918  
construed liberally to accomplish the purpose of providing full 4919  
reinstatement of a limited liability company's articles of 4920  
organization or a foreign limited liability company's 4921  
registration, in accordance with this section, to the time of 4922  
the cancellation of the articles or registration. 4923

**Sec. 1706.461.** (A) (1) A limited liability company or 4924  
foreign limited liability company may appeal a cancellation 4925  
under division (L) of section 1706.09 of the Revised Code within 4926  
thirty days after the effective date of the cancellation. The 4927  
appeal shall be made to one of the following: 4928

(a) The court of common pleas of the county in which the 4929  
street address of the limited liability company or foreign 4930  
limited liability company's principal office is located; 4931

(b) If the limited liability company or foreign limited 4932  
liability company has no principal office in this state, to the 4933  
court of common pleas of the county in which the street address 4934  
of its statutory agent is located; 4935

(c) If the limited liability company or foreign limited 4936  
liability company has no statutory agent, to the Franklin county 4937  
court of common pleas. 4938

(2) The limited liability company or foreign limited 4939  
liability company shall commence its appeal by petitioning the 4940  
appropriate court to set aside the cancellation or to determine 4941  
that the limited liability company or foreign limited liability 4942  
company has cured the grounds for cancellation and attaching to 4943  
the petition copies of those records of the secretary of state 4944  
as may be relevant. 4945

(B) The appropriate court may take, or may summarily order the secretary of state to take, whatever action the court considers appropriate. 4946  
4947  
4948

(C) The appropriate court's order or decision may be appealed as in any other civil proceeding. 4949  
4950

**Sec. 1706.47. A limited liability company is dissolved, and its activities shall be wound up, upon the occurrence of any of the following:** 4951  
4952  
4953

(A) An event or circumstance that the operating agreement states causes dissolution; 4954  
4955

(B) The consent of all the members; 4956

(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; 4957  
4958  
4959  
4960

(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: 4961  
4962  
4963  
4964  
4965  
4966

(1) The operating agreement provides for the admission of a substitute member effective prior to the passage of such time period; 4967  
4968  
4969

(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. 4970  
4971  
4972  
4973

(E) On application by a member, the entry by the 4974  
appropriate court of an order dissolving the limited liability 4975  
company on the grounds that it is not reasonably practicable to 4976  
carry on the limited liability company's activities in 4977  
conformity with the operating agreement. 4978

**Sec. 1706.471.** (A) A dissolved limited liability company 4979  
continues its existence as a limited liability company but may 4980  
not carry on any activities except as is appropriate to wind up 4981  
and liquidate its activities and affairs. Appropriate activities 4982  
include all of the following: 4983

(1) Collecting its assets; 4984

(2) Disposing of its properties that will not be 4985  
distributed in kind to persons owning membership interests; 4986

(3) Discharging or making provisions for discharging its 4987  
liabilities; 4988

(4) Distributing its remaining property in accordance with 4989  
section 1706.475 of the Revised Code; 4990

(5) Doing every other act necessary to wind up and 4991  
liquidate its activities and affairs. 4992

(B) In winding up its activities, a limited liability 4993  
company may do any of the following: 4994

(1) Deliver to the secretary of state for filing, on a 4995  
form prescribed by the secretary of state, a certificate of 4996  
dissolution setting forth all of the following: 4997

(a) The name and registration number of the limited 4998  
liability company; 4999

(b) That the limited liability company has dissolved; 5000

<u>(c) The effective date of the certificate of dissolution</u>	5001
<u>if it is not to be effective upon the filing. Such an effective</u>	5002
<u>date shall be a date certain and shall not be a date prior to</u>	5003
<u>the date of filing.</u>	5004
<u>(d) A copy of the notice it will publish pursuant to</u>	5005
<u>division (A) of section 1706.474 of the Revised Code.</u>	5006
<u>(e) Any other information the limited liability company</u>	5007
<u>considers proper.</u>	5008
<u>(2) Preserve the limited liability company's activities</u>	5009
<u>and property as a going concern for a reasonable time;</u>	5010
<u>(3) Prosecute, defend, or settle actions or proceedings</u>	5011
<u>whether civil, criminal, or administrative;</u>	5012
<u>(4) Make an assignment of the limited liability company's</u>	5013
<u>property;</u>	5014
<u>(5) Resolve disputes by mediation or arbitration;</u>	5015
<u>(6) Merge or convert in accordance with sections 1706.71</u>	5016
<u>to 1706.74 of the Revised Code.</u>	5017
<u>(C) A limited liability company's dissolution, in itself:</u>	5018
<u>(1) Is not an assignment of the limited liability</u>	5019
<u>company's property;</u>	5020
<u>(2) Does not prevent the commencement of a proceeding by</u>	5021
<u>or against the limited liability company in its limited</u>	5022
<u>liability company name;</u>	5023
<u>(3) Does not abate or suspend a proceeding pending by or</u>	5024
<u>against the limited liability company on the effective date of</u>	5025
<u>dissolution;</u>	5026
<u>(4) Does not terminate the authority of its statutory</u>	5027

<u>agent;</u>	5028
<u>(5) Does not abate, suspend, or otherwise alter the</u>	5029
<u>application of section 1706.26 of the Revised Code.</u>	5030
<b><u>Sec. 1706.472.</u></b> (A) <u>Subject to division (C) (5) of section</u>	5031
<u>1706.471 of the Revised Code, after dissolution, the remaining</u>	5032
<u>members, if any, and if none, a person appointed by all holders</u>	5033
<u>of the membership interest last assigned by the last person to</u>	5034
<u>have been a member, may wind up the limited liability company's</u>	5035
<u>activities.</u>	5036
<u>(B) The appropriate tribunal may order supervision of the</u>	5037
<u>winding up of a dissolved limited liability company, including</u>	5038
<u>the appointment of a person to wind up the limited liability</u>	5039
<u>company's activities as follows:</u>	5040
<u>(1) On application of a member, if the applicant</u>	5041
<u>establishes good cause;</u>	5042
<u>(2) On application of an assignee, if both of the</u>	5043
<u>following apply:</u>	5044
<u>(a) The limited liability company does not have any</u>	5045
<u>members;</u>	5046
<u>(b) Within a reasonable time following the dissolution, a</u>	5047
<u>person has not been appointed pursuant to division (A) of this</u>	5048
<u>section.</u>	5049
<u>(3) In connection with a proceeding under division (E) of</u>	5050
<u>section 1706.47 of the Revised Code.</u>	5051
<b><u>Sec. 1706.473.</u></b> (A) <u>A dissolved limited liability company</u>	5052
<u>may dispose of any known claims against it by following the</u>	5053
<u>procedures described in division (B) of this section at any time</u>	5054
<u>after the effective date of the dissolution of the limited</u>	5055

liability company. 5056

(B) A dissolved limited liability company may give notice 5057  
of its dissolution in a record to the holder of any known claim. 5058  
The notice shall do all of the following: 5059

(1) Identify the dissolved limited liability company; 5060

(2) Describe the information required to be included in a 5061  
claim; 5062

(3) Provide a mailing address to which the claim is to be 5063  
sent; 5064

(4) State the deadline, by which the dissolved limited 5065  
liability company must receive the claim. The deadline shall not 5066  
be sooner than ninety days from the effective date of the 5067  
notice. 5068

(5) State that if not sooner barred, the claim will be 5069  
barred if not received by the deadline. 5070

(C) Unless sooner barred by any other statute limiting 5071  
actions, a claim against a dissolved limited liability company 5072  
is barred in either of the following circumstances: 5073

(1) A claimant who was given notice under division (B) of 5074  
this section does not deliver the claim to the dissolved limited 5075  
liability company by the deadline. 5076

(2) A claimant whose claim was rejected by the dissolved 5077  
limited liability company does not commence a proceeding to 5078  
enforce the claim within ninety days from the effective date of 5079  
the rejected notice. 5080

(D) For purposes of this section, "claim" includes an 5081  
unliquidated claim, but does not include either of the 5082

following: 5083

(1) A contingent liability that has not matured so that 5084  
there is no immediate right to bring suit; 5085

(2) A claim based on an event occurring after the 5086  
effective date of dissolution. 5087

(E) Nothing in this section shall be construed to extend 5088  
any otherwise applicable statute or period of limitations. 5089

**Sec. 1706.474.** (A) A dissolved limited liability company 5090  
may publish notice of its dissolution and request that persons 5091  
with claims against the dissolved limited liability company 5092  
present them in accordance with the notice. 5093

(B) The notice described in division (A) of this section 5094  
shall meet all of the following requirements: 5095

(1) It shall be posted prominently on the principal web 5096  
site then maintained by the limited liability company, if any, 5097  
and provided to the secretary of state to be posted on the web 5098  
site maintained by the secretary of state in accordance with 5099  
division (J) of this section. The notice shall be considered 5100  
published when posted on both web sites or, if the limited 5101  
liability company does not then maintain a web site, when posted 5102  
on the web site maintained by the secretary of state. 5103

(2) It shall describe the information that must be 5104  
included in a claim and provide a mailing address to which the 5105  
claim must be sent. 5106

(3) It shall state that if not sooner barred, a claim 5107  
against the dissolved limited liability company will be barred 5108  
unless a proceeding to enforce the claim is commenced within two 5109  
years after the publication of the notice. 5110

(C) If a dissolved limited liability company publishes a notice in accordance with division (B) of this section, unless sooner barred by any other statute limiting actions, the claim of each of the following claimants is barred unless the claimant commences a proceeding to enforce the claim against the dissolved limited liability company within two years after the publication of the notice: 5111  
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(1) A claimant who was not given notice under division (B) of section 1706.473 of the Revised Code; 5118  
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(2) A claimant whose claim was timely sent to the dissolved limited liability company but not acted on by the dissolved limited liability company; 5120  
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(3) A claimant whose claim is contingent at the effective date of the dissolution of the limited liability company, or is based on an event occurring after the effective date of the dissolution of the limited liability company. 5123  
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(D) A claim that is not barred under this section, any other statute limiting actions, or section 1706.473 of the Revised Code may be enforced as follows: 5127  
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(1) Against a dissolved limited liability company, to the extent of its undistributed assets; 5130  
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(2) Except as provided in division (H) of this section, if the assets of a dissolved limited liability company have been distributed after dissolution, against a member or assignee to the extent of that person's proportionate share of the claim or of the assets distributed to the member or assignee after dissolution, whichever is less. A person's total liability for all claims under division (D) of this section may not exceed the total amount of assets distributed to the person after 5132  
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dissolution of the limited liability company. 5140

(E) A dissolved limited liability company that published a notice under this section may file an application with the appropriate court in the county in which the dissolved limited liability company's principal office is located or, if it has none in this state, in the county in which the dissolved limited liability company's statutory agent is or was last located, for a determination of the amount and form of security to be provided for payment of the following claims: 5141  
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(1) Claims that are contingent; 5149

(2) Claims that have not been made known to the dissolved limited liability company; 5150  
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(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. 5152  
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Provision need not be made for any claim that is or is reasonably anticipated to be barred under division (C) of this section. 5158  
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(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. 5161  
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(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 5166  
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expenses of the guardian, including all reasonable expert 5169  
witness fees, shall be paid by the dissolved limited liability 5170  
company. 5171

(H) Provision by the dissolved limited liability company 5172  
for security in the amount and the form ordered by the 5173  
appropriate court under division (E) of this section shall 5174  
satisfy the dissolved limited liability company's obligation 5175  
with respect to claims that are contingent, have not been made 5176  
known to the dissolved limited liability company, or are based 5177  
on an event occurring after the effective date of the 5178  
dissolution of the limited liability company. Such claims shall 5179  
not be enforced against a person owning a membership interest to 5180  
whom assets have been distributed by the dissolved limited 5181  
liability company after the effective date of the dissolution of 5182  
the limited liability company. 5183

(I) Nothing in this section shall be construed to extend 5184  
any otherwise applicable statute of limitations. 5185

(J) (1) Except as provided in division (J) (2) of this 5186  
section, the secretary of state shall make both of the following 5187  
available to the public in a format that is searchable, 5188  
viewable, and accessible through the internet: 5189

(a) A list of all limited liability companies that have 5190  
filed certificates of dissolution; 5191

(b) For each dissolved limited liability company on the 5192  
list described in division (J) (1) (a) of this section, a copy of 5193  
both the certificate of dissolution and the notice delivered 5194  
under division (B) of this section. 5195

(2) After the materials relating to any dissolved limited 5196  
liability company have been posted for five years, the secretary 5197

of state may remove from the web site the information that the 5198  
secretary posted pursuant to division (J) (1) of this section 5199  
that relates to that dissolved company. 5200

**Sec. 1706.475.** (A) Upon the winding up of a limited 5201  
liability company, payment or adequate provision for payment, 5202  
shall be made to creditors, including members who are creditors, 5203  
in satisfaction of liabilities of the limited liability company. 5204

(B) After a limited liability company complies with 5205  
division (A) of this section, any surplus shall be distributed 5206  
as follows: 5207

(1) First, to each person owning a membership interest 5208  
that reflects contributions made on account of the membership 5209  
interest and not previously returned, an amount equal to the 5210  
value of the person's unreturned contributions; 5211

(2) Then to each person owning a membership interest in 5212  
the proportions in which the owners of membership interests 5213  
share in distributions before dissolution. 5214

(C) If the limited liability company does not have 5215  
sufficient surplus to comply with division (B) (1) of this 5216  
section, any surplus shall be distributed among the owners of 5217  
membership interests in proportion to the value of their 5218  
respective unreturned contributions. 5219

**Sec. 1706.51.** (A) The law of the state or other 5220  
jurisdiction under which a foreign limited liability company is 5221  
formed governs all of the following: 5222

(1) The organization and internal affairs of the foreign 5223  
limited liability company; 5224

(2) The liability of a member as a member for the debts, 5225

<u>obligations, or other liabilities of the foreign limited</u>	5226
<u>liability company or a series thereof;</u>	5227
<u>(3) The authority of the members and agents of a foreign</u>	5228
<u>limited liability company or a series thereof;</u>	5229
<u>(4) The liability of the following for the obligations of</u>	5230
<u>another series or the foreign limited liability company:</u>	5231
<u>(a) The assets of the foreign limited liability company;</u>	5232
<u>(b) The assets of a series thereof.</u>	5233
<u>(B) A foreign limited liability company's application for</u>	5234
<u>registration as a foreign limited liability company may not be</u>	5235
<u>denied by reason of any difference between the laws of the</u>	5236
<u>jurisdiction under which the limited liability company is formed</u>	5237
<u>and the laws of this state.</u>	5238
<u>(C) A foreign limited liability company, including a</u>	5239
<u>foreign limited liability company that has filed a registration</u>	5240
<u>as a foreign limited liability company, may not engage in any</u>	5241
<u>activities in this state that a limited liability company is</u>	5242
<u>forbidden to engage in by the laws of this state.</u>	5243
<u>(D) A foreign limited liability company that has filed a</u>	5244
<u>registration as a foreign limited liability company shall in</u>	5245
<u>this state:</u>	5246
<u>(1) Have the same but no greater rights than a limited</u>	5247
<u>liability company;</u>	5248
<u>(2) Have the same but no greater privileges than a limited</u>	5249
<u>liability company;</u>	5250
<u>(3) Except as otherwise provided by this chapter, be</u>	5251
<u>subject to the same duties, restrictions, penalties, and</u>	5252

liabilities now or later imposed on a limited liability company. 5253

Sec. 1706.511. (A) In order for a foreign limited 5254  
liability company or any one or more of its series to transact 5255  
business in this state, the foreign limited liability company 5256  
shall register with the secretary of state. Neither a foreign 5257  
limited liability company nor any one or more of its series may 5258  
transact business in this state until the registration has been 5259  
approved by the secretary of state and the foreign limited 5260  
liability company or series is otherwise in compliance with 5261  
sections 1706.51 to 1706.515 of the Revised Code. 5262

(B) The registration as a foreign limited liability 5263  
company shall state all of the following: 5264

(1) The name of the foreign limited liability company and, 5265  
if the name does not comply with section 1706.07 of the Revised 5266  
Code, the assumed name adopted pursuant to division (A) of 5267  
section 1706.513 of the Revised Code; 5268

(2) The foreign limited liability company's jurisdiction 5269  
of formation; 5270

(3) The name and street address of the foreign limited 5271  
liability company's statutory agent and a written acceptance of 5272  
the appointment that is signed by the agent; 5273

(4) That the foreign limited liability company is a 5274  
foreign limited liability company; 5275

(5) The information required by division (C) of this 5276  
section, if applicable. 5277

(C) If a foreign limited liability company establishes or 5278  
provides for the establishment of one or more series of assets, 5279  
it shall state all of the following in the registration as a 5280

<u>foreign limited liability company:</u>	5281
<u>(1) The fact that it provides for the establishment of one</u>	5282
<u>or more series of assets;</u>	5283
<u>(2) Whether the debts, liabilities, and obligations</u>	5284
<u>incurred, contracted for, or otherwise existing with respect to</u>	5285
<u>a particular series, if any, shall be enforceable against the</u>	5286
<u>assets of that series only, and not against the assets of the</u>	5287
<u>foreign limited liability company generally or any other series</u>	5288
<u>thereof;</u>	5289
<u>(3) Whether any of the debts, liabilities, obligations,</u>	5290
<u>and expenses incurred, contracted for, or otherwise existing</u>	5291
<u>with respect to the foreign limited liability company generally</u>	5292
<u>or any other series thereof shall be enforceable against the</u>	5293
<u>assets of that series.</u>	5294
<u>(D) Upon any change in circumstances that makes any</u>	5295
<u>statement contained in its filed registration as a foreign</u>	5296
<u>limited liability company no longer true, a foreign limited</u>	5297
<u>liability company authorized to transact business in this state</u>	5298
<u>shall deliver to the secretary of state for filing an</u>	5299
<u>appropriate certificate of correction, on a form as prescribed</u>	5300
<u>by the secretary of state, so that its statement of foreign</u>	5301
<u>qualification is in all respects true.</u>	5302
<u>(E) A foreign limited liability company is authorized to</u>	5303
<u>transact business in this state from the effective date of its</u>	5304
<u>registration as a foreign limited liability company until the</u>	5305
<u>earlier of the effective date of its cancellation of foreign</u>	5306
<u>limited liability company or the effective date of the secretary</u>	5307
<u>of state's cancellation of the registration as a foreign limited</u>	5308
<u>liability company in accordance with section 1706.09 of the</u>	5309

<u>Revised Code.</u>	5310
<u>Sec. 1706.512. (A) A foreign limited liability company</u>	5311
<u>shall not be considered to be transacting business in this state</u>	5312
<u>within the meaning of sections 1706.51 to 1706.515 of the</u>	5313
<u>Revised Code by reason of its or any one or more of its series'</u>	5314
<u>carrying on in this state any of the following actions:</u>	5315
<u>(1) Maintaining, defending, or settling in its own behalf</u>	5316
<u>any proceeding or dispute;</u>	5317
<u>(2) Holding meetings or carrying on any other activities</u>	5318
<u>concerning its internal affairs;</u>	5319
<u>(3) Maintaining accounts in financial institutions;</u>	5320
<u>(4) Maintaining offices or agencies for the assignment,</u>	5321
<u>exchange, and registration of the foreign limited liability</u>	5322
<u>company's or its series' own securities or interests or</u>	5323
<u>maintaining trustees or depositories with respect to those</u>	5324
<u>securities or interests;</u>	5325
<u>(5) Selling through independent contractors;</u>	5326
<u>(6) Soliciting or obtaining orders, whether by mail or</u>	5327
<u>electronic means or through employees or agents or otherwise, if</u>	5328
<u>the orders require acceptance outside this state before they</u>	5329
<u>become contracts;</u>	5330
<u>(7) Creating, as borrower or lender, or acquiring</u>	5331
<u>indebtedness, mortgages, or security interests in real or</u>	5332
<u>personal property;</u>	5333
<u>(8) Securing or collecting debts in its own behalf or</u>	5334
<u>enforcing mortgages or other security interests in real or</u>	5335
<u>personal property securing those debts, and holding, protecting,</u>	5336
<u>and maintaining property so acquired;</u>	5337

<u>(9) Owning real or personal property;</u>	5338
<u>(10) Conducting an isolated transaction that is not one in the course of repeated transactions of a like nature;</u>	5339 5340
<u>(11) Transacting business in interstate commerce.</u>	5341
<u>(B) A foreign limited liability company shall not be considered to be transacting business in this state solely because it or any one or more of its series:</u>	5342 5343 5344
<u>(1) Owns a controlling interest in an entity that is transacting business in this state;</u>	5345 5346
<u>(2) Is a limited partner of a limited partnership or foreign limited partnership that is transacting business in this state;</u>	5347 5348 5349
<u>(3) Is a member of a limited liability company or foreign limited liability company that is transacting business in this state.</u>	5350 5351 5352
<u>(C) This section does not apply in determining the contacts or activities that may subject a foreign limited liability company, or a series thereof, to service of process, taxation, or regulation under laws of this state other than this chapter.</u>	5353 5354 5355 5356 5357
<u>(D) Nothing in this section shall limit or affect the right to subject a foreign limited liability company, or a series thereof, to the jurisdiction of the courts of this state or to serve upon any foreign limited liability company, or series thereof, any process, notice, or demand required or permitted by law to be served upon a foreign limited liability company, or series thereof, pursuant to any other provision of law or pursuant to the applicable rules of civil procedure.</u>	5358 5359 5360 5361 5362 5363 5364 5365

Sec. 1706.513. (A) A foreign limited liability company 5366  
whose name does not comply with section 1706.07 of the Revised 5367  
Code may not file a registration as a foreign limited liability 5368  
company until it adopts, for the purpose of transacting business 5369  
in this state, an assumed name that complies with section 5370  
1706.07 of the Revised Code. A foreign limited liability company 5371  
that adopts an assumed name under this division and then files a 5372  
registration as a foreign limited liability company under that 5373  
assumed name need not file a name registration when transacting 5374  
business under that assumed name. After filing the registration 5375  
as a foreign limited liability company under an assumed name, a 5376  
foreign limited liability company shall transact business in 5377  
this state under the assumed name unless the foreign limited 5378  
liability company has filed a name registration under another 5379  
name and is authorized to transact business in this state under 5380  
such name. 5381

(B) If a foreign limited liability company to which a 5382  
registration as a foreign limited liability company has been 5383  
filed changes its name to one that does not comply with section 5384  
1706.07 of the Revised Code, it may not thereafter transact 5385  
business in this state until it complies with division (A) of 5386  
this section by filing a certificate of correction. 5387

Sec. 1706.514. (A) A foreign limited liability company 5388  
that has a registration as a foreign limited liability company 5389  
in the records of the secretary of state may cancel its 5390  
registration as a limited liability company by delivering for 5391  
filing a certificate of cancellation of registration of a 5392  
foreign limited liability company to the secretary of state. 5393

(B) A certificate of cancellation of registration of a 5394  
foreign limited liability company shall set forth all of the 5395

following: 5396

(1) The name and registration number of the foreign limited liability company, any assumed name adopted for use in this state, and the name of the jurisdiction under whose law it is organized; 5397  
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(2) The name and street address of the statutory agent, or if a statutory agent is no longer to be maintained, a statement that the foreign limited liability company will not maintain a statutory agent, and the street address to which service of process may be mailed pursuant to section 1706.09 of the Revised Code; 5401  
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(3) That the foreign limited liability company, and all series thereof, will no longer transact business in this state and that it relinquishes its authority to transact business in this state; 5407  
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(4) That the foreign limited liability company is canceling its registration as a foreign limited liability company; 5411  
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(5) That any statement of assumed name it has on file in the records of the secretary of state and any assumed name with respect to the foreign limited liability company, are withdrawn upon the effective date of the cancellation of registration of a foreign limited liability company. 5414  
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(C) The cancellation of registration of a foreign limited liability company shall be effective upon filing by the secretary of state, whereupon the registration as a foreign limited liability company shall be canceled and the foreign limited liability company, and all series thereof, shall be without authority to transact business in this state. 5419  
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(D) Cancellation of a registration as a foreign limited liability company shall not terminate the authority of any statutory agent appointed by the foreign limited liability company. 5425  
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**Sec. 1706.515.** (A) No foreign limited liability company, or a series thereof, transacting business in this state, nor anyone on its behalf, shall be permitted to maintain a proceeding in any court in this state for the collection of its debts unless an effective registration as a limited liability company for the foreign limited liability company is on file in the records of the secretary of state. 5429  
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(B) A court may stay a proceeding commenced by a foreign limited liability company, or series thereof, until it determines whether the foreign limited liability company should have a registration as a limited liability company on file in the records of the secretary of state. If the court determines that the foreign limited liability company should have a registration as a limited liability company on file in the records of the secretary of state, the court may further stay the proceeding until there is an effective registration as a limited liability company on file in the records of the secretary of state with respect to the foreign limited liability company. If a court determines that a foreign limited liability company should have a registration as a limited liability company on file in the records of the secretary of state, and the foreign limited liability company subsequently delivers for filing to the secretary of state a registration as a limited liability company, no proceeding in any court in this state to which the foreign limited liability company, or a series thereof, is a party shall, after the effective date of the registration as a foreign limited liability company, be 5436  
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dismissed by reason of the foreign limited liability company's 5456  
prior noncompliance with section 1706.511 of the Revised Code. 5457

(C) If a foreign limited liability company, or a series 5458  
thereof, conducts activities in this state without having on 5459  
file in the records of the secretary of state a registration as 5460  
a foreign limited liability company, the foreign limited 5461  
liability company shall be liable to this state for an amount 5462  
equal to the fee as prescribed by the secretary of state from 5463  
time to time. 5464

No registration as a foreign limited liability company 5465  
shall be filed until payment of the amounts due under this 5466  
division is made. 5467

(D) The amounts due to this state under division (C) of 5468  
this section may be recovered in an action brought by the 5469  
attorney general. Upon a finding by the court that a foreign 5470  
limited liability company, or series thereof, has conducted 5471  
activities in this state in violation of sections 1706.51 to 5472  
1706.515 of the Revised Code, the court may issue, in addition 5473  
to or in lieu of the imposition of a civil penalty, an 5474  
injunction restraining the further conducting of activities by 5475  
the foreign limited liability company and all of its series, and 5476  
the further exercise of any rights and privileges of a foreign 5477  
limited liability company in this state until all amounts plus 5478  
any interest and court costs that the court may assess have been 5479  
paid, and until the foreign limited liability company has 5480  
otherwise complied with sections 1706.51 to 1706.515 of the 5481  
Revised Code. 5482

(E) Notwithstanding divisions (A) and (B) of this section, 5483  
the conducting of activities in this state by a foreign limited 5484  
liability company, or a series thereof, without having a 5485

registration as a foreign limited liability company on file in 5486  
the records of the secretary of state does not impair the 5487  
validity of the acts of the foreign limited liability company, 5488  
or a series thereof, or prevent the foreign limited liability 5489  
company, or a series thereof, from defending any proceeding in 5490  
this state. 5491

(F) Neither a member nor agent of a foreign limited 5492  
liability company nor a member associated with a series or agent 5493  
of a series, is liable for the debts, obligations, or other 5494  
liabilities of the foreign limited liability company, or a 5495  
series thereof, solely because the foreign limited liability 5496  
company, or a series thereof, conducted activities in this state 5497  
without a registration as a foreign limited liability company 5498  
being on file in the records of the secretary of state. 5499

**Sec. 1706.61.** (A) A member may commence or maintain a 5500  
derivative action in the right of a limited liability company to 5501  
recover a judgment in favor of the limited liability company by 5502  
complying with sections 1706.61 to 1706.617 of the Revised Code. 5503

(B) A member associated with a series of a limited 5504  
liability company may commence or maintain a derivative action 5505  
in the right of the series to recover a judgment in favor of the 5506  
series by complying with sections 1706.61 to 1706.617 of the 5507  
Revised Code. 5508

**Sec. 1706.611.** (A) A member may commence or maintain a 5509  
derivative action in the right of the limited liability company 5510  
only if the member meets both of the following conditions: 5511

(1) The member fairly and adequately represents the 5512  
interests of the limited liability company in enforcing the 5513  
right of the limited liability company. 5514

<u>(2) The member either:</u>	5515
<u>(a) Was a member of the limited liability company at the time of the act or omission of which the member complains;</u>	5516 5517
<u>(b) Acquired a membership interest through assignment by operation of law from a person who was a member at the time of the act or omission of which the member complains.</u>	5518 5519 5520
<u>(B) A member associated with a series of a limited liability company may commence or maintain a derivative action in the right of the series only if the member meets both of the following conditions:</u>	5521 5522 5523 5524
<u>(1) The member fairly and adequately represents the interests of the series in enforcing the right of the series.</u>	5525 5526
<u>(2) The member either:</u>	5527
<u>(a) Was associated with the series at the time of the act or omission of which the member complains;</u>	5528 5529
<u>(b) Acquired a membership interest through assignment by operation of law from a person who was a member associated with the series at the time of the act or omission of which the member complains.</u>	5530 5531 5532 5533
<u><b>Sec. 1706.612.</b> A member may not commence a derivative action in the right of the limited liability company, or a series thereof, until both of the following occur:</u>	5534 5535 5536
<u>(A) A written demand has been made upon the limited liability company or the series to take suitable action.</u>	5537 5538
<u>(B) Ninety days have expired from the date the demand was made unless either of the following applies:</u>	5539 5540
<u>(1) The member has earlier been notified that the demand</u>	5541

has been rejected by the limited liability company or the 5542  
series; 5543

(2) Irreparable injury to the limited liability company or 5544  
the series would result by waiting for the expiration of the 5545  
ninety-day period. 5546

Sec. 1706.613. For the purpose of allowing the limited 5547  
liability company or the series thereof time to undertake an 5548  
inquiry into the allegations made in the demand or complaint 5549  
commenced pursuant to sections 1706.61 to 1706.617 of the 5550  
Revised Code, the court may stay any derivative action for the 5551  
period the court deems appropriate. 5552

Sec. 1706.614. (A) (1) A derivative action in the right of 5553  
a limited liability company shall be dismissed by the court on 5554  
motion by the limited liability company if one of the groups 5555  
specified in division (A) (2) of this section has determined in 5556  
good faith, after conducting a reasonable inquiry upon which its 5557  
conclusions are based, that the maintenance of the derivative 5558  
action is not in the best interests of the limited liability 5559  
company. 5560

(2) Subject to the requirements of division (A) (3) of this 5561  
section, the determination of whether the maintenance of a 5562  
derivative action in the right of a limited liability company is 5563  
in the best interests of the limited liability company shall be 5564  
made by a majority vote of either of the following: 5565

(a) The independent members of the limited liability 5566  
company; 5567

(b) The committee members of a committee consisting of 5568  
independent members appointed by a majority of the independent 5569  
members. 5570

(3) If the determination is not made pursuant to division (A) (1) of this section, the determination shall be made by the person, or, in the case of more than one person, by a majority of the persons, sitting upon a panel of one or more persons appointed by a court upon motion filed with the court by the limited liability company for those purposes. 5571  
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(B) (1) A derivative action in the right of a series of a limited liability company shall be dismissed on motion by the series if one of the groups specified in division (B) (2) of this section has determined in good faith, after conducting a reasonable inquiry upon which its conclusions are based that the maintenance of the derivative action is not in the best interests of the series. 5577  
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(2) Subject to the requirements of division (B) (3) of this section, the determination whether the maintenance of a derivative action on behalf of a series of a limited liability company is in the best interests of the series shall be made by a majority vote of either of the following: 5584  
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(a) The independent members associated with the series; 5589

(b) The committee members of a committee consisting of independent members associated with the series appointed by a majority of the independent members associated with the series. 5590  
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(3) If the determination is not made pursuant to division (B) (1) of this section, the determination shall be made by the person, or, in the case of more than one person, by a majority of the persons, sitting upon a panel of one or more persons appointed by a court upon motion filed with the court by the series for those purposes. 5593  
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(C) The court shall appoint only independent persons to 5599

the panel described in divisions (A) (3) and (B) (3) of this 5600  
section. 5601

(D) The presence of one or more of the following 5602  
circumstances, without more, shall not prevent a person from 5603  
being considered independent for purposes of this section: 5604

(1) The naming of the person as a defendant in the 5605  
derivative action or as a person against whom action is 5606  
demanded; 5607

(2) The approval by that person of the act being 5608  
challenged in the derivative action or demand where the act did 5609  
not result in personal benefit to that person; 5610

(3) The making of the demand pursuant to section 1706.612 5611  
of the Revised Code or the commencement of the derivative action 5612  
pursuant to sections 1706.61 to 1706.617 of the Revised Code. 5613

(E) Subject to section 1706.615 of the Revised Code, a 5614  
panel appointed by the court pursuant to division (A) (3) or (B) 5615  
(3) of this section shall have the authority to continue, 5616  
settle, or discontinue the derivative proceeding as the court 5617  
may confer upon the panel. 5618

(F) The plaintiff in the derivative action shall have the 5619  
burden of proving that any of the requirements of division (A) 5620  
or (B) of this section have not been met. 5621

**Sec. 1706.615.** A derivative action may not be discontinued 5622  
or settled without the court's approval. If the court determines 5623  
that a proposed discontinuance or settlement will substantially 5624  
affect the interests of members of the limited liability 5625  
company, or the interests of members associated with a series of 5626  
the limited liability company, the court shall direct that 5627  
notice be given to the members affected. 5628

Sec. 1706.616. On termination of the derivative action the 5629  
court may do any of the following: 5630

(A) Order the limited liability company to pay the 5631  
plaintiff's reasonable expenses, including attorney fees, 5632  
incurred by the plaintiff in the derivative action if the court 5633  
finds that the derivative action has resulted in a substantial 5634  
benefit to the limited liability company; 5635

(B) Order a series to pay the plaintiff's reasonable 5636  
expenses, including attorney fees, incurred by the plaintiff in 5637  
the derivative action if the court finds that the derivative 5638  
action has resulted in a substantial benefit to the series; 5639

(C) Order the plaintiff to pay any defendant's reasonable 5640  
expenses, including attorney fees, incurred by the defendant in 5641  
defending the derivative action if it finds that the derivative 5642  
action was commenced or maintained without reasonable cause or 5643  
for an improper purpose; 5644

(D) Order a party to pay an opposing party's expenses 5645  
incurred because of the filing of a pleading, motion, or other 5646  
paper, if it finds both of the following: 5647

(1) That the pleading, motion, or other paper was not well 5648  
grounded in fact, after reasonable inquiry, or not warranted by 5649  
existing law or a good faith argument for the extension, 5650  
modification, or reversal of existing law. 5651

(2) That the pleading, motion, or other paper was 5652  
interposed for an improper purpose, such as to harass or cause 5653  
unnecessary delay or needless increase in the cost of 5654  
litigation. 5655

Sec. 1706.617. In any derivative action in the right of a 5656  
foreign limited liability company, or a series thereof, the 5657

right of a person to commence or maintain a derivative action in 5658  
the right of a foreign limited liability company, or a series 5659  
thereof, and any matters raised in the action covered by 5660  
sections 1706.61 to 1706.616 of the Revised Code shall be 5661  
governed by the law of the jurisdiction under which the foreign 5662  
limited liability company was formed; except that any matters 5663  
raised in the action covered by sections 1706.613, 1706.615, and 5664  
1706.616 of the Revised Code shall be governed by the law of 5665  
this state. 5666

Sec. 1706.62. (A) Subject to division (B) of this section, 5667  
a member may maintain a direct action against another member or 5668  
members or the limited liability company, or a series thereof, 5669  
to enforce the member's rights and otherwise protect the 5670  
member's interests, including rights and interests under the 5671  
operating agreement or this chapter or arising independently of 5672  
the membership relationship. 5673

(B) A member maintaining a direct action under division 5674  
(A) of this section must plead and prove an actual or threatened 5675  
injury that is not solely the result of an injury suffered or 5676  
threatened to be suffered by the limited liability company, or 5677  
series thereof. 5678

(C) (1) A member may maintain a direct action to enforce a 5679  
right of a limited liability company if all members at the time 5680  
of suit are parties to the action. 5681

(2) A member associated with a series may maintain a 5682  
direct action to enforce a right of the series if all members 5683  
associated with the series at the time of suit are parties to 5684  
the action. 5685

Sec. 1706.71. (A) A limited liability company may merge 5686

with one or more other constituent entities pursuant to sections 5687  
1706.71 to 1706.713 of the Revised Code and to an agreement of 5688  
merger if all of the following conditions are met: 5689

(1) The governing statute of each of the other entities 5690  
authorizes the merger. 5691

(2) The merger is not prohibited by the law of a 5692  
jurisdiction that enacted any of the governing statutes. 5693

(3) Each of the other entities complies with its governing 5694  
statute in effecting the merger. 5695

(B) An agreement of merger shall be in a record and shall 5696  
include all of the following: 5697

(1) The name and form of each constituent entity; 5698

(2) The name and form of the surviving entity and, if the 5699  
surviving entity is to be created pursuant to the merger, a 5700  
statement to that effect; 5701

(3) The terms and conditions of the merger, including the 5702  
manner and basis for converting the interests in each 5703  
constituent entity into any combination of money, interests in 5704  
the surviving entity, and other consideration as permitted under 5705  
division (C) of this section; 5706

(4) If the surviving entity is to be created pursuant to 5707  
the merger, the surviving entity's organizational documents that 5708  
are proposed to be in a record; 5709

(5) If the surviving entity is not to be created pursuant 5710  
to the merger, any amendments to be made by the merger to the 5711  
surviving entity's organizational documents that are, or are 5712  
proposed to be, in a record. 5713

(C) In connection with a merger, rights or securities of 5714  
or interests in the constituent entity may be any of the 5715  
following: 5716

(1) Exchanged for or converted into cash, property, or 5717  
rights or securities of or interests in the surviving entity; 5718

(2) In addition to or in lieu of division (C) (1) of this 5719  
section, exchanged for or converted into cash, property, or 5720  
rights or securities of or interests in another entity; 5721

(3) Canceled. 5722

**Sec. 1706.711.** (A) To be effective, an agreement of merger 5723  
shall be consented to by all the members of a constituent 5724  
limited liability company. 5725

(B) After the agreement of merger is approved, and at any 5726  
time before a certificate of merger is delivered to the 5727  
secretary of state for filing under section 1706.712 of the 5728  
Revised Code, a constituent limited liability company may amend 5729  
the agreement or abandon the merger: 5730

(1) As provided in the agreement; or 5731

(2) Except as otherwise prohibited in the agreement, with 5732  
the same consent as was required to approve the agreement. 5733

**Sec. 1706.712.** (A) After each constituent entity has 5734  
approved the agreement of merger, a certificate of merger shall 5735  
be signed on behalf of both of the following: 5736

(1) Each constituent limited liability company, as 5737  
provided in division (A) of section 1706.17 of the Revised Code; 5738

(2) Each other constituent entity, as provided in its 5739  
governing statute. 5740

(B) A certificate of merger under this section shall 5741  
include all of the following: 5742

(1) The name and form of each constituent entity, the 5743  
jurisdiction of its governing statute, and its registration 5744  
number, if any, as it appears on the records of the secretary of 5745  
state; 5746

(2) The name and form of the surviving entity, the 5747  
jurisdiction of its governing statute, and, if the surviving 5748  
entity is created pursuant to the merger, a statement to that 5749  
effect; 5750

(3) The date the merger is effective under the governing 5751  
statute of the surviving entity; 5752

(4) If the surviving entity is to be created pursuant to 5753  
the merger: 5754

(a) If it will be a limited liability company, the limited 5755  
liability company's articles of organization; 5756

(b) If it will be an entity other than a limited liability 5757  
company, any organizational document that creates the entity 5758  
that is required to be in a public record. 5759

(5) If the surviving entity exists before the merger, any 5760  
amendments provided for in the agreement of merger for the 5761  
organizational document that created the entity that are in a 5762  
public record; 5763

(6) A statement as to each constituent entity that the 5764  
merger was approved as required by the entity's governing 5765  
statute; 5766

(7) If the surviving entity is a foreign entity not 5767  
authorized to transact business in this state, the street 5768

<u>address of its statutory agent;</u>	5769
<u>(8) Any additional information required by the governing statute of any constituent entity.</u>	5770 5771
<u>(C) Each constituent limited liability company shall deliver the certificate of merger for filing in the office of the secretary of state.</u>	5772 5773 5774
<u>(D) A merger becomes effective under sections 1706.71 to 1706.74 of the Revised Code as follows:</u>	5775 5776
<u>(1) If the surviving entity is a limited liability company, upon the later of the following:</u>	5777 5778
<u>(a) Compliance with division (C) of this section;</u>	5779
<u>(b) As specified in the certificate of merger.</u>	5780
<u>(2) If the surviving entity is not a limited liability company, as provided by the governing statute of the surviving entity.</u>	5781 5782 5783
<u>Sec. 1706.713. (A) When a merger becomes effective, all of the following apply:</u>	5784 5785
<u>(1) The surviving entity continues or comes into existence.</u>	5786 5787
<u>(2) Each constituent entity that merges into the surviving entity ceases to exist as a separate entity.</u>	5788 5789
<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>	5790 5791 5792
<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</u>	5793 5794 5795

<u>surviving entity.</u>	5796
<u>(5) An action or proceeding pending by or against any</u>	5797
<u>constituent entity, or series thereof, that ceases to exist</u>	5798
<u>continues as if the merger had not occurred.</u>	5799
<u>(6) Except as prohibited by other law, all of the rights,</u>	5800
<u>privileges, immunities, powers, and purposes of each constituent</u>	5801
<u>entity, or series thereof, that ceases to exist vest in the</u>	5802
<u>surviving entity.</u>	5803
<u>(7) Except as otherwise provided in the agreement of</u>	5804
<u>merger, the terms and conditions of the agreement of merger take</u>	5805
<u>effect.</u>	5806
<u>(8) Except as otherwise agreed, if a constituent limited</u>	5807
<u>liability company ceases to exist, the merger does not dissolve</u>	5808
<u>the limited liability company for the purposes of sections</u>	5809
<u>1706.47 to 1706.475 of the Revised Code and does not dissolve a</u>	5810
<u>series for purposes of sections 1706.76 to 1706.7613 of the</u>	5811
<u>Revised Code.</u>	5812
<u>(9) If the surviving entity is created pursuant to the</u>	5813
<u>merger:</u>	5814
<u>(a) If it is a limited liability company, the articles of</u>	5815
<u>organization become effective;</u>	5816
<u>(b) If it is an entity other than a limited liability</u>	5817
<u>company, the organizational document that creates the entity</u>	5818
<u>becomes effective.</u>	5819
<u>(10) If the surviving entity existed before the merger,</u>	5820
<u>any amendments provided for in the certificate of merger for the</u>	5821
<u>organizational document that created the entity become</u>	5822
<u>effective.</u>	5823

(B) A surviving entity that is a foreign entity consents 5824  
to the jurisdiction of the courts of this state to enforce any 5825  
debt, obligation, or other liability owed by a constituent 5826  
entity, if before the merger the constituent entity was subject 5827  
to suit in this state on the debt, obligation, or other 5828  
liability. Service of process on a surviving entity that is a 5829  
foreign entity and not authorized to transact business in this 5830  
state for the purposes of enforcing a debt, obligation, or other 5831  
liability may be made in the same manner and has the same 5832  
consequences as provided in section 1706.09 of the Revised Code 5833  
as if the surviving entity was a foreign limited liability 5834  
company. 5835

**Sec. 1706.72.** (A) An entity other than a limited liability 5836  
company may convert to a limited liability company, and a 5837  
limited liability company may convert to an entity other than a 5838  
limited liability company pursuant to sections 1706.72 to 5839  
1706.723 of the Revised Code and a written declaration of 5840  
conversion if all of the following apply: 5841

(1) The governing statute of the entity that is not a 5842  
limited liability company authorizes the conversion; 5843

(2) The law of the jurisdiction governing the converting 5844  
entity and the converted entity does not prohibit the 5845  
conversion; 5846

(3) The converting entity and the converted entity comply 5847  
with their respective governing statutes and organizational 5848  
documents in effecting the conversion. 5849

(B) A written declaration of conversion shall be in a 5850  
record and include all of the following: 5851

(1) The name and form of the converting entity before 5852

<u>conversion;</u>	5853
<u>(2) The name and form of the converted entity after</u>	5854
<u>conversion;</u>	5855
<u>(3) The terms and conditions of the conversion, including</u>	5856
<u>the manner and basis for converting interests in the converting</u>	5857
<u>entity into any combination of money, interests in the converted</u>	5858
<u>entity, and other consideration allowed under division (C) of</u>	5859
<u>this section.</u>	5860
<u>(4) The organizational documents of the converted entity</u>	5861
<u>that are, or are proposed to be, in a record.</u>	5862
<u>(C) In connection with a conversion, rights or securities</u>	5863
<u>of or interests in the converting entity may be any of the</u>	5864
<u>following:</u>	5865
<u>(1) Exchanged for or converted into cash, property, or</u>	5866
<u>rights or securities of or interests in the converted entity;</u>	5867
<u>(2) In addition to or in lieu of division (C)(1) of this</u>	5868
<u>section, exchanged for or converted into cash, property, or</u>	5869
<u>rights or securities of or interests in another entity;</u>	5870
<u>(3) Canceled.</u>	5871
<u><b>Sec. 1706.721.</b> (A) A declaration of conversion must be</u>	5872
<u>consented to by all the members of a converting limited</u>	5873
<u>liability company.</u>	5874
<u>(B) After a conversion is approved, and at any time before</u>	5875
<u>the certificate of conversion is delivered to the secretary of</u>	5876
<u>state for filing under section 1706.722 of the Revised Code, a</u>	5877
<u>converting limited liability company may amend the declaration</u>	5878
<u>or abandon the conversion:</u>	5879

<u>(1) As provided in the declaration; or</u>	5880
<u>(2) Except as otherwise prohibited in the declaration, by the same consent as was required to approve the declaration.</u>	5881 5882
<u>Sec. 1706.722. (A) After a declaration of conversion is approved, both of the following apply:</u>	5883 5884
<u>(1) A converting limited liability company shall deliver to the secretary of state for filing a certificate of conversion. The certificate of conversion shall be signed as provided in division (A) of section 1706.17 of the Revised Code and shall include all of the following:</u>	5885 5886 5887 5888 5889
<u>(a) A statement that the converting limited liability company has been converted into the converted entity;</u>	5890 5891
<u>(b) The name and form of the converted entity and the jurisdiction of its governing statute;</u>	5892 5893
<u>(c) The date the conversion is effective under the governing statute of the converted entity;</u>	5894 5895
<u>(d) A statement that the conversion was approved as required by this chapter;</u>	5896 5897
<u>(e) A statement that the conversion was approved as required by the governing statute of the converted entity;</u>	5898 5899
<u>(f) If the converted entity is a foreign entity not authorized to transact business in this state, the street address of its statutory agent for the purposes of division (B) of section 1706.723 of the Revised Code.</u>	5900 5901 5902 5903
<u>(2) If the converted entity is a limited liability company, the converting entity shall deliver to the secretary of state for filing articles of organization which shall include,</u>	5904 5905 5906

in addition to the information required by division (A) of 5907  
section 1706.16 of the Revised Code, all of the following: 5908

(a) A statement that the converted entity was converted 5909  
from the converting entity; 5910

(b) The name and form of the converting entity and the 5911  
jurisdiction of the converting entity's governing statute; 5912

(c) A statement that the conversion was approved as 5913  
required by the governing statute of the converting entity. 5914

(B) A conversion shall become effective as follows: 5915

(1) If the converted entity is a limited liability 5916  
company, when the articles of organization take effect; 5917

(2) If the converted entity is not a limited liability 5918  
company, as provided by the governing statute of the converted 5919  
entity. 5920

**Sec. 1706.723.** (A) When a conversion takes effect, all of 5921  
the following apply: 5922

(1) All property owned by the converting entity, or series 5923  
thereof, remains vested in the converted entity. 5924

(2) All debts, obligations, or other liabilities of the 5925  
converting entity, or series thereof, continue as debts, 5926  
obligations, or other liabilities of the converted entity. 5927

(3) An action or proceeding pending by or against the 5928  
converting entity, or series thereof, continues as if the 5929  
conversion had not occurred. 5930

(4) Except as prohibited by law other than this chapter, 5931  
all of the rights, privileges, immunities, powers, and purposes 5932  
of the converting entity, or series thereof, remain vested in 5933

the converted entity. 5934

(5) Except as otherwise provided in the plan of 5935  
conversion, the terms and conditions of the declaration of 5936  
conversion take effect. 5937

(6) Except as otherwise agreed, for all purposes of the 5938  
laws of this state, the converting entity, and any series 5939  
thereof, shall not be required to wind up its affairs or pay its 5940  
liabilities and distribute its assets, and the conversion shall 5941  
not be deemed to constitute a dissolution of the converting 5942  
entity, or series thereof. 5943

(7) For all purposes of the laws of this state, the 5944  
rights, privileges, powers, and interests in property of the 5945  
converting entity, and all series thereof, as well as the debts, 5946  
liabilities, and duties of the converting entity, and all series 5947  
thereof, shall not be deemed to have been assigned to the 5948  
converted entity as a consequence of the conversion. 5949

(8) If the converted entity is a limited liability 5950  
company, for all purposes of the laws of this state, the limited 5951  
liability company shall be deemed to be the same entity as the 5952  
converting entity, and the conversion shall constitute a 5953  
continuation of the existence of the converting entity in the 5954  
form of a limited liability company. 5955

(9) If the converted entity is a limited liability 5956  
company, the existence of the limited liability company shall be 5957  
deemed to have commenced on the date the converting entity 5958  
commenced its existence in the jurisdiction in which the 5959  
converting entity was first created, formed, organized, 5960  
incorporated, or otherwise came into being. 5961

(B) A converted entity that is a foreign entity consents 5962

to the jurisdiction of the courts of this state to enforce any 5963  
debt, obligation, or other liability for which the converting 5964  
limited liability company, or series thereof, is liable if, 5965  
before the conversion, the converting limited liability company, 5966  
or series thereof, was subject to suit in this state on the 5967  
debt, obligation, or other liability. Service of process on a 5968  
converted entity that is a foreign entity and not authorized to 5969  
transact business in this state for purposes of enforcing a 5970  
debt, obligation, or other liability under this division may be 5971  
made in the same manner and has the same consequences as 5972  
provided in section 1706.09 of the Revised Code, as if the 5973  
converted entity were a foreign limited liability company. 5974

**Sec. 1706.73.** (A) If a member of a constituent or 5975  
converting limited liability company will have personal 5976  
liability with respect to a surviving or converted entity, 5977  
approval or amendment of a plan of merger or a declaration of 5978  
conversion are ineffective without the consent of the member, 5979  
unless both of the following conditions are met: 5980

(1) The limited liability company's operating agreement 5981  
provides for approval of a merger or conversion with the consent 5982  
of fewer than all the members. 5983

(2) The member has consented to the provision of the 5984  
operating agreement described in division (A)(1) of this 5985  
section. 5986

(B) A member does not give the consent required by 5987  
division (A) of this section merely by consenting to a provision 5988  
of the operating agreement that permits the operating agreement 5989  
to be amended with the consent of fewer than all the members. 5990

