

As Introduced

134th General Assembly

Regular Session

2021-2022

H. B. No. 303

Representative Swearingen

Cosponsors: Representatives Carfagna, White, Cross, Jones, Seitz



A BILL

To amend sections 3301.17, 3313.6113, 3735.671, 1
5709.82, 5709.83, and 5747.07 and to enact 2
sections 3303.07, 3313.905, 3317.162, and 3
5747.073 of the Revised Code with regard to 4
career-technical education and the compensation 5
of joint vocational school districts located in 6
community reinvestment areas. 7

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

Section 1. That sections 3301.17, 3313.6113, 3735.671, 8
5709.82, 5709.83, and 5747.07 be amended and sections 3303.07, 9
3313.905, 3317.162, and 5747.073 of the Revised Code be enacted 10
to read as follows: 11

Sec. 3301.17. (A) The board of education of each city, 12
exempted village, local, and joint vocational school district 13
may make a driver education course available to high school 14
students enrolled in the district in accordance with Chapter 15
4508. of the Revised Code. No school district making such a 16
course available shall require any ~~pupil~~-student to enroll in 17
the course in lieu of taking a training course from a private 18

driver training school licensed under that chapter. 19

(B) The principal of each high school shall annually give 20
written notice to the ~~pupils~~ students enrolled in the high 21
school that they may elect, under a procedure that shall be 22
described in the notice, to take a training course from a 23
private driver training school or, if available, enroll in a 24
driver education course made available by the ~~pupil's~~ student's 25
school district of attendance. ~~No pupil shall receive course~~ 26
~~credit toward graduation for completing a driver education~~ 27
~~course conducted by a school district under this section.~~ 28

(C) Students who successfully complete a driver education 29
course offered by the student's school district of attendance 30
under this section may earn either: 31

(1) Notwithstanding anything to the contrary in division 32
(C) (8) of section 3313.603 of the Revised Code, up to one-half 33
unit towards high school elective credits that may substitute 34
for credits in the subjects listed under that division; 35

(2) An industry-recognized credential approved under 36
section 3313.6113 of the Revised Code. 37

(D) Notwithstanding anything to the contrary in sections 38
3317.014, 3317.022, and 3317.16 of the Revised Code, a career- 39
technical planning district, as defined in section 3317.023 of 40
the Revised Code, may use a portion of the career-technical 41
education funds received under section 3317.022 or 3317.16 of 42
the Revised Code to make a driver education course available to 43
high school students enrolled in the district. 44

Sec. 3303.07. (A) As used in this section: 45

(1) "Lead district" has the same meaning as in section 46
3317.023 of the Revised Code; 47

(2) "Ohio technical center" has the same meaning as in 48
section 3333.94 of the Revised Code. 49

(B) The department of education shall establish the 50
student pathways for career success grant program to provide 51
grants to lead districts and Ohio technical centers for the 52
purpose of improving or expanding upon career-technical 53
education programming that meets state or regional workforce 54
needs. 55

(C) The state board of education shall adopt rules in 56
accordance with Chapter 119. of the Revised Code to administer 57
the program that address all of the following: 58

(1) Grant eligibility requirements; 59

(2) Grant application forms and procedures, including 60
reapplication procedures; 61

(3) Any other rules the state board considers necessary 62
for the operation of the program. 63

(D) When adopting rules under division (C) of this 64
section, the state board may prioritize the awarding of grants 65
for career-technical education programs that prepare students 66
for occupations included in the list of in-demand jobs created 67
under section 6301.11 of the Revised Code. 68

Sec. 3313.6113. (A) The superintendent of public 69
instruction, in collaboration with the governor's office of 70
workforce transformation and representatives of business 71
organizations, shall establish a committee to develop a list of 72
industry-recognized credentials and licenses that may be used to 73
qualify for a high school diploma under division (A) (3) of 74
section 3313.618 of the Revised Code and shall be used for state 75
report card purposes under section 3302.03 of the Revised Code. 76

The state superintendent shall appoint the members of the 77
committee not later than January 1, 2018. 78

(B) The committee shall do the following: 79

(1) Establish criteria for acceptable industry-recognized 80
credentials and licenses aligned with the in-demand jobs list 81
published by the department of job and family services; 82

(2) Review the list of industry-recognized credentials and 83
licenses that was in existence on January 1, 2018, and update 84
the list as it considers necessary; 85

(3) Review and update the list of industry-recognized 86
credentials and licenses at least biennially; 87

(4) Update the list of industry-recognized credentials to 88
include a driver's license obtained by a student through a 89
driver education course offered by a school district in 90
accordance with section 3301.17 of the Revised Code. 91

Sec. 3313.905. (A) As used in this section, "digital 92
learning" has the same meaning as in section 3301.079 of the 93
Revised Code. 94

(B) The state board of education shall permit each career- 95
technical education program approved under section 3317.161 of 96
the Revised Code to provide remote or digital learning 97
opportunities to students on a full-time or hybrid basis to the 98
extent practicable. 99

