

As Reported by the Senate Judiciary Committee

133rd General Assembly

Regular Session

2019-2020

Sub. S. B. No. 276

Senators Roegner, Manning

Cosponsors: Senators Brenner, Hackett, Eklund

A BILL

To amend sections 111.16, 122.16, 122.173, 135.14, 1
135.142, 135.35, 150.05, 718.01, 1329.01, 2
1329.02, 1701.03, 1701.05, 1701.791, 1702.05, 3
1702.411, 1703.04, 1729.36, 1729.38, 1745.461, 4
1751.01, 1776.69, 1776.82, 1782.02, 1782.432, 5
1785.09, 3345.203, 3964.03, 3964.17, 4701.14, 6
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4715.431, 4717.06, 4723.16, 4725.33, 4729.161, 8
4729.541, 4731.226, 4731.228, 4732.28, 4733.16, 9
4734.17, 4755.111, 4755.471, 4757.37, 5701.14, 10
5715.19, 5733.04, 5733.33, 5733.42, 5747.01, and 11
5751.01; to enact sections 1706.01, 1706.02, 12
1706.03, 1706.04, 1706.05, 1706.06, 1706.061, 13
1706.07, 1706.08, 1706.081, 1706.082, 1706.09, 14
1706.16, 1706.161, 1706.17, 1706.171, 1706.172, 15
1706.173, 1706.174, 1706.175, 1706.18, 1706.19, 16
1706.20, 1706.26, 1706.27, 1706.28, 1706.281, 17
1706.29, 1706.30, 1706.31, 1706.311, 1706.32, 18
1706.33, 1706.331, 1706.332, 1706.34, 1706.341, 19
1706.342, 1706.41, 1706.411, 1706.412, 1706.46, 20
1706.461, 1706.47, 1706.471, 1706.472, 1706.473, 21
1706.474, 1706.475, 1706.51, 1706.511, 1706.512, 22
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1706.612, 1706.613, 1706.614, 1706.615,	24
1706.616, 1706.617, 1706.62, 1706.71, 1706.711,	25
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1706.7610, 1706.7611, 1706.7612, 1706.7613,	30
1706.81, 1706.82, 1706.83, and 1706.84; and to	31
repeal sections 1705.01, 1705.02, 1705.03,	32
1705.031, 1705.04, 1705.05, 1705.06, 1705.07,	33
1705.08, 1705.081, 1705.09, 1705.10, 1705.11,	34
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1705.161, 1705.17, 1705.18, 1705.19, 1705.20,	36
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1705.53, 1705.54, 1705.55, 1705.56, 1705.57,	45
1705.58, and 1705.61 of the Revised Code to	46
enact the Ohio Revised Limited Liability Company	47
Act.	48

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

Section 1. That sections 111.16, 122.16, 122.173, 135.14,	49
135.142, 135.35, 150.05, 718.01, 1329.01, 1329.02, 1701.03,	50

1701.05, 1701.791, 1702.05, 1702.411, 1703.04, 1729.36, 1729.38, 51
1745.461, 1751.01, 1776.69, 1776.82, 1782.02, 1782.432, 1785.09, 52
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4729.161, 4729.541, 4731.226, 4731.228, 4732.28, 4733.16, 55
4734.17, 4755.111, 4755.471, 4757.37, 5701.14, 5715.19, 5733.04, 56
5733.33, 5733.42, 5747.01, and 5751.01 be amended and sections 57
1706.01, 1706.02, 1706.03, 1706.04, 1706.05, 1706.06, 1706.061, 58
1706.07, 1706.08, 1706.081, 1706.082, 1706.09, 1706.16, 59
1706.161, 1706.17, 1706.171, 1706.172, 1706.173, 1706.174, 60
1706.175, 1706.18, 1706.19, 1706.20, 1706.26, 1706.27, 1706.28, 61
1706.281, 1706.29, 1706.30, 1706.31, 1706.311, 1706.32, 1706.33, 62
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1706.612, 1706.613, 1706.614, 1706.615, 1706.616, 1706.617, 67
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1706.761, 1706.762, 1706.763, 1706.764, 1706.765, 1706.766, 70
1706.767, 1706.768, 1706.769, 1706.7610, 1706.7611, 1706.7612, 71
1706.7613, 1706.81, 1706.82, 1706.83, and 1706.84 of the Revised 72
Code be enacted to read as follows: 73

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

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

(1) Wherein the corporation shall not be authorized to 79
issue any shares of capital stock, ninety-nine dollars; 80

(2) Wherein the corporation shall be authorized to issue shares of capital stock, with or without par value:	81
	82
(a) Ten cents for each share authorized up to and including one thousand shares;	83
	84
(b) Five cents for each share authorized in excess of one thousand shares up to and including ten thousand shares;	85
	86
(c) Two cents for each share authorized in excess of ten thousand shares up to and including fifty thousand shares;	87
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(d) One cent for each share authorized in excess of fifty thousand shares up to and including one hundred thousand shares;	89
	90
(e) One-half cent for each share authorized in excess of one hundred thousand shares up to and including five hundred thousand shares;	91
	92
	93
(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.	94
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(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:	98
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(1) If the domestic corporation is not authorized to issue any shares of capital stock, fifty dollars;	103
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(2) If the domestic corporation is authorized to issue shares of capital stock, fifty dollars, and in case of any increase in the number of shares authorized to be issued, a further sum computed in accordance with the schedule set forth	105
	106
	107
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in division (A) (2) of this section less a credit computed in the 109
same manner for the number of shares previously authorized to be 110
issued by the corporation; provided no fee under division (B) (2) 111
of this section shall be greater than one hundred thousand 112
dollars; 113

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

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

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

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

(E) For filing and recording articles of incorporation of 135
a credit union or the American credit union guaranty 136
association, ninety-nine dollars, and for filing and recording a 137

certificate of increase in capital stock or any other amendment	138
of the articles of incorporation of a credit union or the	139
association, fifty dollars;	140
(F) For filing and recording articles of organization of a	141
limited liability company, for filing and recording an	142
application to become a registered foreign limited liability	143
company, for filing and recording a registration application to	144
become a domestic limited liability partnership, or for filing	145
and recording an application to become a registered foreign	146
limited liability partnership, ninety-nine dollars;	147
(G) For filing and recording a certificate of limited	148
partnership or an application for registration as a foreign	149
limited partnership, or for filing an initial statement of	150
partnership authority pursuant to section 1776.33 of the Revised	151
Code, ninety-nine dollars;	152
(H) For filing a copy of papers evidencing the	153
incorporation of a municipal corporation or of annexation of	154
territory by a municipal corporation, five dollars, to be paid	155
by the municipal corporation, the petitioners therefor, or their	156
agent;	157
(I) For filing and recording any of the following:	158
(1) A license to transact business in this state by a	159
foreign corporation for profit pursuant to section 1703.04 of	160
the Revised Code or a foreign nonprofit corporation pursuant to	161
section 1703.27 of the Revised Code, ninety-nine dollars;	162
(2) A biennial report or biennial statement pursuant to	163
section 1775.63, 1776.83, or 1785.06 of the Revised Code,	164
twenty-five dollars;	165
(3) Except as otherwise provided in this section or any	166

other section of the Revised Code, any other certificate or 167
paper that is required to be filed and recorded or is permitted 168
to be filed and recorded by any provision of the Revised Code 169
with the secretary of state, twenty-five dollars. 170

(J) For filing any certificate or paper not required to be 171
recorded, five dollars; 172

(K) (1) For making copies of any certificate or other paper 173
filed in the office of the secretary of state, a fee not to 174
exceed one dollar per page, except as otherwise provided in the 175
Revised Code, and for creating and affixing the seal of the 176
office of the secretary of state to any good standing or other 177
certificate, five dollars. For copies of certificates or papers 178
required by state officers for official purpose, no charge shall 179
be made. 180

(2) For creating and affixing the seal of the office of 181
the secretary of state to the certificates described in division 182
(E) of section 1701.81, division (E) of section 1701.811, 183
division (E) of section 1705.38, division (E) of section 184
1705.381, division (D) of section 1702.43, division (E) of 185
section 1775.47, division (E) of section 1775.55, division (E) 186
of section 1776.70, division (E) of section 1776.74, division 187
(E) of section 1782.433, or division (E) of section 1782.4310 of 188
the Revised Code, twenty-five dollars. 189

(L) For a minister's license to solemnize marriages, ten 190
dollars; 191

(M) For examining documents to be filed at a later date 192
for the purpose of advising as to the acceptability of the 193
proposed filing, fifty dollars; 194

(N) Fifty dollars for filing and recording any of the 195

following:	196
(1) A certificate of dissolution and accompanying documents, or a certificate of cancellation, under section 1701.86, 1702.47, 1705.43, <u>1706.471</u> , 1776.65, or 1782.10 of the Revised Code;	197 198 199 200
(2) A notice of dissolution of a foreign licensed corporation or a certificate of surrender of license by a foreign licensed corporation under section 1703.17 of the Revised Code;	201 202 203 204
(3) The withdrawal of registration of a foreign or domestic limited liability partnership under section 1775.61, 1775.64, 1776.81, or 1776.86 of the Revised Code, or the certificate of cancellation of registration of a foreign limited liability company under section 1705.57 <u>or 1706.514</u> of the Revised Code;	205 206 207 208 209 210
(4) The filing of a statement of denial under section 1776.34 of the Revised Code, a statement of dissociation under section 1776.57 of the Revised Code, a statement of disclaimer of general partner status under Chapter 1782. of the Revised Code, or a cancellation of disclaimer of general partner status under Chapter 1782. of the Revised Code.	211 212 213 214 215 216
(O) For filing a statement of continued existence by a nonprofit corporation, twenty-five dollars;	217 218
(P) For filing a restatement under section 1705.08, <u>1706.161</u> , or 1782.09 of the Revised Code, an amendment to a certificate of cancellation under section 1782.10 of the Revised Code, an amendment under section 1705.08, <u>1706.161</u> , or 1782.09 of the Revised Code, or a correction under section 1705.55, <u>1706.173, 1706.511, 1706.513, 1775.61, 1775.64, 1776.12, or</u>	219 220 221 222 223 224

1782.52 of the Revised Code, fifty dollars;	225
(Q) For filing for reinstatement of an entity cancelled by operation of law, by the secretary of state, by order of the department of taxation, or by order of a court, twenty-five dollars;	226 227 228 229
(R) For filing and recording any of the following:	230
(1) A change of agent, resignation of agent, or change of agent's address under section 1701.07, 1702.06, 1703.041, 1703.27, 1705.06, 1705.55, <u>1706.09</u> , 1746.04, 1747.03, 1776.07, or 1782.04 of the Revised Code, twenty-five dollars;	231 232 233 234
(2) A multiple change of agent name or address, standardization of agent address, or resignation of agent under section 1701.07, 1702.06, 1703.041, 1703.27, 1705.06, 1705.55, <u>1706.09</u> , 1746.04, 1747.03, 1776.07, or 1782.04 of the Revised Code, one hundred twenty-five dollars, plus three dollars per entity record being changed, by the multiple agent update.	235 236 237 238 239 240
(S) For filing and recording any of the following:	241
(1) An application for the exclusive right to use a name or an application to reserve a name for future use under section 1701.05, 1702.05, 1703.31, 1705.05, <u>1706.07</u> , or 1746.06 of the Revised Code, thirty-nine dollars;	242 243 244 245
(2) A trade name or fictitious name registration or report, thirty-nine dollars;	246 247
(3) An application to renew any item covered by division (S)(1) or (2) of this section that is permitted to be renewed, twenty-five dollars;	248 249 250
(4) An assignment of rights for use of a name covered by division (S)(1), (2), or (3) of this section, the cancellation	251 252

of a name registration or name reservation that is so covered, 253
or notice of a change of address of the registrant of a name 254
that is so covered, twenty-five dollars. 255

(T) For filing and recording a report to operate a 256
business trust or a real estate investment trust, either foreign 257
or domestic, ninety-nine dollars; and for filing and recording 258
an amendment to a report or associated trust instrument, or a 259
surrender of authority, to operate a business trust or real 260
estate investment trust, fifty dollars; 261

(U) (1) For filing and recording the registration of a 262
trademark, service mark, or mark of ownership, one hundred 263
twenty-five dollars; 264

(2) For filing and recording the change of address of a 265
registrant, the assignment of rights to a registration, a 266
renewal of a registration, or the cancellation of a registration 267
associated with a trademark, service mark, or mark of ownership, 268
twenty-five dollars. 269

(V) For filing a service of process with the secretary of 270
state, five dollars, except as otherwise provided in any section 271
of the Revised Code; 272

(W) For making, recording, and forwarding a commission 273
under section 107.06 of the Revised Code, the applicable fee 274
specified in that section. 275

Fees specified in this section may be paid by cash, check, 276
or money order, by credit card in accordance with section 113.40 277
of the Revised Code, or by an alternative payment program in 278
accordance with division (B) of section 111.18 of the Revised 279
Code. Any credit card number or the expiration date of any 280
credit card is not subject to disclosure under Chapter 149. of 281

the Revised Code.	282
Sec. 122.16. (A) As used in this section:	283
(1) "Distressed area" means either a municipal corporation	284
that has a population of at least fifty thousand or a county,	285
that meets two of the following criteria:	286
(a) Its average rate of unemployment, during the most	287
recent five-year period for which data are available, is equal	288
to at least one hundred twenty-five per cent of the average rate	289
of unemployment for the United States for the same period.	290
(b) It has a per capita income equal to or below eighty	291
per cent of the median county per capita income of the United	292
States as determined by the most recently available figures from	293
the United States census bureau.	294
(c) (i) In the case of a municipal corporation, at least	295
twenty per cent of the residents have a total income for the	296
most recent census year that is below the official poverty line.	297
(ii) In the case of a county, in intercensal years, the	298
county has a ratio of transfer payment income to total county	299
income equal to or greater than twenty-five per cent.	300
(2) "Eligible area" means a distressed area, a labor	301
surplus area, an inner city area, or a situational distress	302
area.	303
(3) "Eligible costs associated with a voluntary action"	304
means costs incurred during the qualifying period in performing	305
a remedy or remedial activities, as defined in section 3746.01	306
of the Revised Code, and any costs incurred during the	307
qualifying period in performing both a phase I and phase II	308
property assessment, as defined in the rules adopted under	309

section 3746.04 of the Revised Code, provided that the 310
performance of the phase I and phase II property assessment 311
resulted in the implementation of the remedy or remedial 312
activities. 313

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

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

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

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

(8) "Partnership" includes a limited liability company 334
formed under Chapter 1705. or 1706. of the Revised Code or under 335
the laws of any other state if the limited liability company is 336
not treated as a corporation for purposes of Chapter 5733. of 337
the Revised Code and is not classified as an association taxable 338

as a corporation for federal income tax purposes.	339
(9) "Qualifying period" means the period that begins July 1, 1996, and ends June 30, 1999.	340 341
(10) "S corporation" means a corporation that has made an election under subchapter S of chapter one of subtitle A of the Internal Revenue Code for its taxable year under the Internal Revenue Code;	342 343 344 345
(11) "Situational distress area" means a county or a municipal corporation that has experienced or is experiencing a closing or downsizing of a major employer that will adversely affect the economy of the county or municipal corporation. In order for a county or municipal corporation to be designated as a situational distress area, the governing body of the county or municipal corporation shall submit a petition to the director of development in the form prescribed by the director. A county or municipal corporation may be designated as a situational distress area for a period not exceeding thirty-six months.	346 347 348 349 350 351 352 353 354 355
The petition shall include written documentation that demonstrates all of the following:	356 357
(a) The number of jobs lost by the closing or downsizing;	358
(b) The impact that the job loss has on the unemployment rate of the county or municipal corporation as measured by the director of job and family services;	359 360 361
(c) The annual payroll associated with the job loss;	362
(d) The amount of state and local taxes associated with the job loss;	363 364
(e) The impact that the closing or downsizing has on the suppliers located in the county or municipal corporation.	365 366

(12) "Voluntary action" has the same meaning as in section 3746.01 of the Revised Code.	367 368
(13) "Taxpayer" means a corporation subject to the tax imposed by section 5733.06 of the Revised Code or any person subject to the tax imposed by section 5747.02 of the Revised Code.	369 370 371 372
(14) "Governing body" means the board of county commissioners of a county, the board of township trustees of a township, or the legislative authority of a municipal corporation.	373 374 375 376
(15) "Eligible site" means property for which a covenant not to sue has been issued under section 3746.12 of the Revised Code.	377 378 379
(B) (1) A taxpayer, partnership, or S corporation that has been issued, under section 3746.12 of the Revised Code, a covenant not to sue for a site by the director of environmental protection during the qualifying period may apply to the director of development, in the manner prescribed by the director, to enter into an agreement under which the applicant agrees to economically redevelop the site in a manner that will create employment opportunities and a credit will be granted to the applicant against the tax imposed by section 5733.06 or 5747.02 of the Revised Code. The application shall state the eligible costs associated with a voluntary action incurred by the applicant. The application shall be accompanied by proof, in a form prescribed by the director of development, that the covenant not to sue has been issued.	380 381 382 383 384 385 386 387 388 389 390 391 392 393
The applicant shall request the certified professional that submitted the no further action letter for the eligible	394 395

site under section 3746.11 of the Revised Code to submit an 396
affidavit to the director of development verifying the eligible 397
costs associated with the voluntary action at that site. 398

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

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

1996 \$5,000,000 412

1997 \$10,000,000 413

1998 \$10,000,000 414

1999 \$5,000,000 415

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

(C) (1) If the covenant not to sue was issued in connection 422
with a site that is not located in an eligible area, the credit 423

amount is equal to the lesser of five hundred thousand dollars 424
or ten per cent of the eligible costs associated with a 425
voluntary action incurred by the taxpayer, partnership, or S 426
corporation. 427

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

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

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

(D) (1) Each agreement entered into under this section 449
shall incorporate a commitment by the taxpayer, partnership, or 450
S corporation not to permit the use of an eligible site to cause 451
the relocation of employment positions to that site from 452
elsewhere in this state, except as otherwise provided in 453

division (D) (2) of this section. The commitment shall be binding 454
on the taxpayer, partnership, or S corporation for the lesser of 455
five years from the date the agreement is entered into or the 456
number of years the taxpayer, partnership, or S corporation is 457
entitled to claim the tax credit under the agreement. 458

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

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

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

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

(E) A taxpayer, partnership, or S corporation that has 477
entered into an agreement granting a credit against the tax 478
imposed by section 5733.06 or 5747.02 of the Revised Code that 479
subsequently recovers in a lawsuit or settlement of a lawsuit at 480
least seventy-five per cent of the eligible costs associated 481
with a voluntary action shall not claim any credit amount 482

remaining, including any amounts carried forward from prior 483
years, beginning with the taxable year in which the judgment in 484
the lawsuit is entered or the settlement is finally agreed to. 485

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

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

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

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

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

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

(G) The director of development shall annually certify, by 507
the first day of January of each year during the qualifying 508
period, the eligible areas for the calendar year that includes 509
that first day of January. 510

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

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

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

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

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

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

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

(b) For the generation of electricity, if fifty per cent 535
or more of the electricity that the property generates is 536
consumed, during the one-hundred-twenty-month period commencing 537
with the date the property is placed in service, by persons that 538
are not related members to the person who generates the 539

electricity.	540
(3) (a) "Purchase" has the same meaning as in section	541
179(d) (2) of the Internal Revenue Code.	542
(b) For purposes of this section, any property that is not	543
manufactured or assembled primarily by the taxpayer is	544
considered purchased at the time the agreement to acquire the	545
property becomes binding. Any property that is manufactured or	546
assembled primarily by the taxpayer is considered purchased at	547
the time the taxpayer places the property in service in the	548
county for which the taxpayer will calculate the county excess	549
amount.	550
(c) Notwithstanding section 179(d) of the Internal Revenue	551
Code, a taxpayer's direct or indirect acquisition of new	552
manufacturing machinery and equipment is not purchased on or	553
after July 1, 1995, if the taxpayer, or a person whose	554
relationship to the taxpayer is described in subparagraphs (A),	555
(B), or (C) of section 179(d) (2) of the Internal Revenue Code,	556
had directly or indirectly entered into a binding agreement to	557
acquire the property at any time prior to July 1, 1995.	558
(4) "Qualifying period" means the period that begins July	559
1, 1995, and ends June 30, 2005.	560
(5) "County average new manufacturing machinery and	561
equipment investment" means either of the following:	562
(a) The average annual cost of new manufacturing machinery	563
and equipment purchased for use in the county during baseline	564
years, in the case of a taxpayer that was in existence for more	565
than one year during baseline years.	566
(b) Zero, in the case of a taxpayer that was not in	567
existence for more than one year during baseline years.	568

(6) "Partnership" includes a limited liability company 569
formed under Chapter 1705. or 1706. of the Revised Code or under 570
the laws of any other state, provided that the company is not 571
classified for federal income tax purposes as an association 572
taxable as a corporation. 573

(7) "Partner" includes a member of a limited liability 574
company formed under Chapter 1705. or 1706. of the Revised Code 575
or under the laws of any other state, provided that the company 576
is not classified for federal income tax purposes as an 577
association taxable as a corporation. 578

(8) "Distressed area" means either a municipal corporation 579
that has a population of at least fifty thousand or a county 580
that meets two of the following criteria of economic distress, 581
or a municipal corporation the majority of the population of 582
which is situated in such a county: 583

(a) Its average rate of unemployment, during the most 584
recent five-year period for which data are available, is equal 585
to at least one hundred twenty-five per cent of the average rate 586
of unemployment for the United States for the same period; 587

(b) It has a per capita income equal to or below eighty 588
per cent of the median county per capita income of the United 589
States as determined by the most recently available figures from 590
the United States census bureau; 591

(c) (i) In the case of a municipal corporation, at least 592
twenty per cent of the residents have a total income for the 593
most recent census year that is below the official poverty line; 594

(ii) In the case of a county, in intercensal years, the 595
county has a ratio of transfer payment income to total county 596
income equal to or greater than twenty-five per cent. 597

(9) "Eligible area" means a distressed area, a labor surplus area, an inner city area, or a situational distress area. 598
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(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. 601
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(11) "Labor surplus area" means an area designated as a labor surplus area by the United States department of labor. 610
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(12) "Official poverty line" has the same meaning as in division (A) of section 3923.51 of the Revised Code. 612
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(13) "Situational distress area" means a county or a municipal corporation that has experienced or is experiencing a closing or downsizing of a major employer that will adversely affect the county's or municipal corporation's economy. In order to be designated as a situational distress area, for a period not to exceed thirty-six months, the county or municipal corporation may petition the director of development. The petition shall include written documentation that demonstrates all of the following adverse effects on the local economy: 614
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(a) The number of jobs lost by the closing or downsizing; 623

(b) The impact that the job loss has on the county's or municipal corporation's unemployment rate as measured by the state director of job and family services; 624
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(c) The annual payroll associated with the job loss;	627
(d) The amount of state and local taxes associated with the job loss;	628 629
(e) The impact that the closing or downsizing has on suppliers located in the county or municipal corporation.	630 631
(14) "Cost" has the same meaning and limitation as in section 179(d) (3) of the Internal Revenue Code.	632 633
(15) "Baseline years" means:	634
(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;	635 636 637
(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;	638 639 640
(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;	641 642 643
(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;	644 645 646
(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;	647 648 649
(f) Calendar years 1997, 1998, and 1999, with regard to a grant claimed for the purchase during calendar year 2003 of new manufacturing machinery and equipment;	650 651 652
(g) Calendar years 1998, 1999, and 2000, with regard to a	653

grant claimed for the purchase during calendar year 2004 of new manufacturing machinery and equipment; 654
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(h) Calendar years 1999, 2000, and 2001, with regard to a grant claimed for the purchase on or after January 1, 2005, and on or before June 30, 2005, of new manufacturing machinery and equipment. 656
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(16) "Related member" has the same meaning as in section 5733.042 of the Revised Code. 660
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(17) "Qualifying controlled group" has the same meaning as in section 5733.04 of the Revised Code. 662
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(18) "Tax liability" has the same meaning as in section 122.172 of the Revised Code. 664
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(B) (1) Subject to divisions (I) and (J) of this section, a grant is allowed against the tax imposed by section 5733.06 or 5747.02 of the Revised Code for a taxpayer that purchases new manufacturing machinery and equipment during the qualifying period, provided that the new manufacturing machinery and equipment are installed in this state not later than June 30, 2006. 666
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(2) (a) Except as otherwise provided in division (B) (2) (b) of this section, a grant may be claimed under this section in excess of one million dollars only if the cost of all manufacturing machinery and equipment owned in this state by the taxpayer claiming the grant on the last day of the calendar year exceeds the cost of all manufacturing machinery and equipment owned in this state by the taxpayer on the first day of that calendar year. 673
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As used in division (B) (2) (a) of this section, "calendar year" means the calendar year in which the machinery and 681
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equipment for which the grant is claimed was purchased. 683

(b) Division (B) (2) (a) of this section does not apply if 684
the taxpayer claiming the grant applies for and is issued a 685
waiver of the requirement of that division. A taxpayer may apply 686
to the director of development for such a waiver in the manner 687
prescribed by the director, and the director may issue such a 688
waiver if the director determines that granting the grant is 689
necessary to increase or retain employees in this state, and 690
that the grant has not caused relocation of manufacturing 691
machinery and equipment among counties within this state for the 692
primary purpose of qualifying for the grant. 693

(C) (1) Except as otherwise provided in division (C) (2) and 694
division (I) of this section, the grant amount is equal to seven 695
and one-half per cent of the excess of the cost of the new 696
manufacturing machinery and equipment purchased during the 697
calendar year for use in a county over the county average new 698
manufacturing machinery and equipment investment for that 699
county. 700

(2) Subject to division (I) of this section, as used in 701
division (C) (2) of this section, "county excess" means the 702
taxpayer's excess cost for a county as computed under division 703
(C) (1) of this section. 704

Subject to division (I) of this section, a taxpayer with a 705
county excess, whose purchases included purchases for use in any 706
eligible area in the county, the grant amount is equal to 707
thirteen and one-half per cent of the cost of the new 708
manufacturing machinery and equipment purchased during the 709
calendar year for use in the eligible areas in the county, 710
provided that the cost subject to the thirteen and one-half per 711
cent rate shall not exceed the county excess. If the county 712

excess is greater than the cost of the new manufacturing 713
machinery and equipment purchased during the calendar year for 714
use in eligible areas in the county, the grant amount also shall 715
include an amount equal to seven and one-half per cent of the 716
amount of the difference. 717

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

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

(5) (a) A taxpayer that acquires manufacturing machinery 736
and equipment as a result of a merger with the taxpayer with 737
whom commenced the original use in this state of the 738
manufacturing machinery and equipment, or with a taxpayer that 739
was a partner in a partnership with whom commenced the original 740
use in this state of the manufacturing machinery and equipment, 741
is entitled to any remaining or carried-forward grant amounts to 742

which the taxpayer was entitled. 743

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

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

(d) Division (C) (5) of this section applies only if the 767
acquiring taxpayer or transferee does not sell the new 768
manufacturing machinery and equipment or transfer the new 769
manufacturing machinery and equipment out of the county before 770
the end of the seven-year period to which division (C) (4) of 771
this section refers. 772

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

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

(E) A taxpayer purchasing new manufacturing machinery and 792
equipment and intending to claim the grant shall file, with the 793
director of development, a notice of intent to claim the grant 794
on a form prescribed by the director of development. The 795
director of development shall inform the tax commissioner of the 796
notice of intent to claim the grant. No grant may be claimed 797
under this section for any manufacturing machinery and equipment 798
with respect to which a notice was not filed by the date of a 799
timely filed return, including extensions, for the taxable year 800
that includes September 30, 2005, but a notice filed on or 801
before such date under division (E) of section 5733.33 of the 802
Revised Code of the intent to claim the credit under that 803

section also shall be considered a notice of the intent to claim 804
a grant under this section. 805

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

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

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

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

(I) Notwithstanding any other provision of this section to 826
the contrary, in the case of a qualifying controlled group, the 827
grant available under this section to a taxpayer or taxpayers in 828
the qualifying controlled group shall be computed as if all 829
corporations in the group were a single corporation. The grant 830
shall be allocated to such a taxpayer or taxpayers in the group 831
in any amount elected for the taxable year by the group. The 832

election shall be revocable and amendable during the period 833
described in division (B) of section 5733.12 of the Revised 834
Code. 835

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

(1) The election is irrevocable; 847

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

(J) Except as provided in division (B) of section 122.172 853
of the Revised Code, no grant under this section may be claimed 854
for any taxable year for which a credit is allowed under section 855
5733.33 of the Revised Code. If the tax imposed by section 856
5733.06 of the Revised Code for which a grant is allowed under 857
this section has been prorated under division (G)(2) of section 858
5733.01 of the Revised Code, the grant shall be prorated by the 859
same percentage as the tax. 860

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

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

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

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

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

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

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

(3) Interim deposits in the eligible institutions applying 889
for interim moneys as provided in section 135.08 of the Revised 890

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

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

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

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

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

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

(e) The bonds or other obligations mature within ten years 917
from the date of settlement. 918

No investment shall be made under division (B) (4) of this 919

section unless the treasurer or governing board has completed 920
additional training for making the investments authorized by 921
division (B)(4) of this section. The type and amount of 922
additional training shall be approved by the treasurer of state 923
and may be conducted by or provided under the supervision of the 924
treasurer of state. 925

(5) No-load money market mutual funds consisting 926
exclusively of obligations described in division (B)(1) or (2) 927
of this section and repurchase agreements secured by such 928
obligations, provided that investments in securities described 929
in this division are made only through eligible institutions 930
mentioned in section 135.03 of the Revised Code; 931

(6) The Ohio subdivision's fund as provided in section 932
135.45 of the Revised Code; 933

(7) Up to forty per cent of interim moneys available for 934
investment in either of the following: 935

(a) Commercial paper notes issued by an entity that is 936
defined in division (D) of section 1705.01 or division (E) of 937
section 1706.01 of the Revised Code and that has assets 938
exceeding five hundred million dollars, to which notes all of 939
the following apply: 940

(i) The notes are rated at the time of purchase in the 941
highest classification established by at least two nationally 942
recognized standard rating services. 943

(ii) The aggregate value of the notes does not exceed ten 944
per cent of the aggregate value of the outstanding commercial 945
paper of the issuing corporation. 946

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

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

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

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

(C) Nothing in the classifications of eligible obligations set forth in divisions (B) (1) to (7) of this section shall be construed to authorize any investment in a derivative, and no treasurer or governing board shall invest in a derivative. For purposes of this division, "derivative" means a financial instrument or contract or obligation whose value or return is based upon or linked to another asset or index, or both, separate from the financial instrument, contract, or obligation itself. Any security, obligation, trust account, or other instrument that is created from an issue of the United States treasury or is created from an obligation of a federal agency or instrumentality or is created from both is considered a derivative instrument. An eligible investment described in this section with a variable interest rate payment, based upon a single interest payment or single index comprised of other eligible investments provided for in division (B) (1) or (2) of this section, is not a derivative, provided that such variable

rate investment has a maximum maturity of two years. 979

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

(E) The treasurer or governing board may also enter into a 985
written repurchase agreement with any eligible institution 986
mentioned in section 135.03 of the Revised Code or any eligible 987
dealer pursuant to division (M) of this section, under the terms 988
of which agreement the treasurer or governing board purchases, 989
and such institution or dealer agrees unconditionally to 990
repurchase any of the securities listed in divisions (D) (1) to 991
(5), except letters of credit described in division (D) (2), of 992
section 135.18 of the Revised Code. The market value of 993
securities subject to an overnight written repurchase agreement 994
must exceed the principal value of the overnight written 995
repurchase agreement by at least two per cent. A written 996
repurchase agreement shall not exceed thirty days and the market 997
value of securities subject to a written repurchase agreement 998
must exceed the principal value of the written repurchase 999
agreement by at least two per cent and be marked to market 1000
daily. All securities purchased pursuant to this division shall 1001
be delivered into the custody of the treasurer or governing 1002
board or an agent designated by the treasurer or governing 1003
board. A written repurchase agreement with an eligible 1004
securities dealer shall be transacted on a delivery versus 1005
payment basis. The agreement shall contain the requirement that 1006
for each transaction pursuant to the agreement the participating 1007
institution or dealer shall provide all of the following 1008
information: 1009

(1) The par value of the securities;	1010
(2) The type, rate, and maturity date of the securities;	1011
(3) A numerical identifier generally accepted in the securities industry that designates the securities.	1012 1013
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.	1014 1015 1016 1017 1018
(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.	1019 1020 1021 1022
(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:	1023 1024 1025 1026 1027 1028
(1) The Ohio subdivision's fund pursuant to division (B) (6) of this section;	1029 1030
(2) A fund created solely for the purpose of acquiring, constructing, owning, leasing, or operating municipal utilities pursuant to the authority provided under section 715.02 of the Revised Code or Section 4 of Article XVIII, Ohio Constitution.	1031 1032 1033 1034
For purposes of division (G) of this section, "subdivision" includes a county.	1035 1036
(H) The use of leverage, in which the treasurer or	1037

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

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

(J) If any investments or deposits purchased under the 1064
authority of this section are issuable to a designated payee or 1065
to the order of a designated payee, the name of the treasurer 1066
and the title of the treasurer's office shall be so designated. 1067
If any such securities are registrable either as to principal or 1068

interest, or both, then such securities shall be registered in 1069
the name of the treasurer as such. 1070

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

Upon the expiration of the term of office of a treasurer 1091
or in the event of a vacancy in the office of treasurer by 1092
reason of death, resignation, removal from office, or otherwise, 1093
the treasurer or the treasurer's legal representative shall 1094
transfer and deliver to the treasurer's successor all documents 1095
evidencing a deposit or investment held by the treasurer. For 1096
the investments and deposits so transferred and delivered, such 1097
treasurer shall be credited with and the treasurer's successor 1098
shall be charged with the amount of money held in such 1099

investments and deposits. 1100

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

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

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

(N) In making investments authorized by this section, a 1124
treasurer or governing board may retain the services of an 1125
investment advisor, provided the advisor is licensed by the 1126
division of securities under section 1707.141 of the Revised 1127
Code or is registered with the securities and exchange 1128
commission, and possesses experience in public funds investment 1129

management, specifically in the area of state and local 1130
government investment portfolios, or the advisor is an eligible 1131
institution mentioned in section 135.03 of the Revised Code. 1132

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

(2) If a written investment policy described in division 1151
(O) (1) of this section is not filed on behalf of the subdivision 1152
with the auditor of state, the treasurer or governing board of 1153
that subdivision shall invest the subdivision's interim moneys 1154
only in interim deposits pursuant to division (B) (3) of this 1155
section or interim deposits pursuant to section 135.145 of the 1156
Revised Code and approved by the treasurer of state, no-load 1157
money market mutual funds pursuant to division (B) (5) of this 1158
section, or the Ohio subdivision's fund pursuant to division (B) 1159
(6) of this section. 1160

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

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

For purposes of this division, "investment or deposit 1184
agreement" means any agreement between a treasurer or governing 1185
board and a person, under which agreement the person agrees to 1186
invest, deposit, or otherwise manage a subdivision's interim 1187
moneys on behalf of the treasurer or governing board, or agrees 1188
to provide investment advice to the treasurer or governing 1189
board. 1190

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

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

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

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

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

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

(d) The investment in commercial paper notes of a single 1214
issuer shall not exceed in the aggregate five per cent of 1215
interim moneys of the board available for investment at the time 1216
of purchase. 1217

(2) Bankers' acceptances of banks that are insured by the 1218
federal deposit insurance corporation and that mature no later 1219

than one hundred eighty days after purchase. 1220

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

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

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

(E) (1) In addition to the investments authorized by 1241
section 135.14 of the Revised Code and division (A) of this 1242
section, any board of education that is a party to an agreement 1243
with the treasurer of state pursuant to division (G) of section 1244
135.143 of the Revised Code and that has outstanding obligations 1245
issued under authority of section 133.10 or 133.301 of the 1246
Revised Code may authorize the treasurer of the board of 1247
education to invest interim moneys of the board in debt 1248
interests rated in either of the two highest rating 1249

classifications by at least two nationally recognized standard 1250
rating services and issued by entities that are defined in 1251
division (D) of section 1705.01 or division (E) of section 1252
1706.01 of the Revised Code. The debt interests purchased under 1253
authority of division (E) of this section shall mature not later 1254
than the latest maturity date of the outstanding obligations 1255
issued under authority of section 133.10 or 133.301 of the 1256
Revised Code. 1257

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

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

(1) United States treasury bills, notes, bonds, or any 1276
other obligation or security issued by the United States 1277
treasury, any other obligation guaranteed as to principal or 1278
interest by the United States, or any book entry, zero-coupon 1279

United States treasury security that is a direct obligation of 1280
the United States. 1281

Nothing in the classification of eligible securities and 1282
obligations set forth in divisions (A) (2) to (10) of this 1283
section shall be construed to authorize any investment in 1284
stripped principal or interest obligations of such eligible 1285
securities and obligations. 1286

(2) Bonds, notes, debentures, or any other obligations or 1287
securities issued by any federal government agency or 1288
instrumentality, including, but not limited to, the federal 1289
national mortgage association, federal home loan bank, federal 1290
farm credit bank, federal home loan mortgage corporation, and 1291
government national mortgage association. All federal agency 1292
securities shall be direct issuances of federal government 1293
agencies or instrumentalities. 1294

(3) Time certificates of deposit or savings or deposit 1295
accounts, including, but not limited to, passbook accounts, in 1296
any eligible institution mentioned in section 135.32 of the 1297
Revised Code; 1298

(4) Bonds and other obligations of this state or the 1299
political subdivisions of this state, provided the bonds or 1300
other obligations of political subdivisions mature within ten 1301
years from the date of settlement; 1302

(5) No-load money market mutual funds rated in the highest 1303
category at the time of purchase by at least one nationally 1304
recognized standard rating service or consisting exclusively of 1305
obligations described in division (A) (1), (2), or (6) of section 1306
135.143 of the Revised Code and repurchase agreements secured by 1307
such obligations, provided that investments in securities 1308

described in this division are made only through eligible 1309
institutions mentioned in section 135.32 of the Revised Code; 1310

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

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

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

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

(a) Commercial paper notes issued by an entity that is 1331
defined in division (D) of section 1705.01 or division (E) of 1332
section 1706.01 of the Revised Code and that has assets 1333
exceeding five hundred million dollars, to which notes all of 1334
the following apply: 1335

(i) The notes are rated at the time of purchase in the 1336
highest classification established by at least two nationally 1337

recognized standard rating services. 1338

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

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

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

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

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

(9) Up to fifteen per cent of the county's total average 1357
portfolio in notes issued by corporations that are incorporated 1358
under the laws of the United States and that are operating 1359
within the United States, or by depository institutions that are 1360
doing business under authority granted by the United States or 1361
any state and that are operating within the United States, 1362
provided both of the following apply: 1363

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

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

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

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

(11) A current unpaid or delinquent tax line of credit 1389
authorized under division (G) of section 135.341 of the Revised 1390
Code, provided that all of the conditions for entering into such 1391
a line of credit under that division are satisfied, or bonds and 1392
other obligations of a county land reutilization corporation 1393
organized under Chapter 1724. of the Revised Code, if the county 1394
land reutilization corporation is located wholly or partly 1395
within the same county as the investing authority. 1396

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

(C) Except as provided in division (A) (4) or (D) of this 1419
section, any investment made pursuant to this section must 1420
mature within five years from the date of settlement, unless the 1421
investment is matched to a specific obligation or debt of the 1422
county or to a specific obligation or debt of a political 1423
subdivision of this state, and the investment is specifically 1424
approved by the investment advisory committee. 1425

(D) The investing authority may also enter into a written 1426
repurchase agreement with any eligible institution mentioned in 1427

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

- (1) The par value of the securities; 1453
- (2) The type, rate, and maturity date of the securities; 1454
- (3) A numerical identifier generally accepted in the 1455
securities industry that designates the securities. 1456

No investing authority shall enter into a written 1457

repurchase agreement under the terms of which the investing 1458
authority agrees to sell securities owned by the county to a 1459
purchaser and agrees with that purchaser to unconditionally 1460
repurchase those securities. 1461

(E) No investing authority shall make an investment under 1462
this section, unless the investing authority, at the time of 1463
making the investment, reasonably expects that the investment 1464
can be held until its maturity. The investing authority's 1465
written investment policy shall specify the conditions under 1466
which an investment may be redeemed or sold prior to maturity. 1467

(F) No investing authority shall pay a county's inactive 1468
moneys or moneys of a county public library fund into a fund 1469
established by another subdivision, treasurer, governing board, 1470
or investing authority, if that fund was established by the 1471
subdivision, treasurer, governing board, or investing authority 1472
for the purpose of investing or depositing the public moneys of 1473
other subdivisions. This division does not apply to the payment 1474
of public moneys into either of the following: 1475

(1) The Ohio subdivision's fund pursuant to division (A) 1476
(6) of this section; 1477

(2) A fund created solely for the purpose of acquiring, 1478
constructing, owning, leasing, or operating municipal utilities 1479
pursuant to the authority provided under section 715.02 of the 1480
Revised Code or Section 4 of Article XVIII, Ohio Constitution. 1481

For purposes of division (F) of this section, 1482
"subdivision" includes a county. 1483

(G) The use of leverage, in which the county uses its 1484
current investment assets as collateral for the purpose of 1485
purchasing other assets, is prohibited. The issuance of taxable 1486

notes for the purpose of arbitrage is prohibited. Contracting to 1487
sell securities not owned by the county, for the purpose of 1488
purchasing such securities on the speculation that bond prices 1489
will decline, is prohibited. 1490

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

(I) The investing authority shall be responsible for the 1498
safekeeping of all documents evidencing a deposit or investment 1499
acquired under this section, including, but not limited to, 1500
safekeeping receipts evidencing securities deposited with a 1501
qualified trustee, as provided in section 135.37 of the Revised 1502
Code, and documents confirming the purchase of securities under 1503
any repurchase agreement under this section shall be deposited 1504
with a qualified trustee, provided, however, that the qualified 1505
trustee shall be required to report to the investing authority, 1506
auditor of state, or an authorized outside auditor at any time 1507
upon request as to the identity, market value, and location of 1508
the document evidencing each security, and that if the 1509
participating institution is a designated depository of the 1510
county for the current period of designation, the securities 1511
that are the subject of the repurchase agreement may be 1512
delivered to the treasurer or held in trust by the participating 1513
institution on behalf of the investing authority. 1514

Upon the expiration of the term of office of an investing 1515
authority or in the event of a vacancy in the office for any 1516

reason, the officer or the officer's legal representative shall 1517
transfer and deliver to the officer's successor all documents 1518
mentioned in this division for which the officer has been 1519
responsible for safekeeping. For all such documents transferred 1520
and delivered, the officer shall be credited with, and the 1521
officer's successor shall be charged with, the amount of moneys 1522
evidenced by such documents. 1523

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

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

(K) (1) Except as otherwise provided in division (K) (2) of 1540
this section, no investing authority shall make an investment or 1541
deposit under this section, unless there is on file with the 1542
auditor of state a written investment policy approved by the 1543
investing authority. The policy shall require that all entities 1544
conducting investment business with the investing authority 1545
shall sign the investment policy of that investing authority. 1546

All brokers, dealers, and financial institutions, described in 1547
division (J) (1) of this section, initiating transactions with 1548
the investing authority by giving advice or making investment 1549
recommendations shall sign the investing authority's investment 1550
policy thereby acknowledging their agreement to abide by the 1551
policy's contents. All brokers, dealers, and financial 1552
institutions, described in division (J) (1) of this section, 1553
executing transactions initiated by the investing authority, 1554
having read the policy's contents, shall sign the investment 1555
policy thereby acknowledging their comprehension and receipt. 1556

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

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

(2) The investing authority shall also keep a complete 1572
record of all purchases and sales of the obligations and 1573
securities made pursuant to this section. 1574

(3) The investing authority shall maintain a monthly 1575
portfolio report and issue a copy of the monthly portfolio 1576

report describing such investments to the county investment 1577
advisory committee, detailing the current inventory of all 1578
obligations and securities, all transactions during the month 1579
that affected the inventory, any income received from the 1580
obligations and securities, and any investment expenses paid, 1581
and stating the names of any persons effecting transactions on 1582
behalf of the investing authority. 1583

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

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

(M) An investing authority may enter into a written 1591
investment or deposit agreement that includes a provision under 1592
which the parties agree to submit to nonbinding arbitration to 1593
settle any controversy that may arise out of the agreement, 1594
including any controversy pertaining to losses of public moneys 1595
resulting from investment or deposit. The arbitration provision 1596
shall be set forth entirely in the agreement, and the agreement 1597
shall include a conspicuous notice to the parties that any party 1598
to the arbitration may apply to the court of common pleas of the 1599
county in which the arbitration was held for an order to vacate, 1600
modify, or correct the award. Any such party may also apply to 1601
the court for an order to change venue to a court of common 1602
pleas located more than one hundred miles from the county in 1603
which the investing authority is located. 1604

For purposes of this division, "investment or deposit 1605
agreement" means any agreement between an investing authority 1606

and a person, under which agreement the person agrees to invest, 1607
deposit, or otherwise manage, on behalf of the investing 1608
authority, a county's inactive moneys or moneys in a county 1609
public library fund, or agrees to provide investment advice to 1610
the investing authority. 1611

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

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

Sec. 150.05. (A) The authority shall select, as program 1620
administrators, not more than two private, for-profit investment 1621
funds to acquire loans for the program fund and to invest money 1622
in the program fund as prescribed in the investment policy 1623
established or modified by the authority in accordance with 1624
sections 150.03 and 150.04 of the Revised Code. The authority 1625
shall give equal consideration, in selecting these program 1626
administrators, to minority owned and controlled investment 1627
funds, to funds owned and controlled by women, to ventures 1628
involving minority owned and controlled funds, and to ventures 1629
involving funds owned and controlled by women that otherwise 1630
meet the policies and criteria established by the authority. To 1631
be eligible for selection, an investment fund must be 1632
incorporated or organized under Chapter 1701., 1705., 1706., 1633
1775., 1776., 1782., or 1783. of the Revised Code, must have an 1634
established business presence in this state, and must be 1635
capitalized in accordance with any state and federal laws 1636

applicable to the issuance or sale of securities. 1637

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

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

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

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

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

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

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

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

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

The agreement shall do all of the following: 1685

(1) Specify that borrowing and investing by the program 1686
administrator will be budgeted to guarantee that no tax credits 1687
will be granted during the first four years of the Ohio venture 1688
capital program, and will be structured to ensure that payments 1689
of principal, interest, or interest equivalent due in any fiscal 1690
year, when added to such payments due from any other program 1691
administrator, does not exceed twenty million dollars; 1692

(2) Require investment by the program administrator or the 1693
fund manager employed by the program administrator to be in 1694

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

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

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

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

(6) Specify the procedures by which the program 1721
administrator shall certify immediately to the authority the 1722
necessity for the authority to issue tax credit certificates 1723
pursuant to contracts entered into under section 150.07 of the 1724

Revised Code;	1725
(7) Specify any general limitations regarding the employment of a fund manager by the program administrator, in addition to an express limitation that the fund manager be a person with demonstrated, substantial, successful experience in the design and management of seed and venture capital investment programs and in capital formation. The fund manager may be, but need not be, an equity owner or affiliate of the program administrator.	1726 1727 1728 1729 1730 1731 1732 1733
(8) Specify the terms and conditions under which the authority or the program administrator may terminate the agreement, including in the circumstance that the program administrator or fund manager violates the investment policy;	1734 1735 1736 1737
(9) Require the program administrator or fund manager employed by the program administrator to provide capital in the form of a loan equal to one per cent of the amount of outstanding loans by lenders to the program fund. The loan from the program administrator or fund manager shall be on the same terms and conditions as loans from other lenders, except that the loan from the program administrator or fund manager shall not be secured by the Ohio venture capital fund or tax credits available to other lenders under division (B) of section 150.04 of the Revised Code. Such capital shall be placed at the same risk as the proceeds from such loans. The program administrator shall receive a pro rata share of the net income, including net loss, from the investment of money from the program fund, but is not entitled to the security against losses provided under section 150.04 of the Revised Code.	1738 1739 1740 1741 1742 1743 1744 1745 1746 1747 1748 1749 1750 1751 1752
Sec. 718.01. Any term used in this chapter that is not otherwise defined in this chapter has the same meaning as when	1753 1754

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

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

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

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

(b) (i) For an individual who is a resident of a municipal 1774
corporation other than a qualified municipal corporation, income 1775
reduced by exempt income to the extent otherwise included in 1776
income, then reduced as provided in division (A) (2) of this 1777
section, and further reduced by any pre-2017 net operating loss 1778
carryforward available to the individual for the municipal 1779
corporation. 1780

(ii) For an individual who is a resident of a qualified 1781
municipal corporation, Ohio adjusted gross income reduced by 1782
income exempted, and increased by deductions excluded, by the 1783

qualified municipal corporation from the qualified municipal 1784
corporation's tax. If a qualified municipal corporation, on or 1785
before December 31, 2013, exempts income earned by individuals 1786
who are not residents of the qualified municipal corporation and 1787
net profit of persons that are not wholly located within the 1788
qualified municipal corporation, such individual or person shall 1789
have no municipal taxable income for the purposes of the tax 1790
levied by the qualified municipal corporation and may be 1791
exempted by the qualified municipal corporation from the 1792
requirements of section 718.03 of the Revised Code. 1793

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

(2) In computing the municipal taxable income of a 1802
taxpayer who is an individual, the taxpayer may subtract, as 1803
provided in division (A)(1)(b)(i) or (c) of this section, the 1804
amount of the individual's employee business expenses reported 1805
on the individual's form 2106 that the individual deducted for 1806
federal income tax purposes for the taxable year, subject to the 1807
limitation imposed by section 67 of the Internal Revenue Code. 1808
For the municipal corporation in which the taxpayer is a 1809
resident, the taxpayer may deduct all such expenses allowed for 1810
federal income tax purposes. For a municipal corporation in 1811
which the taxpayer is not a resident, the taxpayer may deduct 1812
such expenses only to the extent the expenses are related to the 1813
taxpayer's performance of personal services in that nonresident 1814

municipal corporation. 1815

(B) "Income" means the following: 1816

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

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

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

(ii) The resident's distributive share of the net profit 1836
of each pass-through entity owned directly or indirectly by the 1837
resident shall be calculated without regard to any net operating 1838
loss that is carried forward by that entity from a prior taxable 1839
year and applied to reduce the entity's net profit for the 1840
current taxable year. 1841

(c) Division (B) (1) (b) of this section does not apply with 1842
respect to any net profit or net operating loss attributable to 1843

an ownership interest in an S corporation unless shareholders' 1844
distributive shares of net profits from S corporations are 1845
subject to tax in the municipal corporation as provided in 1846
division (C) (14) (b) or (c) of this section. 1847

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

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

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

(4) Lottery, sweepstakes, gambling and sports winnings, 1865
winnings from games of chance, and prizes and awards. If the 1866
taxpayer is a professional gambler for federal income tax 1867
purposes, the taxpayer may deduct related wagering losses and 1868
expenses to the extent authorized under the Internal Revenue 1869
Code and claimed against such winnings. 1870

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

(1) The military pay or allowances of members of the armed 1872

forces of the United States or members of their reserve 1873
components, including the national guard of any state; 1874

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

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

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

(4) The income of religious, fraternal, charitable, 1896
scientific, literary, or educational institutions to the extent 1897
such income is derived from tax-exempt real estate, tax-exempt 1898
tangible or intangible property, or tax-exempt activities. 1899

(5) Compensation paid under section 3501.28 or 3501.36 of 1900
the Revised Code to a person serving as a precinct election 1901

official to the extent that such compensation does not exceed 1902
one thousand dollars for the taxable year. Such compensation in 1903
excess of one thousand dollars for the taxable year may be 1904
subject to taxation by a municipal corporation. A municipal 1905
corporation shall not require the payer of such compensation to 1906
withhold any tax from that compensation. 1907

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

(7) Alimony and child support received; 1911

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

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

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

(11) Compensation or allowances excluded from federal 1926
gross income under section 107 of the Internal Revenue Code; 1927

(12) Employee compensation that is not qualifying wages as 1928
defined in division (R) of this section; 1929

(13) Compensation paid to a person employed within the 1930
boundaries of a United States air force base under the 1931
jurisdiction of the United States air force that is used for the 1932
housing of members of the United States air force and is a 1933
center for air force operations, unless the person is subject to 1934
taxation because of residence or domicile. If the compensation 1935
is subject to taxation because of residence or domicile, tax on 1936
such income shall be payable only to the municipal corporation 1937
of residence or domicile. 1938

(14) (a) Except as provided in division (C) (14) (b) or (c) 1939
of this section, an S corporation shareholder's distributive 1940
share of net profits of the S corporation, other than any part 1941
of the distributive share of net profits that represents wages 1942
as defined in section 3121(a) of the Internal Revenue Code or 1943
net earnings from self-employment as defined in section 1402(a) 1944
of the Internal Revenue Code. 1945

(b) If, pursuant to division (H) of former section 718.01 1946
of the Revised Code as it existed before March 11, 2004, a 1947
majority of the electors of a municipal corporation voted in 1948
favor of the question at an election held on November 4, 2003, 1949
the municipal corporation may continue after 2002 to tax an S 1950
corporation shareholder's distributive share of net profits of 1951
an S corporation. 1952

(c) If, on December 6, 2002, a municipal corporation was 1953
imposing, assessing, and collecting a tax on an S corporation 1954
shareholder's distributive share of net profits of the S 1955
corporation to the extent the distributive share would be 1956
allocated or apportioned to this state under divisions (B) (1) 1957
and (2) of section 5733.05 of the Revised Code if the S 1958
corporation were a corporation subject to taxes imposed under 1959

Chapter 5733. of the Revised Code, the municipal corporation may 1960
continue to impose the tax on such distributive shares to the 1961
extent such shares would be so allocated or apportioned to this 1962
state only until December 31, 2004, unless a majority of the 1963
electors of the municipal corporation voting on the question of 1964
continuing to tax such shares after that date voted in favor of 1965
that question at an election held November 2, 2004. If a 1966
majority of those electors voted in favor of the question, the 1967
municipal corporation may continue after December 31, 2004, to 1968
impose the tax on such distributive shares only to the extent 1969
such shares would be so allocated or apportioned to this state. 1970

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

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

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

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

(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.

(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:

(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;

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

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

(b) The exemption provided in division (C) (17) (a) of this

section does not apply under either of the following 2019
circumstances: 2020

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

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

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

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

(18) Compensation paid to a person for personal services 2041
performed for a political subdivision on property owned by the 2042
political subdivision, regardless of whether the compensation is 2043
received by an employee of the subdivision or another person 2044
performing services for the subdivision under a contract with 2045
the subdivision, if the property on which services are performed 2046
is annexed to a municipal corporation pursuant to section 2047

709.023 of the Revised Code on or after March 27, 2013, unless 2048
the person is subject to such taxation because of residence. If 2049
the compensation is subject to taxation because of residence, 2050
municipal income tax shall be payable only to the municipal 2051
corporation of residence. 2052

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

(20) All of the following: 2060

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

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

(c) Income of a qualifying employee described in division 2071
(A) (14) (b) of section 5703.94 of the Revised Code, to the extent 2072
such income is derived from disaster work conducted in this 2073
state by the employee during a disaster response period on 2074
critical infrastructure owned or used by the employee's 2075
employer. 2076

(21) Income the taxation of which is prohibited by the constitution or laws of the United States. 2077
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Any item of income that is exempt income of a pass-through entity under division (C) of this section is exempt income of each owner of the pass-through entity to the extent of that owner's distributive or proportionate share of that item of the entity's income. 2079
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(D) (1) "Net profit" for a person who is an individual means the individual's net profit required to be reported on schedule C, schedule E, or schedule F reduced by any net operating loss carried forward. For the purposes of division (D) (1) of this section, the net operating loss carried forward shall be calculated and deducted in the same manner as provided in division (D) (3) of this section. 2084
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(2) "Net profit" for a person other than an individual means adjusted federal taxable income reduced by any net operating loss incurred by the person in a taxable year beginning on or after January 1, 2017, subject to the limitations of division (D) (3) of this section. 2091
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(3) (a) The amount of such net operating loss shall be deducted from net profit to the extent necessary to reduce municipal taxable income to zero, with any remaining unused portion of the net operating loss carried forward to not more than five consecutive taxable years following the taxable year in which the loss was incurred, but in no case for more years than necessary for the deduction to be fully utilized. 2096
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(b) No person shall use the deduction allowed by division (D) (3) of this section to offset qualifying wages. 2103
2104

(c) (i) For taxable years beginning in 2018, 2019, 2020, 2105

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

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

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

(e) Nothing in division (D) (3) (c) (i) of this section 2120
precludes a person from carrying forward, for use with respect 2121
to any return filed for a taxable year beginning after 2018, any 2122
amount of net operating loss that was not fully utilized by 2123
operation of division (D) (3) (c) (i) of this section. To the 2124
extent that an amount of net operating loss that was not fully 2125
utilized in one or more taxable years by operation of division 2126
(D) (3) (c) (i) of this section is carried forward for use with 2127
respect to a return filed for a taxable year beginning in 2019, 2128
2020, 2021, or 2022, the limitation described in division (D) (3) 2129
(c) (i) of this section shall apply to the amount carried 2130
forward. 2131

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

the disregarded entity. 2136

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

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

(E) "Adjusted federal taxable income," for a person 2157
required to file as a C corporation, or for a person that has 2158
elected to be taxed as a C corporation under division (D) (5) of 2159
this section, means a C corporation's federal taxable income 2160
before net operating losses and special deductions as determined 2161
under the Internal Revenue Code, adjusted as follows: 2162

(1) Deduct intangible income to the extent included in 2163
federal taxable income. The deduction shall be allowed 2164
regardless of whether the intangible income relates to assets 2165

used in a trade or business or assets held for the production of income.	2166 2167
(2) Add an amount equal to five per cent of intangible income deducted under division (E) (1) of this section, but excluding that portion of intangible income directly related to the sale, exchange, or other disposition of property described in section 1221 of the Internal Revenue Code;	2168 2169 2170 2171 2172
(3) Add any losses allowed as a deduction in the computation of federal taxable income if the losses directly relate to the sale, exchange, or other disposition of an asset described in section 1221 or 1231 of the Internal Revenue Code;	2173 2174 2175 2176
(4) (a) Except as provided in division (E) (4) (b) of this section, deduct income and gain included in federal taxable income to the extent the income and gain directly relate to the sale, exchange, or other disposition of an asset described in section 1221 or 1231 of the Internal Revenue Code;	2177 2178 2179 2180 2181
(b) Division (E) (4) (a) of this section does not apply to the extent the income or gain is income or gain described in section 1245 or 1250 of the Internal Revenue Code.	2182 2183 2184
(5) Add taxes on or measured by net income allowed as a deduction in the computation of federal taxable income;	2185 2186
(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;	2187 2188 2189 2190 2191
(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	2192 2193 2194

under that agreement under section 4313.02 of the Revised Code;	2195
(8) Deduct exempt income to the extent not otherwise	2196
deducted or excluded in computing adjusted federal taxable	2197
income.	2198
(9) Deduct any net profit of a pass-through entity owned	2199
directly or indirectly by the taxpayer and included in the	2200
taxpayer's federal taxable income unless an affiliated group of	2201
corporations includes that net profit in the group's federal	2202
taxable income in accordance with division (E) (3) (b) of section	2203
718.06 of the Revised Code.	2204
(10) Add any loss incurred by a pass-through entity owned	2205
directly or indirectly by the taxpayer and included in the	2206
taxpayer's federal taxable income unless an affiliated group of	2207
corporations includes that loss in the group's federal taxable	2208
income in accordance with division (E) (3) (b) of section 718.06	2209
of the Revised Code.	2210
If the taxpayer is not a C corporation, is not a	2211
disregarded entity that has made the election described in	2212
division (L) (2) of this section, is not a publicly traded	2213
partnership that has made the election described in division (D)	2214
(5) of this section, and is not an individual, the taxpayer	2215
shall compute adjusted federal taxable income under this section	2216
as if the taxpayer were a C corporation, except guaranteed	2217
payments and other similar amounts paid or accrued to a partner,	2218
former partner, shareholder, former shareholder, member, or	2219
former member shall not be allowed as a deductible expense	2220
unless such payments are in consideration for the use of capital	2221
and treated as payment of interest under section 469 of the	2222
Internal Revenue Code or United States treasury regulations.	2223
Amounts paid or accrued to a qualified self-employed retirement	2224

plan with respect to a partner, former partner, shareholder, 2225
former shareholder, member, or former member of the taxpayer, 2226
amounts paid or accrued to or for health insurance for a 2227
partner, former partner, shareholder, former shareholder, 2228
member, or former member, and amounts paid or accrued to or for 2229
life insurance for a partner, former partner, shareholder, 2230
former shareholder, member, or former member shall not be 2231
allowed as a deduction. 2232

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

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

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

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

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

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

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

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

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

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

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

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

(iv) The limited liability company was not formed for the 2274
purpose of evading or reducing Ohio municipal corporation income 2275
tax liability of the limited liability company or its single 2276
member. 2277

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

(b) For purposes of division (L) (2) (a) (v) of this section, 2281
a municipal corporation was the primary place of business of a 2282

limited liability company if, for the limited liability 2283
company's taxable year ending in 2003, its income tax liability 2284
was greater in that municipal corporation than in any other 2285
municipal corporation in Ohio, and that tax liability to that 2286
municipal corporation for its taxable year ending in 2003 was at 2287
least four hundred thousand dollars. 2288

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

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

(O) "S corporation" means a person that has made an 2303
election under subchapter S of Chapter 1 of Subtitle A of the 2304
Internal Revenue Code for its taxable year. 2305

(P) "Single member limited liability company" means a 2306
limited liability company that has one direct member. 2307

(Q) "Limited liability company" means a limited liability 2308
company formed under Chapter 1705. or 1706. of the Revised Code 2309
or under the laws of another state. 2310

(R) "Qualifying wages" means wages, as defined in section 2311

3121(a) of the Internal Revenue Code, without regard to any wage limitations, adjusted as follows:	2312 2313
(1) Deduct the following amounts:	2314
(a) Any amount included in wages if the amount constitutes compensation attributable to a plan or program described in section 125 of the Internal Revenue Code.	2315 2316 2317
(b) Any amount included in wages if the amount constitutes payment on account of a disability related to sickness or an accident paid by a party unrelated to the employer, agent of an employer, or other payer.	2318 2319 2320 2321
(c) Any amount attributable to a nonqualified deferred compensation plan or program described in section 3121(v)(2)(C) of the Internal Revenue Code if the compensation is included in wages and the municipal corporation has, by resolution or ordinance adopted before January 1, 2016, exempted the amount from withholding and tax.	2322 2323 2324 2325 2326 2327
(d) Any amount included in wages if the amount arises from the sale, exchange, or other disposition of a stock option, the exercise of a stock option, or the sale, exchange, or other disposition of stock purchased under a stock option and the municipal corporation has, by resolution or ordinance adopted before January 1, 2016, exempted the amount from withholding and tax.	2328 2329 2330 2331 2332 2333 2334
(e) Any amount included in wages that is exempt income.	2335
(2) Add the following amounts:	2336
(a) Any amount not included in wages solely because the employee was employed by the employer before April 1, 1986.	2337 2338
(b) Any amount not included in wages because the amount	2339

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

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

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

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

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

(i) For the taxable year the amount is employee 2359
compensation that is earned outside of the United States and 2360
that either is included in the taxpayer's gross income for 2361
federal income tax purposes or would have been included in the 2362
taxpayer's gross income for such purposes if the taxpayer did 2363
not elect to exclude the income under section 911 of the 2364
Internal Revenue Code; 2365

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

(iii) For no succeeding taxable year will the amount	2369
constitute wages; and	2370
(iv) For any taxable year the amount has not otherwise	2371
been added to wages pursuant to either division (R) (2) of this	2372
section or section 718.03 of the Revised Code, as that section	2373
existed before the effective date of H.B. 5 of the 130th general	2374
assembly, March 23, 2015.	2375
(S) "Intangible income" means income of any of the	2376
following types: income yield, interest, capital gains,	2377
dividends, or other income arising from the ownership, sale,	2378
exchange, or other disposition of intangible property including,	2379
but not limited to, investments, deposits, money, or credits as	2380
those terms are defined in Chapter 5701. of the Revised Code,	2381
and patents, copyrights, trademarks, tradenames, investments in	2382
real estate investment trusts, investments in regulated	2383
investment companies, and appreciation on deferred compensation.	2384
"Intangible income" does not include prizes, awards, or other	2385
income associated with any lottery winnings, gambling winnings,	2386
or other similar games of chance.	2387
(T) "Taxable year" means the corresponding tax reporting	2388
period as prescribed for the taxpayer under the Internal Revenue	2389
Code.	2390
(U) "Tax administrator" means the individual charged with	2391
direct responsibility for administration of an income tax levied	2392
by a municipal corporation in accordance with this chapter, and	2393
also includes the following:	2394
(1) A municipal corporation acting as the agent of another	2395
municipal corporation;	2396
(2) A person retained by a municipal corporation to	2397

administer a tax levied by the municipal corporation, but only 2398
if the municipal corporation does not compensate the person in 2399
whole or in part on a contingency basis; 2400

(3) The central collection agency or the regional income 2401
tax agency or their successors in interest, or another entity 2402
organized to perform functions similar to those performed by the 2403
central collection agency and the regional income tax agency. 2404