**Sec. 1706.74.** Sections 1706.71 to 1706.74 of the Revised 5991

Code do not preclude an entity from being merged or converted 5992  
under law other than this chapter. 5993

**Sec. 1706.76.** (A) An operating agreement may establish or 5994  
provide for the establishment of one or more designated series 5995  
of assets that has both of the following: 5996

(1) Either or both of the following: 5997

(a) Separate rights, powers, or duties with respect to 5998  
specified property or obligations of the limited liability 5999  
company or profits and losses associated with specified property 6000  
or obligations; 6001

(b) A separate purpose or investment objective. 6002

(2) At least one member associated with each series. 6003

(B) A series established in accordance with division (A) 6004  
of this section may carry on any activity, whether or not for 6005  
profit. 6006

**Sec. 1706.761.** (A) Subject to division (B) of this 6007  
section, both of the following apply: 6008

(1) The debts, liabilities, obligations, and expenses 6009  
incurred, contracted for, or otherwise existing with respect to 6010  
a series shall be enforceable against the assets of that series 6011  
only, and shall not be enforceable against the assets of the 6012  
limited liability company generally or any other series thereof. 6013

(2) None of the debts, liabilities, obligations, and 6014  
expenses incurred, contracted for, or otherwise existing with 6015  
respect to the limited liability company generally or any other 6016  
series thereof shall be enforceable against the assets of a 6017  
series. 6018

(B) Division (A) of this section applies only if all of 6019  
the following conditions are met: 6020

(1) The records maintained for that series account for the 6021  
assets of that series separately from the other assets of the 6022  
company or any other series. 6023

(2) The operating agreement contains a statement to the 6024  
effect of the limitations provided in division (A) of this 6025  
section. 6026

(3) The limited liability company's articles of 6027  
organization contains a statement that the limited liability 6028  
company may have one or more series of assets subject to the 6029  
limitations provided in division (A) of this section. 6030

**Sec. 1706.762.** (A) Assets of a series may be held directly 6031  
or indirectly, including in the name of the series, in the name 6032  
of the limited liability company, through a nominee, or 6033  
otherwise. 6034

(B) If the records of a series are maintained in a manner 6035  
so that the assets of the series can be reasonably identified by 6036  
specific listing, category, type, quantity, or computational or 6037  
allocational formula or procedure, including a percentage or 6038  
share of any assets, or by any other method in which the 6039  
identity of the assets can be objectively determined, the 6040  
records are considered to satisfy the requirement of division 6041  
(B) (1) of section 1706.761 of the Revised Code. 6042

**Sec. 1706.763.** The statement of limitation on liabilities 6043  
of a series required by division (B) (3) of section 1706.761 of 6044  
the Revised Code is sufficient regardless of whether either of 6045  
the following applies: 6046

(A) The limited liability company has established any 6047

series under this chapter when the statement of limitations is 6048  
contained in the articles of organization; 6049

(B) The statement of limitations makes reference to a 6050  
specific series of the limited liability company. 6051

**Sec. 1706.764.** (A) A person shall not voluntarily 6052  
dissociate as a member associated with a series. 6053

(B) A person's dissociation from a series is wrongful only 6054  
if one of the following applies: 6055

(1) The person's dissociation is in breach of an express 6056  
provision of the operating agreement. 6057

(2) The person is expelled as a member associated with the 6058  
series by determination of a tribunal under division (E) of 6059  
section 1706.765 of the Revised Code. 6060

(3) The person is dissociated as a member associated with 6061  
a series by becoming a debtor in bankruptcy or making a general 6062  
assignment for the benefit of creditors. 6063

(C) A person that wrongfully dissociates as a member 6064  
associated with a series is liable to the series and, subject to 6065  
section 1706.61 of the Revised Code, to the other members 6066  
associated with that series for damages caused by the 6067  
dissociation. The liability is in addition to any other debt, 6068  
obligation, or liability of the member associated with a series 6069  
to the series or the other members associated with that series. 6070

**Sec. 1706.765.** A person is dissociated as a member 6071  
associated with a series when any of the following occurs: 6072

(A) An event stated in the operating agreement as causing 6073  
the person's dissociation from the series occurs. 6074

(B) The person is dissociated as a member of the limited liability company pursuant to section 1706.411 of the Revised Code. 6075  
6076  
6077

(C) The person is expelled as a member associated with that series pursuant to the operating agreement. 6078  
6079

(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: 6080  
6081  
6082

(1) It is unlawful to carry on the series' activities with the person as a member associated with that series. 6083  
6084

(2) The person is an entity and, within ninety days after the series notifies the person that it will be expelled as a member associated with that series because the person has filed a certificate of dissolution or the equivalent, or its right to transact business has been suspended by its jurisdiction of formation, the certificate of dissolution or the equivalent has not been revoked or its right to transact business has not been reinstated. 6085  
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(3) The person is an entity and, within ninety days after the series notifies the person that it will be expelled as a member associated with that series because the person has been dissolved and its activities are being wound up, the entity has not been reinstated or the dissolution and winding up have not been revoked or canceled. 6093  
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(E) On application by the series, the person is expelled as a member associated with that series by tribunal order for any of the following reasons: 6099  
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6101

(1) The person has engaged, or is engaging, in wrongful conduct that has adversely and materially affected, or will 6102  
6103

adversely and materially affect, that series' activities. 6104

(2) The person has willfully or persistently committed, or 6105  
is willfully or persistently committing, a material breach of 6106  
the operating agreement or the person's duties or obligations 6107  
under this chapter or other applicable law. 6108

(3) The person has engaged, or is engaging, in conduct 6109  
relating to that series' activities that makes it not reasonably 6110  
practicable to carry on the activities with the person as a 6111  
member associated with that series. 6112

(F) In the case of a person who is an individual, the 6113  
person dies, a guardian or general conservator is appointed for 6114  
the person, or a tribunal determines that the person has 6115  
otherwise become incapable of performing the person's duties as 6116  
a member associated with a series under this chapter or the 6117  
operating agreement. 6118

(G) The person becomes a debtor in bankruptcy, executes an 6119  
assignment for the benefit of creditors, or seeks, consents, or 6120  
acquiesces to the appointment of a trustee, receiver, or 6121  
liquidator of the person or of all or substantially all of the 6122  
person's property. This division shall not apply to a person who 6123  
is the sole remaining member associated with a series. 6124

(H) In the case of a person that is a trust or is acting 6125  
as a member associated with a series by virtue of being a 6126  
trustee of a trust, the trust's entire membership interest 6127  
associated with the series is distributed, but not solely by 6128  
reason of the substitution of a successor trustee. 6129

(I) In the case of a person that is an estate or is acting 6130  
as a member associated with a series by virtue of being a 6131  
personal representative of an estate, the estate's entire 6132

membership interest associated with the series is distributed, 6133  
but not solely by reason of the substitution of a successor 6134  
personal representative. 6135

(J) In the case of a member associated with a series that 6136  
is not an individual, the legal existence of the person 6137  
otherwise terminates. 6138

**Sec. 1706.766.** (A) A person who has dissociated as a 6139  
member associated with a series shall have no right to 6140  
participate in the activities and affairs of that series and is 6141  
entitled only to receive the distributions to which that member 6142  
would have been entitled if the member had not dissociated from 6143  
that series. 6144

(B) A person's dissociation as a member associated with a 6145  
series does not of itself discharge the person from any debt, 6146  
obligation, or liability to that series, the limited liability 6147  
company, or the other members that the person incurred while a 6148  
member associated with that series. 6149

(C) A member's dissociation from a series does not, in 6150  
itself, cause the member to dissociate from any other series or 6151  
require the winding up of the series. 6152

(D) A member's dissociation from a series does not, in 6153  
itself, cause the member to dissociate from the limited 6154  
liability company. 6155

**Sec. 1706.767.** A series may be dissolved and its 6156  
activities and affairs may be wound up without causing the 6157  
dissolution of the limited liability company. The dissolution 6158  
and winding up of a series does not abate, suspend, or otherwise 6159  
affect the limitation on liabilities of the series provided by 6160  
section 1706.761 of the Revised Code. 6161

Sec. 1706.768. A series is dissolved and its activities 6162  
and affairs shall be wound up upon the first to occur of the 6163  
following: 6164

(A) The dissolution of the limited liability company under 6165  
section 1706.47 of the Revised Code; 6166

(B) An event or circumstance that the operating agreement 6167  
states causes dissolution of the series; 6168

(C) The consent of all of the members associated with the 6169  
series; 6170

(D) The passage of ninety days after the occurrence of the 6171  
dissociation of the last remaining member associated with the 6172  
series; 6173

(E) On application by a member associated with the series, 6174  
the entry by the appropriate court of an order dissolving the 6175  
series on the grounds that it is not reasonably practicable to 6176  
carry on the series' activities in conformity with the operating 6177  
agreement. 6178

Sec. 1706.769. (A) A dissolved series continues its 6179  
existence as a series but shall not carry on any activities 6180  
except as is appropriate to wind up and liquidate its activities 6181  
and affairs. Appropriate activities include all of the 6182  
following: 6183

(1) Collecting the assets of the series; 6184

(2) Disposing of the properties of the series that will 6185  
not be distributed in kind to persons owning membership 6186  
interests associated with the series; 6187

(3) Discharging or making provisions for discharging the 6188  
liabilities of the series; 6189

<u>(4) Distributing the remaining property of the series in accordance with section 1706.7613 of the Revised Code;</u>	6190 6191
<u>(5) Doing any other act necessary to wind up and liquidate the series' activities and affairs.</u>	6192 6193
<u>(B) In winding up a series' activities, a series may do any of the following:</u>	6194 6195
<u>(1) Preserve the series' activities and property as a going concern for a reasonable time;</u>	6196 6197
<u>(2) Prosecute, defend, or settle actions or proceedings whether civil, criminal, or administrative;</u>	6198 6199
<u>(3) Make an assignment of the series' property;</u>	6200
<u>(4) Resolve disputes by mediation or arbitration.</u>	6201
<u>(C) A series' dissolution, in itself:</u>	6202
<u>(1) Is not an assignment of the series' property;</u>	6203
<u>(2) Does not prevent the commencement of a proceeding by or against the series in the series' name;</u>	6204 6205
<u>(3) Does not abate or suspend a proceeding pending by or against the series on the effective date of dissolution;</u>	6206 6207
<u>(4) Does not abate, suspend, or otherwise alter the application of section 1706.7613 of the Revised Code.</u>	6208 6209
<b><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></b>	6210 6211 6212 6213 6214 6215

(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: 6216  
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6218  
6219

(1) On application of a member associated with the series, if the applicant establishes good cause; 6220  
6221

(2) On application of an assignee associated with a series, if both of the following apply: 6222  
6223

(a) There are no members associated with the series. 6224

(b) Within a reasonable time following the dissolution a person has not been appointed pursuant to division (A) of this section. 6225  
6226  
6227

(3) In connection with a proceeding under division (E) of section 1706.768 of the Revised Code. 6228  
6229

**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. 6230  
6231  
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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: 6234  
6235  
6236

(1) Identify the limited liability company and the dissolved series; 6237  
6238

(2) Describe the information required to be included in a claim; 6239  
6240

(3) Provide a mailing address to which the claim is to be sent; 6241  
6242

(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. 6243  
6244  
6245

(5) State that if not sooner barred, the claim will be barred if not received by the deadline. 6246  
6247

(C) Unless sooner barred by any other statute limiting actions, a claim against a dissolved series is barred in either of the following circumstances: 6248  
6249  
6250

(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; 6251  
6252  
6253

(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. 6254  
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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. 6258  
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(E) Nothing in this section shall be construed to extend any otherwise applicable statute of limitations. 6263  
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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. 6265  
6266  
6267

(B) The notice authorized by division (A) of this section shall meet all of the following criteria: 6268  
6269

(1) It shall be posted prominently on the principal web 6270

site then maintained by the limited liability company, if any, 6271  
and provided to the secretary of state to be posted on the web 6272  
site maintained by the secretary of state in accordance with 6273  
division (J) of section 1706.474 of the Revised Code. The notice 6274  
shall be considered published when posted on the secretary of 6275  
state's web site. 6276

(2) It shall describe the information that must be 6277  
included in a claim and provide a mailing address to which the 6278  
claim must be sent. 6279

(3) It shall state that if not sooner barred, a claim 6280  
against the dissolved series will be barred unless a proceeding 6281  
to enforce the claim is commenced within two years following the 6282  
publication of the notice. 6283

(C) If a dissolved series publishes a notice in accordance 6284  
with division (B) of this section, unless sooner barred by any 6285  
other statute limiting actions, the claim of each of the 6286  
following claimants is barred unless the claimant commences a 6287  
proceeding to enforce the claim against the dissolved series 6288  
within two years after the publication date of the notice: 6289

(1) A claimant who was not given notice under division (B) 6290  
of section 1706.7611 of the Revised Code; 6291

(2) A claimant whose claim was timely sent to the 6292  
dissolved series but not acted on by the dissolved series; 6293

(3) A claimant whose claim is contingent at the effective 6294  
date of the dissolution of the series, or is based on an event 6295  
occurring after the effective date of the dissolution of the 6296  
series. 6297

(D) A claim that is not barred under this section, any 6298  
other statute limiting actions, or section 1706.7611 of the 6299

Revised Code may be enforced against either of the following: 6300

(1) A dissolved series, to the extent of its undistributed 6301  
assets associated with the series; 6302

(2) A member or assignee associated with the series to the 6303  
extent of that person's proportionate share of the claim or of 6304  
the assets of the series distributed to the member or assignee 6305  
after dissolution, whichever is less, except as provided in 6306  
division (H) of this section and only if the assets of a 6307  
dissolved series have been distributed after dissolution. A 6308  
person's total liability for all claims under division (D) of 6309  
this section shall not exceed the total amount of assets of the 6310  
series distributed to the person after dissolution of the 6311  
series. 6312

(E) A dissolved series that published a notice under this 6313  
section may file an application with the appropriate court in 6314  
the county in which the limited liability company's principal 6315  
office is located or, if it has none in this state, in the 6316  
county in which the limited liability company's statutory agent 6317  
is or was last located. The application shall be for a 6318  
determination of the amount and form of security to be provided 6319  
for payment of claims that are contingent or have not been made 6320  
known to the dissolved series or that are based on an event 6321  
occurring after the effective date of the dissolution of the 6322  
series but that, based on the facts known to the dissolved 6323  
series, are reasonably estimated to arise after the effective 6324  
date of the dissolution of the series. Provision need not be 6325  
made for any claim that is or is reasonably anticipated to be 6326  
barred under division (C) of this section. 6327

(F) Within ten days after the filing of the application 6328  
provided for in division (E) of this section, notice of the 6329

proceeding shall be given by the dissolved series to each 6330  
potential claimant as described in that division. 6331

(G) The appropriate court may appoint a guardian ad litem 6332  
to represent all claimants whose identities are unknown in any 6333  
proceeding brought under this section. The reasonable fees and 6334  
expenses of the guardian, including all reasonable expert 6335  
witness fees, shall be paid by the dissolved series. 6336

(H) Provision by the dissolved series for security in the 6337  
amount and the form ordered by the appropriate court under 6338  
division (E) of this section shall satisfy the dissolved series' 6339  
obligation with respect to claims that are contingent, have not 6340  
been made known to the dissolved series, or are based on an 6341  
event occurring after the effective date of the dissolution of 6342  
the series. Those claims may not be enforced against a person 6343  
owning a membership interest to whom assets have been 6344  
distributed by the dissolved series after the effective date of 6345  
the dissolution of the series. 6346

(I) Nothing in this section shall be construed to extend 6347  
any otherwise applicable statute of limitations. 6348

**Sec. 1706.7613.** (A) Upon the winding up of a series, 6349  
payment or adequate provision for payment shall be made to 6350  
creditors of the series, including, to the extent permitted by 6351  
law, members who are associated with the series and who are also 6352  
creditors of the series, in satisfaction of liabilities of the 6353  
series. 6354

(B) After a series complies with division (A) of this 6355  
section, any surplus shall be distributed as follows: 6356

(1) First, to each person owning a membership interest 6357  
associated with the series that reflects contributions made on 6358

account of that membership interest and not previously returned, 6359  
an amount equal to the value of the person's unreturned 6360  
contributions; 6361

(2) Then to each person owning a membership interest 6362  
associated with the series in the proportions in which the 6363  
owners of membership interests associated with the series share 6364  
in distributions prior to dissolution of the series. 6365

(C) If the series does not have sufficient surplus to 6366  
comply with division (B)(1) of this section, any surplus shall 6367  
be distributed among the owners of membership interests 6368  
associated with the series in proportion to the value of their 6369  
respective unreturned contributions. 6370

Sec. 1706.81. This chapter modifies, limits, and 6371  
supersedes the federal "Electronic Signatures in Global and 6372  
National Commerce Act," 15 U.S.C. 7001 et seq., but does not 6373  
modify, limit, or supersede 15 U.S.C. 7001(c) or authorize 6374  
electronic delivery of any of the notices described in 15 U.S.C. 6375  
7003(b). 6376

Sec. 1706.82. A limited liability company formed and 6377  
existing under this chapter may conduct its activities and 6378  
affairs, carry on its operations, and have and exercise the 6379  
powers granted by this chapter in any state, foreign country, or 6380  
other jurisdiction. 6381

Sec. 1706.83. On and after January 1, 2022, this chapter 6382  
shall govern all limited liability companies, including every 6383  
foreign limited liability company that files an application for 6384  
registration as a foreign limited liability company on or after 6385  
January 1, 2022, every foreign limited liability company that 6386  
registers a name in this state on or after January 1, 2022, 6387

every foreign limited liability company that has registered a 6388  
name in this state prior to January 1, 2022, and every foreign 6389  
limited liability company that has filed an application for 6390  
registration as a foreign limited liability company prior to 6391  
January 1, 2022, pursuant to Chapter 1705. of the Revised Code. 6392

Sec. 1706.84. Unless expressly stated to the contrary in 6393  
this chapter, all amendments of this chapter shall apply to 6394  
limited liability companies and members and agents whether or 6395  
not existing as such at the time of the enactment of any such 6396  
amendment. 6397

**Sec. 1729.36.** (A) An association may merge or consolidate 6398  
with one or more entities, if such merger or consolidation is 6399  
permitted by the laws under which each constituent entity exists 6400  
and the association complies with this section. 6401

(B) Each constituent association shall comply with section 6402  
1729.35 of the Revised Code with respect to form and approval of 6403  
an agreement of merger or consolidation, and each constituent 6404  
entity shall comply with the applicable provisions of the laws 6405  
under which it exists, except that the agreement of merger or 6406  
consolidation, by whatever name designated, shall comply with 6407  
divisions (C) and (D) of this section. 6408

(C) The agreement of merger or consolidation shall set 6409  
forth all of the following: 6410

(1) The names of the states and the laws under which each 6411  
constituent entity exists; 6412

(2) All statements and matters required to be set forth in 6413  
agreements of merger or consolidation by the laws under which 6414  
any constituent entity exists; 6415

(3) A statement that the surviving or new entity is to be 6416

an association, a foreign association, a corporation other than 6417  
a cooperative, or a limited liability company; 6418

(4) If the surviving or new entity is to be a foreign 6419  
entity: 6420

(a) The place where the principal office of the surviving 6421  
or new entity is to be located in the state in which the 6422  
surviving or new entity is to exist; 6423

(b) The consent by the surviving or new entity that it may 6424  
be sued and served with process in this state in any proceeding 6425  
for the enforcement of any obligation of any constituent 6426  
association or domestic entity; 6427

(c) The consent by the surviving or new entity that it 6428  
shall be subject to the applicable provisions of Chapter 1703. 6429  
of the Revised Code, if it is a foreign corporation or foreign 6430  
association, or to sections 1705.53 to 1705.58 or 1706.51 to 6431  
1706.515 of the Revised Code, if it is a foreign limited 6432  
liability company; 6433

(d) If it is desired that the surviving or new entity 6434  
exercise its corporate privileges in this state as a foreign 6435  
entity. 6436

(D) The agreement also may set forth other provisions 6437  
permitted by the laws of any state in which any constituent 6438  
entity exists. 6439

(E) If the surviving or new entity is an association, the 6440  
merger or consolidation shall take effect in accordance with 6441  
sections 1729.37 and 1729.38 of the Revised Code. 6442

(F) If the surviving or new entity is an entity other than 6443  
an association, the merger or consolidation shall take effect in 6444

accordance with the applicable provisions of the laws under 6445  
which it exists. 6446

**Sec. 1729.38.** (A) (1) Upon adoption of an agreement of 6447  
merger or consolidation under section 1729.35 or 1729.36 of the 6448  
Revised Code, a certificate, signed by any authorized officer or 6449  
representative of each constituent association or entity, shall 6450  
be filed with the secretary of state on a form prescribed by the 6451  
secretary of state that sets forth the following: 6452

(a) The name and form of each constituent association or 6453  
entity and the state law under which each constituent entity 6454  
exists; 6455

(b) A statement that each constituent association or 6456  
entity has adopted the agreement of merger or consolidation, the 6457  
manner of adoption, and that the agreement was adopted in 6458  
compliance with the laws applicable to each constituent 6459  
association or entity; 6460

(c) The effective date of the merger or consolidation, 6461  
which date may be on or after the date of filing of the 6462  
certificate; 6463

(d) In the case of a merger, a statement that one or more 6464  
specified constituent associations or entities will be merged 6465  
into a specified surviving association or entity or, in the case 6466  
of a consolidation, a statement that the constituent 6467  
associations or entities will be consolidated into a new 6468  
association or entity; 6469

(e) The name and address of the statutory agent upon whom 6470  
any process, notice, or demand against any constituent 6471  
association or entity, or the surviving or new association or 6472  
entity, may be served. 6473

(2) In the case of a merger into an association or 6474  
domestic entity, any amendments to the articles of incorporation 6475  
or the articles of organization of the surviving association or 6476  
entity shall be filed with the certificate. 6477

(3) In the case of a consolidation to form a new domestic 6478  
association or entity, the articles of incorporation or the 6479  
articles of organization of the new association or entity shall 6480  
be filed with the certificate. 6481

(4) If the surviving or new entity is a foreign entity 6482  
that desires to transact business in this state as a foreign 6483  
entity, the certificate shall be accompanied by the information 6484  
required for qualification of a foreign entity in this state by 6485  
Chapter 1703. of the Revised Code, in the case of a foreign 6486  
corporation or foreign cooperative, or by sections 1705.53 and 6487  
1705.54 or 1706.511 of the Revised Code, in the case of a 6488  
foreign limited liability company. 6489

(B) A copy of the certificate of merger or consolidation, 6490  
certified by the secretary of state, may be filed for record in 6491  
the office of the county recorder of any county in this state. 6492  
For such recording, the county recorder shall charge and collect 6493  
the same fee as in the case of deeds. The certified copy of the 6494  
certificate of merger or consolidation shall be recorded in the 6495  
official records of the county recorder. 6496

(C) For purposes of this section, "domestic entity" means 6497  
a corporation other than an association or a limited liability 6498  
company organized under the laws of this state. 6499

**Sec. 1745.461.** (A) (1) Pursuant to an agreement of merger 6500  
between the constituent entities as provided in this section, a 6501  
domestic unincorporated nonprofit association and, if so 6502

provided, one or more additional domestic or foreign entities 6503  
may be merged into a surviving entity other than a domestic 6504  
unincorporated nonprofit association. Pursuant to an agreement 6505  
of consolidation, a domestic unincorporated nonprofit 6506  
association together with one or more additional domestic or 6507  
foreign entities may be consolidated into a new entity other 6508  
than a domestic unincorporated nonprofit association to be 6509  
formed by that consolidation. The merger or consolidation must 6510  
be permitted by the chapter of the Revised Code under which each 6511  
domestic constituent entity exists and by the laws under which 6512  
each foreign constituent entity exists. 6513

(2) To effect a merger or consolidation under this 6514  
section, the manager or managers of each constituent 6515  
unincorporated nonprofit association shall approve an agreement 6516  
of merger or consolidation to be signed by the manager, the 6517  
chairperson, the president, or a vice-president and by the 6518  
secretary or an assistant secretary or, if there are no 6519  
officers, by an authorized manager. The agreement of merger or 6520  
consolidation shall be approved or otherwise authorized by or on 6521  
behalf of each other constituent entity in accordance with the 6522  
laws under which it exists. 6523

(3) The agreement of merger or consolidation shall set 6524  
forth all of the following: 6525

(a) The name and the form of entity of each constituent 6526  
entity and the state under the laws of which each constituent 6527  
entity exists; 6528

(b) In the case of a merger, that one or more specified 6529  
constituent entities will be merged into a specified surviving 6530  
foreign entity or surviving domestic entity other than a 6531  
domestic unincorporated nonprofit association or, in the case of 6532

a consolidation, that the constituent entities will be 6533  
consolidated into a new foreign entity or domestic entity other 6534  
than a domestic unincorporated nonprofit association. The name 6535  
of the surviving or new entity may be the same as or similar to 6536  
that of any constituent entity. 6537

(c) The terms of the merger or consolidation and the mode 6538  
of carrying those terms into effect; 6539

(d) If the surviving or new entity is a foreign 6540  
unincorporated nonprofit association, all additional statements 6541  
and matters, other than the name and address of the statutory 6542  
agent, that would be required by section 1745.46 of the Revised 6543  
Code if the surviving or new unincorporated nonprofit 6544  
association were a domestic unincorporated nonprofit 6545  
association; 6546

(e) The name and the form of entity of the surviving or 6547  
new entity, the state under the laws of which the surviving 6548  
entity exists or the new entity is to exist, and the location of 6549  
the principal office of the surviving or new entity in that 6550  
state; 6551

(f) All statements and matters required to be set forth in 6552  
an agreement of merger or consolidation by the laws under which 6553  
each constituent entity exists and, in the case of a 6554  
consolidation, the new entity is to exist; 6555

(g) The consent of the surviving or the new entity to be 6556  
sued and served with process in this state and the irrevocable 6557  
appointment of the secretary of state as its agent to accept 6558  
service of process in any proceeding in this state to enforce 6559  
against the surviving or new entity any obligation of any 6560  
domestic constituent unincorporated nonprofit association. Such 6561

service shall be made upon the secretary of state by leaving 6562  
duplicate copies of such process, together with an affidavit of 6563  
the plaintiff or one of the plaintiff's attorneys, showing the 6564  
last known address of such association, and a fee of up to five 6565  
dollars that shall be included as taxable costs in the case of 6566  
judicial proceedings. Upon receipt of such process, affidavit, 6567  
and fee, the secretary of state shall immediately give notice to 6568  
the association at the address specified in the affidavit and 6569  
forward to such address by certified mail, with a request for 6570  
return receipt, a copy of such process. 6571

(h) If the surviving or new entity is a foreign 6572  
unincorporated nonprofit association that desires to transact 6573  
business in this state as a foreign unincorporated nonprofit 6574  
association, a statement to that effect, together with a 6575  
statement regarding the appointment of a statutory agent and 6576  
service of any process, notice, or demand upon that statutory 6577  
agent or the secretary of state; 6578

(i) If the surviving or new entity is a foreign limited 6579  
partnership that desires to transact business in this state as a 6580  
foreign limited partnership, a statement to that effect, 6581  
together with all of the information required under section 6582  
1782.49 of the Revised Code when a foreign limited partnership 6583  
registers to transact business in this state; 6584

(j) If the surviving or new entity is a foreign limited 6585  
liability company that desires to transact business in this 6586  
state as a foreign limited liability company, a statement to 6587  
that effect, together with all of the information required under 6588  
section 1705.54 or 1706.511 of the Revised Code when a foreign 6589  
limited liability company registers to transact business in this 6590  
state; 6591

(k) If the surviving or new entity is a foreign unincorporated association that desires to transact business in this state as a foreign unincorporated association, a statement to that effect, together with all of the information, if any, required by the secretary of state when a foreign unincorporated association registers to transact business in this state.

(4) 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.

(B) A merger or consolidation pursuant to this section in which a public benefit association is one of the constituent entities shall be subject to, and shall comply with, the provisions of divisions (B) (1) (b), (2), (3), and (4) of section 1745.46 of the Revised Code.

**Sec. 1751.01.** As used in this chapter:

(A) (1) "Basic health care services" means the following services when medically necessary:

(a) Physician's services, except when such services are supplemental under division (B) of this section;

(b) Inpatient hospital services;

(c) Outpatient medical services;

(d) Emergency health services;

(e) Urgent care services;

(f) Diagnostic laboratory services and diagnostic and therapeutic radiologic services;

(g) Diagnostic and treatment services, other than 6619  
prescription drug services, for biologically based mental 6620  
illnesses; 6621

(h) Preventive health care services, including, but not 6622  
limited to, voluntary family planning services, infertility 6623  
services, periodic physical examinations, prenatal obstetrical 6624  
care, and well-child care; 6625

(i) Routine patient care for patients enrolled in an 6626  
eligible cancer clinical trial pursuant to section 3923.80 of 6627  
the Revised Code. 6628

"Basic health care services" does not include experimental 6629  
procedures. 6630

Except as provided by divisions (A) (2) and (3) of this 6631  
section in connection with the offering of coverage for 6632  
diagnostic and treatment services for biologically based mental 6633  
illnesses, a health insuring corporation shall not offer 6634  
coverage for a health care service, defined as a basic health 6635  
care service by this division, unless it offers coverage for all 6636  
listed basic health care services. However, this requirement 6637  
does not apply to the coverage of beneficiaries enrolled in 6638  
medicare pursuant to a medicare contract, or to the coverage of 6639  
beneficiaries enrolled in the federal employee health benefits 6640  
program pursuant to 5 U.S.C.A. 8905, or to the coverage of 6641  
medicaid recipients, or to the coverage of beneficiaries under 6642  
any federal health care program regulated by a federal 6643  
regulatory body, or to the coverage of beneficiaries under any 6644  
contract covering officers or employees of the state that has 6645  
been entered into by the department of administrative services. 6646

(2) A health insuring corporation may offer coverage for 6647

diagnostic and treatment services for biologically based mental 6648  
illnesses without offering coverage for all other basic health 6649  
care services. A health insuring corporation may offer coverage 6650  
for diagnostic and treatment services for biologically based 6651  
mental illnesses alone or in combination with one or more 6652  
supplemental health care services. However, a health insuring 6653  
corporation that offers coverage for any other basic health care 6654  
service shall offer coverage for diagnostic and treatment 6655  
services for biologically based mental illnesses in combination 6656  
with the offer of coverage for all other listed basic health 6657  
care services. 6658

(3) A health insuring corporation that offers coverage for 6659  
basic health care services is not required to offer coverage for 6660  
diagnostic and treatment services for biologically based mental 6661  
illnesses in combination with the offer of coverage for all 6662  
other listed basic health care services if all of the following 6663  
apply: 6664

(a) The health insuring corporation submits documentation 6665  
certified by an independent member of the American academy of 6666  
actuaries to the superintendent of insurance showing that 6667  
incurred claims for diagnostic and treatment services for 6668  
biologically based mental illnesses for a period of at least six 6669  
months independently caused the health insuring corporation's 6670  
costs for claims and administrative expenses for the coverage of 6671  
basic health care services to increase by more than one per cent 6672  
per year. 6673

(b) The health insuring corporation submits a signed 6674  
letter from an independent member of the American academy of 6675  
actuaries to the superintendent of insurance opining that the 6676  
increase in costs described in division (A) (3) (a) of this 6677

section could reasonably justify an increase of more than one 6678  
per cent in the annual premiums or rates charged by the health 6679  
insuring corporation for the coverage of basic health care 6680  
services. 6681

(c) The superintendent of insurance makes the following 6682  
determinations from the documentation and opinion submitted 6683  
pursuant to divisions (A) (3) (a) and (b) of this section: 6684

(i) Incurred claims for diagnostic and treatment services 6685  
for biologically based mental illnesses for a period of at least 6686  
six months independently caused the health insuring 6687  
corporation's costs for claims and administrative expenses for 6688  
the coverage of basic health care services to increase by more 6689  
than one per cent per year. 6690

(ii) The increase in costs reasonably justifies an 6691  
increase of more than one per cent in the annual premiums or 6692  
rates charged by the health insuring corporation for the 6693  
coverage of basic health care services. 6694

Any determination made by the superintendent under this 6695  
division is subject to Chapter 119. of the Revised Code. 6696

(B) (1) "Supplemental health care services" means any 6697  
health care services other than basic health care services that 6698  
a health insuring corporation may offer, alone or in combination 6699  
with either basic health care services or other supplemental 6700  
health care services, and includes: 6701

(a) Services of facilities for intermediate or long-term 6702  
care, or both; 6703

(b) Dental care services; 6704

(c) Vision care and optometric services including lenses 6705

and frames;	6706
(d) Podiatric care or foot care services;	6707
(e) Mental health services, excluding diagnostic and treatment services for biologically based mental illnesses;	6708 6709
(f) Short-term outpatient evaluative and crisis-intervention mental health services;	6710 6711
(g) Medical or psychological treatment and referral services for alcohol and drug abuse or addiction;	6712 6713
(h) Home health services;	6714
(i) Prescription drug services;	6715
(j) Nursing services;	6716
(k) Services of a dietitian licensed under Chapter 4759. of the Revised Code;	6717 6718
(l) Physical therapy services;	6719
(m) Chiropractic services;	6720
(n) Any other category of services approved by the superintendent of insurance.	6721 6722
(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.	6723 6724 6725 6726 6727
(C) "Specialty health care services" means one of the supplemental health care services listed in division (B) of this section, when provided by a health insuring corporation on an outpatient-only basis and not in combination with other	6728 6729 6730 6731

supplemental health care services. 6732

(D) "Biologically based mental illnesses" means 6733  
schizophrenia, schizoaffective disorder, major depressive 6734  
disorder, bipolar disorder, paranoia and other psychotic 6735  
disorders, obsessive-compulsive disorder, and panic disorder, as 6736  
these terms are defined in the most recent edition of the 6737  
diagnostic and statistical manual of mental disorders published 6738  
by the American psychiatric association. 6739

(E) "Closed panel plan" means a health care plan that 6740  
requires enrollees to use participating providers. 6741

(F) "Compensation" means remuneration for the provision of 6742  
health care services, determined on other than a fee-for-service 6743  
or discounted-fee-for-service basis. 6744

(G) "Contractual periodic prepayment" means the formula 6745  
for determining the premium rate for all subscribers of a health 6746  
insuring corporation. 6747

(H) "Corporation" means a corporation formed under Chapter 6748  
1701. or 1702. of the Revised Code or the similar laws of 6749  
another state. 6750

(I) "Emergency health services" means those health care 6751  
services that must be available on a seven-days-per-week, 6752  
twenty-four-hours-per-day basis in order to prevent jeopardy to 6753  
an enrollee's health status that would occur if such services 6754  
were not received as soon as possible, and includes, where 6755  
appropriate, provisions for transportation and indemnity 6756  
payments or service agreements for out-of-area coverage. 6757

(J) "Enrollee" means any natural person who is entitled to 6758  
receive health care benefits provided by a health insuring 6759  
corporation. 6760

(K) "Evidence of coverage" means any certificate, 6761  
agreement, policy, or contract issued to a subscriber that sets 6762  
out the coverage and other rights to which such person is 6763  
entitled under a health care plan. 6764

(L) "Health care facility" means any facility, except a 6765  
health care practitioner's office, that provides preventive, 6766  
diagnostic, therapeutic, acute convalescent, rehabilitation, 6767  
mental health, intellectual disability, intermediate care, or 6768  
skilled nursing services. 6769

(M) "Health care services" means basic, supplemental, and 6770  
specialty health care services. 6771

(N) "Health delivery network" means any group of providers 6772  
or health care facilities, or both, or any representative 6773  
thereof, that have entered into an agreement to offer health 6774  
care services in a panel rather than on an individual basis. 6775

(O) "Health insuring corporation" means a corporation, as 6776  
defined in division (H) of this section, that, pursuant to a 6777  
policy, contract, certificate, or agreement, pays for, 6778  
reimburses, or provides, delivers, arranges for, or otherwise 6779  
makes available, basic health care services, supplemental health 6780  
care services, or specialty health care services, or a 6781  
combination of basic health care services and either 6782  
supplemental health care services or specialty health care 6783  
services, through either an open panel plan or a closed panel 6784  
plan. 6785

"Health insuring corporation" does not include a limited 6786  
liability company formed pursuant to Chapter 1705. or 1706. of 6787  
the Revised Code, an insurer licensed under Title XXXIX of the 6788  
Revised Code if that insurer offers only open panel plans under 6789

which all providers and health care facilities participating 6790  
receive their compensation directly from the insurer, a 6791  
corporation formed by or on behalf of a political subdivision or 6792  
a department, office, or institution of the state, or a public 6793  
entity formed by or on behalf of a board of county 6794  
commissioners, a county board of developmental disabilities, an 6795  
alcohol and drug addiction services board, a board of alcohol, 6796  
drug addiction, and mental health services, or a community 6797  
mental health board, as those terms are used in Chapters 340. 6798  
and 5126. of the Revised Code. Except as provided by division 6799  
(D) of section 1751.02 of the Revised Code, or as otherwise 6800  
provided by law, no board, commission, agency, or other entity 6801  
under the control of a political subdivision may accept 6802  
insurance risk in providing for health care services. However, 6803  
nothing in this division shall be construed as prohibiting such 6804  
entities from purchasing the services of a health insuring 6805  
corporation or a third-party administrator licensed under 6806  
Chapter 3959. of the Revised Code. 6807

(P) "Intermediary organization" means a health delivery 6808  
network or other entity that contracts with licensed health 6809  
insuring corporations or self-insured employers, or both, to 6810  
provide health care services, and that enters into contractual 6811  
arrangements with other entities for the provision of health 6812  
care services for the purpose of fulfilling the terms of its 6813  
contracts with the health insuring corporations and self-insured 6814  
employers. 6815

(Q) "Intermediate care" means residential care above the 6816  
level of room and board for patients who require personal 6817  
assistance and health-related services, but who do not require 6818  
skilled nursing care. 6819

(R) "Medical record" means the personal information that 6820  
relates to an individual's physical or mental condition, medical 6821  
history, or medical treatment. 6822

(S) (1) "Open panel plan" means a health care plan that 6823  
provides incentives for enrollees to use participating providers 6824  
and that also allows enrollees to use providers that are not 6825  
participating providers. 6826

(2) No health insuring corporation may offer an open panel 6827  
plan, unless the health insuring corporation is also licensed as 6828  
an insurer under Title XXXIX of the Revised Code, the health 6829  
insuring corporation, on June 4, 1997, holds a certificate of 6830  
authority or license to operate under Chapter 1736. or 1740. of 6831  
the Revised Code, or an insurer licensed under Title XXXIX of 6832  
the Revised Code is responsible for the out-of-network risk as 6833  
evidenced by both an evidence of coverage filing under section 6834  
1751.11 of the Revised Code and a policy and certificate filing 6835  
under section 3923.02 of the Revised Code. 6836

(T) "Osteopathic hospital" means a hospital registered 6837  
under section 3701.07 of the Revised Code that advocates 6838  
osteopathic principles and the practice and perpetuation of 6839  
osteopathic medicine by doing any of the following: 6840

(1) Maintaining a department or service of osteopathic 6841  
medicine or a committee on the utilization of osteopathic 6842  
principles and methods, under the supervision of an osteopathic 6843  
physician; 6844

(2) Maintaining an active medical staff, the majority of 6845  
which is comprised of osteopathic physicians; 6846

(3) Maintaining a medical staff executive committee that 6847  
has osteopathic physicians as a majority of its members. 6848

(U) "Panel" means a group of providers or health care facilities that have joined together to deliver health care services through a contractual arrangement with a health insuring corporation, employer group, or other payor.

(V) "Person" has the same meaning as in section 1.59 of the Revised Code, and, unless the context otherwise requires, includes any insurance company holding a certificate of authority under Title XXXIX of the Revised Code, any subsidiary and affiliate of an insurance company, and any government agency.

(W) "Premium rate" means any set fee regularly paid by a subscriber to a health insuring corporation. A "premium rate" does not include a one-time membership fee, an annual administrative fee, or a nominal access fee, paid to a managed health care system under which the recipient of health care services remains solely responsible for any charges accessed for those services by the provider or health care facility.

(X) "Primary care provider" means a provider that is designated by a health insuring corporation to supervise, coordinate, or provide initial care or continuing care to an enrollee, and that may be required by the health insuring corporation to initiate a referral for specialty care and to maintain supervision of the health care services rendered to the enrollee.

(Y) "Provider" means any natural person or partnership of natural persons who are licensed, certified, accredited, or otherwise authorized in this state to furnish health care services, or any professional association organized under Chapter 1785. of the Revised Code, provided that nothing in this chapter or other provisions of law shall be construed to

preclude a health insuring corporation, health care 6879  
practitioner, or organized health care group associated with a 6880  
health insuring corporation from employing certified nurse 6881  
practitioners, certified nurse anesthetists, clinical nurse 6882  
specialists, certified nurse-midwives, pharmacists, dietitians, 6883  
physician assistants, dental assistants, dental hygienists, 6884  
optometric technicians, or other allied health personnel who are 6885  
licensed, certified, accredited, or otherwise authorized in this 6886  
state to furnish health care services. 6887

(Z) "Provider sponsored organization" means a corporation, 6888  
as defined in division (H) of this section, that is at least 6889  
eighty per cent owned or controlled by one or more hospitals, as 6890  
defined in section 3727.01 of the Revised Code, or one or more 6891  
physicians licensed to practice medicine or surgery or 6892  
osteopathic medicine and surgery under Chapter 4731. of the 6893  
Revised Code, or any combination of such physicians and 6894  
hospitals. Such control is presumed to exist if at least eighty 6895  
per cent of the voting rights or governance rights of a provider 6896  
sponsored organization are directly or indirectly owned, 6897  
controlled, or otherwise held by any combination of the 6898  
physicians and hospitals described in this division. 6899

(AA) "Solicitation document" means the written materials 6900  
provided to prospective subscribers or enrollees, or both, and 6901  
used for advertising and marketing to induce enrollment in the 6902  
health care plans of a health insuring corporation. 6903

(BB) "Subscriber" means a person who is responsible for 6904  
making payments to a health insuring corporation for 6905  
participation in a health care plan, or an enrollee whose 6906  
employment or other status is the basis of eligibility for 6907  
enrollment in a health insuring corporation. 6908

(CC) "Urgent care services" means those health care 6909  
services that are appropriately provided for an unforeseen 6910  
condition of a kind that usually requires medical attention 6911  
without delay but that does not pose a threat to the life, limb, 6912  
or permanent health of the injured or ill person, and may 6913  
include such health care services provided out of the health 6914  
insuring corporation's approved service area pursuant to 6915  
indemnity payments or service agreements. 6916

**Sec. 1776.69.** (A) Pursuant to a written agreement of 6917  
merger or consolidation between the constituent entities as this 6918  
section provides, a domestic partnership and one or more 6919  
additional domestic or foreign entities may merge into a 6920  
surviving entity other than a domestic partnership, or a 6921  
domestic partnership together with one or more additional 6922  
domestic or foreign entities may consolidate into a new entity, 6923  
other than a domestic partnership, that is formed by the 6924  
consolidation. No merger or consolidation may be carried out 6925  
pursuant to this section unless it is permitted by the Revised 6926  
Code chapter under which each domestic constituent entity exists 6927  
and by the laws under which each foreign constituent entity 6928  
exists. 6929

(B) Any written agreement of any merger or consolidation 6930  
shall set forth all of the following: 6931

(1) The name and the form of entity of each constituent 6932  
entity and the state under the laws of which each constituent 6933  
entity exists; 6934

(2) In the case of a merger, that one or more specified 6935  
constituent domestic partnerships and other specified 6936  
constituent entities will be merged into a specified surviving 6937  
foreign entity or surviving domestic entity other than a 6938

domestic partnership, or, in the case of a consolidation, that 6939  
the constituent entities will be consolidated into a new foreign 6940  
entity or a new domestic entity other than a domestic 6941  
partnership; 6942

(3) If the surviving or new entity is a foreign 6943  
partnership, all statements and matters that section 1776.68 of 6944  
the Revised Code would require if the surviving or new entity 6945  
were a domestic partnership; 6946

(4) The name and the form of entity of the surviving or 6947  
new entity, the state under the laws of which the surviving 6948  
entity exists or the new entity is to exist, and the location of 6949  
the principal office of the surviving or new entity; 6950

(5) Any additional statements and matters required to be 6951  
set forth in an agreement of merger or consolidation by the laws 6952  
under which each constituent entity exists and, in the case of a 6953  
consolidation, the new entity is to exist; 6954

(6) If the surviving or new entity is a foreign entity, 6955  
the consent of the surviving or new foreign entity to be sued 6956  
and served with process in this state and the irrevocable 6957  
appointment of the secretary of state as its agent to accept 6958  
service of process in any proceeding in this state to enforce 6959  
against the surviving or new foreign entity any obligation of 6960  
any constituent domestic partnership or to enforce the rights of 6961  
a dissenting partner of any constituent domestic partnership; 6962

(7) If the surviving or new entity is a foreign 6963  
corporation that desires to transact business in this state as a 6964  
foreign corporation, a statement to that effect, together with a 6965  
statement regarding the appointment of a statutory agent and 6966  
service of any process, notice, or demand upon that statutory 6967

agent or the secretary of state, as required when a foreign 6968  
corporation applies for a license to transact business in this 6969  
state; 6970

(8) If the surviving or new entity is a foreign limited 6971  
partnership that desires to transact business in this state as a 6972  
foreign limited partnership, a statement to that effect, 6973  
together with all of the information required under section 6974  
1782.49 of the Revised Code when a foreign limited partnership 6975  
registers to transact business in this state; 6976

(9) If the surviving or new entity is a foreign limited 6977  
liability company that desires to transact business in this 6978  
state as a foreign limited liability company, a statement to 6979  
that effect, together with all of the information required under 6980  
section 1705.54 or 1706.511 of the Revised Code when a foreign 6981  
limited liability company registers to transact business in this 6982  
state; 6983

(10) If the surviving or new entity is a foreign limited 6984  
liability partnership that desires to transact business in this 6985  
state as a foreign limited liability partnership, a statement to 6986  
that effect, together with all of the information required under 6987  
section 1776.86 of the Revised Code when a foreign limited 6988  
liability partnership registers to transact business in this 6989  
state. 6990

(C) The written agreement of merger or consolidation also 6991  
may set forth any additional provision permitted by the laws of 6992  
any state under the laws of which any constituent entity exists, 6993  
consistent with the laws under which the surviving entity exists 6994  
or the new entity is to exist. 6995

(D) To effect the merger or consolidation, the partners of 6996

each constituent domestic partnership shall adopt an agreement 6997  
of merger or consolidation in the same manner and with the same 6998  
notice to and vote or action of partners or of a particular 6999  
class or group of partners as section 1776.68 of the Revised 7000  
Code requires. The agreement of merger or consolidation also 7001  
shall be approved or otherwise authorized by or on behalf of 7002  
each constituent entity in accordance with the laws under which 7003  
it exists. An agreement of merger or consolidation is not 7004  
effective against a person who would continue to be or who would 7005  
become a general partner of an entity that is the surviving or 7006  
new entity in a merger or consolidation unless that person 7007  
specifically agrees in writing either to continue or to become, 7008  
as the case may be, a general partner of the surviving or new 7009  
entity. 7010

(E) (1) At any time before filing the certificate of merger 7011  
or consolidation pursuant to section 1776.70 of the Revised 7012  
Code, if the agreement of merger or consolidation permits, the 7013  
partners of any constituent partnership, the directors of any 7014  
constituent corporation, or the comparable representatives of 7015  
any other constituent entity may abandon the merger or 7016  
consolidation. 7017

(2) The agreement of merger or consolidation may authorize 7018  
less than all of the partners of any constituent partnership, 7019  
the directors of any constituent corporation, or the comparable 7020  
representatives of any other constituent entity to amend the 7021  
agreement of merger or consolidation at any time before the 7022  
filing of the certificate of merger or consolidation, except 7023  
that, after the adoption of the agreement of merger or 7024  
consolidation by the partners of any constituent domestic 7025  
partnership, only with the approval of all the partners may any 7026  
agreement of merger or consolidation be amended to do any of the 7027

following: 7028

(a) Alter or change the amount or kind of interests, 7029  
shares, evidences of indebtedness, other securities, cash, 7030  
rights, or any other property to be received by partners of the 7031  
constituent domestic partnership in conversion of or in exchange 7032  
for their interests; 7033

(b) If the surviving or new entity is a partnership, alter 7034  
or change any term of the partnership agreement of the surviving 7035  
or new partnership, except for alterations or changes that could 7036  
be adopted by those partners by the terms of the partnership 7037  
agreement of the surviving or new partnership as would be in 7038  
effect after the merger or consolidation; 7039

(c) If the surviving or new entity is a corporation or any 7040  
other entity other than a partnership, alter or change any term 7041  
of the articles or comparable instrument of the surviving or new 7042  
corporation or entity, except for alterations or changes that 7043  
otherwise could be adopted by the directors or comparable 7044  
representatives of the surviving or new corporation or entity; 7045

(d) Alter or change any other terms and conditions of the 7046  
agreement of merger or consolidation if any of the alterations 7047  
or changes, alone or in the aggregate, would materially 7048  
adversely affect the partners or any class or group of partners 7049  
of the constituent domestic partnership. 7050

**Sec. 1776.82.** (A) The name of a limited liability 7051  
partnership shall contain "registered limited liability 7052  
partnership," "registered partnership having limited liability," 7053  
"limited liability partnership," "R.L.L.P.," "P.L.L.," "L.L.P.," 7054  
"RLLP," "PLL," or "LLP." 7055

(B) The name of a domestic registered limited liability 7056

partnership or foreign limited liability partnership shall be 7057  
distinguishable upon the records in the office of the secretary 7058  
of state from all of the following: 7059

(1) The name of any other limited liability partnership 7060  
registered in the office of the secretary of state pursuant to 7061  
this chapter or Chapter 1775. of the Revised Code, whether 7062  
domestic or foreign; 7063

(2) The name of any domestic corporation that is formed 7064  
under Chapter 1701. or 1702. of the Revised Code or any foreign 7065  
corporation that is registered pursuant to Chapter 1703. of the 7066  
Revised Code; 7067

(3) The name of any limited liability company registered 7068  
in the office of the secretary of state pursuant to Chapter 7069  
1705. or 1706. of the Revised Code, whether domestic or foreign; 7070

(4) The name of any limited partnership registered in the 7071  
office of the secretary of state pursuant to Chapter 1782. of 7072  
the Revised Code, whether domestic or foreign; 7073

(5) Any trade name the exclusive right to which is at the 7074  
time in question registered in the office of the secretary of 7075  
state pursuant to Chapter 1329. of the Revised Code. 7076

**Sec. 1782.02.** (A) The name of any limited partnership, as 7077  
set forth in its certificate of limited partnership, shall 7078  
include "Limited Partnership," "L.P.," "Limited," or "Ltd." and 7079  
shall not contain the name of a limited partner unless either of 7080  
the following are true: 7081