Sec. 3317.162. (A) As used in this section, "JobsOhio" has 100
the same meaning as in section 187.01 of the Revised Code. 101

(B) The governor's office of workforce transformation, in 102
collaboration with the department of education, the chancellor 103
of higher education, and JobsOhio, shall create a program that 104

establishes financial incentives for Ohio businesses to provide 105
work-based learning experiences for students enrolled in a 106
career-technical education program approved under section 107
3317.161 of the Revised Code. 108

(C) To qualify for the financial incentives of the program 109
created under this section, a business's work-based learning 110
experiences shall align with the framework developed by the 111
department under division (J) (3) of section 3313.603 of the 112
Revised Code and with the applicable minor labor laws under 113
section 4109.02 of the Revised Code. 114

Sec. 3735.671. (A) If construction or remodeling of 115
commercial or industrial property is to be exempted from 116
taxation pursuant to section 3735.67 of the Revised Code, the 117
legislative authority and the owner of the property, prior to 118
the commencement of construction or remodeling, shall enter into 119
a written agreement, binding on both parties for a period of 120
time that does not end prior to the end of the period of the 121
exemption, that includes all of the information and statements 122
prescribed by this section. Agreements may include terms not 123
prescribed by this section, but such terms shall in no way 124
derogate from the information and statements prescribed by this 125
section. 126

(1) Except as otherwise provided in division (A) (2) or (3) 127
of this section, an agreement entered into under this section 128
shall not be approved by the legislative authority unless the 129
board of education of the city, local, or exempted village 130
school district within the territory of which the property is or 131
will be located approves the agreement. For the purpose of 132
obtaining such approval, the legislative authority shall certify 133
a copy of the agreement to the board of education not later than 134

forty-five days prior to approving the agreement, excluding 135
Saturday, Sunday, and a legal holiday as defined in section 1.14 136
of the Revised Code. The board of education, by resolution 137
adopted by a majority of the board, shall approve or disapprove 138
the agreement and certify a copy of the resolution to the 139
legislative authority not later than fourteen days prior to the 140
date stipulated by the legislative authority as the date upon 141
which approval of the agreement is to be formally considered by 142
the legislative authority. The board of education may include in 143
the resolution conditions under which the board would approve 144
the agreement. The legislative authority may approve an 145
agreement at any time after the board of education certifies its 146
resolution approving the agreement to the legislative authority, 147
or, if the board approves the agreement conditionally, at any 148
time after the conditions are agreed to by the board and the 149
legislative authority. 150

(2) Approval of an agreement by the board of education is 151
not required under division (A)(1) of this section if, for each 152
tax year the real property is exempted from taxation, the sum of 153
the following quantities, as estimated at or prior to the time 154
the agreement is formally approved by the legislative authority, 155
equals or exceeds fifty per cent of the amount of taxes, as 156
estimated at or prior to that time, that would have been charged 157
and payable that year upon the real property had that property 158
not been exempted from taxation: 159

(a) The amount of taxes charged and payable on any portion 160
of the assessed valuation of the new structure or of the 161
increased assessed valuation of an existing structure after 162
remodeling began that will not be exempted from taxation under 163
the agreement; 164

(b) The amount of taxes charged and payable on tangible 165
personal property located on the premises of the new structure 166
or of the structure to be remodeled under the agreement, whether 167
payable by the owner of the structure or by a related member, as 168
defined in section 5733.042 of the Revised Code without regard 169
to division (B) of that section. 170

(c) The amount of any cash payment by the owner of the new 171
structure or structure to be remodeled to the school district, 172
the dollar value, as mutually agreed to by the owner and the 173
board of education, of any property or services provided by the 174
owner of the property to the school district, whether by gift, 175
loan, or otherwise, and any payment by the legislative authority 176
to the school district pursuant to section 5709.82 of the 177
Revised Code. 178

The estimates of quantities used for purposes of division 179
(A) (2) of this section shall be estimated by the legislative 180
authority. The legislative authority shall certify to the board 181
of education that the estimates have been made in good faith. 182
Departures of the actual quantities from the estimates 183
subsequent to approval of the agreement by the board of 184
education do not invalidate the agreement. 185

(3) If a board of education has adopted a resolution 186
waiving its right to approve agreements and the resolution 187
remains in effect, approval of an agreement by the board is not 188
required under this division. If a board of education has 189
adopted a resolution allowing a legislative authority to deliver 190
the notice required under this division fewer than forty-five 191
business days prior to the legislative authority's execution of 192
the agreement, the legislative authority shall deliver the 193
notice to the board not later than the number of days prior to 194

such execution as prescribed by the board in its resolution. If 195
a board of education adopts a resolution waiving its right to 196
approve agreements or shortening the notification period, the 197
board shall certify a copy of the resolution to the legislative 198
authority. If the board of education rescinds such a resolution, 199
it shall certify notice of the rescission to the legislative 200
authority. 201