"Tax administrator" does not include the tax commissioner. 2405

(V) "Employer" means a person that is an employer for 2406
federal income tax purposes. 2407

(W) "Employee" means an individual who is an employee for 2408
federal income tax purposes. 2409

(X) "Other payer" means any person, other than an 2410
individual's employer or the employer's agent, that pays an 2411
individual any amount included in the federal gross income of 2412
the individual. "Other payer" includes casino operators and 2413
video lottery terminal sales agents. 2414

(Y) "Calendar quarter" means the three-month period ending 2415
on the last day of March, June, September, or December. 2416

(Z) "Form 2106" means internal revenue service form 2106 2417
filed by a taxpayer pursuant to the Internal Revenue Code. 2418

(AA) "Municipal corporation" includes a joint economic 2419
development district or joint economic development zone that 2420
levies an income tax under section 715.691, 715.70, 715.71, or 2421
715.72 of the Revised Code. 2422

(BB) "Disregarded entity" means a single member limited 2423
liability company, a qualifying subchapter S subsidiary, or 2424
another entity if the company, subsidiary, or entity is a 2425

disregarded entity for federal income tax purposes.	2426
(CC) "Generic form" means an electronic or paper form that	2427
is not prescribed by a particular municipal corporation and that	2428
is designed for reporting taxes withheld by an employer, agent	2429
of an employer, or other payer, estimated municipal income	2430
taxes, or annual municipal income tax liability or for filing a	2431
refund claim.	2432
(DD) "Tax return preparer" means any individual described	2433
in section 7701(a) (36) of the Internal Revenue Code and 26	2434
C.F.R. 301.7701-15.	2435
(EE) "Ohio business gateway" means the online computer	2436
network system, created under section 125.30 of the Revised	2437
Code, that allows persons to electronically file business reply	2438
forms with state agencies and includes any successor electronic	2439
filing and payment system.	2440
(FF) "Local board of tax review" and "board of tax review"	2441
mean the entity created under section 718.11 of the Revised	2442
Code.	2443
(GG) "Net operating loss" means a loss incurred by a	2444
person in the operation of a trade or business. "Net operating	2445
loss" does not include unutilized losses resulting from basis	2446
limitations, at-risk limitations, or passive activity loss	2447
limitations.	2448
(HH) "Casino operator" and "casino facility" have the same	2449
meanings as in section 3772.01 of the Revised Code.	2450
(II) "Video lottery terminal" has the same meaning as in	2451
section 3770.21 of the Revised Code.	2452
(JJ) "Video lottery terminal sales agent" means a lottery	2453

sales agent licensed under Chapter 3770. of the Revised Code to 2454
conduct video lottery terminals on behalf of the state pursuant 2455
to section 3770.21 of the Revised Code. 2456

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

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

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

(NN) "Related member" means a person that, with respect to 2467
the taxpayer during all or any portion of the taxable year, is 2468
either a related entity, a component member as defined in 2469
section 1563(b) of the Internal Revenue Code, or a person to or 2470
from whom there is attribution of stock ownership in accordance 2471
with section 1563(e) of the Internal Revenue Code except, for 2472
purposes of determining whether a person is a related member 2473
under this division, "twenty per cent" shall be substituted for 2474
"5 percent" wherever "5 percent" appears in section 1563(e) of 2475
the Internal Revenue Code. 2476

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

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

value of the taxpayer's outstanding stock;	2483
(2) A stockholder, or a stockholder's partnership, estate,	2484
trust, or corporation, if the stockholder and the stockholder's	2485
partnerships, estates, trusts, or corporations own directly,	2486
indirectly, beneficially, or constructively, in the aggregate,	2487
at least fifty per cent of the value of the taxpayer's	2488
outstanding stock;	2489
(3) A corporation, or a party related to the corporation	2490
in a manner that would require an attribution of stock from the	2491
corporation to the party or from the party to the corporation	2492
under division (00) (4) of this section, provided the taxpayer	2493
owns directly, indirectly, beneficially, or constructively, at	2494
least fifty per cent of the value of the corporation's	2495
outstanding stock;	2496
(4) The attribution rules described in section 318 of the	2497
Internal Revenue Code apply for the purpose of determining	2498
whether the ownership requirements in divisions (00) (1) to (3)	2499
of this section have been met.	2500
(PP) (1) "Assessment" means a written finding by the tax	2501
administrator that a person has underpaid municipal income tax,	2502
or owes penalty and interest, or any combination of tax,	2503
penalty, or interest, to the municipal corporation that	2504
commences the person's time limitation for making an appeal to	2505
the local board of tax review pursuant to section 718.11 of the	2506
Revised Code, and has "ASSESSMENT" written in all capital	2507
letters at the top of such finding.	2508
(2) "Assessment" does not include an informal notice	2509
denying a request for refund issued under division (B) (3) of	2510
section 718.19 of the Revised Code, a billing statement	2511

notifying a taxpayer of current or past-due balances owed to the 2512
municipal corporation, a tax administrator's request for 2513
additional information, a notification to the taxpayer of 2514
mathematical errors, or a tax administrator's other written 2515
correspondence to a person or taxpayer that does meet the 2516
criteria prescribed by division (PP)(1) of this section. 2517

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

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

(SS) (1) "Pre-2017 net operating loss carryforward" means 2533
any net operating loss incurred in a taxable year beginning 2534
before January 1, 2017, to the extent such loss was permitted, 2535
by a resolution or ordinance of the municipal corporation that 2536
was adopted by the municipal corporation before January 1, 2016, 2537
to be carried forward and utilized to offset income or net 2538
profit generated in such municipal corporation in future taxable 2539
years. 2540

(2) For the purpose of calculating municipal taxable 2541

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

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

(UU) "Audit" means the examination of a person or the 2565
inspection of the books, records, memoranda, or accounts of a 2566
person for the purpose of determining liability for a municipal 2567
income tax. 2568

(VV) "Publicly traded partnership" means any partnership, 2569
an interest in which is regularly traded on an established 2570
securities market. A "publicly traded partnership" may have any 2571

number of partners.	2572
(WW) "Tax commissioner" means the tax commissioner appointed under section 121.03 of the Revised Code.	2573 2574
(XX) "Out-of-state disaster business," "qualifying solicitation," "qualifying employee," "disaster work," "critical infrastructure," and "disaster response period" have the same meanings as in section 5703.94 of the Revised Code.	2575 2576 2577 2578
(YY) "Pension" means a retirement benefit plan, regardless of whether the plan satisfies the qualifications described under section 401(a) of the Internal Revenue Code, including amounts that are taxable under the "Federal Insurance Contributions Act," Chapter 21 of the Internal Revenue Code, excluding employee contributions and elective deferrals, and regardless of whether such amounts are paid in the same taxable year in which the amounts are included in the employee's wages, as defined by section 3121(a) of the Internal Revenue Code.	2579 2580 2581 2582 2583 2584 2585 2586 2587
(ZZ) "Retirement benefit plan" means an arrangement whereby an entity provides benefits to individuals either on or after their termination of service because of retirement or disability. "Retirement benefit plan" does not include wage continuation payments, severance payments, or payments made for accrued personal or vacation time.	2588 2589 2590 2591 2592 2593
Sec. 1329.01. (A) As used in sections 1329.01 to 1329.10 of the Revised Code:	2594 2595
(1) "Trade name" means a name used in business or trade to designate the business of the user and to which the user asserts a right to exclusive use.	2596 2597 2598
(2) "Fictitious name" means a name used in business or trade that is fictitious and that the user has not registered or	2599 2600

is not entitled to register as a trade name. It does not include 2601
the name of record of any domestic corporation that is formed 2602
under Chapter 1701. or 1702. of the Revised Code, any foreign 2603
corporation that is registered pursuant to Chapter 1703. of the 2604
Revised Code, any domestic or foreign limited liability company 2605
that is formed under or registered pursuant to Chapter 1705. or 2606
1706. of the Revised Code, any domestic or foreign limited 2607
partnership that is formed under or registered pursuant to 2608
Chapter 1782. of the Revised Code, or any domestic or foreign 2609
limited liability partnership that is formed under or registered 2610
pursuant to Chapter 1775. or 1776. of the Revised Code. 2611

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

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

(1) The name and business address of the applicant for 2623
registration and any of the following that is applicable: 2624

(a) If the applicant is a general partnership, the name 2625
and address of at least one partner or the identifying number 2626
the secretary of state assigns to the partnership pursuant to 2627
section 1776.05 of the Revised Code; 2628

(b) If the applicant is a limited partnership, a 2629

corporation, professional association, limited liability 2630
company, or other entity, the form of the entity and the state 2631
under the laws of which it was formed. 2632

(2) The trade name to be registered; 2633

(3) The general nature of the business conducted by the 2634
applicant; 2635

(4) The length of time during which the trade name has 2636
been used by the applicant in business operations in this state. 2637

(C) The trade name application shall be signed by the 2638
applicant or by any authorized representative of the applicant. 2639

A single trade name may be registered upon each trade name 2640
application submitted under sections 1329.01 to 1329.10 of the 2641
Revised Code. 2642

The trade name application shall be accompanied by a 2643
filing fee of thirty-nine dollars, payable to the secretary of 2644
state. 2645

(D) Any person who does business under a fictitious name 2646
and who has not registered and does not wish to register the 2647
fictitious name as a trade name or who cannot do so because the 2648
name is not available for registration shall report the use of 2649
the fictitious name to the secretary of state, on a form 2650
prescribed by the secretary of state, setting forth all of the 2651
following: 2652

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

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

section 1775.105 of the Revised Code; 2658

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

(2) The fictitious name being used; 2663

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

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

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

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

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

Sec. 1329.02. (A) The secretary of state shall not file an 2676
application for the registration of any trade name if the 2677
application indicates or implies that the trade name is 2678
connected with a government agency of this state, another state, 2679
or the United States and the trade name is not so connected or 2680
if the application indicates or implies that the applicant is 2681
incorporated and the application is not incorporated. 2682

Additionally, the secretary of state shall not file an 2683
application for the registration of any trade name if it is not 2684
distinguishable upon the records in the office of the secretary 2685

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

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

Sec. 1701.03. (A) A corporation may be formed under this 2714
chapter for any purpose or combination of purposes for which 2715
individuals lawfully may associate themselves, except that, if 2716

the Revised Code contains special provisions pertaining to the 2717
formation of any designated type of corporation other than a 2718
professional association, as defined in section 1785.01 of the 2719
Revised Code, a corporation of that type shall be formed in 2720
accordance with the special provisions. 2721

(B) On and after July 1, 1994, a corporation may be formed 2722
under this chapter for the purpose of carrying on the practice 2723
of any profession, including, but not limited to, a corporation 2724
for the purpose of providing public accounting or certified 2725
public accounting services, a corporation for the erection, 2726
owning, and conducting of a sanitarium for receiving and caring 2727
for patients, medical and hygienic treatment of patients, and 2728
instruction of nurses in the treatment of disease and in 2729
hygiene, a corporation for the purpose of providing 2730
architectural, landscape architectural, professional 2731
engineering, or surveying services or any combination of those 2732
types of services, and a corporation for the purpose of 2733
providing a combination of the professional services, as defined 2734
in section 1785.01 of the Revised Code, of optometrists 2735
authorized under Chapter 4725. of the Revised Code, 2736
chiropractors authorized under Chapter 4734. of the Revised Code 2737
to practice chiropractic or acupuncture, psychologists 2738
authorized under Chapter 4732. of the Revised Code, registered 2739
or licensed practical nurses authorized under Chapter 4723. of 2740
the Revised Code, pharmacists authorized under Chapter 4729. of 2741
the Revised Code, physical therapists authorized under sections 2742
4755.40 to 4755.56 of the Revised Code, occupational therapists 2743
authorized under sections 4755.04 to 4755.13 of the Revised 2744
Code, mechanotherapists authorized under section 4731.151 of the 2745
Revised Code, doctors of medicine and surgery, osteopathic 2746
medicine and surgery, or podiatric medicine and surgery 2747

authorized under Chapter 4731. of the Revised Code, and licensed 2748
professional clinical counselors, licensed professional 2749
counselors, independent social workers, social workers, 2750
independent marriage and family therapists, or marriage and 2751
family therapists authorized under Chapter 4757. of the Revised 2752
Code. 2753

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

(C) Nothing in division (A) or (B) of this section 2769
precludes the organization of a professional association in 2770
accordance with this chapter and Chapter 1785. of the Revised 2771
Code or the formation of a limited liability company under 2772
Chapter 1705. or 1706. of the Revised Code with respect to a 2773
~~business, as defined in section 1705.01 of the Revised~~ 2774
~~Code~~ trade, occupation, or profession. 2775

(D) No corporation formed for the purpose of providing a 2776
combination of the professional services, as defined in section 2777

1785.01 of the Revised Code, of optometrists authorized under 2778
Chapter 4725. of the Revised Code, chiropractors authorized 2779
under Chapter 4734. of the Revised Code to practice chiropractic 2780
or acupuncture, psychologists authorized under Chapter 4732. of 2781
the Revised Code, registered or licensed practical nurses 2782
authorized under Chapter 4723. of the Revised Code, pharmacists 2783
authorized under Chapter 4729. of the Revised Code, physical 2784
therapists authorized under sections 4755.40 to 4755.56 of the 2785
Revised Code, occupational therapists authorized under sections 2786
4755.04 to 4755.13 of the Revised Code, mechanotherapists 2787
authorized under section 4731.151 of the Revised Code, doctors 2788
of medicine and surgery, osteopathic medicine and surgery, or 2789
podiatric medicine and surgery authorized under Chapter 4731. of 2790
the Revised Code, and licensed professional clinical counselors, 2791
licensed professional counselors, independent social workers, 2792
social workers, independent marriage and family therapists, or 2793
marriage and family therapists authorized under Chapter 4757. of 2794
the Revised Code shall control the professional clinical 2795
judgment exercised within accepted and prevailing standards of 2796
practice of a licensed, certificated, or otherwise legally 2797
authorized optometrist, chiropractor, chiropractor practicing 2798
acupuncture through the state chiropractic board, psychologist, 2799
nurse, pharmacist, physical therapist, occupational therapist, 2800
mechanotherapist, doctor of medicine and surgery, osteopathic 2801
medicine and surgery, or podiatric medicine and surgery, 2802
licensed professional clinical counselor, licensed professional 2803
counselor, independent social worker, social worker, independent 2804
marriage and family therapist, or marriage and family therapist 2805
in rendering care, treatment, or professional advice to an 2806
individual patient. 2807

 This division does not prevent a hospital, as defined in 2808

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

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

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

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

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

(b) The name of any limited liability company registered 2831
in the office of the secretary of state pursuant to Chapter 2832
1705. or 1706. of the Revised Code, whether domestic or foreign; 2833

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

(d) The name of any limited partnership registered in the 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," "incorporated," "limited," or any abbreviation of any of those words;

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

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

(C) A corporation may apply to the secretary of state for authorization to use a name that is not distinguishable upon the secretary of state's records from the name of any other corporation, limited liability company, limited liability partnership, or limited partnership, or from a registered trade

name, if there also is filed in the office of the secretary of 2867
state, on a form prescribed by the secretary of state, the 2868
consent of the other entity or, in the case of a registered 2869
trade name, the person in whose name is registered the exclusive 2870
right to use the name, which consent is evidenced in a writing 2871
signed by any authorized officer or any authorized 2872
representative of the other entity or person. 2873

(D) In case of judicial sale or judicial transfer, by sale 2874
or transfer of good will or otherwise, of the right to use the 2875
name of a corporation, whether nonprofit or for profit, and 2876
whether that of a domestic corporation or of a foreign 2877
corporation authorized to exercise its corporate privileges in 2878
this state or to do business in this state, the secretary of 2879
state, at the instance of the purchaser or transferee of such 2880
right, shall accept for filing articles of a corporation with a 2881
name the same as or similar to the name of such other 2882
corporation, if there also is filed in the office of the 2883
secretary of state a certified copy of the decree or order of 2884
court confirming or otherwise evidencing the purchase or 2885
transfer. 2886

(E) Any person who wishes to reserve a name for a proposed 2887
new corporation, or any corporation intending to change its 2888
name, may submit to the secretary of state a written 2889
application, on a form prescribed by the secretary of state, for 2890
the exclusive right to use a specified name as the name of a 2891
corporation. If the secretary of state finds that, under this 2892
section, the specified name is available for such use, the 2893
secretary of state shall file the application and, from the date 2894
of the filing, the applicant shall have the exclusive right for 2895
one hundred eighty days to use the specified name as the name of 2896
a corporation, counting the date of such filing as the first of 2897

one hundred eighty days. The right so obtained may be 2898
transferred by the applicant or other holder thereof by the 2899
filing in the office of the secretary of state of a written 2900
transfer, on a form prescribed by the secretary of state, 2901
stating the name and address of the transferee. 2902

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

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

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

(2) In the case of a merger, that one or more specified 2924
constituent entities will be merged into a specified surviving 2925
foreign entity or surviving domestic entity other than a 2926
domestic corporation or, in the case of a consolidation, that 2927

the constituent entities will be consolidated into a new foreign 2928
entity or domestic entity other than a corporation. The name of 2929
such a surviving or new entity may be the same as or similar to 2930
that of any constituent corporation or constituent limited 2931
liability company. 2932

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

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

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

(6) All statements and matters required to be set forth in 2956
an agreement of merger or consolidation by the laws under which 2957

each constituent entity exists and, in the case of a 2958
consolidation, the new entity is to exist; 2959

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

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

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

(10) If the surviving or new entity is a foreign limited 2981
liability company that desires to transact business in this 2982
state as a foreign limited liability company, a statement to 2983
that effect, together with all of the information required under 2984
section 1705.54 or 1706.511 of the Revised Code when a foreign 2985
limited liability company registers to transact business in this 2986
state. 2987

(C) The agreement of merger or consolidation also may set 2988
forth any additional provision permitted by the laws of any 2989
state under the laws of which any constituent entity exists, 2990
consistent with the laws under which the surviving entity exists 2991
or the new entity is to exist. 2992

(D) To effect the merger or consolidation, the agreement 2993
of merger or consolidation shall be approved by the directors of 2994
each domestic constituent corporation, and adopted by the 2995
shareholders of each domestic constituent corporation, in the 2996
same manner and with the same notice to and vote of shareholders 2997
or of holders of a particular class of shares as is required by 2998
section 1701.78 of the Revised Code. The agreement also shall be 2999
approved or otherwise authorized by or on behalf of each other 3000
constituent entity in accordance with the laws under which it 3001
exists. 3002

(E) At any time before the filing of the certificate of 3003
merger or consolidation under section 1701.81 of the Revised 3004
Code, the merger or consolidation may be abandoned by the 3005
directors of any constituent corporation, the general partners 3006
of any constituent partnership, or the comparable 3007
representatives of any other constituent entity if the 3008
directors, general partners, or comparable representatives are 3009
authorized to do so by the agreement of merger or consolidation. 3010

The agreement of merger or consolidation may contain a 3011
provision authorizing the directors of any constituent 3012
corporation, the general partners of any constituent 3013
partnership, or the comparable representatives of any other 3014
constituent entity to amend the agreement of merger or 3015
consolidation at any time before the filing of the certificate 3016
of merger or consolidation, except that, after the adoption of 3017

the agreement by the shareholders of any domestic constituent 3018
corporation, the directors shall not be authorized to amend the 3019
agreement to do any of the following: 3020

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

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

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

(4) Alter or change any other terms and conditions of the 3038
agreement of merger or consolidation if any of the alterations 3039
or changes, alone or in the aggregate, would materially 3040
adversely affect the holders of any class or series of shares of 3041
the domestic constituent corporation. 3042

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

in the articles is not distinguishable upon the secretary of 3047
state's records from any of the following: 3048

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

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

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

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

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

(B) The secretary of state shall determine for purposes of 3066
this section whether a name is "distinguishable" from another 3067
name upon the secretary of state's records. Without excluding 3068
other names that may not constitute distinguishable names in 3069
this state, a name is not considered distinguishable from 3070
another name for purposes of this section solely because it 3071
differs from the other name in only one or more of the following 3072
manners: 3073

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

words;	3076
(2) The use of any article, conjunction, contraction, abbreviation, or punctuation;	3077
	3078
(3) The use of a different tense or number of the same word.	3079
	3080
(C) A corporation may apply to the secretary of state for authorization to use a name that is not distinguishable upon the secretary of state's records from the name of any other corporation, any limited liability company, limited liability partnership, or limited partnership, or from a registered trade name, if there also is filed in the office of the secretary of state, on a form prescribed by the secretary of state, the consent of the other entity, or, in the case of a registered trade name, the person in whose name is registered the exclusive right to use the name, which consent is evidenced in a writing signed by any authorized officer or authorized representative of the other entity or person.	3081
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(D) In case of judicial sale or judicial transfer, by sale or transfer of good will or otherwise, of the right to use the name of a nonprofit corporation or business corporation, whether that of a domestic corporation or of a foreign corporation authorized to exercise its corporate privileges in this state or to do business in this state, the secretary of state, at the instance of the purchaser or transferee of such right, shall accept for filing articles of a corporation with a name the same as or similar to the name of such other corporation, if there also is filed in the office of the secretary of state a certified copy of the decree or order of court confirming or otherwise evidencing the purchase or transfer.	3093
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(E) Any person who wishes to reserve a name for a proposed new corporation, or any corporation intending to change its name, may submit to the secretary of state a written application, on a form prescribed by the secretary of state, for the exclusive right to use a specified name as the name of a corporation. If the secretary of state finds that, under this section, the specified name is available for such use, the secretary of state shall file such application, and, from the date of such filing, such applicant shall have the exclusive right for one hundred eighty days to use the specified name as the name of a corporation, counting the date of such filing as the first of the one hundred eighty days. The right so obtained may be transferred by the applicant or other holder of the right by the filing in the office of the secretary of state of a written transfer, on a form prescribed by the secretary of state, stating the name and address of the transferee.

Sec. 1702.411. (A) (1) Pursuant to an agreement of merger between the constituent entities as provided in this section, a domestic corporation and, if so provided, one or more additional domestic or foreign entities, may be merged into a surviving entity other than a domestic corporation. Pursuant to an agreement of consolidation, a domestic corporation together with one or more additional domestic or foreign entities may be consolidated into a new entity other than a domestic corporation, to be formed by that consolidation. The merger or consolidation must be permitted by the chapter of the Revised Code under which each domestic constituent entity exists and by the laws under which each foreign constituent entity exists. The name of the surviving or new entity may be the same as or similar to that of any constituent entity.

(2) To effect a merger or consolidation under this

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

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

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

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

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

(d) If the surviving or new entity is a foreign 3157
corporation, all additional statements and matters, other than 3158
the name and address of the statutory agent, that would be 3159
required by section 1702.41 of the Revised Code if the surviving 3160
or new corporation were a domestic corporation; 3161

(e) The name and the form of entity of the surviving or 3162
new entity, the state under the laws of which the surviving 3163
entity exists or the new entity is to exist, and the location of 3164

the principal office of the surviving or new entity in that 3165
state; 3166

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

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

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

(i) If the surviving or new entity is a foreign limited 3185
partnership that desires to transact business in this state as a 3186
foreign limited partnership, a statement to that effect, 3187
together with all of the information required under section 3188
1782.49 of the Revised Code when a foreign limited partnership 3189
registers to transact business in this state; 3190

(j) If the surviving or new entity is a foreign limited 3191
liability company that desires to transact business in this 3192
state as a foreign limited liability company, a statement to 3193

that effect, together with all of the information required under 3194
section 1705.54 or 1706.511 of the Revised Code when a foreign 3195
limited liability company registers to transact business in this 3196
state; 3197

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

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

(B) (1) A merger or consolidation in which a domestic 3210
public benefit corporation is one of the constituent entities 3211
shall be approved by the court of common pleas of the county in 3212
this state in which the principal office of the domestic public 3213
benefit corporation is located in a proceeding of which the 3214
attorney general's charitable law section has been given written 3215
notice by certified mail within three days of the initiation of 3216
the proceeding and in which proceeding the attorney general may 3217
intervene as of right. No approval by the court under division 3218
(B) (1) of this section is required if either of the following 3219
applies: 3220

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

to be a public benefit entity. 3224

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

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

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

(iii) The merger or consolidation is approved by a 3242
majority of directors of the domestic public benefit corporation 3243
who will not receive any financial or other benefit, directly or 3244
indirectly, as a result of the merger or consolidation or by 3245
agreement, and who are not and will not as a result of the 3246
merger or consolidation become members, partners, or other 3247
owners, however denominated, of, shareholders in, directors, 3248
officers, managers, employees, agents, or other representatives 3249
of, or consultants to, the surviving or new entity. 3250

(2) At least twenty days before consummation of any merger 3251
or consolidation of a domestic public benefit corporation 3252

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

(3) No member, other than a member that is a public 3275
benefit entity, or director of a domestic public benefit 3276
corporation in that person's capacity as a member or director 3277
may receive or keep anything as a result of a merger or 3278
consolidation other than membership or directorship in the 3279
surviving or new public benefit entity without the prior written 3280
consent of the attorney general or of the court of common pleas 3281
of the county in this state in which the principal office of the 3282
domestic public benefit corporation is located that is obtained 3283

in a proceeding in which the attorney general's charitable law 3284
section has been given written notice by certified mail within 3285
three days of the initiation of the proceeding and in which 3286
proceeding the attorney general may intervene as of right. The 3287
court shall approve the transaction if it is in the public 3288
interest. 3289

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

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

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

(1) The name of the corporation and, if its corporate name 3313

is not available, the trade name under which it will do business 3314
in this state; 3315

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

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

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

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

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

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

(C) (1) No such application for a license shall be accepted 3332
for filing if it appears that the name of the foreign 3333
corporation is prohibited by law or is not distinguishable upon 3334
the records in the office of the secretary of state from the 3335
name of any other corporation, whether nonprofit or for profit 3336
and whether that of a domestic corporation or of a foreign 3337
corporation authorized to transact business in this state, the 3338
name of a limited liability company registered in the office of 3339
the secretary of state pursuant to Chapter 1705. or 1706. of the 3340
Revised Code, whether domestic or foreign, the name of any 3341
limited liability partnership registered in the office of the 3342

secretary of state pursuant to Chapter 1775. or 1776. of the 3343
Revised Code, whether domestic or foreign, the name of any 3344
limited partnership registered in the office of the secretary of 3345
state pursuant to Chapter 1782. of the Revised Code, whether 3346
domestic or foreign, or a trade name to which the exclusive 3347
right at the time in question is registered in the manner 3348
provided in Chapter 1329. of the Revised Code, unless there also 3349
is filed with the secretary of state, on a form prescribed by 3350
the secretary of state, the consent of the other entity or 3351
person to the use of the name, evidenced in a writing signed by 3352
any authorized officer of the other entity or authorized 3353
representative of the other person owning the exclusive right to 3354
the registered trade name. 3355

(2) Notwithstanding division (C)(1) of this section, if an 3356
application for a license is not acceptable for filing solely 3357
because the name of the foreign corporation is not 3358
distinguishable from the name of another entity or registered 3359
trade name, the foreign corporation may be authorized to 3360
transact business in this state by filing with the secretary of 3361
state, in addition to those items otherwise prescribed by this 3362
section, a statement signed by an authorized officer directing 3363
the foreign corporation to make application for a license to 3364
transact business in this state under an assumed business name 3365
or names that comply with the requirements of this division and 3366
stating that the foreign corporation will transact business in 3367
this state only under the assumed name or names. The application 3368
for a license shall be on a form prescribed by the secretary of 3369
state. 3370

Sec. 1706.01. As used in this chapter: 3371

(A) "Articles of organization" means the articles of 3372

<u>organization described in section 1706.16 of the Revised Code,</u>	3373
<u>and those articles of organization as amended or restated.</u>	3374
<u>(B) "Assignment" means a transfer, conveyance, deed, bill</u>	3375
<u>of sale, lease, mortgage, security interest, encumbrance, gift,</u>	3376
<u>or transfer by operation of law.</u>	3377
<u>(C) "Constituent limited liability company" means a</u>	3378
<u>constituent entity that is a limited liability company.</u>	3379
<u>(D) "Constituent entity" means an entity that is party to</u>	3380
<u>a merger.</u>	3381
<u>(E) "Contribution" means anything of value including cash,</u>	3382
<u>property, or services rendered, or a promissory note or other</u>	3383
<u>binding obligation to contribute cash or property or to perform</u>	3384
<u>services, that a person contributes to a limited liability</u>	3385
<u>company, or a series thereof, in the person's capacity as a</u>	3386
<u>member.</u>	3387
<u>(F) "Converted entity" means the entity into which a</u>	3388
<u>converting entity converts pursuant to sections 1706.72 to</u>	3389
<u>1706.723 of the Revised Code.</u>	3390
<u>(G) "Converting limited liability company" means a</u>	3391
<u>converting entity that is a limited liability company.</u>	3392
<u>(H) "Converting entity" means an entity that converts into</u>	3393
<u>a converted entity pursuant to sections 1706.72 to 1706.723 of</u>	3394
<u>the Revised Code.</u>	3395
<u>(I) "Debtor in bankruptcy" means a person who is the</u>	3396
<u>subject of an order for relief under Title 11 of the United</u>	3397
<u>States Code, a comparable order under a successor statute of</u>	3398
<u>general application, or a comparable order under any federal,</u>	3399
<u>state, or foreign law governing insolvency.</u>	3400

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

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

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

(1) An unincorporated association; 3413

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

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

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

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

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

(O) "Manager" means any person designated by the limited 3426
liability company or its members with the authority to manage 3427
all or part of the activities or affairs of the limited 3428

liability company on behalf of the limited liability company, 3429
which person has agreed to serve in such capacity, whether such 3430
person is designated as a manager, director, officer, or 3431
otherwise. 3432

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

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

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

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

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

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

(3) For a limited liability limited partnership or foreign 3450
limited liability limited partnership, its certificate of 3451
limited partnership and partnership agreement; 3452

(4) For a limited liability company or foreign limited 3453
liability company, its articles of organization and operating 3454
agreement, or comparable records as provided in its governing 3455
statute; 3456

(5) For a business or statutory trust or foreign business or statutory trust, its trust instrument, or comparable records as provided in its governing statute; 3457
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(6) For a for-profit corporation or foreign for-profit corporation, its articles of incorporation, regulations, and other agreements among its shareholders that are authorized by its governing statute, or comparable records as provided in its governing statute; 3460
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(7) For a nonprofit corporation or foreign nonprofit corporation, its articles of incorporation, regulations, and other agreements that are authorized by its governing statute or comparable records as provided in its governing statute; 3465
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(8) For a professional association, its articles of incorporation, regulations, and other agreements among its shareholders that are authorized by its governing statute, or comparable records as provided in its governing statute; 3469
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(9) For any other entity, the basic records that create the entity, determine its internal governance, and determine the relations among the persons that own it, are members of it, or govern it. 3473
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(T) "Organizer" means a person executing the initial articles of organization filed by the secretary of state in accordance with section 1706.16 of the Revised Code. 3477
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(U) "Person" means an individual, entity, trust, estate, government, custodian, nominee, trustee, personal representative, fiduciary, or any other individual, entity, or series thereof in its own or any representative capacity, in each case, whether foreign or domestic. As used in this division, "government" includes a country, state, county, or 3480
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other political subdivision, agency, or instrumentality. 3486

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

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

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

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

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

(Y) "State" means a state of the United States, the 3506
District of Columbia, Puerto Rico, the United States Virgin 3507
Islands, or any territory or insular possession subject to the 3508
jurisdiction of the United States. 3509

(Z) "Surviving entity" means an entity into which one or 3510
more other entities are merged, whether the entity pre-existed 3511
the merger or was created pursuant to the merger. 3512

(AA) "Tribunal" means a court or, if provided in the 3513

operating agreement or otherwise agreed, an arbitrator, 3514
arbitration panel, or other tribunal. 3515

Sec. 1706.02. This chapter may be cited as the "Ohio 3516
Revised Limited Liability Company Act." 3517

Sec. 1706.03. (A) A person knows a fact when either of the 3518
following is met: 3519

(1) The person has actual knowledge of the fact. 3520

(2) The person is deemed to know the fact under law other 3521
than this chapter. 3522

(B) A person has notice of a fact when any of the 3523
following is met: 3524

(1) The person knows of the fact. 3525

(2) The person receives notification of the fact. 3526

(3) The person has reason to know the fact from all the 3527
facts known to the person at the time. 3528

(4) The person is deemed to have notice of the fact under 3529
division (D) of this section. 3530

(C) A person notifies another of a fact by taking steps 3531
reasonably required to inform the other person in ordinary 3532
course, whether or not the other person knows the fact. 3533

(D) A person is deemed to have notice of the following: 3534

(1) The matters included in a limited liability company's 3535
articles of organization under divisions (A) (1) to (3) of 3536
section 1706.16 of the Revised Code, upon the filing of the 3537
articles; 3538

(2) A limited liability company's dissolution, ninety days 3539

after a certificate of dissolution under section 1706.471 of the 3540
Revised Code becomes effective; 3541

(3) A limited liability company's merger or conversion, 3542
ninety days after a certificate of merger under section 1706.712 3543
of the Revised Code or certificate of conversion under section 3544
1706.722 of the Revised Code becomes effective. 3545

(E) A member's knowledge, notice, or receipt of a 3546
notification of a fact relating to the limited liability company 3547
is not knowledge, notice, or receipt of a notification of a fact 3548
by the limited liability company solely by reason of the 3549
member's capacity as a member. 3550

Sec. 1706.04. (A) A limited liability company is a 3551
separate legal entity. A limited liability company's status for 3552
tax purposes shall not affect its status as a separate legal 3553
entity formed under this chapter. 3554

(B) A limited liability company has perpetual duration. 3555

Sec. 1706.05. (A) A limited liability company may carry on 3556
any lawful activity, whether or not for profit. 3557

(B) A limited liability company shall possess and may 3558
exercise all the powers and privileges granted by this chapter 3559
or by any other law or by its operating agreement, together with 3560
any powers incidental thereto, including those powers and 3561
privileges necessary or convenient to the conduct, promotion, or 3562
attainment of the business, purposes, or activities of the 3563
limited liability company. 3564

(C) Without limiting the general powers enumerated in 3565
division (B) of this section, a limited liability company shall 3566
have the power and authority to make contracts of guaranty and 3567
suretyship and enter into interest rate, basis, currency, hedge, 3568

or other swap agreements, or cap, floor, put, call, option, 3569
exchange, or collar agreements, derivative agreements, or other 3570
agreements similar to any of the foregoing. 3571

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

(1) Sue and be sued; 3575

(2) Contract; 3576

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

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

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

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

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

(D) Sections 1309.406 and 1309.408 of the Revised Code do 3590
not apply to any interest in a limited liability company, 3591
including all rights, powers, and interests arising under an 3592
operating agreement or this chapter. This division prevails over 3593
those sections, and is expressly intended to permit the 3594
enforcement of the provisions of an operating agreement that 3595
would otherwise be ineffective under those sections. 3596

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

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

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

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

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

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

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

(B) Except as provided in this section and in sections 3617
1701.75, 1701.78, 1701.82, 1705.36, and 1705.37 of the Revised 3618
Code, the secretary of state shall not accept for filing in the 3619
secretary of state's office the articles of organization of a 3620
limited liability company if the company name set forth in the 3621
articles is not distinguishable on the records of the secretary 3622
of state from the name of any of the following: 3623

(1) Any other limited liability company, whether the name 3624

is of a domestic limited liability company or of a foreign 3625
limited liability company registered as a foreign limited 3626
liability company under this chapter; 3627

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

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

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

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

(C) A limited liability company may apply to the secretary 3642
of state for authorization to use a name that is not 3643
distinguishable from the names identified in division (B) of of 3644
this section if there also is filed in the office of the 3645
secretary of state, on a form prescribed by the secretary of 3646
state, the consent of the other person or, in the case of a 3647
registered trade name, the person in whose name is registered 3648
the exclusive right to use the name, which consent is evidenced 3649
in a writing signed by any authorized officer or any authorized 3650
representative of the other person. 3651

(D) If a judicial sale or other transfer by order of a 3652
tribunal involves the right to use the name of a limited 3653

liability company or of a foreign limited liability company, 3654
then division (B) of this section shall not be applicable with 3655
respect to any person that is subject to the order. 3656

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

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

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

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

(B) (1) To the extent that, at law or in equity, a member, manager, or other person has duties, including fiduciary duties, to the limited liability company, or to another member or to another person that is a party to or is otherwise bound by an operating agreement, those duties may be expanded or restricted or eliminated by a written operating agreement. However, an operating agreement may not eliminate the implied covenant of good faith and fair dealing. 3684
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(2) A written operating agreement may provide for the limitation or elimination of any and all liabilities for breach of contract and breach of duties, including breach of fiduciary duties, of a member, manager, or other person to a limited liability company or to another member or to another person that is a party to or is otherwise bound by an operating agreement. However, an operating agreement may not limit or eliminate liability for any act or omission that constitutes a bad faith violation of the implied covenant of good faith and fair dealing. 3692
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(3) A member, manager, or other person shall not be liable to a limited liability company or to another member or to another person that is a party to or is otherwise bound by an operating agreement for breach of fiduciary duty for the member's or other person's good faith reliance on the operating agreement. 3702
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(4) An operating agreement may provide either or both of the following: 3708
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(a) That, a member or assignee who fails to perform in accordance with, or to comply with the terms and conditions of, the operating agreement shall be subject to specified penalties or specified consequences; 3710
3711
3712
3713

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

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

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

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

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

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

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

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

(g) Any other penalty or consequence. 3735

(C) An operating agreement shall not do any of the 3736
following: 3737

(1) Vary the nature of the limited liability company as a 3738
separate legal entity under division (A) of section 1706.04 of 3739
the Revised Code; 3740

(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; 3741
3742
3743
3744

(3) Vary the power of a court under section 1706.171 of the Revised Code; 3745
3746

(4) Eliminate the implied covenant of good faith and fair dealing; 3747
3748

(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; 3749
3750
3751
3752

(6) Waive the requirements of division (A) of section 1706.281 of the Revised Code; 3753
3754

(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; 3755
3756
3757

(8) Waive the requirements of division (B) of section 1706.761 of the Revised Code. 3758
3759

Sec. 1706.081. (A) A limited liability company is bound by and may enforce its operating agreement, whether or not the limited liability company has itself manifested assent to its operating agreement. 3760
3761
3762
3763

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

(C) Two or more persons intending to be the initial 3768

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

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

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

(B) An operating agreement may provide rights to any 3791
person, including a person who is not a party to the operating 3792
agreement, to the extent set forth in the operating agreement. 3793

(C) The obligations of a limited liability company and its 3794
members to a person in the person's capacity as an assignee or 3795
dissociated member are governed by the operating agreement. An 3796
assignee and dissociated member are bound by the operating 3797
agreement. 3798

Sec. 1706.09. (A) Each limited liability company and 3799
foreign limited liability company that has an effective 3800
registration as a foreign limited liability company under 3801
section 1706.511 of the Revised Code shall maintain continuously 3802
in this state an agent for service of process on the company. 3803
The agent shall be one of the following: 3804

(1) A natural person who is a resident of this state; 3805

(2) A domestic or foreign corporation, nonprofit 3806
corporation, limited liability company, partnership, limited 3807
partnership, limited liability partnership, limited partnership 3808
association, professional association, business trust, or 3809
unincorporated nonprofit association that has a business address 3810
in this state. If the agent is an entity other than a domestic 3811
corporation, the agent shall meet the requirements of Title XVII 3812
of the Revised Code for an entity of the agent's type to 3813
transact business or exercise privileges in this state. 3814

(B) (1) The secretary of state shall not accept original 3815
articles of organization of a limited liability company or an 3816
original registration of a foreign limited liability company for 3817
filing unless both of the following accompany the articles or 3818
registration: 3819

(a) A written appointment of an agent as described in 3820
division (A) of this section that is signed by an authorized 3821
representative of the limited liability company or foreign 3822
limited liability company; 3823

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

(2) In cases not covered by division (B) (1) of this 3827

section, the company shall appoint the agent described in 3828
division (A) of this section and shall file with the secretary 3829
of state, on a form prescribed by the secretary of state, a 3830
written appointment of that agent that is signed by an 3831
authorized representative of the company and a written 3832
acceptance of the appointment that is signed by the designated 3833
agent. 3834

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

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

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

(F) An agent described in division (A) of this section may 3857

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

(G) A limited liability company or foreign limited 3874
liability company may revoke the appointment of its agent 3875
described in division (A) of this section by filing with the 3876
secretary of state, on a form prescribed by the secretary of 3877
state, a written appointment of another agent and an acceptance 3878
of appointment in the manner described in division (B) (2) of 3879
this section and a statement indicating that the appointment of 3880
the former agent is revoked. 3881

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

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

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

(2) If the agent described in division (A) of this section 3891
cannot be found or no longer has the address that is stated in 3892
the records of the secretary of state or the limited liability 3893
company or foreign limited liability company has failed to 3894
maintain an agent as required by this section and if the party 3895
or the agent or representative of the party that desires service 3896
of the process, notice, or demand files with the secretary of 3897
state an affidavit that states that one of those circumstances 3898
exists and states the most recent address of the company that 3899
the party who desires service has been able to ascertain after a 3900
diligent search, then the service of the process, notice, or 3901
demand upon the secretary of state as the agent of the company 3902
may be initiated by delivering to the secretary of state four 3903
copies of the process, notice, or demand accompanied by a fee of 3904
five dollars. The secretary of state shall give forthwith notice 3905
of that delivery to the company at either its principal office 3906
as shown upon the secretary of state's records or at any 3907
different address specified in the affidavit of the party 3908
desiring service and shall forward to the company at either 3909
address by certified mail, return receipt requested, a copy of 3910
the process, notice, or demand. Service upon the company is made 3911
when the secretary of state gives the notice and forwards the 3912
process, notice, or demand as set forth in division (H) (2) of 3913
this section. 3914

(I) The secretary of state shall keep a record of each 3915
process, notice, and demand that pertains to a limited liability 3916
company or foreign limited liability company and that is 3917
delivered to the secretary of state's office under this section 3918

or another law of this state that authorizes service upon the 3919
secretary of state in connection with a limited liability 3920
company or foreign limited liability company. In that record, 3921
the secretary of state shall record the time of each delivery of 3922
that type and the secretary of state's subsequent action with 3923
respect to the process, notice, or demand. 3924

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

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

(L) Upon the failure of a limited liability company or 3933
foreign limited liability company to continuously maintain a 3934
statutory agent or file a change of name or address of a 3935
statutory agent, the secretary of state shall give notice 3936
thereof by ordinary or electronic mail to the company at the 3937
electronic mail address provided to the secretary of state, or 3938
at the address set forth in the notice of resignation. Unless 3939
the default is cured within thirty days after the mailing by the 3940
secretary of state of the notice or within any further period of 3941
time that the secretary of state grants, upon the expiration of 3942
that period of time from the date of the mailing, the articles 3943
of the limited liability company or the registration of the 3944
foreign limited liability company shall be canceled without 3945
further notice or action by the secretary of state. The 3946
secretary of state shall make a notation of the cancellation on 3947
the secretary of state's records. 3948

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

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

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

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

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

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

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

organization. 3978

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

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

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

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

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

(1) The name and registration number of the limited 3998
liability company; 3999

(2) The changes the amendment makes to the articles of 4000
organization as most recently amended or restated. 4001

(D) Restated articles of organization shall be delivered 4002
to the secretary of state for filing in the same manner as an 4003
amendment. Restated articles of organization shall be designated 4004
as such in the heading and state in the heading or in an 4005

introductory paragraph the limited liability company's name and 4006
the date of the filing of its articles of organization. Any 4007
amendment or change effected in connection with the restatement 4008
of the articles of organization shall be subject to any other 4009
provision of this chapter, not inconsistent with this section, 4010
which would apply if a separate certificate of amendment were 4011
filed to effect the amendment or change. 4012

(E) The original articles of organization, as amended or 4013
supplemented, shall be superseded by the restated articles of 4014
organization. Thereafter, the articles of organization, 4015
including any further amendment or changes made thereby, shall 4016
be the articles of organization of the limited liability 4017
company, but the original effective date of formation shall 4018
remain unchanged. 4019

Sec. 1706.17. (A) A record delivered to the secretary of 4020
state for filing pursuant to this chapter shall be signed as 4021
provided by this section. 4022

(1) A limited liability company's initial articles of 4023
organization shall be signed by at least one person. 4024

(2) A record signed on behalf of a limited liability 4025
company shall be signed by a person authorized by the limited 4026
liability company. 4027

(3) A record filed on behalf of a dissolved limited 4028
liability company that has no members shall be signed by the 4029
person winding up the limited liability company's activities 4030
under division (A) of section 1706.472 of the Revised Code or a 4031
person appointed under division (B) of section 1706.472 of the 4032
Revised Code to wind up those activities. 4033

(4) A statement of denial by a person under section 4034

1706.20 of the Revised Code shall be signed by that person. 4035

(5) Any other record shall be signed by the person on 4036
whose behalf the record is delivered to the secretary of state. 4037

(B) Any record to be filed under this chapter may be 4038
signed by an agent, including an attorney-in-fact. Powers of 4039
attorney relating to the signing of the record need not be 4040
delivered to the secretary of state. 4041

Sec. 1706.171. (A) If a person required by this chapter to 4042
sign a record or deliver a record to the secretary of state for 4043
filing under this chapter does not do so, any other person that 4044
is aggrieved by that failure to sign may petition the 4045
appropriate court to order any of the following: 4046

(1) The person to sign the record; 4047

(2) The person to deliver the record to the secretary of 4048
state for filing; 4049

(3) The secretary of state to file the record unsigned. 4050

(B) If a petitioner under division (A) of this section is 4051
not the limited liability company or foreign limited liability 4052
company to whom the record pertains, the petitioner shall make 4053
the limited liability company or foreign limited liability 4054
company a party to the action. A person aggrieved under division 4055
(A) of this section may seek the remedies provided in that 4056
division in a separate action against the person required to 4057
sign the record or as a part of any other action concerning the 4058
limited liability company in which the person required to sign 4059
the record is made a party. 4060

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

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

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

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

(2) The record shall be on or in a medium and in such form 4074
acceptable to the secretary of state and from which the 4075
secretary of state may create a record that contains all of the 4076
information stated in the record. The secretary of state may 4077
require that the record be delivered by any one or more means or 4078
on or in any one or more media acceptable to the secretary of 4079
state. The secretary of state is not required to file a record 4080
that is not delivered by a means and in a medium that complies 4081
with the requirements then established by the secretary of state 4082
for the delivery and filing of records. If the secretary of 4083
state permits a record to be delivered on paper, the record 4084
shall be typewritten or machine printed, and the secretary of 4085
state may impose reasonable requirements upon the dimensions, 4086
legibility, quality, and color of the paper and typewriting or 4087
printing and upon the format and other attributes of any record 4088
that is delivered electronically. The secretary of state shall, 4089
at the earliest practicable time, allow for the delivery of a 4090
record for filing to be accomplished electronically, without the 4091
necessity for the delivery of a physical original record or the 4092

image thereof, if all required information is delivered and is 4093
readily retrievable from the data delivered. If the delivery of 4094
a record for filing is required to be accomplished 4095
electronically, that record shall not be accompanied by any 4096
physical record unless the secretary of state permits that 4097
accompaniment. 4098

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

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

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

(D) Except as otherwise provided in division (F) of 4112
section 1706.09 and section 1706.173 of the Revised Code, a 4113
record delivered to the secretary of state for filing under this 4114
chapter may specify an effective time and a delayed effective 4115
date of not more than ninety days following the date of receipt 4116
by the secretary of state. Subject to division (F) of section 4117
1706.09 and section 1706.173 of the Revised Code, a record filed 4118
by the secretary of state is effective as follows: 4119

(1) If the record does not specify an effective time and 4120
does not specify a delayed effective date, on the date the 4121

record is filed as evidenced by the secretary of state's 4122
endorsement of the date on the record; 4123

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

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

(a) The specified date; 4130

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

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

(a) The specified date; 4135

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

Sec. 1706.173. (A) A limited liability company or foreign 4137
limited liability company may deliver to the secretary of state 4138
for filing a certificate of correction to correct a record 4139
previously delivered by the limited liability company or foreign 4140
limited liability company to the secretary of state and filed by 4141
the secretary of state if at the time of filing the record 4142
contained incorrect or inaccurate information or was defectively 4143
signed. 4144

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

(1) Describe the record to be corrected, including its 4148

filing date, or attach a copy of the record as filed; 4149

(2) Specify the inaccurate information or the defect in
the signing; 4150
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(3) Correct the incorrect or inaccurate information or
defective signature. 4152
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(C) When filed by the secretary of state, a certificate of
correction is effective retroactively as of the effective date
of the record the statement corrects, but the statement is
effective when filed as to persons that previously relied on the
uncorrected record and would be adversely affected by the
correction. 4154
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Sec. 1706.174. (A) A person who signs a record authorized
or required to be filed under this chapter thereby affirms under
penalty for falsification as described in section 2921.13 of the
Revised Code that the facts stated in the record are true in all
material respects. 4160
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(B) If a record delivered to the secretary of state for
filing under this chapter and filed by the secretary of state
contains incorrect or inaccurate information, a person that
suffers a loss by reasonable reliance on the information may
recover damages for the loss from a person that signed the
record, or caused another to sign it on the person's behalf, and
knew the information to be incorrect or inaccurate at the time
the record was signed. 4165
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Sec. 1706.175. (A) The secretary of state, upon request
and payment of the requisite fee, shall furnish to any person a
certificate of full force and effect for a limited liability
company if the records filed in the office of the secretary of
state show that the limited liability company has been formed 4173
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under the laws of this state. A certificate of full force and 4178
effect shall state all of the following: 4179

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

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

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

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

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

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

(C) Subject to any qualification stated in the 4198
certificate, a certificate of existence or certificate of 4199
registration issued by the secretary of state is, for a period 4200
of thirty days after the date of such certificate, conclusive 4201
evidence that the limited liability company is in existence or 4202
the foreign limited liability company is authorized to transact 4203
business in this state. 4204

Sec. 1706.18. No person shall have the power to bind the 4205

limited liability company, or a series thereof, except: 4206

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

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

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

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

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

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

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

(B) To amend or cancel a statement of authority filed by 4227
the secretary of state, a limited liability company shall, on 4228
behalf of itself or a series thereof, deliver to the secretary 4229
of state for filing an amendment or cancellation on a form 4230
prescribed by the secretary of state stating all of the 4231
following: 4232

(1) The name and registration number of the limited 4233

liability company; 4234

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

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

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

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

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

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

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

(A) States the name and registration number of the limited 4260
liability company and the date of filing of the statement of 4261

authority to which the statement of denial pertains; 4262

(B) Denies the person's authority. 4263

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

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

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

(2) If the organizer was not authorized by any other 4285
person intending to be members of the limited liability company, 4286
each organizer shall have the authority of a member of the 4287
limited liability company upon the formation of the limited 4288
liability company until the admission of the initial member of 4289
the limited liability company. 4290

(B) After formation of a limited liability company, a 4291
person may be admitted as a member of the limited liability 4292
company in any of the following manners: 4293

(1) As provided in the operating agreement; 4294

(2) As the result of a transaction effective under 4295
sections 1706.71 to 1706.74 of the Revised Code; 4296

(3) With the consent of all the members or in the case of 4297
a limited liability company having only one member, the consent 4298
of the member; 4299

(4) If, within ninety consecutive days after the 4300
occurrence of the dissociation of the last remaining member, 4301
both of the following occur: 4302

(a) All holders of the membership interest last assigned 4303
by the last person to have been a member consent to the 4304
designation of a person to be admitted as a member; 4305

(b) The designated person consents to be admitted as a 4306
member effective as of the date the last person to have been a 4307
member ceased to be a member. 4308

(C) A person may be admitted as a member without acquiring 4309
a membership interest and without making or being obligated to 4310
make a contribution to the limited liability company. A person 4311
may be admitted as the sole member without acquiring a 4312
membership interest and without making or being obligated to 4313
make a contribution to the limited liability company. 4314

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

services. 4319

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

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

(C) (1) The obligation of a member to make a contribution 4336
to a limited liability company may be compromised only by 4337
consent of all the members. A conditional obligation of a member 4338
to make a contribution to a limited liability company may not be 4339
enforced unless the conditions of the obligation have been 4340
satisfied or waived as to or by that member. Conditional 4341
obligations include contributions payable upon a discretionary 4342
call of a limited liability company before the time the call 4343
occurs. 4344

(2) The obligation of a member associated with a series to 4345
make a contribution to the series may be compromised only by 4346
consent of all the members associated with that series. A 4347
conditional obligation of a member to make a contribution to a 4348

series may not be enforced unless the conditions of the 4349
obligation have been satisfied or waived as to or by that 4350
member. Conditional obligations include contributions payable 4351
upon a discretionary call of that series before the time the 4352
call occurs. 4353

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

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

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

(3) A member does not have a right to demand and receive a 4368
distribution from a limited liability company in any form other 4369
than money. Except as otherwise provided in division (C) of 4370
section 1706.475 of the Revised Code, a limited liability 4371
company may distribute an asset in kind if each member receives 4372
a percentage of the asset in proportion to the member's share of 4373
contributions. 4374

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

company with respect to the distribution. 4378

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

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

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

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

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

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

(2) The activities and affairs of a series shall be under 4406

the direction, and subject to the oversight, of the members 4407
associated with the series. 4408

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

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

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

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

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

(a) Amend the operating agreement; 4421

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

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

(d) Undertake, authorize, or approve any other act or 4428
matter for which this chapter requires the consent of all 4429
members. 4430

(2) The consent of all members associated with a series is 4431
required to do either of the following: 4432

(a) Undertake any act outside the ordinary course of the 4433

series' activities; 4434

(b) Undertake, authorize, or approve any other act or 4435
matter for which this chapter requires the consent of all the 4436
members associated with a series. 4437

(D) Any matter requiring the consent of members may be 4438
decided without a meeting, and a member may appoint a proxy or 4439
other agent to consent or otherwise act for the member by 4440
signing an appointing record, personally or by the member's 4441
agent. 4442

(E) This chapter does not entitle a member to remuneration 4443
for services performed for a limited liability company. 4444

Sec. 1706.31. (A) Unless either a written operating 4445
agreement for the limited liability company or a written 4446
agreement with a member establishes additional fiduciary duties, 4447
in the event that there have been designated one or more 4448
managers to supervise or manage the activities or affairs of the 4449
limited liability company, the only obligation a member owes, in 4450
the member's capacity as a member, to the limited liability 4451
company and the other members is to discharge the member's 4452
duties and obligations under this chapter and the operating 4453
agreement in accordance with division (E) of this section. 4454
Divisions (C) and (D) of this section shall not apply to such a 4455
member. 4456

(B) Unless either a written operating agreement for the 4457
limited liability company or a written agreement with a member 4458
establishes additional fiduciary duties or the duties of the 4459
member have been modified, waived, or eliminated as contemplated 4460
by section 1706.08 of the Revised Code, in the event that there 4461
have not been designated one or more managers to supervise or 4462

manage the activities of the limited liability company, the only 4463
fiduciary duties a member owes to the limited liability company 4464
and the other members is the duty of loyalty and the duty of 4465
care set forth in divisions (C) and (D) of this section. 4466

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

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

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

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

(E) A member shall discharge the member's duties to the 4484
limited liability company and the other members under this 4485
chapter and under the operating agreement and exercise any 4486
rights consistent with the implied covenant of good faith and 4487
fair dealing. 4488

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

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

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

Sec. 1706.311. (A) Unless either a written operating 4509
agreement for the limited liability company or a written 4510
agreement with a manager establishes additional fiduciary duties 4511
or the duties of the manager have been modified, waived, or 4512
eliminated as contemplated by section 1706.08 of the Revised 4513
Code, the only fiduciary duties of a manager to the limited 4514
liability company or its members are the duty of loyalty and the 4515
duty of care set forth in divisions (B) and (C) of this section. 4516

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

(1) To account to the limited liability company and hold 4519
for it any property, profit, or benefit derived by the manager 4520
in the conduct and winding up of the limited liability company 4521

business or derived from a use by the manager of limited 4522
liability company property or from the appropriation of a 4523
limited liability company opportunity; 4524

(2) To refrain from dealing with the limited liability 4525
company in the conduct or winding up of the limited liability 4526
company business as or on behalf of a party having an interest 4527
adverse to the limited liability company. 4528

(C) A manager's duty of care to the limited liability 4529
company in the conduct and winding up of the limited liability 4530
company activities is limited to acting in good faith, in a 4531
manner the manager reasonably believes to be in or not opposed 4532
to the best interests of the limited liability company. 4533

(D) For purposes of division (C) of this section, both of 4534
the following apply: 4535

(1) A manager of a limited liability company shall not be 4536
determined to have violated the manager's duties under division 4537
(C) of this section unless it is proved that the manager has not 4538
acted in good faith, in a manner the manager reasonably believes 4539
to be in or not opposed to the best interests of the limited 4540
liability company. 4541

(2) A manager shall not be considered to be acting in good 4542
faith if the manager has knowledge concerning the matter in 4543
question that would cause reliance on information, opinions, 4544
reports, or statements that are prepared or presented by any of 4545
the persons described in section 1706.331 of the Revised Code to 4546
be unwarranted. 4547

(E) A manager shall be liable for monetary relief for a 4548
violation of the manager's duties under division (C) of this 4549
section only if it is proved that the manager's action or 4550

failure to act involved an act or omission undertaken with 4551
deliberate intent to cause injury to the limited liability 4552
company or undertaken with reckless disregard for the best 4553
interests of the company. This division does not apply if, and 4554
only to the extent that, at the time of a manager's act or 4555
omission that is the subject of complaint, either of the 4556
following is true: 4557

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

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

(F) All the members of a limited liability company may 4566
authorize or ratify, after full disclosure of all material 4567
facts, a specific act or transaction that would otherwise 4568
violate the duty of loyalty. It is a defense to a claim under 4569
division (B) (2) of this section and any comparable claim in 4570
equity or at common law that the transaction was fair to the 4571
limited liability company. If, as permitted by this division or 4572
the operating agreement, a manager enters into a transaction 4573
with the limited liability company that otherwise would be 4574
prohibited by division (B) (2) of this section, the manager's 4575
rights and obligations arising from the transaction are the same 4576
as those of a person that is not a manager. 4577

(G) A manager shall discharge the duties to the limited 4578
liability company and the members under this chapter and under 4579
the operating agreement and exercise any rights consistently 4580

with the implied covenant of good faith and fair dealing. 4581

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

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

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

(B) A limited liability company may charge a person that 4602
makes a demand under this section the reasonable costs of labor 4603
and materials for copying. 4604

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

legal representative and the member or dissociated member. 4610

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

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

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

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

Sec. 1706.331. Each member and agent of a limited 4632
liability company shall be fully protected in relying in good 4633
faith upon the records of the limited liability company and upon 4634
information, opinions, reports, or statements presented by 4635
another member or agent of the limited liability company, or by 4636
any other person as to matters the member or the agent 4637
reasonably believes are within that other person's professional 4638

or expert competence, including information, opinions, reports, 4639
or statements as to any of the following: 4640

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

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

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

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

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

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

(1) Is permissible; 4661

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

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

- (3) Does not by itself cause a dissolution and winding up of the limited liability company, or a series thereof; 4666
4667
- (4) Subject to section 1706.332 of the Revised Code, does not entitle the assignee to do either of the following: 4668
4669
- (a) Participate in the management or conduct of the activities of the limited liability company, or a series thereof; 4670
4671
4672
- (b) Have access to records or other information concerning the activities of the limited liability company, or a series thereof. 4673
4674
4675
- (B) An assignee has the right to receive, in accordance with the assignment, distributions to which the assignor would otherwise be entitled. 4676
4677
4678
- (C) A membership interest may be evidenced by a certificate of membership interest issued by the limited liability company, or a series thereof. An operating agreement may provide for the assignment of the membership interest represented by the certificate and make other provisions with respect to the certificate. 4679
4680
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4683
4684
- (D) A limited liability company, or a series thereof, shall not issue a certificate of membership interest in bearer form. 4685
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4687
- (E) A limited liability company, or a series thereof, need not give effect to an assignee's rights under this section until the limited liability company, or a series thereof, has notice of the assignment. 4688
4689
4690
4691
- (F) Except as otherwise provided in division (J) of section 1706.411 of the Revised Code, when a member assigns a 4692
4693

membership interest, the assignor retains the rights of a member 4694
other than the right to distributions assigned and retains all 4695
duties and obligations of a member. 4696

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

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

(B) After the limited liability company is served with a 4712
charging order, the limited liability company or any member 4713
shall be entitled to pay to or deposit with the clerk of the 4714
court so issuing the charging order any distribution or 4715
distributions to which the judgment debtor would otherwise be 4716
entitled in respect of the charged membership interest, and the 4717
payment or deposit shall discharge the limited liability company 4718
and the judgment debtor from liability for the amount so paid or 4719
deposited and any interest that might accrue thereon. Upon 4720
receipt of the payment or deposit, the clerk of the court shall 4721
notify the judgment creditor of the receipt of the payment or 4722
deposit. The judgment creditor shall, after any payment or 4723

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

(C) A charging order constitutes a lien on the judgment 4735
debtor's membership interest. 4736

(D) Subject to division (C) of this section, both of the 4737
following apply: 4738

(1) A judgment debtor that is a member retains the rights 4739
of a member and remains subject to all duties and obligations of 4740
a member. 4741

(2) A judgment debtor that is an assignee retains the 4742
rights of an assignee and remains subject to all duties and 4743
obligations of an assignee. 4744

(E) This chapter does not deprive any member or assignee 4745
of the benefit of any exemption laws applicable to the member's 4746
or assignee's membership interest. 4747

(F) This section provides the sole and exclusive remedy by 4748
which a judgment creditor of a member or assignee may satisfy a 4749
judgment out of the judgment debtor's membership interest, and 4750
the judgment creditor shall have no right to foreclose, under 4751
this chapter or any other law, upon the charging order, the 4752

charging order lien, or the judgment debtor's membership 4753
interest. A judgment creditor of a member or assignee has no 4754
right to obtain possession of, or otherwise exercise legal or 4755
equitable remedies with respect to, the judgment debtor's 4756
membership interest or the property of a limited liability 4757
company. Court orders for actions or requests for accounts and 4758
inquiries that the judgment debtor might have made to the 4759
limited liability company are not available to a judgment 4760
creditor attempting to satisfy the judgment out of the judgment 4761
debtor's membership interest and may not be ordered by a court. 4762

Sec. 1706.41. (A) A person shall not voluntarily 4763
dissociate from a limited liability company. 4764

(B) A person's dissociation from a limited liability 4765
company is wrongful only if one of the following applies: 4766

(1) The dissociation is in breach of an express provision 4767
of the operating agreement. 4768

(2) The person is expelled as a member by a determination 4769
of a tribunal under division (D) of section 1706.411 of the 4770
Revised Code. 4771

(3) The person is dissociated by becoming a debtor in 4772
bankruptcy or making a general assignment for the benefit of 4773
creditors. 4774

(C) A person that wrongfully dissociates as a member is 4775
liable to the limited liability company and, subject to section 4776
1706.61 of the Revised Code, to the other members for damages 4777
caused by the dissociation. The liability is in addition to any 4778
other debt, obligation, or liability of the member to the 4779
limited liability company or the other members. 4780

Sec. 1706.411. A person is dissociated as a member from a 4781

<u>limited liability company in any of the following circumstances:</u>	4782
<u>(A) An event stated in the operating agreement as causing</u>	4783
<u>the person's dissociation occurs.</u>	4784
<u>(B) The person is expelled as a member pursuant to the</u>	4785
<u>operating agreement.</u>	4786
<u>(C) The person is expelled as a member by the unanimous</u>	4787
<u>consent of the other members if any of the following apply:</u>	4788
<u>(1) It is unlawful to carry on the limited liability</u>	4789
<u>company's activities with the person as a member.</u>	4790
<u>(2) The person is an entity and, within ninety days after</u>	4791
<u>the limited liability company notifies the person that it will</u>	4792
<u>be expelled as a member because the person has filed a statement</u>	4793
<u>of dissolution or the equivalent, or its right to transact</u>	4794
<u>business has been suspended by its jurisdiction of formation,</u>	4795
<u>the statement of dissolution or the equivalent has not been</u>	4796
<u>revoked or its right to transact business has not been</u>	4797
<u>reinstated.</u>	4798
<u>(3) The person is an entity and, within ninety days after</u>	4799
<u>the limited liability company notifies the person that it will</u>	4800
<u>be expelled as a member because the person has been dissolved</u>	4801
<u>and its activities are being wound up, the entity has not been</u>	4802
<u>reinstated or the dissolution and winding up have not been</u>	4803
<u>revoked or canceled.</u>	4804
<u>(D) On application by the limited liability company, the</u>	4805
<u>person is expelled as a member by tribunal order for any of the</u>	4806
<u>following reasons:</u>	4807
<u>(1) The person has engaged, or is engaging, in wrongful</u>	4808
<u>conduct that has adversely and materially affected, or will</u>	4809

adversely and materially affect, the limited liability company's 4810
activities. 4811

(2) The person has willfully or persistently committed, or 4812
is willfully or persistently committing, a material breach of 4813
the operating agreement or the person's duties or obligations 4814
under this chapter or other applicable law. 4815

(3) The person has engaged, or is engaging, in conduct 4816
relating to the limited liability company's activities that 4817
makes it not reasonably practicable to carry on the activities 4818
with the person as a member. 4819