(1) It is also the name of a general partner; 7082

(2) The business of the limited partnership had been 7083  
carried on under that name before the admission of that limited 7084

partner. 7085

(B) The name of a limited partnership shall be 7086  
distinguishable upon the records in the office of the secretary 7087  
of state from all of the following: 7088

(1) The name of any other limited partnership registered 7089  
in the office of the secretary of state pursuant to this 7090  
chapter, whether domestic or foreign; 7091

(2) The name of any domestic corporation that is formed 7092  
under Chapter 1701. or 1702. of the Revised Code or any foreign 7093  
corporation that is registered pursuant to Chapter 1703. of the 7094  
Revised Code; 7095

(3) The name of any limited liability company registered 7096  
in the office of the secretary of state pursuant to Chapter 7097  
1705. or 1706. of the Revised Code, whether domestic or foreign; 7098

(4) The name of any limited liability partnership 7099  
registered in the office of the secretary of state pursuant to 7100  
Chapter 1775. or 1776. of the Revised Code, whether domestic or 7101  
foreign; 7102

(5) Any trade name the exclusive right to which is at the 7103  
time in question registered in the office of the secretary of 7104  
state pursuant to Chapter 1329. of the Revised Code. 7105

**Sec. 1782.432.** (A) Pursuant to an agreement of merger or 7106  
consolidation between the constituent entities as provided in 7107  
this section, a domestic limited partnership and one or more 7108  
additional domestic or foreign entities may be merged into a 7109  
surviving entity other than a domestic limited partnership, or a 7110  
domestic limited partnership together with one or more 7111  
additional domestic or foreign entities may be consolidated into 7112  
a new entity other than a domestic limited partnership to be 7113

formed by such consolidation. The merger or consolidation must 7114  
be permitted by the chapter of the Revised Code under which each 7115  
domestic constituent entity exists and by the laws under which 7116  
each foreign constituent entity exists. 7117

(B) The agreement of merger or consolidation shall set 7118  
forth all of the following: 7119

(1) The name and the form of entity of each constituent 7120  
entity and the state under the laws of which each constituent 7121  
entity exists; 7122

(2) In the case of a merger, that one or more specified 7123  
constituent domestic limited partnerships and other specified 7124  
constituent entities will be merged into a specified surviving 7125  
foreign entity or surviving domestic entity other than a 7126  
domestic limited partnership, or, in the case of a 7127  
consolidation, that the constituent entities will be 7128  
consolidated into a new foreign entity or a new domestic entity 7129  
other than a domestic limited partnership; 7130

(3) If the surviving or new entity is a foreign limited 7131  
partnership, all additional statements and matters, other than 7132  
the name and address of the statutory agent, that would be 7133  
required by section 1782.431 of the Revised Code if the 7134  
surviving or new entity were a domestic limited partnership; 7135

(4) The name and the form of entity of the surviving or 7136  
new entity, the state under the laws of which the surviving 7137  
entity exists or the new entity is to exist, and the location of 7138  
the principal office of the surviving or new entity; 7139

(5) All additional statements and matters required to be 7140  
set forth in such an agreement of merger or consolidation by the 7141  
laws under which each constituent entity exists and, in the case 7142

of a consolidation, the new entity is to exist; 7143

(6) The consent of the surviving or new entity to be sued 7144  
and served with process in this state and the irrevocable 7145  
appointment of the secretary of state as its agent to accept 7146  
service of process in any proceeding in this state to enforce 7147  
against the surviving or new entity any obligation of any 7148  
constituent domestic limited partnership or to enforce the 7149  
rights of a dissenting partner of any constituent domestic 7150  
limited partnership; 7151

(7) If the surviving or new entity is a foreign 7152  
corporation that desires to transact business in this state as a 7153  
foreign corporation, a statement to that effect, together with a 7154  
statement regarding the appointment of a statutory agent and 7155  
service of any process, notice, or demand upon that statutory 7156  
agent or the secretary of state, as required when a foreign 7157  
corporation applies for a license to transact business in this 7158  
state; 7159

(8) If the surviving or new entity is a foreign limited 7160  
partnership that desires to transact business in this state as a 7161  
foreign limited partnership, a statement to that effect, 7162  
together with all of the information required under section 7163  
1782.49 of the Revised Code when a foreign limited partnership 7164  
registers to transact business in this state; 7165

(9) If the surviving or new entity is a foreign limited 7166  
liability company that desires to transact business in this 7167  
state as a foreign limited liability company, a statement to 7168  
that effect, together with all of the information required under 7169  
section 1705.54 or 1706.511 of the Revised Code when a foreign 7170  
limited liability company registers to transact business in this 7171  
state. 7172

(C) The agreement of merger or consolidation also may set 7173  
forth any additional provision permitted by the laws of any 7174  
state under the laws of which any constituent entity exists, 7175  
consistent with the laws under which the surviving entity exists 7176  
or the new entity is to exist. 7177

(D) To effect the merger or consolidation, the agreement 7178  
of merger or consolidation shall be adopted by the general 7179  
partners of each constituent domestic limited partnership, in 7180  
the same manner and with the same notice to and vote or action 7181  
of partners or of a particular class or group of partners as is 7182  
required by section 1782.431 of the Revised Code. The agreement 7183  
of merger or consolidation also shall be approved or otherwise 7184  
authorized by or on behalf of each constituent entity in 7185  
accordance with the laws under which it exists. Each person who 7186  
will continue to be or who will become a general partner of a 7187  
partnership that is the surviving or new entity in a merger or 7188  
consolidation shall specifically agree to continue or to become, 7189  
as the case may be, a general partner of the surviving or new 7190  
entity. 7191

(E) At any time before the filing of the certificate of 7192  
merger or consolidation pursuant to section 1782.433 of the 7193  
Revised Code, the merger or consolidation may be abandoned by 7194  
the general partners of any constituent partnership, the 7195  
directors of any constituent corporation, or the comparable 7196  
representatives of any other constituent entity if the general 7197  
partners, directors, or comparable representatives are 7198  
authorized to do so by the agreement of merger or consolidation. 7199  
The agreement of merger or consolidation may contain a provision 7200  
authorizing the general partners of any constituent partnership, 7201  
the directors of any constituent corporation, or the comparable 7202  
representatives of any other constituent entity to amend the 7203

agreement of merger or consolidation at any time before the 7204  
filing of the certificate of merger or consolidation, except 7205  
that after the adoption of the agreement of merger or 7206  
consolidation by the limited partners of any constituent 7207  
domestic limited partnership, the general partners shall not be 7208  
authorized to amend the agreement of merger or consolidation to 7209  
do any of the following: 7210

(1) Alter or change the amount or kind of interests, 7211  
shares, evidences of indebtedness, other securities, cash, 7212  
rights, or any other property to be received by limited partners 7213  
of the constituent domestic limited partnership in conversion of 7214  
or in substitution for their interests; 7215

(2) If the surviving or new entity is a partnership, alter 7216  
or change any term of the partnership agreement of the surviving 7217  
or new partnership, except for alterations or changes that 7218  
otherwise could be adopted by the general partners of the 7219  
surviving or new partnership; 7220

(3) If the surviving or new entity is a corporation or any 7221  
other entity other than a partnership, alter or change any term 7222  
of the articles or comparable instrument of the surviving or new 7223  
corporation or entity, except for alterations or changes that 7224  
otherwise could be adopted by the directors or comparable 7225  
representatives of the surviving or new corporation or entity; 7226

(4) Alter or change any other terms and conditions of the 7227  
agreement of merger or consolidation if any of the alterations 7228  
or changes, alone or in the aggregate, would materially 7229  
adversely affect the limited partners or any class or group of 7230  
limited partners of the constituent domestic limited 7231  
partnership. 7232

**Sec. 1785.09.** This chapter does not preclude the rendering 7233  
of a professional service within this state by a corporation 7234  
formed under division (B) of section 1701.03 of the Revised 7235  
Code, a limited liability company formed under Chapter 1705. or 7236  
1706. of the Revised Code, or a foreign limited liability 7237  
company registered with the secretary of state and transacting 7238  
business in this state in accordance with sections 1705.53 to 7239  
1705.58 or 1706.51 to 1706.515 of the Revised Code. 7240

**Sec. 3345.203.** (A) As used in this section: 7241

(1) "Claims expenses" means payment of judgments, 7242  
settlement of claims, expense, loss, and damage. 7243

(2) "State university or college" has the same meaning as 7244  
in section 3345.12 of the Revised Code. 7245

(B) Regardless of whether a state university or college 7246  
secures insurance coverages under division (B) (1), (2), or (3) 7247  
of section 3345.202 of the Revised Code, the board of trustees 7248  
of the state university or college may join with other state 7249  
universities or colleges in establishing and maintaining a joint 7250  
self-insurance pool to do both of the following: 7251

(1) Provide for payment of claims expenses that arise, or 7252  
are claimed to have arisen, from an act or omission of the state 7253  
university or college or any of its employees or other persons 7254  
authorized by the board while doing either of the following: 7255

(a) Acting in the scope of their employment or official 7256  
responsibilities; 7257

(b) Being engaged in activities undertaken at the request 7258  
or direction, or for the benefit, of the state university or 7259  
college. 7260

(2) Indemnify or hold harmless the state university's or 7261  
college's employees against such loss or damage. 7262

The joint self-insurance pool shall be pursuant to a 7263  
written agreement and to the extent that the board considers the 7264  
pool to be necessary. 7265

(C) All of the following apply to a joint self-insurance 7266  
pool under this section: 7267

(1) The funds shall be reserved as are necessary, in the 7268  
exercise of sound and prudent actuarial judgment, to cover 7269  
potential state university or college and employee liabilities, 7270  
loss, and damage. A report of aggregate amounts so reserved and 7271  
aggregate disbursements made from such funds shall be prepared 7272  
and maintained in the office of the pool administrator described 7273  
in division (C) (2) of this section. The report shall be prepared 7274  
and maintained not later than ninety days after the close of the 7275  
pool's fiscal year. 7276

The report required by this division shall include, but 7277  
not be limited to, the aggregate of disbursements made for the 7278  
administration of the pool, including claims paid, costs of the 7279  
legal representation of state universities or colleges and 7280  
employees, and fees paid to consultants. The report also shall 7281  
be accompanied by a written report of a member of the American 7282  
academy of actuaries certifying whether the amounts reserved 7283  
conform to the requirements of this division, are computed in 7284  
accordance with accepted loss reserving standards, and are 7285  
fairly stated in accordance with sound loss reserving 7286  
principles. 7287

The pool administrator described in division (C) (2) of 7288  
this section shall make the report required by this division 7289

available for inspection by any person at all reasonable times 7290  
during regular business hours. Upon the request of such person, 7291  
the pool administrator shall make copies of the report available 7292  
at cost within a reasonable period of time. The pool 7293  
administrator also shall submit a copy of the report to the 7294  
auditor of state. The report required by this division is in 7295  
lieu of the records required by division (A) of section 149.431 7296  
of the Revised Code. 7297

(2) The board of trustees establishing a joint self- 7298  
insurance pool may award a contract, without the necessity of 7299  
competitive bidding, to a pool administrator for purposes of 7300  
administration of the joint self-insurance pool. A "pool 7301  
administrator" may be any person, political subdivision, limited 7302  
liability company organized under Chapter 1705. or 1706. of the 7303  
Revised Code, nonprofit corporation organized under Chapter 7304  
1702. of the Revised Code, or regional council of governments 7305  
created under Chapter 167. of the Revised Code. The board shall 7306  
not enter into such a contract without full, prior, public 7307  
disclosure of all terms and conditions. The disclosure shall 7308  
include, at a minimum, a statement listing all representations 7309  
made in connection with any possible savings and losses 7310  
resulting from the contract, and potential liability of any 7311  
state university or college or employee. The proposed contract 7312  
and statement shall be disclosed and presented at a meeting of 7313  
the board of trustees of the state university or college prior 7314  
to the meeting at which the board of trustees of the state 7315  
university or college authorizes the contract. 7316

(3) A joint self-insurance pool shall include a contract 7317  
with a member of the American academy of actuaries for the 7318  
preparation of the written evaluation of the reserve funds 7319  
required under division (C) (1) of this section. 7320

(4) A joint self-insurance pool may allocate the costs of 7321  
funding the pool among the funds or accounts in the treasuries 7322  
of the state universities or colleges on the basis of their 7323  
relative exposure and loss experience. A joint self-insurance 7324  
program may require any deductible under the program to be paid 7325  
from funds or accounts in the treasury of the state university 7326  
or college from which a loss was directly attributable. 7327

(D) Two or more state universities or colleges may also 7328  
authorize the establishment and maintenance of a joint risk- 7329  
management program, including but not limited to the employment 7330  
of risk managers and consultants, for the purpose of preventing 7331  
and reducing the risks covered by insurance, self-insurance, or 7332  
joint self-insurance programs. A joint risk-management program 7333  
shall not include fidelity, surety, or guarantee bonding. 7334

(E) A state university or college is not liable under a 7335  
joint self-insurance pool for any amount in excess of amounts 7336  
payable pursuant to the written agreement for the participation 7337  
of the state university or college in the joint self-insurance 7338  
pool. Under a joint self-insurance pool agreement a state 7339  
university or college may, to the extent permitted under the 7340  
written agreement, assume the risks of any other state 7341  
university or college, including the indemnification of its 7342  
employees. A joint self-insurance pool, established under this 7343  
section, is deemed a separate legal entity for the public 7344  
purpose of enabling the members of the joint self-insurance pool 7345  
to obtain insurance or to provide for a formalized, jointly 7346  
administered self-insurance fund for its members. An entity 7347  
created pursuant to this section is exempt from all state and 7348  
local taxes. 7349

(F) (1) In the manner provided by and subject to the 7350

applicable provisions of section 3345.12 of the Revised Code, 7351  
any state university or college may issue obligations and may 7352  
also issue notes in anticipation of such obligations, pursuant 7353  
to a resolution of its board of trustees or other governing body 7354  
for the purpose of providing funds to do both of the following: 7355

(a) Pay claims expenses, whether by way of a reserve or 7356  
otherwise; 7357

(b) Pay the state university or college's portion of the 7358  
cost of establishing and maintaining a joint self-insurance pool 7359  
or to provide for the reserve in a special fund authorized by 7360  
division (C) (1) of this section. 7361

(2) Sections 9.98 to 9.983 of the Revised Code apply to 7362  
bonds or notes authorized under this section. 7363

(G) (1) A joint self-insurance pool, in addition to its 7364  
powers to provide self-insurance against any and all liabilities 7365  
under this chapter, may also include any one or more of the 7366  
following forms of property or casualty self-insurance for the 7367  
purpose of covering any other liabilities or risks of the 7368  
members of the pool: 7369

(a) Public general liability, professional liability, or 7370  
employee liability; 7371

(b) Individual or fleet motor vehicle or automobile 7372  
liability and protection against other liability and loss 7373  
associated with the ownership, maintenance, and use of motor 7374  
vehicles; 7375

(c) Aircraft liability and protection against other 7376  
liability and loss associated with the ownership, maintenance, 7377  
and use of aircraft; 7378

(d) Loss or damage to property and loss of use and occupancy of property by fire, lightning, hail, tempest, flood, earthquake, or snow, explosion, accident, or other risk;

(e) Marine, inland transportation and navigation, boiler, containers, pipes, engines, flywheels, elevators, and machinery;

(f) Environmental impairment;

(g) Loss or damage by any hazard upon any other risk to which state universities or colleges are subject, which is not prohibited by statute or at common law from being the subject of casualty or property insurance.

(2) A joint self-insurance pool is not an insurance company. Its operation does not constitute doing an insurance business and is not subject to the insurance laws of this state.

(H) A public official or employee of a state university or college who is or becomes a member of the governing body of a joint self-insurance pool in which the state university or college participates is not in violation of any of the following as a result of the state university or college entering into the written agreement to participate in the pool or into any contract with the pool:

(1) Division (D) or (E) of section 102.03 of the Revised Code;

(2) Division (C) of section 102.04 of the Revised Code;

(3) Section 2921.42 of the Revised Code.

(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 7434  
in this state. 7435

(2) The captive insurance company's board of directors 7436  
holds at least one meeting each year in this state. 7437

(3) The captive insurance company maintains its principal 7438  
place of business in this state. 7439

(4) The person managing the captive insurance company is a 7440  
resident of this state. 7441

(5) The captive insurance company appoints a registered 7442  
agent to accept service of process and act on its behalf in this 7443  
state. 7444

(C) Whenever an agent required under division (B) (5) of 7445  
this section cannot, with reasonable diligence, be found at the 7446  
registered office of the captive insurance company, the 7447  
superintendent shall be an agent of such a captive insurance 7448  
company upon whom any process, notice, or demand may be served. 7449

(D) A captive insurance company seeking a license to be a 7450  
captive insurance company in this state shall file an 7451  
application with the superintendent and shall submit all of the 7452  
following along with the application: 7453

(1) A certified copy of its articles of incorporation, 7454  
bylaws, or other organizational document and code of 7455  
regulations; 7456

(2) A statement, made under oath by the president and 7457  
secretary, in a form prescribed by the superintendent, showing 7458  
the captive insurance company's financial condition; 7459

(3) A statement of the captive insurance company's assets 7460  
relative to its risks, detailing the amount of assets and their 7461

liquidity;	7462
(4) An account of the adequacy of the expertise,	7463
experience, and character of the person or persons who will	7464
manage the captive insurance company;	7465
(5) An account of the loss prevention programs of the	7466
persons that the captive insurance company insures;	7467
(6) Actuarial assumptions and methodologies that will be	7468
utilized in calculating reserves;	7469
(7) Any other information considered necessary by the	7470
superintendent to determine whether the proposed captive	7471
insurance company will be able to meet its obligations.	7472
(E) (1) A special purpose financial captive insurance	7473
company shall follow the national association of insurance	7474
commissioner's accounting practices and procedures manual.	7475
(2) (a) Upon request, the superintendent may allow a	7476
special purpose financial captive insurance company to use a	7477
reserve basis other than that found in the national association	7478
of insurance commissioner's accounting practices and procedures	7479
manual.	7480
(b) The superintendent, in accordance with Chapter 119. of	7481
the Revised Code, shall adopt rules that define acceptable	7482
alternative reserve bases.	7483
(c) Such rules shall be adopted prior to availability for	7484
use of any such alternative reserve basis and shall ensure that	7485
the resulting reserves meet all of the following conditions:	7486
(i) Quantify the benefits and guarantees, and the funding,	7487
associated with the contracts and their risks at a level of	7488
conservatism that reflects conditions that include unfavorable	7489

events that have a reasonable probability of occurring during 7490  
the lifetime of the contracts. For policies or contracts with 7491  
significant tail risk, reflects conditions appropriately adverse 7492  
to quantify the tail risk. 7493

(ii) Incorporate assumptions, risk analysis methods, and 7494  
financial models and management techniques that are consistent 7495  
with, but not necessarily identical to, those utilized within 7496  
the company's overall risk assessment process, while recognizing 7497  
potential differences in financial reporting structures and any 7498  
prescribed assumptions or methods; 7499

(iii) Provide margins for uncertainty including adverse 7500  
deviation and estimation error, such that the greater the 7501  
uncertainty the larger the margin and resulting reserve. 7502

(d) An alternative basis for calculating a reserve 7503  
approved by the superintendent shall be treated as a public 7504  
document after the date the alternative basis for calculating 7505  
the reserve has been approved, regardless of the application of 7506  
the uniform trade secrets act set forth in sections 1333.61 to 7507  
1333.69 of the Revised Code. 7508

(3) The special purpose financial captive insurance 7509  
company shall submit a request for an alternative reserve basis 7510  
in writing, and affirmed by the company's appointed actuary, 7511  
that includes, at a minimum, the following information for the 7512  
superintendent to consider in evaluating the request: 7513

(a) The reserves based on the national association of 7514  
insurance commissioner's accounting practices and procedures 7515  
manual and the reserves based on the proposed alternative method 7516  
for calculation and the difference between these two 7517  
calculations; 7518

(b) A detailed analysis of the proposed alternative method 7519  
explaining why the use of an alternative basis for calculating 7520  
the reserve is appropriate; 7521

(c) All assumptions utilized within the proposed 7522  
alternative method, together with the source of the assumptions, 7523  
as well as information, satisfactory to the superintendent, 7524  
supporting the appropriateness of the assumptions and analysis 7525  
and identifying the assumptions that result in the greatest 7526  
variability in the reserve and how that analysis was used in 7527  
setting those assumptions; 7528

(d) A detailed overview of the corporate governance and 7529  
oversight of the actuarial valuation function; 7530

(e) Any other information the superintendent may require 7531  
to assess the proposed alternative method for approval or 7532  
disapproval. 7533

(4) At the expense of the special purpose financial 7534  
captive insurance company, the superintendent may require the 7535  
company to secure the affirmation of an independent qualified 7536  
actuary in support of any alternative basis for calculating the 7537  
reserve that is requested pursuant to this section or to assist 7538  
the superintendent in the review of said request. 7539

(5) If the superintendent approves the use of an 7540  
alternative basis for calculating a reserve, the special purpose 7541  
financial captive insurance company, and the ceding insurer 7542  
shall each include a note in its financial statements disclosing 7543  
the use of a basis other than the national association of 7544  
insurance commissioner's accounting practices and procedures 7545  
manual and the difference between the reserve amount determined 7546  
under the alternative basis and the reserve amount that would 7547

have been determined had the company utilized the national 7548  
association of insurance commissioner's accounting practices and 7549  
procedures manual. 7550

(6) (a) The superintendent shall establish an acceptable 7551  
total capital and surplus requirement for each insurance company 7552  
that will cede risks and obligations to a special purpose 7553  
financial captive insurance company. The total capital and 7554  
surplus requirement must be met at the time the special purpose 7555  
financial captive insurance company applies for a license to do 7556  
the business of captive insurance. The total capital and surplus 7557  
requirement shall be determined in accordance with a minimum 7558  
required total capital and surplus methodology that meets both 7559  
of the following requirements: 7560

(i) Is consistent with current risk-based capital 7561  
principles; 7562

(ii) Takes into account all material risks and 7563  
obligations, as well as the assets, of the insurance company. 7564

(b) An insurance company ceding risks and obligations to a 7565  
special purpose financial captive insurance company shall fully 7566  
disclose all material risks and obligations, as well as its 7567  
assets and all affiliated captive insurance company risks. The 7568  
ceding insurance company shall advise the superintendent 7569  
whenever there is a material change to such risks, obligations, 7570  
or assets. 7571

(F) In determining whether to approve an application for a 7572  
license, the superintendent shall consider all of the following: 7573

(1) The character, reputation, financial standing, and 7574  
purposes of the incorporators, or other founders, of the captive 7575  
insurance company; 7576

(2) The character, reputation, financial responsibility,	7577
experience relating to insurance, and business qualifications of	7578
the officers and directors of the captive insurance company;	7579
(3) The amount of liquidity and assets of the captive	7580
insurance company relative to the risks to be assumed;	7581
(4) The adequacy of the expertise, experience, and	7582
character of the person or persons who will manage the captive	7583
insurance company;	7584
(5) The overall soundness of the plan of operation;	7585
(6) The adequacy of the loss prevention programs of the	7586
persons that the captive insurance company insures.	7587
(G) (1) Each captive insurance company that offers direct	7588
insurance to its parent shall submit to the superintendent for	7589
approval a detailed description of the coverages, deductibles,	7590
coverage limits, proposed rates or rating plans, documentation	7591
from a qualified actuary that demonstrates the actuarial	7592
soundness of the proposed rates or rating plans, and other such	7593
additional information as the superintendent may require.	7594
(2) (a) Any captive insurance company licensed under the	7595
provisions of this chapter that seeks to make any material	7596
change to any item described in division (G) (1) of this section	7597
shall submit to the superintendent for approval a detailed	7598
description of the revision, documentation from a qualified	7599
actuary that demonstrates the actuarial soundness of the revised	7600
rates or rating plans, and other such additional information as	7601
the superintendent may require.	7602
(b) Each filing under division (G) (2) (a) of this section	7603
is deemed approved thirty days after the filing is received by	7604
the superintendent of insurance, unless the filing is	7605

disapproved by the superintendent during that thirty-day period. 7606

(c) If at any time subsequent to the thirty-day review 7607  
period the superintendent finds that a filing does not 7608  
demonstrate actuarial soundness, the superintendent shall hold a 7609  
hearing requiring the captive insurance company to show cause 7610  
why an order should not be made by the superintendent to 7611  
disapprove the revised rates or rating plans. 7612

(d) If, upon such a hearing, the superintendent finds that 7613  
the captive insurance company failed to demonstrate the 7614  
actuarial soundness of the rates or rating plans, the 7615  
superintendent shall issue an order directing the captive 7616  
insurance company to cease and desist from using the revised 7617  
rates or rating plans and to use rates or rating plans as 7618  
determined appropriate by the superintendent. 7619

(H) Except as otherwise provided in this division, 7620  
documents and information submitted by a captive insurance 7621  
company pursuant to this section are not subject to section 7622  
149.43 of the Revised Code, and are confidential, and may not be 7623  
disclosed by the superintendent or any employee of the 7624  
department of insurance without the written consent of the 7625  
company. 7626

(1) Such documents and information may be discoverable in 7627  
a civil action in which the captive insurance company filing the 7628  
material is a party upon a finding by a court of competent 7629  
jurisdiction that the information sought is relevant and 7630  
necessary to the case and the information sought is unavailable 7631  
from other, nonconfidential sources. 7632

(2) The superintendent may, at the superintendent's sole 7633  
discretion, share documents required under this section with the 7634

chief deputy rehabilitator, the chief deputy liquidator, other 7635  
deputy rehabilitators and liquidators, and any other person 7636  
employed by, or acting on behalf of the superintendent pursuant 7637  
to Chapter 3901. or 3903. of the Revised Code, with other local, 7638  
state, federal, and international regulatory and law enforcement 7639  
agencies, with local, state, and federal prosecutors, and with 7640  
the national association of insurance commissioners and its 7641  
affiliates and subsidiaries provided that the recipient agrees 7642  
to maintain the confidential or privileged status of the 7643  
documents and has authority to do so. 7644

(I)(1) Each applicant for a license to do the business of 7645  
a captive insurance company in this state shall pay to the 7646  
superintendent a nonrefundable fee of five hundred dollars for 7647  
processing its application for a license. The superintendent is 7648  
authorized to retain legal, financial, and examination services 7649  
from outside the department, at the expense of the applicant. 7650  
Each captive insurance company shall annually pay a license 7651  
renewal fee of five hundred dollars. 7652

(2) The fees collected pursuant to division (I)(1) of this 7653  
section shall be deposited into the state treasury to the credit 7654  
of the captive insurance regulation and supervision fund created 7655  
under section 3964.15 of the Revised Code. 7656

**Sec. 3964.17.** (A) As used in sections 3964.17 to 3964.1710 7657  
of the Revised Code: 7658

(1) "Protected cell" means an incorporated cell that is 7659  
organized pursuant to Chapter 1701., 1702., ~~or 1705.~~, or 1706. 7660  
of the Revised Code and that has a separate legal identity from 7661  
the protected cell captive insurance company of which it is a 7662  
part. 7663

(2) "Protected cell captive insurance company" means a captive insurance company that meets all of the following requirements:

(a) Is formed and licensed under the provisions of this chapter;

(b) Insures or reinsures the risks of separate participants through a participant contract;

(c) Segregates each participant's liability into a protected cell.

(3) "Participant" means an individual, company, corporation, partnership, limited liability company, and their affiliated entities that insure or reinsure with a protected cell. "Participant" includes an insurance agent licensed in this state that accepts a stated percentage of risk on a pro rata basis within a defined category of business underwritten by a licensed insurance company that is domiciled in this state and that is affiliated with a protected cell captive insurance company.

(4) "Participant contract" means a contract by which a protected cell insures or reinsures the risks of a participant.

(a) A participant that is not an insurance agent licensed in this state shall insure or reinsure only its own risks through a protected cell.

(b) If the participant is an insurance agent licensed in this state, the participant contract must define each risk covered by the contract with fixed and certain terms.

(B) A captive insurance company may be organized as a protected cell captive insurance company and shall be permitted

to form one or more protected cells under this section to insure 7692  
or reinsure risks of one or more participants. 7693

(C) The assets and liabilities of each protected cell 7694  
shall be held separately from the assets and liabilities of all 7695  
other protected cells. 7696

(D) A protected cell of a protected cell captive insurance 7697  
company shall be organized pursuant to Chapter 1701., 1702., ~~or~~ 7698  
1705., or 1706. of the Revised Code. 7699

(E) A protected cell captive insurance company shall, at 7700  
the time of paying the annual fee required under section 3964.13 7701  
of the Revised Code, pay an additional annual fee for each 7702  
protected cell in an amount to be established by the 7703  
superintendent. 7704

(F) Each protected cell of a protected cell captive 7705  
insurance company shall be treated as a captive insurance 7706  
company for purposes of this chapter. 7707

(G) Unless otherwise permitted by the articles of 7708  
incorporation, bylaws, code of regulations, or other 7709  
organizational document of a protected cell captive insurance 7710  
company, each protected cell of the protected cell captive 7711  
insurance company shall have the same directors, secretary, and 7712  
registered office as the protected cell captive insurance 7713  
company. 7714

(H) A protected cell captive insurance company may provide 7715  
in its articles of incorporation, bylaws, code of regulations, 7716  
or other organizational documents that a protected cell it 7717  
creates shall be wound up and dissolved upon any of the 7718  
following: 7719

(1) The bankruptcy, death, expulsion, insanity, 7720

resignation, or retirement of any participant of the protected cell; 7721  
7722

(2) The happening of some event that is not the expiration of a fixed period of time; 7723  
7724

(3) The expiration of a fixed period of time. 7725

(I) (1) The articles of incorporation, bylaws, code of regulations, or other organizational documents, of a protected cell captive insurance company shall provide that a protected cell shall not own shares or membership interests in the protected cell captive insurance company of which it is a part. 7726  
7727  
7728  
7729  
7730

(2) Such a document may provide that a protected cell may own shares or membership interests in any other protected cell of the protected cell captive insurance company of which it is a part. 7731  
7732  
7733  
7734

(J) The name of a protected cell captive insurance company shall include the words "protected cell captive" or the abbreviation "PCC." 7735  
7736  
7737

(K) A protected cell captive insurance company shall assign a distinctive name to each of its protected cells that meets all of the following: 7738  
7739  
7740

(1) The name identifies the protected cell as being part of the protected cell captive insurance company. 7741  
7742

(2) The name distinguishes the protected cell from any other protected cell of the protected cell captive insurance company. 7743  
7744  
7745

(3) The name includes the words "protected cell" or the abbreviation "PC." 7746  
7747

(L) A protected cell may enter into an agreement with its 7748  
protected cell captive insurance company or with another 7749  
protected cell of the same protected cell captive insurance 7750  
company. 7751

(M) (1) The assets of a protected cell captive insurance 7752  
company shall be either cell assets or general assets. 7753

(2) The cell assets comprise the assets of the protected 7754  
cell captive insurance company that are held within or on behalf 7755  
of its protected cells. 7756

(3) The general assets of a protected cell captive 7757  
insurance company comprise the assets of the protected cell 7758  
captive insurance company that are not cell assets. 7759

(N) (1) The liabilities of a protected cell captive 7760  
insurance company shall be either cell liabilities or general 7761  
liabilities. 7762

(2) The cell liabilities comprise the obligations of the 7763  
protected cell captive insurance company attributable to its 7764  
protected cells. 7765

(3) The general liabilities of a protected cell captive 7766  
insurance company comprise the obligations of the protected cell 7767  
captive insurance company that are not cell liabilities. 7768

(O) Each protected cell insurance company shall account 7769  
separately on its books and records for each of its protected 7770  
cells to reflect the financial condition and results of 7771  
operations of the protected cell, including net income or loss, 7772  
dividends or other distributions to participants, and such other 7773  
factors as may be provided by participant contracts or required 7774  
by the superintendent. 7775

(P) Each protected cell captive insurance company shall 7776  
annually file with the superintendent such financial reports as 7777  
the superintendent requires, which shall include financial 7778  
statements detailing the financial experience of each protected 7779  
cell and a statement regarding the adequacy of reserves kept to 7780  
make full provision for the liabilities insured by each 7781  
protected cell. 7782

(Q) An officer or manager of a protected cell captive 7783  
insurance company shall immediately notify the superintendent if 7784  
any protected cell of the protected cell captive insurance 7785  
company or the protected cell captive insurance company itself 7786  
is trending toward reserves that are inadequate, or if a 7787  
protected cell or the protected cell captive insurance company 7788  
becomes insolvent or is otherwise unable to meet its claims or 7789  
other obligations. 7790

(R) The duties of a director of a protected cell captive 7791  
insurance company under this chapter shall be in addition to, 7792  
and not in lieu of, those under other applicable law. 7793

**Sec. 4701.14.** (A) Except as permitted by rules adopted by 7794  
the accountancy board, no individual shall assume or use the 7795  
title or designation "certified public accountant," "certified 7796  
accountant," "chartered accountant," "enrolled accountant," 7797  
"licensed accountant," or "registered accountant," or any other 7798  
title or designation likely to be confused with "certified 7799  
public accountant," or any of the abbreviations "CPA," "PA," 7800  
"CA," "EA," "LA," or "RA," or similar abbreviations likely to be 7801  
confused with "CPA," or any other title, designation, words, 7802  
letters, abbreviation, sign, card, or device tending to indicate 7803  
that the individual is a certified public accountant, unless the 7804  
individual holds a CPA certificate and holds an Ohio permit. 7805

However, an individual who possesses a foreign certificate, has 7806  
registered under section 4701.09 of the Revised Code, and holds 7807  
an Ohio permit may use the title permitted under the laws of the 7808  
individual's other licensing jurisdiction, followed by the name 7809  
of the jurisdiction. 7810

(B) Except as permitted by rules adopted by the board, no 7811  
individual shall assume or use the title or designation "public 7812  
accountant," "certified public accountant," "certified 7813  
accountant," "chartered accountant," "enrolled accountant," 7814  
"registered accountant," or "licensed accountant," or any other 7815  
title or designation likely to be confused with "public 7816  
accountant," or any of the abbreviations "PA," "CPA," "CA," 7817  
"EA," "LA," or "RA," or similar abbreviations likely to be 7818  
confused with "PA," or any other title, designation, words, 7819  
letters, abbreviation, sign, card, or device tending to indicate 7820  
that the individual is a public accountant, unless the 7821  
individual holds a PA registration and holds an Ohio permit, or 7822  
unless the individual holds a CPA certificate. An individual who 7823  
holds a PA registration and an Ohio permit may hold self out to 7824  
the public as an "accountant" or "auditor." 7825

(C) Except as provided in divisions (C)(1), (2), (3), and 7826  
(4) of this section, no partnership, professional association, 7827  
corporation-for-profit, limited liability company, or other 7828  
business organization not addressed in this section that is 7829  
practicing public accounting in this state shall assume or use 7830  
the title or designation "certified public accountant," "public 7831  
accountant," "certified accountant," "chartered accountant," 7832  
"enrolled accountant," "licensed accountant," "registered 7833  
accountant," or any other title or designation likely to be 7834  
confused with "certified public accountant" or "public 7835  
accountant," or any of the abbreviations "CPA," "PA," "CA," 7836

"EA," "RA," or "LA," or similar abbreviations likely to be 7837  
confused with "CPA" or "PA," or any other title, designation, 7838  
words, letters, abbreviation, sign, card, or device tending to 7839  
indicate that the business organization is a public accounting 7840  
firm. 7841

(1) (a) A partnership may assume or use the title or 7842  
designation "certified public accountant," the abbreviation 7843  
"CPA," or any other title, designation, words, letters, 7844  
abbreviation, sign, card, or device tending to indicate that the 7845  
partnership is composed of certified public accountants if it is 7846  
a registered firm, if a majority of its partners who are 7847  
individuals hold a CPA certificate or a foreign certificate, and 7848  
if a majority of the owners of any qualified firm that is a 7849  
partner hold a CPA certificate or a foreign certificate. 7850

(b) A partnership may assume or use the title or 7851  
designation "public accountant," the abbreviation "PA," or any 7852  
other title, designation, words, letters, abbreviation, sign, 7853  
card, or device tending to indicate that the partnership is 7854  
composed of public accountants if it is a registered firm, if a 7855  
majority of its partners who are individuals hold a PA 7856  
registration, a CPA certificate, or a foreign certificate, and 7857  
if a majority of the owners of any qualified firm that is a 7858  
partner hold a PA registration, a CPA certificate, or a foreign 7859  
certificate. 7860

(2) (a) A professional association incorporated under 7861  
Chapter 1785. of the Revised Code may assume or use the title or 7862  
designation "certified public accountant," the abbreviation 7863  
"CPA," or any other title, designation, words, letters, 7864  
abbreviation, sign, card, or device tending to indicate that the 7865  
professional association is composed of certified public 7866

accountants if it is a registered firm, if a majority of its 7867  
shareholders who are individuals hold a CPA certificate or a 7868  
foreign certificate, and if a majority of the owners of any 7869  
qualified firm that is a shareholder hold a CPA certificate or a 7870  
foreign certificate. 7871

(b) A professional association incorporated under Chapter 7872  
1785. of the Revised Code may assume or use the title or 7873  
designation "public accountant," the abbreviation "PA," or any 7874  
other title, designation, words, letters, abbreviation, sign, 7875  
card, or device tending to indicate that the professional 7876  
association is composed of public accountants if it is a 7877  
registered firm, if a majority of its shareholders who are 7878  
individuals hold a PA registration, 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 PA registration, a 7881  
CPA certificate, or a foreign certificate. 7882

(3) (a) A corporation-for-profit incorporated under Chapter 7883  
1701. of the Revised Code may assume or use the title or 7884  
designation "certified public accountant," the abbreviation 7885  
"CPA," or any other title, designation, words, letters, 7886  
abbreviation, sign, card, or device tending to indicate that the 7887  
corporation is composed of certified public accountants if it is 7888  
a registered firm, if a majority of its shareholders who are 7889  
individuals hold a CPA certificate or a foreign certificate, and 7890  
if a majority of the owners of any qualified firm that is a 7891  
shareholder hold a CPA certificate or a foreign certificate. 7892

(b) A corporation incorporated under Chapter 1701. of the 7893  
Revised Code may assume or use the title or designation "public 7894  
accountant," the abbreviation "PA," or any other title, 7895  
designation, words, letters, abbreviation, sign, card, or device 7896

tending to indicate that the corporation is composed of public 7897  
accountants if it is a registered firm, if a majority of the 7898  
shareholders who are individuals hold a PA registration, a CPA 7899  
certificate, or a foreign certificate, and if a majority of the 7900  
owners of any qualified firm that is a shareholder hold a PA 7901  
registration, a CPA certificate, or a foreign certificate. 7902

(4) (a) A limited liability company organized under Chapter 7903  
1705. or 1706. of the Revised Code may assume or use the title 7904  
or designation "certified public accountant," the abbreviation 7905  
"CPA," or any other title, designation, words, letters, 7906  
abbreviation, sign, card, or device tending to indicate that the 7907  
limited liability company is composed of certified public 7908  
accountants if it is a registered firm, if a majority of its 7909  
members who are individuals hold a CPA certificate or a foreign 7910  
certificate, and if a majority of the owners of any qualified 7911  
firm that is a member hold a CPA certificate or a foreign 7912  
certificate. 7913

(b) A limited liability company organized under Chapter 7914  
1705. or 1706. of the Revised Code may assume or use the title 7915  
or designation "public accountant," the abbreviation "PA," or 7916  
any other title, designation, words, letters, abbreviation, 7917  
sign, card, or device tending to indicate that the limited 7918  
liability company is composed of public accountants if it is a 7919  
registered firm, if a majority of the members who are 7920  
individuals hold a PA registration, CPA certificate, or a 7921  
foreign certificate, and if a majority of the owners of any 7922  
qualified firm that is a member hold a PA registration, a CPA 7923  
certificate, or a foreign certificate. 7924

(D) No individual shall sign, affix, or associate the 7925  
individual's name or any trade or assumed name used by the 7926

individual in the individual's profession or business to any 7927  
attest report with any wording indicating that the individual is 7928  
an accountant or auditor, or with any wording accompanying or 7929  
contained in the attest report that indicates that the 7930  
individual has expert knowledge in accounting or auditing or 7931  
expert knowledge regarding compliance with conditions 7932  
established by law or contract, including, but not limited to, 7933  
statutes, ordinances, regulations, grants, loans, and 7934  
appropriations, unless the individual holds an Ohio permit. 7935  
However, this division does not prohibit any officer, employee, 7936  
partner, or principal of any organization from affixing the 7937  
officer's, employee's, partner's, or principal's signature to 7938  
any statement or report in reference to the financial affairs of 7939  
that organization with any wording designating the position, 7940  
title, or office that the individual holds in that organization. 7941  
This division also does not prohibit any act of a public 7942  
official or public employee in the performance of the public 7943  
official's or public employee's duties. 7944

(E) No person shall sign, affix, or associate the name of 7945  
a partnership, limited liability company, professional 7946  
association, corporation-for-profit, or other business 7947  
organization not addressed in this section to any attest report 7948  
with any wording accompanying or contained in the attest report 7949  
that indicates that the partnership, limited liability company, 7950  
professional association, corporation-for-profit, or other 7951  
business organization is composed of or employs accountants or 7952  
auditors or persons having expert knowledge in accounting or 7953  
auditing or expert knowledge regarding compliance with 7954  
conditions established by law or contract, including, but not 7955  
limited to, statutes, ordinances, regulations, grants, loans, 7956  
and appropriations, unless the partnership, limited liability 7957

company, professional association, corporation-for-profit, or 7958  
other business organization is a registered firm. 7959

(F) No individual who does not hold an Ohio permit shall 7960  
hold self out to the public as an "accountant" or "auditor" by 7961  
use of either or both of those words on any sign, card, or 7962  
letterhead, in any advertisement or directory, or otherwise, 7963  
without indicating on the sign, card, or letterhead, in the 7964  
advertisement or directory, or in the other manner of holding 7965  
out that the person does not hold an Ohio permit. An individual 7966  
who holds a CPA certificate and an Ohio permit may hold self out 7967  
to the public as an "accountant" or "auditor." However, this 7968  
division does not prohibit any officer, employee, partner, or 7969  
principal of any organization from describing self by the 7970  
position, title, or office the person holds in that 7971  
organization. This division also does not prohibit any act of a 7972  
public official or public employee in the performance of the 7973  
public official's or public employee's duties. 7974

(G) No partnership, professional association, corporation- 7975  
for-profit, limited liability company, or other business 7976  
organization not addressed in this section that is not entitled 7977  
to assume or use the title "certified public accountant" or 7978  
"public accountant" under division (C) of this section shall 7979  
hold itself out to the public as a partnership, professional 7980  
association, corporation-for-profit, limited liability company, 7981  
or other business organization not addressed in this section as 7982  
being composed of or employing "accountants" or "auditors" by 7983  
use of either or both of those words on any sign, card, or 7984  
letterhead, in any advertisement or directory, or otherwise, 7985  
without indicating on the sign, card, or letterhead, in the 7986  
advertisement or directory, or in the other manner of holding 7987  
out that the partnership, professional association, corporation- 7988

for-profit, limited liability company, or other business 7989  
organization is not a registered firm and is not permitted by 7990  
law to practice as a public accounting firm. 7991

(H) No person shall assume or use the title or designation 7992  
"certified public accountant" or "public accountant" in 7993  
conjunction with names indicating or implying that there is a 7994  
partnership or in conjunction with the designation "and Company" 7995  
or "and Co." or a similar designation if, in any of those cases, 7996  
there is in fact no bona fide partnership entitled to designate 7997  
itself as a partnership of certified public accountants under 7998  
division (C) (1) (a) of this section or as a partnership of public 7999  
accountants under division (C) (1) (b) of this section. However, a 8000  
sole proprietor or partnership that was on October 22, 1959, or 8001  
a corporation that on or after September 30, 1974, has been, 8002  
lawfully using a title or designation of those types in 8003  
conjunction with names or designations of those types, may 8004  
continue to do so if the sole proprietor, partnership, or 8005  
corporation otherwise complies with this section. 8006

(I) (1) Notwithstanding any other provision of this 8007  
chapter, an individual whose principal place of business is not 8008  
in this state and who holds a valid foreign certificate as a 8009  
certified public accountant shall be presumed to have 8010  
qualifications substantially equivalent to this state's CPA 8011  
requirements and shall have all of the privileges of a holder of 8012  
a CPA certificate and an Ohio permit without the need to obtain 8013  
a CPA certificate and an Ohio permit if the accountancy board 8014  
has found and has specified in its rules adopted pursuant to 8015  
division (A) of section 4701.03 of the Revised Code that the CPA 8016  
requirements of the state that issued the individual's foreign 8017  
certificate are substantially equivalent to this state's CPA 8018  
requirements. 8019

(2) Any individual exercising the privilege afforded under 8020  
division (I)(1) of this section hereby consents and is subject, 8021  
as a condition of the grant of the privilege, to all of the 8022  
following: 8023

(a) The personal and subject matter jurisdiction of the 8024  
accountancy board; 8025

(b) All practice and disciplinary provisions of this 8026  
chapter and the accountancy board's rules; 8027

(c) The appointment of the board that issued the 8028  
individual's foreign certificate as the individual's agent upon 8029  
whom process may be served in any action or proceeding by the 8030  
accountancy board against the individual. 8031

(3) The holder of a CPA certificate and an Ohio permit who 8032  
offers or renders attest services or uses the holder's CPA title 8033  
in another state shall be subject to disciplinary action in this 8034  
state for an act committed in the other state for which the 8035  
holder of a foreign certificate issued by the other state would 8036  
be subject to discipline in the other state. 8037

(4) The holder of a foreign certificate who offers or 8038  
renders attest services or uses a CPA title or designation in 8039  
this state pursuant to the privilege afforded by division (I)(1) 8040  
of this section shall be subject to disciplinary action in this 8041  
state for any act that would subject the holder of a CPA 8042  
certificate and an Ohio permit to disciplinary action in this 8043  
state. 8044

**Sec. 4703.18.** (A) No person shall enter upon the practice 8045  
of architecture or hold forth as an architect or registered 8046  
architect, unless the person has complied with sections 4703.01 8047  
to 4703.19 of the Revised Code and is the holder of a 8048

certificate of qualification to practice architecture issued or 8049  
renewed and registered under those sections. 8050

(B) Sections 4703.01 to 4703.19 of the Revised Code do not 8051  
prevent persons other than architects from filing applications 8052  
for building permits or obtaining those permits. 8053

(C) Sections 4703.01 to 4703.19 of the Revised Code do not 8054  
prevent persons other than architects from preparing plans, 8055  
drawings, specifications, or data, filing applications for 8056  
building permits, or obtaining those permits for residential 8057  
buildings, as defined by section 3781.06 of the Revised Code, or 8058  
buildings erected as industrialized one-, two-, or three-family 8059  
units or structures within the meaning of the term 8060  
"industrialized unit" as provided in section 3781.06 of the 8061  
Revised Code. 8062

(D) Sections 4703.01 to 4703.19 of the Revised Code do not 8063  
prevent persons other than architects from preparing drawings or 8064  
data, from filing applications for building permits, or from 8065  
obtaining those permits for the installation of replacement 8066  
equipment or systems that are similar in type or capacity to the 8067  
equipment or systems being replaced, and for any improvement, 8068  
alteration, repair, painting, decorating, or other modification 8069  
of any buildings or structures subject to sections 3781.06 to 8070  
3781.18 and 3791.04 of the Revised Code where the building 8071  
official determines that no plans or specifications are required 8072  
for approval. 8073

(E) Sections 4703.01 to 4703.19 of the Revised Code do not 8074  
exclude a registered professional engineer from architectural 8075  
practice that may be incident to the practice of engineering or 8076  
exclude a registered architect from engineering practice that 8077  
may be incident to the practice of architecture. 8078

(F) Sections 4703.01 to 4703.19 of the Revised Code do not 8079  
prevent a firm, partnership, association, limited liability 8080  
company, or corporation of architects registered under those 8081  
sections from providing architectural services and do not 8082  
prevent an individual registered as a landscape architect under 8083  
sections 4703.30 to 4703.49 of the Revised Code or as a 8084  
professional engineer under Chapter 4733. of the Revised Code 8085  
from being a member or trustee of a firm, partnership, 8086  
association, limited liability company, or corporation of that 8087  
type, but a member or trustee of that type shall not engage in 8088  
the practice of architecture or hold forth as an architect 8089  
contrary to sections 4703.01 to 4703.19 of the Revised Code and 8090  
shall not practice a profession in which the person is not 8091  
licensed. 8092

(G) A firm, partnership, association, limited liability 8093  
company, or corporation may provide architectural services in 8094  
this state as long as the services are provided only through 8095  
natural persons registered to provide those services in this 8096  
state, subject to the exemptions in section 4703.17 of the 8097  
Revised Code and subject otherwise to the requirements of 8098  
sections 4703.01 to 4703.19 of the Revised Code. 8099

(H) No firm, partnership, association, limited liability 8100  
company, or corporation shall provide architectural services, 8101  
hold itself out to the public as providing architectural 8102  
services, or use a name including the word "architect" or any 8103  
modification or derivation of the word, unless the firm, 8104  
partnership, association, limited liability company, or 8105  
corporation files all information required to be filed under 8106  
this section with the architects board and otherwise complies 8107  
with all requirements of sections 4703.01 to 4703.19 of the 8108  
Revised Code. A nonprofit membership corporation may use a name 8109

including the word "architect" or any modification or derivation 8110  
of the word without complying with this section. 8111

(I) A corporation may be organized under Chapter 1701. of 8112  
the Revised Code, a professional association may be organized 8113  
under Chapter 1785. of the Revised Code, or a limited liability 8114  
company may be formed under Chapter 1705. or 1706. of the 8115  
Revised Code for the purpose of providing professional 8116  
engineering, surveying, architectural, or landscape 8117  
architectural services, or any combination of those services. A 8118  
corporation organized under Chapter 1701. of the Revised Code 8119  
for the purpose of providing those services also may be 8120  
organized for any other purpose in accordance with that chapter. 8121

(J) No firm, partnership, association, limited liability 8122  
company, or corporation shall provide or offer to provide 8123  
architectural services in this state unless more than fifty per 8124  
cent of the partners, members, or shareholders, more than fifty 8125  
per cent of the directors in the case of a corporation or 8126  
professional association, more than fifty per cent of the 8127  
managers in the case of a limited liability company the 8128  
management of which is not reserved to its members, and more 8129  
than fifty per cent of the trustees in the case of an employee 8130  
stock ownership plan, are professional engineers, surveyors, 8131  
architects, or landscape architects or a combination of those 8132  
professions, who are registered in this or any other state and 8133  
who own more than fifty per cent of the interests in the firm, 8134  
partnership, association, limited liability company, or 8135  
corporation; unless the requirements of this division and of 8136  
section 1785.02 of the Revised Code are satisfied with respect 8137  
to any professional association organized under Chapter 1785. of 8138  
the Revised Code; or unless the requirements of this division 8139  
and of Chapter 1705. or 1706. of the Revised Code are satisfied 8140

with respect to a limited liability company formed under that 8141  
chapter. 8142