(4) If the owner of the property or the legislative 202
authority agree to make any payment to the school district as 203
described in division (A) (2) (c) of this section, the owner or 204
legislative authority shall agree to make payments to the joint 205
vocational school district within which the property is located 206
at the same rate or amount and under the same terms received by 207
the city, local, or exempted village school district. 208

(B) Each agreement shall include the following 209
information: 210

(1) The names of all parties to the agreement; 211

(2) A description of the remodeling or construction, 212
whether or not to be exempted from taxation, including existing 213
or new structure size and cost thereof; the value of machinery, 214
equipment, furniture, and fixtures, including an itemization of 215
the value of machinery, equipment, furniture, and fixtures used 216
at another location in this state prior to the agreement and 217
relocated or to be relocated from that location to the property, 218
and the value of machinery, equipment, furniture, and fixtures 219
at the facility prior to the execution of the agreement; the 220
value of inventory at the property, including an itemization of 221
the value of inventory held at another location in this state 222
prior to the agreement and relocated or to be relocated from 223
that location to the property, and the value of inventory held 224

at the property prior to the execution of the agreement;	225
(3) The scheduled starting and completion dates of	226
remodeling or construction of real property or of investments	227
made in machinery, equipment, furniture, fixtures, and	228
inventory;	229
(4) Estimates of the number of employee positions to be	230
created each year of the agreement and of the number of employee	231
positions retained by the owner due to the remodeling or	232
construction, itemized as to the number of full-time, part-time,	233
permanent, and temporary positions;	234
(5) Estimates of the dollar amount of payroll attributable	235
to the positions set forth in division (B) (4) of this section,	236
similarly itemized;	237
(6) The number of employee positions, if any, at the	238
property and at any other location in this state at the time the	239
agreement is executed, itemized as to the number of full-time,	240
part-time, permanent, and temporary positions.	241
(C) Each agreement shall set forth the following	242
information and incorporate the following statements:	243
(1) A description of real property to be exempted from	244
taxation under the agreement, the percentage of the assessed	245
valuation of the real property exempted from taxation, and the	246
period for which the exemption is granted, accompanied by the	247
statement: "The exemption commences the first year for which the	248
real property would first be taxable were that property not	249
exempted from taxation. No exemption shall commence after	250
_____ (insert date) nor extend beyond _____ (insert	251
date)."	252
(2) " _____ (insert name of owner) shall pay such real	253

property taxes as are not exempted under this agreement and are 254
charged against such property and shall file all tax reports and 255
returns as required by law. If _____ (insert name of owner) 256
fails to pay such taxes or file such returns and reports, 257
exemptions from taxation granted under this agreement are 258
rescinded beginning with the year for which such taxes are 259
charged or such reports or returns are required to be filed and 260
thereafter." 261

(3) " _____ (insert name of owner) hereby certifies 262
that at the time this agreement is executed, _____ (insert 263
name of owner) does not owe any delinquent real or tangible 264
personal property taxes to any taxing authority of the State of 265
Ohio, and does not owe delinquent taxes for which _____ 266
(insert name of owner) is liable under Chapter 5733., 5735., 267
5739., 5741., 5743., 5747., or 5753. of the Ohio Revised Code, 268
or, if such delinquent taxes are owed, _____ (insert name 269
of owner) currently is paying the delinquent taxes pursuant to 270
an undertaking enforceable by the State of Ohio or an agent or 271
instrumentality thereof, has filed a petition in bankruptcy 272
under 11 U.S.C.A. 101, et seq., or such a petition has been 273
filed against _____ (insert name of owner). For the 274
purposes of this certification, delinquent taxes are taxes that 275
remain unpaid on the latest day prescribed for payment without 276
penalty under the chapter of the Revised Code governing payment 277
of those taxes." 278

(4) " _____ (insert name of municipal corporation or 279
county) shall perform such acts as are reasonably necessary or 280
appropriate to effect, claim, reserve, and maintain exemptions 281
from taxation granted under this agreement including, without 282
limitation, joining in the execution of all documentation and 283
providing any necessary certificates required in connection with 284

such exemptions." 285

(5) "If for any reason _____ (insert name of 286
municipal corporation or county) revokes the designation of the 287
area, entitlements granted under this agreement shall continue 288
for the number of years specified under this agreement, unless 289
_____ (insert name of owner) materially fails to fulfill 290
its obligations under this agreement and _____ 291
(insert name of municipal corporation or county) terminates or 292
modifies the exemptions from taxation pursuant to this 293
agreement." 294

(6) "If _____ (insert name of owner) materially fails 295
to fulfill its obligations under this agreement, or if 296
_____ (insert name of municipal corporation or county) 297
determines that the certification as to delinquent taxes 298
required by this agreement is fraudulent, _____ (insert 299
name of municipal corporation or county) may terminate or modify 300
the exemptions from taxation granted under this agreement." 301