(E) In the case of a person who is an individual, the 4820
person dies, a guardian or general conservator is appointed for 4821
the person, or a tribunal determines that the person has 4822
otherwise become incapable of performing the person's duties as 4823
a member under this chapter or the operating agreement. 4824

(F) The person becomes a debtor in bankruptcy, executes an 4825
assignment for the benefit of creditors, or seeks, consents, or 4826
acquiesces to the appointment of a trustee, receiver, or 4827
liquidator of the person or of all or substantially all of the 4828
person's property. This division shall not apply to a person who 4829
is the sole remaining member of a limited liability company. 4830

(G) In the case of a person that is a trust or is acting 4831
as a member by virtue of being a trustee of a trust, the trust's 4832
entire membership interest in the limited liability company is 4833
distributed, but not solely by reason of the substitution of a 4834
successor trustee. 4835

(H) In the case of a person that is an estate or is acting 4836
as a member by virtue of being a personal representative of an 4837
estate, the estate's entire membership interest in the limited 4838

liability company is distributed, but not solely by reason of 4839
the substitution of a successor personal representative. 4840

(I) In the case of a member that is not an individual, the 4841
legal existence of the person otherwise terminates. 4842

(J) There has been an assignment of all of the person's 4843
membership interest other than an assignment for security 4844
purposes. 4845

Sec. 1706.412. (A) A person who has dissociated as a 4846
member shall have no right to participate as a member in the 4847
activities and affairs of the limited liability company and is 4848
entitled only to receive the distributions to which that member 4849
would have been entitled if the member had not dissociated. 4850

(B) Upon a person's dissociation, the member's duty of 4851
loyalty and duty of care under divisions (C) and (D) of section 4852
1706.31 of the Revised Code continue only with regard to matters 4853
arising and events occurring before the member's dissociation, 4854
unless the member participates in winding up the limited 4855
liability company's business pursuant to section 1706.472 of the 4856
Revised Code. 4857

(C) A person's dissociation as a member does not of itself 4858
discharge the person from any debt, obligation, or liability to 4859
a limited liability company or the other members that the person 4860
incurred while a member. 4861

Sec. 1706.46. (A) Except as otherwise provided in this 4862
division, upon reinstatement of a limited liability company's 4863
articles or a foreign limited liability company's registration 4864
in accordance with section 1706.09 of the Revised Code, the 4865
rights and privileges, including all real or personal property 4866
rights and credits and all contract and other rights, of the 4867

company existing at the time its articles or registration were 4868
canceled shall be fully vested in the company as if its articles 4869
or registration had not been canceled, and the company shall 4870
again be entitled to exercise the rights and privileges 4871
authorized by its articles. The name of a company whose articles 4872
have been canceled shall be reserved for a period of one year 4873
after the date of cancellation. If the reinstatement is not made 4874
within one year after the date of the cancellation of its 4875
articles and it appears that a corporate name, limited liability 4876
company name, limited liability partnership name, limited 4877
partnership name, trade name, or assumed name has been filed, 4878
the name of which is not distinguishable upon the record as 4879
provided in section 1706.07 of the Revised Code, the secretary 4880
of state shall require the applicant for reinstatement, as a 4881
condition prerequisite to such reinstatement, to amend its 4882
articles or registration by changing its name. 4883

(B) Upon reinstatement in accordance with section 1706.09 4884
of the Revised Code, both of the following apply to the exercise 4885
of or an attempt to exercise any rights or privileges, including 4886
entering into or performing any contracts, on behalf of the 4887
company by an officer, agent, or employee of the company, after 4888
cancellation and prior to reinstatement of the articles or 4889
registration: 4890

(1) The exercise of or an attempt to exercise any rights 4891
or privileges on behalf of the company by the officer, agent, or 4892
employee of the company has the same force and effect that the 4893
exercise of or an attempt to exercise the right or privilege 4894
would have had if the company's articles or registration had not 4895
been canceled, if both of the following apply: 4896

(a) The exercise of or an attempt to exercise the right or 4897

privilege was within the scope of the company's articles that 4898
existed prior to cancellation; 4899

(b) The officer, agent, or employee had no knowledge that 4900
the company's articles or registration had been canceled. 4901

(2) The company is liable exclusively for the exercise of 4902
or an attempt to exercise any rights or privileges on behalf of 4903
the company by an officer, agent, or employee of the company, if 4904
the conditions set forth in divisions (B)(1)(a) and (b) of this 4905
section are met. 4906

(C) Upon reinstatement of a company's articles or 4907
registration in accordance with section 1706.09 of the Revised 4908
Code, the exercise of or an attempt to exercise any rights or 4909
privileges on behalf of the company by an officer, agent, or 4910
employee of the company, after cancellation and prior to 4911
reinstatement of the articles or registration, does not 4912
constitute a violation of section 1706.09 of the Revised Code, 4913
if the conditions set forth in divisions (B)(1)(a) and (b) of 4914
this section are met. 4915

(D) This section is remedial in nature and is to be 4916
construed liberally to accomplish the purpose of providing full 4917
reinstatement of a limited liability company's articles of 4918
organization or a foreign limited liability company's 4919
registration, in accordance with this section, to the time of 4920
the cancellation of the articles or registration. 4921

Sec. 1706.461. (A) (1) A limited liability company or 4922
foreign limited liability company may appeal a cancellation 4923
under division (L) of section 1706.09 of the Revised Code within 4924
thirty days after the effective date of the cancellation. The 4925
appeal shall be made to one of the following: 4926

(a) The court of common pleas of the county in which the street address of the limited liability company or foreign limited liability company's principal office is located; 4927
4928
4929

(b) If the limited liability company or foreign limited liability company has no principal office in this state, to the court of common pleas of the county in which the street address of its statutory agent is located; 4930
4931
4932
4933

(c) If the limited liability company or foreign limited liability company has no statutory agent, to the Franklin county court of common pleas. 4934
4935
4936

(2) The limited liability company or foreign limited liability company shall commence its appeal by petitioning the appropriate court to set aside the cancellation or to determine that the limited liability company or foreign limited liability company has cured the grounds for cancellation and attaching to the petition copies of those records of the secretary of state as may be relevant. 4937
4938
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(B) The appropriate court may take, or may summarily order the secretary of state to take, whatever action the court considers appropriate. 4944
4945
4946

(C) The appropriate court's order or decision may be appealed as in any other civil proceeding. 4947
4948

Sec. 1706.47. A limited liability company is dissolved, and its activities shall be wound up, upon the occurrence of any of the following: 4949
4950
4951

(A) An event or circumstance that the operating agreement states causes dissolution; 4952
4953

(B) The consent of all the members; 4954

(C) A limited liability company with canceled articles has 4955
failed to cure the grounds for cancellation for three years or 4956
more and any member or person authorized pursuant to section 4957
1706.18 of the Revised Code consents to the dissolution; 4958

(D) The passage of ninety consecutive days after the 4959
occurrence of the dissociation of the last remaining member; 4960
provided that upon dissociation of the last remaining member 4961
pursuant to division (E) of section 1706.411 of the Revised 4962
Code, the limited liability company shall not be dissolved if 4963
either of the following applies: 4964

(1) The operating agreement provides for the admission of 4965
a substitute member effective prior to the passage of such time 4966
period; 4967

(2) A substitute member has been admitted, as evidenced by 4968
a written record, prior to the passage of such time period, 4969
which admission is to be effective as of the date of such 4970
dissociation. 4971

(E) On application by a member, the entry by the 4972
appropriate court of an order dissolving the limited liability 4973
company on the grounds that it is not reasonably practicable to 4974
carry on the limited liability company's activities in 4975
conformity with the operating agreement. 4976

Sec. 1706.471. (A) A dissolved limited liability company 4977
continues its existence as a limited liability company but may 4978
not carry on any activities except as is appropriate to wind up 4979
and liquidate its activities and affairs. Appropriate activities 4980
include all of the following: 4981

(1) Collecting its assets; 4982

(2) Disposing of its properties that will not be 4983

<u>distributed in kind to persons owning membership interests;</u>	4984
<u>(3) Discharging or making provisions for discharging its liabilities;</u>	4985
	4986
<u>(4) Distributing its remaining property in accordance with section 1706.475 of the Revised Code;</u>	4987
	4988
<u>(5) Doing every other act necessary to wind up and liquidate its activities and affairs.</u>	4989
	4990
<u>(B) In winding up its activities, a limited liability company may do any of the following:</u>	4991
	4992
<u>(1) Deliver to the secretary of state for filing, on a form prescribed by the secretary of state, a certificate of dissolution setting forth all of the following:</u>	4993
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	4995
<u>(a) The name and registration number of the limited liability company;</u>	4996
	4997
<u>(b) That the limited liability company has dissolved;</u>	4998
<u>(c) The effective date of the certificate of dissolution if it is not to be effective upon the filing. Such an effective date shall be a date certain and shall not be a date prior to the date of filing.</u>	4999
	5000
	5001
	5002
<u>(d) A copy of the notice it will publish pursuant to division (A) of section 1706.474 of the Revised Code.</u>	5003
	5004
<u>(e) Any other information the limited liability company considers proper.</u>	5005
	5006
<u>(2) Preserve the limited liability company's activities and property as a going concern for a reasonable time;</u>	5007
	5008
<u>(3) Prosecute, defend, or settle actions or proceedings whether civil, criminal, or administrative;</u>	5009
	5010

<u>(4) Make an assignment of the limited liability company's</u>	5011
<u>property;</u>	5012
<u>(5) Resolve disputes by mediation or arbitration;</u>	5013
<u>(6) Merge or convert in accordance with sections 1706.71</u>	5014
<u>to 1706.74 of the Revised Code.</u>	5015
<u>(C) A limited liability company's dissolution, in itself:</u>	5016
<u>(1) Is not an assignment of the limited liability</u>	5017
<u>company's property;</u>	5018
<u>(2) Does not prevent the commencement of a proceeding by</u>	5019
<u>or against the limited liability company in its limited</u>	5020
<u>liability company name;</u>	5021
<u>(3) Does not abate or suspend a proceeding pending by or</u>	5022
<u>against the limited liability company on the effective date of</u>	5023
<u>dissolution;</u>	5024
<u>(4) Does not terminate the authority of its statutory</u>	5025
<u>agent;</u>	5026
<u>(5) Does not abate, suspend, or otherwise alter the</u>	5027
<u>application of section 1706.26 of the Revised Code.</u>	5028
Sec. 1706.472. <u>(A) Subject to division (C) (5) of section</u>	5029
<u>1706.471 of the Revised Code, after dissolution, the remaining</u>	5030
<u>members, if any, and if none, a person appointed by all holders</u>	5031
<u>of the membership interest last assigned by the last person to</u>	5032
<u>have been a member, may wind up the limited liability company's</u>	5033
<u>activities.</u>	5034
<u>(B) The appropriate tribunal may order supervision of the</u>	5035
<u>winding up of a dissolved limited liability company, including</u>	5036
<u>the appointment of a person to wind up the limited liability</u>	5037

<u>company's activities as follows:</u>	5038
<u>(1) On application of a member, if the applicant</u>	5039
<u>establishes good cause;</u>	5040
<u>(2) On application of an assignee, if both of the</u>	5041
<u>following apply:</u>	5042
<u>(a) The limited liability company does not have any</u>	5043
<u>members;</u>	5044
<u>(b) Within a reasonable time following the dissolution, a</u>	5045
<u>person has not been appointed pursuant to division (A) of this</u>	5046
<u>section.</u>	5047
<u>(3) In connection with a proceeding under division (E) of</u>	5048
<u>section 1706.47 of the Revised Code.</u>	5049
<u>Sec. 1706.473. (A) A dissolved limited liability company</u>	5050
<u>may dispose of any known claims against it by following the</u>	5051
<u>procedures described in division (B) of this section at any time</u>	5052
<u>after the effective date of the dissolution of the limited</u>	5053
<u>liability company.</u>	5054
<u>(B) A dissolved limited liability company may give notice</u>	5055
<u>of its dissolution in a record to the holder of any known claim.</u>	5056
<u>The notice shall do all of the following:</u>	5057
<u>(1) Identify the dissolved limited liability company;</u>	5058
<u>(2) Describe the information required to be included in a</u>	5059
<u>claim;</u>	5060
<u>(3) Provide a mailing address to which the claim is to be</u>	5061
<u>sent;</u>	5062
<u>(4) State the deadline, by which the dissolved limited</u>	5063
<u>liability company must receive the claim. The deadline shall not</u>	5064

be sooner than ninety days from the effective date of the 5065
notice. 5066

(5) State that if not sooner barred, the claim will be 5067
barred if not received by the deadline. 5068

(C) Unless sooner barred by any other statute limiting 5069
actions, a claim against a dissolved limited liability company 5070
is barred in either of the following circumstances: 5071

(1) A claimant who was given notice under division (B) of 5072
this section does not deliver the claim to the dissolved limited 5073
liability company by the deadline. 5074

(2) A claimant whose claim was rejected by the dissolved 5075
limited liability company does not commence a proceeding to 5076
enforce the claim within ninety days from the effective date of 5077
the rejected notice. 5078

(D) For purposes of this section, "claim" includes an 5079
unliquidated claim, but does not include either of the 5080
following: 5081

(1) A contingent liability that has not matured so that 5082
there is no immediate right to bring suit; 5083

(2) A claim based on an event occurring after the 5084
effective date of dissolution. 5085

(E) Nothing in this section shall be construed to extend 5086
any otherwise applicable statute or period of limitations. 5087

Sec. 1706.474. (A) A dissolved limited liability company 5088
may publish notice of its dissolution and request that persons 5089
with claims against the dissolved limited liability company 5090
present them in accordance with the notice. 5091

(B) The notice described in division (A) of this section 5092
shall meet all of the following requirements: 5093

(1) It shall be posted prominently on the principal web 5094
site then maintained by the limited liability company, if any, 5095
and provided to the secretary of state to be posted on the web 5096
site maintained by the secretary of state in accordance with 5097
division (J) of this section. The notice shall be considered 5098
published when posted on both web sites or, if the limited 5099
liability company does not then maintain a web site, when posted 5100
on the web site maintained by the secretary of state. 5101

(2) It shall describe the information that must be 5102
included in a claim and provide a mailing address to which the 5103
claim must be sent. 5104

(3) It shall state that if not sooner barred, a claim 5105
against the dissolved limited liability company will be barred 5106
unless a proceeding to enforce the claim is commenced within two 5107
years after the publication of the notice. 5108

(C) If a dissolved limited liability company publishes a 5109
notice in accordance with division (B) of this section, unless 5110
sooner barred by any other statute limiting actions, the claim 5111
of each of the following claimants is barred unless the claimant 5112
commences a proceeding to enforce the claim against the 5113
dissolved limited liability company within two years after the 5114
publication of the notice: 5115

(1) A claimant who was not given notice under division (B) 5116
of section 1706.473 of the Revised Code; 5117

(2) A claimant whose claim was timely sent to the 5118
dissolved limited liability company but not acted on by the 5119
dissolved limited liability company; 5120

(3) A claimant whose claim is contingent at the effective 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. 5121
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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: 5125
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(1) Against a dissolved limited liability company, to the extent of its undistributed assets; 5128
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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 dissolution of the limited liability company. 5130
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(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: 5139
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(1) Claims that are contingent; 5147

(2) Claims that have not been made known to the dissolved limited liability company; 5148
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(3) Claims that are based on an event occurring after the 5150
effective date of the dissolution of the limited liability 5151
company but that, based on the facts known to the dissolved 5152
limited liability company, are reasonably estimated to arise 5153
after the effective date of the dissolution of the limited 5154
liability company. 5155

Provision need not be made for any claim that is or is 5156
reasonably anticipated to be barred under division (C) of this 5157
section. 5158

(F) Within ten days after the filing of the application 5159
provided for in division (E) of this section, notice of the 5160
proceeding shall be given by the dissolved limited liability 5161
company to each potential claimant as described in division (E) 5162
of this section. 5163

(G) The appropriate court may appoint a guardian ad litem 5164
to represent all claimants whose identities are unknown in any 5165
proceeding brought under this section. The reasonable fees and 5166
expenses of the guardian, including all reasonable expert 5167
witness fees, shall be paid by the dissolved limited liability 5168
company. 5169

(H) Provision by the dissolved limited liability company 5170
for security in the amount and the form ordered by the 5171
appropriate court under division (E) of this section shall 5172
satisfy the dissolved limited liability company's obligation 5173
with respect to claims that are contingent, have not been made 5174
known to the dissolved limited liability company, or are based 5175
on an event occurring after the effective date of the 5176
dissolution of the limited liability company. Such claims shall 5177
not be enforced against a person owning a membership interest to 5178
whom assets have been distributed by the dissolved limited 5179

liability company after the effective date of the dissolution of 5180
the limited liability company. 5181

(I) Nothing in this section shall be construed to extend 5182
any otherwise applicable statute of limitations. 5183

(J) (1) Except as provided in division (J) (2) of this 5184
section, the secretary of state shall make both of the following 5185
available to the public in a format that is searchable, 5186
viewable, and accessible through the internet: 5187

(a) A list of all limited liability companies that have 5188
filed certificates of dissolution; 5189

(b) For each dissolved limited liability company on the 5190
list described in division (J) (1) (a) of this section, a copy of 5191
both the certificate of dissolution and the notice delivered 5192
under division (B) of this section. 5193

(2) After the materials relating to any dissolved limited 5194
liability company have been posted for five years, the secretary 5195
of state may remove from the web site the information that the 5196
secretary posted pursuant to division (J) (1) of this section 5197
that relates to that dissolved company. 5198

Sec. 1706.475. (A) Upon the winding up of a limited 5199
liability company, payment or adequate provision for payment, 5200
shall be made to creditors, including members who are creditors, 5201
in satisfaction of liabilities of the limited liability company. 5202

(B) After a limited liability company complies with 5203
division (A) of this section, any surplus shall be distributed 5204
as follows: 5205

(1) First, to each person owning a membership interest 5206
that reflects contributions made on account of the membership 5207

interest and not previously returned, an amount equal to the 5208
value of the person's unreturned contributions; 5209

(2) Then to each person owning a membership interest in 5210
the proportions in which the owners of membership interests 5211
share in distributions before dissolution. 5212

(C) If the limited liability company does not have 5213
sufficient surplus to comply with division (B)(1) of this 5214
section, any surplus shall be distributed among the owners of 5215
membership interests in proportion to the value of their 5216
respective unreturned contributions. 5217

Sec. 1706.51. (A) The law of the state or other 5218
jurisdiction under which a foreign limited liability company is 5219
formed governs all of the following: 5220

(1) The organization and internal affairs of the foreign 5221
limited liability company; 5222

(2) The liability of a member as a member for the debts, 5223
obligations, or other liabilities of the foreign limited 5224
liability company or a series thereof; 5225

(3) The authority of the members and agents of a foreign 5226
limited liability company or a series thereof; 5227

(4) The liability of the following for the obligations of 5228
another series or the foreign limited liability company: 5229

(a) The assets of the foreign limited liability company; 5230

(b) The assets of a series thereof. 5231

(B) A foreign limited liability company's application for 5232
registration as a foreign limited liability company may not be 5233
denied by reason of any difference between the laws of the 5234

jurisdiction under which the limited liability company is formed 5235
and the laws of this state. 5236

(C) A foreign limited liability company, including a 5237
foreign limited liability company that has filed a registration 5238
as a foreign limited liability company, may not engage in any 5239
activities in this state that a limited liability company is 5240
forbidden to engage in by the laws of this state. 5241

(D) A foreign limited liability company that has filed a 5242
registration as a foreign limited liability company shall in 5243
this state: 5244

(1) Have the same but no greater rights than a limited 5245
liability company; 5246

(2) Have the same but no greater privileges than a limited 5247
liability company; 5248

(3) Except as otherwise provided by this chapter, be 5249
subject to the same duties, restrictions, penalties, and 5250
liabilities now or later imposed on a limited liability company. 5251

Sec. 1706.511. (A) In order for a foreign limited 5252
liability company or any one or more of its series to transact 5253
business in this state, the foreign limited liability company 5254
shall register with the secretary of state. Neither a foreign 5255
limited liability company nor any one or more of its series may 5256
transact business in this state until the registration has been 5257
approved by the secretary of state and the foreign limited 5258
liability company or series is otherwise in compliance with 5259
sections 1706.51 to 1706.515 of the Revised Code. 5260

(B) The registration as a foreign limited liability 5261
company shall state all of the following: 5262

(1) The name of the foreign limited liability company and, 5263
if the name does not comply with section 1706.07 of the Revised 5264
Code, the assumed name adopted pursuant to division (A) of 5265
section 1706.513 of the Revised Code; 5266

(2) The foreign limited liability company's jurisdiction 5267
of formation; 5268

(3) The name and street address of the foreign limited 5269
liability company's statutory agent and a written acceptance of 5270
the appointment that is signed by the agent; 5271

(4) That the foreign limited liability company is a 5272
foreign limited liability company; 5273

(5) The information required by division (C) of this 5274
section, if applicable. 5275

(C) If a foreign limited liability company establishes or 5276
provides for the establishment of one or more series of assets, 5277
it shall state all of the following in the registration as a 5278
foreign limited liability company: 5279

(1) The fact that it provides for the establishment of one 5280
or more series of assets; 5281

(2) Whether the debts, liabilities, and obligations 5282
incurred, contracted for, or otherwise existing with respect to 5283
a particular series, if any, shall be enforceable against the 5284
assets of that series only, and not against the assets of the 5285
foreign limited liability company generally or any other series 5286
thereof; 5287

(3) Whether any of the debts, liabilities, obligations, 5288
and expenses incurred, contracted for, or otherwise existing 5289
with respect to the foreign limited liability company generally 5290

or any other series thereof shall be enforceable against the 5291
assets of that series. 5292

(D) Upon any change in circumstances that makes any 5293
statement contained in its filed registration as a foreign 5294
limited liability company no longer true, a foreign limited 5295
liability company authorized to transact business in this state 5296
shall deliver to the secretary of state for filing an 5297
appropriate certificate of correction, on a form as prescribed 5298
by the secretary of state, so that its statement of foreign 5299
qualification is in all respects true. 5300

(E) A foreign limited liability company is authorized to 5301
transact business in this state from the effective date of its 5302
registration as a foreign limited liability company until the 5303
earlier of the effective date of its cancellation of foreign 5304
limited liability company or the effective date of the secretary 5305
of state's cancellation of the registration as a foreign limited 5306
liability company in accordance with section 1706.09 of the 5307
Revised Code. 5308

Sec. 1706.512. (A) A foreign limited liability company 5309
shall not be considered to be transacting business in this state 5310
within the meaning of sections 1706.51 to 1706.515 of the 5311
Revised Code by reason of its or any one or more of its series' 5312
carrying on in this state any of the following actions: 5313

(1) Maintaining, defending, or settling in its own behalf 5314
any proceeding or dispute; 5315

(2) Holding meetings or carrying on any other activities 5316
concerning its internal affairs; 5317

(3) Maintaining accounts in financial institutions; 5318

(4) Maintaining offices or agencies for the assignment, 5319

<u>exchange, and registration of the foreign limited liability</u>	5320
<u>company's or its series' own securities or interests or</u>	5321
<u>maintaining trustees or depositories with respect to those</u>	5322
<u>securities or interests;</u>	5323
<u>(5) Selling through independent contractors;</u>	5324
<u>(6) Soliciting or obtaining orders, whether by mail or</u>	5325
<u>electronic means or through employees or agents or otherwise, if</u>	5326
<u>the orders require acceptance outside this state before they</u>	5327
<u>become contracts;</u>	5328
<u>(7) Creating, as borrower or lender, or acquiring</u>	5329
<u>indebtedness, mortgages, or security interests in real or</u>	5330
<u>personal property;</u>	5331
<u>(8) Securing or collecting debts in its own behalf or</u>	5332
<u>enforcing mortgages or other security interests in real or</u>	5333
<u>personal property securing those debts, and holding, protecting,</u>	5334
<u>and maintaining property so acquired;</u>	5335
<u>(9) Owning real or personal property;</u>	5336
<u>(10) Conducting an isolated transaction that is not one in</u>	5337
<u>the course of repeated transactions of a like nature;</u>	5338
<u>(11) Transacting business in interstate commerce.</u>	5339
<u>(B) A foreign limited liability company shall not be</u>	5340
<u>considered to be transacting business in this state solely</u>	5341
<u>because it or any one or more of its series:</u>	5342
<u>(1) Owns a controlling interest in an entity that is</u>	5343
<u>transacting business in this state;</u>	5344
<u>(2) Is a limited partner of a limited partnership or</u>	5345
<u>foreign limited partnership that is transacting business in this</u>	5346

state; 5347

(3) Is a member of a limited liability company or foreign 5348
limited liability company that is transacting business in this 5349
state. 5350

(C) This section does not apply in determining the 5351
contacts or activities that may subject a foreign limited 5352
liability company, or a series thereof, to service of process, 5353
taxation, or regulation under laws of this state other than this 5354
chapter. 5355

(D) Nothing in this section shall limit or affect the 5356
right to subject a foreign limited liability company, or a 5357
series thereof, to the jurisdiction of the courts of this state 5358
or to serve upon any foreign limited liability company, or 5359
series thereof, any process, notice, or demand required or 5360
permitted by law to be served upon a foreign limited liability 5361
company, or series thereof, pursuant to any other provision of 5362
law or pursuant to the applicable rules of civil procedure. 5363

Sec. 1706.513. (A) A foreign limited liability company 5364
whose name does not comply with section 1706.07 of the Revised 5365
Code may not file a registration as a foreign limited liability 5366
company until it adopts, for the purpose of transacting business 5367
in this state, an assumed name that complies with section 5368
1706.07 of the Revised Code. A foreign limited liability company 5369
that adopts an assumed name under this division and then files a 5370
registration as a foreign limited liability company under that 5371
assumed name need not file a name registration when transacting 5372
business under that assumed name. After filing the registration 5373
as a foreign limited liability company under an assumed name, a 5374
foreign limited liability company shall transact business in 5375
this state under the assumed name unless the foreign limited 5376

liability company has filed a name registration under another 5377
name and is authorized to transact business in this state under 5378
such name. 5379

(B) If a foreign limited liability company to which a 5380
registration as a foreign limited liability company has been 5381
filed changes its name to one that does not comply with section 5382
1706.07 of the Revised Code, it may not thereafter transact 5383
business in this state until it complies with division (A) of 5384
this section by filing a certificate of correction. 5385

Sec. 1706.514. (A) A foreign limited liability company 5386
that has a registration as a foreign limited liability company 5387
in the records of the secretary of state may cancel its 5388
registration as a limited liability company by delivering for 5389
filing a certificate of cancellation of registration of a 5390
foreign limited liability company to the secretary of state. 5391

(B) A certificate of cancellation of registration of a 5392
foreign limited liability company shall set forth all of the 5393
following: 5394

(1) The name and registration number of the foreign 5395
limited liability company, any assumed name adopted for use in 5396
this state, and the name of the jurisdiction under whose law it 5397
is organized; 5398

(2) The name and street address of the statutory agent, or 5399
if a statutory agent is no longer to be maintained, a statement 5400
that the foreign limited liability company will not maintain a 5401
statutory agent, and the street address to which service of 5402
process may be mailed pursuant to section 1706.09 of the Revised 5403
Code; 5404

(3) That the foreign limited liability company, and all 5405

series thereof, will no longer transact business in this state 5406
and that it relinquishes its authority to transact business in 5407
this state; 5408

(4) That the foreign limited liability company is 5409
canceling its registration as a foreign limited liability 5410
company; 5411

(5) That any statement of assumed name it has on file in 5412
the records of the secretary of state and any assumed name with 5413
respect to the foreign limited liability company, are withdrawn 5414
upon the effective date of the cancellation of registration of a 5415
foreign limited liability company. 5416

(C) The cancellation of registration of a foreign limited 5417
liability company shall be effective upon filing by the 5418
secretary of state, whereupon the registration as a foreign 5419
limited liability company shall be canceled and the foreign 5420
limited liability company, and all series thereof, shall be 5421
without authority to transact business in this state. 5422

(D) Cancellation of a registration as a foreign limited 5423
liability company shall not terminate the authority of any 5424
statutory agent appointed by the foreign limited liability 5425
company. 5426

Sec. 1706.515. (A) No foreign limited liability company, 5427
or a series thereof, transacting business in this state, nor 5428
anyone on its behalf, shall be permitted to maintain a 5429
proceeding in any court in this state for the collection of its 5430
debts unless an effective registration as a limited liability 5431
company for the foreign limited liability company is on file in 5432
the records of the secretary of state. 5433

(B) A court may stay a proceeding commenced by a foreign 5434

limited liability company, or series thereof, until it 5435
determines whether the foreign limited liability company should 5436
have a registration as a limited liability company on file in 5437
the records of the secretary of state. If the court determines 5438
that the foreign limited liability company should have a 5439
registration as a limited liability company on file in the 5440
records of the secretary of state, the court may further stay 5441
the proceeding until there is an effective registration as a 5442
limited liability company on file in the records of the 5443
secretary of state with respect to the foreign limited liability 5444
company. If a court determines that a foreign limited liability 5445
company should have a registration as a limited liability 5446
company on file in the records of the secretary of state, and 5447
the foreign limited liability company subsequently delivers for 5448
filing to the secretary of state a registration as a limited 5449
liability company, no proceeding in any court in this state to 5450
which the foreign limited liability company, or a series 5451
thereof, is a party shall, after the effective date of the 5452
registration as a foreign limited liability company, be 5453
dismissed by reason of the foreign limited liability company's 5454
prior noncompliance with section 1706.511 of the Revised Code. 5455

(C) If a foreign limited liability company, or a series 5456
thereof, conducts activities in this state without having on 5457
file in the records of the secretary of state a registration as 5458
a foreign limited liability company, the foreign limited 5459
liability company shall be liable to this state for an amount 5460
equal to the fee as prescribed by the secretary of state from 5461
time to time. 5462

No registration as a foreign limited liability company 5463
shall be filed until payment of the amounts due under this 5464
division is made. 5465

(D) The amounts due to this state under division (C) of 5466
this section may be recovered in an action brought by the 5467
attorney general. Upon a finding by the court that a foreign 5468
limited liability company, or series thereof, has conducted 5469
activities in this state in violation of sections 1706.51 to 5470
1706.515 of the Revised Code, the court may issue, in addition 5471
to or in lieu of the imposition of a civil penalty, an 5472
injunction restraining the further conducting of activities by 5473
the foreign limited liability company and all of its series, and 5474
the further exercise of any rights and privileges of a foreign 5475
limited liability company in this state until all amounts plus 5476
any interest and court costs that the court may assess have been 5477
paid, and until the foreign limited liability company has 5478
otherwise complied with sections 1706.51 to 1706.515 of the 5479
Revised Code. 5480

(E) Notwithstanding divisions (A) and (B) of this section, 5481
the conducting of activities in this state by a foreign limited 5482
liability company, or a series thereof, without having a 5483
registration as a foreign limited liability company on file in 5484
the records of the secretary of state does not impair the 5485
validity of the acts of the foreign limited liability company, 5486
or a series thereof, or prevent the foreign limited liability 5487
company, or a series thereof, from defending any proceeding in 5488
this state. 5489

(F) Neither a member nor agent of a foreign limited 5490
liability company nor a member associated with a series or agent 5491
of a series, is liable for the debts, obligations, or other 5492
liabilities of the foreign limited liability company, or a 5493
series thereof, solely because the foreign limited liability 5494
company, or a series thereof, conducted activities in this state 5495
without a registration as a foreign limited liability company 5496

being on file in the records of the secretary of state. 5497

Sec. 1706.61. (A) A member may commence or maintain a 5498
derivative action in the right of a limited liability company to 5499
recover a judgment in favor of the limited liability company by 5500
complying with sections 1706.61 to 1706.617 of the Revised Code. 5501

(B) A member associated with a series of a limited 5502
liability company may commence or maintain a derivative action 5503
in the right of the series to recover a judgment in favor of the 5504
series by complying with sections 1706.61 to 1706.617 of the 5505
Revised Code. 5506

Sec. 1706.611. (A) A member may commence or maintain a 5507
derivative action in the right of the limited liability company 5508
only if the member meets both of the following conditions: 5509

(1) The member fairly and adequately represents the 5510
interests of the limited liability company in enforcing the 5511
right of the limited liability company. 5512

(2) The member either: 5513

(a) Was a member of the limited liability company at the 5514
time of the act or omission of which the member complains; 5515

(b) Acquired a membership interest through assignment by 5516
operation of law from a person who was a member at the time of 5517
the act or omission of which the member complains. 5518

(B) A member associated with a series of a limited 5519
liability company may commence or maintain a derivative action 5520
in the right of the series only if the member meets both of the 5521
following conditions: 5522

(1) The member fairly and adequately represents the 5523
interests of the series in enforcing the right of the series. 5524

<u>(2) The member either:</u>	5525
<u>(a) Was associated with the series at the time of the act</u>	5526
<u>or omission of which the member complains;</u>	5527
<u>(b) Acquired a membership interest through assignment by</u>	5528
<u>operation of law from a person who was a member associated with</u>	5529
<u>the series at the time of the act or omission of which the</u>	5530
<u>member complains.</u>	5531
<u>Sec. 1706.612. A member may not commence a derivative</u>	5532
<u>action in the right of the limited liability company, or a</u>	5533
<u>series thereof, until both of the following occur:</u>	5534
<u>(A) A written demand has been made upon the limited</u>	5535
<u>liability company or the series to take suitable action.</u>	5536
<u>(B) Ninety days have expired from the date the demand was</u>	5537
<u>made unless either of the following applies:</u>	5538
<u>(1) The member has earlier been notified that the demand</u>	5539
<u>has been rejected by the limited liability company or the</u>	5540
<u>series;</u>	5541
<u>(2) Irreparable injury to the limited liability company or</u>	5542
<u>the series would result by waiting for the expiration of the</u>	5543
<u>ninety-day period.</u>	5544
<u>Sec. 1706.613. For the purpose of allowing the limited</u>	5545
<u>liability company or the series thereof time to undertake an</u>	5546
<u>inquiry into the allegations made in the demand or complaint</u>	5547
<u>commenced pursuant to sections 1706.61 to 1706.617 of the</u>	5548
<u>Revised Code, the court may stay any derivative action for the</u>	5549
<u>period the court deems appropriate.</u>	5550
<u>Sec. 1706.614. (A) (1) A derivative action in the right of</u>	5551
<u>a limited liability company shall be dismissed by the court on</u>	5552

motion by the limited liability company if one of the groups 5553
specified in division (A) (2) of this section has determined in 5554
good faith, after conducting a reasonable inquiry upon which its 5555
conclusions are based, that the maintenance of the derivative 5556
action is not in the best interests of the limited liability 5557
company. 5558

(2) Subject to the requirements of division (A) (3) of this 5559
section, the determination of whether the maintenance of a 5560
derivative action in the right of a limited liability company is 5561
in the best interests of the limited liability company shall be 5562
made by a majority vote of either of the following: 5563

(a) The independent members of the limited liability 5564
company; 5565

(b) The committee members of a committee consisting of 5566
independent members appointed by a majority of the independent 5567
members. 5568

(3) If the determination is not made pursuant to division 5569
(A) (1) of this section, the determination shall be made by the 5570
person, or, in the case of more than one person, by a majority 5571
of the persons, sitting upon a panel of one or more persons 5572
appointed by a court upon motion filed with the court by the 5573
limited liability company for those purposes. 5574

(B) (1) A derivative action in the right of a series of a 5575
limited liability company shall be dismissed on motion by the 5576
series if one of the groups specified in division (B) (2) of this 5577
section has determined in good faith, after conducting a 5578
reasonable inquiry upon which its conclusions are based that the 5579
maintenance of the derivative action is not in the best 5580
interests of the series. 5581

(2) Subject to the requirements of division (B) (3) of this 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: 5582
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(a) The independent members associated with the series; 5587

(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. 5588
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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. 5591
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(C) The court shall appoint only independent persons to the panel described in divisions (A) (3) and (B) (3) of this section. 5597
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(D) The presence of one or more of the following circumstances, without more, shall not prevent a person from being considered independent for purposes of this section: 5600
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(1) The naming of the person as a defendant in the derivative action or as a person against whom action is demanded; 5603
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(2) The approval by that person of the act being challenged in the derivative action or demand where the act did not result in personal benefit to that person; 5606
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(3) The making of the demand pursuant to section 1706.612 5609

of the Revised Code or the commencement of the derivative action 5610
pursuant to sections 1706.61 to 1706.617 of the Revised Code. 5611

(E) Subject to section 1706.615 of the Revised Code, a 5612
panel appointed by the court pursuant to division (A) (3) or (B) 5613
(3) of this section shall have the authority to continue, 5614
settle, or discontinue the derivative proceeding as the court 5615
may confer upon the panel. 5616

(F) The plaintiff in the derivative action shall have the 5617
burden of proving that any of the requirements of division (A) 5618
or (B) of this section have not been met. 5619

Sec. 1706.615. A derivative action may not be discontinued 5620
or settled without the court's approval. If the court determines 5621
that a proposed discontinuance or settlement will substantially 5622
affect the interests of members of the limited liability 5623
company, or the interests of members associated with a series of 5624
the limited liability company, the court shall direct that 5625
notice be given to the members affected. 5626

Sec. 1706.616. On termination of the derivative action the 5627
court may do any of the following: 5628

(A) Order the limited liability company to pay the 5629
plaintiff's reasonable expenses, including attorney fees, 5630
incurred by the plaintiff in the derivative action if the court 5631
finds that the derivative action has resulted in a substantial 5632
benefit to the limited liability company; 5633

(B) Order a series to pay the plaintiff's reasonable 5634
expenses, including attorney fees, incurred by the plaintiff in 5635
the derivative action if the court finds that the derivative 5636
action has resulted in a substantial benefit to the series; 5637

(C) Order the plaintiff to pay any defendant's reasonable 5638

expenses, including attorney fees, incurred by the defendant in 5639
defending the derivative action if it finds that the derivative 5640
action was commenced or maintained without reasonable cause or 5641
for an improper purpose; 5642

(D) Order a party to pay an opposing party's expenses 5643
incurred because of the filing of a pleading, motion, or other 5644
paper, if it finds both of the following: 5645

(1) That the pleading, motion, or other paper was not well 5646
grounded in fact, after reasonable inquiry, or not warranted by 5647
existing law or a good faith argument for the extension, 5648
modification, or reversal of existing law. 5649

(2) That the pleading, motion, or other paper was 5650
interposed for an improper purpose, such as to harass or cause 5651
unnecessary delay or needless increase in the cost of 5652
litigation. 5653

Sec. 1706.617. In any derivative action in the right of a 5654
foreign limited liability company, or a series thereof, the 5655
right of a person to commence or maintain a derivative action in 5656
the right of a foreign limited liability company, or a series 5657
thereof, and any matters raised in the action covered by 5658
sections 1706.61 to 1706.616 of the Revised Code shall be 5659
governed by the law of the jurisdiction under which the foreign 5660
limited liability company was formed; except that any matters 5661
raised in the action covered by sections 1706.613, 1706.615, and 5662
1706.616 of the Revised Code shall be governed by the law of 5663
this state. 5664

Sec. 1706.62. (A) Subject to division (B) of this section, 5665
a member may maintain a direct action against another member or 5666
members or the limited liability company, or a series thereof, 5667

to enforce the member's rights and otherwise protect the 5668
member's interests, including rights and interests under the 5669
operating agreement or this chapter or arising independently of 5670
the membership relationship. 5671

(B) A member maintaining a direct action under division 5672
(A) of this section must plead and prove an actual or threatened 5673
injury that is not solely the result of an injury suffered or 5674
threatened to be suffered by the limited liability company, or 5675
series thereof. 5676

(C) (1) A member may maintain a direct action to enforce a 5677
right of a limited liability company if all members at the time 5678
of suit are parties to the action. 5679

(2) A member associated with a series may maintain a 5680
direct action to enforce a right of the series if all members 5681
associated with the series at the time of suit are parties to 5682
the action. 5683

Sec. 1706.71. (A) A limited liability company may merge 5684
with one or more other constituent entities pursuant to sections 5685
1706.71 to 1706.713 of the Revised Code and to an agreement of 5686
merger if all of the following conditions are met: 5687

(1) The governing statute of each of the other entities 5688
authorizes the merger. 5689

(2) The merger is not prohibited by the law of a 5690
jurisdiction that enacted any of the governing statutes. 5691

(3) Each of the other entities complies with its governing 5692
statute in effecting the merger. 5693

(B) An agreement of merger shall be in a record and shall 5694
include all of the following: 5695

<u>(1) The name and form of each constituent entity;</u>	5696
<u>(2) The name and form of the surviving entity and, if the surviving entity is to be created pursuant to the merger, a statement to that effect;</u>	5697 5698 5699
<u>(3) The terms and conditions of the merger, including the manner and basis for converting the interests in each constituent entity into any combination of money, interests in the surviving entity, and other consideration as permitted under division (C) of this section;</u>	5700 5701 5702 5703 5704
<u>(4) If the surviving entity is to be created pursuant to the merger, the surviving entity's organizational documents that are proposed to be in a record;</u>	5705 5706 5707
<u>(5) If the surviving entity is not to be created pursuant to the merger, any amendments to be made by the merger to the surviving entity's organizational documents that are, or are proposed to be, in a record.</u>	5708 5709 5710 5711
<u>(C) In connection with a merger, rights or securities of or interests in the constituent entity may be any of the following:</u>	5712 5713 5714
<u>(1) Exchanged for or converted into cash, property, or rights or securities of or interests in the surviving entity;</u>	5715 5716
<u>(2) In addition to or in lieu of division (C)(1) of this section, exchanged for or converted into cash, property, or rights or securities of or interests in another entity;</u>	5717 5718 5719
<u>(3) Canceled.</u>	5720
Sec. 1706.711. <u>(A) To be effective, an agreement of merger shall be consented to by all the members of a constituent limited liability company.</u>	5721 5722 5723

(B) After the agreement of merger is approved, and at any 5724
time before a certificate of merger is delivered to the 5725
secretary of state for filing under section 1706.712 of the 5726
Revised Code, a constituent limited liability company may amend 5727
the agreement or abandon the merger: 5728

(1) As provided in the agreement; or 5729

(2) Except as otherwise prohibited in the agreement, with 5730
the same consent as was required to approve the agreement. 5731

Sec. 1706.712. (A) After each constituent entity has 5732
approved the agreement of merger, a certificate of merger shall 5733
be signed on behalf of both of the following: 5734

(1) Each constituent limited liability company, as 5735
provided in division (A) of section 1706.17 of the Revised Code; 5736

(2) Each other constituent entity, as provided in its 5737
governing statute. 5738

(B) A certificate of merger under this section shall 5739
include all of the following: 5740

(1) The name and form of each constituent entity, the 5741
jurisdiction of its governing statute, and its registration 5742
number, if any, as it appears on the records of the secretary of 5743
state; 5744

(2) The name and form of the surviving entity, the 5745
jurisdiction of its governing statute, and, if the surviving 5746
entity is created pursuant to the merger, a statement to that 5747
effect; 5748

(3) The date the merger is effective under the governing 5749
statute of the surviving entity; 5750

<u>(4) If the surviving entity is to be created pursuant to</u>	5751
<u>the merger:</u>	5752
<u>(a) If it will be a limited liability company, the limited</u>	5753
<u>liability company's articles of organization;</u>	5754
<u>(b) If it will be an entity other than a limited liability</u>	5755
<u>company, any organizational document that creates the entity</u>	5756
<u>that is required to be in a public record.</u>	5757
<u>(5) If the surviving entity exists before the merger, any</u>	5758
<u>amendments provided for in the agreement of merger for the</u>	5759
<u>organizational document that created the entity that are in a</u>	5760
<u>public record;</u>	5761
<u>(6) A statement as to each constituent entity that the</u>	5762
<u>merger was approved as required by the entity's governing</u>	5763
<u>statute;</u>	5764
<u>(7) If the surviving entity is a foreign entity not</u>	5765
<u>authorized to transact business in this state, the street</u>	5766
<u>address of its statutory agent;</u>	5767
<u>(8) Any additional information required by the governing</u>	5768
<u>statute of any constituent entity.</u>	5769
<u>(C) Each constituent limited liability company shall</u>	5770
<u>deliver the certificate of merger for filing in the office of</u>	5771
<u>the secretary of state.</u>	5772
<u>(D) A merger becomes effective under sections 1706.71 to</u>	5773
<u>1706.74 of the Revised Code as follows:</u>	5774
<u>(1) If the surviving entity is a limited liability</u>	5775
<u>company, upon the later of the following:</u>	5776
<u>(a) Compliance with division (C) of this section;</u>	5777

<u>(b) As specified in the certificate of merger.</u>	5778
<u>(2) If the surviving entity is not a limited liability company, as provided by the governing statute of the surviving entity.</u>	5779 5780 5781
<u>Sec. 1706.713. (A) When a merger becomes effective, all of the following apply:</u>	5782 5783
<u>(1) The surviving entity continues or comes into existence.</u>	5784 5785
<u>(2) Each constituent entity that merges into the surviving entity ceases to exist as a separate entity.</u>	5786 5787
<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>	5788 5789 5790
<u>(4) All debts, obligations, or other liabilities of each constituent entity, or series thereof, that ceases to exist continue as debts, obligations, or other liabilities of the surviving entity.</u>	5791 5792 5793 5794
<u>(5) An action or proceeding pending by or against any constituent entity, or series thereof, that ceases to exist continues as if the merger had not occurred.</u>	5795 5796 5797
<u>(6) Except as prohibited by other law, all of the rights, privileges, immunities, powers, and purposes of each constituent entity, or series thereof, that ceases to exist vest in the surviving entity.</u>	5798 5799 5800 5801
<u>(7) Except as otherwise provided in the agreement of merger, the terms and conditions of the agreement of merger take effect.</u>	5802 5803 5804

(8) Except as otherwise agreed, if a constituent limited liability company ceases to exist, the merger does not dissolve the limited liability company for the purposes of sections 1706.47 to 1706.475 of the Revised Code and does not dissolve a series for purposes of sections 1706.76 to 1706.7613 of the Revised Code. 5805
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(9) If the surviving entity is created pursuant to the merger: 5811
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(a) If it is a limited liability company, the articles of organization become effective; 5813
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(b) If it is an entity other than a limited liability company, the organizational document that creates the entity becomes effective. 5815
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(10) If the surviving entity existed before the merger, any amendments provided for in the certificate of merger for the organizational document that created the entity become effective. 5818
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(B) A surviving entity that is a foreign entity consents to the jurisdiction of the courts of this state to enforce any debt, obligation, or other liability owed by a constituent entity, if before the merger the constituent entity was subject to suit in this state on the debt, obligation, or other liability. Service of process on a surviving entity that is a foreign entity and not authorized to transact business in this state for the purposes of enforcing a debt, obligation, or other liability may be made in the same manner and has the same consequences as provided in section 1706.09 of the Revised Code as if the surviving entity was a foreign limited liability company. 5822
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Sec. 1706.72. (A) An entity other than a limited liability company may convert to a limited liability company, and a limited liability company may convert to an entity other than a limited liability company pursuant to sections 1706.72 to 1706.723 of the Revised Code and a written declaration of conversion if all of the following apply: 5834
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(1) The governing statute of the entity that is not a limited liability company authorizes the conversion; 5840
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(2) The law of the jurisdiction governing the converting entity and the converted entity does not prohibit the conversion; 5842
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(3) The converting entity and the converted entity comply with their respective governing statutes and organizational documents in effecting the conversion. 5845
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(B) A written declaration of conversion shall be in a record and include all of the following: 5848
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(1) The name and form of the converting entity before conversion; 5850
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(2) The name and form of the converted entity after conversion; 5852
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(3) The terms and conditions of the conversion, including the manner and basis for converting interests in the converting entity into any combination of money, interests in the converted entity, and other consideration allowed under division (C) of this section. 5854
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(4) The organizational documents of the converted entity that are, or are proposed to be, in a record. 5859
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(C) In connection with a conversion, rights or securities 5861

of or interests in the converting entity may be any of the 5862
following: 5863

(1) Exchanged for or converted into cash, property, or 5864
rights or securities of or interests in the converted entity; 5865

(2) In addition to or in lieu of division (C) (1) of this 5866
section, exchanged for or converted into cash, property, or 5867
rights or securities of or interests in another entity; 5868

(3) Canceled. 5869

Sec. 1706.721. (A) A declaration of conversion must be 5870
consented to by all the members of a converting limited 5871
liability company. 5872

(B) After a conversion is approved, and at any time before 5873
the certificate of conversion is delivered to the secretary of 5874
state for filing under section 1706.722 of the Revised Code, a 5875
converting limited liability company may amend the declaration 5876
or abandon the conversion: 5877

(1) As provided in the declaration; or 5878

(2) Except as otherwise prohibited in the declaration, by 5879
the same consent as was required to approve the declaration. 5880

Sec. 1706.722. (A) After a declaration of conversion is 5881
approved, both of the following apply: 5882

(1) A converting limited liability company shall deliver 5883
to the secretary of state for filing a certificate of 5884
conversion. The certificate of conversion shall be signed as 5885
provided in division (A) of section 1706.17 of the Revised Code 5886
and shall include all of the following: 5887

(a) A statement that the converting limited liability 5888

<u>company has been converted into the converted entity;</u>	5889
<u>(b) The name and form of the converted entity and the jurisdiction of its governing statute;</u>	5890
<u>(c) The date the conversion is effective under the governing statute of the converted entity;</u>	5892
<u>(d) A statement that the conversion was approved as required by this chapter;</u>	5894
<u>(e) A statement that the conversion was approved as required by the governing statute of the converted entity;</u>	5896
<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>	5898
<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, in addition to the information required by division (A) of section 1706.16 of the Revised Code, all of the following:</u>	5899
<u>(a) A statement that the converted entity was converted from the converting entity;</u>	5900
<u>(b) The name and form of the converting entity and the jurisdiction of the converting entity's governing statute;</u>	5901
<u>(c) A statement that the conversion was approved as required by the governing statute of the converting entity.</u>	5902
<u>(B) A conversion shall become effective as follows:</u>	5903
<u>(1) If the converted entity is a limited liability company, when the articles of organization take effect;</u>	5904
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(2) If the converted entity is not a limited liability company, as provided by the governing statute of the converted entity. 5916
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Sec. 1706.723. (A) When a conversion takes effect, all of the following apply: 5919
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(1) All property owned by the converting entity, or series thereof, remains vested in the converted entity. 5921
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(2) All debts, obligations, or other liabilities of the converting entity, or series thereof, continue as debts, obligations, or other liabilities of the converted entity. 5923
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(3) An action or proceeding pending by or against the converting entity, or series thereof, continues as if the conversion had not occurred. 5926
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(4) Except as prohibited by law other than this chapter, all of the rights, privileges, immunities, powers, and purposes of the converting entity, or series thereof, remain vested in the converted entity. 5929
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(5) Except as otherwise provided in the plan of conversion, the terms and conditions of the declaration of conversion take effect. 5933
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(6) Except as otherwise agreed, for all purposes of the laws of this state, the converting entity, and any series thereof, shall not be required to wind up its affairs or pay its liabilities and distribute its assets, and the conversion shall not be deemed to constitute a dissolution of the converting entity, or series thereof. 5936
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(7) For all purposes of the laws of this state, the rights, privileges, powers, and interests in property of the 5942
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converting entity, and all series thereof, as well as the debts, 5944
liabilities, and duties of the converting entity, and all series 5945
thereof, shall not be deemed to have been assigned to the 5946
converted entity as a consequence of the conversion. 5947

(8) If the converted entity is a limited liability 5948
company, for all purposes of the laws of this state, the limited 5949
liability company shall be deemed to be the same entity as the 5950
converting entity, and the conversion shall constitute a 5951
continuation of the existence of the converting entity in the 5952
form of a limited liability company. 5953

(9) If the converted entity is a limited liability 5954
company, the existence of the limited liability company shall be 5955
deemed to have commenced on the date the converting entity 5956
commenced its existence in the jurisdiction in which the 5957
converting entity was first created, formed, organized, 5958
incorporated, or otherwise came into being. 5959

(B) A converted entity that is a foreign entity consents 5960
to the jurisdiction of the courts of this state to enforce any 5961
debt, obligation, or other liability for which the converting 5962
limited liability company, or series thereof, is liable if, 5963
before the conversion, the converting limited liability company, 5964
or series thereof, was subject to suit in this state on the 5965
debt, obligation, or other liability. Service of process on a 5966
converted entity that is a foreign entity and not authorized to 5967
transact business in this state for purposes of enforcing a 5968
debt, obligation, or other liability under this division may be 5969
made in the same manner and has the same consequences as 5970
provided in section 1706.09 of the Revised Code, as if the 5971
converted entity were a foreign limited liability company. 5972

Sec. 1706.73. (A) If a member of a constituent or 5973

converting limited liability company will have personal 5974
liability with respect to a surviving or converted entity, 5975
approval or amendment of a plan of merger or a declaration of 5976
conversion are ineffective without the consent of the member, 5977
unless both of the following conditions are met: 5978

(1) The limited liability company's operating agreement 5979
provides for approval of a merger or conversion with the consent 5980
of fewer than all the members. 5981

(2) The member has consented to the provision of the 5982
operating agreement described in division (A)(1) of this 5983
section. 5984

(B) A member does not give the consent required by 5985
division (A) of this section merely by consenting to a provision 5986
of the operating agreement that permits the operating agreement 5987
to be amended with the consent of fewer than all the members. 5988

Sec. 1706.74. Sections 1706.71 to 1706.74 of the Revised 5989
Code do not preclude an entity from being merged or converted 5990
under law other than this chapter. 5991

Sec. 1706.76. (A) An operating agreement may establish or 5992
provide for the establishment of one or more designated series 5993
of assets that has both of the following: 5994

(1) Either or both of the following: 5995

(a) Separate rights, powers, or duties with respect to 5996
specified property or obligations of the limited liability 5997
company or profits and losses associated with specified property 5998
or obligations; 5999

(b) A separate purpose or investment objective. 6000

(2) At least one member associated with each series. 6001

(B) A series established in accordance with division (A) 6002
of this section may carry on any activity, whether or not for 6003
profit. 6004

Sec. 1706.761. (A) Subject to division (B) of this 6005
section, both of the following apply: 6006

(1) The debts, liabilities, obligations, and expenses 6007
incurred, contracted for, or otherwise existing with respect to 6008
a series shall be enforceable against the assets of that series 6009
only, and shall not be enforceable against the assets of the 6010
limited liability company generally or any other series thereof. 6011

(2) None of the debts, liabilities, obligations, and 6012
expenses incurred, contracted for, or otherwise existing with 6013
respect to the limited liability company generally or any other 6014
series thereof shall be enforceable against the assets of a 6015
series. 6016

(B) Division (A) of this section applies only if all of 6017
the following conditions are met: 6018

(1) The records maintained for that series account for the 6019
assets of that series separately from the other assets of the 6020
company or any other series. 6021

(2) The operating agreement contains a statement to the 6022
effect of the limitations provided in division (A) of this 6023
section. 6024

(3) The limited liability company's articles of 6025
organization contains a statement that the limited liability 6026
company may have one or more series of assets subject to the 6027
limitations provided in division (A) of this section. 6028

Sec. 1706.762. (A) Assets of a series may be held directly 6029

or indirectly, including in the name of the series, in the name 6030
of the limited liability company, through a nominee, or 6031
otherwise. 6032

(B) If the records of a series are maintained in a manner 6033
so that the assets of the series can be reasonably identified by 6034
specific listing, category, type, quantity, or computational or 6035
allocational formula or procedure, including a percentage or 6036
share of any assets, or by any other method in which the 6037
identity of the assets can be objectively determined, the 6038
records are considered to satisfy the requirement of division 6039
(B)(1) of section 1706.761 of the Revised Code. 6040

Sec. 1706.763. The statement of limitation on liabilities 6041
of a series required by division (B)(3) of section 1706.761 of 6042
the Revised Code is sufficient regardless of whether either of 6043
the following applies: 6044

(A) The limited liability company has established any 6045
series under this chapter when the statement of limitations is 6046
contained in the articles of organization; 6047

(B) The statement of limitations makes reference to a 6048
specific series of the limited liability company. 6049

Sec. 1706.764. (A) A person shall not voluntarily 6050
dissociate as a member associated with a series. 6051

(B) A person's dissociation from a series is wrongful only 6052
if one of the following applies: 6053

(1) The person's dissociation is in breach of an express 6054
provision of the operating agreement. 6055

(2) The person is expelled as a member associated with the 6056
series by determination of a tribunal under division (E) of 6057

section 1706.765 of the Revised Code. 6058

(3) The person is dissociated as a member associated with 6059
a series by becoming a debtor in bankruptcy or making a general 6060
assignment for the benefit of creditors. 6061

(C) A person that wrongfully dissociates as a member 6062
associated with a series is liable to the series and, subject to 6063
section 1706.61 of the Revised Code, to the other members 6064
associated with that series for damages caused by the 6065
dissociation. The liability is in addition to any other debt, 6066
obligation, or liability of the member associated with a series 6067
to the series or the other members associated with that series. 6068

Sec. 1706.765. A person is dissociated as a member 6069
associated with a series when any of the following occurs: 6070

(A) An event stated in the operating agreement as causing 6071
the person's dissociation from the series occurs. 6072

(B) The person is dissociated as a member of the limited 6073
liability company pursuant to section 1706.411 of the Revised 6074
Code. 6075

(C) The person is expelled as a member associated with 6076
that series pursuant to the operating agreement. 6077

(D) The person is expelled as a member associated with the 6078
series by the unanimous consent of the other members associated 6079
with that series and if any of the following applies: 6080

(1) It is unlawful to carry on the series' activities with 6081
the person as a member associated with that series. 6082

(2) The person is an entity and, within ninety days after 6083
the series notifies the person that it will be expelled as a 6084
member associated with that series because the person has filed 6085

a certificate of dissolution or the equivalent, or its right to 6086
transact business has been suspended by its jurisdiction of 6087
formation, the certificate of dissolution or the equivalent has 6088
not been revoked or its right to transact business has not been 6089
reinstated. 6090

(3) The person is an entity and, within ninety days after 6091
the series notifies the person that it will be expelled as a 6092
member associated with that series because the person has been 6093
dissolved and its activities are being wound up, the entity has 6094
not been reinstated or the dissolution and winding up have not 6095
been revoked or canceled. 6096

(E) On application by the series, the person is expelled 6097
as a member associated with that series by tribunal order for 6098
any of the following reasons: 6099

(1) The person has engaged, or is engaging, in wrongful 6100
conduct that has adversely and materially affected, or will 6101
adversely and materially affect, that series' activities. 6102

(2) The person has willfully or persistently committed, or 6103
is willfully or persistently committing, a material breach of 6104
the operating agreement or the person's duties or obligations 6105
under this chapter or other applicable law. 6106

(3) The person has engaged, or is engaging, in conduct 6107
relating to that series' activities that makes it not reasonably 6108
practicable to carry on the activities with the person as a 6109
member associated with that series. 6110

(F) In the case of a person who is an individual, the 6111
person dies, a guardian or general conservator is appointed for 6112
the person, or a tribunal determines that the person has 6113
otherwise become incapable of performing the person's duties as 6114

a member associated with a series under this chapter or the 6115
operating agreement. 6116

(G) The person becomes a debtor in bankruptcy, executes an 6117
assignment for the benefit of creditors, or seeks, consents, or 6118
acquiesces to the appointment of a trustee, receiver, or 6119
liquidator of the person or of all or substantially all of the 6120
person's property. This division shall not apply to a person who 6121
is the sole remaining member associated with a series. 6122

(H) In the case of a person that is a trust or is acting 6123
as a member associated with a series by virtue of being a 6124
trustee of a trust, the trust's entire membership interest 6125
associated with the series is distributed, but not solely by 6126
reason of the substitution of a successor trustee. 6127

(I) In the case of a person that is an estate or is acting 6128
as a member associated with a series by virtue of being a 6129
personal representative of an estate, the estate's entire 6130
membership interest associated with the series is distributed, 6131
but not solely by reason of the substitution of a successor 6132
personal representative. 6133

(J) In the case of a member associated with a series that 6134
is not an individual, the legal existence of the person 6135
otherwise terminates. 6136

Sec. 1706.766. (A) A person who has dissociated as a 6137
member associated with a series shall have no right to 6138
participate in the activities and affairs of that series and is 6139
entitled only to receive the distributions to which that member 6140
would have been entitled if the member had not dissociated from 6141
that series. 6142

(B) A person's dissociation as a member associated with a 6143

series does not of itself discharge the person from any debt, 6144
obligation, or liability to that series, the limited liability 6145
company, or the other members that the person incurred while a 6146
member associated with that series. 6147

(C) A member's dissociation from a series does not, in 6148
itself, cause the member to dissociate from any other series or 6149
require the winding up of the series. 6150

(D) A member's dissociation from a series does not, in 6151
itself, cause the member to dissociate from the limited 6152
liability company. 6153

Sec. 1706.767. A series may be dissolved and its 6154
activities and affairs may be wound up without causing the 6155
dissolution of the limited liability company. The dissolution 6156
and winding up of a series does not abate, suspend, or otherwise 6157
affect the limitation on liabilities of the series provided by 6158
section 1706.761 of the Revised Code. 6159

Sec. 1706.768. A series is dissolved and its activities 6160
and affairs shall be wound up upon the first to occur of the 6161
following: 6162

(A) The dissolution of the limited liability company under 6163
section 1706.47 of the Revised Code; 6164

(B) An event or circumstance that the operating agreement 6165
states causes dissolution of the series; 6166

(C) The consent of all of the members associated with the 6167
series; 6168

(D) The passage of ninety days after the occurrence of the 6169
dissociation of the last remaining member associated with the 6170
series; 6171

(E) On application by a member associated with the series, 6172
the entry by the appropriate court of an order dissolving the 6173
series on the grounds that it is not reasonably practicable to 6174
carry on the series' activities in conformity with the operating 6175
agreement. 6176

Sec. 1706.769. (A) A dissolved series continues its 6177
existence as a series but shall not carry on any activities 6178
except as is appropriate to wind up and liquidate its activities 6179
and affairs. Appropriate activities include all of the 6180
following: 6181

(1) Collecting the assets of the series; 6182

(2) Disposing of the properties of the series that will 6183
not be distributed in kind to persons owning membership 6184
interests associated with the series; 6185

(3) Discharging or making provisions for discharging the 6186
liabilities of the series; 6187

(4) Distributing the remaining property of the series in 6188
accordance with section 1706.7613 of the Revised Code; 6189

(5) Doing any other act necessary to wind up and liquidate 6190
the series' activities and affairs. 6191

(B) In winding up a series' activities, a series may do 6192
any of the following: 6193

(1) Preserve the series' activities and property as a 6194
going concern for a reasonable time; 6195

(2) Prosecute, defend, or settle actions or proceedings 6196
whether civil, criminal, or administrative; 6197

(3) Make an assignment of the series' property; 6198

<u>(4) Resolve disputes by mediation or arbitration.</u>	6199
<u>(C) A series' dissolution, in itself:</u>	6200
<u>(1) Is not an assignment of the series' property;</u>	6201
<u>(2) Does not prevent the commencement of a proceeding by or against the series in the series' name;</u>	6202 6203
<u>(3) Does not abate or suspend a proceeding pending by or against the series on the effective date of dissolution;</u>	6204 6205
<u>(4) Does not abate, suspend, or otherwise alter the application of section 1706.7613 of the Revised Code.</u>	6206 6207
<u>Sec. 1706.7610. (A) Subject to division (C) of section 1706.769 of the Revised Code, after dissolution of a series, the remaining members associated with the series, if any, and if none, a person appointed by all holders of the membership interest last assigned by the last person to have been a member associated with the series, may wind up the series' activities.</u>	6208 6209 6210 6211 6212 6213
<u>(B) The appropriate tribunal may order supervision of the winding up of a dissolved series, including the appointment of a person to wind up the series' activities for any of the following reasons:</u>	6214 6215 6216 6217
<u>(1) On application of a member associated with the series, if the applicant establishes good cause;</u>	6218 6219
<u>(2) On application of an assignee associated with a series, if both of the following apply:</u>	6220 6221
<u>(a) There are no members associated with the series.</u>	6222
<u>(b) Within a reasonable time following the dissolution a person has not been appointed pursuant to division (A) of this section.</u>	6223 6224 6225

(3) In connection with a proceeding under division (E) of section 1706.768 of the Revised Code. 6226
6227

Sec. 1706.7611. (A) A dissolved series may dispose of any known claims against it by following the procedures described in division (B) of this section, at any time after the effective date of the dissolution of the series. 6228
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(B) A dissolved series may give notice of the dissolution in a record to the holder of any known claim. The notice shall do all of the following: 6232
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(1) Identify the limited liability company and the dissolved series; 6235
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(2) Describe the information required to be included in a claim; 6237
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(3) Provide a mailing address to which the claim is to be sent; 6239
6240

(4) State the deadline by which the dissolved series must receive the claim. The deadline shall not be sooner than one hundred twenty days from the effective date of the notice. 6241
6242
6243

(5) State that if not sooner barred, the claim will be barred if not received by the deadline. 6244
6245

(C) Unless sooner barred by any other statute limiting actions, a claim against a dissolved series is barred in either of the following circumstances: 6246
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(1) If a claimant who was given notice under division (B) of this section does not deliver the claim to the dissolved series by the deadline; 6249
6250
6251

(2) If a claimant whose claim was rejected by the 6252

dissolved series does not commence a proceeding to enforce the 6253
claim within ninety days from the effective date of the rejected 6254
notice. 6255