A corporation is exempt from the requirements of division 8143  
(J) of this section if the corporation was granted a charter 8144  
prior to August 7, 1943, to engage in providing architectural 8145  
services or was otherwise lawfully providing architectural 8146  
services prior to November 15, 1982, in this state. 8147

(K) Each firm, partnership, association, limited liability 8148  
company, or corporation through which architectural services are 8149  
offered or provided in this state shall designate one or more 8150  
trustees, partners, managers, members, officers, or directors as 8151  
being in responsible charge of the professional architectural 8152  
activities and decisions, and those designated persons shall be 8153  
registered in this state. In the case of a corporation holding a 8154  
certificate of authorization provided for in division (L) of 8155  
this section, at least one of the persons so designated shall be 8156  
a director of the corporation. Each firm, partnership, 8157  
association, limited liability company, or corporation of that 8158  
type shall annually file with the architects board the name and 8159  
address of each trustee, partner, manager, officer, director, 8160  
member, or shareholder, and each firm, partnership, association, 8161  
limited liability company, or corporation of that type shall 8162  
annually file with the board the name and address of all persons 8163  
designated as being in responsible charge of the professional 8164  
architectural activities and decisions and any other information 8165  
the board may require. If there is a change in any such person 8166  
in the interval between filings, the change shall be filed with 8167  
the board in the manner and within the time that the board 8168  
determines. 8169

(L) No corporation organized under Chapter 1701. of the 8170

Revised Code shall engage in providing architectural services in 8171  
this state without obtaining a certificate of authorization from 8172  
the architects board. A corporation desiring a certificate of 8173  
authorization shall file with the board a copy of its articles 8174  
of incorporation and a listing on the form that the board 8175  
directs of the names and addresses of all trustees, officers, 8176  
directors, and shareholders of the corporation, the names and 8177  
addresses of any individuals providing professional services on 8178  
behalf of the corporation who are registered to practice 8179  
architecture in this state, and any other information the board 8180  
requires. If all requirements of sections 4703.01 to 4703.19 of 8181  
the Revised Code are met, the board may issue a certificate of 8182  
authorization to the corporation. Except for a corporation that 8183  
was granted a charter prior to August 7, 1943, to engage in 8184  
providing architectural services or that was otherwise lawfully 8185  
providing architectural services prior to November 15, 1982, no 8186  
certificate of authorization shall be issued unless persons 8187  
owning more than fifty per cent of the corporation's shares and 8188  
more than fifty per cent of the interests in the corporation are 8189  
professional engineers, surveyors, architects, or landscape 8190  
architects, or a combination of those professions, who are 8191  
registered in this or any other state. Any corporation that 8192  
holds a certificate of authorization under this section and 8193  
otherwise meets the requirements of sections 4703.01 to 4703.19 8194  
of the Revised Code may be organized for any purposes for which 8195  
corporations may be organized under Chapter 1701. of the Revised 8196  
Code and shall not be limited to the purposes of providing 8197  
professional engineering, surveying, architectural, or landscape 8198  
architectural services or any combination of those professions. 8199  
The board, by rules adopted in accordance with Chapter 119. of 8200  
the Revised Code, may require any firm, partnership, 8201  
association, or limited liability company not organized under 8202

Chapter 1701. of the Revised Code that provides architectural 8203  
services to obtain a certificate of authorization. If the board 8204  
so requires, no firm, partnership, association, or limited 8205  
liability company shall engage in providing architectural 8206  
services without obtaining the certificate and complying with 8207  
the rules. 8208

(M) This section does not modify any law applicable to the 8209  
relationship between a person furnishing a professional service 8210  
and a person receiving that service, including liability arising 8211  
out of that service. 8212

(N) Nothing in this section restricts or limits in any 8213  
manner the authority or duty of the architects board with 8214  
respect to natural persons providing professional services or 8215  
any law or rule pertaining to standards of professional conduct. 8216

**Sec. 4703.331.** (A) A firm, partnership, association, 8217  
limited liability company, or corporation may provide landscape 8218  
architectural services in this state as long as the services are 8219  
provided only through natural persons registered to provide 8220  
those services in this state and subject to the requirements of 8221  
this chapter. 8222

(B) No firm, partnership, association, limited liability 8223  
company, or corporation shall provide landscape architectural 8224  
services, hold itself out to the public as providing landscape 8225  
architectural services, or use a name including the word 8226  
"landscape architect," "professional landscape architect," or 8227  
"registered landscape architect" or any modification or 8228  
derivation of those words, unless the firm, partnership, 8229  
association, limited liability company, or corporation files all 8230  
information required to be filed under this section with the 8231  
Ohio landscape architects board and otherwise complies with all 8232

requirements of this chapter. A nonprofit membership corporation 8233  
may use a name including the word "landscape architect," 8234  
"professional landscape architect," or "registered landscape 8235  
architect" or any modification or derivation of those words 8236  
without complying with this section. 8237

(C) A corporation may be organized under Chapter 1701. of 8238  
the Revised Code, a professional association may be organized 8239  
under Chapter 1785. of the Revised Code, or a limited liability 8240  
company may be formed under Chapter 1705. or 1706. of the 8241  
Revised Code for the purpose of providing professional 8242  
engineering, surveying, architectural, or landscape 8243  
architectural services, or any combination of those services. A 8244  
corporation organized under Chapter 1701. of the Revised Code 8245  
for the purpose of providing those services also may be 8246  
organized for any other purpose in accordance with that chapter. 8247

(D) No firm, partnership, association, limited liability 8248  
company, or corporation shall provide or offer to provide 8249  
landscape architectural services in this state unless more than 8250  
fifty per cent of the partners, members, or shareholders, more 8251  
than fifty per cent of the directors in the case of a 8252  
corporation or professional association, more than fifty per 8253  
cent of the managers in the case of a limited liability company 8254  
the management of which is not reserved to its members, and more 8255  
than fifty per cent of the trustees in the case of an employee 8256  
stock ownership plan, are professional engineers, surveyors, 8257  
architects, or landscape architects or a combination of those 8258  
professions, who are registered in this or any other state and 8259  
who own more than fifty per cent of the interests in the firm, 8260  
partnership, association, limited liability company, or 8261  
corporation; unless the requirements of this division and of 8262  
section 1785.02 of the Revised Code are satisfied with respect 8263

to any professional association organized under Chapter 1785. of 8264  
the Revised Code; or unless the requirements of this division 8265  
and of Chapter 1705. or 1706. of the Revised Code are satisfied 8266  
with respect to a limited liability company formed under that 8267  
chapter. 8268

(E) Each firm, partnership, association, limited liability 8269  
company, or corporation through which landscape architectural 8270  
services are offered or provided in this state shall designate 8271  
one or more trustees, partners, managers, members, officers, or 8272  
directors as being in responsible charge of the professional 8273  
landscape architectural activities and decisions, and those 8274  
designated persons shall be registered in this state. Each firm, 8275  
partnership, association, limited liability company, or 8276  
corporation of that type shall annually file with the board the 8277  
name and address of each trustees, partner, manager, officer, 8278  
director, member, or shareholder, and each firm, partnership, 8279  
association, limited liability company, or corporation of that 8280  
type shall annually file with the board the name and address of 8281  
all persons designated as being in responsible charge of the 8282  
professional landscape architectural activities and decisions 8283  
and any other information the board may require. If there is a 8284  
change in any such person in the interval between filings, the 8285  
change shall be filed with the board in the manner and within 8286  
the time that the board determines. 8287

(F) No corporation organized under Chapter 1701. of the 8288  
Revised Code shall engage in providing landscape architectural 8289  
services in this state without obtaining a certificate of 8290  
authorization from the board. A corporation desiring a 8291  
certificate of authorization shall file with the board a copy of 8292  
its articles of incorporation and a listing on the form that the 8293  
board directs of the names and addresses of all trustees, 8294

officers, directors, and shareholders of the corporation, the 8295  
names and addresses of any individuals providing professional 8296  
services on behalf of the corporation who are registered to 8297  
practice landscape architecture in this state, and any other 8298  
information the board requires. If all requirements of this 8299  
chapter are met, the board may issue a certificate of 8300  
authorization to the corporation. No certificate of 8301  
authorization shall be issued unless persons owning more than 8302  
fifty per cent of the corporation's shares and more than fifty 8303  
per cent of the interests in the corporation are professional 8304  
engineers, surveyors, architects, or landscape architects, or a 8305  
combination of those professions, who are registered in this or 8306  
any other state. Any corporation that holds a certificate of 8307  
authorization under this section and otherwise meets the 8308  
requirements of this chapter may be organized for any purposes 8309  
for which corporations may be organized under Chapter 1701. of 8310  
the Revised Code and shall not be limited to the purposes of 8311  
providing professional engineering, surveying, architectural, or 8312  
landscape architectural services or any combination of those 8313  
services. The board, by rules adopted in accordance with Chapter 8314  
119. of the Revised Code, may require any firm, partnership, 8315  
association, or limited liability company not organized under 8316  
Chapter 1701. of the Revised Code that provides landscape 8317  
architectural services to obtain a certificate of authorization. 8318  
If the board so requires, no firm, partnership, association, or 8319  
limited liability company shall engage in providing landscape 8320  
architectural services without obtaining the certificate and 8321  
complying with the rules. 8322

(G) This section does not modify any law applicable to the 8323  
relationship between a person furnishing a professional service 8324  
and a person receiving that service, including liability arising 8325

out of that service. 8326

(H) Nothing in this section shall restrict or limit in any 8327  
manner the authority or duty of the board with respect to 8328  
natural persons providing professional services or any law or 8329  
rule pertaining to standards of professional conduct. 8330

**Sec. 4715.18.** (A) No person shall practice or offer to 8331  
practice dentistry or dental surgery under the name of any 8332  
company, association, corporation, or other entity other than 8333  
one of the following: 8334

(1) A corporation-for-profit formed under Chapter 1701. of 8335  
the Revised Code; 8336

(2) A professional association established under Chapter 8337  
1785. of the Revised Code; 8338

(3) A limited liability company formed under Chapter 1705. 8339  
or 1706. of the Revised Code; 8340

(4) A federally qualified health center, federally 8341  
qualified health center look-alike, free clinic, nonprofit 8342  
shelter or health care facility, or nonprofit clinic that 8343  
provides health care services or dental services to indigent and 8344  
uninsured persons. 8345

(B) Any person practicing or offering to practice 8346  
dentistry or dental surgery shall do so under the person's name, 8347  
the name of a professional association, professional 8348  
partnership, corporation-for-profit, or limited liability 8349  
company that includes the person's name, or the name of an 8350  
organization specified in division (A) (4) of this section. 8351

(C) As used in this section: 8352

(1) "Federally qualified health center" and "federally 8353

qualified health center look-alike" have the same meanings as in 8354  
section 3701.047 of the Revised Code. 8355

(2) "Free clinic" and "nonprofit shelter or health care 8356  
facility" have the same meanings as in section 3701.071 of the 8357  
Revised Code. 8358

(3) "Nonprofit clinic" has the same meaning as in section 8359  
3715.87 of the Revised Code. 8360

(4) "Indigent and uninsured person" has the same meaning 8361  
as in section 2305.234 of the Revised Code. 8362

**Sec. 4715.22.** (A) (1) This section applies only when a 8363  
licensed dental hygienist is not practicing in accordance with 8364  
either of the following: 8365

(a) A permit issued pursuant to section 4715.363 of the 8366  
Revised Code authorizing practice under the oral health access 8367  
supervision of a dentist; 8368

(b) Section 4715.431 of the Revised Code. 8369

(2) As used in this section, "health care facility" means 8370  
either of the following: 8371

(a) A hospital registered under section 3701.07 of the 8372  
Revised Code; 8373

(b) A home, as defined in section 3721.01 of the Revised 8374  
Code. 8375

(B) A licensed dental hygienist shall practice under the 8376  
supervision, order, control, and full responsibility of a 8377  
dentist licensed under this chapter. A dental hygienist may 8378  
practice in a dental office, public or private school, health 8379  
care facility, dispensary, or public institution. Except as 8380

provided in divisions (C) to (E) of this section, a dental 8381  
hygienist may not provide dental hygiene services to a patient 8382  
when the supervising dentist is not physically present at the 8383  
location where the dental hygienist is practicing. 8384

(C) A dental hygienist may provide, for not more than 8385  
fifteen consecutive business days, dental hygiene services to a 8386  
patient when the supervising dentist is not physically present 8387  
at the location where the services are provided if all of the 8388  
following requirements are met: 8389

(1) The dental hygienist has at least one year and a 8390  
minimum of one thousand five hundred hours of experience in the 8391  
practice of dental hygiene. 8392

(2) The dental hygienist has successfully completed a 8393  
course approved by the state dental board in the identification 8394  
and prevention of potential medical emergencies. 8395

(3) The dental hygienist does not perform, while the 8396  
supervising dentist is absent from the location, procedures 8397  
while the patient is anesthetized, definitive root planing, 8398  
definitive subgingival curettage, or other procedures identified 8399  
in rules the state dental board adopts. 8400

(4) The supervising dentist has evaluated the dental 8401  
hygienist's skills. 8402

(5) The supervising dentist examined the patient not more 8403  
than one year prior to the date the dental hygienist provides 8404  
the dental hygiene services to the patient. 8405

(6) The dental hygienist complies with written protocols 8406  
or written standing orders that the supervising dentist 8407  
establishes, including those established for emergencies. 8408

(7) The supervising dentist completed and evaluated a 8409  
medical and dental history of the patient not more than one year 8410  
prior to the date the dental hygienist provides dental hygiene 8411  
services to the patient and, except when the dental hygiene 8412  
services are provided in a health care facility, the supervising 8413  
dentist determines that the patient is in a medically stable 8414  
condition. 8415

(8) If the dental hygiene services are provided in a 8416  
health care facility, a doctor of medicine and surgery or 8417  
osteopathic medicine and surgery licensed under Chapter 4731. of 8418  
the Revised Code or a registered nurse licensed under Chapter 8419  
4723. of the Revised Code is present in the health care facility 8420  
when the services are provided. 8421

(9) In advance of the appointment for dental hygiene 8422  
services, the patient is notified that the supervising dentist 8423  
will be absent from the location and that the dental hygienist 8424  
cannot diagnose the patient's dental health care status. 8425

(10) The dental hygienist is employed by, or under 8426  
contract with, one of the following: 8427

(a) The supervising dentist; 8428

(b) A dentist licensed under this chapter who is one of 8429  
the following: 8430

(i) The employer of the supervising dentist; 8431

(ii) A shareholder in a professional association formed 8432  
under Chapter 1785. of the Revised Code of which the supervising 8433  
dentist is a shareholder; 8434

(iii) A member or manager of a limited liability company 8435  
formed under Chapter 1705. or 1706. of the Revised Code of which 8436

the supervising dentist is a member or manager; 8437

(iv) A shareholder in a corporation formed under division 8438  
(B) of section 1701.03 of the Revised Code of which the 8439  
supervising dentist is a shareholder; 8440

(v) A partner or employee of a partnership or a limited 8441  
liability partnership formed under Chapter 1775. or 1776. of the 8442  
Revised Code of which the supervising dentist is a partner or 8443  
employee. 8444

(c) A government entity that employs the dental hygienist 8445  
to provide dental hygiene services in a public school or in 8446  
connection with other programs the government entity 8447  
administers. 8448

(D) A dental hygienist may provide dental hygiene services 8449  
to a patient when the supervising dentist is not physically 8450  
present at the location where the services are provided if the 8451  
services are provided as part of a dental hygiene program that 8452  
is approved by the state dental board and all of the following 8453  
requirements are met: 8454

(1) The program is operated through a school district 8455  
board of education or the governing board of an educational 8456  
service center; the board of health of a city or general health 8457  
district or the authority having the duties of a board of health 8458  
under section 3709.05 of the Revised Code; a national, state, 8459  
district, or local dental association; or any other public or 8460  
private entity recognized by the state dental board. 8461

(2) The supervising dentist is employed by or a volunteer 8462  
for, and the patients are referred by, the entity through which 8463  
the program is operated. 8464

(3) (a) Except as provided in division (D) (3) (b) of this 8465

section, the services are performed after examination and 8466  
diagnosis by the dentist and in accordance with the dentist's 8467  
written treatment plan. 8468

(b) The requirement in division (D) (3) (a) of this section 8469  
does not apply when the only services to be provided by the 8470  
dental hygienist are the placement of pit and fissure sealants 8471  
and the application of fluoride varnish. 8472

(E) A dental hygienist may do any of the following when 8473  
the supervising dentist is not physically present at the 8474  
location where the services are provided, regardless of whether 8475  
the dentist has examined the patient, if the dental hygienist is 8476  
employed by, or under contract with, the supervising dentist or 8477  
another person or government entity specified in division (C) 8478  
(10) (b) or (c) of this section: 8479

(1) Apply fluoride varnish; 8480

(2) Apply desensitizing agents, excluding silver diamine 8481  
fluoride; 8482

(3) Apply disclosing solutions; 8483

(4) Apply pit and fissure sealants; 8484

(5) Recement temporary crowns or recement crowns with 8485  
temporary cement; 8486

(6) Conduct caries susceptibility testing; 8487

(7) Provide instruction on oral hygiene home care, 8488  
including the use of toothbrushes and dental floss; 8489

(8) Discuss general nonmedical nutrition information for 8490  
the purpose of maintaining good oral health. 8491

As used in division (E) (8) of this section, "general 8492

nonmedical nutrition information" means information on the 8493  
following: principles of good nutrition and food preparation, 8494  
food to be included in the normal daily diet, the essential 8495  
nutrients needed by the body, recommended amounts of the 8496  
essential nutrients, the actions of nutrients on the body, the 8497  
effects of deficiencies or excesses of nutrients, or food and 8498  
supplements that are good sources of essential nutrients. 8499

(F) No person shall do either of the following: 8500

(1) Practice dental hygiene in a manner that is separate 8501  
or otherwise independent from the dental practice of a 8502  
supervising dentist; 8503

(2) Establish or maintain an office or practice that is 8504  
primarily devoted to the provision of dental hygiene services. 8505

(G) The state dental board shall adopt rules under 8506  
division (C) of section 4715.03 of the Revised Code identifying 8507  
procedures a dental hygienist may not perform when practicing in 8508  
the absence of the supervising dentist pursuant to division (C) 8509  
or (D) of this section. 8510

**Sec. 4715.365.** (A) A dentist who holds a current, valid 8511  
oral health access supervision permit issued under section 8512  
4715.362 of the Revised Code may authorize a dental hygienist 8513  
who holds a current, valid permit issued under section 4715.363 8514  
of the Revised Code to perform dental hygiene services at a 8515  
facility when no dentist is physically present if all of the 8516  
following conditions are met: 8517

(1) The authorizing dentist's authorization is in writing 8518  
and includes, at a minimum, all of the following: 8519

(a) The authorizing dentist's name and permit number; 8520

- (b) The dental hygienist's name and permit number; 8521
- (c) The patient's name; 8522
- (d) The name and address of the location where the dental hygiene services are to be provided; 8523  
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- (e) The date of authorization; 8525
- (f) A statement, signed by the dental hygienist, that the hygienist agrees to comply with section 4715.366 of the Revised Code. 8526  
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- (2) The authorizing dentist has personally evaluated the dental hygienist's skills prior to authorizing the dental hygienist to provide the dental hygiene services. 8529  
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- (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. 8532  
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- (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. 8538  
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- (5) Prior to receiving dental hygiene services, the 8548

patient and the operator of the facility where the dental 8549  
hygiene services are to be provided are notified that no dentist 8550  
will be present at the location and that the dental hygienist is 8551  
prohibited from doing either of the following: 8552

(a) Diagnosing the patient's oral health care status; 8553

(b) Providing dental hygiene services to the same patient 8554  
on a subsequent occasion until the patient has received a 8555  
clinical evaluation performed by a dentist, except in instances 8556  
described in division (D) (2) of this section. 8557

(6) The dental hygienist is employed by, or under contract 8558  
with, one of the following: 8559

(a) The authorizing dentist; 8560

(b) A dentist who is any of the following: 8561

(i) The authorizing dentist's employer; 8562

(ii) A shareholder in a professional association, formed 8563  
under Chapter 1785. of the Revised Code, of which the 8564  
authorizing dentist is a shareholder; 8565

(iii) A member or manager of a limited liability company, 8566  
formed under Chapter 1705. or 1706. of the Revised Code, of 8567  
which the authorizing dentist is a member or manager; 8568

(iv) A shareholder in a corporation, formed under division 8569  
(B) of section 1701.03 of the Revised Code, of which the 8570  
authorizing dentist is a shareholder; 8571

(v) A partner or employee of a partnership, formed under 8572  
Chapter 1775. of the Revised Code, of which the authorizing 8573  
dentist is a partner or employee; 8574

(vi) A partner or employee of a limited liability 8575

partnership, formed under Chapter 1775. of the Revised Code, of 8576  
which the authorizing dentist is a partner or employee. 8577

(c) A government entity that employs the dental hygienist 8578  
to provide dental hygiene services; 8579

(d) An entity that employs the authorizing dentist so long 8580  
as the dentist's practice is not in violation of section 4715.18 8581  
of the Revised Code. 8582

(7) If the patient to whom the services are to be provided 8583  
previously received dental hygiene services under this section, 8584  
there is written evidence that the patient received a clinical 8585  
evaluation after the most recent provision of those services. 8586

(B) No dentist shall authorize a dental hygienist to 8587  
perform, and no dental hygienist shall perform, dental hygiene 8588  
services on a patient under this section unless all of the 8589  
conditions in division (A) of this section are met. 8590

(C) If a patient or patient's representative indicates, 8591  
under division (A) (4) of this section, that a medically 8592  
significant change has occurred in the patient's medical or 8593  
dental history since the authorizing dentist's most recent 8594  
review and evaluation of the medical and dental history required 8595  
by division (A) (3) of this section, no dental hygiene services 8596  
shall be provided under this section until the authorizing 8597  
dentist completes another review and evaluation of the patient's 8598  
medical and dental history. The authorizing dentist may complete 8599  
the subsequent review and evaluation of the patient's medical 8600  
and dental history by telephone, facsimile, electronic mail, 8601  
video, or any other means of electronic communication. 8602

(D) (1) Except as provided in division (D) (2) of this 8603  
section, no dentist shall authorize a dental hygienist to 8604

provide, and no dental hygienist shall provide, dental hygiene 8605  
services under this section to the same patient on a subsequent 8606  
occasion until the patient has received a clinical evaluation 8607  
performed by a dentist. 8608

(2) Division (D)(1) of this section does not apply if the 8609  
patient requires multiple visits to complete one or more 8610  
procedures that could not be completed during the visit in which 8611  
dental hygiene services were commenced. If the patient requires 8612  
multiple visits to complete the one or more procedures that 8613  
could not be completed during the visit in which dental hygiene 8614  
services were commenced, the one or more procedures shall be 8615  
completed not later than eight weeks after the visit in which 8616  
the dental hygiene services were commenced. 8617

(E) No authorizing dentist shall authorize a dental 8618  
hygienist to diagnose a patient's oral health care status. No 8619  
dental hygienist practicing under a permit issued under section 8620  
4715.363 of the Revised Code to practice under the oral health 8621  
access supervision of a dentist shall diagnose a patient's oral 8622  
health care status. 8623

**Sec. 4715.431.** (A) If all of the conditions in division 8624  
(B) of this section are met, an authorizing dentist may do 8625  
either of the following under a teledentistry permit without 8626  
examining a patient in person: 8627

(1) Authorize a dental hygienist or expanded function 8628  
dental auxiliary to perform services as set forth in division 8629  
(E) or (F) of this section, as applicable, at a location where 8630  
no dentist is physically present; 8631

(2) Prescribe a drug that is not a controlled substance 8632  
for a patient who is at a location where no dentist is 8633

physically present. 8634

(B) The conditions that must be met under division (A) of 8635  
this section are the following: 8636

(1) The authorizing dentist must prepare a written 8637  
authorization that includes all of the following: 8638

(a) The authorizing dentist's name and permit number; 8639

(b) The name of the dental hygienist or expanded function 8640  
dental auxiliary; 8641

(c) The patient's name; 8642

(d) The name and address of the location where the 8643  
services are to be provided; 8644

(e) The date of the authorization; 8645

(f) A statement signed by the dental hygienist or expanded 8646  
function dental auxiliary agreeing to comply with the written 8647  
protocols or written standing orders the authorizing dentist 8648  
establishes, including those for dealing with emergencies; 8649

(g) Any other information the dentist considers 8650  
appropriate. 8651

(2) Before any dental services are provided all of the 8652  
following must occur: 8653

(a) The patient is notified that an authorizing dentist 8654  
will perform a clinical evaluation through teledentistry. 8655

(b) The patient is given an explanation of alternatives 8656  
to, and the capabilities and limitations of, teledentistry. 8657

(c) (i) Subject to division (B) (2) (c) (ii) of this section, 8658  
the patient consents to the provision of services through 8659

teledentistry and the consent is documented in the patient's 8660  
record. 8661

(ii) If the services to be provided are the placement of 8662  
interim therapeutic restorations or the application of silver 8663  
diamine fluoride, the requirements for informed consent in rules 8664  
adopted under division (C) of section 4715.436 of the Revised 8665  
Code have been met. 8666

(3) The authorizing dentist establishes the patient's 8667  
identity and physical location through synchronous, real-time 8668  
communication. 8669

(4) The authorizing dentist provides dental services 8670  
through teledentistry only as is appropriate for the patient and 8671  
in accordance with appropriate standards of care. 8672

(5) The authorizing dentist establishes a diagnosis and 8673  
treatment plan and documents it in the patient's record. 8674

(6) The authorizing dentist specifies the services the 8675  
dental hygienist or expanded function dental auxiliary is 8676  
authorized to provide to the patient. 8677

(7) The dental hygienist or expanded function dental 8678  
auxiliary is employed by, or under contract with, one of the 8679  
following: 8680

(a) The authorizing dentist; 8681

(b) A dentist who is any of the following: 8682

(i) The authorizing dentist's employer; 8683

(ii) A shareholder in a professional association formed 8684  
under Chapter 1785. of the Revised Code of which the authorizing 8685  
dentist is a shareholder; 8686

(iii) A member or manager of a limited liability company formed under Chapter 1705. or 1706. of the Revised Code of which the authorizing dentist is a member or manager; 8687  
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(iv) A shareholder in a corporation formed under division (B) of section 1701.03 of the Revised Code of which the authorizing dentist is a shareholder; 8690  
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(v) A partner or employee of a partnership, formed under Chapter 1775. of the Revised Code, of which the authorizing dentist is a partner or employee; 8693  
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(vi) A partner or employee of a limited liability partnership, formed under Chapter 1775. of the Revised Code, of which the authorizing dentist is a partner or employee. 8696  
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(C) A dentist retains responsibility for ensuring the safety and quality of services provided to patients through teledentistry. Services delivered through teledentistry must be consistent with in-person services. Persons involved with providing services through teledentistry must abide by laws addressing the privacy and security of the patient's dental and medical information. 8699  
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(D) An authorizing dentist may not have more than a total of three dental hygienists and expanded ~~dental~~-function dental auxiliaries working under the dentist's authorization pursuant to this section at any time. 8706  
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(E) (1) If authorized to do so by an authorizing dentist in accordance with this section, a dental hygienist may provide dental hygiene services at a location where no dentist is physically present if all of the following requirements are met: 8710  
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(a) The dental hygienist has at least one year and a minimum of one thousand five hundred hours of experience in the 8714  
8715

practice of dental hygiene. 8716

(b) The dental hygienist has completed a course described 8717  
in division (C) (2) of section 4715.22 of the Revised Code on the 8718  
identification and prevention of potential medical emergencies. 8719

(c) The authorizing dentist has evaluated the dental 8720  
hygienist's skills. 8721

(d) The dental hygienist complies with written protocols 8722  
or written standing orders established by the authorizing 8723  
dentist, including written protocols established for 8724  
emergencies. 8725

(2) If authorized to do so by an authorizing dentist in 8726  
accordance with this section, a dental hygienist may place 8727  
interim therapeutic restorations when a dentist is not 8728  
physically present at the location where the dental hygienist is 8729  
practicing if the requirements of division (E) (1) of this 8730  
section are met and the dental hygienist has successfully 8731  
completed a state dental board-approved course in the proper 8732  
placement of interim therapeutic restorations. 8733

(3) If authorized to do so by an authorizing dentist in 8734  
accordance with this section, a dental hygienist may apply 8735  
silver diamine fluoride when a dentist is not physically present 8736  
at the location where the dental hygienist is practicing if the 8737  
requirements of division (E) (1) of this section are met and the 8738  
dental hygienist has successfully completed a state dental 8739  
board-approved course in the application of silver diamine 8740  
fluoride. 8741

(F) (1) If authorized to do so by an authorizing dentist in 8742  
accordance with this section, an expanded function dental 8743  
auxiliary may provide the services listed in divisions (A) (2) to 8744

(10) of section 4715.64 of the Revised Code, and any additional 8745  
procedures authorized pursuant to division (A)(11) of that 8746  
section, when a dentist is not physically present at the 8747  
location where the expanded function dental auxiliary is 8748  
practicing if all of the following requirements are met: 8749

(a) The expanded function dental auxiliary has at least 8750  
one year and a minimum of one thousand five hundred hours of 8751  
experience practicing as an expanded function dental auxiliary. 8752

(b) The expanded function dental auxiliary has completed a 8753  
course described in division (C)(2) of section 4715.64 of the 8754  
Revised Code on the identification and prevention of potential 8755  
medical emergencies. 8756

(c) The authorizing dentist has evaluated the expanded 8757  
function dental auxiliary's skills. 8758

(d) The expanded function dental auxiliary complies with 8759  
written protocols or written standing orders established by the 8760  
authorizing dentist, including written protocols for 8761  
emergencies. 8762

(2) If authorized to do so by an authorizing dentist in 8763  
accordance with this section, an expanded function dental 8764  
auxiliary who meets the requirements of division (F)(1) of this 8765  
section and has successfully completed a state dental board- 8766  
approved course in the proper placement of interim therapeutic 8767  
restorations may place interim therapeutic restorations when a 8768  
dentist is not physically present at the location where the 8769  
expanded function dental auxiliary is practicing. 8770

(3) If authorized to do so by an authorizing dentist in 8771  
accordance with this section, an expanded function dental 8772  
auxiliary who meets the requirements of division (F)(1) of this 8773

section and has successfully completed a state dental board- 8774  
approved course in the application of silver diamine fluoride 8775  
may apply silver diamine fluoride when a dentist is not 8776  
physically present at the location where the expanded function 8777  
dental auxiliary is practicing. 8778

(4) If authorized to do so by an authorizing dentist in 8779  
accordance with this section, an expanded function dental 8780  
auxiliary who meets the requirements of division (F) (1) of this 8781  
section and holds a current, valid dental x-ray machine operator 8782  
certificate issued by the board pursuant to section 4715.53 of 8783  
the Revised Code may perform, for the purpose of contributing to 8784  
the provision of dental care to a dental patient, standard, 8785  
diagnostic radiologic procedures when a dentist is not 8786  
physically present at the location where the expanded function 8787  
dental auxiliary is practicing. 8788

**Sec. 4717.06.** (A) (1) A licensed funeral director who 8789  
desires to obtain a license to operate a funeral home, a 8790  
licensed embalmer who desires to obtain a license to operate an 8791  
embalming facility, or a holder of a crematory operator permit 8792  
who desires to obtain a license to operate a crematory facility 8793  
shall apply to the board of embalmers and funeral directors on a 8794  
form prescribed by the board. The application shall include the 8795  
initial license application fee set forth in section 4717.07 of 8796  
the Revised Code and proof satisfactory to the board that the 8797  
funeral home, embalming facility, or crematory facility is in 8798  
compliance with rules adopted by the board under section 4717.04 8799  
of the Revised Code, rules adopted by the board of building 8800  
standards under Chapter 3781. of the Revised Code, and all other 8801  
federal, state, and local requirements relating to the safety of 8802  
the premises. 8803

(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 8835  
operated. The funeral home license and licenses of the embalmers 8836  
and funeral directors employed by the funeral home shall be 8837  
displayed in a conspicuous place within the funeral home. The 8838  
name of the funeral director to whom the funeral home license 8839  
has been issued shall be conspicuously displayed immediately on 8840  
the outside or the inside of the primary entrance to the funeral 8841  
home that is used by the public. 8842

(2) The funeral home shall have on the premises one of the 8843  
following: 8844

(a) If embalming will take place at the funeral home, an 8845  
embalming room that is adequately equipped and maintained. The 8846  
embalming room shall be kept in a clean and sanitary manner and 8847  
used only for the embalming, preparation, or holding of dead 8848  
human bodies. The embalming room shall contain only the 8849  
articles, facilities, and instruments necessary for those 8850  
purposes. 8851

(b) If embalming will not take place at the funeral home, 8852  
a holding room that is adequately equipped and maintained. The 8853  
holding room shall be kept in a clean and sanitary manner and 8854  
used only for the preparation, other than embalming, and holding 8855  
of dead human bodies. The holding room shall contain only the 8856  
articles and facilities necessary for those purposes. 8857

(3) Each funeral home shall be directly supervised by a 8858  
funeral director licensed under this chapter, who may supervise 8859  
more than one funeral home. 8860

(C) (1) The board shall issue a license to operate an 8861  
embalming facility only to a licensed embalmer who is actually 8862  
in charge of and ultimately responsible for the embalming 8863

facility. The board shall issue the license only for the address 8864  
at which the embalming facility is physically located and 8865  
operated. The license shall be displayed in a conspicuous place 8866  
within the facility. The name of the embalmer to whom the 8867  
embalming facility license has been issued shall be 8868  
conspicuously displayed on the outside or inside of the primary 8869  
entrance to the embalming facility. 8870

(2) The embalming facility shall be adequately equipped 8871  
and maintained in a sanitary manner. The embalming room at such 8872  
a facility shall contain only the articles, facilities, and 8873  
instruments necessary for its stated purpose. The embalming room 8874  
shall be kept in a clean and sanitary condition and used only 8875  
for the care and preparation of dead human bodies. 8876

(D) (1) The board shall issue a license to operate a 8877  
crematory facility only to a crematory operator who is actually 8878  
in charge and ultimately responsible for the crematory facility. 8879  
The board shall issue the license only for the address at which 8880  
the crematory facility is physically located and operated. The 8881  
license shall be displayed in a conspicuous place within the 8882  
crematory facility. The name of the crematory operator to whom 8883  
the crematory facility license has been issued shall be 8884  
conspicuously displayed on the outside or inside of the primary 8885  
entrance to the crematory facility. 8886

(2) The crematory facility shall be adequately equipped 8887  
and maintained in a clean and sanitary manner. The crematory 8888  
facility may be located in a funeral home, embalming facility, 8889  
cemetery building, or other building in which the crematory 8890  
facility may lawfully operate. If a crematory facility engages 8891  
in the cremation of animals, the crematory facility shall 8892  
cremate animals in a cremation chamber that also is not used to 8893

cremate dead human bodies or human body parts and shall not 8894  
cremate animals in a cremation chamber used for the cremation of 8895  
dead human bodies and human body parts. Cremation chambers that 8896  
are used for the cremation of dead human bodies or human body 8897  
parts and cremation chambers used for the cremation of animals 8898  
may be located in the same area. Cremation chambers used for the 8899  
cremation of animals shall have conspicuously displayed on the 8900  
unit a notice that the unit is to be used for animals only. 8901

(3) A license to operate a crematory facility shall be 8902  
issued to the person actually in charge of the crematory 8903  
facility. This section does not require the individual who is 8904  
actually in charge of the crematory facility to be an embalmer 8905  
or funeral director licensed under this chapter. 8906

(4) Nothing in this section or rules adopted under section 8907  
4717.04 of the Revised Code precludes the establishment and 8908  
operation of a crematory facility on or adjacent to the property 8909  
on which a cemetery, funeral home, or embalming facility is 8910  
located. 8911

**Sec. 4723.16.** (A) An individual whom the board of nursing 8912  
licenses or otherwise legally authorizes to engage in the 8913  
practice of nursing as a registered nurse, advanced practice 8914  
registered nurse, or licensed practical nurse may render the 8915  
professional services of a registered, advanced practice 8916  
registered, or licensed practical nurse within this state 8917  
through a corporation formed under division (B) of section 8918  
1701.03 of the Revised Code, a limited liability company formed 8919  
under Chapter 1705. or 1706. of the Revised Code, a partnership, 8920  
or a professional association formed under Chapter 1785. of the 8921  
Revised Code. This division does not preclude an individual of 8922  
that nature from rendering professional services as a 8923

registered, advanced practice registered, or licensed practical 8924  
nurse through another form of business entity, including, but 8925  
not limited to, a nonprofit corporation or foundation, or in 8926  
another manner that is authorized by or in accordance with this 8927  
chapter, another chapter of the Revised Code, or rules of the 8928  
board of nursing adopted pursuant to this chapter. 8929

(B) A corporation, limited liability company, partnership, 8930  
or professional association described in division (A) of this 8931  
section may be formed for the purpose of providing a combination 8932  
of the professional services of the following individuals who 8933  
are licensed, certificated, or otherwise legally authorized to 8934  
practice their respective professions: 8935

(1) Optometrists who are authorized to practice optometry 8936  
under Chapter 4725. of the Revised Code; 8937

(2) Chiropractors who are authorized to practice 8938  
chiropractic or acupuncture under Chapter 4734. of the Revised 8939  
Code; 8940

(3) Psychologists who are authorized to practice 8941  
psychology under Chapter 4732. of the Revised Code; 8942

(4) Registered, advanced practice registered, or licensed 8943  
practical nurses who are authorized to practice nursing as 8944  
registered nurses, advanced practice registered nurses, or 8945  
licensed practical nurses under this chapter; 8946

(5) Pharmacists who are authorized to practice pharmacy 8947  
under Chapter 4729. of the Revised Code; 8948

(6) Physical therapists who are authorized to practice 8949  
physical therapy under sections 4755.40 to 4755.56 of the 8950  
Revised Code; 8951

(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 9011  
licensed practical nurses under Chapter 4723. of the Revised 9012  
Code; 9013

(5) Pharmacists who are authorized to practice pharmacy 9014  
under Chapter 4729. of the Revised Code; 9015

(6) Physical therapists who are authorized to practice 9016  
physical therapy under sections 4755.40 to 4755.56 of the 9017  
Revised Code; 9018

(7) Occupational therapists who are authorized to practice 9019  
occupational therapy under sections 4755.04 to 4755.13 of the 9020  
Revised Code; 9021

(8) Mechanotherapists who are authorized to practice 9022  
mechanotherapy under section 4731.151 of the Revised Code; 9023

(9) Doctors of medicine and surgery, osteopathic medicine 9024  
and surgery, or podiatric medicine and surgery who are 9025  
authorized for their respective practices under Chapter 4731. of 9026  
the Revised Code; 9027

(10) Licensed professional clinical counselors, licensed 9028  
professional counselors, independent social workers, social 9029  
workers, independent marriage and family therapists, or marriage 9030  
and family therapists who are authorized for their respective 9031  
practices under Chapter 4757. of the Revised Code. 9032

This division shall apply notwithstanding a provision of a 9033  
code of ethics applicable to an optometrist that prohibits an 9034  
optometrist from engaging in the practice of optometry in 9035  
combination with a person who is licensed, certificated, or 9036  
otherwise legally authorized to practice chiropractic, 9037  
acupuncture through the state chiropractic board, psychology, 9038  
nursing, pharmacy, physical therapy, occupational therapy, 9039

mechanotherapy, medicine and surgery, osteopathic medicine and 9040  
surgery, podiatric medicine and surgery, professional 9041  
counseling, social work, or marriage and family therapy, but who 9042  
is not also licensed, certificated, or otherwise legally 9043  
authorized to engage in the practice of optometry. 9044

**Sec. 4729.161.** (A) An individual registered with the state 9045  
board of pharmacy to engage in the practice of pharmacy may 9046  
render the professional services of a pharmacist within this 9047  
state through a corporation formed under division (B) of section 9048  
1701.03 of the Revised Code, a limited liability company formed 9049  
under Chapter 1705. or 1706. of the Revised Code, a partnership, 9050  
or a professional association formed under Chapter 1785. of the 9051  
Revised Code. This division does not preclude an individual of 9052  
that nature from rendering professional services as a pharmacist 9053  
through another form of business entity, including, but not 9054  
limited to, a nonprofit corporation or foundation, or in another 9055  
manner that is authorized by or in accordance with this chapter, 9056  
another chapter of the Revised Code, or rules of the state board 9057  
of pharmacy adopted pursuant to this chapter. 9058

(B) A corporation, limited liability company, partnership, 9059  
or professional association described in division (A) of this 9060  
section may be formed for the purpose of providing a combination 9061  
of the professional services of the following individuals who 9062  
are licensed, certificated, or otherwise legally authorized to 9063  
practice their respective professions: 9064

(1) Optometrists who are authorized to practice optometry 9065  
under Chapter 4725. of the Revised Code; 9066

(2) Chiropractors who are authorized to practice 9067  
chiropractic or acupuncture under Chapter 4734. of the Revised 9068  
Code; 9069

(3) Psychologists who are authorized to practice psychology under Chapter 4732. of the Revised Code;	9070 9071
(4) Registered or licensed practical nurses who are authorized to practice nursing as registered nurses or as licensed practical nurses under Chapter 4723. of the Revised Code;	9072 9073 9074 9075
(5) Pharmacists who are authorized to practice pharmacy under Chapter 4729. of the Revised Code;	9076 9077
(6) Physical therapists who are authorized to practice physical therapy under sections 4755.40 to 4755.56 of the Revised Code;	9078 9079 9080
(7) Occupational therapists who are authorized to practice occupational therapy under sections 4755.04 to 4755.13 of the Revised Code;	9081 9082 9083
(8) Mechanotherapists who are authorized to practice mechanotherapy under section 4731.151 of the Revised Code;	9084 9085
(9) Doctors of medicine and surgery, osteopathic medicine and surgery, or podiatric medicine and surgery who are authorized for their respective practices under Chapter 4731. of the Revised Code;	9086 9087 9088 9089
(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.	9090 9091 9092 9093 9094
This division shall apply notwithstanding a provision of a code of ethics applicable to a pharmacist that prohibits a pharmacist from engaging in the practice of pharmacy in	9095 9096 9097

combination with a person who is licensed, certificated, or 9098  
otherwise legally authorized to practice optometry, 9099  
chiropractic, acupuncture through the state chiropractic board, 9100  
psychology, nursing, physical therapy, occupational therapy, 9101  
mechanotherapy, medicine and surgery, osteopathic medicine and 9102  
surgery, podiatric medicine and surgery, professional 9103  
counseling, social work, or marriage and family therapy, but who 9104  
is not also licensed, certificated, or otherwise legally 9105  
authorized to engage in the practice of pharmacy. 9106

**Sec. 4729.541.** (A) Except as provided in divisions (B) to 9107  
(D) of this section, all of the following are exempt from 9108  
licensure as a terminal distributor of dangerous drugs: 9109

(1) A licensed health professional authorized to prescribe 9110  
drugs; 9111

(2) A business entity that is a corporation formed under 9112  
division (B) of section 1701.03 of the Revised Code, a limited 9113  
liability company formed under Chapter 1705. or 1706. of the 9114  
Revised Code, or a professional association formed under Chapter 9115  
1785. of the Revised Code if the entity has a sole shareholder 9116  
who is a prescriber and is authorized to provide the 9117  
professional services being offered by the entity; 9118

(3) A business entity that is a corporation formed under 9119  
division (B) of section 1701.03 of the Revised Code, a limited 9120  
liability company formed under Chapter 1705. or 1706. of the 9121  
Revised Code, a partnership or a limited liability partnership 9122  
formed under Chapter 1775. of the Revised Code, or a 9123  
professional association formed under Chapter 1785. of the 9124  
Revised Code, if, to be a shareholder, member, or partner, an 9125  
individual is required to be licensed, certified, or otherwise 9126  
legally authorized under Title XLVII of the Revised Code to 9127

perform the professional service provided by the entity and each 9128  
such individual is a prescriber; 9129

(4) An individual who holds a current license, 9130  
certificate, or registration issued under Title XLVII of the 9131  
Revised Code and has been certified to conduct diabetes 9132  
education by a national certifying body specified in rules 9133  
adopted by the state board of pharmacy under section 4729.68 of 9134  
the Revised Code, but only with respect to insulin that will be 9135  
used for the purpose of diabetes education and only if diabetes 9136  
education is within the individual's scope of practice under 9137  
statutes and rules regulating the individual's profession; 9138

(5) An individual who holds a valid certificate issued by 9139  
a nationally recognized S.C.U.B.A. diving certifying 9140  
organization approved by the state board of pharmacy under rules 9141  
adopted by the board, but only with respect to medical oxygen 9142  
that will be used for the purpose of emergency care or treatment 9143  
at the scene of a diving emergency; 9144

(6) With respect to epinephrine autoinjectors that may be 9145  
possessed under section 3313.7110, 3313.7111, 3314.143, 3326.28, 9146  
or 3328.29 of the Revised Code, any of the following: the board 9147  
of education of a city, local, exempted village, or joint 9148  
vocational school district; a chartered or nonchartered 9149  
nonpublic school; a community school established under Chapter 9150  
3314. of the Revised Code; a STEM school established under 9151  
Chapter 3326. of the Revised Code; or a college-preparatory 9152  
boarding school established under Chapter 3328. of the Revised 9153  
Code; 9154

(7) With respect to epinephrine autoinjectors that may be 9155  
possessed under section 5101.76 of the Revised Code, any of the 9156  
following: a residential camp, as defined in section 2151.011 of 9157

the Revised Code; a child day camp, as defined in section 9158  
5104.01 of the Revised Code; or a child day camp operated by any 9159  
county, township, municipal corporation, township park district 9160  
created under section 511.18 of the Revised Code, park district 9161  
created under section 1545.04 of the Revised Code, or joint 9162  
recreation district established under section 755.14 of the 9163  
Revised Code; 9164

(8) With respect to epinephrine autoinjectors that may be 9165  
possessed under Chapter 3728. of the Revised Code, a qualified 9166  
entity, as defined in section 3728.01 of the Revised Code; 9167

(9) With respect to inhalers that may be possessed under 9168  
section 3313.7113, 3313.7114, 3314.144, 3326.30, or 3328.30 of 9169  
the Revised Code, any of the following: the board of education 9170  
of a city, local, exempted village, or joint vocational school 9171  
district; a chartered or nonchartered nonpublic school; a 9172  
community school established under Chapter 3314. of the Revised 9173  
Code; a STEM school established under Chapter 3326. of the 9174  
Revised Code; or a college-preparatory boarding school 9175  
established under Chapter 3328. of the Revised Code; 9176

(10) With respect to inhalers that may be possessed under 9177  
section 5101.77 of the Revised Code, any of the following: a 9178  
residential camp, as defined in section 2151.011 of the Revised 9179  
Code; a child day camp, as defined in section 5104.01 of the 9180  
Revised Code; or a child day camp operated by any county, 9181  
township, municipal corporation, township park district created 9182  
under section 511.18 of the Revised Code, park district created 9183  
under section 1545.04 of the Revised Code, or joint recreation 9184  
district established under section 755.14 of the Revised Code; 9185

(11) With respect to naloxone that may be possessed under 9186  
section 2925.61 of the Revised Code, a law enforcement agency 9187

and its peace officers;	9188
(12) With respect to naloxone that may be possessed under section 4729.514 of the Revised Code, a service entity, as defined in that section;	9189 9190 9191
(13) A facility that is owned and operated by the United States department of defense, the United States department of veterans affairs, or any other federal agency.	9192 9193 9194
(B) If a person described in division (A) of this section is a pain management clinic or is operating a pain management clinic, the person shall hold a license as a terminal distributor of dangerous drugs with a pain management clinic classification issued under section 4729.552 of the Revised Code.	9195 9196 9197 9198 9199 9200
(C) If a person described in division (A) of this section is operating a facility, clinic, or other location described in division (B) of section 4729.553 of the Revised Code that must hold a category III terminal distributor of dangerous drugs license with an office-based opioid treatment classification, the person shall hold a license with that classification.	9201 9202 9203 9204 9205 9206
(D) Any of the persons described in divisions (A) (1) to (12) of this section shall hold a license as a terminal distributor of dangerous drugs in order to possess, have custody or control of, and distribute any of the following:	9207 9208 9209 9210
(1) Dangerous drugs that are compounded or used for the purpose of compounding;	9211 9212
(2) A schedule I, II, III, IV, or V controlled substance, as defined in section 3719.01 of the Revised Code.	9213 9214
<b>Sec. 4731.226.</b> (A) (1) An individual whom the state medical	9215

board licenses, certificates, or otherwise legally authorizes to 9216  
engage in the practice of medicine and surgery, osteopathic 9217  
medicine and surgery, or podiatric medicine and surgery may 9218  
render the professional services of a doctor of medicine and 9219  
surgery, osteopathic medicine and surgery, or podiatric medicine 9220  
and surgery within this state through a corporation formed under 9221  
division (B) of section 1701.03 of the Revised Code, a limited 9222  
liability company formed under Chapter 1705. or 1706. of the 9223  
Revised Code, a partnership, or a professional association 9224  
formed under Chapter 1785. of the Revised Code. Division (A) (1) 9225  
of this section does not preclude an individual of that nature 9226  
from rendering professional services as a doctor of medicine and 9227  
surgery, osteopathic medicine and surgery, or podiatric medicine 9228  
and surgery through another form of business entity, including, 9229  
but not limited to, a nonprofit corporation or foundation, or in 9230  
another manner that is authorized by or in accordance with this 9231  
chapter, another chapter of the Revised Code, or rules of the 9232  
state medical board adopted pursuant to this chapter. 9233

(2) An individual whom the state medical board authorizes 9234  
to engage in the practice of mechanotherapy may render the 9235  
professional services of a mechanotherapist within this state 9236  
through a corporation formed under division (B) of section 9237  
1701.03 of the Revised Code, a limited liability company formed 9238  
under Chapter 1705. or 1706. of the Revised Code, a partnership, 9239  
or a professional association formed under Chapter 1785. of the 9240  
Revised Code. Division (A) (2) of this section does not preclude 9241  
an individual of that nature from rendering professional 9242  
services as a mechanotherapist through another form of business 9243  
entity, including, but not limited to, a nonprofit corporation 9244  
or foundation, or in another manner that is authorized by or in 9245  
accordance with this chapter, another chapter of the Revised 9246

Code, or rules of the state medical board adopted pursuant to 9247  
this chapter. 9248

(B) A corporation, limited liability company, partnership, 9249  
or professional association described in division (A) of this 9250  
section may be formed for the purpose of providing a combination 9251  
of the professional services of the following individuals who 9252  
are licensed, certificated, or otherwise legally authorized to 9253  
practice their respective professions: 9254

(1) Optometrists who are authorized to practice optometry 9255  
under Chapter 4725. of the Revised Code; 9256

(2) Chiropractors who are authorized to practice 9257  
chiropractic or acupuncture under Chapter 4734. of the Revised 9258  
Code; 9259

(3) Psychologists who are authorized to practice 9260  
psychology under Chapter 4732. of the Revised Code; 9261