(7) "_____ (insert name of owner) shall provide to 302
the proper tax incentive review council any information 303
reasonably required by the council to evaluate the applicant's 304
compliance with the agreement, including returns filed pursuant 305
to section 5711.02 of the Ohio Revised Code if requested by the 306
council." 307

(8) "This agreement is not transferable or assignable 308
without the express, written approval of _____ (insert name 309
of municipal corporation or county)." 310

(9) "Exemptions from taxation granted under this agreement 311
shall be revoked if it is determined that _____ (insert 312
name of owner), any successor to that person, or any related 313

member (as those terms are defined in division (E) of section 314
3735.671 of the Ohio Revised Code) has violated the prohibition 315
against entering into this agreement under division (E) of 316
section 3735.671 or section 5709.62 or 5709.63 of the Ohio 317
Revised Code prior to the time prescribed by that division or 318
either of those sections." 319

(10) "_____ (insert name of owner) and _____ 320
(insert name of municipal corporation or county) acknowledge 321
that this agreement must be approved by formal action of the 322
legislative authority of _____ (insert name of municipal 323
corporation or county) as a condition for the agreement to take 324
effect. This agreement takes effect upon such approval." 325

The statement described in division (C)(6) of this section 326
may include the following statement, appended at the end of the 327
statement: ", and may require the repayment of the amount of 328
taxes that would have been payable had the property not been 329
exempted from taxation under this agreement." If the agreement 330
includes a statement requiring repayment of exempted taxes, it 331
also may authorize the legislative authority to secure repayment 332
of such taxes by a lien on the exempted property in the amount 333
required to be repaid. Such a lien shall attach, and may be 334
perfected, collected, and enforced, in the same manner as a 335
mortgage lien on real property, and shall otherwise have the 336
same force and effect as a mortgage lien on real property. 337

(D) Except as otherwise provided in this division, an 338
agreement entered into under this section shall require that the 339
owner pay an annual fee equal to the greater of one per cent of 340
the amount of taxes exempted under the agreement or five hundred 341
dollars; provided, however, that if the value of the incentives 342
exceeds two hundred fifty thousand dollars, the fee shall not 343

exceed two thousand five hundred dollars. The fee shall be 344
payable to the legislative authority once per year for each year 345
the agreement is effective on the days and in the form specified 346
in the agreement. Fees paid shall be deposited in a special fund 347
created for such purpose by the legislative authority and shall 348
be used by the legislative authority exclusively for the purpose 349
of complying with section 3735.672 of the Revised Code and by 350
the tax incentive review council created under section 5709.85 351
of the Revised Code exclusively for the purposes of performing 352
the duties prescribed under that section. The legislative 353
authority may waive or reduce the amount of the fee, but such 354
waiver or reduction does not affect the obligations of the 355
legislative authority or the tax incentive review council to 356
comply with section 3735.672 or 5709.85 of the Revised Code. 357

(E) If any person that is party to an agreement granting 358
an exemption from taxation discontinues operations at the 359
structure to which that exemption applies prior to the 360
expiration of the term of the agreement, that person, any 361
successor to that person, and any related member shall not enter 362
into an agreement under this section or section 5709.62, 363
5709.63, or 5709.632 of the Revised Code, and no legislative 364
authority shall enter into such an agreement with such a person, 365
successor, or related member, prior to the expiration of five 366
years after the discontinuation of operations. As used in this 367
division, "successor" means a person to which the assets or 368
equity of another person has been transferred, which transfer 369
resulted in the full or partial nonrecognition of gain or loss, 370
or resulted in a carryover basis, both as determined by rule 371
adopted by the tax commissioner. "Related member" has the same 372
meaning as defined in section 5733.042 of the Revised Code 373
without regard to division (B) of that section. 374

The director of development services shall review all 375
agreements submitted to the director under division (F) of this 376
section for the purpose of enforcing this division. If the 377
director determines there has been a violation of this division, 378
the director shall notify the legislative authority of such 379
violation, and the legislative authority immediately shall 380
revoke the exemption granted under the agreement. 381

(F) When an agreement is entered into under this section, 382
the legislative authority authorizing the agreement shall 383
forward a copy of the agreement to the director of development 384
services within fifteen days after the agreement is entered 385
into. 386

Sec. 5709.82. (A) As used in this section: 387

(1) "New employee" means both of the following: 388

(a) Persons employed in the construction of real property 389
exempted from taxation under the chapters or sections of the 390
Revised Code enumerated in division (B) of this section; 391

(b) Persons not described by division (A)(1)(a) of this 392
section who are first employed at the site of such property and 393
who within the two previous years have not been subject, prior 394
to being employed at that site, to income taxation by the 395
municipal corporation within whose territory the site is located 396
on income derived from employment for the person's current 397
employer. "New employee" does not include any person who 398
replaces a person who is not a new employee under division (A) 399
(1) of this section. 400