(D) For purposes of this section, "claim" includes an 6256
unliquidated claim, but does not include a contingent liability 6257
that has not matured so that there is no immediate right to 6258
bring suit or a claim based on an event occurring after the 6259
effective date of dissolution. 6260

(E) Nothing in this section shall be construed to extend 6261
any otherwise applicable statute of limitations. 6262

Sec. 1706.7612. (A) A dissolved series may publish notice 6263
of its dissolution and request that persons with claims against 6264
the dissolved series present them in accordance with the notice. 6265

(B) The notice authorized by division (A) of this section 6266
shall meet all of the following criteria: 6267

(1) It shall be posted prominently on the principal web 6268
site then maintained by the limited liability company, if any, 6269
and provided to the secretary of state to be posted on the web 6270
site maintained by the secretary of state in accordance with 6271
division (J) of section 1706.474 of the Revised Code. The notice 6272
shall be considered published when posted on the secretary of 6273
state's web site. 6274

(2) It shall describe the information that must be 6275
included in a claim and provide a mailing address to which the 6276
claim must be sent. 6277

(3) It shall state that if not sooner barred, a claim 6278
against the dissolved series will be barred unless a proceeding 6279
to enforce the claim is commenced within two years following the 6280
publication of the notice. 6281

(C) If a dissolved series publishes a notice in accordance 6282
with division (B) of this section, unless sooner barred by any 6283
other statute limiting actions, the claim of each of the 6284
following claimants is barred unless the claimant commences a 6285
proceeding to enforce the claim against the dissolved series 6286
within two years after the publication date of the notice: 6287

(1) A claimant who was not given notice under division (B) 6288
of section 1706.7611 of the Revised Code; 6289

(2) A claimant whose claim was timely sent to the 6290
dissolved series but not acted on by the dissolved series; 6291

(3) A claimant whose claim is contingent at the effective 6292
date of the dissolution of the series, or is based on an event 6293
occurring after the effective date of the dissolution of the 6294
series. 6295

(D) A claim that is not barred under this section, any 6296
other statute limiting actions, or section 1706.7611 of the 6297
Revised Code may be enforced against either of the following: 6298

(1) A dissolved series, to the extent of its undistributed 6299
assets associated with the series; 6300

(2) A member or assignee associated with the series to the 6301
extent of that person's proportionate share of the claim or of 6302
the assets of the series distributed to the member or assignee 6303
after dissolution, whichever is less, except as provided in 6304
division (H) of this section and only if the assets of a 6305
dissolved series have been distributed after dissolution. A 6306
person's total liability for all claims under division (D) of 6307
this section shall not exceed the total amount of assets of the 6308
series distributed to the person after dissolution of the 6309
series. 6310

(E) A dissolved series that published a notice under this 6311
section may file an application with the appropriate court in 6312
the county in which the limited liability company's principal 6313
office is located or, if it has none in this state, in the 6314
county in which the limited liability company's statutory agent 6315
is or was last located. The application shall be for a 6316
determination of the amount and form of security to be provided 6317
for payment of claims that are contingent or have not been made 6318
known to the dissolved series or that are based on an event 6319
occurring after the effective date of the dissolution of the 6320
series but that, based on the facts known to the dissolved 6321
series, are reasonably estimated to arise after the effective 6322
date of the dissolution of the series. Provision need not be 6323
made for any claim that is or is reasonably anticipated to be 6324
barred under division (C) of this section. 6325

(F) Within ten days after the filing of the application 6326
provided for in division (E) of this section, notice of the 6327
proceeding shall be given by the dissolved series to each 6328
potential claimant as described in that division. 6329

(G) The appropriate court may appoint a guardian ad litem 6330
to represent all claimants whose identities are unknown in any 6331
proceeding brought under this section. The reasonable fees and 6332
expenses of the guardian, including all reasonable expert 6333
witness fees, shall be paid by the dissolved series. 6334

(H) Provision by the dissolved series for security in the 6335
amount and the form ordered by the appropriate court under 6336
division (E) of this section shall satisfy the dissolved series' 6337
obligation with respect to claims that are contingent, have not 6338
been made known to the dissolved series, or are based on an 6339
event occurring after the effective date of the dissolution of 6340

the series. Those claims may not be enforced against a person 6341
owning a membership interest to whom assets have been 6342
distributed by the dissolved series after the effective date of 6343
the dissolution of the series. 6344

(I) Nothing in this section shall be construed to extend 6345
any otherwise applicable statute of limitations. 6346

Sec. 1706.7613. (A) Upon the winding up of a series, 6347
payment or adequate provision for payment shall be made to 6348
creditors of the series, including, to the extent permitted by 6349
law, members who are associated with the series and who are also 6350
creditors of the series, in satisfaction of liabilities of the 6351
series. 6352

(B) After a series complies with division (A) of this 6353
section, any surplus shall be distributed as follows: 6354

(1) First, to each person owning a membership interest 6355
associated with the series that reflects contributions made on 6356
account of that membership interest and not previously returned, 6357
an amount equal to the value of the person's unreturned 6358
contributions; 6359

(2) Then to each person owning a membership interest 6360
associated with the series in the proportions in which the 6361
owners of membership interests associated with the series share 6362
in distributions prior to dissolution of the series. 6363

(C) If the series does not have sufficient surplus to 6364
comply with division (B)(1) of this section, any surplus shall 6365
be distributed among the owners of membership interests 6366
associated with the series in proportion to the value of their 6367
respective unreturned contributions. 6368

Sec. 1706.81. This chapter modifies, limits, and 6369

supersedes the federal "Electronic Signatures in Global and 6370
National Commerce Act," 15 U.S.C. 7001 et seq., but does not 6371
modify, limit, or supersede 15 U.S.C. 7001(c) or authorize 6372
electronic delivery of any of the notices described in 15 U.S.C. 6373
7003(b). 6374

Sec. 1706.82. A limited liability company formed and 6375
existing under this chapter may conduct its activities and 6376
affairs, carry on its operations, and have and exercise the 6377
powers granted by this chapter in any state, foreign country, or 6378
other jurisdiction. 6379

Sec. 1706.83. (A) Prior to January 1, 2022, this chapter 6380
shall govern the following limited liability companies: 6381

(1) A limited liability company formed on or after January 6382
1, 2021, except a limited liability company that is continuing 6383
the business of a dissolved limited liability company under 6384
section 1705.44 of the Revised Code; 6385

(2) A limited liability company formed before January 1, 6386
2021, that elects, pursuant to division (C) of this section, to 6387
be governed by this chapter. 6388

(B) On and after January 1, 2022, this chapter shall 6389
govern all limited liability companies, including every foreign 6390
limited liability company that files an application for 6391
registration as a foreign limited liability company on or after 6392
January 1, 2022, every foreign limited liability company that 6393
registers a name in this state on or after January 1, 2022, 6394
every foreign limited liability company that has registered a 6395
name in this state prior to January 1, 2022, and every foreign 6396
limited liability company that has filed an application for 6397
registration as a foreign limited liability company prior to 6398

January 1, 2022, pursuant to Chapter 1705. of the Revised Code. 6399

(C) On and after January 1, 2021, but prior to January 1, 6400
2022, a limited liability company may elect, in the manner 6401
provided in its operating agreement or by law for amending the 6402
operating agreement, to be subject to this chapter. 6403

Sec. 1706.84. Unless expressly stated to the contrary in 6404
this chapter, all amendments of this chapter shall apply to 6405
limited liability companies and members and agents whether or 6406
not existing as such at the time of the enactment of any such 6407
amendment. 6408

Sec. 1729.36. (A) An association may merge or consolidate 6409
with one or more entities, if such merger or consolidation is 6410
permitted by the laws under which each constituent entity exists 6411
and the association complies with this section. 6412

(B) Each constituent association shall comply with section 6413
1729.35 of the Revised Code with respect to form and approval of 6414
an agreement of merger or consolidation, and each constituent 6415
entity shall comply with the applicable provisions of the laws 6416
under which it exists, except that the agreement of merger or 6417
consolidation, by whatever name designated, shall comply with 6418
divisions (C) and (D) of this section. 6419

(C) The agreement of merger or consolidation shall set 6420
forth all of the following: 6421

(1) The names of the states and the laws under which each 6422
constituent entity exists; 6423

(2) All statements and matters required to be set forth in 6424
agreements of merger or consolidation by the laws under which 6425
any constituent entity exists; 6426

(3) A statement that the surviving or new entity is to be an association, a foreign association, a corporation other than a cooperative, or a limited liability company; 6427
6428
6429

(4) If the surviving or new entity is to be a foreign entity: 6430
6431

(a) The place where the principal office of the surviving or new entity is to be located in the state in which the surviving or new entity is to exist; 6432
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6434

(b) The consent by the surviving or new entity that it may be sued and served with process in this state in any proceeding for the enforcement of any obligation of any constituent association or domestic entity; 6435
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(c) The consent by the surviving or new entity that it shall be subject to the applicable provisions of Chapter 1703. of the Revised Code, if it is a foreign corporation or foreign association, or to sections 1705.53 to 1705.58 or 1706.51 to 1706.515 of the Revised Code, if it is a foreign limited liability company; 6439
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6444

(d) If it is desired that the surviving or new entity exercise its corporate privileges in this state as a foreign entity. 6445
6446
6447

(D) The agreement also may set forth other provisions permitted by the laws of any state in which any constituent entity exists. 6448
6449
6450

(E) If the surviving or new entity is an association, the merger or consolidation shall take effect in accordance with sections 1729.37 and 1729.38 of the Revised Code. 6451
6452
6453

(F) If the surviving or new entity is an entity other than 6454

an association, the merger or consolidation shall take effect in 6455
accordance with the applicable provisions of the laws under 6456
which it exists. 6457

Sec. 1729.38. (A) (1) Upon adoption of an agreement of 6458
merger or consolidation under section 1729.35 or 1729.36 of the 6459
Revised Code, a certificate, signed by any authorized officer or 6460
representative of each constituent association or entity, shall 6461
be filed with the secretary of state on a form prescribed by the 6462
secretary of state that sets forth the following: 6463

(a) The name and form of each constituent association or 6464
entity and the state law under which each constituent entity 6465
exists; 6466

(b) A statement that each constituent association or 6467
entity has adopted the agreement of merger or consolidation, the 6468
manner of adoption, and that the agreement was adopted in 6469
compliance with the laws applicable to each constituent 6470
association or entity; 6471

(c) The effective date of the merger or consolidation, 6472
which date may be on or after the date of filing of the 6473
certificate; 6474

(d) In the case of a merger, a statement that one or more 6475
specified constituent associations or entities will be merged 6476
into a specified surviving association or entity or, in the case 6477
of a consolidation, a statement that the constituent 6478
associations or entities will be consolidated into a new 6479
association or entity; 6480

(e) The name and address of the statutory agent upon whom 6481
any process, notice, or demand against any constituent 6482
association or entity, or the surviving or new association or 6483

entity, may be served. 6484

(2) In the case of a merger into an association or 6485
domestic entity, any amendments to the articles of incorporation 6486
or the articles of organization of the surviving association or 6487
entity shall be filed with the certificate. 6488

(3) In the case of a consolidation to form a new domestic 6489
association or entity, the articles of incorporation or the 6490
articles of organization of the new association or entity shall 6491
be filed with the certificate. 6492

(4) If the surviving or new entity is a foreign entity 6493
that desires to transact business in this state as a foreign 6494
entity, the certificate shall be accompanied by the information 6495
required for qualification of a foreign entity in this state by 6496
Chapter 1703. of the Revised Code, in the case of a foreign 6497
corporation or foreign cooperative, or by sections 1705.53 and 6498
1705.54 or 1706.511 of the Revised Code, in the case of a 6499
foreign limited liability company. 6500

(B) A copy of the certificate of merger or consolidation, 6501
certified by the secretary of state, may be filed for record in 6502
the office of the county recorder of any county in this state. 6503
For such recording, the county recorder shall charge and collect 6504
the same fee as in the case of deeds. The certified copy of the 6505
certificate of merger or consolidation shall be recorded in the 6506
official records of the county recorder. 6507

(C) For purposes of this section, "domestic entity" means 6508
a corporation other than an association or a limited liability 6509
company organized under the laws of this state. 6510

Sec. 1745.461. (A) (1) Pursuant to an agreement of merger 6511
between the constituent entities as provided in this section, a 6512

domestic unincorporated nonprofit association and, if so 6513
provided, one or more additional domestic or foreign entities 6514
may be merged into a surviving entity other than a domestic 6515
unincorporated nonprofit association. Pursuant to an agreement 6516
of consolidation, a domestic unincorporated nonprofit 6517
association together with one or more additional domestic or 6518
foreign entities may be consolidated into a new entity other 6519
than a domestic unincorporated nonprofit association to be 6520
formed by that consolidation. The merger or consolidation must 6521
be permitted by the chapter of the Revised Code under which each 6522
domestic constituent entity exists and by the laws under which 6523
each foreign constituent entity exists. 6524

(2) To effect a merger or consolidation under this 6525
section, the manager or managers of each constituent 6526
unincorporated nonprofit association shall approve an agreement 6527
of merger or consolidation to be signed by the manager, the 6528
chairperson, the president, or a vice-president and by the 6529
secretary or an assistant secretary or, if there are no 6530
officers, by an authorized manager. The agreement of merger or 6531
consolidation shall be approved or otherwise authorized by or on 6532
behalf of each other constituent entity in accordance with the 6533
laws under which it exists. 6534

(3) The agreement of merger or consolidation shall set 6535
forth all of the following: 6536

(a) The name and the form of entity of each constituent 6537
entity and the state under the laws of which each constituent 6538
entity exists; 6539

(b) In the case of a merger, that one or more specified 6540
constituent entities will be merged into a specified surviving 6541
foreign entity or surviving domestic entity other than a 6542

domestic unincorporated nonprofit association or, in the case of 6543
a consolidation, that the constituent entities will be 6544
consolidated into a new foreign entity or domestic entity other 6545
than a domestic unincorporated nonprofit association. The name 6546
of the surviving or new entity may be the same as or similar to 6547
that of any constituent entity. 6548

(c) The terms of the merger or consolidation and the mode 6549
of carrying those terms into effect; 6550

(d) If the surviving or new entity is a foreign 6551
unincorporated nonprofit association, all additional statements 6552
and matters, other than the name and address of the statutory 6553
agent, that would be required by section 1745.46 of the Revised 6554
Code if the surviving or new unincorporated nonprofit 6555
association were a domestic unincorporated nonprofit 6556
association; 6557

(e) The name and the form of entity of the surviving or 6558
new entity, the state under the laws of which the surviving 6559
entity exists or the new entity is to exist, and the location of 6560
the principal office of the surviving or new entity in that 6561
state; 6562

(f) All statements and matters required to be set forth in 6563
an agreement of merger or consolidation by the laws under which 6564
each constituent entity exists and, in the case of a 6565
consolidation, the new entity is to exist; 6566

(g) The consent of the surviving or the new entity to be 6567
sued and served with process in this state and the irrevocable 6568
appointment of the secretary of state as its agent to accept 6569
service of process in any proceeding in this state to enforce 6570
against the surviving or new entity any obligation of any 6571

domestic constituent unincorporated nonprofit association. Such 6572
service shall be made upon the secretary of state by leaving 6573
duplicate copies of such process, together with an affidavit of 6574
the plaintiff or one of the plaintiff's attorneys, showing the 6575
last known address of such association, and a fee of up to five 6576
dollars that shall be included as taxable costs in the case of 6577
judicial proceedings. Upon receipt of such process, affidavit, 6578
and fee, the secretary of state shall immediately give notice to 6579
the association at the address specified in the affidavit and 6580
forward to such address by certified mail, with a request for 6581
return receipt, a copy of such process. 6582

(h) If the surviving or new entity is a foreign 6583
unincorporated nonprofit association that desires to transact 6584
business in this state as a foreign unincorporated nonprofit 6585
association, a statement to that effect, together with a 6586
statement regarding the appointment of a statutory agent and 6587
service of any process, notice, or demand upon that statutory 6588
agent or the secretary of state; 6589

(i) If the surviving or new entity is a foreign limited 6590
partnership that desires to transact business in this state as a 6591
foreign limited partnership, a statement to that effect, 6592
together with all of the information required under section 6593
1782.49 of the Revised Code when a foreign limited partnership 6594
registers to transact business in this state; 6595

(j) If the surviving or new entity is a foreign limited 6596
liability company that desires to transact business in this 6597
state as a foreign limited liability company, a statement to 6598
that effect, together with all of the information required under 6599
section 1705.54 or 1706.511 of the Revised Code when a foreign 6600
limited liability company registers to transact business in this 6601

state; 6602

(k) If the surviving or new entity is a foreign 6603
unincorporated association that desires to transact business in 6604
this state as a foreign unincorporated association, a statement 6605
to that effect, together with all of the information, if any, 6606
required by the secretary of state when a foreign unincorporated 6607
association registers to transact business in this state. 6608

(4) The agreement of merger or consolidation also may set 6609
forth any additional provision permitted by the laws of any 6610
state under the laws of which any constituent entity exists, 6611
consistent with the laws under which the surviving entity exists 6612
or the new entity is to exist. 6613

(B) A merger or consolidation pursuant to this section in 6614
which a public benefit association is one of the constituent 6615
entities shall be subject to, and shall comply with, the 6616
provisions of divisions (B) (1) (b), (2), (3), and (4) of section 6617
1745.46 of the Revised Code. 6618

Sec. 1751.01. As used in this chapter: 6619

(A) (1) "Basic health care services" means the following 6620
services when medically necessary: 6621

(a) Physician's services, except when such services are 6622
supplemental under division (B) of this section; 6623

(b) Inpatient hospital services; 6624

(c) Outpatient medical services; 6625

(d) Emergency health services; 6626

(e) Urgent care services; 6627

(f) Diagnostic laboratory services and diagnostic and 6628

therapeutic radiologic services; 6629

(g) Diagnostic and treatment services, other than 6630
prescription drug services, for biologically based mental 6631
illnesses; 6632

(h) Preventive health care services, including, but not 6633
limited to, voluntary family planning services, infertility 6634
services, periodic physical examinations, prenatal obstetrical 6635
care, and well-child care; 6636

(i) Routine patient care for patients enrolled in an 6637
eligible cancer clinical trial pursuant to section 3923.80 of 6638
the Revised Code. 6639

"Basic health care services" does not include experimental 6640
procedures. 6641

Except as provided by divisions (A) (2) and (3) of this 6642
section in connection with the offering of coverage for 6643
diagnostic and treatment services for biologically based mental 6644
illnesses, a health insuring corporation shall not offer 6645
coverage for a health care service, defined as a basic health 6646
care service by this division, unless it offers coverage for all 6647
listed basic health care services. However, this requirement 6648
does not apply to the coverage of beneficiaries enrolled in 6649
medicare pursuant to a medicare contract, or to the coverage of 6650
beneficiaries enrolled in the federal employee health benefits 6651
program pursuant to 5 U.S.C.A. 8905, or to the coverage of 6652
medicaid recipients, or to the coverage of beneficiaries under 6653
any federal health care program regulated by a federal 6654
regulatory body, or to the coverage of beneficiaries under any 6655
contract covering officers or employees of the state that has 6656
been entered into by the department of administrative services. 6657

(2) A health insuring corporation may offer coverage for 6658
diagnostic and treatment services for biologically based mental 6659
illnesses without offering coverage for all other basic health 6660
care services. A health insuring corporation may offer coverage 6661
for diagnostic and treatment services for biologically based 6662
mental illnesses alone or in combination with one or more 6663
supplemental health care services. However, a health insuring 6664
corporation that offers coverage for any other basic health care 6665
service shall offer coverage for diagnostic and treatment 6666
services for biologically based mental illnesses in combination 6667
with the offer of coverage for all other listed basic health 6668
care services. 6669

(3) A health insuring corporation that offers coverage for 6670
basic health care services is not required to offer coverage for 6671
diagnostic and treatment services for biologically based mental 6672
illnesses in combination with the offer of coverage for all 6673
other listed basic health care services if all of the following 6674
apply: 6675

(a) The health insuring corporation submits documentation 6676
certified by an independent member of the American academy of 6677
actuaries to the superintendent of insurance showing that 6678
incurred claims for diagnostic and treatment services for 6679
biologically based mental illnesses for a period of at least six 6680
months independently caused the health insuring corporation's 6681
costs for claims and administrative expenses for the coverage of 6682
basic health care services to increase by more than one per cent 6683
per year. 6684

(b) The health insuring corporation submits a signed 6685
letter from an independent member of the American academy of 6686
actuaries to the superintendent of insurance opining that the 6687

increase in costs described in division (A) (3) (a) of this 6688
section could reasonably justify an increase of more than one 6689
per cent in the annual premiums or rates charged by the health 6690
insuring corporation for the coverage of basic health care 6691
services. 6692

(c) The superintendent of insurance makes the following 6693
determinations from the documentation and opinion submitted 6694
pursuant to divisions (A) (3) (a) and (b) of this section: 6695

(i) Incurred claims for diagnostic and treatment services 6696
for biologically based mental illnesses for a period of at least 6697
six months independently caused the health insuring 6698
corporation's costs for claims and administrative expenses for 6699
the coverage of basic health care services to increase by more 6700
than one per cent per year. 6701

(ii) The increase in costs reasonably justifies an 6702
increase of more than one per cent in the annual premiums or 6703
rates charged by the health insuring corporation for the 6704
coverage of basic health care services. 6705

Any determination made by the superintendent under this 6706
division is subject to Chapter 119. of the Revised Code. 6707

(B) (1) "Supplemental health care services" means any 6708
health care services other than basic health care services that 6709
a health insuring corporation may offer, alone or in combination 6710
with either basic health care services or other supplemental 6711
health care services, and includes: 6712

(a) Services of facilities for intermediate or long-term 6713
care, or both; 6714

(b) Dental care services; 6715

(c) Vision care and optometric services including lenses and frames;	6716 6717
(d) Podiatric care or foot care services;	6718
(e) Mental health services, excluding diagnostic and treatment services for biologically based mental illnesses;	6719 6720
(f) Short-term outpatient evaluative and crisis-intervention mental health services;	6721 6722
(g) Medical or psychological treatment and referral services for alcohol and drug abuse or addiction;	6723 6724
(h) Home health services;	6725
(i) Prescription drug services;	6726
(j) Nursing services;	6727
(k) Services of a dietitian licensed under Chapter 4759. of the Revised Code;	6728 6729
(l) Physical therapy services;	6730
(m) Chiropractic services;	6731
(n) Any other category of services approved by the superintendent of insurance.	6732 6733
(2) If a health insuring corporation offers prescription drug services under this division, the coverage shall include prescription drug services for the treatment of biologically based mental illnesses on the same terms and conditions as other physical diseases and disorders.	6734 6735 6736 6737 6738
(C) "Specialty health care services" means one of the supplemental health care services listed in division (B) of this section, when provided by a health insuring corporation on an	6739 6740 6741

outpatient-only basis and not in combination with other 6742
supplemental health care services. 6743

(D) "Biologically based mental illnesses" means 6744
schizophrenia, schizoaffective disorder, major depressive 6745
disorder, bipolar disorder, paranoia and other psychotic 6746
disorders, obsessive-compulsive disorder, and panic disorder, as 6747
these terms are defined in the most recent edition of the 6748
diagnostic and statistical manual of mental disorders published 6749
by the American psychiatric association. 6750

(E) "Closed panel plan" means a health care plan that 6751
requires enrollees to use participating providers. 6752

(F) "Compensation" means remuneration for the provision of 6753
health care services, determined on other than a fee-for-service 6754
or discounted-fee-for-service basis. 6755

(G) "Contractual periodic prepayment" means the formula 6756
for determining the premium rate for all subscribers of a health 6757
insuring corporation. 6758

(H) "Corporation" means a corporation formed under Chapter 6759
1701. or 1702. of the Revised Code or the similar laws of 6760
another state. 6761

(I) "Emergency health services" means those health care 6762
services that must be available on a seven-days-per-week, 6763
twenty-four-hours-per-day basis in order to prevent jeopardy to 6764
an enrollee's health status that would occur if such services 6765
were not received as soon as possible, and includes, where 6766
appropriate, provisions for transportation and indemnity 6767
payments or service agreements for out-of-area coverage. 6768

(J) "Enrollee" means any natural person who is entitled to 6769
receive health care benefits provided by a health insuring 6770

corporation. 6771

(K) "Evidence of coverage" means any certificate, 6772
agreement, policy, or contract issued to a subscriber that sets 6773
out the coverage and other rights to which such person is 6774
entitled under a health care plan. 6775

(L) "Health care facility" means any facility, except a 6776
health care practitioner's office, that provides preventive, 6777
diagnostic, therapeutic, acute convalescent, rehabilitation, 6778
mental health, intellectual disability, intermediate care, or 6779
skilled nursing services. 6780

(M) "Health care services" means basic, supplemental, and 6781
specialty health care services. 6782

(N) "Health delivery network" means any group of providers 6783
or health care facilities, or both, or any representative 6784
thereof, that have entered into an agreement to offer health 6785
care services in a panel rather than on an individual basis. 6786

(O) "Health insuring corporation" means a corporation, as 6787
defined in division (H) of this section, that, pursuant to a 6788
policy, contract, certificate, or agreement, pays for, 6789
reimburses, or provides, delivers, arranges for, or otherwise 6790
makes available, basic health care services, supplemental health 6791
care services, or specialty health care services, or a 6792
combination of basic health care services and either 6793
supplemental health care services or specialty health care 6794
services, through either an open panel plan or a closed panel 6795
plan. 6796

"Health insuring corporation" does not include a limited 6797
liability company formed pursuant to Chapter 1705. or 1706. of 6798
the Revised Code, an insurer licensed under Title XXXIX of the 6799

Revised Code if that insurer offers only open panel plans under 6800
which all providers and health care facilities participating 6801
receive their compensation directly from the insurer, a 6802
corporation formed by or on behalf of a political subdivision or 6803
a department, office, or institution of the state, or a public 6804
entity formed by or on behalf of a board of county 6805
commissioners, a county board of developmental disabilities, an 6806
alcohol and drug addiction services board, a board of alcohol, 6807
drug addiction, and mental health services, or a community 6808
mental health board, as those terms are used in Chapters 340. 6809
and 5126. of the Revised Code. Except as provided by division 6810
(D) of section 1751.02 of the Revised Code, or as otherwise 6811
provided by law, no board, commission, agency, or other entity 6812
under the control of a political subdivision may accept 6813
insurance risk in providing for health care services. However, 6814
nothing in this division shall be construed as prohibiting such 6815
entities from purchasing the services of a health insuring 6816
corporation or a third-party administrator licensed under 6817
Chapter 3959. of the Revised Code. 6818

(P) "Intermediary organization" means a health delivery 6819
network or other entity that contracts with licensed health 6820
insuring corporations or self-insured employers, or both, to 6821
provide health care services, and that enters into contractual 6822
arrangements with other entities for the provision of health 6823
care services for the purpose of fulfilling the terms of its 6824
contracts with the health insuring corporations and self-insured 6825
employers. 6826

(Q) "Intermediate care" means residential care above the 6827
level of room and board for patients who require personal 6828
assistance and health-related services, but who do not require 6829
skilled nursing care. 6830

(R) "Medical record" means the personal information that 6831
relates to an individual's physical or mental condition, medical 6832
history, or medical treatment. 6833

(S) (1) "Open panel plan" means a health care plan that 6834
provides incentives for enrollees to use participating providers 6835
and that also allows enrollees to use providers that are not 6836
participating providers. 6837

(2) No health insuring corporation may offer an open panel 6838
plan, unless the health insuring corporation is also licensed as 6839
an insurer under Title XXXIX of the Revised Code, the health 6840
insuring corporation, on June 4, 1997, holds a certificate of 6841
authority or license to operate under Chapter 1736. or 1740. of 6842
the Revised Code, or an insurer licensed under Title XXXIX of 6843
the Revised Code is responsible for the out-of-network risk as 6844
evidenced by both an evidence of coverage filing under section 6845
1751.11 of the Revised Code and a policy and certificate filing 6846
under section 3923.02 of the Revised Code. 6847

(T) "Osteopathic hospital" means a hospital registered 6848
under section 3701.07 of the Revised Code that advocates 6849
osteopathic principles and the practice and perpetuation of 6850
osteopathic medicine by doing any of the following: 6851

(1) Maintaining a department or service of osteopathic 6852
medicine or a committee on the utilization of osteopathic 6853
principles and methods, under the supervision of an osteopathic 6854
physician; 6855

(2) Maintaining an active medical staff, the majority of 6856
which is comprised of osteopathic physicians; 6857

(3) Maintaining a medical staff executive committee that 6858
has osteopathic physicians as a majority of its members. 6859

(U) "Panel" means a group of providers or health care 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 6890
practitioner, or organized health care group associated with a 6891
health insuring corporation from employing certified nurse 6892
practitioners, certified nurse anesthetists, clinical nurse 6893
specialists, certified nurse-midwives, pharmacists, dietitians, 6894
physician assistants, dental assistants, dental hygienists, 6895
optometric technicians, or other allied health personnel who are 6896
licensed, certified, accredited, or otherwise authorized in this 6897
state to furnish health care services. 6898

(Z) "Provider sponsored organization" means a corporation, 6899
as defined in division (H) of this section, that is at least 6900
eighty per cent owned or controlled by one or more hospitals, as 6901
defined in section 3727.01 of the Revised Code, or one or more 6902
physicians licensed to practice medicine or surgery or 6903
osteopathic medicine and surgery under Chapter 4731. of the 6904
Revised Code, or any combination of such physicians and 6905
hospitals. Such control is presumed to exist if at least eighty 6906
per cent of the voting rights or governance rights of a provider 6907
sponsored organization are directly or indirectly owned, 6908
controlled, or otherwise held by any combination of the 6909
physicians and hospitals described in this division. 6910

(AA) "Solicitation document" means the written materials 6911
provided to prospective subscribers or enrollees, or both, and 6912
used for advertising and marketing to induce enrollment in the 6913
health care plans of a health insuring corporation. 6914

(BB) "Subscriber" means a person who is responsible for 6915
making payments to a health insuring corporation for 6916
participation in a health care plan, or an enrollee whose 6917
employment or other status is the basis of eligibility for 6918
enrollment in a health insuring corporation. 6919

(CC) "Urgent care services" means those health care 6920
services that are appropriately provided for an unforeseen 6921
condition of a kind that usually requires medical attention 6922
without delay but that does not pose a threat to the life, limb, 6923
or permanent health of the injured or ill person, and may 6924
include such health care services provided out of the health 6925
insuring corporation's approved service area pursuant to 6926
indemnity payments or service agreements. 6927

Sec. 1776.69. (A) Pursuant to a written agreement of 6928
merger or consolidation between the constituent entities as this 6929
section provides, a domestic partnership and one or more 6930
additional domestic or foreign entities may merge into a 6931
surviving entity other than a domestic partnership, or a 6932
domestic partnership together with one or more additional 6933
domestic or foreign entities may consolidate into a new entity, 6934
other than a domestic partnership, that is formed by the 6935
consolidation. No merger or consolidation may be carried out 6936
pursuant to this section unless it is permitted by the Revised 6937
Code chapter under which each domestic constituent entity exists 6938
and by the laws under which each foreign constituent entity 6939
exists. 6940

(B) Any written agreement of any merger or consolidation 6941
shall set forth all of the following: 6942

(1) The name and the form of entity of each constituent 6943
entity and the state under the laws of which each constituent 6944
entity exists; 6945

(2) In the case of a merger, that one or more specified 6946
constituent domestic partnerships and other specified 6947
constituent entities will be merged into a specified surviving 6948
foreign entity or surviving domestic entity other than a 6949

domestic partnership, or, in the case of a consolidation, that 6950
the constituent entities will be consolidated into a new foreign 6951
entity or a new domestic entity other than a domestic 6952
partnership; 6953

(3) If the surviving or new entity is a foreign 6954
partnership, all statements and matters that section 1776.68 of 6955
the Revised Code would require if the surviving or new entity 6956
were a domestic partnership; 6957

(4) The name and the form of entity of the surviving or 6958
new entity, the state under the laws of which the surviving 6959
entity exists or the new entity is to exist, and the location of 6960
the principal office of the surviving or new entity; 6961

(5) Any additional statements and matters required to be 6962
set forth in an agreement of merger or consolidation by the laws 6963
under which each constituent entity exists and, in the case of a 6964
consolidation, the new entity is to exist; 6965

(6) If the surviving or new entity is a foreign entity, 6966
the consent of the surviving or new foreign entity to be sued 6967
and served with process in this state and the irrevocable 6968
appointment of the secretary of state as its agent to accept 6969
service of process in any proceeding in this state to enforce 6970
against the surviving or new foreign entity any obligation of 6971
any constituent domestic partnership or to enforce the rights of 6972
a dissenting partner of any constituent domestic partnership; 6973

(7) If the surviving or new entity is a foreign 6974
corporation that desires to transact business in this state as a 6975
foreign corporation, a statement to that effect, together with a 6976
statement regarding the appointment of a statutory agent and 6977
service of any process, notice, or demand upon that statutory 6978

agent or the secretary of state, as required when a foreign 6979
corporation applies for a license to transact business in this 6980
state; 6981

(8) If the surviving or new entity is a foreign limited 6982
partnership that desires to transact business in this state as a 6983
foreign limited partnership, a statement to that effect, 6984
together with all of the information required under section 6985
1782.49 of the Revised Code when a foreign limited partnership 6986
registers to transact business in this state; 6987

(9) If the surviving or new entity is a foreign limited 6988
liability company that desires to transact business in this 6989
state as a foreign limited liability company, a statement to 6990
that effect, together with all of the information required under 6991
section 1705.54 or 1706.511 of the Revised Code when a foreign 6992
limited liability company registers to transact business in this 6993
state; 6994

(10) If the surviving or new entity is a foreign limited 6995
liability partnership that desires to transact business in this 6996
state as a foreign limited liability partnership, a statement to 6997
that effect, together with all of the information required under 6998
section 1776.86 of the Revised Code when a foreign limited 6999
liability partnership registers to transact business in this 7000
state. 7001

(C) The written agreement of merger or consolidation also 7002
may set forth any additional provision permitted by the laws of 7003
any state under the laws of which any constituent entity exists, 7004
consistent with the laws under which the surviving entity exists 7005
or the new entity is to exist. 7006

(D) To effect the merger or consolidation, the partners of 7007

each constituent domestic partnership shall adopt an agreement 7008
of merger or consolidation in the same manner and with the same 7009
notice to and vote or action of partners or of a particular 7010
class or group of partners as section 1776.68 of the Revised 7011
Code requires. The agreement of merger or consolidation also 7012
shall be approved or otherwise authorized by or on behalf of 7013
each constituent entity in accordance with the laws under which 7014
it exists. An agreement of merger or consolidation is not 7015
effective against a person who would continue to be or who would 7016
become a general partner of an entity that is the surviving or 7017
new entity in a merger or consolidation unless that person 7018
specifically agrees in writing either to continue or to become, 7019
as the case may be, a general partner of the surviving or new 7020
entity. 7021

(E) (1) At any time before filing the certificate of merger 7022
or consolidation pursuant to section 1776.70 of the Revised 7023
Code, if the agreement of merger or consolidation permits, the 7024
partners of any constituent partnership, the directors of any 7025
constituent corporation, or the comparable representatives of 7026
any other constituent entity may abandon the merger or 7027
consolidation. 7028

(2) The agreement of merger or consolidation may authorize 7029
less than all of the partners of any constituent partnership, 7030
the directors of any constituent corporation, or the comparable 7031
representatives of any other constituent entity to amend the 7032
agreement of merger or consolidation at any time before the 7033
filing of the certificate of merger or consolidation, except 7034
that, after the adoption of the agreement of merger or 7035
consolidation by the partners of any constituent domestic 7036
partnership, only with the approval of all the partners may any 7037
agreement of merger or consolidation be amended to do any of the 7038

following: 7039

(a) Alter or change the amount or kind of interests, 7040
shares, evidences of indebtedness, other securities, cash, 7041
rights, or any other property to be received by partners of the 7042
constituent domestic partnership in conversion of or in exchange 7043
for their interests; 7044

(b) If the surviving or new entity is a partnership, alter 7045
or change any term of the partnership agreement of the surviving 7046
or new partnership, except for alterations or changes that could 7047
be adopted by those partners by the terms of the partnership 7048
agreement of the surviving or new partnership as would be in 7049
effect after the merger or consolidation; 7050

(c) If the surviving or new entity is a corporation or any 7051
other entity other than a partnership, alter or change any term 7052
of the articles or comparable instrument of the surviving or new 7053
corporation or entity, except for alterations or changes that 7054
otherwise could be adopted by the directors or comparable 7055
representatives of the surviving or new corporation or entity; 7056

(d) Alter or change any other terms and conditions of the 7057
agreement of merger or consolidation if any of the alterations 7058
or changes, alone or in the aggregate, would materially 7059
adversely affect the partners or any class or group of partners 7060
of the constituent domestic partnership. 7061

Sec. 1776.82. (A) The name of a limited liability 7062
partnership shall contain "registered limited liability 7063
partnership," "registered partnership having limited liability," 7064
"limited liability partnership," "R.L.L.P.," "P.L.L.," "L.L.P.," 7065
"RLLP," "PLL," or "LLP." 7066

(B) The name of a domestic registered limited liability 7067

partnership or foreign limited liability partnership shall be 7068
distinguishable upon the records in the office of the secretary 7069
of state from all of the following: 7070

(1) The name of any other limited liability partnership 7071
registered in the office of the secretary of state pursuant to 7072
this chapter or Chapter 1775. of the Revised Code, whether 7073
domestic or foreign; 7074

(2) The name of any domestic corporation that is formed 7075
under Chapter 1701. or 1702. of the Revised Code or any foreign 7076
corporation that is registered pursuant to Chapter 1703. of the 7077
Revised Code; 7078

(3) The name of any limited liability company registered 7079
in the office of the secretary of state pursuant to Chapter 7080
1705. or 1706. of the Revised Code, whether domestic or foreign; 7081

(4) The name of any limited partnership registered in the 7082
office of the secretary of state pursuant to Chapter 1782. of 7083
the Revised Code, whether domestic or foreign; 7084

(5) Any trade name the exclusive right to which is at the 7085
time in question registered in the office of the secretary of 7086
state pursuant to Chapter 1329. of the Revised Code. 7087

Sec. 1782.02. (A) The name of any limited partnership, as 7088
set forth in its certificate of limited partnership, shall 7089
include "Limited Partnership," "L.P.," "Limited," or "Ltd." and 7090
shall not contain the name of a limited partner unless either of 7091
the following are true: 7092

(1) It is also the name of a general partner; 7093

(2) The business of the limited partnership had been 7094
carried on under that name before the admission of that limited 7095

partner. 7096

(B) The name of a limited partnership shall be 7097
distinguishable upon the records in the office of the secretary 7098
of state from all of the following: 7099

(1) The name of any other limited partnership registered 7100
in the office of the secretary of state pursuant to this 7101
chapter, whether domestic or foreign; 7102

(2) The name of any domestic corporation that is formed 7103
under Chapter 1701. or 1702. of the Revised Code or any foreign 7104
corporation that is registered pursuant to Chapter 1703. of the 7105
Revised Code; 7106

(3) The name of any limited liability company registered 7107
in the office of the secretary of state pursuant to Chapter 7108
1705. or 1706. of the Revised Code, whether domestic or foreign; 7109

(4) The name of any limited liability partnership 7110
registered in the office of the secretary of state pursuant to 7111
Chapter 1775. or 1776. of the Revised Code, whether domestic or 7112
foreign; 7113

(5) Any trade name the exclusive right to which is at the 7114
time in question registered in the office of the secretary of 7115
state pursuant to Chapter 1329. of the Revised Code. 7116

Sec. 1782.432. (A) Pursuant to an agreement of merger or 7117
consolidation between the constituent entities as provided in 7118
this section, a domestic limited partnership and one or more 7119
additional domestic or foreign entities may be merged into a 7120
surviving entity other than a domestic limited partnership, or a 7121
domestic limited partnership together with one or more 7122
additional domestic or foreign entities may be consolidated into 7123
a new entity other than a domestic limited partnership to be 7124

formed by such consolidation. The merger or consolidation must 7125
be permitted by the chapter of the Revised Code under which each 7126
domestic constituent entity exists and by the laws under which 7127
each foreign constituent entity exists. 7128

(B) The agreement of merger or consolidation shall set 7129
forth all of the following: 7130

(1) The name and the form of entity of each constituent 7131
entity and the state under the laws of which each constituent 7132
entity exists; 7133

(2) In the case of a merger, that one or more specified 7134
constituent domestic limited partnerships and other specified 7135
constituent entities will be merged into a specified surviving 7136
foreign entity or surviving domestic entity other than a 7137
domestic limited partnership, or, in the case of a 7138
consolidation, that the constituent entities will be 7139
consolidated into a new foreign entity or a new domestic entity 7140
other than a domestic limited partnership; 7141

(3) If the surviving or new entity is a foreign limited 7142
partnership, all additional statements and matters, other than 7143
the name and address of the statutory agent, that would be 7144
required by section 1782.431 of the Revised Code if the 7145
surviving or new entity were a domestic limited partnership; 7146

(4) The name and the form of entity of the surviving or 7147
new entity, the state under the laws of which the surviving 7148
entity exists or the new entity is to exist, and the location of 7149
the principal office of the surviving or new entity; 7150

(5) All additional statements and matters required to be 7151
set forth in such an agreement of merger or consolidation by the 7152
laws under which each constituent entity exists and, in the case 7153

of a consolidation, the new entity is to exist; 7154

(6) The consent of the surviving or new entity to be sued 7155
and served with process in this state and the irrevocable 7156
appointment of the secretary of state as its agent to accept 7157
service of process in any proceeding in this state to enforce 7158
against the surviving or new entity any obligation of any 7159
constituent domestic limited partnership or to enforce the 7160
rights of a dissenting partner of any constituent domestic 7161
limited partnership; 7162

(7) If the surviving or new entity is a foreign 7163
corporation that desires to transact business in this state as a 7164
foreign corporation, a statement to that effect, together with a 7165
statement regarding the appointment of a statutory agent and 7166
service of any process, notice, or demand upon that statutory 7167
agent or the secretary of state, as required when a foreign 7168
corporation applies for a license to transact business in this 7169
state; 7170

(8) If the surviving or new entity is a foreign limited 7171
partnership that desires to transact business in this state as a 7172
foreign limited partnership, a statement to that effect, 7173
together with all of the information required under section 7174
1782.49 of the Revised Code when a foreign limited partnership 7175
registers to transact business in this state; 7176

(9) If the surviving or new entity is a foreign limited 7177
liability company that desires to transact business in this 7178
state as a foreign limited liability company, a statement to 7179
that effect, together with all of the information required under 7180
section 1705.54 or 1706.511 of the Revised Code when a foreign 7181
limited liability company registers to transact business in this 7182
state. 7183

(C) The agreement of merger or consolidation also may set 7184
forth any additional provision permitted by the laws of any 7185
state under the laws of which any constituent entity exists, 7186
consistent with the laws under which the surviving entity exists 7187
or the new entity is to exist. 7188

(D) To effect the merger or consolidation, the agreement 7189
of merger or consolidation shall be adopted by the general 7190
partners of each constituent domestic limited partnership, in 7191
the same manner and with the same notice to and vote or action 7192
of partners or of a particular class or group of partners as is 7193
required by section 1782.431 of the Revised Code. The agreement 7194
of merger or consolidation also shall be approved or otherwise 7195
authorized by or on behalf of each constituent entity in 7196
accordance with the laws under which it exists. Each person who 7197
will continue to be or who will become a general partner of a 7198
partnership that is the surviving or new entity in a merger or 7199
consolidation shall specifically agree to continue or to become, 7200
as the case may be, a general partner of the surviving or new 7201
entity. 7202

(E) At any time before the filing of the certificate of 7203
merger or consolidation pursuant to section 1782.433 of the 7204
Revised Code, the merger or consolidation may be abandoned by 7205
the general partners of any constituent partnership, the 7206
directors of any constituent corporation, or the comparable 7207
representatives of any other constituent entity if the general 7208
partners, directors, or comparable representatives are 7209
authorized to do so by the agreement of merger or consolidation. 7210
The agreement of merger or consolidation may contain a provision 7211
authorizing the general partners of any constituent partnership, 7212
the directors of any constituent corporation, or the comparable 7213
representatives of any other constituent entity to amend the 7214

agreement of merger or consolidation at any time before the 7215
filing of the certificate of merger or consolidation, except 7216
that after the adoption of the agreement of merger or 7217
consolidation by the limited partners of any constituent 7218
domestic limited partnership, the general partners shall not be 7219
authorized to amend the agreement of merger or consolidation to 7220
do any of the following: 7221

(1) Alter or change the amount or kind of interests, 7222
shares, evidences of indebtedness, other securities, cash, 7223
rights, or any other property to be received by limited partners 7224
of the constituent domestic limited partnership in conversion of 7225
or in substitution for their interests; 7226

(2) If the surviving or new entity is a partnership, alter 7227
or change any term of the partnership agreement of the surviving 7228
or new partnership, except for alterations or changes that 7229
otherwise could be adopted by the general partners of the 7230
surviving or new partnership; 7231

(3) If the surviving or new entity is a corporation or any 7232
other entity other than a partnership, alter or change any term 7233
of the articles or comparable instrument of the surviving or new 7234
corporation or entity, except for alterations or changes that 7235
otherwise could be adopted by the directors or comparable 7236
representatives of the surviving or new corporation or entity; 7237

(4) Alter or change any other terms and conditions of the 7238
agreement of merger or consolidation if any of the alterations 7239
or changes, alone or in the aggregate, would materially 7240
adversely affect the limited partners or any class or group of 7241
limited partners of the constituent domestic limited 7242
partnership. 7243

Sec. 1785.09. This chapter does not preclude the rendering 7244
of a professional service within this state by a corporation 7245
formed under division (B) of section 1701.03 of the Revised 7246
Code, a limited liability company formed under Chapter 1705. or 7247
1706. of the Revised Code, or a foreign limited liability 7248
company registered with the secretary of state and transacting 7249
business in this state in accordance with sections 1705.53 to 7250
1705.58 or 1706.51 to 1706.515 of the Revised Code. 7251

Sec. 3345.203. (A) As used in this section: 7252

(1) "Claims expenses" means payment of judgments, 7253
settlement of claims, expense, loss, and damage. 7254

(2) "State university or college" has the same meaning as 7255
in section 3345.12 of the Revised Code. 7256

(B) Regardless of whether a state university or college 7257
secures insurance coverages under division (B) (1), (2), or (3) 7258
of section 3345.202 of the Revised Code, the board of trustees 7259
of the state university or college may join with other state 7260
universities or colleges in establishing and maintaining a joint 7261
self-insurance pool to do both of the following: 7262

(1) Provide for payment of claims expenses that arise, or 7263
are claimed to have arisen, from an act or omission of the state 7264
university or college or any of its employees or other persons 7265
authorized by the board while doing either of the following: 7266

(a) Acting in the scope of their employment or official 7267
responsibilities; 7268

(b) Being engaged in activities undertaken at the request 7269
or direction, or for the benefit, of the state university or 7270
college. 7271

(2) Indemnify or hold harmless the state university's or 7272
college's employees against such loss or damage. 7273

The joint self-insurance pool shall be pursuant to a 7274
written agreement and to the extent that the board considers the 7275
pool to be necessary. 7276

(C) All of the following apply to a joint self-insurance 7277
pool under this section: 7278

(1) The funds shall be reserved as are necessary, in the 7279
exercise of sound and prudent actuarial judgment, to cover 7280
potential state university or college and employee liabilities, 7281
loss, and damage. A report of aggregate amounts so reserved and 7282
aggregate disbursements made from such funds shall be prepared 7283
and maintained in the office of the pool administrator described 7284
in division (C) (2) of this section. The report shall be prepared 7285
and maintained not later than ninety days after the close of the 7286
pool's fiscal year. 7287

The report required by this division shall include, but 7288
not be limited to, the aggregate of disbursements made for the 7289
administration of the pool, including claims paid, costs of the 7290
legal representation of state universities or colleges and 7291
employees, and fees paid to consultants. The report also shall 7292
be accompanied by a written report of a member of the American 7293
academy of actuaries certifying whether the amounts reserved 7294
conform to the requirements of this division, are computed in 7295
accordance with accepted loss reserving standards, and are 7296
fairly stated in accordance with sound loss reserving 7297
principles. 7298

The pool administrator described in division (C) (2) of 7299
this section shall make the report required by this division 7300

available for inspection by any person at all reasonable times 7301
during regular business hours. Upon the request of such person, 7302
the pool administrator shall make copies of the report available 7303
at cost within a reasonable period of time. The pool 7304
administrator also shall submit a copy of the report to the 7305
auditor of state. The report required by this division is in 7306
lieu of the records required by division (A) of section 149.431 7307
of the Revised Code. 7308

(2) The board of trustees establishing a joint self- 7309
insurance pool may award a contract, without the necessity of 7310
competitive bidding, to a pool administrator for purposes of 7311
administration of the joint self-insurance pool. A "pool 7312
administrator" may be any person, political subdivision, limited 7313
liability company organized under Chapter 1705. or 1706. of the 7314
Revised Code, nonprofit corporation organized under Chapter 7315
1702. of the Revised Code, or regional council of governments 7316
created under Chapter 167. of the Revised Code. The board shall 7317
not enter into such a contract without full, prior, public 7318
disclosure of all terms and conditions. The disclosure shall 7319
include, at a minimum, a statement listing all representations 7320
made in connection with any possible savings and losses 7321
resulting from the contract, and potential liability of any 7322
state university or college or employee. The proposed contract 7323
and statement shall be disclosed and presented at a meeting of 7324
the board of trustees of the state university or college prior 7325
to the meeting at which the board of trustees of the state 7326
university or college authorizes the contract. 7327

(3) A joint self-insurance pool shall include a contract 7328
with a member of the American academy of actuaries for the 7329
preparation of the written evaluation of the reserve funds 7330
required under division (C) (1) of this section. 7331

(4) A joint self-insurance pool may allocate the costs of 7332
funding the pool among the funds or accounts in the treasuries 7333
of the state universities or colleges on the basis of their 7334
relative exposure and loss experience. A joint self-insurance 7335
program may require any deductible under the program to be paid 7336
from funds or accounts in the treasury of the state university 7337
or college from which a loss was directly attributable. 7338

(D) Two or more state universities or colleges may also 7339
authorize the establishment and maintenance of a joint risk- 7340
management program, including but not limited to the employment 7341
of risk managers and consultants, for the purpose of preventing 7342
and reducing the risks covered by insurance, self-insurance, or 7343
joint self-insurance programs. A joint risk-management program 7344
shall not include fidelity, surety, or guarantee bonding. 7345

(E) A state university or college is not liable under a 7346
joint self-insurance pool for any amount in excess of amounts 7347
payable pursuant to the written agreement for the participation 7348
of the state university or college in the joint self-insurance 7349
pool. Under a joint self-insurance pool agreement a state 7350
university or college may, to the extent permitted under the 7351
written agreement, assume the risks of any other state 7352
university or college, including the indemnification of its 7353
employees. A joint self-insurance pool, established under this 7354
section, is deemed a separate legal entity for the public 7355
purpose of enabling the members of the joint self-insurance pool 7356
to obtain insurance or to provide for a formalized, jointly 7357
administered self-insurance fund for its members. An entity 7358
created pursuant to this section is exempt from all state and 7359
local taxes. 7360

(F) (1) In the manner provided by and subject to the 7361

applicable provisions of section 3345.12 of the Revised Code, 7362
any state university or college may issue obligations and may 7363
also issue notes in anticipation of such obligations, pursuant 7364
to a resolution of its board of trustees or other governing body 7365
for the purpose of providing funds to do both of the following: 7366

(a) Pay claims expenses, whether by way of a reserve or 7367
otherwise; 7368

(b) Pay the state university or college's portion of the 7369
cost of establishing and maintaining a joint self-insurance pool 7370
or to provide for the reserve in a special fund authorized by 7371
division (C) (1) of this section. 7372

(2) Sections 9.98 to 9.983 of the Revised Code apply to 7373
bonds or notes authorized under this section. 7374

(G) (1) A joint self-insurance pool, in addition to its 7375
powers to provide self-insurance against any and all liabilities 7376
under this chapter, may also include any one or more of the 7377
following forms of property or casualty self-insurance for the 7378
purpose of covering any other liabilities or risks of the 7379
members of the pool: 7380

(a) Public general liability, professional liability, or 7381
employee liability; 7382

(b) Individual or fleet motor vehicle or automobile 7383
liability and protection against other liability and loss 7384
associated with the ownership, maintenance, and use of motor 7385
vehicles; 7386

(c) Aircraft liability and protection against other 7387
liability and loss associated with the ownership, maintenance, 7388
and use of aircraft; 7389

(d) Loss or damage to property and loss of use and 7390
occupancy of property by fire, lightning, hail, tempest, flood, 7391
earthquake, or snow, explosion, accident, or other risk; 7392

(e) Marine, inland transportation and navigation, boiler, 7393
containers, pipes, engines, flywheels, elevators, and machinery; 7394

(f) Environmental impairment; 7395

(g) Loss or damage by any hazard upon any other risk to 7396
which state universities or colleges are subject, which is not 7397
prohibited by statute or at common law from being the subject of 7398
casualty or property insurance. 7399

(2) A joint self-insurance pool is not an insurance 7400
company. Its operation does not constitute doing an insurance 7401
business and is not subject to the insurance laws of this state. 7402

(H) A public official or employee of a state university or 7403
college who is or becomes a member of the governing body of a 7404
joint self-insurance pool in which the state university or 7405
college participates is not in violation of any of the following 7406
as a result of the state university or college entering into the 7407
written agreement to participate in the pool or into any 7408
contract with the pool: 7409

(1) Division (D) or (E) of section 102.03 of the Revised 7410
Code; 7411

(2) Division (C) of section 102.04 of the Revised Code; 7412

(3) Section 2921.42 of the Revised Code. 7413

(I) This section shall not be construed to affect the 7414
ability of any state university or college to self-insure under 7415
the authority conferred by any other section of the Revised 7416
Code. 7417

(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 7445
in this state. 7446

(2) The captive insurance company's board of directors 7447
holds at least one meeting each year in this state. 7448

(3) The captive insurance company maintains its principal 7449
place of business in this state. 7450

(4) The person managing the captive insurance company is a 7451
resident of this state. 7452

(5) The captive insurance company appoints a registered 7453
agent to accept service of process and act on its behalf in this 7454
state. 7455

(C) Whenever an agent required under division (B) (5) of 7456
this section cannot, with reasonable diligence, be found at the 7457
registered office of the captive insurance company, the 7458
superintendent shall be an agent of such a captive insurance 7459
company upon whom any process, notice, or demand may be served. 7460

(D) A captive insurance company seeking a license to be a 7461
captive insurance company in this state shall file an 7462
application with the superintendent and shall submit all of the 7463
following along with the application: 7464

(1) A certified copy of its articles of incorporation, 7465
bylaws, or other organizational document and code of 7466
regulations; 7467

(2) A statement, made under oath by the president and 7468
secretary, in a form prescribed by the superintendent, showing 7469
the captive insurance company's financial condition; 7470

(3) A statement of the captive insurance company's assets 7471
relative to its risks, detailing the amount of assets and their 7472

liquidity;	7473
(4) An account of the adequacy of the expertise,	7474
experience, and character of the person or persons who will	7475
manage the captive insurance company;	7476
(5) An account of the loss prevention programs of the	7477
persons that the captive insurance company insures;	7478
(6) Actuarial assumptions and methodologies that will be	7479
utilized in calculating reserves;	7480
(7) Any other information considered necessary by the	7481
superintendent to determine whether the proposed captive	7482
insurance company will be able to meet its obligations.	7483
(E) (1) A special purpose financial captive insurance	7484
company shall follow the national association of insurance	7485
commissioner's accounting practices and procedures manual.	7486
(2) (a) Upon request, the superintendent may allow a	7487
special purpose financial captive insurance company to use a	7488
reserve basis other than that found in the national association	7489
of insurance commissioner's accounting practices and procedures	7490
manual.	7491
(b) The superintendent, in accordance with Chapter 119. of	7492
the Revised Code, shall adopt rules that define acceptable	7493
alternative reserve bases.	7494
(c) Such rules shall be adopted prior to availability for	7495
use of any such alternative reserve basis and shall ensure that	7496
the resulting reserves meet all of the following conditions:	7497
(i) Quantify the benefits and guarantees, and the funding,	7498
associated with the contracts and their risks at a level of	7499
conservatism that reflects conditions that include unfavorable	7500

events that have a reasonable probability of occurring during 7501
the lifetime of the contracts. For policies or contracts with 7502
significant tail risk, reflects conditions appropriately adverse 7503
to quantify the tail risk. 7504

(ii) Incorporate assumptions, risk analysis methods, and 7505
financial models and management techniques that are consistent 7506
with, but not necessarily identical to, those utilized within 7507
the company's overall risk assessment process, while recognizing 7508
potential differences in financial reporting structures and any 7509
prescribed assumptions or methods; 7510

(iii) Provide margins for uncertainty including adverse 7511
deviation and estimation error, such that the greater the 7512
uncertainty the larger the margin and resulting reserve. 7513

(d) An alternative basis for calculating a reserve 7514
approved by the superintendent shall be treated as a public 7515
document after the date the alternative basis for calculating 7516
the reserve has been approved, regardless of the application of 7517
the uniform trade secrets act set forth in sections 1333.61 to 7518
1333.69 of the Revised Code. 7519

(3) The special purpose financial captive insurance 7520
company shall submit a request for an alternative reserve basis 7521
in writing, and affirmed by the company's appointed actuary, 7522
that includes, at a minimum, the following information for the 7523
superintendent to consider in evaluating the request: 7524

(a) The reserves based on the national association of 7525
insurance commissioner's accounting practices and procedures 7526
manual and the reserves based on the proposed alternative method 7527
for calculation and the difference between these two 7528
calculations; 7529

(b) A detailed analysis of the proposed alternative method 7530
explaining why the use of an alternative basis for calculating 7531
the reserve is appropriate; 7532

(c) All assumptions utilized within the proposed 7533
alternative method, together with the source of the assumptions, 7534
as well as information, satisfactory to the superintendent, 7535
supporting the appropriateness of the assumptions and analysis 7536
and identifying the assumptions that result in the greatest 7537
variability in the reserve and how that analysis was used in 7538
setting those assumptions; 7539

(d) A detailed overview of the corporate governance and 7540
oversight of the actuarial valuation function; 7541

(e) Any other information the superintendent may require 7542
to assess the proposed alternative method for approval or 7543
disapproval. 7544

(4) At the expense of the special purpose financial 7545
captive insurance company, the superintendent may require the 7546
company to secure the affirmation of an independent qualified 7547
actuary in support of any alternative basis for calculating the 7548
reserve that is requested pursuant to this section or to assist 7549
the superintendent in the review of said request. 7550

(5) If the superintendent approves the use of an 7551
alternative basis for calculating a reserve, the special purpose 7552
financial captive insurance company, and the ceding insurer 7553
shall each include a note in its financial statements disclosing 7554
the use of a basis other than the national association of 7555
insurance commissioner's accounting practices and procedures 7556
manual and the difference between the reserve amount determined 7557
under the alternative basis and the reserve amount that would 7558

have been determined had the company utilized the national 7559
association of insurance commissioner's accounting practices and 7560
procedures manual. 7561

(6) (a) The superintendent shall establish an acceptable 7562
total capital and surplus requirement for each insurance company 7563
that will cede risks and obligations to a special purpose 7564
financial captive insurance company. The total capital and 7565
surplus requirement must be met at the time the special purpose 7566
financial captive insurance company applies for a license to do 7567
the business of captive insurance. The total capital and surplus 7568
requirement shall be determined in accordance with a minimum 7569
required total capital and surplus methodology that meets both 7570
of the following requirements: 7571

(i) Is consistent with current risk-based capital 7572
principles; 7573

(ii) Takes into account all material risks and 7574
obligations, as well as the assets, of the insurance company. 7575

(b) An insurance company ceding risks and obligations to a 7576
special purpose financial captive insurance company shall fully 7577
disclose all material risks and obligations, as well as its 7578
assets and all affiliated captive insurance company risks. The 7579
ceding insurance company shall advise the superintendent 7580
whenever there is a material change to such risks, obligations, 7581
or assets. 7582

(F) In determining whether to approve an application for a 7583
license, the superintendent shall consider all of the following: 7584

(1) The character, reputation, financial standing, and 7585
purposes of the incorporators, or other founders, of the captive 7586
insurance company; 7587

(2) The character, reputation, financial responsibility,	7588
experience relating to insurance, and business qualifications of	7589
the officers and directors of the captive insurance company;	7590
(3) The amount of liquidity and assets of the captive	7591
insurance company relative to the risks to be assumed;	7592
(4) The adequacy of the expertise, experience, and	7593
character of the person or persons who will manage the captive	7594
insurance company;	7595
(5) The overall soundness of the plan of operation;	7596
(6) The adequacy of the loss prevention programs of the	7597
persons that the captive insurance company insures.	7598
(G) (1) Each captive insurance company that offers direct	7599
insurance to its parent shall submit to the superintendent for	7600
approval a detailed description of the coverages, deductibles,	7601
coverage limits, proposed rates or rating plans, documentation	7602
from a qualified actuary that demonstrates the actuarial	7603
soundness of the proposed rates or rating plans, and other such	7604
additional information as the superintendent may require.	7605
(2) (a) Any captive insurance company licensed under the	7606
provisions of this chapter that seeks to make any material	7607
change to any item described in division (G) (1) of this section	7608
shall submit to the superintendent for approval a detailed	7609
description of the revision, documentation from a qualified	7610
actuary that demonstrates the actuarial soundness of the revised	7611
rates or rating plans, and other such additional information as	7612
the superintendent may require.	7613
(b) Each filing under division (G) (2) (a) of this section	7614
is deemed approved thirty days after the filing is received by	7615
the superintendent of insurance, unless the filing is	7616

disapproved by the superintendent during that thirty-day period. 7617

(c) If at any time subsequent to the thirty-day review 7618
period the superintendent finds that a filing does not 7619
demonstrate actuarial soundness, the superintendent shall hold a 7620
hearing requiring the captive insurance company to show cause 7621
why an order should not be made by the superintendent to 7622
disapprove the revised rates or rating plans. 7623

(d) If, upon such a hearing, the superintendent finds that 7624
the captive insurance company failed to demonstrate the 7625
actuarial soundness of the rates or rating plans, the 7626
superintendent shall issue an order directing the captive 7627
insurance company to cease and desist from using the revised 7628
rates or rating plans and to use rates or rating plans as 7629
determined appropriate by the superintendent. 7630

(H) Except as otherwise provided in this division, 7631
documents and information submitted by a captive insurance 7632
company pursuant to this section are not subject to section 7633
149.43 of the Revised Code, and are confidential, and may not be 7634
disclosed by the superintendent or any employee of the 7635
department of insurance without the written consent of the 7636
company. 7637

(1) Such documents and information may be discoverable in 7638
a civil action in which the captive insurance company filing the 7639
material is a party upon a finding by a court of competent 7640
jurisdiction that the information sought is relevant and 7641
necessary to the case and the information sought is unavailable 7642
from other, nonconfidential sources. 7643

(2) The superintendent may, at the superintendent's sole 7644
discretion, share documents required under this section with the 7645

chief deputy rehabilitator, the chief deputy liquidator, other 7646
deputy rehabilitators and liquidators, and any other person 7647
employed by, or acting on behalf of the superintendent pursuant 7648
to Chapter 3901. or 3903. of the Revised Code, with other local, 7649
state, federal, and international regulatory and law enforcement 7650
agencies, with local, state, and federal prosecutors, and with 7651
the national association of insurance commissioners and its 7652
affiliates and subsidiaries provided that the recipient agrees 7653
to maintain the confidential or privileged status of the 7654
documents and has authority to do so. 7655

(I) (1) Each applicant for a license to do the business of 7656
a captive insurance company in this state shall pay to the 7657
superintendent a nonrefundable fee of five hundred dollars for 7658
processing its application for a license. The superintendent is 7659
authorized to retain legal, financial, and examination services 7660
from outside the department, at the expense of the applicant. 7661
Each captive insurance company shall annually pay a license 7662
renewal fee of five hundred dollars. 7663

(2) The fees collected pursuant to division (I) (1) of this 7664
section shall be deposited into the state treasury to the credit 7665
of the captive insurance regulation and supervision fund created 7666
under section 3964.15 of the Revised Code. 7667

Sec. 3964.17. (A) As used in sections 3964.17 to 3964.1710 7668
of the Revised Code: 7669

(1) "Protected cell" means an incorporated cell that is 7670
organized pursuant to Chapter 1701., 1702., ~~or 1705.~~, or 1706. 7671
of the Revised Code and that has a separate legal identity from 7672
the protected cell captive insurance company of which it is a 7673
part. 7674

(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 7703
or reinsure risks of one or more participants. 7704

(C) The assets and liabilities of each protected cell 7705
shall be held separately from the assets and liabilities of all 7706
other protected cells. 7707

(D) A protected cell of a protected cell captive insurance 7708
company shall be organized pursuant to Chapter 1701., 1702., ~~or~~ 7709
1705., or 1706. of the Revised Code. 7710