(4) Registered or licensed practical nurses who are 9262  
authorized to practice nursing as registered nurses or as 9263  
licensed practical nurses under Chapter 4723. of the Revised 9264  
Code; 9265

(5) Pharmacists who are authorized to practice pharmacy 9266  
under Chapter 4729. of the Revised Code; 9267

(6) Physical therapists who are authorized to practice 9268  
physical therapy under sections 4755.40 to 4755.56 of the 9269  
Revised Code; 9270

(7) Occupational therapists who are authorized to practice 9271  
occupational therapy under sections 4755.04 to 4755.13 of the 9272  
Revised Code; 9273

(8) Mechanotherapists who are authorized to practice 9274

mechanotherapy under section 4731.151 of the Revised Code;	9275
(9) Doctors of medicine and surgery, osteopathic medicine	9276
and surgery, or podiatric medicine and surgery who are	9277
authorized for their respective practices under this chapter;	9278
(10) Licensed professional clinical counselors, licensed	9279
professional counselors, independent social workers, social	9280
workers, independent marriage and family therapists, or marriage	9281
and family therapists who are authorized for their respective	9282
practices under Chapter 4757. of the Revised Code.	9283
(C) Division (B) of this section shall apply	9284
notwithstanding a provision of a code of ethics described in	9285
division (B) (18) of section 4731.22 of the Revised Code that	9286
prohibits either of the following:	9287
(1) A doctor of medicine and surgery, osteopathic medicine	9288
and surgery, or podiatric medicine and surgery from engaging in	9289
the doctor's authorized practice in combination with a person	9290
who is licensed, certificated, or otherwise legally authorized	9291
to engage in the practice of optometry, chiropractic,	9292
acupuncture through the state chiropractic board, psychology,	9293
nursing, pharmacy, physical therapy, occupational therapy,	9294
mechanotherapy, professional counseling, social work, or	9295
marriage and family therapy, but who is not also licensed,	9296
certificated, or otherwise legally authorized to practice	9297
medicine and surgery, osteopathic medicine and surgery, or	9298
podiatric medicine and surgery.	9299
(2) A mechanotherapist from engaging in the practice of	9300
mechanotherapy in combination with a person who is licensed,	9301
certificated, or otherwise legally authorized to engage in the	9302
practice of optometry, chiropractic, acupuncture through the	9303

state chiropractic board, psychology, nursing, pharmacy, 9304  
physical therapy, occupational therapy, medicine and surgery, 9305  
osteopathic medicine and surgery, podiatric medicine and 9306  
surgery, professional counseling, social work, or marriage and 9307  
family therapy, but who is not also licensed, certificated, or 9308  
otherwise legally authorized to engage in the practice of 9309  
mechanotherapy. 9310

**Sec. 4731.228.** (A) As used in this section: 9311

(1) "Federally qualified health center" has the same 9312  
meaning as in section 3701.047 of the Revised Code. 9313

(2) "Federally qualified health center look-alike" has the 9314  
same meaning as in section 3701.047 of the Revised Code. 9315

(3) "Health care entity" means any of the following that 9316  
employs a physician to provide physician services: 9317

(a) A hospital registered with the department of health 9318  
under section 3701.07 of the Revised Code; 9319

(b) A corporation formed under division (B) of section 9320  
1701.03 of the Revised Code; 9321

(c) A corporation formed under Chapter 1702. of the 9322  
Revised Code; 9323

(d) A limited liability company formed under Chapter 1705. 9324  
or 1706. of the Revised Code; 9325

(e) A health insuring corporation holding a certificate of 9326  
authority under Chapter 1751. of the Revised Code; 9327

(f) A partnership; 9328

(g) A professional association formed under Chapter 1785. 9329  
of the Revised Code. 9330

(4) "Physician" means an individual authorized under this chapter to practice medicine and surgery, osteopathic medicine and surgery, or podiatric medicine and surgery. 9331  
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(5) "Physician services" means direct patient care services provided by a physician. 9334  
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(6) "Termination" means the end of a physician's employment with a health care entity for any reason. 9336  
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(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. 9338  
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(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. 9343  
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(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. 9350  
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(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 9354  
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Code. The notice shall include at least all of the following: 9360

(1) A notice to the patient that the physician will no 9361  
longer be practicing medicine as an employee of the health care 9362  
entity; 9363

(2) Except in situations in which the health care entity 9364  
has a good faith concern that the physician's conduct or the 9365  
medical care provided by the physician would jeopardize the 9366  
health and safety of patients, the physician's name and, if 9367  
known by the health care entity, information provided by the 9368  
physician that the patient may use to contact the physician; 9369

(3) The date on which the physician ceased or will cease 9370  
to practice as an employee of the health care entity; 9371

(4) Contact information for an alternative physician or 9372  
physicians employed by the health care entity or contact 9373  
information for a group practice that can provide care for the 9374  
patient; 9375

(5) Contact information that enables the patient to obtain 9376  
information on the patient's medical records. 9377

(E) The requirements of this section do not apply to any 9378  
of the following: 9379

(1) A physician rendering services to a patient on an 9380  
episodic basis or in an emergency department or urgent care 9381  
center, when it should not be reasonably expected that related 9382  
medical services will be rendered by the physician to the 9383  
patient in the future; 9384

(2) A medical director or other physician providing 9385  
services in a similar capacity to a medical director to patients 9386  
through a hospice care program licensed pursuant to section 9387

3712.04 of the Revised Code.	9388
(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.	9389 9390 9391 9392
(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.	9393 9394 9395 9396 9397
(5) A physician providing services to a patient through a federally qualified health center or a federally qualified health center look-alike.	9398 9399 9400
<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.	9401 9402 9403 9404 9405 9406 9407 9408 9409 9410 9411 9412 9413 9414 9415
(B) A corporation, limited liability company, partnership,	9416

or professional association described in division (A) of this 9417  
section may be formed for the purpose of providing a combination 9418  
of the professional services of the following individuals who 9419  
are licensed, certificated, or otherwise legally authorized to 9420  
practice their respective professions: 9421

(1) Optometrists who are authorized to practice optometry 9422  
under Chapter 4725. of the Revised Code; 9423

(2) Chiropractors who are authorized to practice 9424  
chiropractic or acupuncture under Chapter 4734. of the Revised 9425  
Code; 9426

(3) Psychologists who are authorized to practice 9427  
psychology under this chapter; 9428

(4) Registered or licensed practical nurses who are 9429  
authorized to practice nursing as registered nurses or as 9430  
licensed practical nurses under Chapter 4723. of the Revised 9431  
Code; 9432

(5) Pharmacists who are authorized to practice pharmacy 9433  
under Chapter 4729. of the Revised Code; 9434

(6) Physical therapists who are authorized to practice 9435  
physical therapy under sections 4755.40 to 4755.56 of the 9436  
Revised Code; 9437

(7) Occupational therapists who are authorized to practice 9438  
occupational therapy under sections 4755.04 to 4755.13 of the 9439  
Revised Code; 9440

(8) Mechanotherapists who are authorized to practice 9441  
mechanotherapy under section 4731.151 of the Revised Code; 9442

(9) Doctors of medicine and surgery, osteopathic medicine 9443  
and surgery, or podiatric medicine and surgery who are 9444

authorized for their respective practices under Chapter 4731. of 9445  
the Revised Code; 9446

(10) Licensed professional clinical counselors, licensed 9447  
professional counselors, independent social workers, social 9448  
workers, independent marriage and family therapists, or marriage 9449  
and family therapists who are authorized for their respective 9450  
practices under Chapter 4757. of the Revised Code. 9451

This division shall apply notwithstanding a provision of a 9452  
code of ethics applicable to a psychologist that prohibits a 9453  
psychologist from engaging in the practice of psychology in 9454  
combination with a person who is licensed, certificated, or 9455  
otherwise legally authorized to practice optometry, 9456  
chiropractic, acupuncture through the state chiropractic board, 9457  
nursing, pharmacy, physical therapy, occupational therapy, 9458  
mechanotherapy, medicine and surgery, osteopathic medicine and 9459  
surgery, podiatric medicine and surgery, professional 9460  
counseling, social work, or marriage and family therapy, but who 9461  
is not also licensed, certificated, or otherwise legally 9462  
authorized to engage in the practice of psychology. 9463

**Sec. 4733.16.** (A) A firm, partnership, association, 9464  
limited liability company, or corporation may provide 9465  
professional engineering or professional surveying services in 9466  
this state as long as the services are provided only through 9467  
natural persons registered to provide those services in the 9468  
state, subject to the exemptions in sections 4733.17 and 4733.18 9469  
of the Revised Code and subject otherwise to the requirements of 9470  
this chapter. 9471

(B) No firm, partnership, association, limited liability 9472  
company, or corporation, except a corporation that was granted a 9473  
charter prior to August 7, 1943, to engage in providing 9474

professional engineering or professional surveying services in 9475  
this state or that was otherwise lawfully providing engineering 9476  
services in this state prior to November 15, 1982, shall engage 9477  
in providing professional engineering or professional surveying 9478  
services, hold itself out to the public as being engaged in 9479  
providing professional engineering or professional surveying 9480  
services, or use a name including one or more of the words 9481  
"engineer," "engineering," "surveyor," or "surveying" or any 9482  
modification or derivation of those words, unless the firm, 9483  
partnership, association, limited liability company, or 9484  
corporation obtains a certificate of authorization from the 9485  
state board of registration for professional engineers and 9486  
surveyors and files all information required to be filed under 9487  
this section with the state board of registration for 9488  
professional engineers and surveyors and otherwise complies with 9489  
all requirements of this chapter. A nonprofit membership 9490  
corporation may use a name including one or more of the words 9491  
"engineer," "engineering," "surveyor," or "surveying" or any 9492  
modification or derivation of those words without complying with 9493  
this section. 9494

(C) A corporation may be organized under Chapter 1701. of 9495  
the Revised Code, a professional association may be organized 9496  
under Chapter 1785. of the Revised Code, or a limited liability 9497  
company may be formed under Chapter 1705. or 1706. of the 9498  
Revised Code for the purpose of providing professional 9499  
engineering, professional surveying, architectural, or landscape 9500  
architectural services or any combination of those services. A 9501  
corporation organized under Chapter 1701. of the Revised Code 9502  
for the purpose of providing those services also may be 9503  
organized for any other purpose in accordance with that chapter. 9504

(D) Each firm, partnership, association, limited liability 9505

company, or corporation through which professional engineering 9506  
or professional surveying services are offered or provided in 9507  
this state shall designate one or more full-time partners, 9508  
managers, members, officers, or directors as being responsible 9509  
for and in responsible charge of the professional engineering or 9510  
professional surveying activities and decisions, and those 9511  
designated persons shall be registered in this state. Each firm, 9512  
partnership, association, limited liability company, or 9513  
corporation shall annually file with the state board of 9514  
registration for professional engineers and surveyors the name 9515  
and address of all owners and all persons designated as being in 9516  
responsible charge of the professional engineering or 9517  
professional surveying activities and decisions and any other 9518  
information the board may require. 9519

(E) The state board of registration for professional 9520  
engineers and surveyors shall issue a certificate of 9521  
authorization to each firm, partnership, association, limited 9522  
liability company, or corporation that satisfies the 9523  
requirements of this chapter, including providing information 9524  
that the board may require pursuant to division (D) of this 9525  
section. 9526

(F) This section does not modify any law applicable to the 9527  
relationship between a person furnishing a professional service 9528  
and a person receiving that service, including liability arising 9529  
out of that service. 9530

(G) Nothing in this section shall restrict or limit in any 9531  
manner the authority or duty of the state board of registration 9532  
for professional engineers and surveyors with respect to natural 9533  
persons providing professional services or any law or rule 9534  
pertaining to standards of professional conduct. 9535

(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;	9566
(2) Chiropractors who are authorized to practice	9567
chiropractic or acupuncture under this chapter;	9568
(3) Psychologists who are authorized to practice	9569
psychology under Chapter 4732. of the Revised Code;	9570
(4) Registered or licensed practical nurses who are	9571
authorized to practice nursing as registered nurses or as	9572
licensed practical nurses under Chapter 4723. of the Revised	9573
Code;	9574
(5) Pharmacists who are authorized to practice pharmacy	9575
under Chapter 4729. of the Revised Code;	9576
(6) Physical therapists who are authorized to practice	9577
physical therapy under sections 4755.40 to 4755.56 of the	9578
Revised Code;	9579
(7) Occupational therapists who are authorized to practice	9580
occupational therapy under sections 4755.04 to 4755.13 of the	9581
Revised Code;	9582
(8) Mechanotherapists who are authorized to practice	9583
mechanotherapy under section 4731.151 of the Revised Code;	9584
(9) Doctors of medicine and surgery, osteopathic medicine	9585
and surgery, or podiatric medicine and surgery who are	9586
authorized for their respective practices under Chapter 4731. of	9587
the Revised Code;	9588
(10) Licensed professional clinical counselors, licensed	9589
professional counselors, independent social workers, social	9590
workers, independent marriage and family therapists, or marriage	9591
and family therapists who are authorized for their respective	9592
practices under Chapter 4757. of the Revised Code.	9593

This division shall apply notwithstanding a provision of 9594  
any code of ethics established or adopted under section 4734.16 9595  
of the Revised Code that prohibits an individual from engaging 9596  
in the practice of chiropractic or acupuncture in combination 9597  
with an individual who is licensed, certificated, or otherwise 9598  
authorized for the practice of optometry, psychology, nursing, 9599  
pharmacy, physical therapy, occupational therapy, 9600  
mechanotherapy, medicine and surgery, osteopathic medicine and 9601  
surgery, podiatric medicine and surgery, professional 9602  
counseling, social work, or marriage and family therapy, but who 9603  
is not also licensed under this chapter to engage in the 9604  
practice of chiropractic. 9605

**Sec. 4755.111.** (A) An individual whom the occupational 9606  
therapy section of the Ohio occupational therapy, physical 9607  
therapy, and athletic trainers board licenses, certificates, or 9608  
otherwise legally authorizes to engage in the practice of 9609  
occupational therapy may render the professional services of an 9610  
occupational therapist within this state through a corporation 9611  
formed under division (B) of section 1701.03 of the Revised 9612  
Code, a limited liability company formed under Chapter 1705. or 9613  
1706. of the Revised Code, a partnership, or a professional 9614  
association formed under Chapter 1785. of the Revised Code. This 9615  
division does not preclude an individual of that nature from 9616  
rendering professional services as an occupational therapist 9617  
through another form of business entity, including, but not 9618  
limited to, a nonprofit corporation or foundation, or in another 9619  
manner that is authorized by or in accordance with sections 9620  
4755.04 to 4755.13 of the Revised Code, another chapter of the 9621  
Revised Code, or rules of the Ohio occupational therapy, 9622  
physical therapy, and athletic trainers board adopted pursuant 9623  
to sections 4755.04 to 4755.13 of the Revised Code. 9624

(B) A corporation, limited liability company, partnership, 9625  
or professional association described in division (A) of this 9626  
section may be formed for the purpose of providing a combination 9627  
of the professional services of the following individuals who 9628  
are licensed, certificated, or otherwise legally authorized to 9629  
practice their respective professions: 9630

(1) Optometrists who are authorized to practice optometry 9631  
under Chapter 4725. of the Revised Code; 9632

(2) Chiropractors who are authorized to practice 9633  
chiropractic or acupuncture under Chapter 4734. of the Revised 9634  
Code; 9635

(3) Psychologists who are authorized to practice 9636  
psychology under Chapter 4732. of the Revised Code; 9637

(4) Registered or licensed practical nurses who are 9638  
authorized to practice nursing as registered nurses or as 9639  
licensed practical nurses under Chapter 4723. of the Revised 9640  
Code; 9641

(5) Pharmacists who are authorized to practice pharmacy 9642  
under Chapter 4729. of the Revised Code; 9643

(6) Physical therapists who are authorized to practice 9644  
physical therapy under sections 4755.40 to 4755.56 of the 9645  
Revised Code; 9646

(7) Occupational therapists who are authorized to practice 9647  
occupational therapy under sections 4755.04 to 4755.13 of the 9648  
Revised Code; 9649

(8) Mechanotherapists who are authorized to practice 9650  
mechanotherapy under section 4731.151 of the Revised Code; 9651

(9) Doctors of medicine and surgery, osteopathic medicine 9652

and surgery, or podiatric medicine and surgery who are 9653  
authorized for their respective practices under Chapter 4731. of 9654  
the Revised Code; 9655

(10) Licensed professional clinical counselors, licensed 9656  
professional counselors, independent social workers, social 9657  
workers, independent marriage and family therapists, or marriage 9658  
and family therapists who are authorized for their respective 9659  
practices under Chapter 4757. of the Revised Code. 9660

This division shall apply notwithstanding a provision of a 9661  
code of ethics applicable to an occupational therapist that 9662  
prohibits an occupational therapist from engaging in the 9663  
practice of occupational therapy in combination with a person 9664  
who is licensed, certificated, or otherwise legally authorized 9665  
to practice optometry, chiropractic, acupuncture through the 9666  
state chiropractic board, psychology, nursing, pharmacy, 9667  
physical therapy, mechanotherapy, medicine and surgery, 9668  
osteopathic medicine and surgery, podiatric medicine and 9669  
surgery, professional counseling, social work, or marriage and 9670  
family therapy but who is not also licensed, certificated, or 9671  
otherwise legally authorized to engage in the practice of 9672  
occupational therapy. 9673

**Sec. 4755.471.** (A) An individual whom the physical therapy 9674  
section of the Ohio occupational therapy, physical therapy, and 9675  
athletic trainers board licenses, certificates, or otherwise 9676  
legally authorizes to engage in the practice of physical therapy 9677  
may render the professional services of a physical therapist 9678  
within this state through a corporation formed under division 9679  
(B) of section 1701.03 of the Revised Code, a limited liability 9680  
company formed under Chapter 1705. or 1706. of the Revised Code, 9681  
a partnership, or a professional association formed under 9682

Chapter 1785. of the Revised Code. This division does not 9683  
preclude an individual of that nature from rendering 9684  
professional services as a physical therapist through another 9685  
form of business entity, including, but not limited to, a 9686  
nonprofit corporation or foundation, or in another manner that 9687  
is authorized by or in accordance with sections 4755.40 to 9688  
4755.53 of the Revised Code, another chapter of the Revised 9689  
Code, or rules of the Ohio occupational therapy, physical 9690  
therapy, and athletic trainers board adopted pursuant to 9691  
sections 4755.40 to 4755.53 of the Revised Code. 9692

(B) A corporation, limited liability company, partnership, 9693  
or professional association described in division (A) of this 9694  
section may be formed for the purpose of providing a combination 9695  
of the professional services of the following individuals who 9696  
are licensed, certificated, or otherwise legally authorized to 9697  
practice their respective professions: 9698

(1) Optometrists who are authorized to practice optometry 9699  
under Chapter 4725. of the Revised Code; 9700

(2) Chiropractors who are authorized to practice 9701  
chiropractic or acupuncture under Chapter 4734. of the Revised 9702  
Code; 9703

(3) Psychologists who are authorized to practice 9704  
psychology under Chapter 4732. of the Revised Code; 9705

(4) Registered or licensed practical nurses who are 9706  
authorized to practice nursing as registered nurses or as 9707  
licensed practical nurses under Chapter 4723. of the Revised 9708  
Code; 9709

(5) Pharmacists who are authorized to practice pharmacy 9710  
under Chapter 4729. of the Revised Code; 9711

(6) Physical therapists who are authorized to practice 9712  
physical therapy under sections 4755.40 to 4755.56 of the 9713  
Revised Code; 9714

(7) Occupational therapists who are authorized to practice 9715  
occupational therapy under sections 4755.04 to 4755.13 of the 9716  
Revised Code; 9717

(8) Mechanotherapists who are authorized to practice 9718  
mechanotherapy under section 4731.151 of the Revised Code; 9719

(9) Doctors of medicine and surgery, osteopathic medicine 9720  
and surgery, or podiatric medicine and surgery who are 9721  
authorized for their respective practices under Chapter 4731. of 9722  
the Revised Code; 9723

(10) Licensed professional clinical counselors, licensed 9724  
professional counselors, independent social workers, social 9725  
workers, independent marriage and family therapists, or marriage 9726  
and family therapists who are authorized for their respective 9727  
practices under Chapter 4757. of the Revised Code. 9728

This division shall apply notwithstanding a provision of a 9729  
code of ethics applicable to a physical therapist that prohibits 9730  
a physical therapist from engaging in the practice of physical 9731  
therapy in combination with a person who is licensed, 9732  
certificated, or otherwise legally authorized to practice 9733  
optometry, chiropractic, acupuncture through the state 9734  
chiropractic board, psychology, nursing, pharmacy, occupational 9735  
therapy, mechanotherapy, medicine and surgery, osteopathic 9736  
medicine and surgery, podiatric medicine and surgery, 9737  
professional counseling, social work, or marriage and family 9738  
therapy, but who is not also licensed, certificated, or 9739  
otherwise legally authorized to engage in the practice of 9740

physical therapy. 9741

**Sec. 4757.37.** (A) An individual whom the counselor, social 9742  
worker, and marriage and family therapist board licenses, 9743  
certificates, or otherwise legally authorizes to engage in the 9744  
practice of professional counseling, social work, or marriage 9745  
and family therapy may render the professional services of a 9746  
licensed professional clinical counselor, licensed professional 9747  
counselor, independent social worker, social worker, independent 9748  
marriage and family therapist, or marriage and family therapist 9749  
within this state through a corporation formed under division 9750  
(B) of section 1701.03 of the Revised Code, a limited liability 9751  
company formed under Chapter 1705. or 1706. of the Revised Code, 9752  
a partnership, or a professional association formed under 9753  
Chapter 1785. of the Revised Code. This division does not 9754  
preclude such an individual from rendering professional services 9755  
as a licensed professional clinical counselor, licensed 9756  
professional counselor, independent social worker, social 9757  
worker, independent marriage and family therapist, or marriage 9758  
and family therapist through another form of business entity, 9759  
including, but not limited to, a nonprofit corporation or 9760  
foundation, or in another manner that is authorized by or in 9761  
accordance with this chapter, another chapter of the Revised 9762  
Code, or rules of the counselor, social worker, and marriage and 9763  
family therapist board adopted pursuant to this chapter. 9764

(B) A corporation, limited liability company, partnership, 9765  
or professional association described in division (A) of this 9766  
section may be formed for the purpose of providing a combination 9767  
of the professional services of the following individuals who 9768  
are licensed, certificated, or otherwise legally authorized to 9769  
practice their respective professions: 9770

(1) Optometrists who are authorized to practice optometry	9771
under Chapter 4725. of the Revised Code;	9772
(2) Chiropractors who are authorized to practice	9773
chiropractic or acupuncture under Chapter 4734. of the Revised	9774
Code;	9775
(3) Psychologists who are authorized to practice	9776
psychology under Chapter 4732. of the Revised Code;	9777
(4) Registered or licensed practical nurses who are	9778
authorized to practice nursing as registered nurses or as	9779
licensed practical nurses under Chapter 4723. of the Revised	9780
Code;	9781
(5) Pharmacists who are authorized to practice pharmacy	9782
under Chapter 4729. of the Revised Code;	9783
(6) Physical therapists who are authorized to practice	9784
physical therapy under sections 4755.40 to 4755.56 of the	9785
Revised Code;	9786
(7) Occupational therapists who are authorized to practice	9787
occupational therapy under sections 4755.04 to 4755.13 of the	9788
Revised Code;	9789
(8) Mechanotherapists who are authorized to practice	9790
mechanotherapy under section 4731.151 of the Revised Code;	9791
(9) Doctors of medicine and surgery, osteopathic medicine	9792
and surgery, or podiatric medicine and surgery who are	9793
authorized for their respective practices under Chapter 4731. of	9794
the Revised Code;	9795
(10) Licensed professional clinical counselors, licensed	9796
professional counselors, independent social workers, social	9797
workers, independent marriage and family therapists, or marriage	9798

and family therapists who are authorized for their respective 9799  
practices under this chapter. 9800

This division applies notwithstanding a provision of a 9801  
code of ethics applicable to an individual who is a licensed 9802  
professional clinical counselor, licensed professional 9803  
counselor, independent social worker, social worker, independent 9804  
marriage and family therapist, or marriage and family therapist 9805  
that prohibits the individual from engaging in the individual's 9806  
practice in combination with a person who is licensed, 9807  
certificated, or otherwise legally authorized to practice 9808  
optometry, chiropractic, acupuncture through the state 9809  
chiropractic board, psychology, nursing, pharmacy, physical 9810  
therapy, occupational therapy, mechanotherapy, medicine and 9811  
surgery, osteopathic medicine and surgery, or podiatric medicine 9812  
and surgery, but who is not also licensed, certificated, or 9813  
otherwise legally authorized to engage in the practice of 9814  
professional counseling, social work, or marriage and family 9815  
therapy. 9816

**Sec. 5701.14.** For purposes of Title LVII of the Revised 9817  
Code: 9818

(A) In order to determine a limited liability company's 9819  
nonprofit status, an entity is operating with a nonprofit 9820  
purpose under section 1705.02 of the Revised Code or carrying on 9821  
any nonprofit activity under section 1706.05 of the Revised Code 9822  
if that entity is organized other than for the pecuniary gain or 9823  
profit of, and its net earnings or any part of its net earnings 9824  
are not distributable to, its members, its directors, its 9825  
officers, or other private persons, except that the payment of 9826  
reasonable compensation for services rendered, payments and 9827  
distributions in furtherance of its nonprofit purpose, and the 9828

distribution of assets on dissolution permitted by section 9829  
1702.49 of the Revised Code are not pecuniary gain or profit or 9830  
distribution of net earnings. In no event shall payments and 9831  
distributions in furtherance of an entity's nonprofit purpose 9832  
deprive the entity of its nonprofit status as long as all of the 9833  
members of that entity are operating with a nonprofit purpose. 9834

(B) A single member limited liability company that 9835  
operates with a nonprofit purpose, as described in division (A) 9836  
of this section, shall be treated as part of the same legal 9837  
entity as its nonprofit member, and all assets and liabilities 9838  
of that single member limited liability company shall be 9839  
considered to be that of the nonprofit member. Filings or 9840  
applications for exemptions or other tax purposes may be made 9841  
either by the single member limited liability company or its 9842  
nonprofit member. 9843

**Sec. 5715.19.** (A) As used in this section, "member" has 9844  
the same meaning as in section 1705.01 or 1706.01 of the Revised 9845  
Code, as applicable, and "internet identifier of record" has the 9846  
same meaning as in section 9.312 of the Revised Code. 9847

(1) Subject to division (A)(2) of this section, a 9848  
complaint against any of the following determinations for the 9849  
current tax year shall be filed with the county auditor on or 9850  
before the thirty-first day of March of the ensuing tax year or 9851  
the date of closing of the collection for the first half of real 9852  
and public utility property taxes for the current tax year, 9853  
whichever is later: 9854

(a) Any classification made under section 5713.041 of the 9855  
Revised Code; 9856

(b) Any determination made under section 5713.32 or 9857

5713.35 of the Revised Code; 9858

(c) Any recoupment charge levied under section 5713.35 of 9859  
the Revised Code; 9860

(d) The determination of the total valuation or assessment 9861  
of any parcel that appears on the tax list, except parcels 9862  
assessed by the tax commissioner pursuant to section 5727.06 of 9863  
the Revised Code; 9864

(e) The determination of the total valuation of any parcel 9865  
that appears on the agricultural land tax list, except parcels 9866  
assessed by the tax commissioner pursuant to section 5727.06 of 9867  
the Revised Code; 9868

(f) Any determination made under division (A) of section 9869  
319.302 of the Revised Code. 9870

If such a complaint is filed by mail or certified mail, 9871  
the date of the United States postmark placed on the envelope or 9872  
sender's receipt by the postal service shall be treated as the 9873  
date of filing. A private meter postmark on an envelope is not a 9874  
valid postmark for purposes of establishing the filing date. 9875

Any person owning taxable real property in the county or 9876  
in a taxing district with territory in the county; such a 9877  
person's spouse; an individual who is retained by such a person 9878  
and who holds a designation from a professional assessment 9879  
organization, such as the institute for professionals in 9880  
taxation, the national council of property taxation, or the 9881  
international association of assessing officers; a public 9882  
accountant who holds a permit under section 4701.10 of the 9883  
Revised Code, a general or residential real estate appraiser 9884  
licensed or certified under Chapter 4763. of the Revised Code, 9885  
or a real estate broker licensed under Chapter 4735. of the 9886

Revised Code, who is retained by such a person; if the person is 9887  
a firm, company, association, partnership, limited liability 9888  
company, or corporation, an officer, a salaried employee, a 9889  
partner, or a member of that person; if the person is a trust, a 9890  
trustee of the trust; the board of county commissioners; the 9891  
prosecuting attorney or treasurer of the county; the board of 9892  
township trustees of any township with territory within the 9893  
county; the board of education of any school district with any 9894  
territory in the county; or the mayor or legislative authority 9895  
of any municipal corporation with any territory in the county 9896  
may file such a complaint regarding any such determination 9897  
affecting any real property in the county, except that a person 9898  
owning taxable real property in another county may file such a 9899  
complaint only with regard to any such determination affecting 9900  
real property in the county that is located in the same taxing 9901  
district as that person's real property is located. The county 9902  
auditor shall present to the county board of revision all 9903  
complaints filed with the auditor. 9904

(2) As used in division (A)(2) of this section, "interim 9905  
period" means, for each county, the tax year to which section 9906  
5715.24 of the Revised Code applies and each subsequent tax year 9907  
until the tax year in which that section applies again. 9908

No person, board, or officer shall file a complaint 9909  
against the valuation or assessment of any parcel that appears 9910  
on the tax list if it filed a complaint against the valuation or 9911  
assessment of that parcel for any prior tax year in the same 9912  
interim period, unless the person, board, or officer alleges 9913  
that the valuation or assessment should be changed due to one or 9914  
more of the following circumstances that occurred after the tax 9915  
lien date for the tax year for which the prior complaint was 9916  
filed and that the circumstances were not taken into 9917

consideration with respect to the prior complaint: 9918

(a) The property was sold in an arm's length transaction, 9919  
as described in section 5713.03 of the Revised Code; 9920

(b) The property lost value due to some casualty; 9921

(c) Substantial improvement was added to the property; 9922

(d) An increase or decrease of at least fifteen per cent 9923  
in the property's occupancy has had a substantial economic 9924  
impact on the property. 9925

(3) If a county board of revision, the board of tax 9926  
appeals, or any court dismisses a complaint filed under this 9927  
section or section 5715.13 of the Revised Code for the reason 9928  
that the act of filing the complaint was the unauthorized 9929  
practice of law or the person filing the complaint was engaged 9930  
in the unauthorized practice of law, the party affected by a 9931  
decrease in valuation or the party's agent, or the person owning 9932  
taxable real property in the county or in a taxing district with 9933  
territory in the county, may refile the complaint, 9934  
notwithstanding division (A) (2) of this section. 9935

(4) (a) No complaint filed under this section or section 9936  
5715.13 of the Revised Code shall be dismissed for the reason 9937  
that the complaint fails to accurately identify the owner of the 9938  
property that is the subject of the complaint. 9939

(b) If a complaint fails to accurately identify the owner 9940  
of the property that is the subject of the complaint, the board 9941  
of revision shall exercise due diligence to ensure the correct 9942  
property owner is notified as required by divisions (B) and (C) 9943  
of this section. 9944

(5) Notwithstanding division (A) (2) of this section, a 9945

person, board, or officer may file a complaint against the 9946  
valuation or assessment of any parcel that appears on the tax 9947  
list if it filed a complaint against the valuation or assessment 9948  
of that parcel for any prior tax year in the same interim period 9949  
if the person, board, or officer withdrew the complaint before 9950  
the complaint was heard by the board. 9951

(B) Within thirty days after the last date such complaints 9952  
may be filed, the auditor shall give notice of each complaint in 9953  
which the stated amount of overvaluation, undervaluation, 9954  
discriminatory valuation, illegal valuation, or incorrect 9955  
determination is at least seventeen thousand five hundred 9956  
dollars to each property owner whose property is the subject of 9957  
the complaint, if the complaint was not filed by the owner or 9958  
the owner's spouse, and to each board of education whose school 9959  
district may be affected by the complaint. Within thirty days 9960  
after receiving such notice, a board of education; a property 9961  
owner; the owner's spouse; an individual who is retained by such 9962  
an owner and who holds a designation from a professional 9963  
assessment organization, such as the institute for professionals 9964  
in taxation, the national council of property taxation, or the 9965  
international association of assessing officers; a public 9966  
accountant who holds a permit under section 4701.10 of the 9967  
Revised Code, a general or residential real estate appraiser 9968  
licensed or certified under Chapter 4763. of the Revised Code, 9969  
or a real estate broker licensed under Chapter 4735. of the 9970  
Revised Code, who is retained by such a person; or, if the 9971  
property owner is a firm, company, association, partnership, 9972  
limited liability company, corporation, or trust, an officer, a 9973  
salaried employee, a partner, a member, or trustee of that 9974  
property owner, may file a complaint in support of or objecting 9975  
to the amount of alleged overvaluation, undervaluation, 9976

discriminatory valuation, illegal valuation, or incorrect 9977  
determination stated in a previously filed complaint or 9978  
objecting to the current valuation. Upon the filing of a 9979  
complaint under this division, the board of education or the 9980  
property owner shall be made a party to the action. 9981

(C) Each board of revision shall notify any complainant 9982  
and also the property owner, if the property owner's address is 9983  
known, when a complaint is filed by one other than the property 9984  
owner, not less than ten days prior to the hearing, either by 9985  
certified mail or, if the board has record of an internet 9986  
identifier of record associated with the owner, by ordinary mail 9987  
and by that internet identifier of record of the time and place 9988  
the same will be heard. The board of revision shall hear and 9989  
render its decision on a complaint within ninety days after the 9990  
filing thereof with the board, except that if a complaint is 9991  
filed within thirty days after receiving notice from the auditor 9992  
as provided in division (B) of this section, the board shall 9993  
hear and render its decision within ninety days after such 9994  
filing. 9995

(D) The determination of any such complaint shall relate 9996  
back to the date when the lien for taxes or recoupment charges 9997  
for the current year attached or the date as of which liability 9998  
for such year was determined. Liability for taxes and recoupment 9999  
charges for such year and each succeeding year until the 10000  
complaint is finally determined and for any penalty and interest 10001  
for nonpayment thereof within the time required by law shall be 10002  
based upon the determination, valuation, or assessment as 10003  
finally determined. Each complaint shall state the amount of 10004  
overvaluation, undervaluation, discriminatory valuation, illegal 10005  
valuation, or incorrect classification or determination upon 10006  
which the complaint is based. The treasurer shall accept any 10007

amount tendered as taxes or recoupment charge upon property 10008  
concerning which a complaint is then pending, computed upon the 10009  
claimed valuation as set forth in the complaint. If a complaint 10010  
filed under this section for the current year is not determined 10011  
by the board within the time prescribed for such determination, 10012  
the complaint and any proceedings in relation thereto shall be 10013  
continued by the board as a valid complaint for any ensuing year 10014  
until such complaint is finally determined by the board or upon 10015  
any appeal from a decision of the board. In such case, the 10016  
original complaint shall continue in effect without further 10017  
filing by the original taxpayer, the original taxpayer's 10018  
assignee, or any other person or entity authorized to file a 10019  
complaint under this section. 10020

(E) If a taxpayer files a complaint as to the 10021  
classification, valuation, assessment, or any determination 10022  
affecting the taxpayer's own property and tenders less than the 10023  
full amount of taxes or recoupment charges as finally 10024  
determined, an interest charge shall accrue as follows: 10025

(1) If the amount finally determined is less than the 10026  
amount billed but more than the amount tendered, the taxpayer 10027  
shall pay interest at the rate per annum prescribed by section 10028  
5703.47 of the Revised Code, computed from the date that the 10029  
taxes were due on the difference between the amount finally 10030  
determined and the amount tendered. This interest charge shall 10031  
be in lieu of any penalty or interest charge under section 10032  
323.121 of the Revised Code unless the taxpayer failed to file a 10033  
complaint and tender an amount as taxes or recoupment charges 10034  
within the time required by this section, in which case section 10035  
323.121 of the Revised Code applies. 10036

(2) If the amount of taxes finally determined is equal to 10037

or greater than the amount billed and more than the amount 10038  
tendered, the taxpayer shall pay interest at the rate prescribed 10039  
by section 5703.47 of the Revised Code from the date the taxes 10040  
were due on the difference between the amount finally determined 10041  
and the amount tendered, such interest to be in lieu of any 10042  
interest charge but in addition to any penalty prescribed by 10043  
section 323.121 of the Revised Code. 10044

(F) Upon request of a complainant, the tax commissioner 10045  
shall determine the common level of assessment of real property 10046  
in the county for the year stated in the request that is not 10047  
valued under section 5713.31 of the Revised Code, which common 10048  
level of assessment shall be expressed as a percentage of true 10049  
value and the common level of assessment of lands valued under 10050  
such section, which common level of assessment shall also be 10051  
expressed as a percentage of the current agricultural use value 10052  
of such lands. Such determination shall be made on the basis of 10053  
the most recent available sales ratio studies of the 10054  
commissioner and such other factual data as the commissioner 10055  
deems pertinent. 10056

(G) A complainant shall provide to the board of revision 10057  
all information or evidence within the complainant's knowledge 10058  
or possession that affects the real property that is the subject 10059  
of the complaint. A complainant who fails to provide such 10060  
information or evidence is precluded from introducing it on 10061  
appeal to the board of tax appeals or the court of common pleas, 10062  
except that the board of tax appeals or court may admit and 10063  
consider the evidence if the complainant shows good cause for 10064  
the complainant's failure to provide the information or evidence 10065  
to the board of revision. 10066

(H) In case of the pendency of any proceeding in court 10067

based upon an alleged excessive, discriminatory, or illegal 10068  
valuation or incorrect classification or determination, the 10069  
taxpayer may tender to the treasurer an amount as taxes upon 10070  
property computed upon the claimed valuation as set forth in the 10071  
complaint to the court. The treasurer may accept the tender. If 10072  
the tender is not accepted, no penalty shall be assessed because 10073  
of the nonpayment of the full taxes assessed. 10074

**Sec. 5733.04.** As used in this chapter: 10075

(A) "Issued and outstanding shares of stock" applies to 10076  
nonprofit corporations, as provided in section 5733.01 of the 10077  
Revised Code, and includes, but is not limited to, membership 10078  
certificates and other instruments evidencing ownership of an 10079  
interest in such nonprofit corporations, and with respect to a 10080  
financial institution that does not have capital stock, "issued 10081  
and outstanding shares of stock" includes, but is not limited 10082  
to, ownership interests of depositors in the capital employed in 10083  
such an institution. 10084

(B) "Taxpayer" means a corporation subject to the tax 10085  
imposed by section 5733.06 of the Revised Code. 10086

(C) "Resident" means a corporation organized under the 10087  
laws of this state. 10088

(D) "Commercial domicile" means the principal place from 10089  
which the trade or business of the taxpayer is directed or 10090  
managed. 10091

(E) "Taxable year" means the period prescribed by division 10092  
(A) of section 5733.031 of the Revised Code upon the net income 10093  
of which the value of the taxpayer's issued and outstanding 10094  
shares of stock is determined under division (B) of section 10095  
5733.05 of the Revised Code or the period prescribed by division 10096

(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 10126  
determined under the allocation and apportionment provisions of 10127  
section 5733.051 and division (B) of section 5733.05 of the 10128  
Revised Code, to the extent necessary to reduce net income to 10129  
zero with the remaining unused portion of the deduction, if any, 10130  
carried forward to the remaining years of the designated 10131  
carryover period as described in division (I)(1)(b) of this 10132  
section, or until fully utilized, whichever occurs first. 10133

(b) For losses incurred in taxable years ending on or 10134  
before December 31, 1981, the designated carryover period shall 10135  
be the five consecutive taxable years after the taxable year in 10136  
which the net operating loss occurred. For losses incurred in 10137  
taxable years ending on or after January 1, 1982, and beginning 10138  
before August 6, 1997, the designated carryover period shall be 10139  
the fifteen consecutive taxable years after the taxable year in 10140  
which the net operating loss occurs. For losses incurred in 10141  
taxable years beginning on or after August 6, 1997, the 10142  
designated carryover period shall be the twenty consecutive 10143  
taxable years after the taxable year in which the net operating 10144  
loss occurs. 10145

(c) The tax commissioner may require a taxpayer to furnish 10146  
any information necessary to support a claim for deduction under 10147  
division (I)(1)(a) of this section and no deduction shall be 10148  
allowed unless the information is furnished. 10149

(2) Deduct any amount included in net income by 10150  
application of section 78 or 951 of the Internal Revenue Code, 10151  
amounts received for royalties, technical or other services 10152  
derived from sources outside the United States, and dividends 10153  
received from a subsidiary, associate, or affiliated corporation 10154  
that neither transacts any substantial portion of its business 10155

nor regularly maintains any substantial portion of its assets 10156  
within the United States. For purposes of determining net 10157  
foreign source income deductible under division (I) (2) of this 10158  
section, the amount of gross income from all such sources other 10159  
than dividend income and income derived by application of 10160  
section 78 or 951 of the Internal Revenue Code shall be reduced 10161  
by: 10162

(a) The amount of any reimbursed expenses for personal 10163  
services performed by employees of the taxpayer for the 10164  
subsidiary, associate, or affiliated corporation; 10165

(b) Ten per cent of the amount of royalty income and 10166  
technical assistance fees; 10167

(c) Fifteen per cent of the amount of all other income. 10168

The amounts described in divisions (I) (2) (a) to (c) of 10169  
this section are deemed to be the expenses attributable to the 10170  
production of deductible foreign source income unless the 10171  
taxpayer shows, by clear and convincing evidence, less actual 10172  
expenses, or the tax commissioner shows, by clear and convincing 10173  
evidence, more actual expenses. 10174

(3) Add any loss or deduct any gain resulting from the 10175  
sale, exchange, or other disposition of a capital asset, or an 10176  
asset described in section 1231 of the Internal Revenue Code, to 10177  
the extent that such loss or gain occurred prior to the first 10178  
taxable year on which the tax provided for in section 5733.06 of 10179  
the Revised Code is computed on the corporation's net income. 10180  
For purposes of division (I) (3) of this section, the amount of 10181  
the prior loss or gain shall be measured by the difference 10182  
between the original cost or other basis of the asset and the 10183  
fair market value as of the beginning of the first taxable year 10184

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 10215  
the taxpayer owns at least eighty per cent of the issued and 10216  
outstanding common stock of the public utility. As used in 10217  
division (I)(7) of this section, "public utility" means a public 10218  
utility as defined in Chapter 5727. of the Revised Code, whether 10219  
or not the public utility is doing business in the state. 10220

(8) To the extent not otherwise allowed, deduct any 10221  
dividends received by a taxpayer from an insurance company, if 10222  
the taxpayer owns at least eighty per cent of the issued and 10223  
outstanding common stock of the insurance company. As used in 10224  
division (I)(8) of this section, "insurance company" means an 10225  
insurance company that is taxable under Chapter 5725. or 5729. 10226  
of the Revised Code. 10227

(9) Deduct expenditures for modifying existing buildings 10228  
or structures to meet American national standards institute 10229  
standard A-117.1-1961 (R-1971), as amended; provided, that no 10230  
deduction shall be allowed to the extent that such deduction is 10231  
not permitted under federal law or under rules of the tax 10232  
commissioner. Those deductions as are allowed may be taken over 10233  
a period of five years. The tax commissioner shall adopt rules 10234  
under Chapter 119. of the Revised Code establishing reasonable 10235  
limitations on the extent that expenditures for modifying 10236  
existing buildings or structures are attributable to the purpose 10237  
of making the buildings or structures accessible to and usable 10238  
by physically handicapped persons. 10239

(10) Deduct the amount of wages and salaries, if any, not 10240  
otherwise allowable as a deduction but that would have been 10241  
allowable as a deduction in computing federal taxable income 10242  
before operating loss deduction and special deductions for the 10243  
taxable year, had the targeted jobs credit allowed and 10244

determined under sections 38, 51, and 52 of the Internal Revenue Code not been in effect. 10245  
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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. 10247  
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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. 10258  
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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, 10305  
estate, trust, or corporation, if the stockholder and the 10306  
stockholder's partnerships, estates, trusts, and corporations 10307  
own directly, indirectly, beneficially, or constructively, in 10308  
the aggregate, at least fifty per cent of the value of the 10309  
taxpayer's outstanding stock; 10310

(iii) A corporation, or a party related to the corporation 10311  
in a manner that would require an attribution of stock from the 10312  
corporation to the party or from the party to the corporation 10313  
under division (I) (12) (c) (iv) of this section, if the taxpayer 10314  
owns, directly, indirectly, beneficially, or constructively, at 10315  
least fifty per cent of the value of the corporation's 10316  
outstanding stock. 10317

(iv) The attribution rules of section 318 of the Internal 10318  
Revenue Code apply for purposes of determining whether the 10319  
ownership requirements in divisions (I) (12) (c) (i) to (iii) of 10320  
this section have been met. 10321

(d) For purposes of the adjustments required by division 10322  
(I) (12) (a) of this section, the term "investment in the stock or 10323  
debt of another entity" means only those investments where the 10324  
taxpayer and the taxpayer's related entities directly, 10325  
indirectly, beneficially, or constructively own, in the 10326  
aggregate, at any time during the twenty-four month period 10327  
commencing one year prior to the direct or indirect sale, 10328  
exchange, or other disposition of such investment at least fifty 10329  
per cent or more of the value of either the outstanding stock or 10330  
such debt of such other entity. 10331

(e) For purposes of the adjustments required by division 10332  
(I) (12) (b) of this section, the term "related entity" excludes 10333  
all of the following: 10334

(i) Foreign corporations as defined in section 7701 of the Internal Revenue Code;	10335 10336
(ii) Foreign partnerships as defined in section 7701 of the Internal Revenue Code;	10337 10338
(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;	10339 10340 10341
(iv) Foreign estates and foreign trusts as defined in section 7701 of the Internal Revenue Code.	10342 10343
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.	10344 10345 10346 10347
(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:	10348 10349 10350 10351
(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;	10352 10353 10354 10355
(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.	10356 10357 10358 10359 10360 10361 10362

(13) Any adjustment required by section 5733.042 of the Revised Code.	10363 10364
(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:	10365 10366 10367
(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;	10368 10369 10370 10371
(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.	10372 10373 10374 10375
(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.	10376 10377 10378 10379 10380 10381 10382 10383
(16) Any adjustment required by section 5733.0510 or 5733.0511 of the Revised Code.	10384 10385
(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.	10386 10387 10388 10389 10390 10391

(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 10421  
division (I) (17) (c) of this section, the amount deducted shall 10422  
be allocated to the same location. Otherwise, the amount shall 10423  
be apportioned using the apportionment factors for the taxable 10424  
year in which the deduction is taken, subject to division (B) (2) 10425  
(d) of section 5733.05 of the Revised Code. 10426

(J) Except as otherwise expressly provided or clearly 10427  
appearing from the context, any term used in this chapter has 10428  
the same meaning as when used in a comparable context in the 10429  
laws of the United States relating to federal income taxes. Any 10430  
reference in this chapter to the Internal Revenue Code includes 10431  
other laws of the United States relating to federal income 10432  
taxes. 10433

(K) "Financial institution" has the meaning given by 10434  
section 5725.01 of the Revised Code but does not include a 10435  
production credit association as described in 85 Stat. 597, 12 10436  
U.S.C.A. 2091. 10437

(L) (1) A "qualifying holding company" is any corporation 10438  
satisfying all of the following requirements: 10439

(a) Subject to divisions (L) (2) and (3) of this section, 10440  
the net book value of the corporation's intangible assets is 10441  
greater than or equal to ninety per cent of the net book value 10442  
of all of its assets and at least fifty per cent of the net book 10443  
value of all of its assets represents direct or indirect 10444  
investments in the equity of, loans and advances to, and 10445  
accounts receivable due from related members; 10446

(b) At least ninety per cent of the corporation's gross 10447  
income for the taxable year is attributable to the following: 10448

(i) The maintenance, management, ownership, acquisition, 10449

use, and disposition of its intangible property, its aircraft 10450  
the use of which is not subject to regulation under 14 C.F.R. 10451  
part 121 or part 135, and any real property described in 10452  
division (L) (2) (c) of this section; 10453

(ii) The collection and distribution of income from such 10454  
property. 10455

(c) The corporation is not a financial institution on the 10456  
last day of the taxable year ending prior to the first day of 10457  
the tax year; 10458

(d) The corporation's related members make a good faith 10459  
and reasonable effort to make timely and fully the adjustments 10460  
required by division (D) of section 5733.05 of the Revised Code 10461  
and to pay timely and fully all uncontested taxes, interest, 10462  
penalties, and other fees and charges imposed under this 10463  
chapter; 10464

(e) Subject to division (L) (4) of this section, the 10465  
corporation elects to be treated as a qualifying holding company 10466  
for the tax year. 10467

A corporation otherwise satisfying divisions (L) (1) (a) to 10468  
(e) of this section that does not elect to be a qualifying 10469  
holding company is not a qualifying holding company for the 10470  
purposes of this chapter. 10471

(2) (a) (i) For purposes of making the ninety per cent 10472  
computation under division (L) (1) (a) of this section, the net 10473  
book value of the corporation's assets shall not include the net 10474  
book value of aircraft or real property described in division 10475  
(L) (1) (b) (i) of this section. 10476

(ii) For purposes of making the fifty per cent computation 10477  
under division (L) (1) (a) of this section, the net book value of 10478

assets shall include the net book value of aircraft or real 10479  
property described in division (L) (1) (b) (i) of this section. 10480

(b) (i) As used in division (L) of this section, 10481  
"intangible asset" includes, but is not limited to, the 10482  
corporation's direct interest in each pass-through entity only 10483  
if at all times during the corporation's taxable year ending 10484  
prior to the first day of the tax year the corporation's and the 10485  
corporation's related members' combined direct and indirect 10486  
interests in the capital or profits of such pass-through entity 10487  
do not exceed fifty per cent. If the corporation's interest in 10488  
the pass-through entity is an intangible asset for that taxable 10489  
year, then the distributive share of any income from the pass- 10490  
through entity shall be income from an intangible asset for that 10491  
taxable year. 10492

(ii) If a corporation's and the corporation's related 10493  
members' combined direct and indirect interests in the capital 10494  
or profits of a pass-through entity exceed fifty per cent at any 10495  
time during the corporation's taxable year ending prior to the 10496  
first day of the tax year, "intangible asset" does not include 10497  
the corporation's direct interest in the pass-through entity, 10498  
and the corporation shall include in its assets its 10499  
proportionate share of the assets of any such pass-through 10500  
entity and shall include in its gross income its distributive 10501  
share of the gross income of such pass-through entity in the 10502  
same form as was earned by the pass-through entity. 10503