(2) "Infrastructure costs" means costs incurred by a 401
municipal corporation in a calendar year to acquire, construct, 402
reconstruct, improve, plan, or equip real or tangible personal 403

property that directly benefits or will directly benefit the 404
exempted property. If the municipal corporation finances the 405
acquisition, construction, reconstruction, improvement, 406
planning, or equipping of real or tangible personal property 407
that directly benefits the exempted property by issuing debt, 408
"infrastructure costs" means the annual debt charges incurred by 409
the municipal corporation from the issuance of such debt. Real 410
or tangible personal property directly benefits exempted 411
property only if the exempted property places or will place 412
direct, additional demand on the real or tangible personal 413
property for which such costs were or will be incurred. 414

(3) "Taxing unit" has the same meaning as in division (H) 415
of section 5705.01 of the Revised Code. 416

(B) (1) Except as otherwise provided under division (C) of 417
this section, the legislative authority of any political 418
subdivision that has acted under the authority of Chapter 725. 419
or 1728., sections 3735.65 to 3735.70, or section 5709.40, 420
5709.41, 5709.45, 5709.62, 5709.63, 5709.632, 5709.73, 5709.78, 421
5709.84, or 5709.88 of the Revised Code to grant an exemption 422
from taxation for real or tangible personal property may 423
negotiate with the board of education of each city, local, 424
exempted village, or joint vocational school district or other 425
taxing unit within the territory of which the exempted property 426
is located, and enter into an agreement whereby the school 427
district or taxing unit is compensated for tax revenue foregone 428
by the school district or taxing unit as a result of the 429
exemption. Except as otherwise provided in division (B) (1) of 430
this section, if a political subdivision enters into more than 431
one agreement under this section with respect to a tax 432
exemption, the political subdivision shall provide to each 433
school district or taxing unit with which it contracts the same 434

percentage of tax revenue foregone by the school district or 435
taxing unit, which may be based on a good faith projection made 436
at the time the exemption is granted. Such percentage shall be 437
calculated on the basis of amounts paid by the political 438
subdivision and any amounts paid by an owner under division (B) 439
(2) of this section. A political subdivision may provide a 440
school district or other taxing unit with a smaller percentage 441
of foregone tax revenue than that provided to other school 442
districts or taxing units only if the school district or taxing 443
unit expressly consents in the agreement to receiving a smaller 444
percentage. If a subdivision has acted under the authority of 445
section 3735.671, 5709.40, 5709.41, 5709.45, 5709.62, 5709.63, 446
5709.632, 5709.73, or 5709.78 of the Revised Code and enters 447
into a compensation agreement with a city, local, or exempted 448
village school district, the subdivision shall provide 449
compensation to the joint vocational school district within the 450
territory of which the exempted property is located at the same 451
rate and under the same terms as received by the city, local, or 452
exempted village school district. 453

(2) An owner of property exempted from taxation under the 454
authority described in division (B)(1) of this section may, by 455
becoming a party to an agreement described in division (B)(1) of 456
this section or by entering into a separate agreement with a 457
school district or other taxing unit, agree to compensate the 458
school district or taxing unit by paying cash or by providing 459
property or services by gift, loan, or otherwise. If the owner's 460
property is exempted under the authority of section 3735.671, 461
5709.40, 5709.41, 5709.45, 5709.62, 5709.63, 5709.632, 5709.73, 462
or 5709.78 of the Revised Code and the owner enters into a 463
compensation agreement with a city, local, or exempted village 464
school district, the owner shall provide compensation to the 465

joint vocational school district within the territory of which 466
the owner's property is located at the same rate and under the 467
same terms as received by the city, local, or exempted village 468
school district. 469

(C) This division does not apply to the following: 470

(1) The legislative authority of a municipal corporation 471
that has acted under the authority of division (H) of section 472
715.70 or division (U) of section 715.72 of the Revised Code to 473
consent to the granting of an exemption from taxation for real 474
or tangible personal property in a joint economic development 475
district. 476

(2) The legislative authority of a municipal corporation 477
that has specified in an ordinance adopted under section 478
5709.40, 5709.41, or 5709.45 of the Revised Code that payments 479
in lieu of taxes provided for under section 5709.42 or 5709.46 480
of the Revised Code shall be paid to the city, local, or 481
exempted village school district in which the improvements are 482
located in the amount of taxes that would have been payable to 483
the school district if the improvements had not been exempted 484
from taxation, as directed in the ordinance. 485

If the legislative authority of any municipal corporation 486
has acted under the authority of Chapter 725. or 1728. or 487
section 3735.671, 5709.40, 5709.41, 5709.45, 5709.62, 5709.63, 488
5709.632, or 5709.88, or a housing officer under section 3735.67 489
of the Revised Code, to grant or consent to the granting of an 490
exemption from taxation for real or tangible personal property 491
on or after July 1, 1994, the municipal corporation imposes a 492
tax on incomes, and the payroll of new employees resulting from 493
the exercise of that authority equals or exceeds one million 494
dollars in any tax year for which such property is exempted, the 495

legislative authority and the board of education of each city, 496
local, or exempted village school district within the territory 497
of which the exempted property is located shall attempt to 498
negotiate an agreement providing for compensation to the school 499
district for all or a portion of the tax revenue the school 500
district would have received had the property not been exempted 501
from taxation. The agreement may include as a party the owner of 502
the property exempted or to be exempted from taxation and may 503
include provisions obligating the owner to compensate the school 504
district by paying cash or providing property or services by 505
gift, loan, or otherwise. Such an obligation is enforceable by 506
the board of education of the school district pursuant to the 507
terms of the agreement. 508