(E) A protected cell captive insurance company shall, at 7711
the time of paying the annual fee required under section 3964.13 7712
of the Revised Code, pay an additional annual fee for each 7713
protected cell in an amount to be established by the 7714
superintendent. 7715

(F) Each protected cell of a protected cell captive 7716
insurance company shall be treated as a captive insurance 7717
company for purposes of this chapter. 7718

(G) Unless otherwise permitted by the articles of 7719
incorporation, bylaws, code of regulations, or other 7720
organizational document of a protected cell captive insurance 7721
company, each protected cell of the protected cell captive 7722
insurance company shall have the same directors, secretary, and 7723
registered office as the protected cell captive insurance 7724
company. 7725

(H) A protected cell captive insurance company may provide 7726
in its articles of incorporation, bylaws, code of regulations, 7727
or other organizational documents that a protected cell it 7728
creates shall be wound up and dissolved upon any of the 7729
following: 7730

(1) The bankruptcy, death, expulsion, insanity, 7731

resignation, or retirement of any participant of the protected cell; 7732
7733

(2) The happening of some event that is not the expiration of a fixed period of time; 7734
7735

(3) The expiration of a fixed period of time. 7736

(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. 7737
7738
7739
7740
7741

(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. 7742
7743
7744
7745

(J) The name of a protected cell captive insurance company shall include the words "protected cell captive" or the abbreviation "PCC." 7746
7747
7748

(K) A protected cell captive insurance company shall assign a distinctive name to each of its protected cells that meets all of the following: 7749
7750
7751

(1) The name identifies the protected cell as being part of the protected cell captive insurance company. 7752
7753

(2) The name distinguishes the protected cell from any other protected cell of the protected cell captive insurance company. 7754
7755
7756

(3) The name includes the words "protected cell" or the abbreviation "PC." 7757
7758

(L) A protected cell may enter into an agreement with its 7759
protected cell captive insurance company or with another 7760
protected cell of the same protected cell captive insurance 7761
company. 7762

(M) (1) The assets of a protected cell captive insurance 7763
company shall be either cell assets or general assets. 7764

(2) The cell assets comprise the assets of the protected 7765
cell captive insurance company that are held within or on behalf 7766
of its protected cells. 7767

(3) The general assets of a protected cell captive 7768
insurance company comprise the assets of the protected cell 7769
captive insurance company that are not cell assets. 7770

(N) (1) The liabilities of a protected cell captive 7771
insurance company shall be either cell liabilities or general 7772
liabilities. 7773

(2) The cell liabilities comprise the obligations of the 7774
protected cell captive insurance company attributable to its 7775
protected cells. 7776

(3) The general liabilities of a protected cell captive 7777
insurance company comprise the obligations of the protected cell 7778
captive insurance company that are not cell liabilities. 7779

(O) Each protected cell insurance company shall account 7780
separately on its books and records for each of its protected 7781
cells to reflect the financial condition and results of 7782
operations of the protected cell, including net income or loss, 7783
dividends or other distributions to participants, and such other 7784
factors as may be provided by participant contracts or required 7785
by the superintendent. 7786

(P) Each protected cell captive insurance company shall 7787
annually file with the superintendent such financial reports as 7788
the superintendent requires, which shall include financial 7789
statements detailing the financial experience of each protected 7790
cell and a statement regarding the adequacy of reserves kept to 7791
make full provision for the liabilities insured by each 7792
protected cell. 7793

(Q) An officer or manager of a protected cell captive 7794
insurance company shall immediately notify the superintendent if 7795
any protected cell of the protected cell captive insurance 7796
company or the protected cell captive insurance company itself 7797
is trending toward reserves that are inadequate, or if a 7798
protected cell or the protected cell captive insurance company 7799
becomes insolvent or is otherwise unable to meet its claims or 7800
other obligations. 7801

(R) The duties of a director of a protected cell captive 7802
insurance company under this chapter shall be in addition to, 7803
and not in lieu of, those under other applicable law. 7804

Sec. 4701.14. (A) Except as permitted by rules adopted by 7805
the accountancy board, no individual shall assume or use the 7806
title or designation "certified public accountant," "certified 7807
accountant," "chartered accountant," "enrolled accountant," 7808
"licensed accountant," or "registered accountant," or any other 7809
title or designation likely to be confused with "certified 7810
public accountant," or any of the abbreviations "CPA," "PA," 7811
"CA," "EA," "LA," or "RA," or similar abbreviations likely to be 7812
confused with "CPA," or any other title, designation, words, 7813
letters, abbreviation, sign, card, or device tending to indicate 7814
that the individual is a certified public accountant, unless the 7815
individual holds a CPA certificate and holds an Ohio permit. 7816

However, an individual who possesses a foreign certificate, has 7817
registered under section 4701.09 of the Revised Code, and holds 7818
an Ohio permit may use the title permitted under the laws of the 7819
individual's other licensing jurisdiction, followed by the name 7820
of the jurisdiction. 7821

(B) Except as permitted by rules adopted by the board, no 7822
individual shall assume or use the title or designation "public 7823
accountant," "certified public accountant," "certified 7824
accountant," "chartered accountant," "enrolled accountant," 7825
"registered accountant," or "licensed accountant," or any other 7826
title or designation likely to be confused with "public 7827
accountant," or any of the abbreviations "PA," "CPA," "CA," 7828
"EA," "LA," or "RA," or similar abbreviations likely to be 7829
confused with "PA," or any other title, designation, words, 7830
letters, abbreviation, sign, card, or device tending to indicate 7831
that the individual is a public accountant, unless the 7832
individual holds a PA registration and holds an Ohio permit, or 7833
unless the individual holds a CPA certificate. An individual who 7834
holds a PA registration and an Ohio permit may hold self out to 7835
the public as an "accountant" or "auditor." 7836

(C) Except as provided in divisions (C)(1), (2), (3), and 7837
(4) of this section, no partnership, professional association, 7838
corporation-for-profit, limited liability company, or other 7839
business organization not addressed in this section that is 7840
practicing public accounting in this state shall assume or use 7841
the title or designation "certified public accountant," "public 7842
accountant," "certified accountant," "chartered accountant," 7843
"enrolled accountant," "licensed accountant," "registered 7844
accountant," or any other title or designation likely to be 7845
confused with "certified public accountant" or "public 7846
accountant," or any of the abbreviations "CPA," "PA," "CA," 7847

"EA," "RA," or "LA," or similar abbreviations likely to be 7848
confused with "CPA" or "PA," or any other title, designation, 7849
words, letters, abbreviation, sign, card, or device tending to 7850
indicate that the business organization is a public accounting 7851
firm. 7852

(1) (a) A partnership may assume or use the title or 7853
designation "certified public accountant," the abbreviation 7854
"CPA," or any other title, designation, words, letters, 7855
abbreviation, sign, card, or device tending to indicate that the 7856
partnership is composed of certified public accountants if it is 7857
a registered firm, if a majority of its partners who are 7858
individuals hold a CPA certificate or a foreign certificate, and 7859
if a majority of the owners of any qualified firm that is a 7860
partner hold a CPA certificate or a foreign certificate. 7861

(b) A partnership may assume or use the title or 7862
designation "public accountant," the abbreviation "PA," or any 7863
other title, designation, words, letters, abbreviation, sign, 7864
card, or device tending to indicate that the partnership is 7865
composed of public accountants if it is a registered firm, if a 7866
majority of its partners who are individuals hold a PA 7867
registration, a CPA certificate, or a foreign certificate, and 7868
if a majority of the owners of any qualified firm that is a 7869
partner hold a PA registration, a CPA certificate, or a foreign 7870
certificate. 7871

(2) (a) A professional association incorporated under 7872
Chapter 1785. of the Revised Code may assume or use the title or 7873
designation "certified public accountant," the abbreviation 7874
"CPA," or any other title, designation, words, letters, 7875
abbreviation, sign, card, or device tending to indicate that the 7876
professional association is composed of certified public 7877

accountants if it is a registered firm, if a majority of its 7878
shareholders who are individuals hold a CPA certificate or a 7879
foreign certificate, and if a majority of the owners of any 7880
qualified firm that is a shareholder hold a CPA certificate or a 7881
foreign certificate. 7882

(b) A professional association incorporated under Chapter 7883
1785. of the Revised Code may assume or use the title or 7884
designation "public accountant," the abbreviation "PA," or any 7885
other title, designation, words, letters, abbreviation, sign, 7886
card, or device tending to indicate that the professional 7887
association is composed of public accountants if it is a 7888
registered firm, if a majority of its shareholders who are 7889
individuals hold a PA registration, a CPA certificate, or a 7890
foreign certificate, and if a majority of the owners of any 7891
qualified firm that is a shareholder hold a PA registration, a 7892
CPA certificate, or a foreign certificate. 7893

(3) (a) A corporation-for-profit incorporated under Chapter 7894
1701. of the Revised Code may assume or use the title or 7895
designation "certified public accountant," the abbreviation 7896
"CPA," or any other title, designation, words, letters, 7897
abbreviation, sign, card, or device tending to indicate that the 7898
corporation is composed of certified public accountants if it is 7899
a registered firm, if a majority of its shareholders who are 7900
individuals hold a CPA certificate or a foreign certificate, and 7901
if a majority of the owners of any qualified firm that is a 7902
shareholder hold a CPA certificate or a foreign certificate. 7903

(b) A corporation incorporated under Chapter 1701. of the 7904
Revised Code may assume or use the title or designation "public 7905
accountant," the abbreviation "PA," or any other title, 7906
designation, words, letters, abbreviation, sign, card, or device 7907

tending to indicate that the corporation is composed of public 7908
accountants if it is a registered firm, if a majority of the 7909
shareholders who are individuals hold a PA registration, a CPA 7910
certificate, or a foreign certificate, and if a majority of the 7911
owners of any qualified firm that is a shareholder hold a PA 7912
registration, a CPA certificate, or a foreign certificate. 7913

(4) (a) A limited liability company organized under Chapter 7914
1705. or 1706. of the Revised Code may assume or use the title 7915
or designation "certified public accountant," the abbreviation 7916
"CPA," or any other title, designation, words, letters, 7917
abbreviation, sign, card, or device tending to indicate that the 7918
limited liability company is composed of certified public 7919
accountants if it is a registered firm, if a majority of its 7920
members who are individuals hold a CPA certificate or a foreign 7921
certificate, and if a majority of the owners of any qualified 7922
firm that is a member hold a CPA certificate or a foreign 7923
certificate. 7924

(b) A limited liability company organized under Chapter 7925
1705. or 1706. of the Revised Code may assume or use the title 7926
or designation "public accountant," the abbreviation "PA," or 7927
any other title, designation, words, letters, abbreviation, 7928
sign, card, or device tending to indicate that the limited 7929
liability company is composed of public accountants if it is a 7930
registered firm, if a majority of the members who are 7931
individuals hold a PA registration, CPA certificate, or a 7932
foreign certificate, and if a majority of the owners of any 7933
qualified firm that is a member hold a PA registration, a CPA 7934
certificate, or a foreign certificate. 7935

(D) No individual shall sign, affix, or associate the 7936
individual's name or any trade or assumed name used by the 7937

individual in the individual's profession or business to any 7938
attest report with any wording indicating that the individual is 7939
an accountant or auditor, or with any wording accompanying or 7940
contained in the attest report that indicates that the 7941
individual has expert knowledge in accounting or auditing or 7942
expert knowledge regarding compliance with conditions 7943
established by law or contract, including, but not limited to, 7944
statutes, ordinances, regulations, grants, loans, and 7945
appropriations, unless the individual holds an Ohio permit. 7946
However, this division does not prohibit any officer, employee, 7947
partner, or principal of any organization from affixing the 7948
officer's, employee's, partner's, or principal's signature to 7949
any statement or report in reference to the financial affairs of 7950
that organization with any wording designating the position, 7951
title, or office that the individual holds in that organization. 7952
This division also does not prohibit any act of a public 7953
official or public employee in the performance of the public 7954
official's or public employee's duties. 7955

(E) No person shall sign, affix, or associate the name of 7956
a partnership, limited liability company, professional 7957
association, corporation-for-profit, or other business 7958
organization not addressed in this section to any attest report 7959
with any wording accompanying or contained in the attest report 7960
that indicates that the partnership, limited liability company, 7961
professional association, corporation-for-profit, or other 7962
business organization is composed of or employs accountants or 7963
auditors or persons having expert knowledge in accounting or 7964
auditing or expert knowledge regarding compliance with 7965
conditions established by law or contract, including, but not 7966
limited to, statutes, ordinances, regulations, grants, loans, 7967
and appropriations, unless the partnership, limited liability 7968

company, professional association, corporation-for-profit, or 7969
other business organization is a registered firm. 7970

(F) No individual who does not hold an Ohio permit shall 7971
hold self out to the public as an "accountant" or "auditor" by 7972
use of either or both of those words on any sign, card, or 7973
letterhead, in any advertisement or directory, or otherwise, 7974
without indicating on the sign, card, or letterhead, in the 7975
advertisement or directory, or in the other manner of holding 7976
out that the person does not hold an Ohio permit. An individual 7977
who holds a CPA certificate and an Ohio permit may hold self out 7978
to the public as an "accountant" or "auditor." However, this 7979
division does not prohibit any officer, employee, partner, or 7980
principal of any organization from describing self by the 7981
position, title, or office the person holds in that 7982
organization. This division also does not prohibit any act of a 7983
public official or public employee in the performance of the 7984
public official's or public employee's duties. 7985

(G) No partnership, professional association, corporation- 7986
for-profit, limited liability company, or other business 7987
organization not addressed in this section that is not entitled 7988
to assume or use the title "certified public accountant" or 7989
"public accountant" under division (C) of this section shall 7990
hold itself out to the public as a partnership, professional 7991
association, corporation-for-profit, limited liability company, 7992
or other business organization not addressed in this section as 7993
being composed of or employing "accountants" or "auditors" by 7994
use of either or both of those words on any sign, card, or 7995
letterhead, in any advertisement or directory, or otherwise, 7996
without indicating on the sign, card, or letterhead, in the 7997
advertisement or directory, or in the other manner of holding 7998
out that the partnership, professional association, corporation- 7999

for-profit, limited liability company, or other business 8000
organization is not a registered firm and is not permitted by 8001
law to practice as a public accounting firm. 8002

(H) No person shall assume or use the title or designation 8003
"certified public accountant" or "public accountant" in 8004
conjunction with names indicating or implying that there is a 8005
partnership or in conjunction with the designation "and Company" 8006
or "and Co." or a similar designation if, in any of those cases, 8007
there is in fact no bona fide partnership entitled to designate 8008
itself as a partnership of certified public accountants under 8009
division (C) (1) (a) of this section or as a partnership of public 8010
accountants under division (C) (1) (b) of this section. However, a 8011
sole proprietor or partnership that was on October 22, 1959, or 8012
a corporation that on or after September 30, 1974, has been, 8013
lawfully using a title or designation of those types in 8014
conjunction with names or designations of those types, may 8015
continue to do so if the sole proprietor, partnership, or 8016
corporation otherwise complies with this section. 8017

(I) (1) Notwithstanding any other provision of this 8018
chapter, an individual whose principal place of business is not 8019
in this state and who holds a valid foreign certificate as a 8020
certified public accountant shall be presumed to have 8021
qualifications substantially equivalent to this state's CPA 8022
requirements and shall have all of the privileges of a holder of 8023
a CPA certificate and an Ohio permit without the need to obtain 8024
a CPA certificate and an Ohio permit if the accountancy board 8025
has found and has specified in its rules adopted pursuant to 8026
division (A) of section 4701.03 of the Revised Code that the CPA 8027
requirements of the state that issued the individual's foreign 8028
certificate are substantially equivalent to this state's CPA 8029
requirements. 8030

(2) Any individual exercising the privilege afforded under 8031
division (I)(1) of this section hereby consents and is subject, 8032
as a condition of the grant of the privilege, to all of the 8033
following: 8034

(a) The personal and subject matter jurisdiction of the 8035
accountancy board; 8036

(b) All practice and disciplinary provisions of this 8037
chapter and the accountancy board's rules; 8038

(c) The appointment of the board that issued the 8039
individual's foreign certificate as the individual's agent upon 8040
whom process may be served in any action or proceeding by the 8041
accountancy board against the individual. 8042

(3) The holder of a CPA certificate and an Ohio permit who 8043
offers or renders attest services or uses the holder's CPA title 8044
in another state shall be subject to disciplinary action in this 8045
state for an act committed in the other state for which the 8046
holder of a foreign certificate issued by the other state would 8047
be subject to discipline in the other state. 8048

(4) The holder of a foreign certificate who offers or 8049
renders attest services or uses a CPA title or designation in 8050
this state pursuant to the privilege afforded by division (I)(1) 8051
of this section shall be subject to disciplinary action in this 8052
state for any act that would subject the holder of a CPA 8053
certificate and an Ohio permit to disciplinary action in this 8054
state. 8055

Sec. 4703.18. (A) No person shall enter upon the practice 8056
of architecture or hold forth as an architect or registered 8057
architect, unless the person has complied with sections 4703.01 8058
to 4703.19 of the Revised Code and is the holder of a 8059

certificate of qualification to practice architecture issued or 8060
renewed and registered under those sections. 8061

(B) Sections 4703.01 to 4703.19 of the Revised Code do not 8062
prevent persons other than architects from filing applications 8063
for building permits or obtaining those permits. 8064

(C) Sections 4703.01 to 4703.19 of the Revised Code do not 8065
prevent persons other than architects from preparing plans, 8066
drawings, specifications, or data, filing applications for 8067
building permits, or obtaining those permits for residential 8068
buildings, as defined by section 3781.06 of the Revised Code, or 8069
buildings erected as industrialized one-, two-, or three-family 8070
units or structures within the meaning of the term 8071
"industrialized unit" as provided in section 3781.06 of the 8072
Revised Code. 8073

(D) Sections 4703.01 to 4703.19 of the Revised Code do not 8074
prevent persons other than architects from preparing drawings or 8075
data, from filing applications for building permits, or from 8076
obtaining those permits for the installation of replacement 8077
equipment or systems that are similar in type or capacity to the 8078
equipment or systems being replaced, and for any improvement, 8079
alteration, repair, painting, decorating, or other modification 8080
of any buildings or structures subject to sections 3781.06 to 8081
3781.18 and 3791.04 of the Revised Code where the building 8082
official determines that no plans or specifications are required 8083
for approval. 8084

(E) Sections 4703.01 to 4703.19 of the Revised Code do not 8085
exclude a registered professional engineer from architectural 8086
practice that may be incident to the practice of engineering or 8087
exclude a registered architect from engineering practice that 8088
may be incident to the practice of architecture. 8089

(F) Sections 4703.01 to 4703.19 of the Revised Code do not 8090
prevent a firm, partnership, association, limited liability 8091
company, or corporation of architects registered under those 8092
sections from providing architectural services and do not 8093
prevent an individual registered as a landscape architect under 8094
sections 4703.30 to 4703.49 of the Revised Code or as a 8095
professional engineer under Chapter 4733. of the Revised Code 8096
from being a member or trustee of a firm, partnership, 8097
association, limited liability company, or corporation of that 8098
type, but a member or trustee of that type shall not engage in 8099
the practice of architecture or hold forth as an architect 8100
contrary to sections 4703.01 to 4703.19 of the Revised Code and 8101
shall not practice a profession in which the person is not 8102
licensed. 8103

(G) A firm, partnership, association, limited liability 8104
company, or corporation may provide architectural services in 8105
this state as long as the services are provided only through 8106
natural persons registered to provide those services in this 8107
state, subject to the exemptions in section 4703.17 of the 8108
Revised Code and subject otherwise to the requirements of 8109
sections 4703.01 to 4703.19 of the Revised Code. 8110

(H) No firm, partnership, association, limited liability 8111
company, or corporation shall provide architectural services, 8112
hold itself out to the public as providing architectural 8113
services, or use a name including the word "architect" or any 8114
modification or derivation of the word, unless the firm, 8115
partnership, association, limited liability company, or 8116
corporation files all information required to be filed under 8117
this section with the architects board and otherwise complies 8118
with all requirements of sections 4703.01 to 4703.19 of the 8119
Revised Code. A nonprofit membership corporation may use a name 8120

including the word "architect" or any modification or derivation 8121
of the word without complying with this section. 8122

(I) A corporation may be organized under Chapter 1701. of 8123
the Revised Code, a professional association may be organized 8124
under Chapter 1785. of the Revised Code, or a limited liability 8125
company may be formed under Chapter 1705. or 1706. of the 8126
Revised Code for the purpose of providing professional 8127
engineering, surveying, architectural, or landscape 8128
architectural services, or any combination of those services. A 8129
corporation organized under Chapter 1701. of the Revised Code 8130
for the purpose of providing those services also may be 8131
organized for any other purpose in accordance with that chapter. 8132

(J) No firm, partnership, association, limited liability 8133
company, or corporation shall provide or offer to provide 8134
architectural services in this state unless more than fifty per 8135
cent of the partners, members, or shareholders, more than fifty 8136
per cent of the directors in the case of a corporation or 8137
professional association, more than fifty per cent of the 8138
managers in the case of a limited liability company the 8139
management of which is not reserved to its members, and more 8140
than fifty per cent of the trustees in the case of an employee 8141
stock ownership plan, are professional engineers, surveyors, 8142
architects, or landscape architects or a combination of those 8143
professions, who are registered in this or any other state and 8144
who own more than fifty per cent of the interests in the firm, 8145
partnership, association, limited liability company, or 8146
corporation; unless the requirements of this division and of 8147
section 1785.02 of the Revised Code are satisfied with respect 8148
to any professional association organized under Chapter 1785. of 8149
the Revised Code; or unless the requirements of this division 8150
and of Chapter 1705. or 1706. of the Revised Code are satisfied 8151

with respect to a limited liability company formed under that 8152
chapter. 8153

A corporation is exempt from the requirements of division 8154
(J) of this section if the corporation was granted a charter 8155
prior to August 7, 1943, to engage in providing architectural 8156
services or was otherwise lawfully providing architectural 8157
services prior to November 15, 1982, in this state. 8158

(K) Each firm, partnership, association, limited liability 8159
company, or corporation through which architectural services are 8160
offered or provided in this state shall designate one or more 8161
trustees, partners, managers, members, officers, or directors as 8162
being in responsible charge of the professional architectural 8163
activities and decisions, and those designated persons shall be 8164
registered in this state. In the case of a corporation holding a 8165
certificate of authorization provided for in division (L) of 8166
this section, at least one of the persons so designated shall be 8167
a director of the corporation. Each firm, partnership, 8168
association, limited liability company, or corporation of that 8169
type shall annually file with the architects board the name and 8170
address of each trustee, partner, manager, officer, director, 8171
member, or shareholder, and each firm, partnership, association, 8172
limited liability company, or corporation of that type shall 8173
annually file with the board the name and address of all persons 8174
designated as being in responsible charge of the professional 8175
architectural activities and decisions and any other information 8176
the board may require. If there is a change in any such person 8177
in the interval between filings, the change shall be filed with 8178
the board in the manner and within the time that the board 8179
determines. 8180

(L) No corporation organized under Chapter 1701. of the 8181

Revised Code shall engage in providing architectural services in 8182
this state without obtaining a certificate of authorization from 8183
the architects board. A corporation desiring a certificate of 8184
authorization shall file with the board a copy of its articles 8185
of incorporation and a listing on the form that the board 8186
directs of the names and addresses of all trustees, officers, 8187
directors, and shareholders of the corporation, the names and 8188
addresses of any individuals providing professional services on 8189
behalf of the corporation who are registered to practice 8190
architecture in this state, and any other information the board 8191
requires. If all requirements of sections 4703.01 to 4703.19 of 8192
the Revised Code are met, the board may issue a certificate of 8193
authorization to the corporation. Except for a corporation that 8194
was granted a charter prior to August 7, 1943, to engage in 8195
providing architectural services or that was otherwise lawfully 8196
providing architectural services prior to November 15, 1982, no 8197
certificate of authorization shall be issued unless persons 8198
owning more than fifty per cent of the corporation's shares and 8199
more than fifty per cent of the interests in the corporation are 8200
professional engineers, surveyors, architects, or landscape 8201
architects, or a combination of those professions, who are 8202
registered in this or any other state. Any corporation that 8203
holds a certificate of authorization under this section and 8204
otherwise meets the requirements of sections 4703.01 to 4703.19 8205
of the Revised Code may be organized for any purposes for which 8206
corporations may be organized under Chapter 1701. of the Revised 8207
Code and shall not be limited to the purposes of providing 8208
professional engineering, surveying, architectural, or landscape 8209
architectural services or any combination of those professions. 8210
The board, by rules adopted in accordance with Chapter 119. of 8211
the Revised Code, may require any firm, partnership, 8212
association, or limited liability company not organized under 8213

Chapter 1701. of the Revised Code that provides architectural 8214
services to obtain a certificate of authorization. If the board 8215
so requires, no firm, partnership, association, or limited 8216
liability company shall engage in providing architectural 8217
services without obtaining the certificate and complying with 8218
the rules. 8219

(M) This section does not modify any law applicable to the 8220
relationship between a person furnishing a professional service 8221
and a person receiving that service, including liability arising 8222
out of that service. 8223

(N) Nothing in this section restricts or limits in any 8224
manner the authority or duty of the architects board with 8225
respect to natural persons providing professional services or 8226
any law or rule pertaining to standards of professional conduct. 8227

Sec. 4703.331. (A) A firm, partnership, association, 8228
limited liability company, or corporation may provide landscape 8229
architectural services in this state as long as the services are 8230
provided only through natural persons registered to provide 8231
those services in this state and subject to the requirements of 8232
this chapter. 8233

(B) No firm, partnership, association, limited liability 8234
company, or corporation shall provide landscape architectural 8235
services, hold itself out to the public as providing landscape 8236
architectural services, or use a name including the word 8237
"landscape architect," "professional landscape architect," or 8238
"registered landscape architect" or any modification or 8239
derivation of those words, unless the firm, partnership, 8240
association, limited liability company, or corporation files all 8241
information required to be filed under this section with the 8242
Ohio landscape architects board and otherwise complies with all 8243

requirements of this chapter. A nonprofit membership corporation 8244
may use a name including the word "landscape architect," 8245
"professional landscape architect," or "registered landscape 8246
architect" or any modification or derivation of those words 8247
without complying with this section. 8248

(C) A corporation may be organized under Chapter 1701. of 8249
the Revised Code, a professional association may be organized 8250
under Chapter 1785. of the Revised Code, or a limited liability 8251
company may be formed under Chapter 1705. or 1706. of the 8252
Revised Code for the purpose of providing professional 8253
engineering, surveying, architectural, or landscape 8254
architectural services, or any combination of those services. A 8255
corporation organized under Chapter 1701. of the Revised Code 8256
for the purpose of providing those services also may be 8257
organized for any other purpose in accordance with that chapter. 8258

(D) No firm, partnership, association, limited liability 8259
company, or corporation shall provide or offer to provide 8260
landscape architectural services in this state unless more than 8261
fifty per cent of the partners, members, or shareholders, more 8262
than fifty per cent of the directors in the case of a 8263
corporation or professional association, more than fifty per 8264
cent of the managers in the case of a limited liability company 8265
the management of which is not reserved to its members, and more 8266
than fifty per cent of the trustees in the case of an employee 8267
stock ownership plan, are professional engineers, surveyors, 8268
architects, or landscape architects or a combination of those 8269
professions, who are registered in this or any other state and 8270
who own more than fifty per cent of the interests in the firm, 8271
partnership, association, limited liability company, or 8272
corporation; unless the requirements of this division and of 8273
section 1785.02 of the Revised Code are satisfied with respect 8274

to any professional association organized under Chapter 1785. of 8275
the Revised Code; or unless the requirements of this division 8276
and of Chapter 1705. or 1706. of the Revised Code are satisfied 8277
with respect to a limited liability company formed under that 8278
chapter. 8279

(E) Each firm, partnership, association, limited liability 8280
company, or corporation through which landscape architectural 8281
services are offered or provided in this state shall designate 8282
one or more trustees, partners, managers, members, officers, or 8283
directors as being in responsible charge of the professional 8284
landscape architectural activities and decisions, and those 8285
designated persons shall be registered in this state. Each firm, 8286
partnership, association, limited liability company, or 8287
corporation of that type shall annually file with the board the 8288
name and address of each trustees, partner, manager, officer, 8289
director, member, or shareholder, and each firm, partnership, 8290
association, limited liability company, or corporation of that 8291
type shall annually file with the board the name and address of 8292
all persons designated as being in responsible charge of the 8293
professional landscape architectural activities and decisions 8294
and any other information the board may require. If there is a 8295
change in any such person in the interval between filings, the 8296
change shall be filed with the board in the manner and within 8297
the time that the board determines. 8298

(F) No corporation organized under Chapter 1701. of the 8299
Revised Code shall engage in providing landscape architectural 8300
services in this state without obtaining a certificate of 8301
authorization from the board. A corporation desiring a 8302
certificate of authorization shall file with the board a copy of 8303
its articles of incorporation and a listing on the form that the 8304
board directs of the names and addresses of all trustees, 8305

officers, directors, and shareholders of the corporation, the 8306
names and addresses of any individuals providing professional 8307
services on behalf of the corporation who are registered to 8308
practice landscape architecture in this state, and any other 8309
information the board requires. If all requirements of this 8310
chapter are met, the board may issue a certificate of 8311
authorization to the corporation. No certificate of 8312
authorization shall be issued unless persons owning more than 8313
fifty per cent of the corporation's shares and more than fifty 8314
per cent of the interests in the corporation are professional 8315
engineers, surveyors, architects, or landscape architects, or a 8316
combination of those professions, who are registered in this or 8317
any other state. Any corporation that holds a certificate of 8318
authorization under this section and otherwise meets the 8319
requirements of this chapter may be organized for any purposes 8320
for which corporations may be organized under Chapter 1701. of 8321
the Revised Code and shall not be limited to the purposes of 8322
providing professional engineering, surveying, architectural, or 8323
landscape architectural services or any combination of those 8324
services. The board, by rules adopted in accordance with Chapter 8325
119. of the Revised Code, may require any firm, partnership, 8326
association, or limited liability company not organized under 8327
Chapter 1701. of the Revised Code that provides landscape 8328
architectural services to obtain a certificate of authorization. 8329
If the board so requires, no firm, partnership, association, or 8330
limited liability company shall engage in providing landscape 8331
architectural services without obtaining the certificate and 8332
complying with the rules. 8333

(G) This section does not modify any law applicable to the 8334
relationship between a person furnishing a professional service 8335
and a person receiving that service, including liability arising 8336

out of that service. 8337

(H) Nothing in this section shall restrict or limit in any 8338
manner the authority or duty of the board with respect to 8339
natural persons providing professional services or any law or 8340
rule pertaining to standards of professional conduct. 8341

Sec. 4715.18. (A) No person shall practice or offer to 8342
practice dentistry or dental surgery under the name of any 8343
company, association, corporation, or other entity other than 8344
one of the following: 8345

(1) A corporation-for-profit formed under Chapter 1701. of 8346
the Revised Code; 8347

(2) A professional association established under Chapter 8348
1785. of the Revised Code; 8349

(3) A limited liability company formed under Chapter 1705. 8350
or 1706. of the Revised Code; 8351

(4) A federally qualified health center, federally 8352
qualified health center look-alike, free clinic, nonprofit 8353
shelter or health care facility, or nonprofit clinic that 8354
provides health care services or dental services to indigent and 8355
uninsured persons. 8356

(B) Any person practicing or offering to practice 8357
dentistry or dental surgery shall do so under the person's name, 8358
the name of a professional association, professional 8359
partnership, corporation-for-profit, or limited liability 8360
company that includes the person's name, or the name of an 8361
organization specified in division (A) (4) of this section. 8362

(C) As used in this section: 8363

(1) "Federally qualified health center" and "federally 8364

qualified health center look-alike" have the same meanings as in 8365
section 3701.047 of the Revised Code. 8366

(2) "Free clinic" and "nonprofit shelter or health care 8367
facility" have the same meanings as in section 3701.071 of the 8368
Revised Code. 8369

(3) "Nonprofit clinic" has the same meaning as in section 8370
3715.87 of the Revised Code. 8371

(4) "Indigent and uninsured person" has the same meaning 8372
as in section 2305.234 of the Revised Code. 8373

Sec. 4715.22. (A) (1) This section applies only when a 8374
licensed dental hygienist is not practicing in accordance with 8375
either of the following: 8376

(a) A permit issued pursuant to section 4715.363 of the 8377
Revised Code authorizing practice under the oral health access 8378
supervision of a dentist; 8379

(b) Section 4715.431 of the Revised Code. 8380

(2) As used in this section, "health care facility" means 8381
either of the following: 8382

(a) A hospital registered under section 3701.07 of the 8383
Revised Code; 8384

(b) A home, as defined in section 3721.01 of the Revised 8385
Code. 8386

(B) A licensed dental hygienist shall practice under the 8387
supervision, order, control, and full responsibility of a 8388
dentist licensed under this chapter. A dental hygienist may 8389
practice in a dental office, public or private school, health 8390
care facility, dispensary, or public institution. Except as 8391

provided in divisions (C) to (E) of this section, a dental 8392
hygienist may not provide dental hygiene services to a patient 8393
when the supervising dentist is not physically present at the 8394
location where the dental hygienist is practicing. 8395

(C) A dental hygienist may provide, for not more than 8396
fifteen consecutive business days, dental hygiene services to a 8397
patient when the supervising dentist is not physically present 8398
at the location where the services are provided if all of the 8399
following requirements are met: 8400

(1) The dental hygienist has at least one year and a 8401
minimum of one thousand five hundred hours of experience in the 8402
practice of dental hygiene. 8403

(2) The dental hygienist has successfully completed a 8404
course approved by the state dental board in the identification 8405
and prevention of potential medical emergencies. 8406

(3) The dental hygienist does not perform, while the 8407
supervising dentist is absent from the location, procedures 8408
while the patient is anesthetized, definitive root planing, 8409
definitive subgingival curettage, or other procedures identified 8410
in rules the state dental board adopts. 8411

(4) The supervising dentist has evaluated the dental 8412
hygienist's skills. 8413

(5) The supervising dentist examined the patient not more 8414
than one year prior to the date the dental hygienist provides 8415
the dental hygiene services to the patient. 8416

(6) The dental hygienist complies with written protocols 8417
or written standing orders that the supervising dentist 8418
establishes, including those established for emergencies. 8419

(7) The supervising dentist completed and evaluated a 8420
medical and dental history of the patient not more than one year 8421
prior to the date the dental hygienist provides dental hygiene 8422
services to the patient and, except when the dental hygiene 8423
services are provided in a health care facility, the supervising 8424
dentist determines that the patient is in a medically stable 8425
condition. 8426

(8) If the dental hygiene services are provided in a 8427
health care facility, a doctor of medicine and surgery or 8428
osteopathic medicine and surgery licensed under Chapter 4731. of 8429
the Revised Code or a registered nurse licensed under Chapter 8430
4723. of the Revised Code is present in the health care facility 8431
when the services are provided. 8432

(9) In advance of the appointment for dental hygiene 8433
services, the patient is notified that the supervising dentist 8434
will be absent from the location and that the dental hygienist 8435
cannot diagnose the patient's dental health care status. 8436

(10) The dental hygienist is employed by, or under 8437
contract with, one of the following: 8438

(a) The supervising dentist; 8439

(b) A dentist licensed under this chapter who is one of 8440
the following: 8441

(i) The employer of the supervising dentist; 8442

(ii) A shareholder in a professional association formed 8443
under Chapter 1785. of the Revised Code of which the supervising 8444
dentist is a shareholder; 8445

(iii) A member or manager of a limited liability company 8446
formed under Chapter 1705. or 1706. of the Revised Code of which 8447

the supervising dentist is a member or manager; 8448

(iv) A shareholder in a corporation formed under division 8449
(B) of section 1701.03 of the Revised Code of which the 8450
supervising dentist is a shareholder; 8451

(v) A partner or employee of a partnership or a limited 8452
liability partnership formed under Chapter 1775. or 1776. of the 8453
Revised Code of which the supervising dentist is a partner or 8454
employee. 8455

(c) A government entity that employs the dental hygienist 8456
to provide dental hygiene services in a public school or in 8457
connection with other programs the government entity 8458
administers. 8459

(D) A dental hygienist may provide dental hygiene services 8460
to a patient when the supervising dentist is not physically 8461
present at the location where the services are provided if the 8462
services are provided as part of a dental hygiene program that 8463
is approved by the state dental board and all of the following 8464
requirements are met: 8465

(1) The program is operated through a school district 8466
board of education or the governing board of an educational 8467
service center; the board of health of a city or general health 8468
district or the authority having the duties of a board of health 8469
under section 3709.05 of the Revised Code; a national, state, 8470
district, or local dental association; or any other public or 8471
private entity recognized by the state dental board. 8472

(2) The supervising dentist is employed by or a volunteer 8473
for, and the patients are referred by, the entity through which 8474
the program is operated. 8475

(3) (a) Except as provided in division (D) (3) (b) of this 8476

section, the services are performed after examination and 8477
diagnosis by the dentist and in accordance with the dentist's 8478
written treatment plan. 8479

(b) The requirement in division (D) (3) (a) of this section 8480
does not apply when the only services to be provided by the 8481
dental hygienist are the placement of pit and fissure sealants 8482
and the application of fluoride varnish. 8483

(E) A dental hygienist may do any of the following when 8484
the supervising dentist is not physically present at the 8485
location where the services are provided, regardless of whether 8486
the dentist has examined the patient, if the dental hygienist is 8487
employed by, or under contract with, the supervising dentist or 8488
another person or government entity specified in division (C) 8489
(10) (b) or (c) of this section: 8490

(1) Apply fluoride varnish; 8491

(2) Apply desensitizing agents, excluding silver diamine 8492
fluoride; 8493

(3) Apply disclosing solutions; 8494

(4) Apply pit and fissure sealants; 8495

(5) Recement temporary crowns or recement crowns with 8496
temporary cement; 8497

(6) Conduct caries susceptibility testing; 8498

(7) Provide instruction on oral hygiene home care, 8499
including the use of toothbrushes and dental floss; 8500

(8) Discuss general nonmedical nutrition information for 8501
the purpose of maintaining good oral health. 8502

As used in division (E) (8) of this section, "general 8503

nonmedical nutrition information" means information on the 8504
following: principles of good nutrition and food preparation, 8505
food to be included in the normal daily diet, the essential 8506
nutrients needed by the body, recommended amounts of the 8507
essential nutrients, the actions of nutrients on the body, the 8508
effects of deficiencies or excesses of nutrients, or food and 8509
supplements that are good sources of essential nutrients. 8510

(F) No person shall do either of the following: 8511

(1) Practice dental hygiene in a manner that is separate 8512
or otherwise independent from the dental practice of a 8513
supervising dentist; 8514

(2) Establish or maintain an office or practice that is 8515
primarily devoted to the provision of dental hygiene services. 8516

(G) The state dental board shall adopt rules under 8517
division (C) of section 4715.03 of the Revised Code identifying 8518
procedures a dental hygienist may not perform when practicing in 8519
the absence of the supervising dentist pursuant to division (C) 8520
or (D) of this section. 8521

Sec. 4715.365. (A) A dentist who holds a current, valid 8522
oral health access supervision permit issued under section 8523
4715.362 of the Revised Code may authorize a dental hygienist 8524
who holds a current, valid permit issued under section 4715.363 8525
of the Revised Code to perform dental hygiene services at a 8526
facility when no dentist is physically present if all of the 8527
following conditions are met: 8528

(1) The authorizing dentist's authorization is in writing 8529
and includes, at a minimum, all of the following: 8530

(a) The authorizing dentist's name and permit number; 8531

(b) The dental hygienist's name and permit number;	8532
(c) The patient's name;	8533
(d) The name and address of the location where the dental hygiene services are to be provided;	8534 8535
(e) The date of authorization;	8536
(f) A statement, signed by the dental hygienist, that the hygienist agrees to comply with section 4715.366 of the Revised Code.	8537 8538 8539
(2) The authorizing dentist has personally evaluated the dental hygienist's skills prior to authorizing the dental hygienist to provide the dental hygiene services.	8540 8541 8542
(3) Prior to authorizing the dental hygienist to perform the dental hygiene services, the patient's medical and dental history is made available to the authorizing dentist and the authorizing dentist reviews and evaluates the history and determines that the patient may safely receive dental hygiene services.	8543 8544 8545 8546 8547 8548
(4) Immediately prior to the provision of dental hygiene services, the patient or patient's representative verifies, by the signature or mark of the patient or representative, that no medically significant changes to the patient's medical or dental history have occurred since the authorizing dentist most recently reviewed and evaluated the history and determined that the patient could safely receive dental hygiene services. The signature or mark may be provided through reasonable accommodation, including the use of assistive technology or augmentative devices.	8549 8550 8551 8552 8553 8554 8555 8556 8557 8558
(5) Prior to receiving dental hygiene services, the	8559

patient and the operator of the facility where the dental 8560
hygiene services are to be provided are notified that no dentist 8561
will be present at the location and that the dental hygienist is 8562
prohibited from doing either of the following: 8563

(a) Diagnosing the patient's oral health care status; 8564

(b) Providing dental hygiene services to the same patient 8565
on a subsequent occasion until the patient has received a 8566
clinical evaluation performed by a dentist, except in instances 8567
described in division (D) (2) of this section. 8568

(6) The dental hygienist is employed by, or under contract 8569
with, one of the following: 8570

(a) The authorizing dentist; 8571

(b) A dentist who is any of the following: 8572

(i) The authorizing dentist's employer; 8573

(ii) A shareholder in a professional association, formed 8574
under Chapter 1785. of the Revised Code, of which the 8575
authorizing dentist is a shareholder; 8576

(iii) A member or manager of a limited liability company, 8577
formed under Chapter 1705. or 1706. of the Revised Code, of 8578
which the authorizing dentist is a member or manager; 8579

(iv) A shareholder in a corporation, formed under division 8580
(B) of section 1701.03 of the Revised Code, of which the 8581
authorizing dentist is a shareholder; 8582

(v) A partner or employee of a partnership, formed under 8583
Chapter 1775. of the Revised Code, of which the authorizing 8584
dentist is a partner or employee; 8585

(vi) A partner or employee of a limited liability 8586

partnership, formed under Chapter 1775. of the Revised Code, of 8587
which the authorizing dentist is a partner or employee. 8588

(c) A government entity that employs the dental hygienist 8589
to provide dental hygiene services; 8590

(d) An entity that employs the authorizing dentist so long 8591
as the dentist's practice is not in violation of section 4715.18 8592
of the Revised Code. 8593

(7) If the patient to whom the services are to be provided 8594
previously received dental hygiene services under this section, 8595
there is written evidence that the patient received a clinical 8596
evaluation after the most recent provision of those services. 8597

(B) No dentist shall authorize a dental hygienist to 8598
perform, and no dental hygienist shall perform, dental hygiene 8599
services on a patient under this section unless all of the 8600
conditions in division (A) of this section are met. 8601

(C) If a patient or patient's representative indicates, 8602
under division (A) (4) of this section, that a medically 8603
significant change has occurred in the patient's medical or 8604
dental history since the authorizing dentist's most recent 8605
review and evaluation of the medical and dental history required 8606
by division (A) (3) of this section, no dental hygiene services 8607
shall be provided under this section until the authorizing 8608
dentist completes another review and evaluation of the patient's 8609
medical and dental history. The authorizing dentist may complete 8610
the subsequent review and evaluation of the patient's medical 8611
and dental history by telephone, facsimile, electronic mail, 8612
video, or any other means of electronic communication. 8613

(D) (1) Except as provided in division (D) (2) of this 8614
section, no dentist shall authorize a dental hygienist to 8615

provide, and no dental hygienist shall provide, dental hygiene 8616
services under this section to the same patient on a subsequent 8617
occasion until the patient has received a clinical evaluation 8618
performed by a dentist. 8619

(2) Division (D)(1) of this section does not apply if the 8620
patient requires multiple visits to complete one or more 8621
procedures that could not be completed during the visit in which 8622
dental hygiene services were commenced. If the patient requires 8623
multiple visits to complete the one or more procedures that 8624
could not be completed during the visit in which dental hygiene 8625
services were commenced, the one or more procedures shall be 8626
completed not later than eight weeks after the visit in which 8627
the dental hygiene services were commenced. 8628

(E) No authorizing dentist shall authorize a dental 8629
hygienist to diagnose a patient's oral health care status. No 8630
dental hygienist practicing under a permit issued under section 8631
4715.363 of the Revised Code to practice under the oral health 8632
access supervision of a dentist shall diagnose a patient's oral 8633
health care status. 8634

Sec. 4715.431. (A) If all of the conditions in division 8635
(B) of this section are met, an authorizing dentist may do 8636
either of the following under a teledentistry permit without 8637
examining a patient in person: 8638

(1) Authorize a dental hygienist or expanded function 8639
dental auxiliary to perform services as set forth in division 8640
(E) or (F) of this section, as applicable, at a location where 8641
no dentist is physically present; 8642

(2) Prescribe a drug that is not a controlled substance 8643
for a patient who is at a location where no dentist is 8644

physically present. 8645

(B) The conditions that must be met under division (A) of 8646
this section are the following: 8647

(1) The authorizing dentist must prepare a written 8648
authorization that includes all of the following: 8649

(a) The authorizing dentist's name and permit number; 8650

(b) The name of the dental hygienist or expanded function 8651
dental auxiliary; 8652

(c) The patient's name; 8653

(d) The name and address of the location where the 8654
services are to be provided; 8655

(e) The date of the authorization; 8656

(f) A statement signed by the dental hygienist or expanded 8657
function dental auxiliary agreeing to comply with the written 8658
protocols or written standing orders the authorizing dentist 8659
establishes, including those for dealing with emergencies; 8660

(g) Any other information the dentist considers 8661
appropriate. 8662

(2) Before any dental services are provided all of the 8663
following must occur: 8664

(a) The patient is notified that an authorizing dentist 8665
will perform a clinical evaluation through teledentistry. 8666

(b) The patient is given an explanation of alternatives 8667
to, and the capabilities and limitations of, teledentistry. 8668

(c) (i) Subject to division (B) (2) (c) (ii) of this section, 8669
the patient consents to the provision of services through 8670

teledentistry and the consent is documented in the patient's 8671
record. 8672

(ii) If the services to be provided are the placement of 8673
interim therapeutic restorations or the application of silver 8674
diamine fluoride, the requirements for informed consent in rules 8675
adopted under division (C) of section 4715.436 of the Revised 8676
Code have been met. 8677

(3) The authorizing dentist establishes the patient's 8678
identity and physical location through synchronous, real-time 8679
communication. 8680

(4) The authorizing dentist provides dental services 8681
through teledentistry only as is appropriate for the patient and 8682
in accordance with appropriate standards of care. 8683

(5) The authorizing dentist establishes a diagnosis and 8684
treatment plan and documents it in the patient's record. 8685

(6) The authorizing dentist specifies the services the 8686
dental hygienist or expanded function dental auxiliary is 8687
authorized to provide to the patient. 8688

(7) The dental hygienist or expanded function dental 8689
auxiliary is employed by, or under contract with, one of the 8690
following: 8691

(a) The authorizing dentist; 8692

(b) A dentist who is any of the following: 8693

(i) The authorizing dentist's employer; 8694

(ii) A shareholder in a professional association formed 8695
under Chapter 1785. of the Revised Code of which the authorizing 8696
dentist is a shareholder; 8697

(iii) A member or manager of a limited liability company 8698
formed under Chapter 1705. or 1706. of the Revised Code of which 8699
the authorizing dentist is a member or manager; 8700

(iv) A shareholder in a corporation formed under division 8701
(B) of section 1701.03 of the Revised Code of which the 8702
authorizing dentist is a shareholder; 8703

(v) A partner or employee of a partnership, formed under 8704
Chapter 1775. of the Revised Code, of which the authorizing 8705
dentist is a partner or employee; 8706

(vi) A partner or employee of a limited liability 8707
partnership, formed under Chapter 1775. of the Revised Code, of 8708
which the authorizing dentist is a partner or employee. 8709

(C) A dentist retains responsibility for ensuring the 8710
safety and quality of services provided to patients through 8711
teledentistry. Services delivered through teledentistry must be 8712
consistent with in-person services. Persons involved with 8713
providing services through teledentistry must abide by laws 8714
addressing the privacy and security of the patient's dental and 8715
medical information. 8716

(D) An authorizing dentist may not have more than a total 8717
of three dental hygienists and expanded ~~dental~~-function dental 8718
auxiliaries working under the dentist's authorization pursuant 8719
to this section at any time. 8720

(E) (1) If authorized to do so by an authorizing dentist in 8721
accordance with this section, a dental hygienist may provide 8722
dental hygiene services at a location where no dentist is 8723
physically present if all of the following requirements are met: 8724

(a) The dental hygienist has at least one year and a 8725
minimum of one thousand five hundred hours of experience in the 8726

practice of dental hygiene. 8727

(b) The dental hygienist has completed a course described 8728
in division (C) (2) of section 4715.22 of the Revised Code on the 8729
identification and prevention of potential medical emergencies. 8730

(c) The authorizing dentist has evaluated the dental 8731
hygienist's skills. 8732

(d) The dental hygienist complies with written protocols 8733
or written standing orders established by the authorizing 8734
dentist, including written protocols established for 8735
emergencies. 8736

(2) If authorized to do so by an authorizing dentist in 8737
accordance with this section, a dental hygienist may place 8738
interim therapeutic restorations when a dentist is not 8739
physically present at the location where the dental hygienist is 8740
practicing if the requirements of division (E) (1) of this 8741
section are met and the dental hygienist has successfully 8742
completed a state dental board-approved course in the proper 8743
placement of interim therapeutic restorations. 8744

(3) If authorized to do so by an authorizing dentist in 8745
accordance with this section, a dental hygienist may apply 8746
silver diamine fluoride when a dentist is not physically present 8747
at the location where the dental hygienist is practicing if the 8748
requirements of division (E) (1) of this section are met and the 8749
dental hygienist has successfully completed a state dental 8750
board-approved course in the application of silver diamine 8751
fluoride. 8752

(F) (1) If authorized to do so by an authorizing dentist in 8753
accordance with this section, an expanded function dental 8754
auxiliary may provide the services listed in divisions (A) (2) to 8755

(10) of section 4715.64 of the Revised Code, and any additional 8756
procedures authorized pursuant to division (A)(11) of that 8757
section, when a dentist is not physically present at the 8758
location where the expanded function dental auxiliary is 8759
practicing if all of the following requirements are met: 8760

(a) The expanded function dental auxiliary has at least 8761
one year and a minimum of one thousand five hundred hours of 8762
experience practicing as an expanded function dental auxiliary. 8763

(b) The expanded function dental auxiliary has completed a 8764
course described in division (C)(2) of section 4715.64 of the 8765
Revised Code on the identification and prevention of potential 8766
medical emergencies. 8767

(c) The authorizing dentist has evaluated the expanded 8768
function dental auxiliary's skills. 8769

(d) The expanded function dental auxiliary complies with 8770
written protocols or written standing orders established by the 8771
authorizing dentist, including written protocols for 8772
emergencies. 8773

(2) If authorized to do so by an authorizing dentist in 8774
accordance with this section, an expanded function dental 8775
auxiliary who meets the requirements of division (F)(1) of this 8776
section and has successfully completed a state dental board- 8777
approved course in the proper placement of interim therapeutic 8778
restorations may place interim therapeutic restorations when a 8779
dentist is not physically present at the location where the 8780
expanded function dental auxiliary is practicing. 8781

(3) If authorized to do so by an authorizing dentist in 8782
accordance with this section, an expanded function dental 8783
auxiliary who meets the requirements of division (F)(1) of this 8784

section and has successfully completed a state dental board- 8785
approved course in the application of silver diamine fluoride 8786
may apply silver diamine fluoride when a dentist is not 8787
physically present at the location where the expanded function 8788
dental auxiliary is practicing. 8789

(4) If authorized to do so by an authorizing dentist in 8790
accordance with this section, an expanded function dental 8791
auxiliary who meets the requirements of division (F) (1) of this 8792
section and holds a current, valid dental x-ray machine operator 8793
certificate issued by the board pursuant to section 4715.53 of 8794
the Revised Code may perform, for the purpose of contributing to 8795
the provision of dental care to a dental patient, standard, 8796
diagnostic radiologic procedures when a dentist is not 8797
physically present at the location where the expanded function 8798
dental auxiliary is practicing. 8799

Sec. 4717.06. (A) (1) A licensed funeral director who 8800
desires to obtain a license to operate a funeral home, a 8801
licensed embalmer who desires to obtain a license to operate an 8802
embalming facility, or a holder of a crematory operator permit 8803
who desires to obtain a license to operate a crematory facility 8804
shall apply to the board of embalmers and funeral directors on a 8805
form prescribed by the board. The application shall include the 8806
initial license application fee set forth in section 4717.07 of 8807
the Revised Code and proof satisfactory to the board that the 8808
funeral home, embalming facility, or crematory facility is in 8809
compliance with rules adopted by the board under section 4717.04 8810
of the Revised Code, rules adopted by the board of building 8811
standards under Chapter 3781. of the Revised Code, and all other 8812
federal, state, and local requirements relating to the safety of 8813
the premises. 8814

(2) If the funeral home, embalming facility, or crematory facility to which the license application pertains is owned by a corporation or limited liability company, the application shall include the name and address of the corporation's or limited liability company's statutory agent appointed under section 1701.07~~or, 1705.06, or 1706.09~~ of the Revised Code or, in the case of a foreign corporation, the corporation's designated agent appointed under section 1703.041 of the Revised Code. If the funeral home, embalming facility, or crematory facility to which the application pertains is owned by a partnership, the application shall include the name and address of each of the partners. If, at any time after the submission of a license application or issuance of a license, the statutory or designated agent of a corporation or limited liability company owning a funeral home, embalming facility, or crematory facility or the address of the statutory or designated agent changes or, in the case of a partnership, any of the partners of the funeral home, embalming facility, or crematory facility or the address of any of the partners changes, the applicant for or holder of the license to operate the funeral home, embalming facility, or crematory facility shall submit written notice to the board, within thirty days after the change, informing the board of the change and of any name or address of a statutory or designated agent or partner that has changed from that contained in the application for the license or the most recent notice submitted under division (A) (2) of this section.

(B) (1) The board of embalmers and funeral directors shall issue a license to operate a funeral home only to a licensed funeral director who is named in the application as the funeral director actually in charge and ultimately responsible for the funeral home. The board shall issue the license only for the

address at which the funeral home is physically located and 8846
operated. The funeral home license and licenses of the embalmers 8847
and funeral directors employed by the funeral home shall be 8848
displayed in a conspicuous place within the funeral home. The 8849
name of the funeral director to whom the funeral home license 8850
has been issued shall be conspicuously displayed immediately on 8851
the outside or the inside of the primary entrance to the funeral 8852
home that is used by the public. 8853

(2) The funeral home shall have on the premises one of the 8854
following: 8855

(a) If embalming will take place at the funeral home, an 8856
embalming room that is adequately equipped and maintained. The 8857
embalming room shall be kept in a clean and sanitary manner and 8858
used only for the embalming, preparation, or holding of dead 8859
human bodies. The embalming room shall contain only the 8860
articles, facilities, and instruments necessary for those 8861
purposes. 8862

(b) If embalming will not take place at the funeral home, 8863
a holding room that is adequately equipped and maintained. The 8864
holding room shall be kept in a clean and sanitary manner and 8865
used only for the preparation, other than embalming, and holding 8866
of dead human bodies. The holding room shall contain only the 8867
articles and facilities necessary for those purposes. 8868

(3) Each funeral home shall be directly supervised by a 8869
funeral director licensed under this chapter, who may supervise 8870
more than one funeral home. 8871

(C) (1) The board shall issue a license to operate an 8872
embalming facility only to a licensed embalmer who is actually 8873
in charge of and ultimately responsible for the embalming 8874

facility. The board shall issue the license only for the address 8875
at which the embalming facility is physically located and 8876
operated. The license shall be displayed in a conspicuous place 8877
within the facility. The name of the embalmer to whom the 8878
embalming facility license has been issued shall be 8879
conspicuously displayed on the outside or inside of the primary 8880
entrance to the embalming facility. 8881

(2) The embalming facility shall be adequately equipped 8882
and maintained in a sanitary manner. The embalming room at such 8883
a facility shall contain only the articles, facilities, and 8884
instruments necessary for its stated purpose. The embalming room 8885
shall be kept in a clean and sanitary condition and used only 8886
for the care and preparation of dead human bodies. 8887

(D) (1) The board shall issue a license to operate a 8888
crematory facility only to a crematory operator who is actually 8889
in charge and ultimately responsible for the crematory facility. 8890
The board shall issue the license only for the address at which 8891
the crematory facility is physically located and operated. The 8892
license shall be displayed in a conspicuous place within the 8893
crematory facility. The name of the crematory operator to whom 8894
the crematory facility license has been issued shall be 8895
conspicuously displayed on the outside or inside of the primary 8896
entrance to the crematory facility. 8897

(2) The crematory facility shall be adequately equipped 8898
and maintained in a clean and sanitary manner. The crematory 8899
facility may be located in a funeral home, embalming facility, 8900
cemetery building, or other building in which the crematory 8901
facility may lawfully operate. If a crematory facility engages 8902
in the cremation of animals, the crematory facility shall 8903
cremate animals in a cremation chamber that also is not used to 8904

cremate dead human bodies or human body parts and shall not 8905
cremate animals in a cremation chamber used for the cremation of 8906
dead human bodies and human body parts. Cremation chambers that 8907
are used for the cremation of dead human bodies or human body 8908
parts and cremation chambers used for the cremation of animals 8909
may be located in the same area. Cremation chambers used for the 8910
cremation of animals shall have conspicuously displayed on the 8911
unit a notice that the unit is to be used for animals only. 8912

(3) A license to operate a crematory facility shall be 8913
issued to the person actually in charge of the crematory 8914
facility. This section does not require the individual who is 8915
actually in charge of the crematory facility to be an embalmer 8916
or funeral director licensed under this chapter. 8917

(4) Nothing in this section or rules adopted under section 8918
4717.04 of the Revised Code precludes the establishment and 8919
operation of a crematory facility on or adjacent to the property 8920
on which a cemetery, funeral home, or embalming facility is 8921
located. 8922

Sec. 4723.16. (A) An individual whom the board of nursing 8923
licenses or otherwise legally authorizes to engage in the 8924
practice of nursing as a registered nurse, advanced practice 8925
registered nurse, or licensed practical nurse may render the 8926
professional services of a registered, advanced practice 8927
registered, or licensed practical nurse within this state 8928
through a corporation formed under division (B) of section 8929
1701.03 of the Revised Code, a limited liability company formed 8930
under Chapter 1705. or 1706. of the Revised Code, a partnership, 8931
or a professional association formed under Chapter 1785. of the 8932
Revised Code. This division does not preclude an individual of 8933
that nature from rendering professional services as a 8934

registered, advanced practice registered, or licensed practical 8935
nurse through another form of business entity, including, but 8936
not limited to, a nonprofit corporation or foundation, or in 8937
another manner that is authorized by or in accordance with this 8938
chapter, another chapter of the Revised Code, or rules of the 8939
board of nursing adopted pursuant to this chapter. 8940

(B) A corporation, limited liability company, partnership, 8941
or professional association described in division (A) of this 8942
section may be formed for the purpose of providing a combination 8943
of the professional services of the following individuals who 8944
are licensed, certificated, or otherwise legally authorized to 8945
practice their respective professions: 8946

(1) Optometrists who are authorized to practice optometry 8947
under Chapter 4725. of the Revised Code; 8948

(2) Chiropractors who are authorized to practice 8949
chiropractic or acupuncture under Chapter 4734. of the Revised 8950
Code; 8951

(3) Psychologists who are authorized to practice 8952
psychology under Chapter 4732. of the Revised Code; 8953

(4) Registered, advanced practice registered, or licensed 8954
practical nurses who are authorized to practice nursing as 8955
registered nurses, advanced practice registered nurses, or 8956
licensed practical nurses under this chapter; 8957

(5) Pharmacists who are authorized to practice pharmacy 8958
under Chapter 4729. of the Revised Code; 8959

(6) Physical therapists who are authorized to practice 8960
physical therapy under sections 4755.40 to 4755.56 of the 8961
Revised Code; 8962

(7) Occupational therapists who are licensed to practice occupational therapy under sections 4755.04 to 4755.13 of the Revised Code;

(8) Mechanotherapists who are authorized to practice mechanotherapy under section 4731.151 of the Revised Code;

(9) Doctors of medicine and surgery, osteopathic medicine and surgery, or podiatric medicine and surgery who are licensed, certificated, or otherwise legally authorized for their respective practices under Chapter 4731. of the Revised Code;

(10) Licensed professional clinical counselors, licensed professional counselors, independent social workers, social workers, independent marriage and family therapists, or marriage and family therapists who are authorized for their respective practices under Chapter 4757. of the Revised Code.

This division shall apply notwithstanding a provision of a code of ethics applicable to a nurse that prohibits a registered, advanced practice registered, or licensed practical nurse from engaging in the practice of nursing as a registered nurse, advanced practice registered nurse, or licensed practical nurse in combination with a person who is licensed, certificated, or otherwise legally authorized to practice optometry, chiropractic, acupuncture through the state chiropractic board, psychology, pharmacy, physical therapy, occupational therapy, mechanotherapy, medicine and surgery, osteopathic medicine and surgery, podiatric medicine and surgery, professional counseling, social work, or marriage and family therapy, but who is not also licensed, certificated, or otherwise legally authorized to engage in the practice of nursing as a registered nurse, advanced practice registered nurse, or licensed practical nurse.

Sec. 4725.33. (A) An individual whom the state vision professionals board licenses to engage in the practice of optometry may render the professional services of an optometrist within this state through a corporation formed under division (B) of section 1701.03 of the Revised Code, a limited liability company formed under Chapter 1705. or 1706. of the Revised Code, a partnership, or a professional association formed under Chapter 1785. of the Revised Code. This division does not preclude an optometrist from rendering professional services as an optometrist through another form of business entity, including, but not limited to, a nonprofit corporation or foundation, or in another manner that is authorized by or in accordance with this chapter, another chapter of the Revised Code, or rules of the state vision professionals board adopted pursuant to this chapter.