(iii) A pass-through entity's direct or indirect 10504  
proportionate share of any other pass-through entity's assets 10505  
shall be included for the purpose of computing the corporation's 10506  
proportionate share of the pass-through entity's assets under 10507  
division (L) (2) (b) (ii) of this section, and such pass-through 10508

entity's distributive share of any other pass-through entity's 10509  
gross income shall be included for purposes of computing the 10510  
corporation's distributive share of the pass-through entity's 10511  
gross income under division (L) (2) (b) (ii) of this section. 10512

(c) For the purposes of divisions (L) (1) (b) (i), (1) (b) 10513  
(ii), (2) (a) (i), and (2) (a) (ii) of this section, real property 10514  
is described in division (L) (2) (c) of this section only if all 10515  
of the following conditions are present at all times during the 10516  
taxable year ending prior to the first day of the tax year: 10517

(i) The real property serves as the headquarters of the 10518  
corporation's trade or business, or is the place from which the 10519  
corporation's trade or business is principally managed or 10520  
directed; 10521

(ii) Not more than ten per cent of the value of the real 10522  
property and not more than ten per cent of the square footage of 10523  
the building or buildings that are part of the real property is 10524  
used, made available, or occupied for the purpose of providing, 10525  
acquiring, transferring, selling, or disposing of tangible 10526  
property or services in the normal course of business to persons 10527  
other than related members, the corporation's employees and 10528  
their families, and such related members' employees and their 10529  
families. 10530

(d) As used in division (L) of this section, "related 10531  
member" has the same meaning as in division (A) (6) of section 10532  
5733.042 of the Revised Code without regard to division (B) of 10533  
that section. 10534

(3) The percentages described in division (L) (1) (a) of 10535  
this section shall be equal to the quarterly average of those 10536  
percentages as calculated during the corporation's taxable year 10537

ending prior to the first day of the tax year.	10538
(4) With respect to the election described in division (L)	10539
(1) (e) of this section:	10540
(a) The election need not accompany a timely filed report;	10541
(b) The election need not accompany the report; rather,	10542
the election may accompany a subsequently filed but timely	10543
application for refund and timely amended report, or a	10544
subsequently filed but timely petition for reassessment;	10545
(c) The election is not irrevocable;	10546
(d) The election applies only to the tax year specified by	10547
the corporation;	10548
(e) The corporation's related members comply with division	10549
(L) (1) (d) of this section.	10550
Nothing in division (L) (4) of this section shall be	10551
construed to extend any statute of limitations set forth in this	10552
chapter.	10553
(M) "Qualifying controlled group" means two or more	10554
corporations that satisfy the ownership and control requirements	10555
of division (A) of section 5733.052 of the Revised Code.	10556
(N) "Limited liability company" means any limited	10557
liability company formed under Chapter 1705. <u>or 1706.</u> of the	10558
Revised Code or under the laws of any other state.	10559
(O) "Pass-through entity" means a corporation that has	10560
made an election under subchapter S of Chapter 1 of Subtitle A	10561
of the Internal Revenue Code for its taxable year under that	10562
code, or a partnership, limited liability company, or any other	10563
person, other than an individual, trust, or estate, if the	10564

partnership, limited liability company, or other person is not 10565  
classified for federal income tax purposes as an association 10566  
taxed as a corporation. 10567

(P) "Electric company," "combined company," and "telephone 10568  
company" have the same meanings as in section 5727.01 of the 10569  
Revised Code. 10570

(Q) "Business income" means income arising from 10571  
transactions, activities, and sources in the regular course of a 10572  
trade or business and includes income from real property, 10573  
tangible personal property, and intangible personal property if 10574  
the acquisition, rental, management, and disposition of the 10575  
property constitute integral parts of the regular course of a 10576  
trade or business operation. "Business income" includes income, 10577  
including gain or loss, from a partial or complete liquidation 10578  
of a business, including, but not limited to, gain or loss from 10579  
the sale or other disposition of goodwill. 10580

(R) "Nonbusiness income" means all income other than 10581  
business income. 10582

**Sec. 5733.33.** (A) As used in this section: 10583

(1) "Manufacturing machinery and equipment" means engines 10584  
and machinery, and tools and implements, of every kind used, or 10585  
designed to be used, in refining and manufacturing. 10586  
"Manufacturing machinery and equipment" does not include 10587  
property acquired after December 31, 1999, that is used: 10588

(a) For the transmission and distribution of electricity; 10589

(b) For the generation of electricity, if fifty per cent 10590  
or more of the electricity that the property generates is 10591  
consumed, during the one-hundred-twenty-month period commencing 10592  
with the date the property is placed in service, by persons that 10593

are not related members to the person who generates the 10594  
electricity. 10595

(2) "New manufacturing machinery and equipment" means 10596  
manufacturing machinery and equipment, the original use in this 10597  
state of which commences with the taxpayer or with a partnership 10598  
of which the taxpayer is a partner. "New manufacturing machinery 10599  
and equipment" does not include property acquired after December 10600  
31, 1999, that is used: 10601

(a) For the transmission and distribution of electricity; 10602

(b) For the generation of electricity, if fifty per cent 10603  
or more of the electricity that the property generates is 10604  
consumed, during the one-hundred-twenty-month period commencing 10605  
with the date the property is placed in service, by persons that 10606  
are not related members to the person who generates the 10607  
electricity. 10608

(3) (a) "Purchase" has the same meaning as in section 10609  
179(d) (2) of the Internal Revenue Code. 10610

(b) For purposes of this section, any property that is not 10611  
manufactured or assembled primarily by the taxpayer is 10612  
considered purchased at the time the agreement to acquire the 10613  
property becomes binding. Any property that is manufactured or 10614  
assembled primarily by the taxpayer is considered purchased at 10615  
the time the taxpayer places the property in service in the 10616  
county for which the taxpayer will calculate the county excess 10617  
amount. 10618

(c) Notwithstanding section 179(d) of the Internal Revenue 10619  
Code, a taxpayer's direct or indirect acquisition of new 10620  
manufacturing machinery and equipment is not purchased on or 10621  
after July 1, 1995, if the taxpayer, or a person whose 10622

relationship to the taxpayer is described in subparagraphs (A), 10623  
(B), or (C) of section 179(d)(2) of the Internal Revenue Code, 10624  
had directly or indirectly entered into a binding agreement to 10625  
acquire the property at any time prior to July 1, 1995. 10626

(4) "Qualifying period" means the period that begins July 10627  
1, 1995, and ends June 30, 2005. 10628

(5) "County average new manufacturing machinery and 10629  
equipment investment" means either of the following: 10630

(a) The average annual cost of new manufacturing machinery 10631  
and equipment purchased for use in the county during baseline 10632  
years, in the case of a taxpayer that was in existence for more 10633  
than one year during baseline years. 10634

(b) Zero, in the case of a taxpayer that was not in 10635  
existence for more than one year during baseline years. 10636

(6) "Partnership" includes a limited liability company 10637  
formed under Chapter 1705. or 1706. of the Revised Code or under 10638  
the laws of any other state, provided that the company is not 10639  
classified for federal income tax purposes as an association 10640  
taxable as a corporation. 10641

(7) "Partner" includes a member of a limited liability 10642  
company formed under Chapter 1705. or 1706. of the Revised Code 10643  
or under the laws of any other state, provided that the company 10644  
is not classified for federal income tax purposes as an 10645  
association taxable as a corporation. 10646

(8) "Distressed area" means either a municipal corporation 10647  
that has a population of at least fifty thousand or a county 10648  
that meets two of the following criteria of economic distress, 10649  
or a municipal corporation the majority of the population of 10650  
which is situated in such a county: 10651

(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. 10681

(13) "Situational distress area" means a county or a 10682  
municipal corporation that has experienced or is experiencing a 10683  
closing or downsizing of a major employer, that will adversely 10684  
affect the county's or municipal corporation's economy. In order 10685  
to be designated as a situational distress area for a period not 10686  
to exceed thirty-six months, the county or municipal corporation 10687  
may petition the director of development. The petition shall 10688  
include written documentation that demonstrates all of the 10689  
following adverse effects on the local economy: 10690

(a) The number of jobs lost by the closing or downsizing; 10691

(b) The impact that the job loss has on the county's or 10692  
municipal corporation's unemployment rate as measured by the 10693  
state director of job and family services; 10694

(c) The annual payroll associated with the job loss; 10695

(d) The amount of state and local taxes associated with 10696  
the job loss; 10697

(e) The impact that the closing or downsizing has on the 10698  
suppliers located in the county or municipal corporation. 10699

(14) "Cost" has the same meaning and limitation as in 10700  
section 179(d) (3) of the Internal Revenue Code. 10701

(15) "Baseline years" means: 10702

(a) Calendar years 1992, 1993, and 1994, with regard to a 10703  
credit claimed for the purchase during calendar year 1995, 1996, 10704  
1997, or 1998 of new manufacturing machinery and equipment; 10705

(b) Calendar years 1993, 1994, and 1995, with regard to a 10706  
credit claimed for the purchase during calendar year 1999 of new 10707

manufacturing machinery and equipment; 10708

(c) Calendar years 1994, 1995, and 1996, with regard to a 10709  
credit claimed for the purchase during calendar year 2000 of new 10710  
manufacturing machinery and equipment; 10711

(d) Calendar years 1995, 1996, and 1997, with regard to a 10712  
credit claimed for the purchase during calendar year 2001 of new 10713  
manufacturing machinery and equipment; 10714

(e) Calendar years 1996, 1997, and 1998, with regard to a 10715  
credit claimed for the purchase during calendar year 2002 of new 10716  
manufacturing machinery and equipment; 10717

(f) Calendar years 1997, 1998, and 1999, with regard to a 10718  
credit claimed for the purchase during calendar year 2003 of new 10719  
manufacturing machinery and equipment; 10720

(g) Calendar years 1998, 1999, and 2000, with regard to a 10721  
credit claimed for the purchase during calendar year 2004 of new 10722  
manufacturing machinery and equipment; 10723

(h) Calendar years 1999, 2000, and 2001, with regard to a 10724  
credit claimed for the purchase on or after January 1, 2005, and 10725  
on or before June 30, 2005, of new manufacturing machinery and 10726  
equipment. 10727

(16) "Related member" has the same meaning as in section 10728  
5733.042 of the Revised Code. 10729

(B) (1) Subject to division (I) of this section, a 10730  
nonrefundable credit is allowed against the tax imposed by 10731  
section 5733.06 of the Revised Code for a taxpayer that 10732  
purchases new manufacturing machinery and equipment during the 10733  
qualifying period, provided that the new manufacturing machinery 10734  
and equipment are installed in this state no later than June 30, 10735

2006. No credit shall be allowed under this section for taxable 10736  
years ending on or after July 1, 2005. The elimination of the 10737  
credit for those taxable years includes the elimination of any 10738  
remaining one-sevenths of credit amounts for which a portion was 10739  
allowed for prior taxable years and the elimination of any 10740  
credit carry-forward, but the purchases on which the credits 10741  
were based remain subject to grants under section 122.173 of the 10742  
Revised Code for those remaining one-seventh amounts or carry- 10743  
forward amounts. 10744

(2) (a) Except as otherwise provided in division (B) (2) (b) 10745  
of this section, a credit may be claimed under this section in 10746  
excess of one million dollars only if the cost of all 10747  
manufacturing machinery and equipment owned in this state by the 10748  
taxpayer claiming the credit on the last day of the calendar 10749  
year exceeds the cost of all manufacturing machinery and 10750  
equipment owned in this state by the taxpayer on the first day 10751  
of that calendar year. 10752

As used in division (B) (2) (a) of this section, "calendar 10753  
year" means the calendar year in which the machinery and 10754  
equipment for which the credit is claimed was purchased. 10755

(b) Division (B) (2) (a) of this section does not apply if 10756  
the taxpayer claiming the credit applies for and is issued a 10757  
waiver of the requirement of that division. A taxpayer may apply 10758  
to the director of development for such a waiver in the manner 10759  
prescribed by the director, and the director may issue such a 10760  
waiver if the director determines that granting the credit is 10761  
necessary to increase or retain employees in this state, and 10762  
that the credit has not caused relocation of manufacturing 10763  
machinery and equipment among counties within this state for the 10764  
primary purpose of qualifying for the credit. 10765

(C) (1) Except as otherwise provided in division (C) (2) and 10766  
division (I) of this section, the credit amount is equal to 10767  
seven and one-half per cent of the excess of the cost of the new 10768  
manufacturing machinery and equipment purchased during the 10769  
calendar year for use in a county over the county average new 10770  
manufacturing machinery and equipment investment for that 10771  
county. 10772

(2) Subject to division (I) of this section, as used in 10773  
division (C) (2) of this section "county excess" means the 10774  
taxpayer's excess cost for a county as computed under division 10775  
(C) (1) of this section. 10776

Subject to division (I) of this section, a taxpayer with a 10777  
county excess, whose purchases included purchases for use in any 10778  
eligible area in the county, the credit amount is equal to 10779  
thirteen and one-half per cent of the cost of the new 10780  
manufacturing machinery and equipment purchased during the 10781  
calendar year for use in the eligible areas in the county, 10782  
provided that the cost subject to the thirteen and one-half per 10783  
cent rate shall not exceed the county excess. If the county 10784  
excess is greater than the cost of the new manufacturing 10785  
machinery and equipment purchased during the calendar year for 10786  
use in eligible areas in the county, the credit amount also 10787  
shall include an amount equal to seven and one-half per cent of 10788  
the amount of the difference. 10789

(3) If a taxpayer is allowed a credit for purchases of new 10790  
manufacturing machinery and equipment in more than one county or 10791  
eligible area, it shall aggregate the amount of those credits 10792  
each year. 10793

(4) The taxpayer shall claim one-seventh of the credit 10794  
amount for the tax year immediately following the calendar year 10795

in which the new manufacturing machinery and equipment is 10796  
purchased for use in the county by the taxpayer or partnership. 10797  
One-seventh of the taxpayer credit amount is allowed for each of 10798  
the six ensuing tax years. Except for carried-forward amounts, 10799  
the taxpayer is not allowed any credit amount remaining if the 10800  
new manufacturing machinery and equipment is sold by the 10801  
taxpayer or partnership or is transferred by the taxpayer or 10802  
partnership out of the county before the end of the seven-year 10803  
period unless, at the time of the sale or transfer, the new 10804  
manufacturing machinery and equipment has been fully depreciated 10805  
for federal income tax purposes. 10806

(5) (a) A taxpayer that acquires manufacturing machinery 10807  
and equipment as a result of a merger with the taxpayer with 10808  
whom commenced the original use in this state of the 10809  
manufacturing machinery and equipment, or with a taxpayer that 10810  
was a partner in a partnership with whom commenced the original 10811  
use in this state of the manufacturing machinery and equipment, 10812  
is entitled to any remaining or carried-forward credit amounts 10813  
to which the taxpayer was entitled. 10814

(b) A taxpayer that enters into an agreement under 10815  
division (C) (3) of section 5709.62 of the Revised Code and that 10816  
acquires manufacturing machinery or equipment as a result of 10817  
purchasing a large manufacturing facility, as defined in section 10818  
5709.61 of the Revised Code, from another taxpayer with whom 10819  
commenced the original use in this state of the manufacturing 10820  
machinery or equipment, and that operates the large 10821  
manufacturing facility so purchased, is entitled to any 10822  
remaining or carried-forward credit amounts to which the other 10823  
taxpayer who sold the facility would have been entitled under 10824  
this section had the other taxpayer not sold the manufacturing 10825  
facility or equipment. 10826

(c) New manufacturing machinery and equipment is not 10827  
considered sold if a pass-through entity transfers to another 10828  
pass-through entity substantially all of its assets as part of a 10829  
plan of reorganization under which substantially all gain and 10830  
loss is not recognized by the pass-through entity that is 10831  
transferring the new manufacturing machinery and equipment to 10832  
the transferee and under which the transferee's basis in the new 10833  
manufacturing machinery and equipment is determined, in whole or 10834  
in part, by reference to the basis of the pass-through entity 10835  
which transferred the new manufacturing machinery and equipment 10836  
to the transferee. 10837

(d) Division (C) (5) of this section shall apply only if 10838  
the acquiring taxpayer or transferee does not sell the new 10839  
manufacturing machinery and equipment or transfer the new 10840  
manufacturing machinery and equipment out of the county before 10841  
the end of the seven-year period to which division (C) (4) of 10842  
this section refers. 10843

(e) Division (C) (5) (b) of this section applies only to the 10844  
extent that the taxpayer that sold the manufacturing machinery 10845  
or equipment, upon request, timely provides to the tax 10846  
commissioner any information that the tax commissioner considers 10847  
to be necessary to ascertain any remaining or carried-forward 10848  
amounts to which the taxpayer that sold the facility would have 10849  
been entitled under this section had the taxpayer not sold the 10850  
manufacturing machinery or equipment. Nothing in division (C) (5) 10851  
(b) or (e) of this section shall be construed to allow a 10852  
taxpayer to claim any credit amount with respect to the acquired 10853  
manufacturing machinery or equipment that is greater than the 10854  
amount that would have been available to the other taxpayer that 10855  
sold the manufacturing machinery or equipment had the other 10856  
taxpayer not sold the manufacturing machinery or equipment. 10857

(D) The taxpayer shall claim the credit in the order 10858  
required under section 5733.98 of the Revised Code. Each year, 10859  
any credit amount in excess of the tax due under section 5733.06 10860  
of the Revised Code after allowing for any other credits that 10861  
precede the credit under this section in that order may be 10862  
carried forward for three tax years. 10863

(E) A taxpayer purchasing new manufacturing machinery and 10864  
equipment and intending to claim the credit shall file, with the 10865  
department of development, a notice of intent to claim the 10866  
credit on a form prescribed by the department of development. 10867  
The department of development shall inform the tax commissioner 10868  
of the notice of intent to claim the credit. No credit may be 10869  
claimed under this section for any manufacturing machinery and 10870  
equipment with respect to which a notice was not filed by the 10871  
date of a timely filed return, including extensions, for the 10872  
taxable year that includes September 30, 2005. 10873

(F) The director of development shall annually certify, by 10874  
the first day of January of each year during the qualifying 10875  
period, the eligible areas for the tax credit for the calendar 10876  
year that includes that first day of January. The director shall 10877  
send a copy of the certification to the tax commissioner. 10878

(G) New manufacturing machinery and equipment for which a 10879  
taxpayer claims the credit under section 5733.31 or 5733.311 of 10880  
the Revised Code shall not be considered new manufacturing 10881  
machinery and equipment for purposes of the credit under this 10882  
section. 10883

(H) (1) Notwithstanding sections 5733.11 and 5747.13 of the 10884  
Revised Code, but subject to division (H) (2) of this section, 10885  
the tax commissioner may issue an assessment against a person 10886  
with respect to a credit claimed under this section for new 10887

manufacturing machinery and equipment described in division (A) 10888  
(1) (b) or (2) (b) of this section, if the machinery or equipment 10889  
subsequently does not qualify for the credit. 10890

(2) Division (H) (1) of this section shall not apply after 10891  
the twenty-fourth month following the last day of the period 10892  
described in divisions (A) (1) (b) and (2) (b) of this section. 10893

(I) Notwithstanding any other provision of this section to 10894  
the contrary, in the case of a qualifying controlled group, the 10895  
credit available under this section to a taxpayer or taxpayers 10896  
in the qualifying controlled group shall be computed as if all 10897  
corporations in the group were a single corporation. The credit 10898  
shall be allocated to such a taxpayer or taxpayers in the group 10899  
in any amount elected for the taxable year by the group. Such 10900  
election shall be revocable and amendable during the period 10901  
described in division (B) of section 5733.12 of the Revised 10902  
Code. 10903

This division applies to all purchases of new 10904  
manufacturing machinery and equipment made on or after January 10905  
1, 2001, and to all baseline years used to compute any credit 10906  
attributable to such purchases; provided, that this division may 10907  
be applied solely at the election of the qualifying controlled 10908  
group with respect to all purchases of new manufacturing 10909  
machinery and equipment made before that date, and to all 10910  
baseline years used to compute any credit attributable to such 10911  
purchases. The qualifying controlled group at any time may elect 10912  
to apply this division to purchases made prior to January 1, 10913  
2001, subject to the following: 10914

(1) The election is irrevocable; 10915

(2) The election need not accompany a timely filed report, 10916

but the election may accompany a subsequently filed but timely 10917  
application for refund, a subsequently filed but timely amended 10918  
report, or a subsequently filed but timely petition for 10919  
reassessment. 10920

**Sec. 5733.42.** (A) As used in this section: 10921

(1) "Eligible training program" means a program to provide 10922  
job skills to eligible employees who are unable effectively to 10923  
function on the job due to skill deficiencies or who would 10924  
otherwise be displaced because of their skill deficiencies or 10925  
inability to use new technology, or to provide job skills to 10926  
eligible employees that enable them to perform other job duties 10927  
for the taxpayer. Eligible training programs do not include 10928  
executive, management, or personal enrichment training programs, 10929  
or training programs intended exclusively for personal career 10930  
development. 10931

(2) "Eligible employee" means an individual who is 10932  
employed in this state by a taxpayer and has been so employed by 10933  
the same taxpayer for at least one hundred eighty consecutive 10934  
days before the day an application for the credit is filed under 10935  
this section. "Eligible employee" does not include any employee 10936  
for which a credit is claimed pursuant to division (A) (5) of 10937  
section 5709.65 of the Revised Code for all or any part of the 10938  
same year, an employee who is not a full-time employee, or 10939  
executive or managerial personnel, except for the immediate 10940  
supervisors of nonexecutive, nonmanagerial personnel. 10941

(3) "Eligible training costs" means: 10942

(a) Direct instructional costs, such as instructor 10943  
salaries, materials and supplies, textbooks and manuals, 10944  
videotapes, and other instructional media and training equipment 10945

used exclusively for the purpose of training eligible employees; 10946

(b) Wages paid to eligible employees for time devoted 10947  
exclusively to an eligible training program during normal paid 10948  
working hours. 10949

(4) "Full-time employee" means an individual who is 10950  
employed for consideration for at least thirty-five hours per 10951  
week, or who renders any other standard of service generally 10952  
accepted by custom or specified by contract as full-time 10953  
employment. 10954

(5) "Partnership" includes a limited liability company 10955  
formed under Chapter 1705. or 1706. of the Revised Code or under 10956  
the laws of another state, provided that the company is not 10957  
classified for federal income tax purposes as an association 10958  
taxable as a corporation. 10959

(B) There is hereby allowed a nonrefundable credit against 10960  
the tax imposed by section 5733.06 of the Revised Code for 10961  
taxpayers for which a tax credit certificate is issued under 10962  
division (C) of this section. The credit may be claimed for tax 10963  
years 2004, 2005, 2006, 2007, and 2008. The amount of the credit 10964  
for tax year 2004 shall equal one-half of the average of the 10965  
eligible training costs paid or incurred by the taxpayer during 10966  
calendar years 1999, 2000, and 2001, not to exceed one thousand 10967  
dollars for each eligible employee on account of whom eligible 10968  
training costs were paid or incurred by the taxpayer during 10969  
those calendar years. The amount of the credit for tax year 2005 10970  
shall equal one-half of the average of the eligible training 10971  
costs paid or incurred by the taxpayer during calendar years 10972  
2002, 2003, and 2004, not to exceed one thousand dollars for 10973  
each eligible employee on account of whom eligible training 10974  
costs were paid or incurred by the taxpayer during those 10975

calendar years. The amount of the credit for tax year 2006 shall 10976  
equal one-half of the average of the eligible training costs 10977  
paid or incurred by the taxpayer during calendar years 2003, 10978  
2004, and 2005, not to exceed one thousand dollars for each 10979  
eligible employee on account of whom eligible training costs 10980  
were paid or incurred by the taxpayer during those calendar 10981  
years. The amount of the credit for tax year 2007 shall equal 10982  
one-half of the average of the eligible training costs paid or 10983  
incurred by the taxpayer during calendar years 2004, 2005, and 10984  
2006, not to exceed one thousand dollars for each eligible 10985  
employee on account of whom eligible training costs were paid or 10986  
incurred by the taxpayer during those calendar years. The amount 10987  
of the credit for tax year 2008 shall equal one-half of the 10988  
average of the eligible training costs paid or incurred by the 10989  
taxpayer during calendar years 2005, 2006, and 2007, not to 10990  
exceed one thousand dollars for each eligible employee on 10991  
account of whom eligible training costs were paid or incurred by 10992  
the taxpayer during those calendar years. 10993

The credit claimed by a taxpayer each tax year shall not 10994  
exceed one hundred thousand dollars. 10995

(C) A taxpayer who proposes to conduct an eligible 10996  
training program may apply to the director of job and family 10997  
services for a tax credit certificate under this section. The 10998  
taxpayer may apply for such a certificate for tax years 2004, 10999  
2005, 2006, 2007, and 2008 subject to division (L) of this 11000  
section. The director shall prescribe the form of the 11001  
application, which shall require a detailed description of the 11002  
proposed training program. The director may require applicants 11003  
to remit an application fee with each application filed with the 11004  
director. The fee shall not exceed the reasonable and necessary 11005  
expenses incurred by the director in receiving, reviewing, and 11006

approving such applications and issuing tax credit certificates. 11007  
Proceeds from fees shall be used solely for the purpose of 11008  
receiving, reviewing, and approving such applications and 11009  
issuing such certificates. 11010

After receipt of an application, the director shall 11011  
authorize a credit under this section by issuing a tax credit 11012  
certificate, in the form prescribed by the director, if the 11013  
director determines all of the following: 11014

(1) The proposed training program is an eligible training 11015  
program under this section; 11016

(2) The proposed training program is economically sound 11017  
and will benefit the people of this state by improving workforce 11018  
skills and strengthening the economy of this state; 11019

(3) Receiving the tax credit is a major factor in the 11020  
taxpayer's decision to go forward with the training program; 11021

(4) Authorization of the credit is consistent with 11022  
division (H) of this section. 11023

The credit also is allowed for a taxpayer that is a 11024  
partner in a partnership that pays or incurs eligible training 11025  
costs. Such a taxpayer shall determine the taxpayer's credit 11026  
amount in the manner prescribed by division (K) of this section. 11027

(D) If the director of job and family services denies an 11028  
application for a tax credit certificate, the director shall 11029  
send notice of the denial and the reason for denial to the 11030  
applicant by certified mail, return receipt requested. If the 11031  
director determines that an authorized training program, as 11032  
actually conducted, fails to meet the requirements of this 11033  
section or to comply with any condition set forth in the 11034  
authorization, the director may reduce the amount of the tax 11035

credit previously granted. If the director reduces a tax credit, 11036  
the director shall send notice of the reduction and the reason 11037  
for the reduction to the taxpayer by certified mail, return 11038  
receipt requested, and shall certify the reduction to the tax 11039  
commissioner or, in the case of the reduction of a credit 11040  
claimed by an insurance company, the superintendent of 11041  
insurance. The tax commissioner or superintendent of insurance 11042  
shall reduce the credit that may be claimed by the taxpayer 11043  
accordingly. Within sixty days after receiving a notice of 11044  
denial or notice of reduction of the tax credit, an applicant or 11045  
taxpayer may request, in writing, a hearing before the director 11046  
to review the denial or reduction. Within sixty days after 11047  
receiving a request that is filed within the prescribed time, 11048  
the director shall hold such a hearing at a location to be 11049  
determined by the director. Within thirty days after the hearing 11050  
is adjourned, the director shall issue a redetermination 11051  
affirming, reversing, or modifying the denial or reduction of 11052  
the tax credit and send notice of the redetermination to the 11053  
applicant or taxpayer by certified mail, return receipt 11054  
requested, and shall issue a notice of the redetermination to 11055  
the tax commissioner or superintendent of insurance. If an 11056  
applicant or taxpayer is aggrieved by the director's 11057  
redetermination, the applicant or taxpayer may appeal the 11058  
redetermination to the board of tax appeals in the manner 11059  
prescribed by section 5717.02 of the Revised Code. 11060

(E) A taxpayer to which a tax credit certificate is issued 11061  
shall retain records indicating the eligible training costs it 11062  
pays or incurs for the eligible training program for which the 11063  
certificate is issued for four years following the end of the 11064  
tax year for which the credit is claimed. Such records shall be 11065  
open to inspection by the director of job and family services 11066

upon the director's request during business hours. 11067

Financial statements and other information submitted by an 11068  
applicant to the director of job and family services for a tax 11069  
credit under this section, and any information taken for any 11070  
purpose from such statements or information, are not public 11071  
records subject to section 149.43 of the Revised Code. However, 11072  
the director of job and family services, the tax commissioner, 11073  
or superintendent of insurance may make use of the statements 11074  
and other information for purposes of issuing public reports or 11075  
in connection with court proceedings concerning tax credits 11076  
allowed under this section and sections 5725.31 and 5729.07 of 11077  
the Revised Code. 11078

(F) The director of job and family services, in accordance 11079  
with Chapter 119. of the Revised Code, shall adopt rules 11080  
necessary to implement this section and sections 5725.31 and 11081  
5729.07 of the Revised Code. The rules shall be adopted after 11082  
consultation with the tax commissioner and the superintendent of 11083  
insurance. The rules shall require that if a taxpayer to which a 11084  
tax credit certificate is issued under any of those sections 11085  
permanently relocates or transfers employees trained under the 11086  
tax credit certificate to another state or country within two 11087  
years of receiving the certificate, the taxpayer shall repay the 11088  
total amount of the tax credit received by the taxpayer for any 11089  
employees permanently relocated or transferred. At the time the 11090  
director gives public notice under division (A) of section 11091  
119.03 of the Revised Code of the adoption of the rules, the 11092  
director shall submit copies of the proposed rules to the 11093  
chairpersons and ranking minority members of the standing 11094  
committees in the senate and the house of representatives to 11095  
which legislation on economic development matters are 11096  
customarily referred. 11097

(G) On or before the thirtieth day of September of 2001, 11098  
2003, 2004, 2005, 2006, 2007, and 2008 the director of job and 11099  
family services shall submit a report to the governor, the 11100  
president of the senate, and the speaker of the house of 11101  
representatives on the tax credit program under this section and 11102  
sections 5725.31 and 5729.07 of the Revised Code. The report 11103  
shall include information on the number of training programs 11104  
that were authorized under those sections during the preceding 11105  
calendar year, a description of each authorized training 11106  
program, the dollar amounts of the credits granted, and an 11107  
estimate of the impact of the credits on the economy of this 11108  
state. 11109

(H) The aggregate amount of credits authorized under this 11110  
section and sections 5725.31 and 5729.07 of the Revised Code 11111  
shall not exceed twenty million dollars per calendar year. No 11112  
more than ten million dollars in credits per calendar year shall 11113  
be authorized for persons engaged primarily in manufacturing. No 11114  
less than five million dollars in credits per calendar year 11115  
shall be set aside for persons engaged primarily in activities 11116  
other than manufacturing and having fewer than five hundred 11117  
employees. Subject to such limits, the director of job and 11118  
family services shall adopt a rule under division (F) of this 11119  
section that establishes criteria and procedures for 11120  
distribution of the credits. 11121

(I) A nonrefundable credit allowed under this section 11122  
shall be claimed in the order required under section 5733.98 of 11123  
the Revised Code. 11124

(J) The taxpayer may carry forward any credit amount in 11125  
excess of its tax due after allowing for any other credits that 11126  
precede the credit under this section in the order required 11127

under section 5733.98 of the Revised Code. The excess credit may 11128  
be carried forward for three years following the tax year for 11129  
which it is first claimed under this section. 11130

(K) A taxpayer that is a partner in a partnership on the 11131  
last day of the third calendar year of the three-year period 11132  
during which the partnership pays or incurs eligible training 11133  
costs may claim a credit under this section for the tax year 11134  
immediately following that calendar year. The amount of a 11135  
partner's credit equals the partner's interest in the 11136  
partnership on the last day of such calendar year multiplied by 11137  
the credit available to the partnership as computed by the 11138  
partnership. 11139

(L) The director of job and family services shall not 11140  
authorize any credits under this section and sections 5725.31 11141  
and 5729.07 of the Revised Code for eligible training costs paid 11142  
or incurred after December 31, 2007. 11143

**Sec. 5747.01.** Except as otherwise expressly provided or 11144  
clearly appearing from the context, any term used in this 11145  
chapter that is not otherwise defined in this section has the 11146  
same meaning as when used in a comparable context in the laws of 11147  
the United States relating to federal income taxes or if not 11148  
used in a comparable context in those laws, has the same meaning 11149  
as in section 5733.40 of the Revised Code. Any reference in this 11150  
chapter to the Internal Revenue Code includes other laws of the 11151  
United States relating to federal income taxes. 11152

As used in this chapter: 11153

(A) "Adjusted gross income" or "Ohio adjusted gross 11154  
income" means federal adjusted gross income, as defined and used 11155  
in the Internal Revenue Code, adjusted as provided in this 11156

section:	11157
(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.	11158 11159 11160 11161
(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.	11162 11163 11164 11165 11166
(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.	11167 11168 11169 11170 11171 11172
(4) Deduct disability and survivor's benefits to the extent included in federal adjusted gross income.	11173 11174
(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.	11175 11176 11177 11178
(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	11179 11180 11181 11182 11183 11184 11185

made to the extent that the portion was not included in the 11186  
trust's taxable income for any of the trust's taxable years 11187  
beginning in 2002 or thereafter. "Undistributed net income of a 11188  
trust" means the taxable income of the trust increased by (a) (i) 11189  
the additions to adjusted gross income required under division 11190  
(A) of this section and (ii) the personal exemptions allowed to 11191  
the trust pursuant to section 642(b) of the Internal Revenue 11192  
Code, and decreased by (b) (i) the deductions to adjusted gross 11193  
income required under division (A) of this section, (ii) the 11194  
amount of federal income taxes attributable to such income, and 11195  
(iii) the amount of taxable income that has been included in the 11196  
adjusted gross income of a beneficiary by reason of a prior 11197  
accumulation distribution. Any undistributed net income included 11198  
in the adjusted gross income of a beneficiary shall reduce the 11199  
undistributed net income of the trust commencing with the 11200  
earliest years of the accumulation period. 11201

(7) Deduct the amount of wages and salaries, if any, not 11202  
otherwise allowable as a deduction but that would have been 11203  
allowable as a deduction in computing federal adjusted gross 11204  
income for the taxable year, had the targeted jobs credit 11205  
allowed and determined under sections 38, 51, and 52 of the 11206  
Internal Revenue Code not been in effect. 11207

(8) Deduct any interest or interest equivalent on public 11208  
obligations and purchase obligations to the extent that the 11209  
interest or interest equivalent is included in federal adjusted 11210  
gross income. 11211

(9) Add any loss or deduct any gain resulting from the 11212  
sale, exchange, or other disposition of public obligations to 11213  
the extent that the loss has been deducted or the gain has been 11214  
included in computing federal adjusted gross income. 11215

(10) Deduct or add amounts, as provided under section 11216  
5747.70 of the Revised Code, related to contributions to 11217  
variable college savings program accounts made or tuition units 11218  
purchased pursuant to Chapter 3334. of the Revised Code. 11219

(11) (a) Deduct, to the extent not otherwise allowable as a 11220  
deduction or exclusion in computing federal or Ohio adjusted 11221  
gross income for the taxable year, the amount the taxpayer paid 11222  
during the taxable year for medical care insurance and qualified 11223  
long-term care insurance for the taxpayer, the taxpayer's 11224  
spouse, and dependents. No deduction for medical care insurance 11225  
under division (A) (11) (a) of this section shall be allowed 11226  
either to any taxpayer who is eligible to participate in any 11227  
subsidized health plan maintained by any employer of the 11228  
taxpayer or of the taxpayer's spouse, or to any taxpayer who is 11229  
entitled to, or on application would be entitled to, benefits 11230  
under part A of Title XVIII of the "Social Security Act," 49 11231  
Stat. 620 (1935), 42 U.S.C. 301, as amended. For the purposes of 11232  
division (A) (11) (a) of this section, "subsidized health plan" 11233  
means a health plan for which the employer pays any portion of 11234  
the plan's cost. The deduction allowed under division (A) (11) (a) 11235  
of this section shall be the net of any related premium refunds, 11236  
related premium reimbursements, or related insurance premium 11237  
dividends received during the taxable year. 11238

(b) Deduct, to the extent not otherwise deducted or 11239  
excluded in computing federal or Ohio adjusted gross income 11240  
during the taxable year, the amount the taxpayer paid during the 11241  
taxable year, not compensated for by any insurance or otherwise, 11242  
for medical care of the taxpayer, the taxpayer's spouse, and 11243  
dependents, to the extent the expenses exceed seven and one-half 11244  
per cent of the taxpayer's federal adjusted gross income. 11245

(c) Deduct, to the extent not otherwise deducted or 11246  
excluded in computing federal or Ohio adjusted gross income, any 11247  
amount included in federal adjusted gross income under section 11248  
105 or not excluded under section 106 of the Internal Revenue 11249  
Code solely because it relates to an accident and health plan 11250  
for a person who otherwise would be a "qualifying relative" and 11251  
thus a "dependent" under section 152 of the Internal Revenue 11252  
Code but for the fact that the person fails to meet the income 11253  
and support limitations under section 152(d)(1)(B) and (C) of 11254  
the Internal Revenue Code. 11255

(d) For purposes of division (A)(11) of this section, 11256  
"medical care" has the meaning given in section 213 of the 11257  
Internal Revenue Code, subject to the special rules, 11258  
limitations, and exclusions set forth therein, and "qualified 11259  
long-term care" has the same meaning given in section 7702B(c) 11260  
of the Internal Revenue Code. Solely for purposes of divisions 11261  
(A)(11)(a) and (c) of this section, "dependent" includes a 11262  
person who otherwise would be a "qualifying relative" and thus a 11263  
"dependent" under section 152 of the Internal Revenue Code but 11264  
for the fact that the person fails to meet the income and 11265  
support limitations under section 152(d)(1)(B) and (C) of the 11266  
Internal Revenue Code. 11267

(12)(a) Deduct any amount included in federal adjusted 11268  
gross income solely because the amount represents a 11269  
reimbursement or refund of expenses that in any year the 11270  
taxpayer had deducted as an itemized deduction pursuant to 11271  
section 63 of the Internal Revenue Code and applicable United 11272  
States department of the treasury regulations. The deduction 11273  
otherwise allowed under division (A)(12)(a) of this section 11274  
shall be reduced to the extent the reimbursement is attributable 11275  
to an amount the taxpayer deducted under this section in any 11276

taxable year.	11277
(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.	11278 11279 11280 11281 11282
(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:	11283 11284 11285 11286
(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;	11287 11288 11289 11290
(b) It does not otherwise reduce the taxpayer's adjusted gross income for the current or any other taxable year.	11291 11292
(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.	11293 11294 11295 11296 11297 11298 11299
(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;	11300 11301 11302 11303 11304 11305

(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. 11306  
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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: 11309  
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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; 11312  
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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. 11316  
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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. 11319  
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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 11327  
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qualified tuition and fees paid to an eligible institution for 11335  
the taxpayer, the taxpayer's spouse, or any dependent of the 11336  
taxpayer, who is a resident of this state and is enrolled in or 11337  
attending a program that culminates in a degree or diploma at an 11338  
eligible institution. The deduction may be claimed only to the 11339  
extent that qualified tuition and fees are not otherwise 11340  
deducted or excluded for any taxable year from federal or Ohio 11341  
adjusted gross income. The deduction may not be claimed for 11342  
educational expenses for which the taxpayer claims a credit 11343  
under section 5747.27 of the Revised Code. 11344

(19) Add any reimbursement received during the taxable 11345  
year of any amount the taxpayer deducted under division (A) (18) 11346  
of this section in any previous taxable year to the extent the 11347  
amount is not otherwise included in Ohio adjusted gross income. 11348

(20) (a) (i) Subject to divisions (A) (20) (a) (iii), (iv), and 11349  
(v) of this section, add five-sixths of the amount of 11350  
depreciation expense allowed by subsection (k) of section 168 of 11351  
the Internal Revenue Code, including the taxpayer's 11352  
proportionate or distributive share of the amount of 11353  
depreciation expense allowed by that subsection to a pass- 11354  
through entity in which the taxpayer has a direct or indirect 11355  
ownership interest. 11356

(ii) Subject to divisions (A) (20) (a) (iii), (iv), and (v) 11357  
of this section, add five-sixths of the amount of qualifying 11358  
section 179 depreciation expense, including the taxpayer's 11359  
proportionate or distributive share of the amount of qualifying 11360  
section 179 depreciation expense allowed to any pass-through 11361  
entity in which the taxpayer has a direct or indirect ownership 11362  
interest. 11363

(iii) Subject to division (A) (20) (a) (v) of this section, 11364

for taxable years beginning in 2012 or thereafter, if the 11365  
increase in income taxes withheld by the taxpayer is equal to or 11366  
greater than ten per cent of income taxes withheld by the 11367  
taxpayer during the taxpayer's immediately preceding taxable 11368  
year, "two-thirds" shall be substituted for "five-sixths" for 11369  
the purpose of divisions (A) (20) (a) (i) and (ii) of this section. 11370

(iv) Subject to division (A) (20) (a) (v) of this section, 11371  
for taxable years beginning in 2012 or thereafter, a taxpayer is 11372  
not required to add an amount under division (A) (20) of this 11373  
section if the increase in income taxes withheld by the taxpayer 11374  
and by any pass-through entity in which the taxpayer has a 11375  
direct or indirect ownership interest is equal to or greater 11376  
than the sum of (I) the amount of qualifying section 179 11377  
depreciation expense and (II) the amount of depreciation expense 11378  
allowed to the taxpayer by subsection (k) of section 168 of the 11379  
Internal Revenue Code, and including the taxpayer's 11380  
proportionate or distributive shares of such amounts allowed to 11381  
any such pass-through entities. 11382

(v) If a taxpayer directly or indirectly incurs a net 11383  
operating loss for the taxable year for federal income tax 11384  
purposes, to the extent such loss resulted from depreciation 11385  
expense allowed by subsection (k) of section 168 of the Internal 11386  
Revenue Code and by qualifying section 179 depreciation expense, 11387  
"the entire" shall be substituted for "five-sixths of the" for 11388  
the purpose of divisions (A) (20) (a) (i) and (ii) of this section. 11389

The tax commissioner, under procedures established by the 11390  
commissioner, may waive the add-backs related to a pass-through 11391  
entity if the taxpayer owns, directly or indirectly, less than 11392  
five per cent of the pass-through entity. 11393

(b) Nothing in division (A) (20) of this section shall be 11394

construed to adjust or modify the adjusted basis of any asset. 11395

(c) To the extent the add-back required under division (A) 11396  
(20)(a) of this section is attributable to property generating 11397  
nonbusiness income or loss allocated under section 5747.20 of 11398  
the Revised Code, the add-back shall be situated to the same 11399  
location as the nonbusiness income or loss generated by the 11400  
property for the purpose of determining the credit under 11401  
division (A) of section 5747.05 of the Revised Code. Otherwise, 11402  
the add-back shall be apportioned, subject to one or more of the 11403  
four alternative methods of apportionment enumerated in section 11404  
5747.21 of the Revised Code. 11405

(d) For the purposes of division (A)(20)(a)(v) of this 11406  
section, net operating loss carryback and carryforward shall not 11407  
include the allowance of any net operating loss deduction 11408  
carryback or carryforward to the taxable year to the extent such 11409  
loss resulted from depreciation allowed by section 168(k) of the 11410  
Internal Revenue Code and by the qualifying section 179 11411  
depreciation expense amount. 11412

(e) For the purposes of divisions (A)(20) and (21) of this 11413  
section: 11414

(i) "Income taxes withheld" means the total amount 11415  
withheld and remitted under sections 5747.06 and 5747.07 of the 11416  
Revised Code by an employer during the employer's taxable year. 11417

(ii) "Increase in income taxes withheld" means the amount 11418  
by which the amount of income taxes withheld by an employer 11419  
during the employer's current taxable year exceeds the amount of 11420  
income taxes withheld by that employer during the employer's 11421  
immediately preceding taxable year. 11422

(iii) "Qualifying section 179 depreciation expense" means 11423

the difference between (I) the amount of depreciation expense 11424  
directly or indirectly allowed to a taxpayer under section 179 11425  
of the Internal Revised Code, and (II) the amount of 11426  
depreciation expense directly or indirectly allowed to the 11427  
taxpayer under section 179 of the Internal Revenue Code as that 11428  
section existed on December 31, 2002. 11429

(21) (a) If the taxpayer was required to add an amount 11430  
under division (A) (20) (a) of this section for a taxable year, 11431  
deduct one of the following: 11432

(i) One-fifth of the amount so added for each of the five 11433  
succeeding taxable years if the amount so added was five-sixths 11434  
of qualifying section 179 depreciation expense or depreciation 11435  
expense allowed by subsection (k) of section 168 of the Internal 11436  
Revenue Code; 11437

(ii) One-half of the amount so added for each of the two 11438  
succeeding taxable years if the amount so added was two-thirds 11439  
of such depreciation expense; 11440

(iii) One-sixth of the amount so added for each of the six 11441  
succeeding taxable years if the entire amount of such 11442  
depreciation expense was so added. 11443

(b) If the amount deducted under division (A) (21) (a) of 11444  
this section is attributable to an add-back allocated under 11445  
division (A) (20) (c) of this section, the amount deducted shall 11446  
be situated to the same location. Otherwise, the add-back shall 11447  
be apportioned using the apportionment factors for the taxable 11448  
year in which the deduction is taken, subject to one or more of 11449  
the four alternative methods of apportionment enumerated in 11450  
section 5747.21 of the Revised Code. 11451

(c) No deduction is available under division (A) (21) (a) of 11452

this section with regard to any depreciation allowed by section 11453  
168(k) of the Internal Revenue Code and by the qualifying 11454  
section 179 depreciation expense amount to the extent that such 11455  
depreciation results in or increases a federal net operating 11456  
loss carryback or carryforward. If no such deduction is 11457  
available for a taxable year, the taxpayer may carry forward the 11458  
amount not deducted in such taxable year to the next taxable 11459  
year and add that amount to any deduction otherwise available 11460  
under division (A) (21) (a) of this section for that next taxable 11461  
year. The carryforward of amounts not so deducted shall continue 11462  
until the entire addition required by division (A) (20) (a) of 11463  
this section has been deducted. 11464

(d) No refund shall be allowed as a result of adjustments 11465  
made by division (A) (21) of this section. 11466

(22) Deduct, to the extent not otherwise deducted or 11467  
excluded in computing federal or Ohio adjusted gross income for 11468  
the taxable year, the amount the taxpayer received during the 11469  
taxable year as reimbursement for life insurance premiums under 11470  
section 5919.31 of the Revised Code. 11471

(23) Deduct, to the extent not otherwise deducted or 11472  
excluded in computing federal or Ohio adjusted gross income for 11473  
the taxable year, the amount the taxpayer received during the 11474  
taxable year as a death benefit paid by the adjutant general 11475  
under section 5919.33 of the Revised Code. 11476

(24) Deduct, to the extent included in federal adjusted 11477  
gross income and not otherwise allowable as a deduction or 11478  
exclusion in computing federal or Ohio adjusted gross income for 11479  
the taxable year, military pay and allowances received by the 11480  
taxpayer during the taxable year for active duty service in the 11481  
United States army, air force, navy, marine corps, or coast 11482

guard or reserve components thereof or the national guard. The 11483  
deduction may not be claimed for military pay and allowances 11484  
received by the taxpayer while the taxpayer is stationed in this 11485  
state. 11486

(25) Deduct, to the extent not otherwise allowable as a 11487  
deduction or exclusion in computing federal or Ohio adjusted 11488  
gross income for the taxable year and not otherwise compensated 11489  
for by any other source, the amount of qualified organ donation 11490  
expenses incurred by the taxpayer during the taxable year, not 11491  
to exceed ten thousand dollars. A taxpayer may deduct qualified 11492  
organ donation expenses only once for all taxable years 11493  
beginning with taxable years beginning in 2007. 11494

For the purposes of division (A) (25) of this section: 11495

(a) "Human organ" means all or any portion of a human 11496  
liver, pancreas, kidney, intestine, or lung, and any portion of 11497  
human bone marrow. 11498

(b) "Qualified organ donation expenses" means travel 11499  
expenses, lodging expenses, and wages and salary forgone by a 11500  
taxpayer in connection with the taxpayer's donation, while 11501  
living, of one or more of the taxpayer's human organs to another 11502  
human being. 11503

(26) Deduct, to the extent not otherwise deducted or 11504  
excluded in computing federal or Ohio adjusted gross income for 11505  
the taxable year, amounts received by the taxpayer as retired 11506  
personnel pay for service in the uniformed services or reserve 11507  
components thereof, or the national guard, or received by the 11508  
surviving spouse or former spouse of such a taxpayer under the 11509  
survivor benefit plan on account of such a taxpayer's death. If 11510  
the taxpayer receives income on account of retirement paid under 11511

the federal civil service retirement system or federal employees 11512  
retirement system, or under any successor retirement program 11513  
enacted by the congress of the United States that is established 11514  
and maintained for retired employees of the United States 11515  
government, and such retirement income is based, in whole or in 11516  
part, on credit for the taxpayer's uniformed service, the 11517  
deduction allowed under this division shall include only that 11518  
portion of such retirement income that is attributable to the 11519  
taxpayer's uniformed service, to the extent that portion of such 11520  
retirement income is otherwise included in federal adjusted 11521  
gross income and is not otherwise deducted under this section. 11522  
Any amount deducted under division (A) (26) of this section is 11523  
not included in a taxpayer's adjusted gross income for the 11524  
purposes of section 5747.055 of the Revised Code. No amount may 11525  
be deducted under division (A) (26) of this section on the basis 11526  
of which a credit was claimed under section 5747.055 of the 11527  
Revised Code. 11528

(27) Deduct, to the extent not otherwise deducted or 11529  
excluded in computing federal or Ohio adjusted gross income for 11530  
the taxable year, the amount the taxpayer received during the 11531  
taxable year from the military injury relief fund created in 11532  
section 5902.05 of the Revised Code. 11533

(28) Deduct, to the extent not otherwise deducted or 11534  
excluded in computing federal or Ohio adjusted gross income for 11535  
the taxable year, the amount the taxpayer received as a veterans 11536  
bonus during the taxable year from the Ohio department of 11537  
veterans services as authorized by Section 2r of Article VIII, 11538  
Ohio Constitution. 11539

(29) Deduct, to the extent not otherwise deducted or 11540  
excluded in computing federal or Ohio adjusted gross income for 11541

the taxable year, any income derived from a transfer agreement 11542  
or from the enterprise transferred under that agreement under 11543  
section 4313.02 of the Revised Code. 11544

(30) Deduct, to the extent not otherwise deducted or 11545  
excluded in computing federal or Ohio adjusted gross income for 11546  
the taxable year, Ohio college opportunity or federal Pell grant 11547  
amounts received by the taxpayer or the taxpayer's spouse or 11548  
dependent pursuant to section 3333.122 of the Revised Code or 20 11549  
U.S.C. 1070a, et seq., and used to pay room or board furnished 11550  
by the educational institution for which the grant was awarded 11551  
at the institution's facilities, including meal plans 11552  
administered by the institution. For the purposes of this 11553  
division, receipt of a grant includes the distribution of a 11554  
grant directly to an educational institution and the crediting 11555  
of the grant to the enrollee's account with the institution. 11556