If the legislative authority and board of education fail 509
to negotiate an agreement that is mutually acceptable within six 510
months of formal approval by the legislative authority of the 511
instrument granting the exemption, the legislative authority 512
shall compensate the school district in the amount and manner 513
prescribed by division (D) of this section. 514

(D) Annually, the legislative authority of a municipal 515
corporation subject to this division shall pay to the city, 516
local, or exempted village school district within the territory 517
of which the exempted property is located an amount equal to 518
fifty per cent of the difference between the amount of taxes 519
levied and collected by the municipal corporation on the incomes 520
of new employees in the calendar year ending on the day the 521
payment is required to be made, and the amount of any 522
infrastructure costs incurred in that calendar year. For 523
purposes of such computation, the amount of infrastructure costs 524
shall not exceed thirty-five per cent of the amount of those 525
taxes unless the board of education of the school district, by 526

resolution adopted by a majority of the board, approves an 527
amount in excess of that percentage. If the amount of those 528
taxes or infrastructure costs must be estimated at the time the 529
payment is made, payments in subsequent years shall be adjusted 530
to compensate for any departure of those estimates from the 531
actual amount of those taxes. 532

A municipal corporation required to make a payment under 533
this section shall make the payment from its general fund or a 534
special fund established for the purpose. The payment is payable 535
on the thirty-first day of December of the tax year for or in 536
which the exemption from taxation commences and on that day for 537
each subsequent tax year property is exempted and the 538
legislative authority and board fail to negotiate an acceptable 539
agreement under division (C) of this section. 540

Sec. 5709.83. (A) Except as otherwise provided in division 541
(B) or (C) of this section, prior to taking formal action to 542
adopt or enter into any instrument granting a tax exemption 543
under section 725.02, 1728.06, 5709.40, 5709.41, 5709.45, 544
5709.62, 5709.63, 5709.632, 5709.73, 5709.78, 5709.84, or 545
5709.88 of the Revised Code or formally approving an agreement 546
under section 3735.671 of the Revised Code, or prior to 547
forwarding an application for a tax exemption for residential 548
property under section 3735.67 of the Revised Code to the county 549
auditor, the legislative authority of the political subdivision 550
or housing officer shall notify the board of education of each 551
city, local, exempted village, or joint vocational school 552
district in which the proposed tax-exempted property is located. 553
The notice shall include a copy of the instrument or 554
application. The notice shall be delivered not later than 555
fourteen days prior to the day the legislative authority takes 556
formal action to adopt or enter into the instrument, or not 557

later than fourteen days prior to the day the housing officer 558
forwards the application to the county auditor. If the board of 559
education comments on the instrument or application to the 560
legislative authority or housing officer, the legislative 561
authority or housing officer shall consider the comments. If the 562
board of education of the city, local, exempted village, or 563
joint vocational school district so requests, the legislative 564
authority or the housing officer shall meet in person with a 565
representative designated by the board of education to discuss 566
the terms of the instrument or application. 567

(B) The notice otherwise required to be provided to boards 568
of education under division (A) of this section is not required 569
if the board has adopted a resolution waiving its right to 570
receive such notices, and that resolution remains in effect. If 571
a board of education adopts such a resolution, the board shall 572
cause a copy of the resolution to be certified to the 573
legislative authority. If the board of education rescinds such a 574
resolution, it shall certify notice of the rescission to the 575
legislative authority. A board of education may adopt such a 576
resolution with respect to any one or more counties, townships, 577
or municipal corporations situated in whole or in part within 578
the school district. 579

(C) If a legislative authority is required to provide 580
notice to a city, local, or exempted village school district of 581
its intent to ~~grant such an exemption~~ adopt or enter into any 582
instrument granting a tax exemption as required by section 583
3735.671, 5709.40, 5709.41, 5709.45, 5709.62, 5709.63, 5709.632, 584
5709.73, or 5709.78 of the Revised Code, the legislative 585
authority, before adopting a resolution or ordinance or entering 586
into an agreement under that section, shall notify the board of 587
education of each joint vocational school district in which the 588

property to be exempted is located using the same time 589
requirements for the notice that applies to notices to city, 590
local, and exempted village school districts. The content of the 591
notice and procedures for responding to the notice are the same 592
as required in division (A) of this section. 593