(B) A corporation, limited liability company, partnership, or professional association described in division (A) of this section may be formed for the purpose of providing a combination of the professional services of the following individuals who are licensed, certificated, or otherwise legally authorized to practice their respective professions:

(1) Optometrists who are authorized to practice optometry under Chapter 4725. of the Revised Code;

(2) Chiropractors who are authorized to practice chiropractic or acupuncture under Chapter 4734. of the Revised Code;

(3) Psychologists who are authorized to practice psychology under Chapter 4732. of the Revised Code;

(4) Registered or licensed practical nurses who are

authorized to practice nursing as registered nurses or as 9022
licensed practical nurses under Chapter 4723. of the Revised 9023
Code; 9024

(5) Pharmacists who are authorized to practice pharmacy 9025
under Chapter 4729. of the Revised Code; 9026

(6) Physical therapists who are authorized to practice 9027
physical therapy under sections 4755.40 to 4755.56 of the 9028
Revised Code; 9029

(7) Occupational therapists who are authorized to practice 9030
occupational therapy under sections 4755.04 to 4755.13 of the 9031
Revised Code; 9032

(8) Mechanotherapists who are authorized to practice 9033
mechanotherapy under section 4731.151 of the Revised Code; 9034

(9) Doctors of medicine and surgery, osteopathic medicine 9035
and surgery, or podiatric medicine and surgery who are 9036
authorized for their respective practices under Chapter 4731. of 9037
the Revised Code; 9038

(10) Licensed professional clinical counselors, licensed 9039
professional counselors, independent social workers, social 9040
workers, independent marriage and family therapists, or marriage 9041
and family therapists who are authorized for their respective 9042
practices under Chapter 4757. of the Revised Code. 9043

This division shall apply notwithstanding a provision of a 9044
code of ethics applicable to an optometrist that prohibits an 9045
optometrist from engaging in the practice of optometry in 9046
combination with a person who is licensed, certificated, or 9047
otherwise legally authorized to practice chiropractic, 9048
acupuncture through the state chiropractic board, psychology, 9049
nursing, pharmacy, physical therapy, occupational therapy, 9050

mechanotherapy, medicine and surgery, osteopathic medicine and 9051
surgery, podiatric medicine and surgery, professional 9052
counseling, social work, or marriage and family therapy, but who 9053
is not also licensed, certificated, or otherwise legally 9054
authorized to engage in the practice of optometry. 9055

Sec. 4729.161. (A) An individual registered with the state 9056
board of pharmacy to engage in the practice of pharmacy may 9057
render the professional services of a pharmacist within this 9058
state through a corporation formed under division (B) of section 9059
1701.03 of the Revised Code, a limited liability company formed 9060
under Chapter 1705. or 1706. of the Revised Code, a partnership, 9061
or a professional association formed under Chapter 1785. of the 9062
Revised Code. This division does not preclude an individual of 9063
that nature from rendering professional services as a pharmacist 9064
through another form of business entity, including, but not 9065
limited to, a nonprofit corporation or foundation, or in another 9066
manner that is authorized by or in accordance with this chapter, 9067
another chapter of the Revised Code, or rules of the state board 9068
of pharmacy adopted pursuant to this chapter. 9069

(B) A corporation, limited liability company, partnership, 9070
or professional association described in division (A) of this 9071
section may be formed for the purpose of providing a combination 9072
of the professional services of the following individuals who 9073
are licensed, certificated, or otherwise legally authorized to 9074
practice their respective professions: 9075

(1) Optometrists who are authorized to practice optometry 9076
under Chapter 4725. of the Revised Code; 9077

(2) Chiropractors who are authorized to practice 9078
chiropractic or acupuncture under Chapter 4734. of the Revised 9079
Code; 9080

(3) Psychologists who are authorized to practice	9081
psychology under Chapter 4732. of the Revised Code;	9082
(4) Registered or licensed practical nurses who are	9083
authorized to practice nursing as registered nurses or as	9084
licensed practical nurses under Chapter 4723. of the Revised	9085
Code;	9086
(5) Pharmacists who are authorized to practice pharmacy	9087
under Chapter 4729. of the Revised Code;	9088
(6) Physical therapists who are authorized to practice	9089
physical therapy under sections 4755.40 to 4755.56 of the	9090
Revised Code;	9091
(7) Occupational therapists who are authorized to practice	9092
occupational therapy under sections 4755.04 to 4755.13 of the	9093
Revised Code;	9094
(8) Mechanotherapists who are authorized to practice	9095
mechanotherapy under section 4731.151 of the Revised Code;	9096
(9) Doctors of medicine and surgery, osteopathic medicine	9097
and surgery, or podiatric medicine and surgery who are	9098
authorized for their respective practices under Chapter 4731. of	9099
the Revised Code;	9100
(10) Licensed professional clinical counselors, licensed	9101
professional counselors, independent social workers, social	9102
workers, independent marriage and family therapists, or marriage	9103
and family therapists who are authorized for their respective	9104
practices under Chapter 4757. of the Revised Code.	9105
This division shall apply notwithstanding a provision of a	9106
code of ethics applicable to a pharmacist that prohibits a	9107
pharmacist from engaging in the practice of pharmacy in	9108

combination with a person who is licensed, certificated, or 9109
otherwise legally authorized to practice optometry, 9110
chiropractic, acupuncture through the state chiropractic board, 9111
psychology, nursing, physical therapy, occupational therapy, 9112
mechanotherapy, medicine and surgery, osteopathic medicine and 9113
surgery, podiatric medicine and surgery, professional 9114
counseling, social work, or marriage and family therapy, but who 9115
is not also licensed, certificated, or otherwise legally 9116
authorized to engage in the practice of pharmacy. 9117

Sec. 4729.541. (A) Except as provided in divisions (B) to 9118
(D) of this section, all of the following are exempt from 9119
licensure as a terminal distributor of dangerous drugs: 9120

(1) A licensed health professional authorized to prescribe 9121
drugs; 9122

(2) A business entity that is a corporation formed under 9123
division (B) of section 1701.03 of the Revised Code, a limited 9124
liability company formed under Chapter 1705. or 1706. of the 9125
Revised Code, or a professional association formed under Chapter 9126
1785. of the Revised Code if the entity has a sole shareholder 9127
who is a prescriber and is authorized to provide the 9128
professional services being offered by the entity; 9129

(3) A business entity that is a corporation formed under 9130
division (B) of section 1701.03 of the Revised Code, a limited 9131
liability company formed under Chapter 1705. or 1706. of the 9132
Revised Code, a partnership or a limited liability partnership 9133
formed under Chapter 1775. of the Revised Code, or a 9134
professional association formed under Chapter 1785. of the 9135
Revised Code, if, to be a shareholder, member, or partner, an 9136
individual is required to be licensed, certified, or otherwise 9137
legally authorized under Title XLVII of the Revised Code to 9138

perform the professional service provided by the entity and each 9139
such individual is a prescriber; 9140

(4) An individual who holds a current license, 9141
certificate, or registration issued under Title XLVII of the 9142
Revised Code and has been certified to conduct diabetes 9143
education by a national certifying body specified in rules 9144
adopted by the state board of pharmacy under section 4729.68 of 9145
the Revised Code, but only with respect to insulin that will be 9146
used for the purpose of diabetes education and only if diabetes 9147
education is within the individual's scope of practice under 9148
statutes and rules regulating the individual's profession; 9149

(5) An individual who holds a valid certificate issued by 9150
a nationally recognized S.C.U.B.A. diving certifying 9151
organization approved by the state board of pharmacy under rules 9152
adopted by the board, but only with respect to medical oxygen 9153
that will be used for the purpose of emergency care or treatment 9154
at the scene of a diving emergency; 9155

(6) With respect to epinephrine autoinjectors that may be 9156
possessed under section 3313.7110, 3313.7111, 3314.143, 3326.28, 9157
or 3328.29 of the Revised Code, any of the following: the board 9158
of education of a city, local, exempted village, or joint 9159
vocational school district; a chartered or nonchartered 9160
nonpublic school; a community school established under Chapter 9161
3314. of the Revised Code; a STEM school established under 9162
Chapter 3326. of the Revised Code; or a college-preparatory 9163
boarding school established under Chapter 3328. of the Revised 9164
Code; 9165

(7) With respect to epinephrine autoinjectors that may be 9166
possessed under section 5101.76 of the Revised Code, any of the 9167
following: a residential camp, as defined in section 2151.011 of 9168

the Revised Code; a child day camp, as defined in section 9169
5104.01 of the Revised Code; or a child day camp operated by any 9170
county, township, municipal corporation, township park district 9171
created under section 511.18 of the Revised Code, park district 9172
created under section 1545.04 of the Revised Code, or joint 9173
recreation district established under section 755.14 of the 9174
Revised Code; 9175

(8) With respect to epinephrine autoinjectors that may be 9176
possessed under Chapter 3728. of the Revised Code, a qualified 9177
entity, as defined in section 3728.01 of the Revised Code; 9178

(9) With respect to inhalers that may be possessed under 9179
section 3313.7113, 3313.7114, 3314.144, 3326.30, or 3328.30 of 9180
the Revised Code, any of the following: the board of education 9181
of a city, local, exempted village, or joint vocational school 9182
district; a chartered or nonchartered nonpublic school; a 9183
community school established under Chapter 3314. of the Revised 9184
Code; a STEM school established under Chapter 3326. of the 9185
Revised Code; or a college-preparatory boarding school 9186
established under Chapter 3328. of the Revised Code; 9187

(10) With respect to inhalers that may be possessed under 9188
section 5101.77 of the Revised Code, any of the following: a 9189
residential camp, as defined in section 2151.011 of the Revised 9190
Code; a child day camp, as defined in section 5104.01 of the 9191
Revised Code; or a child day camp operated by any county, 9192
township, municipal corporation, township park district created 9193
under section 511.18 of the Revised Code, park district created 9194
under section 1545.04 of the Revised Code, or joint recreation 9195
district established under section 755.14 of the Revised Code; 9196

(11) With respect to naloxone that may be possessed under 9197
section 2925.61 of the Revised Code, a law enforcement agency 9198

and its peace officers;	9199
(12) With respect to naloxone that may be possessed under section 4729.514 of the Revised Code, a service entity, as defined in that section;	9200 9201 9202
(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.	9203 9204 9205
(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.	9206 9207 9208 9209 9210 9211
(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.	9212 9213 9214 9215 9216 9217
(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:	9218 9219 9220 9221
(1) Dangerous drugs that are compounded or used for the purpose of compounding;	9222 9223
(2) A schedule I, II, III, IV, or V controlled substance, as defined in section 3719.01 of the Revised Code.	9224 9225
Sec. 4731.226. (A) (1) An individual whom the state medical	9226

board licenses, certificates, or otherwise legally authorizes to 9227
engage in the practice of medicine and surgery, osteopathic 9228
medicine and surgery, or podiatric medicine and surgery may 9229
render the professional services of a doctor of medicine and 9230
surgery, osteopathic medicine and surgery, or podiatric medicine 9231
and surgery within this state through a corporation formed under 9232
division (B) of section 1701.03 of the Revised Code, a limited 9233
liability company formed under Chapter 1705. or 1706. of the 9234
Revised Code, a partnership, or a professional association 9235
formed under Chapter 1785. of the Revised Code. Division (A) (1) 9236
of this section does not preclude an individual of that nature 9237
from rendering professional services as a doctor of medicine and 9238
surgery, osteopathic medicine and surgery, or podiatric medicine 9239
and surgery through another form of business entity, including, 9240
but not limited to, a nonprofit corporation or foundation, or in 9241
another manner that is authorized by or in accordance with this 9242
chapter, another chapter of the Revised Code, or rules of the 9243
state medical board adopted pursuant to this chapter. 9244

(2) An individual whom the state medical board authorizes 9245
to engage in the practice of mechanotherapy may render the 9246
professional services of a mechanotherapist within this state 9247
through a corporation formed under division (B) of section 9248
1701.03 of the Revised Code, a limited liability company formed 9249
under Chapter 1705. or 1706. of the Revised Code, a partnership, 9250
or a professional association formed under Chapter 1785. of the 9251
Revised Code. Division (A) (2) of this section does not preclude 9252
an individual of that nature from rendering professional 9253
services as a mechanotherapist through another form of business 9254
entity, including, but not limited to, a nonprofit corporation 9255
or foundation, or in another manner that is authorized by or in 9256
accordance with this chapter, another chapter of the Revised 9257

Code, or rules of the state medical board adopted pursuant to 9258
this chapter. 9259

(B) A corporation, limited liability company, partnership, 9260
or professional association described in division (A) of this 9261
section may be formed for the purpose of providing a combination 9262
of the professional services of the following individuals who 9263
are licensed, certificated, or otherwise legally authorized to 9264
practice their respective professions: 9265

(1) Optometrists who are authorized to practice optometry 9266
under Chapter 4725. of the Revised Code; 9267

(2) Chiropractors who are authorized to practice 9268
chiropractic or acupuncture under Chapter 4734. of the Revised 9269
Code; 9270

(3) Psychologists who are authorized to practice 9271
psychology under Chapter 4732. of the Revised Code; 9272

(4) Registered or licensed practical nurses who are 9273
authorized to practice nursing as registered nurses or as 9274
licensed practical nurses under Chapter 4723. of the Revised 9275
Code; 9276

(5) Pharmacists who are authorized to practice pharmacy 9277
under Chapter 4729. of the Revised Code; 9278

(6) Physical therapists who are authorized to practice 9279
physical therapy under sections 4755.40 to 4755.56 of the 9280
Revised Code; 9281

(7) Occupational therapists who are authorized to practice 9282
occupational therapy under sections 4755.04 to 4755.13 of the 9283
Revised Code; 9284

(8) Mechanotherapists who are authorized to practice 9285

mechanotherapy under section 4731.151 of the Revised Code;	9286
(9) Doctors of medicine and surgery, osteopathic medicine	9287
and surgery, or podiatric medicine and surgery who are	9288
authorized for their respective practices under this chapter;	9289
(10) Licensed professional clinical counselors, licensed	9290
professional counselors, independent social workers, social	9291
workers, independent marriage and family therapists, or marriage	9292
and family therapists who are authorized for their respective	9293
practices under Chapter 4757. of the Revised Code.	9294
(C) Division (B) of this section shall apply	9295
notwithstanding a provision of a code of ethics described in	9296
division (B) (18) of section 4731.22 of the Revised Code that	9297
prohibits either of the following:	9298
(1) A doctor of medicine and surgery, osteopathic medicine	9299
and surgery, or podiatric medicine and surgery from engaging in	9300
the doctor's authorized practice in combination with a person	9301
who is licensed, certificated, or otherwise legally authorized	9302
to engage in the practice of optometry, chiropractic,	9303
acupuncture through the state chiropractic board, psychology,	9304
nursing, pharmacy, physical therapy, occupational therapy,	9305
mechanotherapy, professional counseling, social work, or	9306
marriage and family therapy, but who is not also licensed,	9307
certificated, or otherwise legally authorized to practice	9308
medicine and surgery, osteopathic medicine and surgery, or	9309
podiatric medicine and surgery.	9310
(2) A mechanotherapist from engaging in the practice of	9311
mechanotherapy in combination with a person who is licensed,	9312
certificated, or otherwise legally authorized to engage in the	9313
practice of optometry, chiropractic, acupuncture through the	9314

state chiropractic board, psychology, nursing, pharmacy, 9315
physical therapy, occupational therapy, medicine and surgery, 9316
osteopathic medicine and surgery, podiatric medicine and 9317
surgery, professional counseling, social work, or marriage and 9318
family therapy, but who is not also licensed, certificated, or 9319
otherwise legally authorized to engage in the practice of 9320
mechanotherapy. 9321

Sec. 4731.228. (A) As used in this section: 9322

(1) "Federally qualified health center" has the same 9323
meaning as in section 3701.047 of the Revised Code. 9324

(2) "Federally qualified health center look-alike" has the 9325
same meaning as in section 3701.047 of the Revised Code. 9326

(3) "Health care entity" means any of the following that 9327
employs a physician to provide physician services: 9328

(a) A hospital registered with the department of health 9329
under section 3701.07 of the Revised Code; 9330

(b) A corporation formed under division (B) of section 9331
1701.03 of the Revised Code; 9332

(c) A corporation formed under Chapter 1702. of the 9333
Revised Code; 9334

(d) A limited liability company formed under Chapter 1705. 9335
or 1706. of the Revised Code; 9336

(e) A health insuring corporation holding a certificate of 9337
authority under Chapter 1751. of the Revised Code; 9338

(f) A partnership; 9339

(g) A professional association formed under Chapter 1785. 9340
of the Revised Code. 9341

(4) "Physician" means an individual authorized under this chapter to practice medicine and surgery, osteopathic medicine and surgery, or podiatric medicine and surgery.

(5) "Physician services" means direct patient care services provided by a physician.

(6) "Termination" means the end of a physician's employment with a health care entity for any reason.

(B) This section applies when a physician's employment with a health care entity to provide physician services is terminated for any reason, unless the physician continues to provide medical services for patients of the health care entity on an independent contractor basis.

(C) (1) Except as provided in division (C) (2) of this section, a health care entity shall send notice of the termination of a physician's employment to each patient who received physician services from the physician in the two-year period immediately preceding the date of employment termination. Only patients of the health care entity who received services from the physician are to receive the notice.

(2) If the health care entity provides to the physician a list of patients treated and patient contact information, the health care entity may require the physician to send the notice required by this section.

(D) The notice provided under division (C) of this section shall be provided not later than the date of termination or thirty days after the health care entity has actual knowledge of termination or resignation of the physician, whichever is later. The notice shall be provided in accordance with rules adopted by the state medical board under section 4731.05 of the Revised

Code. The notice shall include at least all of the following: 9371

(1) A notice to the patient that the physician will no 9372
longer be practicing medicine as an employee of the health care 9373
entity; 9374

(2) Except in situations in which the health care entity 9375
has a good faith concern that the physician's conduct or the 9376
medical care provided by the physician would jeopardize the 9377
health and safety of patients, the physician's name and, if 9378
known by the health care entity, information provided by the 9379
physician that the patient may use to contact the physician; 9380

(3) The date on which the physician ceased or will cease 9381
to practice as an employee of the health care entity; 9382

(4) Contact information for an alternative physician or 9383
physicians employed by the health care entity or contact 9384
information for a group practice that can provide care for the 9385
patient; 9386

(5) Contact information that enables the patient to obtain 9387
information on the patient's medical records. 9388

(E) The requirements of this section do not apply to any 9389
of the following: 9390

(1) A physician rendering services to a patient on an 9391
episodic basis or in an emergency department or urgent care 9392
center, when it should not be reasonably expected that related 9393
medical services will be rendered by the physician to the 9394
patient in the future; 9395

(2) A medical director or other physician providing 9396
services in a similar capacity to a medical director to patients 9397
through a hospice care program licensed pursuant to section 9398

3712.04 of the Revised Code.	9399
(3) Medical residents, interns, and fellows who work in hospitals, health systems, federally qualified health centers, and federally qualified health center look-alikes as part of their medical education and training.	9400 9401 9402 9403
(4) A physician providing services to a patient through a community mental health services provider certified by the director of mental health and addiction services under section 5119.36 of the Revised Code or a community addiction services provider certified by the director under that section.	9404 9405 9406 9407 9408
(5) A physician providing services to a patient through a federally qualified health center or a federally qualified health center look-alike.	9409 9410 9411
Sec. 4732.28. (A) An individual whom the state board of psychology licenses, certificates, or otherwise legally authorizes to engage in the practice of psychology may render the professional services of a psychologist within this state through a corporation formed under division (B) of section 1701.03 of the Revised Code, a limited liability company formed under Chapter 1705. <u>or 1706.</u> of the Revised Code, a partnership, or a professional association formed under Chapter 1785. of the Revised Code. This division does not preclude an individual of that nature from rendering professional services as a psychologist through another form of business entity, including, but not limited to, a nonprofit corporation or foundation, or in another manner that is authorized by or in accordance with this chapter, another chapter of the Revised Code, or rules of the state board of psychology adopted pursuant to this chapter.	9412 9413 9414 9415 9416 9417 9418 9419 9420 9421 9422 9423 9424 9425 9426
(B) A corporation, limited liability company, partnership,	9427

or professional association described in division (A) of this 9428
section may be formed for the purpose of providing a combination 9429
of the professional services of the following individuals who 9430
are licensed, certificated, or otherwise legally authorized to 9431
practice their respective professions: 9432

(1) Optometrists who are authorized to practice optometry 9433
under Chapter 4725. of the Revised Code; 9434

(2) Chiropractors who are authorized to practice 9435
chiropractic or acupuncture under Chapter 4734. of the Revised 9436
Code; 9437

(3) Psychologists who are authorized to practice 9438
psychology under this chapter; 9439

(4) Registered or licensed practical nurses who are 9440
authorized to practice nursing as registered nurses or as 9441
licensed practical nurses under Chapter 4723. of the Revised 9442
Code; 9443

(5) Pharmacists who are authorized to practice pharmacy 9444
under Chapter 4729. of the Revised Code; 9445

(6) Physical therapists who are authorized to practice 9446
physical therapy under sections 4755.40 to 4755.56 of the 9447
Revised Code; 9448

(7) Occupational therapists who are authorized to practice 9449
occupational therapy under sections 4755.04 to 4755.13 of the 9450
Revised Code; 9451

(8) Mechanotherapists who are authorized to practice 9452
mechanotherapy under section 4731.151 of the Revised Code; 9453

(9) Doctors of medicine and surgery, osteopathic medicine 9454
and surgery, or podiatric medicine and surgery who are 9455

authorized for their respective practices under Chapter 4731. of 9456
the Revised Code; 9457

(10) Licensed professional clinical counselors, licensed 9458
professional counselors, independent social workers, social 9459
workers, independent marriage and family therapists, or marriage 9460
and family therapists who are authorized for their respective 9461
practices under Chapter 4757. of the Revised Code. 9462

This division shall apply notwithstanding a provision of a 9463
code of ethics applicable to a psychologist that prohibits a 9464
psychologist from engaging in the practice of psychology in 9465
combination with a person who is licensed, certificated, or 9466
otherwise legally authorized to practice optometry, 9467
chiropractic, acupuncture through the state chiropractic board, 9468
nursing, pharmacy, physical therapy, occupational therapy, 9469
mechanotherapy, medicine and surgery, osteopathic medicine and 9470
surgery, podiatric medicine and surgery, professional 9471
counseling, social work, or marriage and family therapy, but who 9472
is not also licensed, certificated, or otherwise legally 9473
authorized to engage in the practice of psychology. 9474

Sec. 4733.16. (A) A firm, partnership, association, 9475
limited liability company, or corporation may provide 9476
professional engineering or professional surveying services in 9477
this state as long as the services are provided only through 9478
natural persons registered to provide those services in the 9479
state, subject to the exemptions in sections 4733.17 and 4733.18 9480
of the Revised Code and subject otherwise to the requirements of 9481
this chapter. 9482

(B) No firm, partnership, association, limited liability 9483
company, or corporation, except a corporation that was granted a 9484
charter prior to August 7, 1943, to engage in providing 9485

professional engineering or professional surveying services in 9486
this state or that was otherwise lawfully providing engineering 9487
services in this state prior to November 15, 1982, shall engage 9488
in providing professional engineering or professional surveying 9489
services, hold itself out to the public as being engaged in 9490
providing professional engineering or professional surveying 9491
services, or use a name including one or more of the words 9492
"engineer," "engineering," "surveyor," or "surveying" or any 9493
modification or derivation of those words, unless the firm, 9494
partnership, association, limited liability company, or 9495
corporation obtains a certificate of authorization from the 9496
state board of registration for professional engineers and 9497
surveyors and files all information required to be filed under 9498
this section with the state board of registration for 9499
professional engineers and surveyors and otherwise complies with 9500
all requirements of this chapter. A nonprofit membership 9501
corporation may use a name including one or more of the words 9502
"engineer," "engineering," "surveyor," or "surveying" or any 9503
modification or derivation of those words without complying with 9504
this section. 9505

(C) A corporation may be organized under Chapter 1701. of 9506
the Revised Code, a professional association may be organized 9507
under Chapter 1785. of the Revised Code, or a limited liability 9508
company may be formed under Chapter 1705. or 1706. of the 9509
Revised Code for the purpose of providing professional 9510
engineering, professional surveying, architectural, or landscape 9511
architectural services or any combination of those services. A 9512
corporation organized under Chapter 1701. of the Revised Code 9513
for the purpose of providing those services also may be 9514
organized for any other purpose in accordance with that chapter. 9515

(D) Each firm, partnership, association, limited liability 9516

company, or corporation through which professional engineering 9517
or professional surveying services are offered or provided in 9518
this state shall designate one or more full-time partners, 9519
managers, members, officers, or directors as being responsible 9520
for and in responsible charge of the professional engineering or 9521
professional surveying activities and decisions, and those 9522
designated persons shall be registered in this state. Each firm, 9523
partnership, association, limited liability company, or 9524
corporation shall annually file with the state board of 9525
registration for professional engineers and surveyors the name 9526
and address of all owners and all persons designated as being in 9527
responsible charge of the professional engineering or 9528
professional surveying activities and decisions and any other 9529
information the board may require. 9530

(E) The state board of registration for professional 9531
engineers and surveyors shall issue a certificate of 9532
authorization to each firm, partnership, association, limited 9533
liability company, or corporation that satisfies the 9534
requirements of this chapter, including providing information 9535
that the board may require pursuant to division (D) of this 9536
section. 9537

(F) This section does not modify any law applicable to the 9538
relationship between a person furnishing a professional service 9539
and a person receiving that service, including liability arising 9540
out of that service. 9541

(G) Nothing in this section shall restrict or limit in any 9542
manner the authority or duty of the state board of registration 9543
for professional engineers and surveyors with respect to natural 9544
persons providing professional services or any law or rule 9545
pertaining to standards of professional conduct. 9546

(H) Corporations, partnerships, associations, limited liability companies, or firms organized under the laws of another state or country wishing to provide professional engineering or professional surveying services shall obtain a certificate of authorization and meet the applicable requirements of this section.

Sec. 4734.17. (A) An individual whom the state chiropractic board licenses to engage in the practice of chiropractic or certifies to practice acupuncture may render the professional services of a chiropractor or chiropractor certified to practice acupuncture within this state through a corporation formed under division (B) of section 1701.03 of the Revised Code, a limited liability company formed under Chapter 1705. or 1706. of the Revised Code, a partnership, or a professional association formed under Chapter 1785. of the Revised Code. This division does not preclude a chiropractor from rendering professional services as a chiropractor or chiropractor certified to practice acupuncture through another form of business entity, including, but not limited to, a nonprofit corporation or foundation, or in another manner that is authorized by or in accordance with this chapter, another chapter of the Revised Code, or rules of the state chiropractic board adopted pursuant to this chapter.

(B) A corporation, limited liability company, partnership, or professional association described in division (A) of this section may be formed for the purpose of providing a combination of the professional services of the following individuals who are licensed, certificated, or otherwise legally authorized to practice their respective professions:

(1) Optometrists who are authorized to practice optometry,

under Chapter 4725. of the Revised Code;	9577
(2) Chiropractors who are authorized to practice	9578
chiropractic or acupuncture under this chapter;	9579
(3) Psychologists who are authorized to practice	9580
psychology under Chapter 4732. of the Revised Code;	9581
(4) Registered or licensed practical nurses who are	9582
authorized to practice nursing as registered nurses or as	9583
licensed practical nurses under Chapter 4723. of the Revised	9584
Code;	9585
(5) Pharmacists who are authorized to practice pharmacy	9586
under Chapter 4729. of the Revised Code;	9587
(6) Physical therapists who are authorized to practice	9588
physical therapy under sections 4755.40 to 4755.56 of the	9589
Revised Code;	9590
(7) Occupational therapists who are authorized to practice	9591
occupational therapy under sections 4755.04 to 4755.13 of the	9592
Revised Code;	9593
(8) Mechanotherapists who are authorized to practice	9594
mechanotherapy under section 4731.151 of the Revised Code;	9595
(9) Doctors of medicine and surgery, osteopathic medicine	9596
and surgery, or podiatric medicine and surgery who are	9597
authorized for their respective practices under Chapter 4731. of	9598
the Revised Code;	9599
(10) Licensed professional clinical counselors, licensed	9600
professional counselors, independent social workers, social	9601
workers, independent marriage and family therapists, or marriage	9602
and family therapists who are authorized for their respective	9603
practices under Chapter 4757. of the Revised Code.	9604

This division shall apply notwithstanding a provision of 9605
any code of ethics established or adopted under section 4734.16 9606
of the Revised Code that prohibits an individual from engaging 9607
in the practice of chiropractic or acupuncture in combination 9608
with an individual who is licensed, certificated, or otherwise 9609
authorized for the practice of optometry, psychology, nursing, 9610
pharmacy, physical therapy, occupational therapy, 9611
mechanotherapy, medicine and surgery, osteopathic medicine and 9612
surgery, podiatric medicine and surgery, professional 9613
counseling, social work, or marriage and family therapy, but who 9614
is not also licensed under this chapter to engage in the 9615
practice of chiropractic. 9616

Sec. 4755.111. (A) An individual whom the occupational 9617
therapy section of the Ohio occupational therapy, physical 9618
therapy, and athletic trainers board licenses, certificates, or 9619
otherwise legally authorizes to engage in the practice of 9620
occupational therapy may render the professional services of an 9621
occupational therapist within this state through a corporation 9622
formed under division (B) of section 1701.03 of the Revised 9623
Code, a limited liability company formed under Chapter 1705. or 9624
1706. of the Revised Code, a partnership, or a professional 9625
association formed under Chapter 1785. of the Revised Code. This 9626
division does not preclude an individual of that nature from 9627
rendering professional services as an occupational therapist 9628
through another form of business entity, including, but not 9629
limited to, a nonprofit corporation or foundation, or in another 9630
manner that is authorized by or in accordance with sections 9631
4755.04 to 4755.13 of the Revised Code, another chapter of the 9632
Revised Code, or rules of the Ohio occupational therapy, 9633
physical therapy, and athletic trainers board adopted pursuant 9634
to sections 4755.04 to 4755.13 of the Revised Code. 9635

(B) A corporation, limited liability company, partnership, 9636
or professional association described in division (A) of this 9637
section may be formed for the purpose of providing a combination 9638
of the professional services of the following individuals who 9639
are licensed, certificated, or otherwise legally authorized to 9640
practice their respective professions: 9641

(1) Optometrists who are authorized to practice optometry 9642
under Chapter 4725. of the Revised Code; 9643

(2) Chiropractors who are authorized to practice 9644
chiropractic or acupuncture under Chapter 4734. of the Revised 9645
Code; 9646

(3) Psychologists who are authorized to practice 9647
psychology under Chapter 4732. of the Revised Code; 9648

(4) Registered or licensed practical nurses who are 9649
authorized to practice nursing as registered nurses or as 9650
licensed practical nurses under Chapter 4723. of the Revised 9651
Code; 9652

(5) Pharmacists who are authorized to practice pharmacy 9653
under Chapter 4729. of the Revised Code; 9654

(6) Physical therapists who are authorized to practice 9655
physical therapy under sections 4755.40 to 4755.56 of the 9656
Revised Code; 9657

(7) Occupational therapists who are authorized to practice 9658
occupational therapy under sections 4755.04 to 4755.13 of the 9659
Revised Code; 9660

(8) Mechanotherapists who are authorized to practice 9661
mechanotherapy under section 4731.151 of the Revised Code; 9662

(9) Doctors of medicine and surgery, osteopathic medicine 9663

and surgery, or podiatric medicine and surgery who are 9664
authorized for their respective practices under Chapter 4731. of 9665
the Revised Code; 9666

(10) Licensed professional clinical counselors, licensed 9667
professional counselors, independent social workers, social 9668
workers, independent marriage and family therapists, or marriage 9669
and family therapists who are authorized for their respective 9670
practices under Chapter 4757. of the Revised Code. 9671

This division shall apply notwithstanding a provision of a 9672
code of ethics applicable to an occupational therapist that 9673
prohibits an occupational therapist from engaging in the 9674
practice of occupational therapy in combination with a person 9675
who is licensed, certificated, or otherwise legally authorized 9676
to practice optometry, chiropractic, acupuncture through the 9677
state chiropractic board, psychology, nursing, pharmacy, 9678
physical therapy, mechanotherapy, medicine and surgery, 9679
osteopathic medicine and surgery, podiatric medicine and 9680
surgery, professional counseling, social work, or marriage and 9681
family therapy but who is not also licensed, certificated, or 9682
otherwise legally authorized to engage in the practice of 9683
occupational therapy. 9684

Sec. 4755.471. (A) An individual whom the physical therapy 9685
section of the Ohio occupational therapy, physical therapy, and 9686
athletic trainers board licenses, certificates, or otherwise 9687
legally authorizes to engage in the practice of physical therapy 9688
may render the professional services of a physical therapist 9689
within this state through a corporation formed under division 9690
(B) of section 1701.03 of the Revised Code, a limited liability 9691
company formed under Chapter 1705. or 1706. of the Revised Code, 9692
a partnership, or a professional association formed under 9693

Chapter 1785. of the Revised Code. This division does not 9694
preclude an individual of that nature from rendering 9695
professional services as a physical therapist through another 9696
form of business entity, including, but not limited to, a 9697
nonprofit corporation or foundation, or in another manner that 9698
is authorized by or in accordance with sections 4755.40 to 9699
4755.53 of the Revised Code, another chapter of the Revised 9700
Code, or rules of the Ohio occupational therapy, physical 9701
therapy, and athletic trainers board adopted pursuant to 9702
sections 4755.40 to 4755.53 of the Revised Code. 9703

(B) A corporation, limited liability company, partnership, 9704
or professional association described in division (A) of this 9705
section may be formed for the purpose of providing a combination 9706
of the professional services of the following individuals who 9707
are licensed, certificated, or otherwise legally authorized to 9708
practice their respective professions: 9709

(1) Optometrists who are authorized to practice optometry 9710
under Chapter 4725. of the Revised Code; 9711

(2) Chiropractors who are authorized to practice 9712
chiropractic or acupuncture under Chapter 4734. of the Revised 9713
Code; 9714

(3) Psychologists who are authorized to practice 9715
psychology under Chapter 4732. of the Revised Code; 9716

(4) Registered or licensed practical nurses who are 9717
authorized to practice nursing as registered nurses or as 9718
licensed practical nurses under Chapter 4723. of the Revised 9719
Code; 9720

(5) Pharmacists who are authorized to practice pharmacy 9721
under Chapter 4729. of the Revised Code; 9722

(6) Physical therapists who are authorized to practice	9723
physical therapy under sections 4755.40 to 4755.56 of the	9724
Revised Code;	9725
(7) Occupational therapists who are authorized to practice	9726
occupational therapy under sections 4755.04 to 4755.13 of the	9727
Revised Code;	9728
(8) Mechanotherapists who are authorized to practice	9729
mechanotherapy under section 4731.151 of the Revised Code;	9730
(9) Doctors of medicine and surgery, osteopathic medicine	9731
and surgery, or podiatric medicine and surgery who are	9732
authorized for their respective practices under Chapter 4731. of	9733
the Revised Code;	9734
(10) Licensed professional clinical counselors, licensed	9735
professional counselors, independent social workers, social	9736
workers, independent marriage and family therapists, or marriage	9737
and family therapists who are authorized for their respective	9738
practices under Chapter 4757. of the Revised Code.	9739
This division shall apply notwithstanding a provision of a	9740
code of ethics applicable to a physical therapist that prohibits	9741
a physical therapist from engaging in the practice of physical	9742
therapy in combination with a person who is licensed,	9743
certificated, or otherwise legally authorized to practice	9744
optometry, chiropractic, acupuncture through the state	9745
chiropractic board, psychology, nursing, pharmacy, occupational	9746
therapy, mechanotherapy, medicine and surgery, osteopathic	9747
medicine and surgery, podiatric medicine and surgery,	9748
professional counseling, social work, or marriage and family	9749
therapy, but who is not also licensed, certificated, or	9750
otherwise legally authorized to engage in the practice of	9751

physical therapy. 9752

Sec. 4757.37. (A) An individual whom the counselor, social 9753
worker, and marriage and family therapist board licenses, 9754
certificates, or otherwise legally authorizes to engage in the 9755
practice of professional counseling, social work, or marriage 9756
and family therapy may render the professional services of a 9757
licensed professional clinical counselor, licensed professional 9758
counselor, independent social worker, social worker, independent 9759
marriage and family therapist, or marriage and family therapist 9760
within this state through a corporation formed under division 9761
(B) of section 1701.03 of the Revised Code, a limited liability 9762
company formed under Chapter 1705. or 1706. of the Revised Code, 9763
a partnership, or a professional association formed under 9764
Chapter 1785. of the Revised Code. This division does not 9765
preclude such an individual from rendering professional services 9766
as a licensed professional clinical counselor, licensed 9767
professional counselor, independent social worker, social 9768
worker, independent marriage and family therapist, or marriage 9769
and family therapist through another form of business entity, 9770
including, but not limited to, a nonprofit corporation or 9771
foundation, or in another manner that is authorized by or in 9772
accordance with this chapter, another chapter of the Revised 9773
Code, or rules of the counselor, social worker, and marriage and 9774
family therapist board adopted pursuant to this chapter. 9775

(B) A corporation, limited liability company, partnership, 9776
or professional association described in division (A) of this 9777
section may be formed for the purpose of providing a combination 9778
of the professional services of the following individuals who 9779
are licensed, certificated, or otherwise legally authorized to 9780
practice their respective professions: 9781

(1) Optometrists who are authorized to practice optometry	9782
under Chapter 4725. of the Revised Code;	9783
(2) Chiropractors who are authorized to practice	9784
chiropractic or acupuncture under Chapter 4734. of the Revised	9785
Code;	9786
(3) Psychologists who are authorized to practice	9787
psychology under Chapter 4732. of the Revised Code;	9788
(4) Registered or licensed practical nurses who are	9789
authorized to practice nursing as registered nurses or as	9790
licensed practical nurses under Chapter 4723. of the Revised	9791
Code;	9792
(5) Pharmacists who are authorized to practice pharmacy	9793
under Chapter 4729. of the Revised Code;	9794
(6) Physical therapists who are authorized to practice	9795
physical therapy under sections 4755.40 to 4755.56 of the	9796
Revised Code;	9797
(7) Occupational therapists who are authorized to practice	9798
occupational therapy under sections 4755.04 to 4755.13 of the	9799
Revised Code;	9800
(8) Mechanotherapists who are authorized to practice	9801
mechanotherapy under section 4731.151 of the Revised Code;	9802
(9) Doctors of medicine and surgery, osteopathic medicine	9803
and surgery, or podiatric medicine and surgery who are	9804
authorized for their respective practices under Chapter 4731. of	9805
the Revised Code;	9806
(10) Licensed professional clinical counselors, licensed	9807
professional counselors, independent social workers, social	9808
workers, independent marriage and family therapists, or marriage	9809

and family therapists who are authorized for their respective 9810
practices under this chapter. 9811

This division applies notwithstanding a provision of a 9812
code of ethics applicable to an individual who is a licensed 9813
professional clinical counselor, licensed professional 9814
counselor, independent social worker, social worker, independent 9815
marriage and family therapist, or marriage and family therapist 9816
that prohibits the individual from engaging in the individual's 9817
practice in combination with a person who is licensed, 9818
certificated, or otherwise legally authorized to practice 9819
optometry, chiropractic, acupuncture through the state 9820
chiropractic board, psychology, nursing, pharmacy, physical 9821
therapy, occupational therapy, mechanotherapy, medicine and 9822
surgery, osteopathic medicine and surgery, or podiatric medicine 9823
and surgery, but who is not also licensed, certificated, or 9824
otherwise legally authorized to engage in the practice of 9825
professional counseling, social work, or marriage and family 9826
therapy. 9827

Sec. 5701.14. For purposes of Title LVII of the Revised 9828
Code: 9829

(A) In order to determine a limited liability company's 9830
nonprofit status, an entity is operating with a nonprofit 9831
purpose under section 1705.02 of the Revised Code or carrying on 9832
any nonprofit activity under section 1706.05 of the Revised Code 9833
if that entity is organized other than for the pecuniary gain or 9834
profit of, and its net earnings or any part of its net earnings 9835
are not distributable to, its members, its directors, its 9836
officers, or other private persons, except that the payment of 9837
reasonable compensation for services rendered, payments and 9838
distributions in furtherance of its nonprofit purpose, and the 9839

distribution of assets on dissolution permitted by section 9840
1702.49 of the Revised Code are not pecuniary gain or profit or 9841
distribution of net earnings. In no event shall payments and 9842
distributions in furtherance of an entity's nonprofit purpose 9843
deprive the entity of its nonprofit status as long as all of the 9844
members of that entity are operating with a nonprofit purpose. 9845

(B) A single member limited liability company that 9846
operates with a nonprofit purpose, as described in division (A) 9847
of this section, shall be treated as part of the same legal 9848
entity as its nonprofit member, and all assets and liabilities 9849
of that single member limited liability company shall be 9850
considered to be that of the nonprofit member. Filings or 9851
applications for exemptions or other tax purposes may be made 9852
either by the single member limited liability company or its 9853
nonprofit member. 9854

Sec. 5715.19. (A) As used in this section, "member" has 9855
the same meaning as in section 1705.01 or 1706.01 of the Revised 9856
Code, as applicable, and "internet identifier of record" has the 9857
same meaning as in section 9.312 of the Revised Code. 9858

(1) Subject to division (A)(2) of this section, a 9859
complaint against any of the following determinations for the 9860
current tax year shall be filed with the county auditor on or 9861
before the thirty-first day of March of the ensuing tax year or 9862
the date of closing of the collection for the first half of real 9863
and public utility property taxes for the current tax year, 9864
whichever is later: 9865

(a) Any classification made under section 5713.041 of the 9866
Revised Code; 9867

(b) Any determination made under section 5713.32 or 9868

5713.35 of the Revised Code;	9869
(c) Any recoupment charge levied under section 5713.35 of the Revised Code;	9870 9871
(d) The determination of the total valuation or assessment of any parcel that appears on the tax list, except parcels assessed by the tax commissioner pursuant to section 5727.06 of the Revised Code;	9872 9873 9874 9875
(e) The determination of the total valuation of any parcel that appears on the agricultural land tax list, except parcels assessed by the tax commissioner pursuant to section 5727.06 of the Revised Code;	9876 9877 9878 9879
(f) Any determination made under division (A) of section 319.302 of the Revised Code.	9880 9881
If such a complaint is filed by mail or certified mail, the date of the United States postmark placed on the envelope or sender's receipt by the postal service shall be treated as the date of filing. A private meter postmark on an envelope is not a valid postmark for purposes of establishing the filing date.	9882 9883 9884 9885 9886
Any person owning taxable real property in the county or in a taxing district with territory in the county; such a person's spouse; an individual who is retained by such a person and who holds a designation from a professional assessment organization, such as the institute for professionals in taxation, the national council of property taxation, or the international association of assessing officers; a public accountant who holds a permit under section 4701.10 of the Revised Code, a general or residential real estate appraiser licensed or certified under Chapter 4763. of the Revised Code, or a real estate broker licensed under Chapter 4735. of the	9887 9888 9889 9890 9891 9892 9893 9894 9895 9896 9897

Revised Code, who is retained by such a person; if the person is 9898
a firm, company, association, partnership, limited liability 9899
company, or corporation, an officer, a salaried employee, a 9900
partner, or a member of that person; if the person is a trust, a 9901
trustee of the trust; the board of county commissioners; the 9902
prosecuting attorney or treasurer of the county; the board of 9903
township trustees of any township with territory within the 9904
county; the board of education of any school district with any 9905
territory in the county; or the mayor or legislative authority 9906
of any municipal corporation with any territory in the county 9907
may file such a complaint regarding any such determination 9908
affecting any real property in the county, except that a person 9909
owning taxable real property in another county may file such a 9910
complaint only with regard to any such determination affecting 9911
real property in the county that is located in the same taxing 9912
district as that person's real property is located. The county 9913
auditor shall present to the county board of revision all 9914
complaints filed with the auditor. 9915

(2) As used in division (A)(2) of this section, "interim 9916
period" means, for each county, the tax year to which section 9917
5715.24 of the Revised Code applies and each subsequent tax year 9918
until the tax year in which that section applies again. 9919

No person, board, or officer shall file a complaint 9920
against the valuation or assessment of any parcel that appears 9921
on the tax list if it filed a complaint against the valuation or 9922
assessment of that parcel for any prior tax year in the same 9923
interim period, unless the person, board, or officer alleges 9924
that the valuation or assessment should be changed due to one or 9925
more of the following circumstances that occurred after the tax 9926
lien date for the tax year for which the prior complaint was 9927
filed and that the circumstances were not taken into 9928

consideration with respect to the prior complaint:	9929
(a) The property was sold in an arm's length transaction,	9930
as described in section 5713.03 of the Revised Code;	9931
(b) The property lost value due to some casualty;	9932
(c) Substantial improvement was added to the property;	9933
(d) An increase or decrease of at least fifteen per cent	9934
in the property's occupancy has had a substantial economic	9935
impact on the property.	9936
(3) If a county board of revision, the board of tax	9937
appeals, or any court dismisses a complaint filed under this	9938
section or section 5715.13 of the Revised Code for the reason	9939
that the act of filing the complaint was the unauthorized	9940
practice of law or the person filing the complaint was engaged	9941
in the unauthorized practice of law, the party affected by a	9942
decrease in valuation or the party's agent, or the person owning	9943
taxable real property in the county or in a taxing district with	9944
territory in the county, may refile the complaint,	9945
notwithstanding division (A) (2) of this section.	9946
(4) (a) No complaint filed under this section or section	9947
5715.13 of the Revised Code shall be dismissed for the reason	9948
that the complaint fails to accurately identify the owner of the	9949
property that is the subject of the complaint.	9950
(b) If a complaint fails to accurately identify the owner	9951
of the property that is the subject of the complaint, the board	9952
of revision shall exercise due diligence to ensure the correct	9953
property owner is notified as required by divisions (B) and (C)	9954
of this section.	9955
(5) Notwithstanding division (A) (2) of this section, a	9956

person, board, or officer may file a complaint against the 9957
valuation or assessment of any parcel that appears on the tax 9958
list if it filed a complaint against the valuation or assessment 9959
of that parcel for any prior tax year in the same interim period 9960
if the person, board, or officer withdrew the complaint before 9961
the complaint was heard by the board. 9962

(B) Within thirty days after the last date such complaints 9963
may be filed, the auditor shall give notice of each complaint in 9964
which the stated amount of overvaluation, undervaluation, 9965
discriminatory valuation, illegal valuation, or incorrect 9966
determination is at least seventeen thousand five hundred 9967
dollars to each property owner whose property is the subject of 9968
the complaint, if the complaint was not filed by the owner or 9969
the owner's spouse, and to each board of education whose school 9970
district may be affected by the complaint. Within thirty days 9971
after receiving such notice, a board of education; a property 9972
owner; the owner's spouse; an individual who is retained by such 9973
an owner and who holds a designation from a professional 9974
assessment organization, such as the institute for professionals 9975
in taxation, the national council of property taxation, or the 9976
international association of assessing officers; a public 9977
accountant who holds a permit under section 4701.10 of the 9978
Revised Code, a general or residential real estate appraiser 9979
licensed or certified under Chapter 4763. of the Revised Code, 9980
or a real estate broker licensed under Chapter 4735. of the 9981
Revised Code, who is retained by such a person; or, if the 9982
property owner is a firm, company, association, partnership, 9983
limited liability company, corporation, or trust, an officer, a 9984
salaried employee, a partner, a member, or trustee of that 9985
property owner, may file a complaint in support of or objecting 9986
to the amount of alleged overvaluation, undervaluation, 9987

discriminatory valuation, illegal valuation, or incorrect 9988
determination stated in a previously filed complaint or 9989
objecting to the current valuation. Upon the filing of a 9990
complaint under this division, the board of education or the 9991
property owner shall be made a party to the action. 9992

(C) Each board of revision shall notify any complainant 9993
and also the property owner, if the property owner's address is 9994
known, when a complaint is filed by one other than the property 9995
owner, not less than ten days prior to the hearing, either by 9996
certified mail or, if the board has record of an internet 9997
identifier of record associated with the owner, by ordinary mail 9998
and by that internet identifier of record of the time and place 9999
the same will be heard. The board of revision shall hear and 10000
render its decision on a complaint within ninety days after the 10001
filing thereof with the board, except that if a complaint is 10002
filed within thirty days after receiving notice from the auditor 10003
as provided in division (B) of this section, the board shall 10004
hear and render its decision within ninety days after such 10005
filing. 10006

(D) The determination of any such complaint shall relate 10007
back to the date when the lien for taxes or recoupment charges 10008
for the current year attached or the date as of which liability 10009
for such year was determined. Liability for taxes and recoupment 10010
charges for such year and each succeeding year until the 10011
complaint is finally determined and for any penalty and interest 10012
for nonpayment thereof within the time required by law shall be 10013
based upon the determination, valuation, or assessment as 10014
finally determined. Each complaint shall state the amount of 10015
overvaluation, undervaluation, discriminatory valuation, illegal 10016
valuation, or incorrect classification or determination upon 10017
which the complaint is based. The treasurer shall accept any 10018

amount tendered as taxes or recoupment charge upon property 10019
concerning which a complaint is then pending, computed upon the 10020
claimed valuation as set forth in the complaint. If a complaint 10021
filed under this section for the current year is not determined 10022
by the board within the time prescribed for such determination, 10023
the complaint and any proceedings in relation thereto shall be 10024
continued by the board as a valid complaint for any ensuing year 10025
until such complaint is finally determined by the board or upon 10026
any appeal from a decision of the board. In such case, the 10027
original complaint shall continue in effect without further 10028
filing by the original taxpayer, the original taxpayer's 10029
assignee, or any other person or entity authorized to file a 10030
complaint under this section. 10031

(E) If a taxpayer files a complaint as to the 10032
classification, valuation, assessment, or any determination 10033
affecting the taxpayer's own property and tenders less than the 10034
full amount of taxes or recoupment charges as finally 10035
determined, an interest charge shall accrue as follows: 10036

(1) If the amount finally determined is less than the 10037
amount billed but more than the amount tendered, the taxpayer 10038
shall pay interest at the rate per annum prescribed by section 10039
5703.47 of the Revised Code, computed from the date that the 10040
taxes were due on the difference between the amount finally 10041
determined and the amount tendered. This interest charge shall 10042
be in lieu of any penalty or interest charge under section 10043
323.121 of the Revised Code unless the taxpayer failed to file a 10044
complaint and tender an amount as taxes or recoupment charges 10045
within the time required by this section, in which case section 10046
323.121 of the Revised Code applies. 10047

(2) If the amount of taxes finally determined is equal to 10048

or greater than the amount billed and more than the amount 10049
tendered, the taxpayer shall pay interest at the rate prescribed 10050
by section 5703.47 of the Revised Code from the date the taxes 10051
were due on the difference between the amount finally determined 10052
and the amount tendered, such interest to be in lieu of any 10053
interest charge but in addition to any penalty prescribed by 10054
section 323.121 of the Revised Code. 10055

(F) Upon request of a complainant, the tax commissioner 10056
shall determine the common level of assessment of real property 10057
in the county for the year stated in the request that is not 10058
valued under section 5713.31 of the Revised Code, which common 10059
level of assessment shall be expressed as a percentage of true 10060
value and the common level of assessment of lands valued under 10061
such section, which common level of assessment shall also be 10062
expressed as a percentage of the current agricultural use value 10063
of such lands. Such determination shall be made on the basis of 10064
the most recent available sales ratio studies of the 10065
commissioner and such other factual data as the commissioner 10066
deems pertinent. 10067

(G) A complainant shall provide to the board of revision 10068
all information or evidence within the complainant's knowledge 10069
or possession that affects the real property that is the subject 10070
of the complaint. A complainant who fails to provide such 10071
information or evidence is precluded from introducing it on 10072
appeal to the board of tax appeals or the court of common pleas, 10073
except that the board of tax appeals or court may admit and 10074
consider the evidence if the complainant shows good cause for 10075
the complainant's failure to provide the information or evidence 10076
to the board of revision. 10077

(H) In case of the pendency of any proceeding in court 10078

based upon an alleged excessive, discriminatory, or illegal 10079
valuation or incorrect classification or determination, the 10080
taxpayer may tender to the treasurer an amount as taxes upon 10081
property computed upon the claimed valuation as set forth in the 10082
complaint to the court. The treasurer may accept the tender. If 10083
the tender is not accepted, no penalty shall be assessed because 10084
of the nonpayment of the full taxes assessed. 10085

Sec. 5733.04. As used in this chapter: 10086

(A) "Issued and outstanding shares of stock" applies to 10087
nonprofit corporations, as provided in section 5733.01 of the 10088
Revised Code, and includes, but is not limited to, membership 10089
certificates and other instruments evidencing ownership of an 10090
interest in such nonprofit corporations, and with respect to a 10091
financial institution that does not have capital stock, "issued 10092
and outstanding shares of stock" includes, but is not limited 10093
to, ownership interests of depositors in the capital employed in 10094
such an institution. 10095

(B) "Taxpayer" means a corporation subject to the tax 10096
imposed by section 5733.06 of the Revised Code. 10097

(C) "Resident" means a corporation organized under the 10098
laws of this state. 10099

(D) "Commercial domicile" means the principal place from 10100
which the trade or business of the taxpayer is directed or 10101
managed. 10102

(E) "Taxable year" means the period prescribed by division 10103
(A) of section 5733.031 of the Revised Code upon the net income 10104
of which the value of the taxpayer's issued and outstanding 10105
shares of stock is determined under division (B) of section 10106
5733.05 of the Revised Code or the period prescribed by division 10107

(A) of section 5733.031 of the Revised Code that immediately precedes the date as of which the total value of the corporation is determined under division (A) or (C) of section 5733.05 of the Revised Code.

(F) "Tax year" means the calendar year in and for which the tax imposed by section 5733.06 of the Revised Code is required to be paid.

(G) "Internal Revenue Code" means the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as amended.

(H) "Federal income tax" means the income tax imposed by the Internal Revenue Code.

(I) Except as provided in section 5733.058 of the Revised Code, "net income" means the taxpayer's taxable income before operating loss deduction and special deductions, as required to be reported for the taxpayer's taxable year under the Internal Revenue Code, subject to the following adjustments:

(1) (a) Deduct any net operating loss incurred in any taxable years ending in 1971 or thereafter, but exclusive of any net operating loss incurred in taxable years ending prior to January 1, 1971. This deduction shall not be allowed in any tax year commencing before December 31, 1973, but shall be carried over and allowed in tax years commencing after December 31, 1973, until fully utilized in the next succeeding taxable year or years in which the taxpayer has net income, but in no case for more than the designated carryover period as described in division (I) (1) (b) of this section. The amount of such net operating loss, as determined under the allocation and apportionment provisions of section 5733.051 and division (B) of section 5733.05 of the Revised Code for the year in which the

net operating loss occurs, shall be deducted from net income, as 10137
determined under the allocation and apportionment provisions of 10138
section 5733.051 and division (B) of section 5733.05 of the 10139
Revised Code, to the extent necessary to reduce net income to 10140
zero with the remaining unused portion of the deduction, if any, 10141
carried forward to the remaining years of the designated 10142
carryover period as described in division (I)(1)(b) of this 10143
section, or until fully utilized, whichever occurs first. 10144

(b) For losses incurred in taxable years ending on or 10145
before December 31, 1981, the designated carryover period shall 10146
be the five consecutive taxable years after the taxable year in 10147
which the net operating loss occurred. For losses incurred in 10148
taxable years ending on or after January 1, 1982, and beginning 10149
before August 6, 1997, the designated carryover period shall be 10150
the fifteen consecutive taxable years after the taxable year in 10151
which the net operating loss occurs. For losses incurred in 10152
taxable years beginning on or after August 6, 1997, the 10153
designated carryover period shall be the twenty consecutive 10154
taxable years after the taxable year in which the net operating 10155
loss occurs. 10156

(c) The tax commissioner may require a taxpayer to furnish 10157
any information necessary to support a claim for deduction under 10158
division (I)(1)(a) of this section and no deduction shall be 10159
allowed unless the information is furnished. 10160

(2) Deduct any amount included in net income by 10161
application of section 78 or 951 of the Internal Revenue Code, 10162
amounts received for royalties, technical or other services 10163
derived from sources outside the United States, and dividends 10164
received from a subsidiary, associate, or affiliated corporation 10165
that neither transacts any substantial portion of its business 10166

nor regularly maintains any substantial portion of its assets 10167
within the United States. For purposes of determining net 10168
foreign source income deductible under division (I) (2) of this 10169
section, the amount of gross income from all such sources other 10170
than dividend income and income derived by application of 10171
section 78 or 951 of the Internal Revenue Code shall be reduced 10172
by: 10173

(a) The amount of any reimbursed expenses for personal 10174
services performed by employees of the taxpayer for the 10175
subsidiary, associate, or affiliated corporation; 10176

(b) Ten per cent of the amount of royalty income and 10177
technical assistance fees; 10178

(c) Fifteen per cent of the amount of all other income. 10179

The amounts described in divisions (I) (2) (a) to (c) of 10180
this section are deemed to be the expenses attributable to the 10181
production of deductible foreign source income unless the 10182
taxpayer shows, by clear and convincing evidence, less actual 10183
expenses, or the tax commissioner shows, by clear and convincing 10184
evidence, more actual expenses. 10185

(3) Add any loss or deduct any gain resulting from the 10186
sale, exchange, or other disposition of a capital asset, or an 10187
asset described in section 1231 of the Internal Revenue Code, to 10188
the extent that such loss or gain occurred prior to the first 10189
taxable year on which the tax provided for in section 5733.06 of 10190
the Revised Code is computed on the corporation's net income. 10191
For purposes of division (I) (3) of this section, the amount of 10192
the prior loss or gain shall be measured by the difference 10193
between the original cost or other basis of the asset and the 10194
fair market value as of the beginning of the first taxable year 10195

on which the tax provided for in section 5733.06 of the Revised Code is computed on the corporation's net income. At the option of the taxpayer, the amount of the prior loss or gain may be a percentage of the gain or loss, which percentage shall be determined by multiplying the gain or loss by a fraction, the numerator of which is the number of months from the acquisition of the asset to the beginning of the first taxable year on which the fee provided in section 5733.06 of the Revised Code is computed on the corporation's net income, and the denominator of which is the number of months from the acquisition of the asset to the sale, exchange, or other disposition of the asset. The adjustments described in this division do not apply to any gain or loss where the gain or loss is recognized by a qualifying taxpayer, as defined in section 5733.0510 of the Revised Code, with respect to a qualifying taxable event, as defined in that section.

(4) Deduct the dividend received deduction provided by section 243 of the Internal Revenue Code.

(5) Deduct any interest or interest equivalent on public obligations and purchase obligations to the extent included in federal taxable income. As used in divisions (I) (5) and (6) of this section, "public obligations," "purchase obligations," and "interest or interest equivalent" have the same meanings as in section 5709.76 of the Revised Code.

(6) Add any loss or deduct any gain resulting from the sale, exchange, or other disposition of public obligations to the extent included in federal taxable income.

(7) To the extent not otherwise allowed, deduct any dividends or distributions received by a taxpayer from a public utility, excluding an electric company and a combined company,

and, for tax years 2005 and thereafter, a telephone company, if 10226
the taxpayer owns at least eighty per cent of the issued and 10227
outstanding common stock of the public utility. As used in 10228
division (I)(7) of this section, "public utility" means a public 10229
utility as defined in Chapter 5727. of the Revised Code, whether 10230
or not the public utility is doing business in the state. 10231

(8) To the extent not otherwise allowed, deduct any 10232
dividends received by a taxpayer from an insurance company, if 10233
the taxpayer owns at least eighty per cent of the issued and 10234
outstanding common stock of the insurance company. As used in 10235
division (I)(8) of this section, "insurance company" means an 10236
insurance company that is taxable under Chapter 5725. or 5729. 10237
of the Revised Code. 10238

(9) Deduct expenditures for modifying existing buildings 10239
or structures to meet American national standards institute 10240
standard A-117.1-1961 (R-1971), as amended; provided, that no 10241
deduction shall be allowed to the extent that such deduction is 10242
not permitted under federal law or under rules of the tax 10243
commissioner. Those deductions as are allowed may be taken over 10244
a period of five years. The tax commissioner shall adopt rules 10245
under Chapter 119. of the Revised Code establishing reasonable 10246
limitations on the extent that expenditures for modifying 10247
existing buildings or structures are attributable to the purpose 10248
of making the buildings or structures accessible to and usable 10249
by physically handicapped persons. 10250

(10) Deduct the amount of wages and salaries, if any, not 10251
otherwise allowable as a deduction but that would have been 10252
allowable as a deduction in computing federal taxable income 10253
before operating loss deduction and special deductions for the 10254
taxable year, had the targeted jobs credit allowed and 10255

determined under sections 38, 51, and 52 of the Internal Revenue Code not been in effect. 10256
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(11) Deduct net interest income on obligations of the United States and its territories and possessions or of any authority, commission, or instrumentality of the United States to the extent the laws of the United States prohibit inclusion of the net interest for purposes of determining the value of the taxpayer's issued and outstanding shares of stock under division (B) of section 5733.05 of the Revised Code. As used in division (I) (11) of this section, "net interest" means interest net of any expenses taken on the federal income tax return that would not have been allowed under section 265 of the Internal Revenue Code if the interest were exempt from federal income tax. 10258
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(12) (a) Except as set forth in division (I) (12) (d) of this section, to the extent not included in computing the taxpayer's federal taxable income before operating loss deduction and special deductions, add gains and deduct losses from direct or indirect sales, exchanges, or other dispositions, made by a related entity who is not a taxpayer, of the taxpayer's indirect, beneficial, or constructive investment in the stock or debt of another entity, unless the gain or loss has been included in computing the federal taxable income before operating loss deduction and special deductions of another taxpayer with a more closely related investment in the stock or debt of the other entity. The amount of gain added or loss deducted shall not exceed the product obtained by multiplying such gain or loss by the taxpayer's proportionate share, directly, indirectly, beneficially, or constructively, of the outstanding stock of the related entity immediately prior to the direct or indirect sale, exchange, or other disposition. 10269
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(b) Except as set forth in division (I)(12)(e) of this section, to the extent not included in computing the taxpayer's federal taxable income before operating loss deduction and special deductions, add gains and deduct losses from direct or indirect sales, exchanges, or other dispositions made by a related entity who is not a taxpayer, of intangible property other than stock, securities, and debt, if such property was owned, or used in whole or in part, at any time prior to or at the time of the sale, exchange, or disposition by either the taxpayer or by a related entity that was a taxpayer at any time during the related entity's ownership or use of such property, unless the gain or loss has been included in computing the federal taxable income before operating loss deduction and special deductions of another taxpayer with a more closely related ownership or use of such intangible property. The amount of gain added or loss deducted shall not exceed the product obtained by multiplying such gain or loss by the taxpayer's proportionate share, directly, indirectly, beneficially, or constructively, of the outstanding stock of the related entity immediately prior to the direct or indirect sale, exchange, or other disposition.

(c) As used in division (I)(12) of this section, "related entity" means those entities described in divisions (I)(12)(c)(i) to (iii) of this section:

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

(ii) A stockholder, or a stockholder's partnership, 10316
estate, trust, or corporation, if the stockholder and the 10317
stockholder's partnerships, estates, trusts, and corporations 10318
own directly, indirectly, beneficially, or constructively, in 10319
the aggregate, at least fifty per cent of the value of the 10320
taxpayer's outstanding stock; 10321

(iii) A corporation, or a party related to the corporation 10322
in a manner that would require an attribution of stock from the 10323
corporation to the party or from the party to the corporation 10324
under division (I) (12) (c) (iv) of this section, if the taxpayer 10325
owns, directly, indirectly, beneficially, or constructively, at 10326
least fifty per cent of the value of the corporation's 10327
outstanding stock. 10328

(iv) The attribution rules of section 318 of the Internal 10329
Revenue Code apply for purposes of determining whether the 10330
ownership requirements in divisions (I) (12) (c) (i) to (iii) of 10331
this section have been met. 10332

(d) For purposes of the adjustments required by division 10333
(I) (12) (a) of this section, the term "investment in the stock or 10334
debt of another entity" means only those investments where the 10335
taxpayer and the taxpayer's related entities directly, 10336
indirectly, beneficially, or constructively own, in the 10337
aggregate, at any time during the twenty-four month period 10338
commencing one year prior to the direct or indirect sale, 10339
exchange, or other disposition of such investment at least fifty 10340
per cent or more of the value of either the outstanding stock or 10341
such debt of such other entity. 10342

(e) For purposes of the adjustments required by division 10343
(I) (12) (b) of this section, the term "related entity" excludes 10344
all of the following: 10345

(i) Foreign corporations as defined in section 7701 of the Internal Revenue Code;	10346 10347
(ii) Foreign partnerships as defined in section 7701 of the Internal Revenue Code;	10348 10349
(iii) Corporations, partnerships, estates, and trusts created or organized in or under the laws of the Commonwealth of Puerto Rico or any possession of the United States;	10350 10351 10352
(iv) Foreign estates and foreign trusts as defined in section 7701 of the Internal Revenue Code.	10353 10354
The exclusions described in divisions (I) (12) (e) (i) to (iv) of this section do not apply if the corporation, partnership, estate, or trust is described in any one of divisions (C) (1) to (5) of section 5733.042 of the Revised Code.	10355 10356 10357 10358
(f) Nothing in division (I) (12) of this section shall require or permit a taxpayer to add any gains or deduct any losses described in divisions (I) (12) (f) (i) and (ii) of this section:	10359 10360 10361 10362
(i) Gains or losses recognized for federal income tax purposes by an individual, estate, or trust without regard to the attribution rules described in division (I) (12) (c) of this section;	10363 10364 10365 10366
(ii) A related entity's gains or losses described in division (I) (12) (b) of this section if the taxpayer's ownership of or use of such intangible property was limited to a period not exceeding nine months and was attributable to a transaction or a series of transactions executed in accordance with the election or elections made by the taxpayer or a related entity pursuant to section 338 of the Internal Revenue Code.	10367 10368 10369 10370 10371 10372 10373

(13) Any adjustment required by section 5733.042 of the Revised Code.	10374 10375
(14) Add any amount claimed as a credit under section 5733.0611 of the Revised Code to the extent that such amount satisfies either of the following:	10376 10377 10378
(a) It was deducted or excluded from the computation of the corporation's taxable income before operating loss deduction and special deductions as required to be reported for the corporation's taxable year under the Internal Revenue Code;	10379 10380 10381 10382
(b) It resulted in a reduction of the corporation's taxable income before operating loss deduction and special deductions as required to be reported for any of the corporation's taxable years under the Internal Revenue Code.	10383 10384 10385 10386
(15) Deduct the amount contributed by the taxpayer to an individual development account program established by a county department of job and family services pursuant to sections 329.11 to 329.14 of the Revised Code for the purpose of matching funds deposited by program participants. On request of the tax commissioner, the taxpayer shall provide any information that, in the tax commissioner's opinion, is necessary to establish the amount deducted under division (I)(15) of this section.	10387 10388 10389 10390 10391 10392 10393 10394
(16) Any adjustment required by section 5733.0510 or 5733.0511 of the Revised Code.	10395 10396
(17) (a) (i) Add five-sixths of the amount of depreciation expense allowed under subsection (k) of section 168 of the Internal Revenue Code, including a person's proportionate or distributive share of the amount of depreciation expense allowed by that subsection to any pass-through entity in which the person has direct or indirect ownership.	10397 10398 10399 10400 10401 10402

(ii) Add five-sixths of the amount of qualifying section 179 depreciation expense, including a person's proportionate or distributive share of the amount of qualifying section 179 depreciation expense allowed to any pass-through entity in which the person has a direct or indirect ownership. For the purposes of this division, "qualifying section 179 depreciation expense" means the difference between (I) the amount of depreciation expense directly or indirectly allowed to the taxpayer under section 179 of the Internal Revenue Code, and (II) the amount of depreciation expense directly or indirectly allowed to the taxpayer under section 179 of the Internal Revenue Code as that section existed on December 31, 2002.

The tax commissioner, under procedures established by the commissioner, may waive the add-backs related to a pass-through entity if the person owns, directly or indirectly, less than five per cent of the pass-through entity.

(b) Nothing in division (I) (17) of this section shall be construed to adjust or modify the adjusted basis of any asset.

(c) To the extent the add-back is attributable to property generating income or loss allocable under section 5733.051 of the Revised Code, the add-back shall be allocated to the same location as the income or loss generated by that property. Otherwise, the add-back shall be apportioned, subject to division (B) (2) (d) of section 5733.05 of the Revised Code.

(18) (a) If a person is required to make the add-back under division (I) (17) (a) of this section for a tax year, the person shall deduct one-fifth of the amount added back for each of the succeeding five tax years.