(31) Deduct from the portion of an individual's federal 11557  
adjusted gross income that is business income, to the extent not 11558  
otherwise deducted or excluded in computing federal adjusted 11559  
gross income for the taxable year, one hundred twenty-five 11560  
thousand dollars for each spouse if spouses file separate 11561  
returns under section 5747.08 of the Revised Code or two hundred 11562  
fifty thousand dollars for all other individuals. 11563

(32) Deduct, as provided under section 5747.78 of the 11564  
Revised Code, contributions to ABLE savings accounts made in 11565  
accordance with sections 113.50 to 113.56 of the Revised Code. 11566

(33) (a) Deduct, to the extent not otherwise deducted or 11567  
excluded in computing federal or Ohio adjusted gross income 11568  
during the taxable year, all of the following: 11569

(i) Compensation paid to a qualifying employee described 11570

in division (A) (14) (a) of section 5703.94 of the Revised Code to 11571  
the extent such compensation is for disaster work conducted in 11572  
this state during a disaster response period pursuant to a 11573  
qualifying solicitation received by the employee's employer; 11574

(ii) Compensation paid to a qualifying employee described 11575  
in division (A) (14) (b) of section 5703.94 of the Revised Code to 11576  
the extent such compensation is for disaster work conducted in 11577  
this state by the employee during the disaster response period 11578  
on critical infrastructure owned or used by the employee's 11579  
employer; 11580

(iii) Income received by an out-of-state disaster business 11581  
for disaster work conducted in this state during a disaster 11582  
response period, or, if the out-of-state disaster business is a 11583  
pass-through entity, a taxpayer's distributive share of the 11584  
pass-through entity's income from the business conducting 11585  
disaster work in this state during a disaster response period, 11586  
if, in either case, the disaster work is conducted pursuant to a 11587  
qualifying solicitation received by the business. 11588

(b) All terms used in division (A) (33) of this section 11589  
have the same meanings as in section 5703.94 of the Revised 11590  
Code. 11591

(34) For a taxpayer who is a qualifying Ohio educator, 11592  
deduct, to the extent not otherwise deducted or excluded in 11593  
computing federal or Ohio adjusted gross income for the taxable 11594  
year, the lesser of two hundred fifty dollars or the amount of 11595  
expenses described in subsections (a) (2) (D) (i) and (ii) of 11596  
section 62 of the Internal Revenue Code paid or incurred by the 11597  
taxpayer during the taxpayer's taxable year in excess of the 11598  
amount the taxpayer is authorized to deduct for that taxable 11599  
year under subsection (a) (2) (D) of that section. 11600

(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 11630  
to section 5747.24 of the Revised Code; 11631

(2) The estate of a decedent who at the time of death was 11632  
domiciled in this state. The domicile tests of section 5747.24 11633  
of the Revised Code are not controlling for purposes of division 11634  
(I) (2) of this section. 11635

(3) A trust that, in whole or part, resides in this state. 11636  
If only part of a trust resides in this state, the trust is a 11637  
resident only with respect to that part. 11638

For the purposes of division (I) (3) of this section: 11639

(a) A trust resides in this state for the trust's current 11640  
taxable year to the extent, as described in division (I) (3) (d) 11641  
of this section, that the trust consists directly or indirectly, 11642  
in whole or in part, of assets, net of any related liabilities, 11643  
that were transferred, or caused to be transferred, directly or 11644  
indirectly, to the trust by any of the following: 11645

(i) A person, a court, or a governmental entity or 11646  
instrumentality on account of the death of a decedent, but only 11647  
if the trust is described in division (I) (3) (e) (i) or (ii) of 11648  
this section; 11649

(ii) A person who was domiciled in this state for the 11650  
purposes of this chapter when the person directly or indirectly 11651  
transferred assets to an irrevocable trust, but only if at least 11652  
one of the trust's qualifying beneficiaries is domiciled in this 11653  
state for the purposes of this chapter during all or some 11654  
portion of the trust's current taxable year; 11655

(iii) A person who was domiciled in this state for the 11656  
purposes of this chapter when the trust document or instrument 11657  
or part of the trust document or instrument became irrevocable, 11658

but only if at least one of the trust's qualifying beneficiaries 11659  
is a resident domiciled in this state for the purposes of this 11660  
chapter during all or some portion of the trust's current 11661  
taxable year. If a trust document or instrument became 11662  
irrevocable upon the death of a person who at the time of death 11663  
was domiciled in this state for purposes of this chapter, that 11664  
person is a person described in division (I) (3) (a) (iii) of this 11665  
section. 11666

(b) A trust is irrevocable to the extent that the 11667  
transferor is not considered to be the owner of the net assets 11668  
of the trust under sections 671 to 678 of the Internal Revenue 11669  
Code. 11670

(c) With respect to a trust other than a charitable lead 11671  
trust, "qualifying beneficiary" has the same meaning as 11672  
"potential current beneficiary" as defined in section 1361(e) (2) 11673  
of the Internal Revenue Code, and with respect to a charitable 11674  
lead trust "qualifying beneficiary" is any current, future, or 11675  
contingent beneficiary, but with respect to any trust 11676  
"qualifying beneficiary" excludes a person or a governmental 11677  
entity or instrumentality to any of which a contribution would 11678  
qualify for the charitable deduction under section 170 of the 11679  
Internal Revenue Code. 11680

(d) For the purposes of division (I) (3) (a) of this 11681  
section, the extent to which a trust consists directly or 11682  
indirectly, in whole or in part, of assets, net of any related 11683  
liabilities, that were transferred directly or indirectly, in 11684  
whole or part, to the trust by any of the sources enumerated in 11685  
that division shall be ascertained by multiplying the fair 11686  
market value of the trust's assets, net of related liabilities, 11687  
by the qualifying ratio, which shall be computed as follows: 11688

(i) The first time the trust receives assets, the 11689  
numerator of the qualifying ratio is the fair market value of 11690  
those assets at that time, net of any related liabilities, from 11691  
sources enumerated in division (I) (3) (a) of this section. The 11692  
denominator of the qualifying ratio is the fair market value of 11693  
all the trust's assets at that time, net of any related 11694  
liabilities. 11695

(ii) Each subsequent time the trust receives assets, a 11696  
revised qualifying ratio shall be computed. The numerator of the 11697  
revised qualifying ratio is the sum of (1) the fair market value 11698  
of the trust's assets immediately prior to the subsequent 11699  
transfer, net of any related liabilities, multiplied by the 11700  
qualifying ratio last computed without regard to the subsequent 11701  
transfer, and (2) the fair market value of the subsequently 11702  
transferred assets at the time transferred, net of any related 11703  
liabilities, from sources enumerated in division (I) (3) (a) of 11704  
this section. The denominator of the revised qualifying ratio is 11705  
the fair market value of all the trust's assets immediately 11706  
after the subsequent transfer, net of any related liabilities. 11707

(iii) Whether a transfer to the trust is by or from any of 11708  
the sources enumerated in division (I) (3) (a) of this section 11709  
shall be ascertained without regard to the domicile of the 11710  
trust's beneficiaries. 11711

(e) For the purposes of division (I) (3) (a) (i) of this 11712  
section: 11713

(i) A trust is described in division (I) (3) (e) (i) of this 11714  
section if the trust is a testamentary trust and the testator of 11715  
that testamentary trust was domiciled in this state at the time 11716  
of the testator's death for purposes of the taxes levied under 11717  
Chapter 5731. of the Revised Code. 11718

(ii) A trust is described in division (I) (3) (e) (ii) of 11719  
this section if the transfer is a qualifying transfer described 11720  
in any of divisions (I) (3) (f) (i) to (vi) of this section, the 11721  
trust is an irrevocable inter vivos trust, and at least one of 11722  
the trust's qualifying beneficiaries is domiciled in this state 11723  
for purposes of this chapter during all or some portion of the 11724  
trust's current taxable year. 11725

(f) For the purposes of division (I) (3) (e) (ii) of this 11726  
section, a "qualifying transfer" is a transfer of assets, net of 11727  
any related liabilities, directly or indirectly to a trust, if 11728  
the transfer is described in any of the following: 11729

(i) The transfer is made to a trust, created by the 11730  
decedent before the decedent's death and while the decedent was 11731  
domiciled in this state for the purposes of this chapter, and, 11732  
prior to the death of the decedent, the trust became irrevocable 11733  
while the decedent was domiciled in this state for the purposes 11734  
of this chapter. 11735

(ii) The transfer is made to a trust to which the 11736  
decedent, prior to the decedent's death, had directly or 11737  
indirectly transferred assets, net of any related liabilities, 11738  
while the decedent was domiciled in this state for the purposes 11739  
of this chapter, and prior to the death of the decedent the 11740  
trust became irrevocable while the decedent was domiciled in 11741  
this state for the purposes of this chapter. 11742

(iii) The transfer is made on account of a contractual 11743  
relationship existing directly or indirectly between the 11744  
transferor and either the decedent or the estate of the decedent 11745  
at any time prior to the date of the decedent's death, and the 11746  
decedent was domiciled in this state at the time of death for 11747  
purposes of the taxes levied under Chapter 5731. of the Revised 11748

Code. 11749

(iv) The transfer is made to a trust on account of a 11750  
contractual relationship existing directly or indirectly between 11751  
the transferor and another person who at the time of the 11752  
decedent's death was domiciled in this state for purposes of 11753  
this chapter. 11754

(v) The transfer is made to a trust on account of the will 11755  
of a testator who was domiciled in this state at the time of the 11756  
testator's death for purposes of the taxes levied under Chapter 11757  
5731. of the Revised Code. 11758

(vi) The transfer is made to a trust created by or caused 11759  
to be created by a court, and the trust was directly or 11760  
indirectly created in connection with or as a result of the 11761  
death of an individual who, for purposes of the taxes levied 11762  
under Chapter 5731. of the Revised Code, was domiciled in this 11763  
state at the time of the individual's death. 11764

(g) The tax commissioner may adopt rules to ascertain the 11765  
part of a trust residing in this state. 11766

(J) "Nonresident" means an individual or estate that is 11767  
not a resident. An individual who is a resident for only part of 11768  
a taxable year is a nonresident for the remainder of that 11769  
taxable year. 11770

(K) "Pass-through entity" has the same meaning as in 11771  
section 5733.04 of the Revised Code. 11772

(L) "Return" means the notifications and reports required 11773  
to be filed pursuant to this chapter for the purpose of 11774  
reporting the tax due and includes declarations of estimated tax 11775  
when so required. 11776

(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 11805  
charter adopted pursuant to the Ohio Constitution. 11806

(R) "Overpayment" means any amount already paid that 11807  
exceeds the figure determined to be the correct amount of the 11808  
tax. 11809

(S) "Taxable income" or "Ohio taxable income" applies only 11810  
to estates and trusts, and means federal taxable income, as 11811  
defined and used in the Internal Revenue Code, adjusted as 11812  
follows: 11813

(1) Add interest or dividends, net of ordinary, necessary, 11814  
and reasonable expenses not deducted in computing federal 11815  
taxable income, on obligations or securities of any state or of 11816  
any political subdivision or authority of any state, other than 11817  
this state and its subdivisions and authorities, but only to the 11818  
extent that such net amount is not otherwise includible in Ohio 11819  
taxable income and is described in either division (S)(1)(a) or 11820  
(b) of this section: 11821

(a) The net amount is not attributable to the S portion of 11822  
an electing small business trust and has not been distributed to 11823  
beneficiaries for the taxable year; 11824

(b) The net amount is attributable to the S portion of an 11825  
electing small business trust for the taxable year. 11826

(2) Add interest or dividends, net of ordinary, necessary, 11827  
and reasonable expenses not deducted in computing federal 11828  
taxable income, on obligations of any authority, commission, 11829  
instrumentality, territory, or possession of the United States 11830  
to the extent that the interest or dividends are exempt from 11831  
federal income taxes but not from state income taxes, but only 11832  
to the extent that such net amount is not otherwise includible 11833

in Ohio taxable income and is described in either division (S) 11834  
(1) (a) or (b) of this section; 11835

(3) Add the amount of personal exemption allowed to the 11836  
estate pursuant to section 642(b) of the Internal Revenue Code; 11837

(4) Deduct interest or dividends, net of related expenses 11838  
deducted in computing federal taxable income, on obligations of 11839  
the United States and its territories and possessions or of any 11840  
authority, commission, or instrumentality of the United States 11841  
to the extent that the interest or dividends are exempt from 11842  
state taxes under the laws of the United States, but only to the 11843  
extent that such amount is included in federal taxable income 11844  
and is described in either division (S) (1) (a) or (b) of this 11845  
section; 11846

(5) Deduct the amount of wages and salaries, if any, not 11847  
otherwise allowable as a deduction but that would have been 11848  
allowable as a deduction in computing federal taxable income for 11849  
the taxable year, had the targeted jobs credit allowed under 11850  
sections 38, 51, and 52 of the Internal Revenue Code not been in 11851  
effect, but only to the extent such amount relates either to 11852  
income included in federal taxable income for the taxable year 11853  
or to income of the S portion of an electing small business 11854  
trust for the taxable year; 11855

(6) Deduct any interest or interest equivalent, net of 11856  
related expenses deducted in computing federal taxable income, 11857  
on public obligations and purchase obligations, but only to the 11858  
extent that such net amount relates either to income included in 11859  
federal taxable income for the taxable year or to income of the 11860  
S portion of an electing small business trust for the taxable 11861  
year; 11862

(7) Add any loss or deduct any gain resulting from sale, 11863  
exchange, or other disposition of public obligations to the 11864  
extent that such loss has been deducted or such gain has been 11865  
included in computing either federal taxable income or income of 11866  
the S portion of an electing small business trust for the 11867  
taxable year; 11868

(8) Except in the case of the final return of an estate, 11869  
add any amount deducted by the taxpayer on both its Ohio estate 11870  
tax return pursuant to section 5731.14 of the Revised Code, and 11871  
on its federal income tax return in determining federal taxable 11872  
income; 11873

(9) (a) Deduct any amount included in federal taxable 11874  
income solely because the amount represents a reimbursement or 11875  
refund of expenses that in a previous year the decedent had 11876  
deducted as an itemized deduction pursuant to section 63 of the 11877  
Internal Revenue Code and applicable treasury regulations. The 11878  
deduction otherwise allowed under division (S) (9) (a) of this 11879  
section shall be reduced to the extent the reimbursement is 11880  
attributable to an amount the taxpayer or decedent deducted 11881  
under this section in any taxable year. 11882

(b) Add any amount not otherwise included in Ohio taxable 11883  
income for any taxable year to the extent that the amount is 11884  
attributable to the recovery during the taxable year of any 11885  
amount deducted or excluded in computing federal or Ohio taxable 11886  
income in any taxable year, but only to the extent such amount 11887  
has not been distributed to beneficiaries for the taxable year. 11888

(10) Deduct any portion of the deduction described in 11889  
section 1341(a) (2) of the Internal Revenue Code, for repaying 11890  
previously reported income received under a claim of right, that 11891  
meets both of the following requirements: 11892

(a) It is allowable for repayment of an item that was 11893  
included in the taxpayer's taxable income or the decedent's 11894  
adjusted gross income for a prior taxable year and did not 11895  
qualify for a credit under division (A) or (B) of section 11896  
5747.05 of the Revised Code for that year. 11897

(b) It does not otherwise reduce the taxpayer's taxable 11898  
income or the decedent's adjusted gross income for the current 11899  
or any other taxable year. 11900

(11) Add any amount claimed as a credit under section 11901  
5747.059 of the Revised Code to the extent that the amount 11902  
satisfies either of the following: 11903

(a) The amount was deducted or excluded from the 11904  
computation of the taxpayer's federal taxable income as required 11905  
to be reported for the taxpayer's taxable year under the 11906  
Internal Revenue Code; 11907

(b) The amount resulted in a reduction in the taxpayer's 11908  
federal taxable income as required to be reported for any of the 11909  
taxpayer's taxable years under the Internal Revenue Code. 11910

(12) Deduct any amount, net of related expenses deducted 11911  
in computing federal taxable income, that a trust is required to 11912  
report as farm income on its federal income tax return, but only 11913  
if the assets of the trust include at least ten acres of land 11914  
satisfying the definition of "land devoted exclusively to 11915  
agricultural use" under section 5713.30 of the Revised Code, 11916  
regardless of whether the land is valued for tax purposes as 11917  
such land under sections 5713.30 to 5713.38 of the Revised Code. 11918  
If the trust is a pass-through entity investor, section 5747.231 11919  
of the Revised Code applies in ascertaining if the trust is 11920  
eligible to claim the deduction provided by division (S) (12) of 11921

this section in connection with the pass-through entity's farm income. 11922  
11923

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. 11924  
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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. 11930  
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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. 11933  
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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. 11940  
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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. 11943  
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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. 11947  
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(W) "Pass-through entity investor" means any person who, 11950

during any portion of a taxable year of a pass-through entity, 11951  
is a partner, member, shareholder, or equity investor in that 11952  
pass-through entity. 11953

(X) "Banking day" has the same meaning as in section 11954  
1304.01 of the Revised Code. 11955

(Y) "Month" means a calendar month. 11956

(Z) "Quarter" means the first three months, the second 11957  
three months, the third three months, or the last three months 11958  
of the taxpayer's taxable year. 11959

(AA) (1) "Eligible institution" means a state university or 11960  
state institution of higher education as defined in section 11961  
3345.011 of the Revised Code, or a private, nonprofit college, 11962  
university, or other post-secondary institution located in this 11963  
state that possesses a certificate of authorization issued by 11964  
the chancellor of higher education pursuant to Chapter 1713. of 11965  
the Revised Code or a certificate of registration issued by the 11966  
state board of career colleges and schools under Chapter 3332. 11967  
of the Revised Code. 11968

(2) "Qualified tuition and fees" means tuition and fees 11969  
imposed by an eligible institution as a condition of enrollment 11970  
or attendance, not exceeding two thousand five hundred dollars 11971  
in each of the individual's first two years of post-secondary 11972  
education. If the individual is a part-time student, "qualified 11973  
tuition and fees" includes tuition and fees paid for the 11974  
academic equivalent of the first two years of post-secondary 11975  
education during a maximum of five taxable years, not exceeding 11976  
a total of five thousand dollars. "Qualified tuition and fees" 11977  
does not include: 11978

(a) Expenses for any course or activity involving sports, 11979

games, or hobbies unless the course or activity is part of the individual's degree or diploma program;	11980 11981
(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;	11982 11983 11984
(c) Tuition, fees, or other expenses paid or reimbursed through an employer, scholarship, grant in aid, or other educational benefit program.	11985 11986 11987
(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.	11988 11989 11990 11991
(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:	11992 11993 11994 11995 11996 11997
(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.	11998 11999 12000 12001 12002
(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.	12003 12004 12005
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.	12006 12007 12008

(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 12038  
described in division (BB) (4) (b) of this section shall equal the 12039  
sum of the products so computed for each such qualifying 12040  
investee. 12041

(c) (i) With respect to a trust or portion of a trust that 12042  
is a resident as ascertained in accordance with division (I) (3) 12043  
(d) of this section, its modified nonbusiness income. 12044

(ii) With respect to a trust or portion of a trust that is 12045  
not a resident as ascertained in accordance with division (I) (3) 12046  
(d) of this section, the amount of its modified nonbusiness 12047  
income satisfying the descriptions in divisions (B) (2) to (5) of 12048  
section 5747.20 of the Revised Code, except as otherwise 12049  
provided in division (BB) (4) (c) (ii) of this section. With 12050  
respect to a trust or portion of a trust that is not a resident 12051  
as ascertained in accordance with division (I) (3) (d) of this 12052  
section, the trust's portion of modified nonbusiness income 12053  
recognized from the sale, exchange, or other disposition of a 12054  
debt interest in or equity interest in a section 5747.212 12055  
entity, as defined in section 5747.212 of the Revised Code, 12056  
without regard to division (A) of that section, shall not be 12057  
allocated to this state in accordance with section 5747.20 of 12058  
the Revised Code but shall be apportioned to this state in 12059  
accordance with division (B) of section 5747.212 of the Revised 12060  
Code without regard to division (A) of that section. 12061

If the allocation and apportionment of a trust's income 12062  
under divisions (BB) (4) (a) and (c) of this section do not fairly 12063  
represent the modified Ohio taxable income of the trust in this 12064  
state, the alternative methods described in division (C) of 12065  
section 5747.21 of the Revised Code may be applied in the manner 12066  
and to the same extent provided in that section. 12067

(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 12157  
that has made an election under subchapter S, chapter one, 12158  
subtitle A of the Internal Revenue Code for its taxable year 12159  
ending within, or on the last day of, the investor's taxable 12160  
year. 12161

(2) For the purposes of this chapter, unless expressly 12162  
stated otherwise, no qualifying person indirectly owns any asset 12163  
directly or indirectly owned by any qualifying corporation. 12164

(FF) For purposes of this chapter and Chapter 5751. of the 12165  
Revised Code: 12166

(1) "Trust" does not include a qualified pre-income tax 12167  
trust. 12168

(2) A "qualified pre-income tax trust" is any pre-income 12169  
tax trust that makes a qualifying pre-income tax trust election 12170  
as described in division (FF)(3) of this section. 12171

(3) A "qualifying pre-income tax trust election" is an 12172  
election by a pre-income tax trust to subject to the tax imposed 12173  
by section 5751.02 of the Revised Code the pre-income tax trust 12174  
and all pass-through entities of which the trust owns or 12175  
controls, directly, indirectly, or constructively through 12176  
related interests, five per cent or more of the ownership or 12177  
equity interests. The trustee shall notify the tax commissioner 12178  
in writing of the election on or before April 15, 2006. The 12179  
election, if timely made, shall be effective on and after 12180  
January 1, 2006, and shall apply for all tax periods and tax 12181  
years until revoked by the trustee of the trust. 12182

(4) A "pre-income tax trust" is a trust that satisfies all 12183  
of the following requirements: 12184

(a) The document or instrument creating the trust was 12185

executed by the grantor before January 1, 1972; 12186

(b) The trust became irrevocable upon the creation of the 12187  
trust; and 12188

(c) The grantor was domiciled in this state at the time 12189  
the trust was created. 12190

(GG) "Uniformed services" has the same meaning as in 10 12191  
U.S.C. 101. 12192

(HH) "Taxable business income" means the amount by which 12193  
an individual's business income that is included in federal 12194  
adjusted gross income exceeds the amount of business income the 12195  
individual is authorized to deduct under division (A) (31) of 12196  
this section for the taxable year. 12197

(II) "Employer" does not include a franchisor with respect 12198  
to the franchisor's relationship with a franchisee or an 12199  
employee of a franchisee, unless the franchisor agrees to assume 12200  
that role in writing or a court of competent jurisdiction 12201  
determines that the franchisor exercises a type or degree of 12202  
control over the franchisee or the franchisee's employees that 12203  
is not customarily exercised by a franchisor for the purpose of 12204  
protecting the franchisor's trademark, brand, or both. For 12205  
purposes of this division, "franchisor" and "franchisee" have 12206  
the same meanings as in 16 C.F.R. 436.1. 12207

(JJ) "Modified adjusted gross income" means Ohio adjusted 12208  
gross income plus any amount deducted under division (A) (31) of 12209  
this section for the taxable year. 12210

(KK) "Qualifying Ohio educator" means an individual who, 12211  
for a taxable year, qualifies as an eligible educator, as that 12212  
term is defined in section 62 of the Internal Revenue Code, and 12213  
who holds a certificate, license, or permit described in Chapter 12214

3319. or section 3301.071 of the Revised Code.	12215
<b>Sec. 5751.01.</b> As used in this chapter:	12216
(A) "Person" means, but is not limited to, individuals,	12217
combinations of individuals of any form, receivers, assignees,	12218
trustees in bankruptcy, firms, companies, joint-stock companies,	12219
business trusts, estates, partnerships, limited liability	12220
partnerships, limited liability companies, associations, joint	12221
ventures, clubs, societies, for-profit corporations, S	12222
corporations, qualified subchapter S subsidiaries, qualified	12223
subchapter S trusts, trusts, entities that are disregarded for	12224
federal income tax purposes, and any other entities.	12225
(B) "Consolidated elected taxpayer" means a group of two	12226
or more persons treated as a single taxpayer for purposes of	12227
this chapter as the result of an election made under section	12228
5751.011 of the Revised Code.	12229
(C) "Combined taxpayer" means a group of two or more	12230
persons treated as a single taxpayer for purposes of this	12231
chapter under section 5751.012 of the Revised Code.	12232
(D) "Taxpayer" means any person, or any group of persons	12233
in the case of a consolidated elected taxpayer or combined	12234
taxpayer treated as one taxpayer, required to register or pay	12235
tax under this chapter. "Taxpayer" does not include excluded	12236
persons.	12237
(E) "Excluded person" means any of the following:	12238
(1) Any person with not more than one hundred fifty	12239
thousand dollars of taxable gross receipts during the calendar	12240
year. Division (E) (1) of this section does not apply to a person	12241
that is a member of a consolidated elected taxpayer;	12242

(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	12272
that include the entire tax period under this chapter;	12273
(4) A person directly or indirectly owned by one or more	12274
financial institutions, as defined in section 5726.01 of the	12275
Revised Code, that paid the tax imposed by section 5726.02 of	12276
the Revised Code based on one or more taxable years that include	12277
the entire tax period under this chapter.	12278
For the purposes of division (E) (4) of this section, a	12279
person owns another person under the following circumstances:	12280
(a) In the case of corporations issuing capital stock, one	12281
corporation owns another corporation if it owns fifty per cent	12282
or more of the other corporation's capital stock with current	12283
voting rights;	12284
(b) In the case of a limited liability company, one person	12285
owns the company if that person's membership interest, as	12286
defined in section 1705.01 <u>or 1706.01</u> of the Revised Code <u>as</u>	12287
<u>applicable</u> , is fifty per cent or more of the combined membership	12288
interests of all persons owning such interests in the company;	12289
(c) In the case of a partnership, trust, or other	12290
unincorporated business organization other than a limited	12291
liability company, one person owns the organization if, under	12292
the articles of organization or other instrument governing the	12293
affairs of the organization, that person has a beneficial	12294
interest in the organization's profits, surpluses, losses, or	12295
distributions of fifty per cent or more of the combined	12296
beneficial interests of all persons having such an interest in	12297
the organization.	12298
(5) A domestic insurance company or foreign insurance	12299
company, as defined in section 5725.01 of the Revised Code, that	12300

paid the insurance company premiums tax imposed by section 12301  
5725.18 or Chapter 5729. of the Revised Code, or an unauthorized 12302  
insurance company whose gross premiums are subject to tax under 12303  
section 3905.36 of the Revised Code based on one or more 12304  
measurement periods that include the entire tax period under 12305  
this chapter; 12306

(6) A person that solely facilitates or services one or 12307  
more securitizations of phase-in-recovery property pursuant to a 12308  
final financing order as those terms are defined in section 12309  
4928.23 of the Revised Code. For purposes of this division, 12310  
"securitization" means transferring one or more assets to one or 12311  
more persons and then issuing securities backed by the right to 12312  
receive payment from the asset or assets so transferred. 12313

(7) Except as otherwise provided in this division, a pre- 12314  
income tax trust as defined in division (FF) (4) of section 12315  
5747.01 of the Revised Code and any pass-through entity of which 12316  
such pre-income tax trust owns or controls, directly, 12317  
indirectly, or constructively through related interests, more 12318  
than five per cent of the ownership or equity interests. If the 12319  
pre-income tax trust has made a qualifying pre-income tax trust 12320  
election under division (FF) (3) of section 5747.01 of the 12321  
Revised Code, then the trust and the pass-through entities of 12322  
which it owns or controls, directly, indirectly, or 12323  
constructively through related interests, more than five per 12324  
cent of the ownership or equity interests, shall not be excluded 12325  
persons for purposes of the tax imposed under section 5751.02 of 12326  
the Revised Code. 12327

(8) Nonprofit organizations or the state and its agencies, 12328  
instrumentalities, or political subdivisions. 12329

(F) Except as otherwise provided in divisions (F) (2), (3), 12330

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 12359  
investments in foreign operations; (ii) interest rate 12360  
fluctuations; or (iii) commodity price fluctuations. As used in 12361  
division (F) (2) (c) of this section, "hedging transaction" has 12362  
the same meaning as used in section 1221 of the Internal Revenue 12363  
Code and also includes transactions accorded hedge accounting 12364  
treatment under statement of financial accounting standards 12365  
number 133 of the financial accounting standards board. For the 12366  
purposes of division (F) (2) (c) of this section, the actual 12367  
transfer of title of real or tangible personal property to 12368  
another entity is not a hedging transaction. 12369

(d) Proceeds received attributable to the repayment, 12370  
maturity, or redemption of the principal of a loan, bond, mutual 12371  
fund, certificate of deposit, or marketable instrument; 12372

(e) The principal amount received under a repurchase 12373  
agreement or on account of any transaction properly 12374  
characterized as a loan to the person; 12375

(f) Contributions received by a trust, plan, or other 12376  
arrangement, any of which is described in section 501(a) of the 12377  
Internal Revenue Code, or to which Title 26, Subtitle A, Chapter 12378  
1, Subchapter (D) of the Internal Revenue Code applies; 12379

(g) Compensation, whether current or deferred, and whether 12380  
in cash or in kind, received or to be received by an employee, 12381  
former employee, or the employee's legal successor for services 12382  
rendered to or for an employer, including reimbursements 12383  
received by or for an individual for medical or education 12384  
expenses, health insurance premiums, or employee expenses, or on 12385  
account of a dependent care spending account, legal services 12386  
plan, any cafeteria plan described in section 125 of the 12387  
Internal Revenue Code, or any similar employee reimbursement; 12388

(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;	12389
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	12391
(i) Proceeds received on the account of payments from insurance policies, except those proceeds received for the loss of business revenue;	12392
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(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;	12395
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(k) Damages received as the result of litigation in excess of amounts that, if received without litigation, would be gross receipts;	12402
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	12404
(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;	12405
	12406
	12407
(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;	12408
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(n) Pension reversions;	12418
(o) Contributions to capital;	12419
(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;	12420 12421 12422 12423 12424
(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;	12425 12426 12427 12428 12429 12430 12431 12432
(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;	12433 12434 12435 12436 12437 12438 12439
(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;	12440 12441 12442 12443 12444 12445 12446

(t) Receipts realized by a new motor vehicle dealer or 12447  
used motor vehicle dealer, as defined in section 4517.01 of the 12448  
Revised Code, from the sale or other transfer of a motor 12449  
vehicle, as defined in that section, to another motor vehicle 12450  
dealer for the purpose of resale by the transferee motor vehicle 12451  
dealer, but only if the sale or other transfer was based upon 12452  
the transferee's need to meet a specific customer's preference 12453  
for a motor vehicle; 12454

(u) Receipts from a financial institution described in 12455  
division (E) (3) of this section for services provided to the 12456  
financial institution in connection with the issuance, 12457  
processing, servicing, and management of loans or credit 12458  
accounts, if such financial institution and the recipient of 12459  
such receipts have at least fifty per cent of their ownership 12460  
interests owned or controlled, directly or constructively 12461  
through related interests, by common owners; 12462

(v) Receipts realized from administering anti-neoplastic 12463  
drugs and other cancer chemotherapy, biologicals, therapeutic 12464  
agents, and supportive drugs in a physician's office to patients 12465  
with cancer; 12466

(w) Funds received or used by a mortgage broker that is 12467  
not a dealer in intangibles, other than fees or other 12468  
consideration, pursuant to a table-funding mortgage loan or 12469  
warehouse-lending mortgage loan. Terms used in division (F) (2) 12470  
(w) of this section have the same meanings as in section 1322.01 12471  
of the Revised Code, except "mortgage broker" means a person 12472  
assisting a buyer in obtaining a mortgage loan for a fee or 12473  
other consideration paid by the buyer or a lender, or a person 12474  
engaged in table-funding or warehouse-lending mortgage loans 12475  
that are first lien mortgage loans. 12476

(x) Property, money, and other amounts received by a	12477
professional employer organization, as defined in section	12478
4125.01 of the Revised Code, from a client employer, as defined	12479
in that section, in excess of the administrative fee charged by	12480
the professional employer organization to the client employer;	12481
(y) In the case of amounts retained as commissions by a	12482
permit holder under Chapter 3769. of the Revised Code, an amount	12483
equal to the amounts specified under that chapter that must be	12484
paid to or collected by the tax commissioner as a tax and the	12485
amounts specified under that chapter to be used as purse money;	12486
(z) Qualifying distribution center receipts.	12487
(i) For purposes of division (F)(2)(z) of this section:	12488
(I) "Qualifying distribution center receipts" means	12489
receipts of a supplier from qualified property that is delivered	12490
to a qualified distribution center, multiplied by a quantity	12491
that equals one minus the Ohio delivery percentage. If the	12492
qualified distribution center is a refining facility, "supplier"	12493
includes all dealers, brokers, processors, sellers, vendors,	12494
cosigners, and distributors of qualified property.	12495
(II) "Qualified property" means tangible personal property	12496
delivered to a qualified distribution center that is shipped to	12497
that qualified distribution center solely for further shipping	12498
by the qualified distribution center to another location in this	12499
state or elsewhere or, in the case of gold, silver, platinum, or	12500
palladium delivered to a refining facility solely for refining	12501
to a grade and fineness acceptable for delivery to a registered	12502
commodities exchange. "Further shipping" includes storing and	12503
repackaging property into smaller or larger bundles, so long as	12504
the property is not subject to further manufacturing or	12505

processing. "Refining" is limited to extracting impurities from 12506  
gold, silver, platinum, or palladium through smelting or some 12507  
other process at a refining facility. 12508

(III) "Qualified distribution center" means a warehouse, a 12509  
facility similar to a warehouse, or a refining facility in this 12510  
state that, for the qualifying year, is operated by a person 12511  
that is not part of a combined taxpayer group and that has a 12512  
qualifying certificate. All warehouses or facilities similar to 12513  
warehouses that are operated by persons in the same taxpayer 12514  
group and that are located within one mile of each other shall 12515  
be treated as one qualified distribution center. All refining 12516  
facilities that are operated by persons in the same taxpayer 12517  
group and that are located in the same or adjacent counties may 12518  
be treated as one qualified distribution center. 12519

(IV) "Qualifying year" means the calendar year to which 12520  
the qualifying certificate applies. 12521

(V) "Qualifying period" means the period of the first day 12522  
of July of the second year preceding the qualifying year through 12523  
the thirtieth day of June of the year preceding the qualifying 12524  
year. 12525

(VI) "Qualifying certificate" means the certificate issued 12526  
by the tax commissioner after the operator of a distribution 12527  
center files an annual application with the commissioner. The 12528  
application and annual fee shall be filed and paid for each 12529  
qualified distribution center on or before the first day of 12530  
September before the qualifying year or within forty-five days 12531  
after the distribution center opens, whichever is later. 12532

The applicant must substantiate to the commissioner's 12533  
satisfaction that, for the qualifying period, all persons 12534

operating the distribution center have more than fifty per cent 12535  
of the cost of the qualified property shipped to a location such 12536  
that it would be situated outside this state under the provisions 12537  
of division (E) of section 5751.033 of the Revised Code. The 12538  
applicant must also substantiate that the distribution center 12539  
cumulatively had costs from its suppliers equal to or exceeding 12540  
five hundred million dollars during the qualifying period. (For 12541  
purposes of division (F) (2) (z) (i) (VI) of this section, 12542  
"supplier" excludes any person that is part of the consolidated 12543  
elected taxpayer group, if applicable, of the operator of the 12544  
qualified distribution center.) The commissioner may require the 12545  
applicant to have an independent certified public accountant 12546  
certify that the calculation of the minimum thresholds required 12547  
for a qualified distribution center by the operator of a 12548  
distribution center has been made in accordance with generally 12549  
accepted accounting principles. The commissioner shall issue or 12550  
deny the issuance of a certificate within sixty days after the 12551  
receipt of the application. A denial is subject to appeal under 12552  
section 5717.02 of the Revised Code. If the operator files a 12553  
timely appeal under section 5717.02 of the Revised Code, the 12554  
operator shall be granted a qualifying certificate effective for 12555  
the remainder of the qualifying year or until the appeal is 12556  
finalized, whichever is earlier. If the operator does not 12557  
prevail in the appeal, the operator shall pay the ineligible 12558  
operator's supplier tax liability. 12559

(VII) "Ohio delivery percentage" means the proportion of 12560  
the total property delivered to a destination inside Ohio from 12561  
the qualified distribution center during the qualifying period 12562  
compared with total deliveries from such distribution center 12563  
everywhere during the qualifying period. 12564

(VIII) "Refining facility" means one or more buildings 12565

located in a county in the Appalachian region of this state as 12566  
defined by section 107.21 of the Revised Code and utilized for 12567  
refining or smelting gold, silver, platinum, or palladium to a 12568  
grade and fineness acceptable for delivery to a registered 12569  
commodities exchange. 12570

(IX) "Registered commodities exchange" means a board of 12571  
trade, such as New York mercantile exchange, inc. or commodity 12572  
exchange, inc., designated as a contract market by the commodity 12573  
futures trading commission under the "Commodity Exchange Act," 7 12574  
U.S.C. 1 et seq., as amended. 12575

(X) "Ineligible operator's supplier tax liability" means 12576  
an amount equal to the tax liability of all suppliers of a 12577  
distribution center had the distribution center not been issued 12578  
a qualifying certificate for the qualifying year. Ineligible 12579  
operator's supplier tax liability shall not include interest or 12580  
penalties. The tax commissioner shall determine an ineligible 12581  
operator's supplier tax liability based on information that the 12582  
commissioner may request from the operator of the distribution 12583  
center. An operator shall provide a list of all suppliers of the 12584  
distribution center and the corresponding costs of qualified 12585  
property for the qualifying year at issue within sixty days of a 12586  
request by the commissioner under this division. 12587

(ii) (I) If the distribution center is new and was not open 12588  
for the entire qualifying period, the operator of the 12589  
distribution center may request that the commissioner grant a 12590  
qualifying certificate. If the certificate is granted and it is 12591  
later determined that more than fifty per cent of the qualified 12592  
property during that year was not shipped to a location such 12593  
that it would be situated outside of this state under the 12594  
provisions of division (E) of section 5751.033 of the Revised 12595

Code or if it is later determined that the person that operates 12596  
the distribution center had average monthly costs from its 12597  
suppliers of less than forty million dollars during that year, 12598  
then the operator of the distribution center shall pay the 12599  
ineligible operator's supplier tax liability. (For purposes of 12600  
division (F) (2) (z) (ii) of this section, "supplier" excludes any 12601  
person that is part of the consolidated elected taxpayer group, 12602  
if applicable, of the operator of the qualified distribution 12603  
center.) 12604

(II) The commissioner may grant a qualifying certificate 12605  
to a distribution center that does not qualify as a qualified 12606  
distribution center for an entire qualifying period if the 12607  
operator of the distribution center demonstrates that the 12608  
business operations of the distribution center have changed or 12609  
will change such that the distribution center will qualify as a 12610  
qualified distribution center within thirty-six months after the 12611  
date the operator first applies for a certificate. If, at the 12612  
end of that thirty-six-month period, the business operations of 12613  
the distribution center have not changed such that the 12614  
distribution center qualifies as a qualified distribution 12615  
center, the operator of the distribution center shall pay the 12616  
ineligible operator's supplier tax liability for each year that 12617  
the distribution center received a certificate but did not 12618  
qualify as a qualified distribution center. For each year the 12619  
distribution center receives a certificate under division (F) (2) 12620  
(z) (ii) (II) of this section, the distribution center shall pay 12621  
all applicable fees required under division (F) (2) (z) of this 12622  
section and shall submit an updated business plan showing the 12623  
progress the distribution center made toward qualifying as a 12624  
qualified distribution center during the preceding year. 12625

(III) An operator may appeal a determination under 12626

division (F) (2) (z) (ii) (I) or (II) of this section that the 12627  
ineligible operator is liable for the operator's supplier tax 12628  
liability as a result of not qualifying as a qualified 12629  
distribution center, as provided in section 5717.02 of the 12630  
Revised Code. 12631

(iii) When filing an application for a qualifying 12632  
certificate under division (F) (2) (z) (i) (VI) of this section, the 12633  
operator of a qualified distribution center also shall provide 12634  
documentation, as the commissioner requires, for the 12635  
commissioner to ascertain the Ohio delivery percentage. The 12636  
commissioner, upon issuing the qualifying certificate, also 12637  
shall certify the Ohio delivery percentage. The operator of the 12638  
qualified distribution center may appeal the commissioner's 12639  
certification of the Ohio delivery percentage in the same manner 12640  
as an appeal is taken from the denial of a qualifying 12641  
certificate under division (F) (2) (z) (i) (VI) of this section. 12642

(iv) (I) In the case where the distribution center is new 12643  
and not open for the entire qualifying period, the operator 12644  
shall make a good faith estimate of an Ohio delivery percentage 12645  
for use by suppliers in their reports of taxable gross receipts 12646  
for the remainder of the qualifying period. The operator of the 12647  
facility shall disclose to the suppliers that such Ohio delivery 12648  
percentage is an estimate and is subject to recalculation. By 12649  
the due date of the next application for a qualifying 12650  
certificate, the operator shall determine the actual Ohio 12651  
delivery percentage for the estimated qualifying period and 12652  
proceed as provided in division (F) (2) (z) (iii) of this section 12653  
with respect to the calculation and recalculation of the Ohio 12654  
delivery percentage. The supplier is required to file, within 12655  
sixty days after receiving notice from the operator of the 12656  
qualified distribution center, amended reports for the impacted 12657

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 12689  
one hundred thousand dollars for each qualified distribution 12690  
center. If a qualifying certificate is not issued, the annual 12691  
fee is subject to refund after the exhaustion of all appeals 12692  
provided for in division (F)(2)(z)(i)(VI) of this section. The 12693  
first one hundred thousand dollars of the annual application 12694  
fees collected each calendar year shall be credited to the 12695  
revenue enhancement fund. The remainder of the annual 12696  
application fees collected shall be distributed in the same 12697  
manner required under section 5751.20 of the Revised Code. 12698

(vii) The tax commissioner may require that adequate 12699  
security be posted by the operator of the distribution center on 12700  
appeal when the commissioner disagrees that the applicant has 12701  
met the minimum thresholds for a qualified distribution center 12702  
as set forth in division (F)(2)(z) of this section. 12703

(aa) Receipts of an employer from payroll deductions 12704  
relating to the reimbursement of the employer for advancing 12705  
moneys to an unrelated third party on an employee's behalf; 12706

(bb) Cash discounts allowed and taken; 12707

(cc) Returns and allowances; 12708

(dd) Bad debts from receipts on the basis of which the tax 12709  
imposed by this chapter was paid in a prior quarterly tax 12710  
payment period. For the purpose of this division, "bad debts" 12711  
means any debts that have become worthless or uncollectible 12712  
between the preceding and current quarterly tax payment periods, 12713  
have been uncollected for at least six months, and that may be 12714  
claimed as a deduction under section 166 of the Internal Revenue 12715  
Code and the regulations adopted under that section, or that 12716  
could be claimed as such if the taxpayer kept its accounts on 12717

the accrual basis. "Bad debts" does not include repossessed 12718  
property, uncollectible amounts on property that remains in the 12719  
possession of the taxpayer until the full purchase price is 12720  
paid, or expenses in attempting to collect any account 12721  
receivable or for any portion of the debt recovered; 12722

(ee) Any amount realized from the sale of an account 12723  
receivable to the extent the receipts from the underlying 12724  
transaction giving rise to the account receivable were included 12725  
in the gross receipts of the taxpayer; 12726

(ff) Any receipts directly attributed to a transfer 12727  
agreement or to the enterprise transferred under that agreement 12728  
under section 4313.02 of the Revised Code. 12729

(gg) (i) As used in this division: 12730

(I) "Qualified uranium receipts" means receipts from the 12731  
sale, exchange, lease, loan, production, processing, or other 12732  
disposition of uranium within a uranium enrichment zone 12733  
certified by the tax commissioner under division (F) (2) (gg) (ii) 12734  
of this section. "Qualified uranium receipts" does not include 12735  
any receipts with a situs in this state outside a uranium 12736  
enrichment zone certified by the tax commissioner under division 12737  
(F) (2) (gg) (ii) of this section. 12738

(II) "Uranium enrichment zone" means all real property 12739  
that is part of a uranium enrichment facility licensed by the 12740  
United States nuclear regulatory commission and that was or is 12741  
owned or controlled by the United States department of energy or 12742  
its successor. 12743

(ii) Any person that owns, leases, or operates real or 12744  
tangible personal property constituting or located within a 12745  
uranium enrichment zone may apply to the tax commissioner to 12746

have the uranium enrichment zone certified for the purpose of 12747  
excluding qualified uranium receipts under division (F) (2) (gg) 12748  
of this section. The application shall include such information 12749  
that the tax commissioner prescribes. Within sixty days after 12750  
receiving the application, the tax commissioner shall certify 12751  
the zone for that purpose if the commissioner determines that 12752  
the property qualifies as a uranium enrichment zone as defined 12753  
in division (F) (2) (gg) of this section, or, if the tax 12754  
commissioner determines that the property does not qualify, the 12755  
commissioner shall deny the application or request additional 12756  
information from the applicant. If the tax commissioner denies 12757  
an application, the commissioner shall state the reasons for the 12758  
denial. The applicant may appeal the denial of an application to 12759  
the board of tax appeals pursuant to section 5717.02 of the 12760  
Revised Code. If the applicant files a timely appeal, the tax 12761  
commissioner shall conditionally certify the applicant's 12762  
property. The conditional certification shall expire when all of 12763  
the applicant's appeals are exhausted. Until final resolution of 12764  
the appeal, the applicant shall retain the applicant's records 12765  
in accordance with section 5751.12 of the Revised Code, 12766  
notwithstanding any time limit on the preservation of records 12767  
under that section. 12768

(hh) In the case of amounts collected by a licensed casino 12769  
operator from casino gaming, amounts in excess of the casino 12770  
operator's gross casino revenue. In this division, "casino 12771  
operator" and "casino gaming" have the meanings defined in 12772  
section 3772.01 of the Revised Code, and "gross casino revenue" 12773  
has the meaning defined in section 5753.01 of the Revised Code. 12774

(ii) Receipts realized from the sale of agricultural 12775  
commodities by an agricultural commodity handler, both as 12776  
defined in section 926.01 of the Revised Code, that is licensed 12777

by the director of agriculture to handle agricultural 12778  
commodities in this state. 12779

(jj) Qualifying integrated supply chain receipts. 12780

As used in division (F) (2) (jj) of this section: 12781

(i) "Qualifying integrated supply chain receipts" means 12782  
receipts of a qualified integrated supply chain vendor from the 12783  
sale of qualified property delivered to, or integrated supply 12784  
chain services provided to, another qualified integrated supply 12785  
chain vendor or to a retailer that is a member of the integrated 12786  
supply chain. "Qualifying integrated supply chain receipts" does 12787  
not include receipts of a person that is not a qualified 12788  
integrated supply chain vendor from the sale of raw materials to 12789  
a member of an integrated supply chain, or receipts of a member 12790  
of an integrated supply chain from the sale of qualified 12791  
property or integrated supply chain services to a person that is 12792  
not a member of the integrated supply chain. 12793

(ii) "Qualified property" means any of the following: 12794

(I) Component parts used to hold, contain, package, or 12795  
dispense qualified products, excluding equipment; 12796

(II) Work-in-process inventory that will become, comprise, 12797  
or form a component part of a qualified product capable of being 12798  
sold at retail, excluding equipment, machinery, furniture, and 12799  
fixtures; 12800

(III) Finished goods inventory that is a qualified product 12801  
capable of being sold at retail in the inventory's present form. 12802

(iii) "Qualified integrated supply chain vendor" means a 12803  
person that is a member of an integrated supply chain and that 12804  
provides integrated supply chain services within a qualified 12805

integrated supply chain district to a retailer that is a member 12806  
of the integrated supply chain or to another qualified 12807  
integrated supply chain vendor that is located within the same 12808  
such district as the person but does not share a common owner 12809  
with that person. 12810

(iv) "Qualified product" means a personal care, health, or 12811  
beauty product or an aromatic product, including a candle. 12812  
"Qualified product" does not include a drug that may be 12813  
dispensed only pursuant to a prescription, durable medical 12814  
equipment, mobility enhancing equipment, or a prosthetic device, 12815  
as those terms are defined in section 5739.01 of the Revised 12816  
Code. 12817

(v) "Integrated supply chain" means two or more qualified 12818  
integrated supply chain vendors certified on the most recent 12819  
list certified to the tax commissioner under this division that 12820  
systematically collaborate and coordinate business operations 12821  
with a retailer on the flow of tangible personal property from 12822  
material sourcing through manufacturing, assembly, packaging, 12823  
and delivery to the retailer to improve long-term financial 12824  
performance of each vendor and the supply chain that includes 12825  
the retailer. 12826

For the purpose of the certification required under this 12827  
division, the reporting person for each retailer, on or before 12828  
the first day of October of each year, shall certify to the tax 12829  
commissioner a list of the qualified integrated supply chain 12830  
vendors providing or receiving integrated supply chain services 12831  
within a qualified integrated supply chain district for the 12832  
ensuing calendar year. On or before the following first day of 12833  
November, the commissioner shall issue a certificate to the 12834  
retailer and to each vendor certified to the commissioner on 12835

that list. The certificate shall include the names of the 12836  
retailer and of the qualified integrated supply chain vendors. 12837

The retailer shall notify the commissioner of any changes 12838  
to the list, including additions to or subtractions from the 12839  
list or changes in the name or legal entity of vendors certified 12840  
on the list, within sixty days after the date the retailer 12841  
becomes aware of the change. Within thirty days after receiving 12842  
that notification, the commissioner shall issue a revised 12843  
certificate to the retailer and to each vendor certified on the 12844  
list. The revised certificate shall include the effective date 12845  
of the change. 12846

Each recipient of a certificate issued pursuant to this 12847  
division shall maintain a copy of the certificate for four years 12848  
from the date the certificate was received. 12849

(vi) "Integrated supply chain services" means procuring 12850  
raw materials or manufacturing, processing, refining, 12851  
assembling, packaging, or repackaging tangible personal property 12852  
that will become finished goods inventory capable of being sold 12853  
at retail by a retailer that is a member of an integrated supply 12854  
chain. 12855

(vii) "Retailer" means a person primarily engaged in 12856  
making retail sales and any member of that person's consolidated 12857  
elected taxpayer group or combined taxpayer group, whether or 12858  
not that member is primarily engaged in making retail sales. 12859

(viii) "Qualified integrated supply chain district" means 12860  
the parcel or parcels of land from which a retailer's integrated 12861  
supply chain that existed on September 29, 2015, provides or 12862  
receives integrated supply chain services, and to which all of 12863  
the following apply: 12864

(I) The parcel or parcels are located wholly in a county 12865  
having a population of greater than one hundred sixty-five 12866  
thousand but less than one hundred seventy thousand based on the 12867  
2010 federal decennial census. 12868