Sec. 5747.07. (A) As used in this section: 594

(1) "Partial weekly withholding period" means a period 595
during which an employer directly, indirectly, or constructively 596
pays compensation to, or credits compensation to the benefit of, 597
an employee, and that consists of a consecutive Saturday, 598
Sunday, Monday, and Tuesday or a consecutive Wednesday, 599
Thursday, and Friday. There are two partial weekly withholding 600
periods each week, except that a partial weekly withholding 601
period cannot extend from one calendar year into the next 602
calendar year; if the first day of January falls on a day other 603
than Saturday or Wednesday, the partial weekly withholding 604
period ends on the thirty-first day of December and there are 605
three partial weekly withholding periods during that week. 606

(2) "Undeposited taxes" means the taxes an employer is 607
required to deduct and withhold from an employee's compensation 608
pursuant to section 5747.06 of the Revised Code that have not 609
been remitted to the tax commissioner pursuant to this section 610
or to the treasurer of state pursuant to section 5747.072 of the 611
Revised Code. 612

(3) A "week" begins on Saturday and concludes at the end 613
of the following Friday. 614

(4) "Professional employer organization," "professional 615
employer organization agreement," and "professional employer 616
organization reporting entity" have the same meanings as in 617

section 4125.01 of the Revised Code. 618

(5) "Alternate employer organization" and "alternate
employer organization agreement" have the same meanings as in 619
section 4133.01 of the Revised Code. 620
621

(6) "Client employer" has the same meaning as in section 622
4125.01 of the Revised Code in the context of a professional 623
employer organization or a professional employer organization 624
reporting entity, or the same meaning as in section 4133.01 of 625
the Revised Code in the context of an alternate employer 626
organization. 627

(B) Except as provided in divisions (C) and (D) of this 628
~~section and in~~ division (A) of section 5747.072, and section 629
5747.073 of the Revised Code, every employer required to deduct 630
and withhold any amount under section 5747.06 of the Revised 631
Code shall file a return and shall pay the amount required by 632
law as follows: 633

(1) An employer who accumulates or is required to 634
accumulate undeposited taxes of one hundred thousand dollars or 635
more during a partial weekly withholding period shall make the 636
payment of the undeposited taxes by the close of the first 637
banking day after the day on which the accumulation reaches one 638
hundred thousand dollars. If required under division (I) of this 639
section, the payment shall be made by electronic funds transfer 640
under section 5747.072 of the Revised Code. 641

(2) Except as required by division (B) (1) of this section, 642
an employer whose actual or required payments under this section 643
were at least eighty-four thousand dollars during the twelve- 644
month period ending on the thirtieth day of June of the 645
preceding calendar year shall make the payment of undeposited 646

taxes within three banking days after the close of a partial 647
weekly withholding period during which the employer was required 648
to deduct and withhold any amount under this chapter. If 649
required under division (I) of this section, the payment shall 650
be made by electronic funds transfer under section 5747.072 of 651
the Revised Code. 652

(3) Except as required by divisions (B)(1) and (2) of this 653
section, if an employer's actual or required payments were more 654
than two thousand dollars during the twelve-month period ending 655
on the thirtieth day of June of the preceding calendar year, the 656
employer shall make the payment of undeposited taxes for each 657
month during which they were required to be withheld no later 658
than fifteen days following the last day of that month. The 659
employer shall file the return prescribed by the tax 660
commissioner with the payment. 661

(4) Except as required by divisions (B)(1), (2), and (3) 662
of this section, an employer shall make the payment of 663
undeposited taxes for each calendar quarter during which they 664
were required to be withheld no later than the last day of the 665
month following the last day of March, June, September, and 666
December each year. The employer shall file the return 667
prescribed by the tax commissioner with the payment. 668

(C) The return and payment schedules prescribed by 669
divisions (B)(1) and (2) of this section do not apply to the 670
return and payment of undeposited school district income taxes 671
arising from taxes levied pursuant to Chapter 5748. of the 672
Revised Code. Undeposited school district income taxes shall be 673
returned and paid pursuant to divisions (B)(3) and (4) of this 674
section, as applicable. 675

(D)(1) The requirements of division (B) of this section 676

are met if the amount paid is not less than ninety-five per cent 677
of the actual tax withheld or required to be withheld for the 678
prior quarterly, monthly, or partial weekly withholding period, 679
and the underpayment is not due to willful neglect. Any 680
underpayment of withheld tax shall be paid within thirty days of 681
the date on which the withheld tax was due without regard to 682
division (D) (1) of this section. An employer described in 683
division (B) (1) or (2) of this section shall make the payment by 684
electronic funds transfer under section 5747.072 of the Revised 685
Code. 686

(2) If the tax commissioner believes that quarterly or 687
monthly payments would result in a delay that might jeopardize 688
the remittance of withholding payments, the commissioner may 689
order that the payments be made weekly, or more frequently if 690
necessary, and the payments shall be made no later than three 691
banking days following the close of the period for which the 692
jeopardy order is made. An order requiring weekly or more 693
frequent payments shall be delivered to the employer personally 694
or by certified mail and remains in effect until the 695
commissioner notifies the employer to the contrary. 696