(b) If the amount deducted under division (I) (18) (a) of

this section is attributable to an add-back allocated under 10432
division (I) (17) (c) of this section, the amount deducted shall 10433
be allocated to the same location. Otherwise, the amount shall 10434
be apportioned using the apportionment factors for the taxable 10435
year in which the deduction is taken, subject to division (B) (2) 10436
(d) of section 5733.05 of the Revised Code. 10437

(J) Except as otherwise expressly provided or clearly 10438
appearing from the context, any term used in this chapter has 10439
the same meaning as when used in a comparable context in the 10440
laws of the United States relating to federal income taxes. Any 10441
reference in this chapter to the Internal Revenue Code includes 10442
other laws of the United States relating to federal income 10443
taxes. 10444

(K) "Financial institution" has the meaning given by 10445
section 5725.01 of the Revised Code but does not include a 10446
production credit association as described in 85 Stat. 597, 12 10447
U.S.C.A. 2091. 10448

(L) (1) A "qualifying holding company" is any corporation 10449
satisfying all of the following requirements: 10450

(a) Subject to divisions (L) (2) and (3) of this section, 10451
the net book value of the corporation's intangible assets is 10452
greater than or equal to ninety per cent of the net book value 10453
of all of its assets and at least fifty per cent of the net book 10454
value of all of its assets represents direct or indirect 10455
investments in the equity of, loans and advances to, and 10456
accounts receivable due from related members; 10457

(b) At least ninety per cent of the corporation's gross 10458
income for the taxable year is attributable to the following: 10459

(i) The maintenance, management, ownership, acquisition, 10460

use, and disposition of its intangible property, its aircraft 10461
the use of which is not subject to regulation under 14 C.F.R. 10462
part 121 or part 135, and any real property described in 10463
division (L) (2) (c) of this section; 10464

(ii) The collection and distribution of income from such 10465
property. 10466

(c) The corporation is not a financial institution on the 10467
last day of the taxable year ending prior to the first day of 10468
the tax year; 10469

(d) The corporation's related members make a good faith 10470
and reasonable effort to make timely and fully the adjustments 10471
required by division (D) of section 5733.05 of the Revised Code 10472
and to pay timely and fully all uncontested taxes, interest, 10473
penalties, and other fees and charges imposed under this 10474
chapter; 10475

(e) Subject to division (L) (4) of this section, the 10476
corporation elects to be treated as a qualifying holding company 10477
for the tax year. 10478

A corporation otherwise satisfying divisions (L) (1) (a) to 10479
(e) of this section that does not elect to be a qualifying 10480
holding company is not a qualifying holding company for the 10481
purposes of this chapter. 10482

(2) (a) (i) For purposes of making the ninety per cent 10483
computation under division (L) (1) (a) of this section, the net 10484
book value of the corporation's assets shall not include the net 10485
book value of aircraft or real property described in division 10486
(L) (1) (b) (i) of this section. 10487

(ii) For purposes of making the fifty per cent computation 10488
under division (L) (1) (a) of this section, the net book value of 10489

assets shall include the net book value of aircraft or real 10490
property described in division (L) (1) (b) (i) of this section. 10491

(b) (i) As used in division (L) of this section, 10492
"intangible asset" includes, but is not limited to, the 10493
corporation's direct interest in each pass-through entity only 10494
if at all times during the corporation's taxable year ending 10495
prior to the first day of the tax year the corporation's and the 10496
corporation's related members' combined direct and indirect 10497
interests in the capital or profits of such pass-through entity 10498
do not exceed fifty per cent. If the corporation's interest in 10499
the pass-through entity is an intangible asset for that taxable 10500
year, then the distributive share of any income from the pass- 10501
through entity shall be income from an intangible asset for that 10502
taxable year. 10503

(ii) If a corporation's and the corporation's related 10504
members' combined direct and indirect interests in the capital 10505
or profits of a pass-through entity exceed fifty per cent at any 10506
time during the corporation's taxable year ending prior to the 10507
first day of the tax year, "intangible asset" does not include 10508
the corporation's direct interest in the pass-through entity, 10509
and the corporation shall include in its assets its 10510
proportionate share of the assets of any such pass-through 10511
entity and shall include in its gross income its distributive 10512
share of the gross income of such pass-through entity in the 10513
same form as was earned by the pass-through entity. 10514

(iii) A pass-through entity's direct or indirect 10515
proportionate share of any other pass-through entity's assets 10516
shall be included for the purpose of computing the corporation's 10517
proportionate share of the pass-through entity's assets under 10518
division (L) (2) (b) (ii) of this section, and such pass-through 10519

entity's distributive share of any other pass-through entity's 10520
gross income shall be included for purposes of computing the 10521
corporation's distributive share of the pass-through entity's 10522
gross income under division (L) (2) (b) (ii) of this section. 10523

(c) For the purposes of divisions (L) (1) (b) (i), (1) (b) 10524
(ii), (2) (a) (i), and (2) (a) (ii) of this section, real property 10525
is described in division (L) (2) (c) of this section only if all 10526
of the following conditions are present at all times during the 10527
taxable year ending prior to the first day of the tax year: 10528

(i) The real property serves as the headquarters of the 10529
corporation's trade or business, or is the place from which the 10530
corporation's trade or business is principally managed or 10531
directed; 10532

(ii) Not more than ten per cent of the value of the real 10533
property and not more than ten per cent of the square footage of 10534
the building or buildings that are part of the real property is 10535
used, made available, or occupied for the purpose of providing, 10536
acquiring, transferring, selling, or disposing of tangible 10537
property or services in the normal course of business to persons 10538
other than related members, the corporation's employees and 10539
their families, and such related members' employees and their 10540
families. 10541

(d) As used in division (L) of this section, "related 10542
member" has the same meaning as in division (A) (6) of section 10543
5733.042 of the Revised Code without regard to division (B) of 10544
that section. 10545

(3) The percentages described in division (L) (1) (a) of 10546
this section shall be equal to the quarterly average of those 10547
percentages as calculated during the corporation's taxable year 10548

ending prior to the first day of the tax year. 10549

(4) With respect to the election described in division (L) 10550
(1) (e) of this section: 10551

(a) The election need not accompany a timely filed report; 10552

(b) The election need not accompany the report; rather, 10553
the election may accompany a subsequently filed but timely 10554
application for refund and timely amended report, or a 10555
subsequently filed but timely petition for reassessment; 10556

(c) The election is not irrevocable; 10557

(d) The election applies only to the tax year specified by 10558
the corporation; 10559

(e) The corporation's related members comply with division 10560
(L) (1) (d) of this section. 10561

Nothing in division (L) (4) of this section shall be 10562
construed to extend any statute of limitations set forth in this 10563
chapter. 10564

(M) "Qualifying controlled group" means two or more 10565
corporations that satisfy the ownership and control requirements 10566
of division (A) of section 5733.052 of the Revised Code. 10567

(N) "Limited liability company" means any limited 10568
liability company formed under Chapter 1705. or 1706. of the 10569
Revised Code or under the laws of any other state. 10570

(O) "Pass-through entity" means a corporation that has 10571
made an election under subchapter S of Chapter 1 of Subtitle A 10572
of the Internal Revenue Code for its taxable year under that 10573
code, or a partnership, limited liability company, or any other 10574
person, other than an individual, trust, or estate, if the 10575

partnership, limited liability company, or other person is not 10576
classified for federal income tax purposes as an association 10577
taxed as a corporation. 10578

(P) "Electric company," "combined company," and "telephone 10579
company" have the same meanings as in section 5727.01 of the 10580
Revised Code. 10581

(Q) "Business income" means income arising from 10582
transactions, activities, and sources in the regular course of a 10583
trade or business and includes income from real property, 10584
tangible personal property, and intangible personal property if 10585
the acquisition, rental, management, and disposition of the 10586
property constitute integral parts of the regular course of a 10587
trade or business operation. "Business income" includes income, 10588
including gain or loss, from a partial or complete liquidation 10589
of a business, including, but not limited to, gain or loss from 10590
the sale or other disposition of goodwill. 10591

(R) "Nonbusiness income" means all income other than 10592
business income. 10593

Sec. 5733.33. (A) As used in this section: 10594

(1) "Manufacturing machinery and equipment" means engines 10595
and machinery, and tools and implements, of every kind used, or 10596
designed to be used, in refining and manufacturing. 10597
"Manufacturing machinery and equipment" does not include 10598
property acquired after December 31, 1999, that is used: 10599

(a) For the transmission and distribution of electricity; 10600

(b) For the generation of electricity, if fifty per cent 10601
or more of the electricity that the property generates is 10602
consumed, during the one-hundred-twenty-month period commencing 10603
with the date the property is placed in service, by persons that 10604

are not related members to the person who generates the 10605
electricity. 10606

(2) "New manufacturing machinery and equipment" means 10607
manufacturing machinery and equipment, the original use in this 10608
state of which commences with the taxpayer or with a partnership 10609
of which the taxpayer is a partner. "New manufacturing machinery 10610
and equipment" does not include property acquired after December 10611
31, 1999, that is used: 10612

(a) For the transmission and distribution of electricity; 10613

(b) For the generation of electricity, if fifty per cent 10614
or more of the electricity that the property generates is 10615
consumed, during the one-hundred-twenty-month period commencing 10616
with the date the property is placed in service, by persons that 10617
are not related members to the person who generates the 10618
electricity. 10619

(3) (a) "Purchase" has the same meaning as in section 10620
179(d) (2) of the Internal Revenue Code. 10621

(b) For purposes of this section, any property that is not 10622
manufactured or assembled primarily by the taxpayer is 10623
considered purchased at the time the agreement to acquire the 10624
property becomes binding. Any property that is manufactured or 10625
assembled primarily by the taxpayer is considered purchased at 10626
the time the taxpayer places the property in service in the 10627
county for which the taxpayer will calculate the county excess 10628
amount. 10629

(c) Notwithstanding section 179(d) of the Internal Revenue 10630
Code, a taxpayer's direct or indirect acquisition of new 10631
manufacturing machinery and equipment is not purchased on or 10632
after July 1, 1995, if the taxpayer, or a person whose 10633

relationship to the taxpayer is described in subparagraphs (A), 10634
(B), or (C) of section 179(d)(2) of the Internal Revenue Code, 10635
had directly or indirectly entered into a binding agreement to 10636
acquire the property at any time prior to July 1, 1995. 10637

(4) "Qualifying period" means the period that begins July 10638
1, 1995, and ends June 30, 2005. 10639

(5) "County average new manufacturing machinery and 10640
equipment investment" means either of the following: 10641

(a) The average annual cost of new manufacturing machinery 10642
and equipment purchased for use in the county during baseline 10643
years, in the case of a taxpayer that was in existence for more 10644
than one year during baseline years. 10645

(b) Zero, in the case of a taxpayer that was not in 10646
existence for more than one year during baseline years. 10647

(6) "Partnership" includes a limited liability company 10648
formed under Chapter 1705. or 1706. of the Revised Code or under 10649
the laws of any other state, provided that the company is not 10650
classified for federal income tax purposes as an association 10651
taxable as a corporation. 10652

(7) "Partner" includes a member of a limited liability 10653
company formed under Chapter 1705. or 1706. of the Revised Code 10654
or under the laws of any other state, provided that the company 10655
is not classified for federal income tax purposes as an 10656
association taxable as a corporation. 10657

(8) "Distressed area" means either a municipal corporation 10658
that has a population of at least fifty thousand or a county 10659
that meets two of the following criteria of economic distress, 10660
or a municipal corporation the majority of the population of 10661
which is situated in such a county: 10662

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

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

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

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

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

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

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

(12) "Official poverty line" has the same meaning as in

division (A) of section 3923.51 of the Revised Code. 10692

(13) "Situational distress area" means a county or a 10693
municipal corporation that has experienced or is experiencing a 10694
closing or downsizing of a major employer, that will adversely 10695
affect the county's or municipal corporation's economy. In order 10696
to be designated as a situational distress area for a period not 10697
to exceed thirty-six months, the county or municipal corporation 10698
may petition the director of development. The petition shall 10699
include written documentation that demonstrates all of the 10700
following adverse effects on the local economy: 10701

(a) The number of jobs lost by the closing or downsizing; 10702

(b) The impact that the job loss has on the county's or 10703
municipal corporation's unemployment rate as measured by the 10704
state director of job and family services; 10705

(c) The annual payroll associated with the job loss; 10706

(d) The amount of state and local taxes associated with 10707
the job loss; 10708

(e) The impact that the closing or downsizing has on the 10709
suppliers located in the county or municipal corporation. 10710

(14) "Cost" has the same meaning and limitation as in 10711
section 179(d) (3) of the Internal Revenue Code. 10712

(15) "Baseline years" means: 10713

(a) Calendar years 1992, 1993, and 1994, with regard to a 10714
credit claimed for the purchase during calendar year 1995, 1996, 10715
1997, or 1998 of new manufacturing machinery and equipment; 10716

(b) Calendar years 1993, 1994, and 1995, with regard to a 10717
credit claimed for the purchase during calendar year 1999 of new 10718

manufacturing machinery and equipment;	10719
(c) Calendar years 1994, 1995, and 1996, with regard to a credit claimed for the purchase during calendar year 2000 of new manufacturing machinery and equipment;	10720 10721 10722
(d) Calendar years 1995, 1996, and 1997, with regard to a credit claimed for the purchase during calendar year 2001 of new manufacturing machinery and equipment;	10723 10724 10725
(e) Calendar years 1996, 1997, and 1998, with regard to a credit claimed for the purchase during calendar year 2002 of new manufacturing machinery and equipment;	10726 10727 10728
(f) Calendar years 1997, 1998, and 1999, with regard to a credit claimed for the purchase during calendar year 2003 of new manufacturing machinery and equipment;	10729 10730 10731
(g) Calendar years 1998, 1999, and 2000, with regard to a credit claimed for the purchase during calendar year 2004 of new manufacturing machinery and equipment;	10732 10733 10734
(h) Calendar years 1999, 2000, and 2001, with regard to a credit claimed for the purchase on or after January 1, 2005, and on or before June 30, 2005, of new manufacturing machinery and equipment.	10735 10736 10737 10738
(16) "Related member" has the same meaning as in section 5733.042 of the Revised Code.	10739 10740
(B) (1) Subject to division (I) of this section, a nonrefundable credit is allowed against the tax imposed by section 5733.06 of the Revised Code for a taxpayer that purchases new manufacturing machinery and equipment during the qualifying period, provided that the new manufacturing machinery and equipment are installed in this state no later than June 30,	10741 10742 10743 10744 10745 10746

2006. No credit shall be allowed under this section for taxable 10747
years ending on or after July 1, 2005. The elimination of the 10748
credit for those taxable years includes the elimination of any 10749
remaining one-sevenths of credit amounts for which a portion was 10750
allowed for prior taxable years and the elimination of any 10751
credit carry-forward, but the purchases on which the credits 10752
were based remain subject to grants under section 122.173 of the 10753
Revised Code for those remaining one-seventh amounts or carry- 10754
forward amounts. 10755

(2) (a) Except as otherwise provided in division (B) (2) (b) 10756
of this section, a credit may be claimed under this section in 10757
excess of one million dollars only if the cost of all 10758
manufacturing machinery and equipment owned in this state by the 10759
taxpayer claiming the credit on the last day of the calendar 10760
year exceeds the cost of all manufacturing machinery and 10761
equipment owned in this state by the taxpayer on the first day 10762
of that calendar year. 10763

As used in division (B) (2) (a) of this section, "calendar 10764
year" means the calendar year in which the machinery and 10765
equipment for which the credit is claimed was purchased. 10766

(b) Division (B) (2) (a) of this section does not apply if 10767
the taxpayer claiming the credit applies for and is issued a 10768
waiver of the requirement of that division. A taxpayer may apply 10769
to the director of development for such a waiver in the manner 10770
prescribed by the director, and the director may issue such a 10771
waiver if the director determines that granting the credit is 10772
necessary to increase or retain employees in this state, and 10773
that the credit has not caused relocation of manufacturing 10774
machinery and equipment among counties within this state for the 10775
primary purpose of qualifying for the credit. 10776

(C) (1) Except as otherwise provided in division (C) (2) and 10777
division (I) of this section, the credit amount is equal to 10778
seven and one-half per cent of the excess of the cost of the new 10779
manufacturing machinery and equipment purchased during the 10780
calendar year for use in a county over the county average new 10781
manufacturing machinery and equipment investment for that 10782
county. 10783

(2) Subject to division (I) of this section, as used in 10784
division (C) (2) of this section "county excess" means the 10785
taxpayer's excess cost for a county as computed under division 10786
(C) (1) of this section. 10787

Subject to division (I) of this section, a taxpayer with a 10788
county excess, whose purchases included purchases for use in any 10789
eligible area in the county, the credit amount is equal to 10790
thirteen and one-half per cent of the cost of the new 10791
manufacturing machinery and equipment purchased during the 10792
calendar year for use in the eligible areas in the county, 10793
provided that the cost subject to the thirteen and one-half per 10794
cent rate shall not exceed the county excess. If the county 10795
excess is greater than the cost of the new manufacturing 10796
machinery and equipment purchased during the calendar year for 10797
use in eligible areas in the county, the credit amount also 10798
shall include an amount equal to seven and one-half per cent of 10799
the amount of the difference. 10800

(3) If a taxpayer is allowed a credit for purchases of new 10801
manufacturing machinery and equipment in more than one county or 10802
eligible area, it shall aggregate the amount of those credits 10803
each year. 10804

(4) The taxpayer shall claim one-seventh of the credit 10805
amount for the tax year immediately following the calendar year 10806

in which the new manufacturing machinery and equipment is 10807
purchased for use in the county by the taxpayer or partnership. 10808
One-seventh of the taxpayer credit amount is allowed for each of 10809
the six ensuing tax years. Except for carried-forward amounts, 10810
the taxpayer is not allowed any credit amount remaining if the 10811
new manufacturing machinery and equipment is sold by the 10812
taxpayer or partnership or is transferred by the taxpayer or 10813
partnership out of the county before the end of the seven-year 10814
period unless, at the time of the sale or transfer, the new 10815
manufacturing machinery and equipment has been fully depreciated 10816
for federal income tax purposes. 10817

(5) (a) A taxpayer that acquires manufacturing machinery 10818
and equipment as a result of a merger with the taxpayer with 10819
whom commenced the original use in this state of the 10820
manufacturing machinery and equipment, or with a taxpayer that 10821
was a partner in a partnership with whom commenced the original 10822
use in this state of the manufacturing machinery and equipment, 10823
is entitled to any remaining or carried-forward credit amounts 10824
to which the taxpayer was entitled. 10825

(b) A taxpayer that enters into an agreement under 10826
division (C) (3) of section 5709.62 of the Revised Code and that 10827
acquires manufacturing machinery or equipment as a result of 10828
purchasing a large manufacturing facility, as defined in section 10829
5709.61 of the Revised Code, from another taxpayer with whom 10830
commenced the original use in this state of the manufacturing 10831
machinery or equipment, and that operates the large 10832
manufacturing facility so purchased, is entitled to any 10833
remaining or carried-forward credit amounts to which the other 10834
taxpayer who sold the facility would have been entitled under 10835
this section had the other taxpayer not sold the manufacturing 10836
facility or equipment. 10837

(c) New manufacturing machinery and equipment is not 10838
considered sold if a pass-through entity transfers to another 10839
pass-through entity substantially all of its assets as part of a 10840
plan of reorganization under which substantially all gain and 10841
loss is not recognized by the pass-through entity that is 10842
transferring the new manufacturing machinery and equipment to 10843
the transferee and under which the transferee's basis in the new 10844
manufacturing machinery and equipment is determined, in whole or 10845
in part, by reference to the basis of the pass-through entity 10846
which transferred the new manufacturing machinery and equipment 10847
to the transferee. 10848

(d) Division (C) (5) of this section shall apply only if 10849
the acquiring taxpayer or transferee does not sell the new 10850
manufacturing machinery and equipment or transfer the new 10851
manufacturing machinery and equipment out of the county before 10852
the end of the seven-year period to which division (C) (4) of 10853
this section refers. 10854

(e) Division (C) (5) (b) of this section applies only to the 10855
extent that the taxpayer that sold the manufacturing machinery 10856
or equipment, upon request, timely provides to the tax 10857
commissioner any information that the tax commissioner considers 10858
to be necessary to ascertain any remaining or carried-forward 10859
amounts to which the taxpayer that sold the facility would have 10860
been entitled under this section had the taxpayer not sold the 10861
manufacturing machinery or equipment. Nothing in division (C) (5) 10862
(b) or (e) of this section shall be construed to allow a 10863
taxpayer to claim any credit amount with respect to the acquired 10864
manufacturing machinery or equipment that is greater than the 10865
amount that would have been available to the other taxpayer that 10866
sold the manufacturing machinery or equipment had the other 10867
taxpayer not sold the manufacturing machinery or equipment. 10868

(D) The taxpayer shall claim the credit in the order 10869
required under section 5733.98 of the Revised Code. Each year, 10870
any credit amount in excess of the tax due under section 5733.06 10871
of the Revised Code after allowing for any other credits that 10872
precede the credit under this section in that order may be 10873
carried forward for three tax years. 10874

(E) A taxpayer purchasing new manufacturing machinery and 10875
equipment and intending to claim the credit shall file, with the 10876
department of development, a notice of intent to claim the 10877
credit on a form prescribed by the department of development. 10878
The department of development shall inform the tax commissioner 10879
of the notice of intent to claim the credit. No credit may be 10880
claimed under this section for any manufacturing machinery and 10881
equipment with respect to which a notice was not filed by the 10882
date of a timely filed return, including extensions, for the 10883
taxable year that includes September 30, 2005. 10884

(F) The director of development shall annually certify, by 10885
the first day of January of each year during the qualifying 10886
period, the eligible areas for the tax credit for the calendar 10887
year that includes that first day of January. The director shall 10888
send a copy of the certification to the tax commissioner. 10889

(G) New manufacturing machinery and equipment for which a 10890
taxpayer claims the credit under section 5733.31 or 5733.311 of 10891
the Revised Code shall not be considered new manufacturing 10892
machinery and equipment for purposes of the credit under this 10893
section. 10894

(H) (1) Notwithstanding sections 5733.11 and 5747.13 of the 10895
Revised Code, but subject to division (H) (2) of this section, 10896
the tax commissioner may issue an assessment against a person 10897
with respect to a credit claimed under this section for new 10898

manufacturing machinery and equipment described in division (A) 10899
(1) (b) or (2) (b) of this section, if the machinery or equipment 10900
subsequently does not qualify for the credit. 10901

(2) Division (H) (1) of this section shall not apply after 10902
the twenty-fourth month following the last day of the period 10903
described in divisions (A) (1) (b) and (2) (b) of this section. 10904

(I) Notwithstanding any other provision of this section to 10905
the contrary, in the case of a qualifying controlled group, the 10906
credit available under this section to a taxpayer or taxpayers 10907
in the qualifying controlled group shall be computed as if all 10908
corporations in the group were a single corporation. The credit 10909
shall be allocated to such a taxpayer or taxpayers in the group 10910
in any amount elected for the taxable year by the group. Such 10911
election shall be revocable and amendable during the period 10912
described in division (B) of section 5733.12 of the Revised 10913
Code. 10914

This division applies to all purchases of new 10915
manufacturing machinery and equipment made on or after January 10916
1, 2001, and to all baseline years used to compute any credit 10917
attributable to such purchases; provided, that this division may 10918
be applied solely at the election of the qualifying controlled 10919
group with respect to all purchases of new manufacturing 10920
machinery and equipment made before that date, and to all 10921
baseline years used to compute any credit attributable to such 10922
purchases. The qualifying controlled group at any time may elect 10923
to apply this division to purchases made prior to January 1, 10924
2001, subject to the following: 10925

(1) The election is irrevocable; 10926

(2) The election need not accompany a timely filed report, 10927

but the election may accompany a subsequently filed but timely 10928
application for refund, a subsequently filed but timely amended 10929
report, or a subsequently filed but timely petition for 10930
reassessment. 10931

Sec. 5733.42. (A) As used in this section: 10932

(1) "Eligible training program" means a program to provide 10933
job skills to eligible employees who are unable effectively to 10934
function on the job due to skill deficiencies or who would 10935
otherwise be displaced because of their skill deficiencies or 10936
inability to use new technology, or to provide job skills to 10937
eligible employees that enable them to perform other job duties 10938
for the taxpayer. Eligible training programs do not include 10939
executive, management, or personal enrichment training programs, 10940
or training programs intended exclusively for personal career 10941
development. 10942

(2) "Eligible employee" means an individual who is 10943
employed in this state by a taxpayer and has been so employed by 10944
the same taxpayer for at least one hundred eighty consecutive 10945
days before the day an application for the credit is filed under 10946
this section. "Eligible employee" does not include any employee 10947
for which a credit is claimed pursuant to division (A) (5) of 10948
section 5709.65 of the Revised Code for all or any part of the 10949
same year, an employee who is not a full-time employee, or 10950
executive or managerial personnel, except for the immediate 10951
supervisors of nonexecutive, nonmanagerial personnel. 10952

(3) "Eligible training costs" means: 10953

(a) Direct instructional costs, such as instructor 10954
salaries, materials and supplies, textbooks and manuals, 10955
videotapes, and other instructional media and training equipment 10956

used exclusively for the purpose of training eligible employees; 10957

(b) Wages paid to eligible employees for time devoted 10958
exclusively to an eligible training program during normal paid 10959
working hours. 10960

(4) "Full-time employee" means an individual who is 10961
employed for consideration for at least thirty-five hours per 10962
week, or who renders any other standard of service generally 10963
accepted by custom or specified by contract as full-time 10964
employment. 10965

(5) "Partnership" includes a limited liability company 10966
formed under Chapter 1705. or 1706. of the Revised Code or under 10967
the laws of another state, provided that the company is not 10968
classified for federal income tax purposes as an association 10969
taxable as a corporation. 10970

(B) There is hereby allowed a nonrefundable credit against 10971
the tax imposed by section 5733.06 of the Revised Code for 10972
taxpayers for which a tax credit certificate is issued under 10973
division (C) of this section. The credit may be claimed for tax 10974
years 2004, 2005, 2006, 2007, and 2008. The amount of the credit 10975
for tax year 2004 shall equal one-half of the average of the 10976
eligible training costs paid or incurred by the taxpayer during 10977
calendar years 1999, 2000, and 2001, not to exceed one thousand 10978
dollars for each eligible employee on account of whom eligible 10979
training costs were paid or incurred by the taxpayer during 10980
those calendar years. The amount of the credit for tax year 2005 10981
shall equal one-half of the average of the eligible training 10982
costs paid or incurred by the taxpayer during calendar years 10983
2002, 2003, and 2004, not to exceed one thousand dollars for 10984
each eligible employee on account of whom eligible training 10985
costs were paid or incurred by the taxpayer during those 10986

calendar years. The amount of the credit for tax year 2006 shall 10987
equal one-half of the average of the eligible training costs 10988
paid or incurred by the taxpayer during calendar years 2003, 10989
2004, and 2005, not to exceed one thousand dollars for each 10990
eligible employee on account of whom eligible training costs 10991
were paid or incurred by the taxpayer during those calendar 10992
years. The amount of the credit for tax year 2007 shall equal 10993
one-half of the average of the eligible training costs paid or 10994
incurred by the taxpayer during calendar years 2004, 2005, and 10995
2006, not to exceed one thousand dollars for each eligible 10996
employee on account of whom eligible training costs were paid or 10997
incurred by the taxpayer during those calendar years. The amount 10998
of the credit for tax year 2008 shall equal one-half of the 10999
average of the eligible training costs paid or incurred by the 11000
taxpayer during calendar years 2005, 2006, and 2007, not to 11001
exceed one thousand dollars for each eligible employee on 11002
account of whom eligible training costs were paid or incurred by 11003
the taxpayer during those calendar years. 11004

The credit claimed by a taxpayer each tax year shall not 11005
exceed one hundred thousand dollars. 11006

(C) A taxpayer who proposes to conduct an eligible 11007
training program may apply to the director of job and family 11008
services for a tax credit certificate under this section. The 11009
taxpayer may apply for such a certificate for tax years 2004, 11010
2005, 2006, 2007, and 2008 subject to division (L) of this 11011
section. The director shall prescribe the form of the 11012
application, which shall require a detailed description of the 11013
proposed training program. The director may require applicants 11014
to remit an application fee with each application filed with the 11015
director. The fee shall not exceed the reasonable and necessary 11016
expenses incurred by the director in receiving, reviewing, and 11017

approving such applications and issuing tax credit certificates. 11018
Proceeds from fees shall be used solely for the purpose of 11019
receiving, reviewing, and approving such applications and 11020
issuing such certificates. 11021

After receipt of an application, the director shall 11022
authorize a credit under this section by issuing a tax credit 11023
certificate, in the form prescribed by the director, if the 11024
director determines all of the following: 11025

(1) The proposed training program is an eligible training 11026
program under this section; 11027

(2) The proposed training program is economically sound 11028
and will benefit the people of this state by improving workforce 11029
skills and strengthening the economy of this state; 11030

(3) Receiving the tax credit is a major factor in the 11031
taxpayer's decision to go forward with the training program; 11032

(4) Authorization of the credit is consistent with 11033
division (H) of this section. 11034

The credit also is allowed for a taxpayer that is a 11035
partner in a partnership that pays or incurs eligible training 11036
costs. Such a taxpayer shall determine the taxpayer's credit 11037
amount in the manner prescribed by division (K) of this section. 11038

(D) If the director of job and family services denies an 11039
application for a tax credit certificate, the director shall 11040
send notice of the denial and the reason for denial to the 11041
applicant by certified mail, return receipt requested. If the 11042
director determines that an authorized training program, as 11043
actually conducted, fails to meet the requirements of this 11044
section or to comply with any condition set forth in the 11045
authorization, the director may reduce the amount of the tax 11046

credit previously granted. If the director reduces a tax credit, 11047
the director shall send notice of the reduction and the reason 11048
for the reduction to the taxpayer by certified mail, return 11049
receipt requested, and shall certify the reduction to the tax 11050
commissioner or, in the case of the reduction of a credit 11051
claimed by an insurance company, the superintendent of 11052
insurance. The tax commissioner or superintendent of insurance 11053
shall reduce the credit that may be claimed by the taxpayer 11054
accordingly. Within sixty days after receiving a notice of 11055
denial or notice of reduction of the tax credit, an applicant or 11056
taxpayer may request, in writing, a hearing before the director 11057
to review the denial or reduction. Within sixty days after 11058
receiving a request that is filed within the prescribed time, 11059
the director shall hold such a hearing at a location to be 11060
determined by the director. Within thirty days after the hearing 11061
is adjourned, the director shall issue a redetermination 11062
affirming, reversing, or modifying the denial or reduction of 11063
the tax credit and send notice of the redetermination to the 11064
applicant or taxpayer by certified mail, return receipt 11065
requested, and shall issue a notice of the redetermination to 11066
the tax commissioner or superintendent of insurance. If an 11067
applicant or taxpayer is aggrieved by the director's 11068
redetermination, the applicant or taxpayer may appeal the 11069
redetermination to the board of tax appeals in the manner 11070
prescribed by section 5717.02 of the Revised Code. 11071

(E) A taxpayer to which a tax credit certificate is issued 11072
shall retain records indicating the eligible training costs it 11073
pays or incurs for the eligible training program for which the 11074
certificate is issued for four years following the end of the 11075
tax year for which the credit is claimed. Such records shall be 11076
open to inspection by the director of job and family services 11077

upon the director's request during business hours. 11078

Financial statements and other information submitted by an 11079
applicant to the director of job and family services for a tax 11080
credit under this section, and any information taken for any 11081
purpose from such statements or information, are not public 11082
records subject to section 149.43 of the Revised Code. However, 11083
the director of job and family services, the tax commissioner, 11084
or superintendent of insurance may make use of the statements 11085
and other information for purposes of issuing public reports or 11086
in connection with court proceedings concerning tax credits 11087
allowed under this section and sections 5725.31 and 5729.07 of 11088
the Revised Code. 11089

(F) The director of job and family services, in accordance 11090
with Chapter 119. of the Revised Code, shall adopt rules 11091
necessary to implement this section and sections 5725.31 and 11092
5729.07 of the Revised Code. The rules shall be adopted after 11093
consultation with the tax commissioner and the superintendent of 11094
insurance. The rules shall require that if a taxpayer to which a 11095
tax credit certificate is issued under any of those sections 11096
permanently relocates or transfers employees trained under the 11097
tax credit certificate to another state or country within two 11098
years of receiving the certificate, the taxpayer shall repay the 11099
total amount of the tax credit received by the taxpayer for any 11100
employees permanently relocated or transferred. At the time the 11101
director gives public notice under division (A) of section 11102
119.03 of the Revised Code of the adoption of the rules, the 11103
director shall submit copies of the proposed rules to the 11104
chairpersons and ranking minority members of the standing 11105
committees in the senate and the house of representatives to 11106
which legislation on economic development matters are 11107
customarily referred. 11108

(G) On or before the thirtieth day of September of 2001, 11109
2003, 2004, 2005, 2006, 2007, and 2008 the director of job and 11110
family services shall submit a report to the governor, the 11111
president of the senate, and the speaker of the house of 11112
representatives on the tax credit program under this section and 11113
sections 5725.31 and 5729.07 of the Revised Code. The report 11114
shall include information on the number of training programs 11115
that were authorized under those sections during the preceding 11116
calendar year, a description of each authorized training 11117
program, the dollar amounts of the credits granted, and an 11118
estimate of the impact of the credits on the economy of this 11119
state. 11120

(H) The aggregate amount of credits authorized under this 11121
section and sections 5725.31 and 5729.07 of the Revised Code 11122
shall not exceed twenty million dollars per calendar year. No 11123
more than ten million dollars in credits per calendar year shall 11124
be authorized for persons engaged primarily in manufacturing. No 11125
less than five million dollars in credits per calendar year 11126
shall be set aside for persons engaged primarily in activities 11127
other than manufacturing and having fewer than five hundred 11128
employees. Subject to such limits, the director of job and 11129
family services shall adopt a rule under division (F) of this 11130
section that establishes criteria and procedures for 11131
distribution of the credits. 11132

(I) A nonrefundable credit allowed under this section 11133
shall be claimed in the order required under section 5733.98 of 11134
the Revised Code. 11135

(J) The taxpayer may carry forward any credit amount in 11136
excess of its tax due after allowing for any other credits that 11137
precede the credit under this section in the order required 11138

under section 5733.98 of the Revised Code. The excess credit may 11139
be carried forward for three years following the tax year for 11140
which it is first claimed under this section. 11141

(K) A taxpayer that is a partner in a partnership on the 11142
last day of the third calendar year of the three-year period 11143
during which the partnership pays or incurs eligible training 11144
costs may claim a credit under this section for the tax year 11145
immediately following that calendar year. The amount of a 11146
partner's credit equals the partner's interest in the 11147
partnership on the last day of such calendar year multiplied by 11148
the credit available to the partnership as computed by the 11149
partnership. 11150

(L) The director of job and family services shall not 11151
authorize any credits under this section and sections 5725.31 11152
and 5729.07 of the Revised Code for eligible training costs paid 11153
or incurred after December 31, 2007. 11154

Sec. 5747.01. Except as otherwise expressly provided or 11155
clearly appearing from the context, any term used in this 11156
chapter that is not otherwise defined in this section has the 11157
same meaning as when used in a comparable context in the laws of 11158
the United States relating to federal income taxes or if not 11159
used in a comparable context in those laws, has the same meaning 11160
as in section 5733.40 of the Revised Code. Any reference in this 11161
chapter to the Internal Revenue Code includes other laws of the 11162
United States relating to federal income taxes. 11163

As used in this chapter: 11164

(A) "Adjusted gross income" or "Ohio adjusted gross 11165
income" means federal adjusted gross income, as defined and used 11166
in the Internal Revenue Code, adjusted as provided in this 11167

section:	11168
(1) Add interest or dividends on obligations or securities of any state or of any political subdivision or authority of any state, other than this state and its subdivisions and authorities.	11169 11170 11171 11172
(2) Add interest or dividends on obligations of any authority, commission, instrumentality, territory, or possession of the United States to the extent that the interest or dividends are exempt from federal income taxes but not from state income taxes.	11173 11174 11175 11176 11177
(3) Deduct interest or dividends on obligations of the United States and its territories and possessions or of any authority, commission, or instrumentality of the United States to the extent that the interest or dividends are included in federal adjusted gross income but exempt from state income taxes under the laws of the United States.	11178 11179 11180 11181 11182 11183
(4) Deduct disability and survivor's benefits to the extent included in federal adjusted gross income.	11184 11185
(5) Deduct benefits under Title II of the Social Security Act and tier 1 railroad retirement benefits to the extent included in federal adjusted gross income under section 86 of the Internal Revenue Code.	11186 11187 11188 11189
(6) In the case of a taxpayer who is a beneficiary of a trust that makes an accumulation distribution as defined in section 665 of the Internal Revenue Code, add, for the beneficiary's taxable years beginning before 2002, the portion, if any, of such distribution that does not exceed the undistributed net income of the trust for the three taxable years preceding the taxable year in which the distribution is	11190 11191 11192 11193 11194 11195 11196

made to the extent that the portion was not included in the 11197
trust's taxable income for any of the trust's taxable years 11198
beginning in 2002 or thereafter. "Undistributed net income of a 11199
trust" means the taxable income of the trust increased by (a) (i) 11200
the additions to adjusted gross income required under division 11201
(A) of this section and (ii) the personal exemptions allowed to 11202
the trust pursuant to section 642(b) of the Internal Revenue 11203
Code, and decreased by (b) (i) the deductions to adjusted gross 11204
income required under division (A) of this section, (ii) the 11205
amount of federal income taxes attributable to such income, and 11206
(iii) the amount of taxable income that has been included in the 11207
adjusted gross income of a beneficiary by reason of a prior 11208
accumulation distribution. Any undistributed net income included 11209
in the adjusted gross income of a beneficiary shall reduce the 11210
undistributed net income of the trust commencing with the 11211
earliest years of the accumulation period. 11212

(7) Deduct the amount of wages and salaries, if any, not 11213
otherwise allowable as a deduction but that would have been 11214
allowable as a deduction in computing federal adjusted gross 11215
income for the taxable year, had the targeted jobs credit 11216
allowed and determined under sections 38, 51, and 52 of the 11217
Internal Revenue Code not been in effect. 11218

(8) Deduct any interest or interest equivalent on public 11219
obligations and purchase obligations to the extent that the 11220
interest or interest equivalent is included in federal adjusted 11221
gross income. 11222

(9) Add any loss or deduct any gain resulting from the 11223
sale, exchange, or other disposition of public obligations to 11224
the extent that the loss has been deducted or the gain has been 11225
included in computing federal adjusted gross income. 11226

(10) Deduct or add amounts, as provided under section 11227
5747.70 of the Revised Code, related to contributions to 11228
variable college savings program accounts made or tuition units 11229
purchased pursuant to Chapter 3334. of the Revised Code. 11230

(11) (a) Deduct, to the extent not otherwise allowable as a 11231
deduction or exclusion in computing federal or Ohio adjusted 11232
gross income for the taxable year, the amount the taxpayer paid 11233
during the taxable year for medical care insurance and qualified 11234
long-term care insurance for the taxpayer, the taxpayer's 11235
spouse, and dependents. No deduction for medical care insurance 11236
under division (A) (11) (a) of this section shall be allowed 11237
either to any taxpayer who is eligible to participate in any 11238
subsidized health plan maintained by any employer of the 11239
taxpayer or of the taxpayer's spouse, or to any taxpayer who is 11240
entitled to, or on application would be entitled to, benefits 11241
under part A of Title XVIII of the "Social Security Act," 49 11242
Stat. 620 (1935), 42 U.S.C. 301, as amended. For the purposes of 11243
division (A) (11) (a) of this section, "subsidized health plan" 11244
means a health plan for which the employer pays any portion of 11245
the plan's cost. The deduction allowed under division (A) (11) (a) 11246
of this section shall be the net of any related premium refunds, 11247
related premium reimbursements, or related insurance premium 11248
dividends received during the taxable year. 11249

(b) Deduct, to the extent not otherwise deducted or 11250
excluded in computing federal or Ohio adjusted gross income 11251
during the taxable year, the amount the taxpayer paid during the 11252
taxable year, not compensated for by any insurance or otherwise, 11253
for medical care of the taxpayer, the taxpayer's spouse, and 11254
dependents, to the extent the expenses exceed seven and one-half 11255
per cent of the taxpayer's federal adjusted gross income. 11256

(c) Deduct, to the extent not otherwise deducted or 11257
excluded in computing federal or Ohio adjusted gross income, any 11258
amount included in federal adjusted gross income under section 11259
105 or not excluded under section 106 of the Internal Revenue 11260
Code solely because it relates to an accident and health plan 11261
for a person who otherwise would be a "qualifying relative" and 11262
thus a "dependent" under section 152 of the Internal Revenue 11263
Code but for the fact that the person fails to meet the income 11264
and support limitations under section 152(d)(1)(B) and (C) of 11265
the Internal Revenue Code. 11266

(d) For purposes of division (A)(11) of this section, 11267
"medical care" has the meaning given in section 213 of the 11268
Internal Revenue Code, subject to the special rules, 11269
limitations, and exclusions set forth therein, and "qualified 11270
long-term care" has the same meaning given in section 7702B(c) 11271
of the Internal Revenue Code. Solely for purposes of divisions 11272
(A)(11)(a) and (c) of this section, "dependent" includes a 11273
person who otherwise would be a "qualifying relative" and thus a 11274
"dependent" under section 152 of the Internal Revenue Code but 11275
for the fact that the person fails to meet the income and 11276
support limitations under section 152(d)(1)(B) and (C) of the 11277
Internal Revenue Code. 11278

(12)(a) Deduct any amount included in federal adjusted 11279
gross income solely because the amount represents a 11280
reimbursement or refund of expenses that in any year the 11281
taxpayer had deducted as an itemized deduction pursuant to 11282
section 63 of the Internal Revenue Code and applicable United 11283
States department of the treasury regulations. The deduction 11284
otherwise allowed under division (A)(12)(a) of this section 11285
shall be reduced to the extent the reimbursement is attributable 11286
to an amount the taxpayer deducted under this section in any 11287

taxable year.	11288
(b) Add any amount not otherwise included in Ohio adjusted gross income for any taxable year to the extent that the amount is attributable to the recovery during the taxable year of any amount deducted or excluded in computing federal or Ohio adjusted gross income in any taxable year.	11289 11290 11291 11292 11293
(13) Deduct any portion of the deduction described in section 1341(a)(2) of the Internal Revenue Code, for repaying previously reported income received under a claim of right, that meets both of the following requirements:	11294 11295 11296 11297
(a) It is allowable for repayment of an item that was included in the taxpayer's adjusted gross income for a prior taxable year and did not qualify for a credit under division (A) or (B) of section 5747.05 of the Revised Code for that year;	11298 11299 11300 11301
(b) It does not otherwise reduce the taxpayer's adjusted gross income for the current or any other taxable year.	11302 11303
(14) Deduct an amount equal to the deposits made to, and net investment earnings of, a medical savings account during the taxable year, in accordance with section 3924.66 of the Revised Code. The deduction allowed by division (A)(14) of this section does not apply to medical savings account deposits and earnings otherwise deducted or excluded for the current or any other taxable year from the taxpayer's federal adjusted gross income.	11304 11305 11306 11307 11308 11309 11310
(15)(a) Add an amount equal to the funds withdrawn from a medical savings account during the taxable year, and the net investment earnings on those funds, when the funds withdrawn were used for any purpose other than to reimburse an account holder for, or to pay, eligible medical expenses, in accordance with section 3924.66 of the Revised Code;	11311 11312 11313 11314 11315 11316

(b) Add the amounts distributed from a medical savings account under division (A) (2) of section 3924.68 of the Revised Code during the taxable year. 11317
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(16) Add any amount claimed as a credit under section 5747.059 of the Revised Code to the extent that such amount satisfies either of the following: 11320
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(a) The amount was deducted or excluded from the computation of the taxpayer's federal adjusted gross income as required to be reported for the taxpayer's taxable year under the Internal Revenue Code; 11323
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(b) The amount resulted in a reduction of the taxpayer's federal adjusted gross income as required to be reported for any of the taxpayer's taxable years under the Internal Revenue Code. 11327
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(17) Deduct the amount contributed by the taxpayer to an individual development account program established by a county department of job and family services pursuant to sections 329.11 to 329.14 of the Revised Code for the purpose of matching funds deposited by program participants. On request of the tax commissioner, the taxpayer shall provide any information that, in the tax commissioner's opinion, is necessary to establish the amount deducted under division (A) (17) of this section. 11330
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(18) Beginning in taxable year 2001 but not for any taxable year beginning after December 31, 2005, if the taxpayer is married and files a joint return and the combined federal adjusted gross income of the taxpayer and the taxpayer's spouse for the taxable year does not exceed one hundred thousand dollars, or if the taxpayer is single and has a federal adjusted gross income for the taxable year not exceeding fifty thousand dollars, deduct amounts paid during the taxable year for 11338
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qualified tuition and fees paid to an eligible institution for 11346
the taxpayer, the taxpayer's spouse, or any dependent of the 11347
taxpayer, who is a resident of this state and is enrolled in or 11348
attending a program that culminates in a degree or diploma at an 11349
eligible institution. The deduction may be claimed only to the 11350
extent that qualified tuition and fees are not otherwise 11351
deducted or excluded for any taxable year from federal or Ohio 11352
adjusted gross income. The deduction may not be claimed for 11353
educational expenses for which the taxpayer claims a credit 11354
under section 5747.27 of the Revised Code. 11355

(19) Add any reimbursement received during the taxable 11356
year of any amount the taxpayer deducted under division (A) (18) 11357
of this section in any previous taxable year to the extent the 11358
amount is not otherwise included in Ohio adjusted gross income. 11359

(20) (a) (i) Subject to divisions (A) (20) (a) (iii), (iv), and 11360
(v) of this section, add five-sixths of the amount of 11361
depreciation expense allowed by subsection (k) of section 168 of 11362
the Internal Revenue Code, including the taxpayer's 11363
proportionate or distributive share of the amount of 11364
depreciation expense allowed by that subsection to a pass- 11365
through entity in which the taxpayer has a direct or indirect 11366
ownership interest. 11367

(ii) Subject to divisions (A) (20) (a) (iii), (iv), and (v) 11368
of this section, add five-sixths of the amount of qualifying 11369
section 179 depreciation expense, including the taxpayer's 11370
proportionate or distributive share of the amount of qualifying 11371
section 179 depreciation expense allowed to any pass-through 11372
entity in which the taxpayer has a direct or indirect ownership 11373
interest. 11374

(iii) Subject to division (A) (20) (a) (v) of this section, 11375

for taxable years beginning in 2012 or thereafter, if the 11376
increase in income taxes withheld by the taxpayer is equal to or 11377
greater than ten per cent of income taxes withheld by the 11378
taxpayer during the taxpayer's immediately preceding taxable 11379
year, "two-thirds" shall be substituted for "five-sixths" for 11380
the purpose of divisions (A) (20) (a) (i) and (ii) of this section. 11381

(iv) Subject to division (A) (20) (a) (v) of this section, 11382
for taxable years beginning in 2012 or thereafter, a taxpayer is 11383
not required to add an amount under division (A) (20) of this 11384
section if the increase in income taxes withheld by the taxpayer 11385
and by any pass-through entity in which the taxpayer has a 11386
direct or indirect ownership interest is equal to or greater 11387
than the sum of (I) the amount of qualifying section 179 11388
depreciation expense and (II) the amount of depreciation expense 11389
allowed to the taxpayer by subsection (k) of section 168 of the 11390
Internal Revenue Code, and including the taxpayer's 11391
proportionate or distributive shares of such amounts allowed to 11392
any such pass-through entities. 11393

(v) If a taxpayer directly or indirectly incurs a net 11394
operating loss for the taxable year for federal income tax 11395
purposes, to the extent such loss resulted from depreciation 11396
expense allowed by subsection (k) of section 168 of the Internal 11397
Revenue Code and by qualifying section 179 depreciation expense, 11398
"the entire" shall be substituted for "five-sixths of the" for 11399
the purpose of divisions (A) (20) (a) (i) and (ii) of this section. 11400

The tax commissioner, under procedures established by the 11401
commissioner, may waive the add-backs related to a pass-through 11402
entity if the taxpayer owns, directly or indirectly, less than 11403
five per cent of the pass-through entity. 11404

(b) Nothing in division (A) (20) of this section shall be 11405

construed to adjust or modify the adjusted basis of any asset. 11406

(c) To the extent the add-back required under division (A) 11407
(20)(a) of this section is attributable to property generating 11408
nonbusiness income or loss allocated under section 5747.20 of 11409
the Revised Code, the add-back shall be situated to the same 11410
location as the nonbusiness income or loss generated by the 11411
property for the purpose of determining the credit under 11412
division (A) of section 5747.05 of the Revised Code. Otherwise, 11413
the add-back shall be apportioned, subject to one or more of the 11414
four alternative methods of apportionment enumerated in section 11415
5747.21 of the Revised Code. 11416

(d) For the purposes of division (A)(20)(a)(v) of this 11417
section, net operating loss carryback and carryforward shall not 11418
include the allowance of any net operating loss deduction 11419
carryback or carryforward to the taxable year to the extent such 11420
loss resulted from depreciation allowed by section 168(k) of the 11421
Internal Revenue Code and by the qualifying section 179 11422
depreciation expense amount. 11423

(e) For the purposes of divisions (A)(20) and (21) of this 11424
section: 11425

(i) "Income taxes withheld" means the total amount 11426
withheld and remitted under sections 5747.06 and 5747.07 of the 11427
Revised Code by an employer during the employer's taxable year. 11428

(ii) "Increase in income taxes withheld" means the amount 11429
by which the amount of income taxes withheld by an employer 11430
during the employer's current taxable year exceeds the amount of 11431
income taxes withheld by that employer during the employer's 11432
immediately preceding taxable year. 11433

(iii) "Qualifying section 179 depreciation expense" means 11434

the difference between (I) the amount of depreciation expense 11435
directly or indirectly allowed to a taxpayer under section 179 11436
of the Internal Revised Code, and (II) the amount of 11437
depreciation expense directly or indirectly allowed to the 11438
taxpayer under section 179 of the Internal Revenue Code as that 11439
section existed on December 31, 2002. 11440

(21) (a) If the taxpayer was required to add an amount 11441
under division (A) (20) (a) of this section for a taxable year, 11442
deduct one of the following: 11443

(i) One-fifth of the amount so added for each of the five 11444
succeeding taxable years if the amount so added was five-sixths 11445
of qualifying section 179 depreciation expense or depreciation 11446
expense allowed by subsection (k) of section 168 of the Internal 11447
Revenue Code; 11448

(ii) One-half of the amount so added for each of the two 11449
succeeding taxable years if the amount so added was two-thirds 11450
of such depreciation expense; 11451

(iii) One-sixth of the amount so added for each of the six 11452
succeeding taxable years if the entire amount of such 11453
depreciation expense was so added. 11454

(b) If the amount deducted under division (A) (21) (a) of 11455
this section is attributable to an add-back allocated under 11456
division (A) (20) (c) of this section, the amount deducted shall 11457
be situated to the same location. Otherwise, the add-back shall 11458
be apportioned using the apportionment factors for the taxable 11459
year in which the deduction is taken, subject to one or more of 11460
the four alternative methods of apportionment enumerated in 11461
section 5747.21 of the Revised Code. 11462

(c) No deduction is available under division (A) (21) (a) of 11463

this section with regard to any depreciation allowed by section 11464
168(k) of the Internal Revenue Code and by the qualifying 11465
section 179 depreciation expense amount to the extent that such 11466
depreciation results in or increases a federal net operating 11467
loss carryback or carryforward. If no such deduction is 11468
available for a taxable year, the taxpayer may carry forward the 11469
amount not deducted in such taxable year to the next taxable 11470
year and add that amount to any deduction otherwise available 11471
under division (A) (21) (a) of this section for that next taxable 11472
year. The carryforward of amounts not so deducted shall continue 11473
until the entire addition required by division (A) (20) (a) of 11474
this section has been deducted. 11475

(d) No refund shall be allowed as a result of adjustments 11476
made by division (A) (21) of this section. 11477

(22) Deduct, to the extent not otherwise deducted or 11478
excluded in computing federal or Ohio adjusted gross income for 11479
the taxable year, the amount the taxpayer received during the 11480
taxable year as reimbursement for life insurance premiums under 11481
section 5919.31 of the Revised Code. 11482

(23) Deduct, to the extent not otherwise deducted or 11483
excluded in computing federal or Ohio adjusted gross income for 11484
the taxable year, the amount the taxpayer received during the 11485
taxable year as a death benefit paid by the adjutant general 11486
under section 5919.33 of the Revised Code. 11487

(24) Deduct, to the extent included in federal adjusted 11488
gross income and not otherwise allowable as a deduction or 11489
exclusion in computing federal or Ohio adjusted gross income for 11490
the taxable year, military pay and allowances received by the 11491
taxpayer during the taxable year for active duty service in the 11492
United States army, air force, navy, marine corps, or coast 11493

guard or reserve components thereof or the national guard. The 11494
deduction may not be claimed for military pay and allowances 11495
received by the taxpayer while the taxpayer is stationed in this 11496
state. 11497

(25) Deduct, to the extent not otherwise allowable as a 11498
deduction or exclusion in computing federal or Ohio adjusted 11499
gross income for the taxable year and not otherwise compensated 11500
for by any other source, the amount of qualified organ donation 11501
expenses incurred by the taxpayer during the taxable year, not 11502
to exceed ten thousand dollars. A taxpayer may deduct qualified 11503
organ donation expenses only once for all taxable years 11504
beginning with taxable years beginning in 2007. 11505

For the purposes of division (A) (25) of this section: 11506

(a) "Human organ" means all or any portion of a human 11507
liver, pancreas, kidney, intestine, or lung, and any portion of 11508
human bone marrow. 11509

(b) "Qualified organ donation expenses" means travel 11510
expenses, lodging expenses, and wages and salary forgone by a 11511
taxpayer in connection with the taxpayer's donation, while 11512
living, of one or more of the taxpayer's human organs to another 11513
human being. 11514

(26) Deduct, to the extent not otherwise deducted or 11515
excluded in computing federal or Ohio adjusted gross income for 11516
the taxable year, amounts received by the taxpayer as retired 11517
personnel pay for service in the uniformed services or reserve 11518
components thereof, or the national guard, or received by the 11519
surviving spouse or former spouse of such a taxpayer under the 11520
survivor benefit plan on account of such a taxpayer's death. If 11521
the taxpayer receives income on account of retirement paid under 11522

the federal civil service retirement system or federal employees 11523
retirement system, or under any successor retirement program 11524
enacted by the congress of the United States that is established 11525
and maintained for retired employees of the United States 11526
government, and such retirement income is based, in whole or in 11527
part, on credit for the taxpayer's uniformed service, the 11528
deduction allowed under this division shall include only that 11529
portion of such retirement income that is attributable to the 11530
taxpayer's uniformed service, to the extent that portion of such 11531
retirement income is otherwise included in federal adjusted 11532
gross income and is not otherwise deducted under this section. 11533
Any amount deducted under division (A) (26) of this section is 11534
not included in a taxpayer's adjusted gross income for the 11535
purposes of section 5747.055 of the Revised Code. No amount may 11536
be deducted under division (A) (26) of this section on the basis 11537
of which a credit was claimed under section 5747.055 of the 11538
Revised Code. 11539

(27) Deduct, to the extent not otherwise deducted or 11540
excluded in computing federal or Ohio adjusted gross income for 11541
the taxable year, the amount the taxpayer received during the 11542
taxable year from the military injury relief fund created in 11543
section 5902.05 of the Revised Code. 11544

(28) Deduct, to the extent not otherwise deducted or 11545
excluded in computing federal or Ohio adjusted gross income for 11546
the taxable year, the amount the taxpayer received as a veterans 11547
bonus during the taxable year from the Ohio department of 11548
veterans services as authorized by Section 2r of Article VIII, 11549
Ohio Constitution. 11550

(29) Deduct, to the extent not otherwise deducted or 11551
excluded in computing federal or Ohio adjusted gross income for 11552

the taxable year, any income derived from a transfer agreement 11553
or from the enterprise transferred under that agreement under 11554
section 4313.02 of the Revised Code. 11555

(30) Deduct, to the extent not otherwise deducted or 11556
excluded in computing federal or Ohio adjusted gross income for 11557
the taxable year, Ohio college opportunity or federal Pell grant 11558
amounts received by the taxpayer or the taxpayer's spouse or 11559
dependent pursuant to section 3333.122 of the Revised Code or 20 11560
U.S.C. 1070a, et seq., and used to pay room or board furnished 11561
by the educational institution for which the grant was awarded 11562
at the institution's facilities, including meal plans 11563
administered by the institution. For the purposes of this 11564
division, receipt of a grant includes the distribution of a 11565
grant directly to an educational institution and the crediting 11566
of the grant to the enrollee's account with the institution. 11567

(31) Deduct from the portion of an individual's federal 11568
adjusted gross income that is business income, to the extent not 11569
otherwise deducted or excluded in computing federal adjusted 11570
gross income for the taxable year, one hundred twenty-five 11571
thousand dollars for each spouse if spouses file separate 11572
returns under section 5747.08 of the Revised Code or two hundred 11573
fifty thousand dollars for all other individuals. 11574

(32) Deduct, as provided under section 5747.78 of the 11575
Revised Code, contributions to ABLE savings accounts made in 11576
accordance with sections 113.50 to 113.56 of the Revised Code. 11577

(33) (a) Deduct, to the extent not otherwise deducted or 11578
excluded in computing federal or Ohio adjusted gross income 11579
during the taxable year, all of the following: 11580

(i) Compensation paid to a qualifying employee described 11581

in division (A) (14) (a) of section 5703.94 of the Revised Code to 11582
the extent such compensation is for disaster work conducted in 11583
this state during a disaster response period pursuant to a 11584
qualifying solicitation received by the employee's employer; 11585

(ii) Compensation paid to a qualifying employee described 11586
in division (A) (14) (b) of section 5703.94 of the Revised Code to 11587
the extent such compensation is for disaster work conducted in 11588
this state by the employee during the disaster response period 11589
on critical infrastructure owned or used by the employee's 11590
employer; 11591

(iii) Income received by an out-of-state disaster business 11592
for disaster work conducted in this state during a disaster 11593
response period, or, if the out-of-state disaster business is a 11594
pass-through entity, a taxpayer's distributive share of the 11595
pass-through entity's income from the business conducting 11596
disaster work in this state during a disaster response period, 11597
if, in either case, the disaster work is conducted pursuant to a 11598
qualifying solicitation received by the business. 11599

(b) All terms used in division (A) (33) of this section 11600
have the same meanings as in section 5703.94 of the Revised 11601
Code. 11602

(34) For a taxpayer who is a qualifying Ohio educator, 11603
deduct, to the extent not otherwise deducted or excluded in 11604
computing federal or Ohio adjusted gross income for the taxable 11605
year, the lesser of two hundred fifty dollars or the amount of 11606
expenses described in subsections (a) (2) (D) (i) and (ii) of 11607
section 62 of the Internal Revenue Code paid or incurred by the 11608
taxpayer during the taxpayer's taxable year in excess of the 11609
amount the taxpayer is authorized to deduct for that taxable 11610
year under subsection (a) (2) (D) of that section. 11611

(B) "Business income" means income, including gain or loss, arising from transactions, activities, and sources in the regular course of a trade or business and includes income, gain, or loss from real property, tangible property, and intangible property if the acquisition, rental, management, and disposition of the property constitute integral parts of the regular course of a trade or business operation. "Business income" includes income, including gain or loss, from a partial or complete liquidation of a business, including, but not limited to, gain or loss from the sale or other disposition of goodwill.

(C) "Nonbusiness income" means all income other than business income and may include, but is not limited to, compensation, rents and royalties from real or tangible personal property, capital gains, interest, dividends and distributions, patent or copyright royalties, or lottery winnings, prizes, and awards.

(D) "Compensation" means any form of remuneration paid to an employee for personal services.

(E) "Fiduciary" means a guardian, trustee, executor, administrator, receiver, conservator, or any other person acting in any fiduciary capacity for any individual, trust, or estate.

(F) "Fiscal year" means an accounting period of twelve months ending on the last day of any month other than December.

(G) "Individual" means any natural person.

(H) "Internal Revenue Code" means the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as amended.

(I) "Resident" means any of the following, provided that division (I) (3) of this section applies only to taxable years of a trust beginning in 2002 or thereafter:

(1) An individual who is domiciled in this state, subject 11641
to section 5747.24 of the Revised Code; 11642

(2) The estate of a decedent who at the time of death was 11643
domiciled in this state. The domicile tests of section 5747.24 11644
of the Revised Code are not controlling for purposes of division 11645
(I) (2) of this section. 11646

(3) A trust that, in whole or part, resides in this state. 11647
If only part of a trust resides in this state, the trust is a 11648
resident only with respect to that part. 11649

For the purposes of division (I) (3) of this section: 11650

(a) A trust resides in this state for the trust's current 11651
taxable year to the extent, as described in division (I) (3) (d) 11652
of this section, that the trust consists directly or indirectly, 11653
in whole or in part, of assets, net of any related liabilities, 11654
that were transferred, or caused to be transferred, directly or 11655
indirectly, to the trust by any of the following: 11656

(i) A person, a court, or a governmental entity or 11657
instrumentality on account of the death of a decedent, but only 11658
if the trust is described in division (I) (3) (e) (i) or (ii) of 11659
this section; 11660

(ii) A person who was domiciled in this state for the 11661
purposes of this chapter when the person directly or indirectly 11662
transferred assets to an irrevocable trust, but only if at least 11663
one of the trust's qualifying beneficiaries is domiciled in this 11664
state for the purposes of this chapter during all or some 11665
portion of the trust's current taxable year; 11666

(iii) A person who was domiciled in this state for the 11667
purposes of this chapter when the trust document or instrument 11668
or part of the trust document or instrument became irrevocable, 11669

but only if at least one of the trust's qualifying beneficiaries 11670
is a resident domiciled in this state for the purposes of this 11671
chapter during all or some portion of the trust's current 11672
taxable year. If a trust document or instrument became 11673
irrevocable upon the death of a person who at the time of death 11674
was domiciled in this state for purposes of this chapter, that 11675
person is a person described in division (I) (3) (a) (iii) of this 11676
section. 11677

(b) A trust is irrevocable to the extent that the 11678
transferor is not considered to be the owner of the net assets 11679
of the trust under sections 671 to 678 of the Internal Revenue 11680
Code. 11681

(c) With respect to a trust other than a charitable lead 11682
trust, "qualifying beneficiary" has the same meaning as 11683
"potential current beneficiary" as defined in section 1361(e) (2) 11684
of the Internal Revenue Code, and with respect to a charitable 11685
lead trust "qualifying beneficiary" is any current, future, or 11686
contingent beneficiary, but with respect to any trust 11687
"qualifying beneficiary" excludes a person or a governmental 11688
entity or instrumentality to any of which a contribution would 11689
qualify for the charitable deduction under section 170 of the 11690
Internal Revenue Code. 11691

(d) For the purposes of division (I) (3) (a) of this 11692
section, the extent to which a trust consists directly or 11693
indirectly, in whole or in part, of assets, net of any related 11694
liabilities, that were transferred directly or indirectly, in 11695
whole or part, to the trust by any of the sources enumerated in 11696
that division shall be ascertained by multiplying the fair 11697
market value of the trust's assets, net of related liabilities, 11698
by the qualifying ratio, which shall be computed as follows: 11699

(i) The first time the trust receives assets, the 11700
numerator of the qualifying ratio is the fair market value of 11701
those assets at that time, net of any related liabilities, from 11702
sources enumerated in division (I) (3) (a) of this section. The 11703
denominator of the qualifying ratio is the fair market value of 11704
all the trust's assets at that time, net of any related 11705
liabilities. 11706

(ii) Each subsequent time the trust receives assets, a 11707
revised qualifying ratio shall be computed. The numerator of the 11708
revised qualifying ratio is the sum of (1) the fair market value 11709
of the trust's assets immediately prior to the subsequent 11710
transfer, net of any related liabilities, multiplied by the 11711
qualifying ratio last computed without regard to the subsequent 11712
transfer, and (2) the fair market value of the subsequently 11713
transferred assets at the time transferred, net of any related 11714
liabilities, from sources enumerated in division (I) (3) (a) of 11715
this section. The denominator of the revised qualifying ratio is 11716
the fair market value of all the trust's assets immediately 11717
after the subsequent transfer, net of any related liabilities. 11718

(iii) Whether a transfer to the trust is by or from any of 11719
the sources enumerated in division (I) (3) (a) of this section 11720
shall be ascertained without regard to the domicile of the 11721
trust's beneficiaries. 11722

(e) For the purposes of division (I) (3) (a) (i) of this 11723
section: 11724

(i) A trust is described in division (I) (3) (e) (i) of this 11725
section if the trust is a testamentary trust and the testator of 11726
that testamentary trust was domiciled in this state at the time 11727
of the testator's death for purposes of the taxes levied under 11728
Chapter 5731. of the Revised Code. 11729

(ii) A trust is described in division (I) (3) (e) (ii) of 11730
this section if the transfer is a qualifying transfer described 11731
in any of divisions (I) (3) (f) (i) to (vi) of this section, the 11732
trust is an irrevocable inter vivos trust, and at least one of 11733
the trust's qualifying beneficiaries is domiciled in this state 11734
for purposes of this chapter during all or some portion of the 11735
trust's current taxable year. 11736

(f) For the purposes of division (I) (3) (e) (ii) of this 11737
section, a "qualifying transfer" is a transfer of assets, net of 11738
any related liabilities, directly or indirectly to a trust, if 11739
the transfer is described in any of the following: 11740

(i) The transfer is made to a trust, created by the 11741
decedent before the decedent's death and while the decedent was 11742
domiciled in this state for the purposes of this chapter, and, 11743
prior to the death of the decedent, the trust became irrevocable 11744
while the decedent was domiciled in this state for the purposes 11745
of this chapter. 11746

(ii) The transfer is made to a trust to which the 11747
decedent, prior to the decedent's death, had directly or 11748
indirectly transferred assets, net of any related liabilities, 11749
while the decedent was domiciled in this state for the purposes 11750
of this chapter, and prior to the death of the decedent the 11751
trust became irrevocable while the decedent was domiciled in 11752
this state for the purposes of this chapter. 11753

(iii) The transfer is made on account of a contractual 11754
relationship existing directly or indirectly between the 11755
transferor and either the decedent or the estate of the decedent 11756
at any time prior to the date of the decedent's death, and the 11757
decedent was domiciled in this state at the time of death for 11758
purposes of the taxes levied under Chapter 5731. of the Revised 11759

Code. 11760

(iv) The transfer is made to a trust on account of a 11761
contractual relationship existing directly or indirectly between 11762
the transferor and another person who at the time of the 11763
decedent's death was domiciled in this state for purposes of 11764
this chapter. 11765

(v) The transfer is made to a trust on account of the will 11766
of a testator who was domiciled in this state at the time of the 11767
testator's death for purposes of the taxes levied under Chapter 11768
5731. of the Revised Code. 11769

(vi) The transfer is made to a trust created by or caused 11770
to be created by a court, and the trust was directly or 11771
indirectly created in connection with or as a result of the 11772
death of an individual who, for purposes of the taxes levied 11773
under Chapter 5731. of the Revised Code, was domiciled in this 11774
state at the time of the individual's death. 11775

(g) The tax commissioner may adopt rules to ascertain the 11776
part of a trust residing in this state. 11777

(J) "Nonresident" means an individual or estate that is 11778
not a resident. An individual who is a resident for only part of 11779
a taxable year is a nonresident for the remainder of that 11780
taxable year. 11781

(K) "Pass-through entity" has the same meaning as in 11782
section 5733.04 of the Revised Code. 11783

(L) "Return" means the notifications and reports required 11784
to be filed pursuant to this chapter for the purpose of 11785
reporting the tax due and includes declarations of estimated tax 11786
when so required. 11787

(M) "Taxable year" means the calendar year or the taxpayer's fiscal year ending during the calendar year, or fractional part thereof, upon which the adjusted gross income is calculated pursuant to this chapter.