(II) The parcel or parcels are located wholly in the 12869  
corporate limits of a municipal corporation with a population 12870  
greater than seven thousand five hundred and less than eight 12871  
thousand based on the 2010 federal decennial census that is 12872  
partly located in the county described in division (F) (2) (jj) 12873  
(viii) (I) of this section, as those corporate limits existed on 12874  
September 29, 2015. 12875

(III) The aggregate acreage of the parcel or parcels 12876  
equals or exceeds one hundred acres. 12877

(kk) In the case of a railroad company described in 12878  
division (D) (9) of section 5727.01 of the Revised Code that 12879  
purchases dyed diesel fuel directly from a supplier as defined 12880  
by section 5736.01 of the Revised Code, an amount equal to the 12881  
product of the number of gallons of dyed diesel fuel purchased 12882  
directly from such a supplier multiplied by the average 12883  
wholesale price for a gallon of diesel fuel as determined under 12884  
section 5736.02 of the Revised Code for the period during which 12885  
the fuel was purchased multiplied by a fraction, the numerator 12886  
of which equals the rate of tax levied by section 5736.02 of the 12887  
Revised Code less the rate of tax computed in section 5751.03 of 12888  
the Revised Code, and the denominator of which equals the rate 12889  
of tax computed in section 5751.03 of the Revised Code. 12890

(ll) Receipts realized by an out-of-state disaster 12891  
business from disaster work conducted in this state during a 12892  
disaster response period pursuant to a qualifying solicitation 12893  
received by the business. Terms used in division (F) (2) (ll) of 12894

this section have the same meanings as in section 5703.94 of the Revised Code. 12895  
12896

(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. 12897  
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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. 12900  
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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. 12909  
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(G) "Taxable gross receipts" means gross receipts situated to this state under section 5751.033 of the Revised Code. 12916  
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(H) A person has "substantial nexus with this state" if any of the following applies. The person: 12918  
12919

(1) Owns or uses a part or all of its capital in this state; 12920  
12921

(2) Holds a certificate of compliance with the laws of this state authorizing the person to do business in this state; 12922  
12923

(3) Has bright-line presence in this state;	12924
(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.	12925 12926 12927
(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:	12928 12929 12930
(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.	12931 12932 12933 12934 12935
(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:	12936 12937 12938
(a) Any amount subject to withholding by the person under section 5747.06 of the Revised Code;	12939 12940
(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	12941 12942 12943
(c) Any amount the person pays for services performed in this state on its behalf by another.	12944 12945
(3) Has during the calendar year taxable gross receipts of at least five hundred thousand dollars.	12946 12947
(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.	12948 12949 12950

(5) Is domiciled in this state as an individual or for corporate, commercial, or other business purposes.	12951 12952
(J) "Tangible personal property" has the same meaning as in section 5739.01 of the Revised Code.	12953 12954
(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.	12955 12956 12957 12958 12959 12960 12961 12962
(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.	12963 12964 12965
(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.	12966 12967 12968
(N) "Calendar year taxpayer" means a taxpayer for which the tax period is a calendar year.	12969 12970
(O) "Calendar quarter taxpayer" means a taxpayer for which the tax period is a calendar quarter.	12971 12972
(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:	12973 12974 12975
(1) A person receiving a fee to sell financial instruments;	12976 12977
(2) A person retaining only a commission from a	12978

transaction with the other proceeds from the transaction being	12979
remitted to another person;	12980
(3) A person issuing licenses and permits under section	12981
1533.13 of the Revised Code;	12982
(4) A lottery sales agent holding a valid license issued	12983
under section 3770.05 of the Revised Code;	12984
(5) A person acting as an agent of the division of liquor	12985
control under section 4301.17 of the Revised Code.	12986
(Q) "Received" includes amounts accrued under the accrual	12987
method of accounting.	12988
(R) "Reporting person" means a person in a consolidated	12989
elected taxpayer or combined taxpayer group that is designated	12990
by that group to legally bind the group for all filings and tax	12991
liabilities and to receive all legal notices with respect to	12992
matters under this chapter, or, for the purposes of section	12993
5751.04 of the Revised Code, a separate taxpayer that is not a	12994
member of such a group.	12995
<b>Section 2.</b> That existing sections 111.16, 122.16, 122.173,	12996
135.14, 135.142, 135.35, 150.05, 718.01, 1329.01, 1329.02,	12997
1701.03, 1701.05, 1701.791, 1702.05, 1702.411, 1703.04, 1729.36,	12998
1729.38, 1745.461, 1751.01, 1776.69, 1776.82, 1782.02, 1782.432,	12999
1785.09, 3345.203, 3964.03, 3964.17, 4701.14, 4703.18, 4703.331,	13000
4715.18, 4715.22, 4715.365, 4715.431, 4717.06, 4723.16, 4725.33,	13001
4729.161, 4729.541, 4731.226, 4731.228, 4732.28, 4733.16,	13002
4734.17, 4755.111, 4755.471, 4757.37, 5701.14, 5715.19, 5733.04,	13003
5733.33, 5733.42, 5747.01, and 5751.01 of the Revised Code are	13004
hereby repealed.	13005
<b>Section 3.</b> That sections 1705.01, 1705.02, 1705.03,	13006
1705.031, 1705.04, 1705.05, 1705.06, 1705.07, 1705.08, 1705.081,	13007

1705.09, 1705.10, 1705.11, 1705.12, 1705.13, 1705.14, 1705.15, 13008  
1705.16, 1705.161, 1705.17, 1705.18, 1705.19, 1705.20, 1705.21, 13009  
1705.22, 1705.23, 1705.24, 1705.25, 1705.26, 1705.27, 1705.28, 13010  
1705.281, 1705.282, 1705.29, 1705.291, 1705.292, 1705.30, 13011  
1705.31, 1705.32, 1705.33, 1705.34, 1705.35, 1705.36, 1705.361, 13012  
1705.37, 1705.371, 1705.38, 1705.381, 1705.39, 1705.391, 13013  
1705.40, 1705.41, 1705.42, 1705.43, 1705.44, 1705.45, 1705.46, 13014  
1705.47, 1705.48, 1705.49, 1705.50, 1705.51, 1705.52, 1705.53, 13015  
1705.54, 1705.55, 1705.56, 1705.57, 1705.58, and 1705.61 of the 13016  
Revised Code are hereby repealed. 13017

**Section 4.** Section 3 of this act shall take effect on 13018  
January 1, 2022. 13019

**Section 5.** The repeal of a statute by this act shall not 13020  
affect an action commenced, proceeding brought, or right accrued 13021  
prior to January 1, 2022. 13022

**Section 6.** The General Assembly, applying the principle 13023  
stated in division (B) of section 1.52 of the Revised Code that 13024  
amendments are to be harmonized if reasonably capable of 13025  
simultaneous operation, finds that the following sections, 13026  
presented in this act as composites of the sections as amended 13027  
by the acts indicated, are the resulting versions of the 13028  
sections in effect prior to the effective date of the sections 13029  
as presented in this act: 13030

Section 111.16 of the Revised Code as amended by both Sub. 13031  
H.B. 31 and Sub. H.B. 133 of the 132nd General Assembly. 13032

Section 135.35 of the Revised Code as amended by Am. Sub. 13033  
H.B. 49, Sub. H.B. 251, and S.B. 163, all of the 132 General 13034  
Assembly. 13035

Section 3345.203 of the Revised Code as amended by both 13036

Am. Sub. H.B. 384 and Sub. S.B. 3 of the 131st General Assembly. 13037

**Section 7.** That sections 127.16, 169.01, 169.03, 169.08, 13038  
169.13, and 4735.24 be amended and section 169.052 of the 13039  
Revised Code be enacted to read as follows: 13040

**Sec. 127.16.** (A) Upon the request of either a state agency 13041  
or the director of budget and management and after the 13042  
controlling board determines that an emergency or a sufficient 13043  
economic reason exists, the controlling board may approve the 13044  
making of a purchase without competitive selection as provided 13045  
in division (B) of this section. 13046

(B) Except as otherwise provided in this section, no state 13047  
agency, using money that has been appropriated to it directly, 13048  
shall: 13049

(1) Make any purchase from a particular supplier, that 13050  
would amount to fifty thousand dollars or more when combined 13051  
with both the amount of all disbursements to the supplier during 13052  
the fiscal year for purchases made by the agency and the amount 13053  
of all outstanding encumbrances for purchases made by the agency 13054  
from the supplier, unless the purchase is made by competitive 13055  
selection or with the approval of the controlling board; 13056

(2) Lease real estate from a particular supplier, if the 13057  
lease would amount to seventy-five thousand dollars or more when 13058  
combined with both the amount of all disbursements to the 13059  
supplier during the fiscal year for real estate leases made by 13060  
the agency and the amount of all outstanding encumbrances for 13061  
real estate leases made by the agency from the supplier, unless 13062  
the lease is made by competitive selection or with the approval 13063  
of the controlling board. 13064

(C) Any person who authorizes a purchase in violation of 13065

division (B) of this section shall be liable to the state for 13066  
any state funds spent on the purchase, and the attorney general 13067  
shall collect the amount from the person. 13068

(D) Nothing in division (B) of this section shall be 13069  
construed as: 13070

(1) A limitation upon the authority of the director of 13071  
transportation as granted in sections 5501.17, 5517.02, and 13072  
5525.14 of the Revised Code; 13073

(2) Applying to medicaid provider agreements under the 13074  
medicaid program; 13075

(3) Applying to the purchase of examinations from a sole 13076  
supplier by a state licensing board under Title XLVII of the 13077  
Revised Code; 13078

(4) Applying to entertainment contracts for the Ohio state 13079  
fair entered into by the Ohio expositions commission, provided 13080  
that the controlling board has given its approval to the 13081  
commission to enter into such contracts and has approved a total 13082  
budget amount for such contracts as agreed upon by commission 13083  
action, and that the commission causes to be kept itemized 13084  
records of the amounts of money spent under each contract and 13085  
annually files those records with the clerk of the house of 13086  
representatives and the clerk of the senate following the close 13087  
of the fair; 13088

(5) Limiting the authority of the chief of the division of 13089  
mineral resources management to contract for reclamation work 13090  
with an operator mining adjacent land as provided in section 13091  
1513.27 of the Revised Code; 13092

(6) Applying to investment transactions and procedures of 13093  
any state agency, except that the agency shall file with the 13094

board the name of any person with whom the agency contracts to 13095  
make, broker, service, or otherwise manage its investments, as 13096  
well as the commission, rate, or schedule of charges of such 13097  
person with respect to any investment transactions to be 13098  
undertaken on behalf of the agency. The filing shall be in a 13099  
form and at such times as the board considers appropriate. 13100

(7) Applying to purchases made with money for the per cent 13101  
for arts program established by section 3379.10 of the Revised 13102  
Code; 13103

(8) Applying to purchases made by the opportunities for 13104  
Ohioans with disabilities agency of services, or supplies, that 13105  
are provided to persons with disabilities, or to purchases made 13106  
by the agency in connection with the eligibility determinations 13107  
it makes for applicants of programs administered by the social 13108  
security administration; 13109

(9) Applying to payments by the department of medicaid 13110  
under section 5164.85 of the Revised Code for group health plan 13111  
premiums, deductibles, coinsurance, and other cost-sharing 13112  
expenses; 13113

(10) Applying to any agency of the legislative branch of 13114  
the state government; 13115

(11) Applying to agreements or contracts entered into 13116  
under section 5101.11, 5101.20, 5101.201, 5101.21, or 5101.214 13117  
of the Revised Code; 13118

(12) Applying to purchases of services by the adult parole 13119  
authority under section 2967.14 of the Revised Code or by the 13120  
department of youth services under section 5139.08 of the 13121  
Revised Code; 13122

(13) Applying to dues or fees paid for membership in an 13123

organization or association;	13124
(14) Applying to purchases of utility services pursuant to section 9.30 of the Revised Code;	13125 13126
(15) Applying to purchases made in accordance with rules adopted by the department of administrative services of motor vehicle, aviation, or watercraft fuel, or emergency repairs of such vehicles;	13127 13128 13129 13130
(16) Applying to purchases of tickets for passenger air transportation;	13131 13132
(17) Applying to purchases necessary to provide public notifications required by law or to provide notifications of job openings;	13133 13134 13135
(18) Applying to the judicial branch of state government;	13136
(19) Applying to purchases of liquor for resale by the division of liquor control;	13137 13138
(20) Applying to purchases of motor courier and freight services made in accordance with department of administrative services rules;	13139 13140 13141
(21) Applying to purchases from the United States postal service and purchases of stamps and postal meter replenishment from vendors at rates established by the United States postal service;	13142 13143 13144 13145
(22) Applying to purchases of books, periodicals, pamphlets, newspapers, maintenance subscriptions, and other published materials;	13146 13147 13148
(23) Applying to purchases from other state agencies, including state-assisted institutions of higher education or the	13149 13150

Ohio history connection;	13151
(24) Limiting the authority of the director of environmental protection to enter into contracts under division (D) of section 3745.14 of the Revised Code to conduct compliance reviews, as defined in division (A) of that section;	13152 13153 13154 13155
(25) Applying to purchases from a qualified nonprofit agency pursuant to sections 125.60 to 125.6012 or 4115.31 to 4115.35 of the Revised Code;	13156 13157 13158
(26) Applying to payments by the department of job and family services to the United States department of health and human services for printing and mailing notices pertaining to the tax refund offset program of the internal revenue service of the United States department of the treasury;	13159 13160 13161 13162 13163
(27) Applying to contracts entered into by the department of developmental disabilities under section 5123.18 of the Revised Code;	13164 13165 13166
(28) Applying to payments made by the department of mental health and addiction services under a physician recruitment program authorized by section 5119.185 of the Revised Code;	13167 13168 13169
(29) Applying to contracts entered into with persons by the director of commerce for unclaimed funds collection and remittance efforts as provided in division <del>(F)</del> <u>(G)</u> of section 169.03 of the Revised Code. The director shall keep an itemized accounting of unclaimed funds collected by those persons and amounts paid to them for their services.	13170 13171 13172 13173 13174 13175
(30) Applying to purchases made by a state institution of higher education in accordance with the terms of a contract between the vendor and an inter-university purchasing group comprised of purchasing officers of state institutions of higher	13176 13177 13178 13179

education;	13180
(31) Applying to the department of medicaid's purchases of health assistance services under the children's health insurance program;	13181 13182 13183
(32) Applying to payments by the attorney general from the reparations fund to hospitals and other emergency medical facilities for performing medical examinations to collect physical evidence pursuant to section 2907.28 of the Revised Code;	13184 13185 13186 13187 13188
(33) Applying to contracts with a contracting authority or administrative receiver under division (B) of section 5126.056 of the Revised Code;	13189 13190 13191
(34) Applying to purchases of goods and services by the department of veterans services in accordance with the terms of contracts entered into by the United States department of veterans affairs;	13192 13193 13194 13195
(35) Applying to payments by the superintendent of the bureau of criminal identification and investigation to the federal bureau of investigation for criminal records checks pursuant to section 109.572 of the Revised Code;	13196 13197 13198 13199
(36) Applying to contracts entered into by the department of medicaid under section 5164.47 of the Revised Code;	13200 13201
(37) Applying to contracts entered into under section 5160.12 of the Revised Code;	13202 13203
(38) Applying to payments to the Ohio history connection from other state agencies.	13204 13205
(E) When determining whether a state agency has reached the cumulative purchase thresholds established in divisions (B)	13206 13207

(1) and (2) of this section, all of the following purchases by such agency shall not be considered:	13208 13209
(1) Purchases made through competitive selection or with controlling board approval;	13210 13211
(2) Purchases listed in division (D) of this section;	13212
(3) For the purposes of the threshold of division (B) (1) of this section only, leases of real estate.	13213 13214
(F) As used in this section, "competitive selection," "purchase," "supplies," and "services" have the same meanings as in section 125.01 of the Revised Code.	13215 13216 13217
<b>Sec. 169.01.</b> As used in this chapter, unless the context otherwise requires:	13218 13219
(A) "Financial organization" means any bank, trust company, savings bank, safe deposit company, mutual savings bank without mutual stock, savings and loan association, credit union, or investment company.	13220 13221 13222 13223
(B) (1) "Unclaimed funds" means any moneys, rights to moneys, or intangible property, described in section 169.02 of the Revised Code, when, as shown by the records of the holder, the owner has not, within the times provided in section 169.02 of the Revised Code, done any of the following:	13224 13225 13226 13227 13228
(a) Increased, decreased, or adjusted the amount of such funds;	13229 13230
(b) Assigned, paid premiums, or encumbered such funds;	13231
(c) Presented an appropriate record for the crediting of such funds or received payment of such funds by check, draft, or otherwise;	13232 13233 13234

(d) Corresponded with the holder concerning such funds;	13235
(e) Otherwise indicated an interest in or knowledge of such funds;	13236 13237
(f) Transacted business with the holder.	13238
(2) "Unclaimed funds" does not include any of the following:	13239 13240
(a) Money received or collected under section 9.39 of the Revised Code;	13241 13242
(b) Any payment or credit due to a business association from a business association representing sums payable to suppliers, or payment for services rendered, in the course of business, including, but not limited to, checks or memoranda, overpayments, unidentified remittances, nonrefunded overcharges, discounts, refunds, and rebates;	13243 13244 13245 13246 13247 13248
(c) Any payment or credit received by a business association from a business association for tangible goods sold, or services performed, in the course of business, including, but not limited to, checks or memoranda, overpayments, unidentified remittances, nonrefunded overcharges, discounts, refunds, and rebates;	13249 13250 13251 13252 13253 13254
(d) Either of the following:	13255
(i) Any credit or obligation due a retail customer that is represented by a gift certificate, gift card, merchandise credit, or merchandise credit card, redeemable only for goods or services, including gift cards issued by financial organizations or business associations;	13256 13257 13258 13259 13260
(ii) Any electronic payment device that is issued by a financial organization or a business association that has no	13261 13262

expiration date and meets all of the following conditions:	13263
(I) It is purchased or loaded on a prepaid basis for the future purchase or delivery of goods or services.	13264 13265
(II) It is redeemable upon presentation to a single merchant or service provider or an affiliated group of merchants or service providers.	13266 13267 13268
(III) It is not redeemable for cash in whole or in part.	13269
(e) Any open-loop prepaid card that is issued by a financial organization or a business association for which the underlying funds do not expire. For purposes of division (B) (2) (e) of this section, "open-loop prepaid card" means an electronic payment device that meets all of the following conditions:	13270 13271 13272 13273 13274 13275
(i) It is purchased or loaded on a prepaid basis for the future purchase or delivery of any goods or services.	13276 13277
(ii) It can be used to purchase goods and services at multiple unaffiliated merchants or service providers.	13278 13279
(iii) It is not redeemable for cash in whole or in part.	13280
(f) Any rewards card. For purposes of division (B) (2) (f) of this section, "rewards card" includes any loyalty, incentive, or promotional type program that is issued by a financial organization or a business association whether represented by a card or electronic record, which program is established for the purposes of providing cardholder awards, rewards, rebates, or other amounts to reward the cardholder for the cardholder's relationship with the entity sponsoring the rewards card, provided that no direct money was paid by the cardholder for the rewards card. "Rewards card" includes both of the following:	13281 13282 13283 13284 13285 13286 13287 13288 13289 13290

(i) Cards or electronic records consisting of points, 13291  
cash, or other tokens of value given to a cardholder as a reward 13292  
or incentive for engaging in a transaction or a series of 13293  
transactions; 13294

(ii) The unpaid portion of a rewards card when the rewards 13295  
card is partially loaded by the cardholder with the remaining 13296  
portion funded as a reward or incentive. 13297

A minimal annual fee charged to the cardholder for joining 13298  
any such loyalty, incentive, or promotional type program shall 13299  
not be considered direct money paid by the cardholder for the 13300  
rewards card. For purposes of division (B) (2) (f) of this 13301  
section, "cardholder" means the holder of a rewards card, 13302  
regardless of whether the rewards card is represented by a card 13303  
or by an electronic record. 13304

For purposes of division (B) (2) of this section, "business 13305  
association" means any corporation, joint venture, business 13306  
trust, limited liability company, partnership, association, or 13307  
other business entity composed of one or more individuals, 13308  
whether or not the entity is for profit. 13309

(C) "Owner" means any person, or the person's legal 13310  
representative, entitled to receive or having a legal or 13311  
equitable interest in or claim against moneys, rights to moneys, 13312  
or other intangible property, subject to this chapter. 13313

(D) (1) "Holder" means any person that has possession, 13314  
custody, or control of moneys, rights to moneys, or other 13315  
intangible property, or that is indebted to another, if any of 13316  
the following applies: 13317

(a) Such person resides in this state; 13318

(b) Such person is formed under the laws of this state; 13319

(c) Such person is formed under the laws of the United States and has an office or principal place of business in this state;

(d) The records of such person indicate that the last known address of the owner of such moneys, rights to moneys, or other intangible property is in this state;

(e) The records of such person do not indicate the last known address of the owner of the moneys, rights to moneys, or other intangible property and the entity originating or issuing the moneys, rights to moneys, or other intangible property in this state or any political subdivision of this state, or is incorporated, organized, created, or otherwise located in this state. Division (D) (1) (e) of this section applies to all moneys, rights to moneys, or other intangible property that is in the possession, custody, or control of such person on or after July 22, 1994, whether the moneys, rights to moneys, or other intangible property becomes unclaimed funds prior to or on or after that date.

(2) "Holder" does not mean any hospital granted tax-exempt status under section 501(c) (3) of the Internal Revenue Code or any hospital owned or operated by the state or by any political subdivision. Any entity in order to be exempt from the definition of "holder" pursuant to this division shall make a reasonable, good-faith effort to contact the owner of the unclaimed funds.

(E) "Person" includes a natural person; corporation, whether for profit or not for profit; copartnership; unincorporated nonprofit association; public authority; estate; trust; two or more persons having a joint or common interest; eleemosynary organization; fraternal or cooperative association;

other legal or community entity; the United States government, 13350  
including any district, territory, possession, officer, agency, 13351  
department, authority, instrumentality, board, bureau, or court; 13352  
or any state or political subdivision thereof, including any 13353  
officer, agency, board, bureau, commission, division, 13354  
department, authority, court, or instrumentality. 13355

(F) "Mortgage funds" means the mortgage insurance fund 13356  
created by section 122.561 of the Revised Code, and the housing 13357  
guarantee fund created by division (D) of section 128.11 of the 13358  
Revised Code. 13359

(G) "Lawful claims" means any vested right a holder of 13360  
unclaimed funds has against the owner of such unclaimed funds. 13361

(H) "Public utility" means any entity defined as such by 13362  
division (A) of section 745.01 or by section 4905.02 of the 13363  
Revised Code. 13364

(I) "Deposit" means to place money in the custody of a 13365  
financial organization for the purpose of establishing an 13366  
income-bearing account by purchase or otherwise. 13367

(J) "Income-bearing account" means a time or savings 13368  
account, whether or not evidenced by a certificate of deposit, 13369  
or an investment account through which investments are made 13370  
solely in obligations of the United States or its agencies or 13371  
instrumentalities or guaranteed as to principal and interest by 13372  
the United States or its agencies or instrumentalities, debt 13373  
securities rated as investment grade by at least two nationally 13374  
recognized rating services, debt securities which the director 13375  
of commerce has determined to have been issued for the safety 13376  
and welfare of the residents of this state, and equity interests 13377  
in mutual funds that invest solely in some or all of the above- 13378

listed securities and involve no general liability, without 13379  
regard to whether income earned on such accounts, securities, or 13380  
interests is paid periodically or at the end of a term. 13381

(K) "Director of commerce" may be read as the "division of 13382  
unclaimed funds" or the "superintendent of unclaimed funds." 13383

(L) "Attorney unclaimed funds" means any unclaimed funds, 13384  
as defined in division (B)(1) of this section, that are any of 13385  
the following: 13386

(1) Funds held in interest on lawyer trust accounts 13387  
pursuant to section 4705.09 of the Revised Code; 13388

(2) Funds held in an interest on trust accounts pursuant 13389  
to section 3953.231 of the Revised Code; 13390

(3) Residual settlement funds whether for named or unnamed 13391  
plaintiffs, received by the division of unclaimed funds, and 13392  
held, paid out, or allocated by the division pursuant to or 13393  
consistent with the terms and conditions of the court order 13394  
authorizing the settlement fund. 13395

**Sec. 169.03.** (A) (1) Every holder of unclaimed funds and, 13396  
when requested, every person that could be the holder of 13397  
unclaimed funds, under this chapter shall report to the director 13398  
of commerce with respect to the unclaimed funds as provided in 13399  
this section. The report shall be verified. 13400

(2) With respect to items of unclaimed funds each having a 13401  
value of fifty dollars or more, the report required under 13402  
division (A)(1) of this section shall include the following: 13403

(a) The full name, if known, and last known address, if 13404  
any, of each person appearing from the records of the holder to 13405  
be the owner of unclaimed funds under this chapter; 13406

(b) In the case of unclaimed funds reported by holders providing life insurance coverage, the full name of the insured or annuitant and beneficiary, if any, and their last known addresses according to the holder's records;

(c) The nature and identifying number, if any, or description of the funds and the amount appearing from the records to be due;

(d) The date when the funds became payable, demandable, or returnable and the date of the last transaction with the owner with respect to the funds;

(e) Subject to division ~~(I)~~-(J) of this section, the social security number of the owner of the unclaimed funds, if it is available;

(f) If the item of unclaimed funds has a value of one thousand dollars or more and the holder has verified that the last known address as shown by the records of the holder is not accurate as provided in division ~~(D)~~-(E) of this section, a statement that efforts were undertaken by the holder to verify that the address is not accurate. Any verifying documentation shall be maintained by the holder for five years from the date of the report and shall be available upon request to the director or the director's designee.

(g) Other information that the director prescribes as necessary for the administration of this chapter.

(3) With respect to items of unclaimed funds each having a value of less than fifty dollars, the report required under division (A)(1) of this section shall include the following:

(a) Each category of items of unclaimed funds as described in section 169.02 of the Revised Code;

(b) The number of items of unclaimed funds within each category; 13436  
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(c) The aggregated value of the items of unclaimed funds within each category. 13438  
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(B) If the holder of unclaimed funds is holding attorney unclaimed funds or residual settlement funds, the holder shall transmit, upon the division's request, a duplicate copy of the report required by division (A) of this section to the Ohio access to justice foundation, established pursuant to section 120.521 of the Revised Code. 13440  
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(C) If the holder of unclaimed funds is a successor to other organizations that previously held the funds for the owner, or if the holder has changed its name while holding the funds, it shall file with the report all prior known names and addresses and date and state of incorporation or formation of each holder of the funds. 13446  
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~~(C)~~ (D) The report shall be filed before the first day of November of each year as of the preceding thirtieth day of June, but the report of holders providing life insurance coverage shall be filed before the first day of May of each year as of the preceding thirty-first day of December. The director may postpone, for good cause shown, the reporting date upon written request by any holder required to file a report. 13452  
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~~(D)~~ (E) The holder of unclaimed funds under this chapter shall send notice to each owner of each item of unclaimed funds having a value of fifty dollars or more at the last known address of the owner as shown by the records of the holder before filing the annual report. In case of holders providing life insurance coverage, this notice shall also be mailed to 13459  
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each beneficiary at the last known address of the beneficiary as 13465  
shown by the records of the holder, except that the notice to 13466  
beneficiaries shall not be mailed if that address is the same as 13467  
that of the insured and the surname of the beneficiary is the 13468  
same as that of the insured. The holder shall not report an item 13469  
of unclaimed funds earlier than the thirtieth day after the 13470  
mailing of notice required by this division. 13471

The notice required by this division shall set forth the 13472  
nature and identifying number, if any, or description of the 13473  
funds and the amount appearing on the records of the holder to 13474  
be due the owner or beneficiary, and shall inform the owner or 13475  
beneficiary that the funds will, thirty days after the mailing 13476  
of the notice, be reported as unclaimed funds under this 13477  
chapter. A self-addressed, stamped envelope shall be included 13478  
with the notice, with instructions that the owner or beneficiary 13479  
may use the envelope to inform the holder of the owner's or 13480  
beneficiary's continued interest in the funds, and, if so 13481  
informed before the date for making the report to the director, 13482  
the holder shall not report the funds to the director. The 13483  
notice shall be mailed by first class mail if the item of 13484  
unclaimed funds has a value of fifty dollars or more but less 13485  
than one thousand dollars and by certified mail, return receipt 13486  
requested, if the item of unclaimed funds has a value of one 13487  
thousand dollars or more, unless the holder has verified that 13488  
the last known address of the owner or beneficiary as shown by 13489  
the records of the holder is not accurate. For purposes of this 13490  
section, a holder has verified that the last known address of 13491  
the owner or beneficiary is not accurate by documenting at least 13492  
two of the following: 13493

(1) The owner or beneficiary failed to respond to a first 13494  
class mail notice sent to the last known address of the owner or 13495

beneficiary. 13496

(2) A first class mail notice sent by the holder to the 13497  
last known address of the owner or beneficiary was returned as 13498  
undeliverable. 13499

(3) An electronic or manual search of available public 13500  
records failed to confirm that the last known address of the 13501  
owner or beneficiary is accurate. The holder shall maintain 13502  
documentation of its search efforts. If a search of public 13503  
records or databases identifies a more recent address for the 13504  
owner or beneficiary than the address in the holder's records, 13505  
the holder shall send notice to the owner or beneficiary at that 13506  
more recent address in accordance with this section. 13507

A holder that sends a notice by certified mail, return 13508  
receipt requested, may charge the item of unclaimed funds up to 13509  
twenty dollars for providing that notice. 13510

If there is no address of record for the owner or 13511  
beneficiary, the holder is relieved of any responsibility of 13512  
sending notice, attempting to notify, or notifying the owner or 13513  
beneficiary. The mailing of notice pursuant to this section 13514  
shall discharge the holder from any further responsibility to 13515  
give notice. 13516

~~(E)~~ (F) Verification of the report and of the mailing of 13517  
notice, where required, shall be executed by an officer of the 13518  
reporting holder. 13519

~~(F)(1)~~ (G)(1) The director may, at reasonable times and 13520  
upon reasonable notice, examine or cause to be examined, by 13521  
auditors of supervisory departments or divisions of the state, 13522  
the records of any holder to determine compliance with this 13523  
chapter. 13524

(2) Holders shall retain records, designated by the director as applicable to unclaimed funds, for five years beyond the relevant time period provided in section 169.02 of the Revised Code, or until completion of an audit conducted pursuant to division ~~(F)~~(G) of this section, whichever occurs first. An audit conducted pursuant to division ~~(F)~~(G) of this section shall not require a holder to make records available for a period of time exceeding the records retention period set forth in division ~~(F)~~(G) of this section, except for records pertaining to instruments evidencing ownership, or rights to them or funds paid toward the purchase of them, or any dividend, capital credit, profit, distribution, interest, or payment on principal or other sum, held or owed by a holder, including funds deposited with a fiscal agent or fiduciary for payment of them, or pertaining to debt of a publicly traded corporation. Any holder that is audited pursuant to division ~~(F)~~(G) of this section shall only be required to make available those records that are relevant to an unclaimed funds audit of that holder as prescribed by the director.

(3) The director may enter into contracts, pursuant to procedures prescribed by the director, with persons for the sole purpose of examining the records of holders, determining compliance with this chapter, and collecting, taking possession of, and remitting to the department's division of unclaimed funds, in a timely manner, the amounts found and defined as unclaimed. The director shall not enter into such a contract with a person unless the person does all of the following:

(a) Agrees to maintain the confidentiality of the records examined, as required under division ~~(F)(4)~~(G)(4) of this section;

(b) Agrees to conduct the audit in accordance with rules 13555  
adopted under section 169.09 of the Revised Code; 13556

(c) Obtains a corporate surety bond issued by a bonding 13557  
company or insurance company authorized to do business in this 13558  
state. The bond shall be in favor of the director and in the 13559  
penal sum determined by the director. The bond shall be for the 13560  
benefit of any holder of unclaimed funds that is audited by the 13561  
principal and is injured by the principal's failure to comply 13562  
with division ~~(F)(3)(a)~~ (G)(3)(a) or (b) of this section. 13563

(4) Records audited pursuant to division ~~(F)~~ (G) of this 13564  
section are confidential, and shall not be disclosed except as 13565  
required by section 169.06 of the Revised Code or as the 13566  
director considers necessary in the proper administration of 13567  
this chapter. 13568

(5) If a person with whom the director has entered into a 13569  
contract pursuant to division ~~(F)(3)~~ (G)(3) of this section 13570  
intends to conduct, in conjunction with an unclaimed funds audit 13571  
under this section, an unclaimed funds audit for the purpose of 13572  
administering another state's unclaimed or abandoned property 13573  
laws, the person, prior to commencing the audit, shall provide 13574  
written notice to the director of the person's intent to conduct 13575  
such an audit, along with documentation evidencing the person's 13576  
express authorization from the other state to conduct the audit 13577  
on behalf of that state. 13578

(6) Prior to the commencement of an audit conducted 13579  
pursuant to division ~~(F)~~ (G) of this section, the director shall 13580  
notify the holder of unclaimed funds of the director's intent to 13581  
audit the holder's records. If the audit will be conducted in 13582  
conjunction with an audit for one or more other states, the 13583  
director shall provide the holder with the name or names of 13584

those states. 13585

(7) Any holder of unclaimed funds may appeal the findings 13586  
of an audit conducted pursuant to division ~~(F)~~ (G) of this 13587  
section to the director. Pursuant to the authority granted by 13588  
section 169.09 of the Revised Code, the director shall adopt 13589  
rules establishing procedures for considering such an appeal. 13590

~~(G)~~ (H) All holders shall make sufficient investigation of 13591  
their records to ensure that the funds reported to the director 13592  
are unclaimed as set forth in division (B) of section 169.01 and 13593  
section 169.02 of the Revised Code. 13594

~~(H)~~ (I) The expiration of any period of limitations on or 13595  
after March 1, 1968, within which a person entitled to any 13596  
moneys, rights to moneys, or intangible property could have 13597  
commenced an action or proceeding to obtain these items shall 13598  
not prevent these items from becoming unclaimed funds or relieve 13599  
the holder of them of any duty to report and give notice as 13600  
provided in this section and deliver them in the manner provided 13601  
in section 169.05 of the Revised Code, provided that the holder 13602  
may comply with this section and section 169.05 of the Revised 13603  
Code with respect to any moneys, rights to moneys, or intangible 13604  
property as to which the applicable statute of limitations has 13605  
run prior to March 1, 1968, and in that event the holder shall 13606  
be entitled to the protective provisions of section 169.07 of 13607  
the Revised Code. 13608

~~(I)~~ (J) No social security number contained in a report 13609  
made pursuant to this section shall be used by the department of 13610  
commerce for any purpose other than to enable the division of 13611  
unclaimed funds to carry out the purposes of this chapter and 13612  
for child support purposes in response to a request made by the 13613  
office of child support in the department of job and family 13614

services made pursuant to section 3123.88 of the Revised Code. 13615

Sec. 169.052. (A) Every holder of attorney unclaimed funds shall, at the time of filing, remit to the director of commerce one hundred per cent of the aggregate amount of unclaimed funds as shown on the report. The funds may be claimed by the director of the Ohio access to justice foundation, created pursuant to section 120.521 of the Revised Code. Interest shall accrue on attorney unclaimed funds in accordance with division (D) of section 169.08 of the Revised Code while held by the Ohio access to justice foundation and shall be credited to attorney unclaimed funds. 13616  
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(B) The director of commerce or the director's designee shall serve on the board of directors of the Ohio access to justice foundation which holds attorney unclaimed funds. 13626  
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(C) Funds recovered by the Ohio access to justice foundation are subject to call at the discretion of the director of commerce to be returned to the department of commerce. Funds recovered by the Ohio access to justice foundation shall be used to provide financial assistance to legal aid societies, to enhance or improve access to justice, or to operate the foundation. 13629  
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(D) Attorney unclaimed funds held by the Ohio access to justice foundation may be assessed the actual, reasonable cost the department of commerce incurs for administering attorney unclaimed funds as described in division (B) of section 169.03 of the Revised Code, this section, and section 169.08 of the Revised Code. 13636  
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**Sec. 169.08.** (A) The director shall pay to the owner or other person who has established the right to payment under this 13642  
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section, funds from the unclaimed funds trust fund in an amount 13644  
equal to the amount of property delivered or reported to the 13645  
director, or equal to the net proceeds if the securities or 13646  
other property have been sold, together with interest earned by 13647  
the state if required to be paid under division (D) of this 13648  
section. Any person claiming a property interest in unclaimed 13649  
funds delivered or reported to the state under Chapter 169. of 13650  
the Revised Code, including the office of child support in the 13651  
department of job and family services, pursuant to section 13652  
3123.88 of the Revised Code, may file a claim thereto on the 13653  
form prescribed by the director of commerce. 13654

(B) The director shall consider matters relevant to any 13655  
claim filed under division (A) of this section and shall hold a 13656  
formal hearing if requested or considered necessary and receive 13657  
evidence concerning such claim. A finding and decision in 13658  
writing on each claim filed shall be prepared, stating the 13659  
substance of any evidence received or heard and the reasons for 13660  
allowance or disallowance of the claim. The evidence and 13661  
decision shall be a public record. No statute of limitations 13662  
shall bar the allowance of a claim. 13663

(C) For the purpose of conducting any hearing, the 13664  
director may require the attendance of such witnesses and the 13665  
production of such books, records, and papers as the director 13666  
desires, and the director may take the depositions of witnesses 13667  
residing within or without this state in the same manner as is 13668  
prescribed by law for the taking of depositions in civil actions 13669  
in the court of common pleas, and for that purpose the director 13670  
may issue a subpoena for any witness or a subpoena duces tecum 13671  
to compel the production of any books, records, or papers, 13672  
directed to the sheriff of the county where such witness resides 13673  
or is found, which shall be served and returned. The fees of the 13674

sheriff shall be the same as that allowed in the court of common 13675  
pleas in criminal cases. Witnesses shall be paid the fees and 13676  
mileage provided for under section 119.094 of the Revised Code. 13677  
Fees and mileage shall be paid from the unclaimed funds trust 13678  
fund. 13679

(D) Interest earned by the state shall be payable to 13680  
claimants of unclaimed funds held by the state in accordance 13681  
with final court orders derived from the *Sogg v. Zurz*, 121 Ohio 13682  
St.3d 449 (2009), line of cases and final settlement agreement 13683  
determining payment of interest on unclaimed funds. For 13684  
properties received by the state on or before July 26, 1991, 13685  
interest shall be paid at a rate of six per cent per annum from 13686  
the date the state received the property up to and including 13687  
July 26, 1991. No interest shall be payable on any properties 13688  
for the period from July 27, 1991, up to and including August 2, 13689  
2000. For properties held by the state on August 3, 2000, or 13690  
after, interest shall be paid at the applicable required rate 13691  
per annum for the period held from August 3, 2000, or the date 13692  
of receipt, whichever is later, up to and including the date the 13693  
claim is paid. 13694

(E) Claims shall be paid from the trust fund. If the 13695  
amount available in the trust fund is not sufficient to pay 13696  
pending claims, or other amounts disburseable from the trust 13697  
fund, the treasurer of state shall certify such fact to the 13698  
director, who shall then withdraw such amount of funds from the 13699  
mortgage accounts as the director determines necessary to 13700  
reestablish the trust fund to a level required to pay 13701  
anticipated claims but not more than ten per cent of the net 13702  
unclaimed funds reported to date. 13703

The director may withdraw the funds paid to the director 13704

by the holders and deposited by the director with the treasurer 13705  
of state or in a financial institution as agent for such funds. 13706  
Whenever these funds are inadequate to meet the requirements for 13707  
the trust fund, the director shall provide for a withdrawal of 13708  
funds, within a reasonable time, in such amount as is necessary 13709  
to meet the requirements, from financial institutions in which 13710  
such funds were retained or placed by a holder and from other 13711  
holders who have retained funds, in an equitable manner as 13712  
prescribed by the director. In the event that the amount to be 13713  
withdrawn from any one such holder is less than five hundred 13714  
dollars, the amount to be withdrawn shall be at the discretion 13715  
of the director. Such funds may be reimbursed in the amounts 13716  
withdrawn when the trust fund has a surplus over the amount 13717  
required to pay anticipated claims. Whenever the trust fund has 13718  
a surplus over the amount required to pay anticipated claims, 13719  
the director may transfer such surplus to the mortgage accounts. 13720

(F) (1) If a claim which is allowed under this section 13721  
relates to funds which have been retained by the reporting 13722  
holder, and if the funds, on deposit with the treasurer of state 13723  
pursuant to this chapter, are insufficient to pay claims, the 13724  
director may notify such holder in writing of the payment of the 13725  
claim and such holder shall immediately reimburse the state in 13726  
the amount of such claim. The reimbursement shall be credited to 13727  
the unclaimed funds trust fund. 13728

(2) If a claim that is allowed under this section relates 13729  
to attorney unclaimed funds that have been recovered by the Ohio 13730  
access to justice foundation, pursuant to division (A) of 13731  
section 169.052 of the Revised Code and division (A) of this 13732  
section, the director shall notify the Ohio access to justice 13733  
foundation in writing of the payment of the claim and the Ohio 13734  
access to justice foundation shall immediately reimburse the 13735

unclaimed funds trust fund in the amount of such claim inclusive 13736  
of interest as required by division (D) of this section. The 13737  
reimbursement shall be credited to the unclaimed funds trust 13738  
fund. 13739

(G) Any person, including the office of child support, 13740  
adversely affected by a decision of the director may appeal such 13741  
decision in the manner provided in Chapter 119. of the Revised 13742  
Code. 13743

In the event the claimant prevails, the claimant shall be 13744  
reimbursed for reasonable attorney's fees and costs. 13745

(H) Notwithstanding anything to the contrary in this 13746  
chapter, any holder who has paid moneys to or entered into an 13747  
agreement with the director pursuant to section 169.05 of the 13748  
Revised Code on certified checks, cashiers' checks, bills of 13749  
exchange, letters of credit, drafts, money orders, or travelers' 13750  
checks, may make payment to any person entitled thereto, 13751  
including the office of child support, and upon surrender of the 13752  
document, except in the case of travelers' checks, and proof of 13753  
such payment, the director shall reimburse the holder for such 13754  
payment without interest. 13755

**Sec. 169.13.** (A) (1) All agreements to pay a fee, 13756  
compensation, commission, or other remuneration to locate, 13757  
deliver, recover, or assist in the recovery of unclaimed funds 13758  
reported under section 169.03 of the Revised Code, entered into 13759  
within two years immediately after the date a report is filed 13760  
under division ~~(C)~~(D) of section 169.03 of the Revised Code, 13761  
are invalid. 13762

(2) A person interested in entering into an agreement to 13763  
locate, deliver, recover, or assist in the recovery of unclaimed 13764

funds for remuneration shall not initiate any contact with an 13765  
owner during the two-year period immediately after the date a 13766  
report is filed under division ~~(C)~~ (D) of section 169.03 of the 13767  
Revised Code. Failure to comply with this requirement is grounds 13768  
for the invalidation of any such agreement between the person 13769  
and the owner. 13770

(B) An agreement entered into any time after such two-year 13771  
period is valid only if all of the following conditions are met: 13772

(1) The aggregate fee, compensation, commission, or other 13773  
remuneration agreed upon is not in excess of ten per cent of the 13774  
amount recovered and paid to the owner by the director of budget 13775  
and management; 13776

(2) The agreement is in writing, signed by the owner, and 13777  
notarized and discloses all of the following items: 13778

(a) The name, address, and telephone number of the owner, 13779  
as shown by the records of the person or entity in possession of 13780  
the unclaimed funds or contents of a safe deposit box; 13781

(b) The name, address, and telephone number of the owner 13782  
if the owner's name, address, or telephone number are different 13783  
from the name, address, or telephone number of the owner as 13784  
shown by the records of the person or entity in possession of 13785  
the unclaimed funds or contents of a safe deposit box; 13786

(c) The nature and value of the unclaimed funds or 13787  
contents of a safe deposit box; 13788

(d) The amount the owner will receive after the fee or 13789  
compensation has been subtracted; 13790

(e) The name and address of the person or entity in 13791  
possession of the unclaimed funds or contents of a safe deposit 13792

box; 13793

(f) That the ~~auditor of state~~ director of budget and 13794  
management will pay the unclaimed funds directly to the owner or 13795  
the director of commerce shall deliver the contents of a safe 13796  
deposit box directly to the owner; 13797

(g) That the person agreeing to locate, deliver, recover, 13798  
or assist in the recovery of the unclaimed funds or contents of 13799  
a safe deposit box is not an employee or agent of the director 13800  
of commerce; 13801

(h) That the director of commerce is not a party to the 13802  
agreement; 13803

(i) That the person agreeing to locate, deliver, recover, 13804  
or assist in the recovery of the unclaimed funds or contents of 13805  
a safe deposit box holds a valid certificate of registration 13806  
issued by the director under section 169.16 of the Revised Code; 13807

(j) The number designated on that certificate of 13808  
registration and the date the certificate of registration 13809  
expires. 13810

(3) No agreement described in division (B) (2) of this 13811  
section shall include a power of attorney for the payment of the 13812  
unclaimed funds or delivery of the contents of a safe deposit 13813  
box to any person other than the owner of the unclaimed funds or 13814  
contents of a safe deposit box. 13815

(4) If the agreement involves recovery of the contents of 13816  
a safe deposit box, the agreement stipulates that the person 13817  
receiving any fee, compensation, commission, or other 13818  
remuneration for engaging in any activity for the purpose of 13819  
locating, delivering, recovering, or assisting in the recovery 13820  
of unclaimed funds or other items stored in a safe deposit box 13821

on behalf of any other person shall do all of the following: 13822

(a) Make arrangements to have an appraiser and the 13823  
director of commerce view the contents of the safe deposit box 13824  
together, at a time mutually agreeable to the appraiser and 13825  
director; 13826

(b) State that the value of the property in the safe 13827  
deposit box is the amount established by the appraiser who 13828  
viewed the safe deposit box contents; 13829

(c) Base the fee, compensation, commission, or other 13830  
remuneration for locating, delivering, recovering, or assisting 13831  
in the recovery of unclaimed funds or other items stored in a 13832  
safe deposit box on the appraised value established by the 13833  
appraiser who viewed the safe deposit box contents. 13834

(C) No person shall receive a fee, compensation, 13835  
commission, or other remuneration, or engage in any activity for 13836  
the purpose of locating, delivering, recovering, or assisting in 13837  
the recovery of unclaimed funds or contents of a safe deposit 13838  
box, under an agreement that is invalid under this section. 13839

(D) A person who receives any fee, compensation, 13840  
commission, or other remuneration for engaging in any activity 13841  
for the purpose of locating, delivering, recovering, or 13842  
assisting in the recovery of unclaimed funds or other items 13843  
stored in a safe deposit box on behalf of any other person 13844  
cannot function as an appraiser of the contents of the safe 13845  
deposit box for purposes of division (B)(4) of this section. 13846

(E) The director shall not recognize or make any delivery 13847  
and the auditor of state shall not make any payment pursuant to 13848  
any power of attorney between an owner of the unclaimed funds or 13849  
contents of a safe deposit box and the person with whom the 13850

owner entered into an agreement pursuant to division (B) (2) of 13851  
this section to locate, deliver, recover, or assist in the 13852  
recovery of the unclaimed funds or contents of a safe deposit 13853  
box if that power of attorney is entered into on or after ~~the~~ 13854  
~~effective date of this amendment~~ March 23, 2007, and that power 13855  
of attorney specifically provides for the payment of unclaimed 13856  
funds or delivery of the contents of a safe deposit box to any 13857  
person other than the owner of the unclaimed funds or contents 13858  
of a safe deposit box. Nothing in this section shall be 13859  
construed as prohibiting the payment of unclaimed funds or 13860  
delivery of the contents of a safe deposit box to the legal 13861  
representative of the owner of the unclaimed funds or contents 13862  
of the safe deposit box. Notwithstanding the definition of 13863  
"owner" specified in division (C) of section 169.01 of the 13864  
Revised Code, for purposes of the payment of unclaimed funds or 13865  
delivery of the contents of the safe deposit box, a person with 13866  
whom an owner entered into an agreement under division (B) (2) of 13867  
this section is not a legal representative. 13868

**Sec. 4735.24.** (A) Except as otherwise provided in this 13869  
section, when earnest money connected to a real estate purchase 13870  
agreement is deposited in a real estate broker's trust or 13871  
special account, the broker shall maintain that money in the 13872  
account in accordance with the terms of the purchase agreement 13873  
until one of the following occurs: 13874

(1) The transaction closes and the broker disburses the 13875  
earnest money to the closing or escrow agent or otherwise 13876  
disburses the money pursuant to the terms of the purchase 13877  
agreement. 13878

(2) The parties provide the broker with separate written 13879  
instructions that both parties have signed that specify how the 13880

broker is to disburse the earnest money and the broker acts 13881  
pursuant to those instructions. 13882

(3) The broker receives a copy of a final court order that 13883  
specifies to whom the earnest money is to be awarded and the 13884  
broker acts pursuant to the court order. 13885

(4) The earnest money becomes unclaimed funds as defined 13886  
in division (M) (2) of section 169.02 of the Revised Code and, 13887  
after providing the notice that division ~~(D)~~ (E) of section 13888  
169.03 of the Revised Code requires, the broker has reported the 13889  
unclaimed funds to the director of commerce pursuant to section 13890  
169.03 of the Revised Code and has remitted all of the earnest 13891  
money to the director. 13892

(B) A purchase agreement may provide that in the event of 13893  
a dispute regarding the disbursement of the earnest money, the 13894  
broker will return the money to the purchaser without notice to 13895  
the parties unless, within two years from the date the earnest 13896  
money was deposited in the broker's trust or special account, 13897  
the broker has received one of the following: 13898

(1) Written instructions signed by both parties specifying 13899  
how the money is to be disbursed; 13900

(2) Written notice that a court action to resolve the 13901  
dispute has been filed. 13902

(C) (1) If the parties dispute the disbursement of the 13903  
earnest money and the purchase agreement contains the provision 13904  
described in division (B) of this section, not later than the 13905  
first day of September following the two year anniversary date 13906  
of the deposit of the earnest money in the broker's account, the 13907  
broker shall return the earnest money to the purchaser unless 13908  
the parties provided the broker with written instructions or a 13909

notice of a court action as described in division (B) of this section. 13910  
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(2) If the broker cannot locate the purchaser at the time the disbursement is due, after providing the notice that division ~~(D)~~(E) of section 169.03 of the Revised Code requires, the broker shall report the earnest money as unclaimed funds to the director of commerce pursuant to section 169.03 of the Revised Code and remit all of the earnest money to the director. 13912  
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**Section 8.** That existing sections 127.16, 169.01, 169.03, 169.08, 169.13, and 4735.24 of the Revised Code are hereby repealed. 13918  
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**Section 9.** Section 169.13 of the Revised Code is presented in this act as a composite of the section as amended by both H.B. 699 and S.B. 223 of the 126th General Assembly. The General Assembly, applying the principle stated in division (B) of section 1.52 of the Revised Code that amendments are to be harmonized if reasonably capable of simultaneous operation, finds that the composite is the resulting version of the section in effect prior to the effective date of the section as presented in this act. 13921  
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