(N) "Taxpayer" means any person subject to the tax imposed by section 5747.02 of the Revised Code or any pass-through entity that makes the election under division (D) of section 5747.08 of the Revised Code.

(O) "Dependents" means one of the following:

(1) For taxable years beginning on or after January 1, 2018, and before January 1, 2026, dependents as defined in the Internal Revenue Code;

(2) For all other taxable years, dependents as defined in the Internal Revenue Code and as claimed in the taxpayer's federal income tax return for the taxable year or which the taxpayer would have been permitted to claim had the taxpayer filed a federal income tax return.

(P) "Principal county of employment" means, in the case of a nonresident, the county within the state in which a taxpayer performs services for an employer or, if those services are performed in more than one county, the county in which the major portion of the services are performed.

(Q) As used in sections 5747.50 to 5747.55 of the Revised Code:

(1) "Subdivision" means any county, municipal corporation, park district, or township.

(2) "Essential local government purposes" includes all functions that any subdivision is required by general law to

exercise, including like functions that are exercised under a 11816
charter adopted pursuant to the Ohio Constitution. 11817

(R) "Overpayment" means any amount already paid that 11818
exceeds the figure determined to be the correct amount of the 11819
tax. 11820

(S) "Taxable income" or "Ohio taxable income" applies only 11821
to estates and trusts, and means federal taxable income, as 11822
defined and used in the Internal Revenue Code, adjusted as 11823
follows: 11824

(1) Add interest or dividends, net of ordinary, necessary, 11825
and reasonable expenses not deducted in computing federal 11826
taxable income, on obligations or securities of any state or of 11827
any political subdivision or authority of any state, other than 11828
this state and its subdivisions and authorities, but only to the 11829
extent that such net amount is not otherwise includible in Ohio 11830
taxable income and is described in either division (S)(1)(a) or 11831
(b) of this section: 11832

(a) The net amount is not attributable to the S portion of 11833
an electing small business trust and has not been distributed to 11834
beneficiaries for the taxable year; 11835

(b) The net amount is attributable to the S portion of an 11836
electing small business trust for the taxable year. 11837

(2) Add interest or dividends, net of ordinary, necessary, 11838
and reasonable expenses not deducted in computing federal 11839
taxable income, on obligations of any authority, commission, 11840
instrumentality, territory, or possession of the United States 11841
to the extent that the interest or dividends are exempt from 11842
federal income taxes but not from state income taxes, but only 11843
to the extent that such net amount is not otherwise includible 11844

in Ohio taxable income and is described in either division (S) 11845
(1) (a) or (b) of this section; 11846

(3) Add the amount of personal exemption allowed to the 11847
estate pursuant to section 642(b) of the Internal Revenue Code; 11848

(4) Deduct interest or dividends, net of related expenses 11849
deducted in computing federal taxable income, on obligations of 11850
the United States and its territories and possessions or of any 11851
authority, commission, or instrumentality of the United States 11852
to the extent that the interest or dividends are exempt from 11853
state taxes under the laws of the United States, but only to the 11854
extent that such amount is included in federal taxable income 11855
and is described in either division (S) (1) (a) or (b) of this 11856
section; 11857

(5) Deduct the amount of wages and salaries, if any, not 11858
otherwise allowable as a deduction but that would have been 11859
allowable as a deduction in computing federal taxable income for 11860
the taxable year, had the targeted jobs credit allowed under 11861
sections 38, 51, and 52 of the Internal Revenue Code not been in 11862
effect, but only to the extent such amount relates either to 11863
income included in federal taxable income for the taxable year 11864
or to income of the S portion of an electing small business 11865
trust for the taxable year; 11866

(6) Deduct any interest or interest equivalent, net of 11867
related expenses deducted in computing federal taxable income, 11868
on public obligations and purchase obligations, but only to the 11869
extent that such net amount relates either to income included in 11870
federal taxable income for the taxable year or to income of the 11871
S portion of an electing small business trust for the taxable 11872
year; 11873

(7) Add any loss or deduct any gain resulting from sale, 11874
exchange, or other disposition of public obligations to the 11875
extent that such loss has been deducted or such gain has been 11876
included in computing either federal taxable income or income of 11877
the S portion of an electing small business trust for the 11878
taxable year; 11879

(8) Except in the case of the final return of an estate, 11880
add any amount deducted by the taxpayer on both its Ohio estate 11881
tax return pursuant to section 5731.14 of the Revised Code, and 11882
on its federal income tax return in determining federal taxable 11883
income; 11884

(9) (a) Deduct any amount included in federal taxable 11885
income solely because the amount represents a reimbursement or 11886
refund of expenses that in a previous year the decedent had 11887
deducted as an itemized deduction pursuant to section 63 of the 11888
Internal Revenue Code and applicable treasury regulations. The 11889
deduction otherwise allowed under division (S) (9) (a) of this 11890
section shall be reduced to the extent the reimbursement is 11891
attributable to an amount the taxpayer or decedent deducted 11892
under this section in any taxable year. 11893

(b) Add any amount not otherwise included in Ohio taxable 11894
income for any taxable year to the extent that the amount is 11895
attributable to the recovery during the taxable year of any 11896
amount deducted or excluded in computing federal or Ohio taxable 11897
income in any taxable year, but only to the extent such amount 11898
has not been distributed to beneficiaries for the taxable year. 11899

(10) Deduct any portion of the deduction described in 11900
section 1341(a) (2) of the Internal Revenue Code, for repaying 11901
previously reported income received under a claim of right, that 11902
meets both of the following requirements: 11903

(a) It is allowable for repayment of an item that was 11904
included in the taxpayer's taxable income or the decedent's 11905
adjusted gross income for a prior taxable year and did not 11906
qualify for a credit under division (A) or (B) of section 11907
5747.05 of the Revised Code for that year. 11908

(b) It does not otherwise reduce the taxpayer's taxable 11909
income or the decedent's adjusted gross income for the current 11910
or any other taxable year. 11911

(11) Add any amount claimed as a credit under section 11912
5747.059 of the Revised Code to the extent that the amount 11913
satisfies either of the following: 11914

(a) The amount was deducted or excluded from the 11915
computation of the taxpayer's federal taxable income as required 11916
to be reported for the taxpayer's taxable year under the 11917
Internal Revenue Code; 11918

(b) The amount resulted in a reduction in the taxpayer's 11919
federal taxable income as required to be reported for any of the 11920
taxpayer's taxable years under the Internal Revenue Code. 11921

(12) Deduct any amount, net of related expenses deducted 11922
in computing federal taxable income, that a trust is required to 11923
report as farm income on its federal income tax return, but only 11924
if the assets of the trust include at least ten acres of land 11925
satisfying the definition of "land devoted exclusively to 11926
agricultural use" under section 5713.30 of the Revised Code, 11927
regardless of whether the land is valued for tax purposes as 11928
such land under sections 5713.30 to 5713.38 of the Revised Code. 11929
If the trust is a pass-through entity investor, section 5747.231 11930
of the Revised Code applies in ascertaining if the trust is 11931
eligible to claim the deduction provided by division (S)(12) of 11932

this section in connection with the pass-through entity's farm income. 11933
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Except for farm income attributable to the S portion of an electing small business trust, the deduction provided by division (S)(12) of this section is allowed only to the extent that the trust has not distributed such farm income. Division (S)(12) of this section applies only to taxable years of a trust beginning in 2002 or thereafter. 11935
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(13) Add the net amount of income described in section 641(c) of the Internal Revenue Code to the extent that amount is not included in federal taxable income. 11941
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(14) Add or deduct the amount the taxpayer would be required to add or deduct under division (A)(20) or (21) of this section if the taxpayer's Ohio taxable income were computed in the same manner as an individual's Ohio adjusted gross income is computed under this section. In the case of a trust, division (S)(14) of this section applies only to any of the trust's taxable years beginning in 2002 or thereafter. 11944
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(T) "School district income" and "school district income tax" have the same meanings as in section 5748.01 of the Revised Code. 11951
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(U) As used in divisions (A)(8), (A)(9), (S)(6), and (S)(7) of this section, "public obligations," "purchase obligations," and "interest or interest equivalent" have the same meanings as in section 5709.76 of the Revised Code. 11954
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(V) "Limited liability company" means any limited liability company formed under Chapter 1705. or 1706. of the Revised Code or under the laws of any other state. 11958
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(W) "Pass-through entity investor" means any person who, 11961

during any portion of a taxable year of a pass-through entity, 11962
is a partner, member, shareholder, or equity investor in that 11963
pass-through entity. 11964

(X) "Banking day" has the same meaning as in section 11965
1304.01 of the Revised Code. 11966

(Y) "Month" means a calendar month. 11967

(Z) "Quarter" means the first three months, the second 11968
three months, the third three months, or the last three months 11969
of the taxpayer's taxable year. 11970

(AA) (1) "Eligible institution" means a state university or 11971
state institution of higher education as defined in section 11972
3345.011 of the Revised Code, or a private, nonprofit college, 11973
university, or other post-secondary institution located in this 11974
state that possesses a certificate of authorization issued by 11975
the chancellor of higher education pursuant to Chapter 1713. of 11976
the Revised Code or a certificate of registration issued by the 11977
state board of career colleges and schools under Chapter 3332. 11978
of the Revised Code. 11979

(2) "Qualified tuition and fees" means tuition and fees 11980
imposed by an eligible institution as a condition of enrollment 11981
or attendance, not exceeding two thousand five hundred dollars 11982
in each of the individual's first two years of post-secondary 11983
education. If the individual is a part-time student, "qualified 11984
tuition and fees" includes tuition and fees paid for the 11985
academic equivalent of the first two years of post-secondary 11986
education during a maximum of five taxable years, not exceeding 11987
a total of five thousand dollars. "Qualified tuition and fees" 11988
does not include: 11989

(a) Expenses for any course or activity involving sports, 11990

games, or hobbies unless the course or activity is part of the individual's degree or diploma program;	11991 11992
(b) The cost of books, room and board, student activity fees, athletic fees, insurance expenses, or other expenses unrelated to the individual's academic course of instruction;	11993 11994 11995
(c) Tuition, fees, or other expenses paid or reimbursed through an employer, scholarship, grant in aid, or other educational benefit program.	11996 11997 11998
(BB) (1) "Modified business income" means the business income included in a trust's Ohio taxable income after such taxable income is first reduced by the qualifying trust amount, if any.	11999 12000 12001 12002
(2) "Qualifying trust amount" of a trust means capital gains and losses from the sale, exchange, or other disposition of equity or ownership interests in, or debt obligations of, a qualifying investee to the extent included in the trust's Ohio taxable income, but only if the following requirements are satisfied:	12003 12004 12005 12006 12007 12008
(a) The book value of the qualifying investee's physical assets in this state and everywhere, as of the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the date on which the trust recognizes the gain or loss, is available to the trust.	12009 12010 12011 12012 12013
(b) The requirements of section 5747.011 of the Revised Code are satisfied for the trust's taxable year in which the trust recognizes the gain or loss.	12014 12015 12016
Any gain or loss that is not a qualifying trust amount is modified business income, qualifying investment income, or modified nonbusiness income, as the case may be.	12017 12018 12019

(3) "Modified nonbusiness income" means a trust's Ohio taxable income other than modified business income, other than the qualifying trust amount, and other than qualifying investment income, as defined in section 5747.012 of the Revised Code, to the extent such qualifying investment income is not otherwise part of modified business income.

(4) "Modified Ohio taxable income" applies only to trusts, and means the sum of the amounts described in divisions (BB) (4) (a) to (c) of this section:

(a) The fraction, calculated under section 5747.013, and applying section 5747.231 of the Revised Code, multiplied by the sum of the following amounts:

(i) The trust's modified business income;

(ii) The trust's qualifying investment income, as defined in section 5747.012 of the Revised Code, but only to the extent the qualifying investment income does not otherwise constitute modified business income and does not otherwise constitute a qualifying trust amount.

(b) The qualifying trust amount multiplied by a fraction, the numerator of which is the sum of the book value of the qualifying investee's physical assets in this state on the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the day on which the trust recognizes the qualifying trust amount, and the denominator of which is the sum of the book value of the qualifying investee's total physical assets everywhere on the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the day on which the trust recognizes the qualifying trust amount. If, for a taxable year, the trust recognizes a qualifying trust amount

with respect to more than one qualifying investee, the amount 12049
described in division (BB) (4) (b) of this section shall equal the 12050
sum of the products so computed for each such qualifying 12051
investee. 12052

(c) (i) With respect to a trust or portion of a trust that 12053
is a resident as ascertained in accordance with division (I) (3) 12054
(d) of this section, its modified nonbusiness income. 12055

(ii) With respect to a trust or portion of a trust that is 12056
not a resident as ascertained in accordance with division (I) (3) 12057
(d) of this section, the amount of its modified nonbusiness 12058
income satisfying the descriptions in divisions (B) (2) to (5) of 12059
section 5747.20 of the Revised Code, except as otherwise 12060
provided in division (BB) (4) (c) (ii) of this section. With 12061
respect to a trust or portion of a trust that is not a resident 12062
as ascertained in accordance with division (I) (3) (d) of this 12063
section, the trust's portion of modified nonbusiness income 12064
recognized from the sale, exchange, or other disposition of a 12065
debt interest in or equity interest in a section 5747.212 12066
entity, as defined in section 5747.212 of the Revised Code, 12067
without regard to division (A) of that section, shall not be 12068
allocated to this state in accordance with section 5747.20 of 12069
the Revised Code but shall be apportioned to this state in 12070
accordance with division (B) of section 5747.212 of the Revised 12071
Code without regard to division (A) of that section. 12072

If the allocation and apportionment of a trust's income 12073
under divisions (BB) (4) (a) and (c) of this section do not fairly 12074
represent the modified Ohio taxable income of the trust in this 12075
state, the alternative methods described in division (C) of 12076
section 5747.21 of the Revised Code may be applied in the manner 12077
and to the same extent provided in that section. 12078

(5) (a) Except as set forth in division (BB) (5) (b) of this section, "qualifying investee" means a person in which a trust has an equity or ownership interest, or a person or unit of government the debt obligations of either of which are owned by a trust. For the purposes of division (BB) (2) (a) of this section and for the purpose of computing the fraction described in division (BB) (4) (b) of this section, all of the following apply:

(i) If the qualifying investee is a member of a qualifying controlled group on the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the date on which the trust recognizes the gain or loss, then "qualifying investee" includes all persons in the qualifying controlled group on such last day.

(ii) If the qualifying investee, or if the qualifying investee and any members of the qualifying controlled group of which the qualifying investee is a member on the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the date on which the trust recognizes the gain or loss, separately or cumulatively own, directly or indirectly, on the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the date on which the trust recognizes the qualifying trust amount, more than fifty per cent of the equity of a pass-through entity, then the qualifying investee and the other members are deemed to own the proportionate share of the pass-through entity's physical assets which the pass-through entity directly or indirectly owns on the last day of the pass-through entity's calendar or fiscal year ending within or with the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the date on which the trust recognizes the qualifying trust amount.

(iii) For the purposes of division (BB) (5) (a) (iii) of this section, "upper level pass-through entity" means a pass-through entity directly or indirectly owning any equity of another pass-through entity, and "lower level pass-through entity" means that other pass-through entity.

An upper level pass-through entity, whether or not it is also a qualifying investee, is deemed to own, on the last day of the upper level pass-through entity's calendar or fiscal year, the proportionate share of the lower level pass-through entity's physical assets that the lower level pass-through entity directly or indirectly owns on the last day of the lower level pass-through entity's calendar or fiscal year ending within or with the last day of the upper level pass-through entity's fiscal or calendar year. If the upper level pass-through entity directly and indirectly owns less than fifty per cent of the equity of the lower level pass-through entity on each day of the upper level pass-through entity's calendar or fiscal year in which or with which ends the calendar or fiscal year of the lower level pass-through entity and if, based upon clear and convincing evidence, complete information about the location and cost of the physical assets of the lower pass-through entity is not available to the upper level pass-through entity, then solely for purposes of ascertaining if a gain or loss constitutes a qualifying trust amount, the upper level pass-through entity shall be deemed as owning no equity of the lower level pass-through entity for each day during the upper level pass-through entity's calendar or fiscal year in which or with which ends the lower level pass-through entity's calendar or fiscal year. Nothing in division (BB) (5) (a) (iii) of this section shall be construed to provide for any deduction or exclusion in computing any trust's Ohio taxable income.

(b) With respect to a trust that is not a resident for the taxable year and with respect to a part of a trust that is not a resident for the taxable year, "qualifying investee" for that taxable year does not include a C corporation if both of the following apply:

(i) During the taxable year the trust or part of the trust recognizes a gain or loss from the sale, exchange, or other disposition of equity or ownership interests in, or debt obligations of, the C corporation.

(ii) Such gain or loss constitutes nonbusiness income.

(6) "Available" means information is such that a person is able to learn of the information by the due date plus extensions, if any, for filing the return for the taxable year in which the trust recognizes the gain or loss.

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

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

(EE) (1) For the purposes of division (EE) of this section:

(a) "Qualifying person" means any person other than a qualifying corporation.

(b) "Qualifying corporation" means any person classified for federal income tax purposes as an association taxable as a corporation, except either of the following:

(i) A corporation that has made an election under subchapter S, chapter one, subtitle A, of the Internal Revenue Code for its taxable year ending within, or on the last day of, the investor's taxable year;

(ii) A subsidiary that is wholly owned by any corporation 12168
that has made an election under subchapter S, chapter one, 12169
subtitle A of the Internal Revenue Code for its taxable year 12170
ending within, or on the last day of, the investor's taxable 12171
year. 12172

(2) For the purposes of this chapter, unless expressly 12173
stated otherwise, no qualifying person indirectly owns any asset 12174
directly or indirectly owned by any qualifying corporation. 12175

(FF) For purposes of this chapter and Chapter 5751. of the 12176
Revised Code: 12177

(1) "Trust" does not include a qualified pre-income tax 12178
trust. 12179

(2) A "qualified pre-income tax trust" is any pre-income 12180
tax trust that makes a qualifying pre-income tax trust election 12181
as described in division (FF)(3) of this section. 12182

(3) A "qualifying pre-income tax trust election" is an 12183
election by a pre-income tax trust to subject to the tax imposed 12184
by section 5751.02 of the Revised Code the pre-income tax trust 12185
and all pass-through entities of which the trust owns or 12186
controls, directly, indirectly, or constructively through 12187
related interests, five per cent or more of the ownership or 12188
equity interests. The trustee shall notify the tax commissioner 12189
in writing of the election on or before April 15, 2006. The 12190
election, if timely made, shall be effective on and after 12191
January 1, 2006, and shall apply for all tax periods and tax 12192
years until revoked by the trustee of the trust. 12193

(4) A "pre-income tax trust" is a trust that satisfies all 12194
of the following requirements: 12195

(a) The document or instrument creating the trust was 12196

executed by the grantor before January 1, 1972; 12197

(b) The trust became irrevocable upon the creation of the 12198
trust; and 12199

(c) The grantor was domiciled in this state at the time 12200
the trust was created. 12201

(GG) "Uniformed services" has the same meaning as in 10 12202
U.S.C. 101. 12203

(HH) "Taxable business income" means the amount by which 12204
an individual's business income that is included in federal 12205
adjusted gross income exceeds the amount of business income the 12206
individual is authorized to deduct under division (A) (31) of 12207
this section for the taxable year. 12208

(II) "Employer" does not include a franchisor with respect 12209
to the franchisor's relationship with a franchisee or an 12210
employee of a franchisee, unless the franchisor agrees to assume 12211
that role in writing or a court of competent jurisdiction 12212
determines that the franchisor exercises a type or degree of 12213
control over the franchisee or the franchisee's employees that 12214
is not customarily exercised by a franchisor for the purpose of 12215
protecting the franchisor's trademark, brand, or both. For 12216
purposes of this division, "franchisor" and "franchisee" have 12217
the same meanings as in 16 C.F.R. 436.1. 12218

(JJ) "Modified adjusted gross income" means Ohio adjusted 12219
gross income plus any amount deducted under division (A) (31) of 12220
this section for the taxable year. 12221

(KK) "Qualifying Ohio educator" means an individual who, 12222
for a taxable year, qualifies as an eligible educator, as that 12223
term is defined in section 62 of the Internal Revenue Code, and 12224
who holds a certificate, license, or permit described in Chapter 12225

3319. or section 3301.071 of the Revised Code.	12226
Sec. 5751.01. As used in this chapter:	12227
(A) "Person" means, but is not limited to, individuals,	12228
combinations of individuals of any form, receivers, assignees,	12229
trustees in bankruptcy, firms, companies, joint-stock companies,	12230
business trusts, estates, partnerships, limited liability	12231
partnerships, limited liability companies, associations, joint	12232
ventures, clubs, societies, for-profit corporations, S	12233
corporations, qualified subchapter S subsidiaries, qualified	12234
subchapter S trusts, trusts, entities that are disregarded for	12235
federal income tax purposes, and any other entities.	12236
(B) "Consolidated elected taxpayer" means a group of two	12237
or more persons treated as a single taxpayer for purposes of	12238
this chapter as the result of an election made under section	12239
5751.011 of the Revised Code.	12240
(C) "Combined taxpayer" means a group of two or more	12241
persons treated as a single taxpayer for purposes of this	12242
chapter under section 5751.012 of the Revised Code.	12243
(D) "Taxpayer" means any person, or any group of persons	12244
in the case of a consolidated elected taxpayer or combined	12245
taxpayer treated as one taxpayer, required to register or pay	12246
tax under this chapter. "Taxpayer" does not include excluded	12247
persons.	12248
(E) "Excluded person" means any of the following:	12249
(1) Any person with not more than one hundred fifty	12250
thousand dollars of taxable gross receipts during the calendar	12251
year. Division (E) (1) of this section does not apply to a person	12252
that is a member of a consolidated elected taxpayer;	12253

(2) A public utility that paid the excise tax imposed by section 5727.24 or 5727.30 of the Revised Code based on one or more measurement periods that include the entire tax period under this chapter, except that a public utility that is a combined company is a taxpayer with regard to the following gross receipts:

(a) Taxable gross receipts directly attributed to a public utility activity, but not directly attributed to an activity that is subject to the excise tax imposed by section 5727.24 or 5727.30 of the Revised Code;

(b) Taxable gross receipts that cannot be directly attributed to any activity, multiplied by a fraction whose numerator is the taxable gross receipts described in division (E) (2) (a) of this section and whose denominator is the total taxable gross receipts that can be directly attributed to any activity;

(c) Except for any differences resulting from the use of an accrual basis method of accounting for purposes of determining gross receipts under this chapter and the use of the cash basis method of accounting for purposes of determining gross receipts under section 5727.24 of the Revised Code, the gross receipts directly attributed to the activity of a natural gas company shall be determined in a manner consistent with division (D) of section 5727.03 of the Revised Code.

As used in division (E) (2) of this section, "combined company" and "public utility" have the same meanings as in section 5727.01 of the Revised Code.

(3) A financial institution, as defined in section 5726.01 of the Revised Code, that paid the tax imposed by section

5726.02 of the Revised Code based on one or more taxable years	12283
that include the entire tax period under this chapter;	12284
(4) A person directly or indirectly owned by one or more	12285
financial institutions, as defined in section 5726.01 of the	12286
Revised Code, that paid the tax imposed by section 5726.02 of	12287
the Revised Code based on one or more taxable years that include	12288
the entire tax period under this chapter.	12289
For the purposes of division (E) (4) of this section, a	12290
person owns another person under the following circumstances:	12291
(a) In the case of corporations issuing capital stock, one	12292
corporation owns another corporation if it owns fifty per cent	12293
or more of the other corporation's capital stock with current	12294
voting rights;	12295
(b) In the case of a limited liability company, one person	12296
owns the company if that person's membership interest, as	12297
defined in section 1705.01 <u>or 1706.01</u> of the Revised Code <u>as</u>	12298
<u>applicable</u> , is fifty per cent or more of the combined membership	12299
interests of all persons owning such interests in the company;	12300
(c) In the case of a partnership, trust, or other	12301
unincorporated business organization other than a limited	12302
liability company, one person owns the organization if, under	12303
the articles of organization or other instrument governing the	12304
affairs of the organization, that person has a beneficial	12305
interest in the organization's profits, surpluses, losses, or	12306
distributions of fifty per cent or more of the combined	12307
beneficial interests of all persons having such an interest in	12308
the organization.	12309
(5) A domestic insurance company or foreign insurance	12310
company, as defined in section 5725.01 of the Revised Code, that	12311

paid the insurance company premiums tax imposed by section 12312
5725.18 or Chapter 5729. of the Revised Code, or an unauthorized 12313
insurance company whose gross premiums are subject to tax under 12314
section 3905.36 of the Revised Code based on one or more 12315
measurement periods that include the entire tax period under 12316
this chapter; 12317

(6) A person that solely facilitates or services one or 12318
more securitizations of phase-in-recovery property pursuant to a 12319
final financing order as those terms are defined in section 12320
4928.23 of the Revised Code. For purposes of this division, 12321
"securitization" means transferring one or more assets to one or 12322
more persons and then issuing securities backed by the right to 12323
receive payment from the asset or assets so transferred. 12324

(7) Except as otherwise provided in this division, a pre- 12325
income tax trust as defined in division (FF) (4) of section 12326
5747.01 of the Revised Code and any pass-through entity of which 12327
such pre-income tax trust owns or controls, directly, 12328
indirectly, or constructively through related interests, more 12329
than five per cent of the ownership or equity interests. If the 12330
pre-income tax trust has made a qualifying pre-income tax trust 12331
election under division (FF) (3) of section 5747.01 of the 12332
Revised Code, then the trust and the pass-through entities of 12333
which it owns or controls, directly, indirectly, or 12334
constructively through related interests, more than five per 12335
cent of the ownership or equity interests, shall not be excluded 12336
persons for purposes of the tax imposed under section 5751.02 of 12337
the Revised Code. 12338

(8) Nonprofit organizations or the state and its agencies, 12339
instrumentalities, or political subdivisions. 12340

(F) Except as otherwise provided in divisions (F) (2), (3), 12341

and (4) of this section, "gross receipts" means the total amount 12342
realized by a person, without deduction for the cost of goods 12343
sold or other expenses incurred, that contributes to the 12344
production of gross income of the person, including the fair 12345
market value of any property and any services received, and any 12346
debt transferred or forgiven as consideration. 12347

(1) The following are examples of gross receipts: 12348

(a) Amounts realized from the sale, exchange, or other 12349
disposition of the taxpayer's property to or with another; 12350

(b) Amounts realized from the taxpayer's performance of 12351
services for another; 12352

(c) Amounts realized from another's use or possession of 12353
the taxpayer's property or capital; 12354

(d) Any combination of the foregoing amounts. 12355

(2) "Gross receipts" excludes the following amounts: 12356

(a) Interest income except interest on credit sales; 12357

(b) Dividends and distributions from corporations, and 12358
distributive or proportionate shares of receipts and income from 12359
a pass-through entity as defined under section 5733.04 of the 12360
Revised Code; 12361

(c) Receipts from the sale, exchange, or other disposition 12362
of an asset described in section 1221 or 1231 of the Internal 12363
Revenue Code, without regard to the length of time the person 12364
held the asset. Notwithstanding section 1221 of the Internal 12365
Revenue Code, receipts from hedging transactions also are 12366
excluded to the extent the transactions are entered into 12367
primarily to protect a financial position, such as managing the 12368
risk of exposure to (i) foreign currency fluctuations that 12369

affect assets, liabilities, profits, losses, equity, or 12370
investments in foreign operations; (ii) interest rate 12371
fluctuations; or (iii) commodity price fluctuations. As used in 12372
division (F) (2) (c) of this section, "hedging transaction" has 12373
the same meaning as used in section 1221 of the Internal Revenue 12374
Code and also includes transactions accorded hedge accounting 12375
treatment under statement of financial accounting standards 12376
number 133 of the financial accounting standards board. For the 12377
purposes of division (F) (2) (c) of this section, the actual 12378
transfer of title of real or tangible personal property to 12379
another entity is not a hedging transaction. 12380

(d) Proceeds received attributable to the repayment, 12381
maturity, or redemption of the principal of a loan, bond, mutual 12382
fund, certificate of deposit, or marketable instrument; 12383

(e) The principal amount received under a repurchase 12384
agreement or on account of any transaction properly 12385
characterized as a loan to the person; 12386

(f) Contributions received by a trust, plan, or other 12387
arrangement, any of which is described in section 501(a) of the 12388
Internal Revenue Code, or to which Title 26, Subtitle A, Chapter 12389
1, Subchapter (D) of the Internal Revenue Code applies; 12390

(g) Compensation, whether current or deferred, and whether 12391
in cash or in kind, received or to be received by an employee, 12392
former employee, or the employee's legal successor for services 12393
rendered to or for an employer, including reimbursements 12394
received by or for an individual for medical or education 12395
expenses, health insurance premiums, or employee expenses, or on 12396
account of a dependent care spending account, legal services 12397
plan, any cafeteria plan described in section 125 of the 12398
Internal Revenue Code, or any similar employee reimbursement; 12399

(h) Proceeds received from the issuance of the taxpayer's own stock, options, warrants, puts, or calls, or from the sale of the taxpayer's treasury stock;	12400 12401 12402
(i) Proceeds received on the account of payments from insurance policies, except those proceeds received for the loss of business revenue;	12403 12404 12405
(j) Gifts or charitable contributions received; membership dues received by trade, professional, homeowners', or condominium associations; and payments received for educational courses, meetings, meals, or similar payments to a trade, professional, or other similar association; and fundraising receipts received by any person when any excess receipts are donated or used exclusively for charitable purposes;	12406 12407 12408 12409 12410 12411 12412
(k) Damages received as the result of litigation in excess of amounts that, if received without litigation, would be gross receipts;	12413 12414 12415
(l) Property, money, and other amounts received or acquired by an agent on behalf of another in excess of the agent's commission, fee, or other remuneration;	12416 12417 12418
(m) Tax refunds, other tax benefit recoveries, and reimbursements for the tax imposed under this chapter made by entities that are part of the same combined taxpayer or consolidated elected taxpayer group, and reimbursements made by entities that are not members of a combined taxpayer or consolidated elected taxpayer group that are required to be made for economic parity among multiple owners of an entity whose tax obligation under this chapter is required to be reported and paid entirely by one owner, pursuant to the requirements of sections 5751.011 and 5751.012 of the Revised Code;	12419 12420 12421 12422 12423 12424 12425 12426 12427 12428

(n) Pension reversions;	12429
(o) Contributions to capital;	12430
(p) Sales or use taxes collected as a vendor or an out-of-state seller on behalf of the taxing jurisdiction from a consumer or other taxes the taxpayer is required by law to collect directly from a purchaser and remit to a local, state, or federal tax authority;	12431 12432 12433 12434 12435
(q) In the case of receipts from the sale of cigarettes, tobacco products, or vapor products by a wholesale dealer, retail dealer, distributor, manufacturer, vapor distributor, or seller, all as defined in section 5743.01 of the Revised Code, an amount equal to the federal and state excise taxes paid by any person on or for such cigarettes, tobacco products, or vapor products under subtitle E of the Internal Revenue Code or Chapter 5743. of the Revised Code;	12436 12437 12438 12439 12440 12441 12442 12443
(r) In the case of receipts from the sale, transfer, exchange, or other disposition of motor fuel as "motor fuel" is defined in section 5736.01 of the Revised Code, an amount equal to the value of the motor fuel, including federal and state motor fuel excise taxes and receipts from billing or invoicing the tax imposed under section 5736.02 of the Revised Code to another person;	12444 12445 12446 12447 12448 12449 12450
(s) In the case of receipts from the sale of beer or intoxicating liquor, as defined in section 4301.01 of the Revised Code, by a person holding a permit issued under Chapter 4301. or 4303. of the Revised Code, an amount equal to federal and state excise taxes paid by any person on or for such beer or intoxicating liquor under subtitle E of the Internal Revenue Code or Chapter 4301. or 4305. of the Revised Code;	12451 12452 12453 12454 12455 12456 12457

(t) Receipts realized by a new motor vehicle dealer or 12458
used motor vehicle dealer, as defined in section 4517.01 of the 12459
Revised Code, from the sale or other transfer of a motor 12460
vehicle, as defined in that section, to another motor vehicle 12461
dealer for the purpose of resale by the transferee motor vehicle 12462
dealer, but only if the sale or other transfer was based upon 12463
the transferee's need to meet a specific customer's preference 12464
for a motor vehicle; 12465

(u) Receipts from a financial institution described in 12466
division (E) (3) of this section for services provided to the 12467
financial institution in connection with the issuance, 12468
processing, servicing, and management of loans or credit 12469
accounts, if such financial institution and the recipient of 12470
such receipts have at least fifty per cent of their ownership 12471
interests owned or controlled, directly or constructively 12472
through related interests, by common owners; 12473

(v) Receipts realized from administering anti-neoplastic 12474
drugs and other cancer chemotherapy, biologicals, therapeutic 12475
agents, and supportive drugs in a physician's office to patients 12476
with cancer; 12477

(w) Funds received or used by a mortgage broker that is 12478
not a dealer in intangibles, other than fees or other 12479
consideration, pursuant to a table-funding mortgage loan or 12480
warehouse-lending mortgage loan. Terms used in division (F) (2) 12481
(w) of this section have the same meanings as in section 1322.01 12482
of the Revised Code, except "mortgage broker" means a person 12483
assisting a buyer in obtaining a mortgage loan for a fee or 12484
other consideration paid by the buyer or a lender, or a person 12485
engaged in table-funding or warehouse-lending mortgage loans 12486
that are first lien mortgage loans. 12487

(x) Property, money, and other amounts received by a professional employer organization, as defined in section 4125.01 of the Revised Code, from a client employer, as defined in that section, in excess of the administrative fee charged by the professional employer organization to the client employer;	12488 12489 12490 12491 12492
(y) In the case of amounts retained as commissions by a permit holder under Chapter 3769. of the Revised Code, an amount equal to the amounts specified under that chapter that must be paid to or collected by the tax commissioner as a tax and the amounts specified under that chapter to be used as purse money;	12493 12494 12495 12496 12497
(z) Qualifying distribution center receipts.	12498
(i) For purposes of division (F)(2)(z) of this section:	12499
(I) "Qualifying distribution center receipts" means receipts of a supplier from qualified property that is delivered to a qualified distribution center, multiplied by a quantity that equals one minus the Ohio delivery percentage. If the qualified distribution center is a refining facility, "supplier" includes all dealers, brokers, processors, sellers, vendors, cosigners, and distributors of qualified property.	12500 12501 12502 12503 12504 12505 12506
(II) "Qualified property" means tangible personal property delivered to a qualified distribution center that is shipped to that qualified distribution center solely for further shipping by the qualified distribution center to another location in this state or elsewhere or, in the case of gold, silver, platinum, or palladium delivered to a refining facility solely for refining to a grade and fineness acceptable for delivery to a registered commodities exchange. "Further shipping" includes storing and repackaging property into smaller or larger bundles, so long as the property is not subject to further manufacturing or	12507 12508 12509 12510 12511 12512 12513 12514 12515 12516

processing. "Refining" is limited to extracting impurities from 12517
gold, silver, platinum, or palladium through smelting or some 12518
other process at a refining facility. 12519

(III) "Qualified distribution center" means a warehouse, a 12520
facility similar to a warehouse, or a refining facility in this 12521
state that, for the qualifying year, is operated by a person 12522
that is not part of a combined taxpayer group and that has a 12523
qualifying certificate. All warehouses or facilities similar to 12524
warehouses that are operated by persons in the same taxpayer 12525
group and that are located within one mile of each other shall 12526
be treated as one qualified distribution center. All refining 12527
facilities that are operated by persons in the same taxpayer 12528
group and that are located in the same or adjacent counties may 12529
be treated as one qualified distribution center. 12530

(IV) "Qualifying year" means the calendar year to which 12531
the qualifying certificate applies. 12532

(V) "Qualifying period" means the period of the first day 12533
of July of the second year preceding the qualifying year through 12534
the thirtieth day of June of the year preceding the qualifying 12535
year. 12536

(VI) "Qualifying certificate" means the certificate issued 12537
by the tax commissioner after the operator of a distribution 12538
center files an annual application with the commissioner. The 12539
application and annual fee shall be filed and paid for each 12540
qualified distribution center on or before the first day of 12541
September before the qualifying year or within forty-five days 12542
after the distribution center opens, whichever is later. 12543

The applicant must substantiate to the commissioner's 12544
satisfaction that, for the qualifying period, all persons 12545

operating the distribution center have more than fifty per cent 12546
of the cost of the qualified property shipped to a location such 12547
that it would be situated outside this state under the provisions 12548
of division (E) of section 5751.033 of the Revised Code. The 12549
applicant must also substantiate that the distribution center 12550
cumulatively had costs from its suppliers equal to or exceeding 12551
five hundred million dollars during the qualifying period. (For 12552
purposes of division (F) (2) (z) (i) (VI) of this section, 12553
"supplier" excludes any person that is part of the consolidated 12554
elected taxpayer group, if applicable, of the operator of the 12555
qualified distribution center.) The commissioner may require the 12556
applicant to have an independent certified public accountant 12557
certify that the calculation of the minimum thresholds required 12558
for a qualified distribution center by the operator of a 12559
distribution center has been made in accordance with generally 12560
accepted accounting principles. The commissioner shall issue or 12561
deny the issuance of a certificate within sixty days after the 12562
receipt of the application. A denial is subject to appeal under 12563
section 5717.02 of the Revised Code. If the operator files a 12564
timely appeal under section 5717.02 of the Revised Code, the 12565
operator shall be granted a qualifying certificate effective for 12566
the remainder of the qualifying year or until the appeal is 12567
finalized, whichever is earlier. If the operator does not 12568
prevail in the appeal, the operator shall pay the ineligible 12569
operator's supplier tax liability. 12570

(VII) "Ohio delivery percentage" means the proportion of 12571
the total property delivered to a destination inside Ohio from 12572
the qualified distribution center during the qualifying period 12573
compared with total deliveries from such distribution center 12574
everywhere during the qualifying period. 12575

(VIII) "Refining facility" means one or more buildings 12576

located in a county in the Appalachian region of this state as 12577
defined by section 107.21 of the Revised Code and utilized for 12578
refining or smelting gold, silver, platinum, or palladium to a 12579
grade and fineness acceptable for delivery to a registered 12580
commodities exchange. 12581

(IX) "Registered commodities exchange" means a board of 12582
trade, such as New York mercantile exchange, inc. or commodity 12583
exchange, inc., designated as a contract market by the commodity 12584
futures trading commission under the "Commodity Exchange Act," 7 12585
U.S.C. 1 et seq., as amended. 12586

(X) "Ineligible operator's supplier tax liability" means 12587
an amount equal to the tax liability of all suppliers of a 12588
distribution center had the distribution center not been issued 12589
a qualifying certificate for the qualifying year. Ineligible 12590
operator's supplier tax liability shall not include interest or 12591
penalties. The tax commissioner shall determine an ineligible 12592
operator's supplier tax liability based on information that the 12593
commissioner may request from the operator of the distribution 12594
center. An operator shall provide a list of all suppliers of the 12595
distribution center and the corresponding costs of qualified 12596
property for the qualifying year at issue within sixty days of a 12597
request by the commissioner under this division. 12598

(ii) (I) If the distribution center is new and was not open 12599
for the entire qualifying period, the operator of the 12600
distribution center may request that the commissioner grant a 12601
qualifying certificate. If the certificate is granted and it is 12602
later determined that more than fifty per cent of the qualified 12603
property during that year was not shipped to a location such 12604
that it would be situated outside of this state under the 12605
provisions of division (E) of section 5751.033 of the Revised 12606

Code or if it is later determined that the person that operates 12607
the distribution center had average monthly costs from its 12608
suppliers of less than forty million dollars during that year, 12609
then the operator of the distribution center shall pay the 12610
ineligible operator's supplier tax liability. (For purposes of 12611
division (F) (2) (z) (ii) of this section, "supplier" excludes any 12612
person that is part of the consolidated elected taxpayer group, 12613
if applicable, of the operator of the qualified distribution 12614
center.) 12615

(II) The commissioner may grant a qualifying certificate 12616
to a distribution center that does not qualify as a qualified 12617
distribution center for an entire qualifying period if the 12618
operator of the distribution center demonstrates that the 12619
business operations of the distribution center have changed or 12620
will change such that the distribution center will qualify as a 12621
qualified distribution center within thirty-six months after the 12622
date the operator first applies for a certificate. If, at the 12623
end of that thirty-six-month period, the business operations of 12624
the distribution center have not changed such that the 12625
distribution center qualifies as a qualified distribution 12626
center, the operator of the distribution center shall pay the 12627
ineligible operator's supplier tax liability for each year that 12628
the distribution center received a certificate but did not 12629
qualify as a qualified distribution center. For each year the 12630
distribution center receives a certificate under division (F) (2) 12631
(z) (ii) (II) of this section, the distribution center shall pay 12632
all applicable fees required under division (F) (2) (z) of this 12633
section and shall submit an updated business plan showing the 12634
progress the distribution center made toward qualifying as a 12635
qualified distribution center during the preceding year. 12636

(III) An operator may appeal a determination under 12637

division (F) (2) (z) (ii) (I) or (II) of this section that the 12638
ineligible operator is liable for the operator's supplier tax 12639
liability as a result of not qualifying as a qualified 12640
distribution center, as provided in section 5717.02 of the 12641
Revised Code. 12642

(iii) When filing an application for a qualifying 12643
certificate under division (F) (2) (z) (i) (VI) of this section, the 12644
operator of a qualified distribution center also shall provide 12645
documentation, as the commissioner requires, for the 12646
commissioner to ascertain the Ohio delivery percentage. The 12647
commissioner, upon issuing the qualifying certificate, also 12648
shall certify the Ohio delivery percentage. The operator of the 12649
qualified distribution center may appeal the commissioner's 12650
certification of the Ohio delivery percentage in the same manner 12651
as an appeal is taken from the denial of a qualifying 12652
certificate under division (F) (2) (z) (i) (VI) of this section. 12653

(iv) (I) In the case where the distribution center is new 12654
and not open for the entire qualifying period, the operator 12655
shall make a good faith estimate of an Ohio delivery percentage 12656
for use by suppliers in their reports of taxable gross receipts 12657
for the remainder of the qualifying period. The operator of the 12658
facility shall disclose to the suppliers that such Ohio delivery 12659
percentage is an estimate and is subject to recalculation. By 12660
the due date of the next application for a qualifying 12661
certificate, the operator shall determine the actual Ohio 12662
delivery percentage for the estimated qualifying period and 12663
proceed as provided in division (F) (2) (z) (iii) of this section 12664
with respect to the calculation and recalculation of the Ohio 12665
delivery percentage. The supplier is required to file, within 12666
sixty days after receiving notice from the operator of the 12667
qualified distribution center, amended reports for the impacted 12668

calendar quarter or quarters or calendar year, whichever the case may be. Any additional tax liability or tax overpayment shall be subject to interest but shall not be subject to the imposition of any penalty so long as the amended returns are timely filed.

(II) The operator of a distribution center that receives a qualifying certificate under division (F) (2) (z) (ii) (II) of this section shall make a good faith estimate of the Ohio delivery percentage that the operator estimates will apply to the distribution center at the end of the thirty-six-month period after the operator first applied for a qualifying certificate under that division. The result of the estimate shall be multiplied by a factor of one and seventy-five one-hundredths. The product of that calculation shall be the Ohio delivery percentage used by suppliers in their reports of taxable gross receipts for each qualifying year that the distribution center receives a qualifying certificate under division (F) (2) (z) (ii) (II) of this section, except that, if the product is less than five per cent, the Ohio delivery percentage used shall be five per cent and that, if the product exceeds forty-nine per cent, the Ohio delivery percentage used shall be forty-nine per cent.

(v) Qualifying certificates and Ohio delivery percentages issued by the commissioner shall be open to public inspection and shall be timely published by the commissioner. A supplier relying in good faith on a certificate issued under this division shall not be subject to tax on the qualifying distribution center receipts under division (F) (2) (z) of this section. An operator receiving a qualifying certificate is liable for the ineligible operator's supplier tax liability for each year the operator received a certificate but did not qualify as a qualified distribution center.

(vi) The annual fee for a qualifying certificate shall be 12700
one hundred thousand dollars for each qualified distribution 12701
center. If a qualifying certificate is not issued, the annual 12702
fee is subject to refund after the exhaustion of all appeals 12703
provided for in division (F) (2) (z) (i) (VI) of this section. The 12704
first one hundred thousand dollars of the annual application 12705
fees collected each calendar year shall be credited to the 12706
revenue enhancement fund. The remainder of the annual 12707
application fees collected shall be distributed in the same 12708
manner required under section 5751.20 of the Revised Code. 12709

(vii) The tax commissioner may require that adequate 12710
security be posted by the operator of the distribution center on 12711
appeal when the commissioner disagrees that the applicant has 12712
met the minimum thresholds for a qualified distribution center 12713
as set forth in division (F) (2) (z) of this section. 12714

(aa) Receipts of an employer from payroll deductions 12715
relating to the reimbursement of the employer for advancing 12716
moneys to an unrelated third party on an employee's behalf; 12717

(bb) Cash discounts allowed and taken; 12718

(cc) Returns and allowances; 12719

(dd) Bad debts from receipts on the basis of which the tax 12720
imposed by this chapter was paid in a prior quarterly tax 12721
payment period. For the purpose of this division, "bad debts" 12722
means any debts that have become worthless or uncollectible 12723
between the preceding and current quarterly tax payment periods, 12724
have been uncollected for at least six months, and that may be 12725
claimed as a deduction under section 166 of the Internal Revenue 12726
Code and the regulations adopted under that section, or that 12727
could be claimed as such if the taxpayer kept its accounts on 12728

the accrual basis. "Bad debts" does not include repossessed 12729
property, uncollectible amounts on property that remains in the 12730
possession of the taxpayer until the full purchase price is 12731
paid, or expenses in attempting to collect any account 12732
receivable or for any portion of the debt recovered; 12733

(ee) Any amount realized from the sale of an account 12734
receivable to the extent the receipts from the underlying 12735
transaction giving rise to the account receivable were included 12736
in the gross receipts of the taxpayer; 12737

(ff) Any receipts directly attributed to a transfer 12738
agreement or to the enterprise transferred under that agreement 12739
under section 4313.02 of the Revised Code. 12740

(gg) (i) As used in this division: 12741

(I) "Qualified uranium receipts" means receipts from the 12742
sale, exchange, lease, loan, production, processing, or other 12743
disposition of uranium within a uranium enrichment zone 12744
certified by the tax commissioner under division (F) (2) (gg) (ii) 12745
of this section. "Qualified uranium receipts" does not include 12746
any receipts with a situs in this state outside a uranium 12747
enrichment zone certified by the tax commissioner under division 12748
(F) (2) (gg) (ii) of this section. 12749

(II) "Uranium enrichment zone" means all real property 12750
that is part of a uranium enrichment facility licensed by the 12751
United States nuclear regulatory commission and that was or is 12752
owned or controlled by the United States department of energy or 12753
its successor. 12754

(ii) Any person that owns, leases, or operates real or 12755
tangible personal property constituting or located within a 12756
uranium enrichment zone may apply to the tax commissioner to 12757

have the uranium enrichment zone certified for the purpose of 12758
excluding qualified uranium receipts under division (F) (2) (gg) 12759
of this section. The application shall include such information 12760
that the tax commissioner prescribes. Within sixty days after 12761
receiving the application, the tax commissioner shall certify 12762
the zone for that purpose if the commissioner determines that 12763
the property qualifies as a uranium enrichment zone as defined 12764
in division (F) (2) (gg) of this section, or, if the tax 12765
commissioner determines that the property does not qualify, the 12766
commissioner shall deny the application or request additional 12767
information from the applicant. If the tax commissioner denies 12768
an application, the commissioner shall state the reasons for the 12769
denial. The applicant may appeal the denial of an application to 12770
the board of tax appeals pursuant to section 5717.02 of the 12771
Revised Code. If the applicant files a timely appeal, the tax 12772
commissioner shall conditionally certify the applicant's 12773
property. The conditional certification shall expire when all of 12774
the applicant's appeals are exhausted. Until final resolution of 12775
the appeal, the applicant shall retain the applicant's records 12776
in accordance with section 5751.12 of the Revised Code, 12777
notwithstanding any time limit on the preservation of records 12778
under that section. 12779

(hh) In the case of amounts collected by a licensed casino 12780
operator from casino gaming, amounts in excess of the casino 12781
operator's gross casino revenue. In this division, "casino 12782
operator" and "casino gaming" have the meanings defined in 12783
section 3772.01 of the Revised Code, and "gross casino revenue" 12784
has the meaning defined in section 5753.01 of the Revised Code. 12785

(ii) Receipts realized from the sale of agricultural 12786
commodities by an agricultural commodity handler, both as 12787
defined in section 926.01 of the Revised Code, that is licensed 12788

by the director of agriculture to handle agricultural 12789
commodities in this state. 12790

(jj) Qualifying integrated supply chain receipts. 12791

As used in division (F) (2) (jj) of this section: 12792

(i) "Qualifying integrated supply chain receipts" means 12793
receipts of a qualified integrated supply chain vendor from the 12794
sale of qualified property delivered to, or integrated supply 12795
chain services provided to, another qualified integrated supply 12796
chain vendor or to a retailer that is a member of the integrated 12797
supply chain. "Qualifying integrated supply chain receipts" does 12798
not include receipts of a person that is not a qualified 12799
integrated supply chain vendor from the sale of raw materials to 12800
a member of an integrated supply chain, or receipts of a member 12801
of an integrated supply chain from the sale of qualified 12802
property or integrated supply chain services to a person that is 12803
not a member of the integrated supply chain. 12804

(ii) "Qualified property" means any of the following: 12805

(I) Component parts used to hold, contain, package, or 12806
dispense qualified products, excluding equipment; 12807

(II) Work-in-process inventory that will become, comprise, 12808
or form a component part of a qualified product capable of being 12809
sold at retail, excluding equipment, machinery, furniture, and 12810
fixtures; 12811

(III) Finished goods inventory that is a qualified product 12812
capable of being sold at retail in the inventory's present form. 12813

(iii) "Qualified integrated supply chain vendor" means a 12814
person that is a member of an integrated supply chain and that 12815
provides integrated supply chain services within a qualified 12816

integrated supply chain district to a retailer that is a member 12817
of the integrated supply chain or to another qualified 12818
integrated supply chain vendor that is located within the same 12819
such district as the person but does not share a common owner 12820
with that person. 12821

(iv) "Qualified product" means a personal care, health, or 12822
beauty product or an aromatic product, including a candle. 12823
"Qualified product" does not include a drug that may be 12824
dispensed only pursuant to a prescription, durable medical 12825
equipment, mobility enhancing equipment, or a prosthetic device, 12826
as those terms are defined in section 5739.01 of the Revised 12827
Code. 12828

(v) "Integrated supply chain" means two or more qualified 12829
integrated supply chain vendors certified on the most recent 12830
list certified to the tax commissioner under this division that 12831
systematically collaborate and coordinate business operations 12832
with a retailer on the flow of tangible personal property from 12833
material sourcing through manufacturing, assembly, packaging, 12834
and delivery to the retailer to improve long-term financial 12835
performance of each vendor and the supply chain that includes 12836
the retailer. 12837

For the purpose of the certification required under this 12838
division, the reporting person for each retailer, on or before 12839
the first day of October of each year, shall certify to the tax 12840
commissioner a list of the qualified integrated supply chain 12841
vendors providing or receiving integrated supply chain services 12842
within a qualified integrated supply chain district for the 12843
ensuing calendar year. On or before the following first day of 12844
November, the commissioner shall issue a certificate to the 12845
retailer and to each vendor certified to the commissioner on 12846

that list. The certificate shall include the names of the 12847
retailer and of the qualified integrated supply chain vendors. 12848

The retailer shall notify the commissioner of any changes 12849
to the list, including additions to or subtractions from the 12850
list or changes in the name or legal entity of vendors certified 12851
on the list, within sixty days after the date the retailer 12852
becomes aware of the change. Within thirty days after receiving 12853
that notification, the commissioner shall issue a revised 12854
certificate to the retailer and to each vendor certified on the 12855
list. The revised certificate shall include the effective date 12856
of the change. 12857

Each recipient of a certificate issued pursuant to this 12858
division shall maintain a copy of the certificate for four years 12859
from the date the certificate was received. 12860

(vi) "Integrated supply chain services" means procuring 12861
raw materials or manufacturing, processing, refining, 12862
assembling, packaging, or repackaging tangible personal property 12863
that will become finished goods inventory capable of being sold 12864
at retail by a retailer that is a member of an integrated supply 12865
chain. 12866

(vii) "Retailer" means a person primarily engaged in 12867
making retail sales and any member of that person's consolidated 12868
elected taxpayer group or combined taxpayer group, whether or 12869
not that member is primarily engaged in making retail sales. 12870

(viii) "Qualified integrated supply chain district" means 12871
the parcel or parcels of land from which a retailer's integrated 12872
supply chain that existed on September 29, 2015, provides or 12873
receives integrated supply chain services, and to which all of 12874
the following apply: 12875

(I) The parcel or parcels are located wholly in a county 12876
having a population of greater than one hundred sixty-five 12877
thousand but less than one hundred seventy thousand based on the 12878
2010 federal decennial census. 12879

(II) The parcel or parcels are located wholly in the 12880
corporate limits of a municipal corporation with a population 12881
greater than seven thousand five hundred and less than eight 12882
thousand based on the 2010 federal decennial census that is 12883
partly located in the county described in division (F) (2) (jj) 12884
(viii) (I) of this section, as those corporate limits existed on 12885
September 29, 2015. 12886

(III) The aggregate acreage of the parcel or parcels 12887
equals or exceeds one hundred acres. 12888

(kk) In the case of a railroad company described in 12889
division (D) (9) of section 5727.01 of the Revised Code that 12890
purchases dyed diesel fuel directly from a supplier as defined 12891
by section 5736.01 of the Revised Code, an amount equal to the 12892
product of the number of gallons of dyed diesel fuel purchased 12893
directly from such a supplier multiplied by the average 12894
wholesale price for a gallon of diesel fuel as determined under 12895
section 5736.02 of the Revised Code for the period during which 12896
the fuel was purchased multiplied by a fraction, the numerator 12897
of which equals the rate of tax levied by section 5736.02 of the 12898
Revised Code less the rate of tax computed in section 5751.03 of 12899
the Revised Code, and the denominator of which equals the rate 12900
of tax computed in section 5751.03 of the Revised Code. 12901

(ll) Receipts realized by an out-of-state disaster 12902
business from disaster work conducted in this state during a 12903
disaster response period pursuant to a qualifying solicitation 12904
received by the business. Terms used in division (F) (2) (ll) of 12905

this section have the same meanings as in section 5703.94 of the Revised Code. 12906
12907

(mm) Any receipts for which the tax imposed by this chapter is prohibited by the constitution or laws of the United States or the constitution of this state. 12908
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(3) In the case of a taxpayer when acting as a real estate broker, "gross receipts" includes only the portion of any fee for the service of a real estate broker, or service of a real estate salesperson associated with that broker, that is retained by the broker and not paid to an associated real estate salesperson or another real estate broker. For the purposes of this division, "real estate broker" and "real estate salesperson" have the same meanings as in section 4735.01 of the Revised Code. 12911
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(4) A taxpayer's method of accounting for gross receipts for a tax period shall be the same as the taxpayer's method of accounting for federal income tax purposes for the taxpayer's federal taxable year that includes the tax period. If a taxpayer's method of accounting for federal income tax purposes changes, its method of accounting for gross receipts under this chapter shall be changed accordingly. 12920
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(G) "Taxable gross receipts" means gross receipts situated to this state under section 5751.033 of the Revised Code. 12927
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(H) A person has "substantial nexus with this state" if any of the following applies. The person: 12929
12930

(1) Owns or uses a part or all of its capital in this state; 12931
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(2) Holds a certificate of compliance with the laws of this state authorizing the person to do business in this state; 12933
12934

(3) Has bright-line presence in this state;	12935
(4) Otherwise has nexus with this state to an extent that the person can be required to remit the tax imposed under this chapter under the Constitution of the United States.	12936 12937 12938
(I) A person has "bright-line presence" in this state for a reporting period and for the remaining portion of the calendar year if any of the following applies. The person:	12939 12940 12941
(1) Has at any time during the calendar year property in this state with an aggregate value of at least fifty thousand dollars. For the purpose of division (I) (1) of this section, owned property is valued at original cost and rented property is valued at eight times the net annual rental charge.	12942 12943 12944 12945 12946
(2) Has during the calendar year payroll in this state of at least fifty thousand dollars. Payroll in this state includes all of the following:	12947 12948 12949
(a) Any amount subject to withholding by the person under section 5747.06 of the Revised Code;	12950 12951
(b) Any other amount the person pays as compensation to an individual under the supervision or control of the person for work done in this state; and	12952 12953 12954
(c) Any amount the person pays for services performed in this state on its behalf by another.	12955 12956
(3) Has during the calendar year taxable gross receipts of at least five hundred thousand dollars.	12957 12958
(4) Has at any time during the calendar year within this state at least twenty-five per cent of the person's total property, total payroll, or total gross receipts.	12959 12960 12961

(5) Is domiciled in this state as an individual or for 12962
corporate, commercial, or other business purposes. 12963

(J) "Tangible personal property" has the same meaning as 12964
in section 5739.01 of the Revised Code. 12965

(K) "Internal Revenue Code" means the Internal Revenue 12966
Code of 1986, 100 Stat. 2085, 26 U.S.C. 1, as amended. Any term 12967
used in this chapter that is not otherwise defined has the same 12968
meaning as when used in a comparable context in the laws of the 12969
United States relating to federal income taxes unless a 12970
different meaning is clearly required. Any reference in this 12971
chapter to the Internal Revenue Code includes other laws of the 12972
United States relating to federal income taxes. 12973

(L) "Calendar quarter" means a three-month period ending 12974
on the thirty-first day of March, the thirtieth day of June, the 12975
thirtieth day of September, or the thirty-first day of December. 12976

(M) "Tax period" means the calendar quarter or calendar 12977
year on the basis of which a taxpayer is required to pay the tax 12978
imposed under this chapter. 12979

(N) "Calendar year taxpayer" means a taxpayer for which 12980
the tax period is a calendar year. 12981

(O) "Calendar quarter taxpayer" means a taxpayer for which 12982
the tax period is a calendar quarter. 12983

(P) "Agent" means a person authorized by another person to 12984
act on its behalf to undertake a transaction for the other, 12985
including any of the following: 12986

(1) A person receiving a fee to sell financial 12987
instruments; 12988

(2) A person retaining only a commission from a 12989

transaction with the other proceeds from the transaction being	12990
remitted to another person;	12991
(3) A person issuing licenses and permits under section	12992
1533.13 of the Revised Code;	12993
(4) A lottery sales agent holding a valid license issued	12994
under section 3770.05 of the Revised Code;	12995
(5) A person acting as an agent of the division of liquor	12996
control under section 4301.17 of the Revised Code.	12997
(Q) "Received" includes amounts accrued under the accrual	12998
method of accounting.	12999
(R) "Reporting person" means a person in a consolidated	13000
elected taxpayer or combined taxpayer group that is designated	13001
by that group to legally bind the group for all filings and tax	13002
liabilities and to receive all legal notices with respect to	13003
matters under this chapter, or, for the purposes of section	13004
5751.04 of the Revised Code, a separate taxpayer that is not a	13005
member of such a group.	13006
Section 2. That existing sections 111.16, 122.16, 122.173,	13007
135.14, 135.142, 135.35, 150.05, 718.01, 1329.01, 1329.02,	13008
1701.03, 1701.05, 1701.791, 1702.05, 1702.411, 1703.04, 1729.36,	13009
1729.38, 1745.461, 1751.01, 1776.69, 1776.82, 1782.02, 1782.432,	13010
1785.09, 3345.203, 3964.03, 3964.17, 4701.14, 4703.18, 4703.331,	13011
4715.18, 4715.22, 4715.365, 4715.431, 4717.06, 4723.16, 4725.33,	13012
4729.161, 4729.541, 4731.226, 4731.228, 4732.28, 4733.16,	13013
4734.17, 4755.111, 4755.471, 4757.37, 5701.14, 5715.19, 5733.04,	13014
5733.33, 5733.42, 5747.01, and 5751.01 of the Revised Code are	13015
hereby repealed.	13016
Section 3. That sections 1705.01, 1705.02, 1705.03,	13017
1705.031, 1705.04, 1705.05, 1705.06, 1705.07, 1705.08, 1705.081,	13018

1705.09, 1705.10, 1705.11, 1705.12, 1705.13, 1705.14, 1705.15, 13019
1705.16, 1705.161, 1705.17, 1705.18, 1705.19, 1705.20, 1705.21, 13020
1705.22, 1705.23, 1705.24, 1705.25, 1705.26, 1705.27, 1705.28, 13021
1705.281, 1705.282, 1705.29, 1705.291, 1705.292, 1705.30, 13022
1705.31, 1705.32, 1705.33, 1705.34, 1705.35, 1705.36, 1705.361, 13023
1705.37, 1705.371, 1705.38, 1705.381, 1705.39, 1705.391, 13024
1705.40, 1705.41, 1705.42, 1705.43, 1705.44, 1705.45, 1705.46, 13025
1705.47, 1705.48, 1705.49, 1705.50, 1705.51, 1705.52, 1705.53, 13026
1705.54, 1705.55, 1705.56, 1705.57, 1705.58, and 1705.61 of the 13027
Revised Code are hereby repealed. 13028

Section 4. Section 3 of this act shall take effect on 13029
January 1, 2022. 13030

Section 5. The repeal of a statute by this act shall not 13031
affect an action commenced, proceeding brought, or right accrued 13032
prior to January 1, 2022. 13033

Section 6. The General Assembly, applying the principle 13034
stated in division (B) of section 1.52 of the Revised Code that 13035
amendments are to be harmonized if reasonably capable of 13036
simultaneous operation, finds that the following sections, 13037
presented in this act as composites of the sections as amended 13038
by the acts indicated, are the resulting versions of the 13039
sections in effect prior to the effective date of the sections 13040
as presented in this act: 13041

Section 111.16 of the Revised Code as amended by both Sub. 13042
H.B. 31 and Sub. H.B. 133 of the 132nd General Assembly. 13043

Section 135.35 of the Revised Code as amended by Am. Sub. 13044
H.B. 49, Sub. H.B. 251, and S.B. 163, all of the 132 General 13045
Assembly. 13046

Section 3345.203 of the Revised Code as amended by both 13047

Am. Sub. H.B. 384 and Sub. S.B. 3 of the 131st General Assembly.

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