(3) If compelling circumstances exist concerning the 697
remittance of undeposited taxes, the commissioner may order the 698
employer to make payments under any of the payment schedules 699
under division (B) of this section. The order shall be delivered 700
to the employer personally or by certified mail and shall remain 701
in effect until the commissioner notifies the employer to the 702
contrary. For purposes of division (D) (3) of this section, 703
"compelling circumstances" exist if either or both of the 704
following are true: 705

(a) Based upon annualization of payments made or required 706

to be made during the preceding calendar year and during the 707
current calendar year, the employer would be required for the 708
next calendar year to make payments under division (B) (2) of 709
this section. 710

(b) Based upon annualization of payments made or required 711
to be made during the current calendar year, the employer would 712
be required for the next calendar year to make payments under 713
division (B) (2) of this section. 714

(E) (1) An employer described in division (B) (1) or (2) of 715
this section shall file, not later than the last day of the 716
month following the end of each calendar quarter, a return 717
covering, but not limited to, both the actual amount deducted 718
and withheld and the amount required to be deducted and withheld 719
for the tax imposed under section 5747.02 of the Revised Code 720
during each partial weekly withholding period or portion of a 721
partial weekly withholding period during that quarter. The 722
employer shall file the quarterly return even if the aggregate 723
amount required to be deducted and withheld for the quarter is 724
zero dollars. At the time of filing the return, the employer 725
shall pay any amounts of undeposited taxes for the quarter, 726
whether actually deducted and withheld or required to be 727
deducted and withheld, that have not been previously paid. If 728
required under division (I) of this section, the payment shall 729
be made by electronic funds transfer. The tax commissioner shall 730
prescribe the form and other requirements of the quarterly 731
return. 732

(2) In addition to other returns required to be filed and 733
payments required to be made under this section, every employer 734
required to deduct and withhold taxes shall file, not later than 735
the thirty-first day of January of each year, an annual return 736

covering, but not limited to, both the aggregate amount deducted 737
and withheld and the aggregate amount required to be deducted 738
and withheld during the entire preceding year for the tax 739
imposed under section 5747.02 of the Revised Code and for each 740
tax imposed under Chapter 5748. of the Revised Code. At the time 741
of filing that return, the employer shall pay over any amounts 742
of undeposited taxes for the preceding year, whether actually 743
deducted and withheld or required to be deducted and withheld, 744
that have not been previously paid. The employer shall make the 745
annual report, to each employee and to the tax commissioner, of 746
the compensation paid and each tax withheld, as the commissioner 747
by rule may prescribe. 748

Each employer required to deduct and withhold any tax is 749
liable for the payment of that amount required to be deducted 750
and withheld, whether or not the tax has in fact been withheld, 751
unless the failure to withhold was based upon the employer's 752
good faith in reliance upon the statement of the employee as to 753
liability, and the amount shall be deemed to be a special fund 754
in trust for the general revenue fund. 755

(F) Each employer shall file with the employer's annual 756
return the following items of information on employees for whom 757
withholding is required under section 5747.06 of the Revised 758
Code: 759

(1) The full name of each employee, the employee's 760
address, the employee's school district of residence, and in the 761
case of a nonresident employee, the employee's principal county 762
of employment; 763

(2) The social security number of each employee; 764

(3) The total amount of compensation paid before any 765

deductions to each employee for the period for which the annual 766
return is made; 767

(4) The amount of the tax imposed by section 5747.02 of 768
the Revised Code and the amount of each tax imposed under 769
Chapter 5748. of the Revised Code withheld from the compensation 770
of the employee for the period for which the annual return is 771
made. The commissioner may extend upon good cause the period for 772
filing any notice or return required to be filed under this 773
section and may adopt rules relating to extensions of time. If 774
the extension results in an extension of time for the payment of 775
the amounts withheld with respect to which the return is filed, 776
the employer shall pay, at the time the amount withheld is paid, 777
an amount of interest computed at the rate per annum prescribed 778
by section 5703.47 of the Revised Code on that amount withheld, 779
from the day that amount was originally required to be paid to 780
the day of actual payment or to the day an assessment is issued 781
under section 5747.13 of the Revised Code, whichever occurs 782
first. 783

(5) In addition to all other interest charges and 784
penalties imposed, all amounts of taxes withheld or required to 785
be withheld and remaining unpaid after the day the amounts are 786
required to be paid shall bear interest from the date prescribed 787
for payment at the rate per annum prescribed by section 5703.47 788
of the Revised Code on the amount unpaid, in addition to the 789
amount withheld, until paid or until the day an assessment is 790
issued under section 5747.13 of the Revised Code, whichever 791
occurs first. 792

(G) An employee of a corporation, limited liability 793
company, or business trust having control or supervision of or 794
charged with the responsibility of filing the report and making 795

payment, or an officer, member, manager, or trustee of a 796
corporation, limited liability company, or business trust who is 797
responsible for the execution of the corporation's, limited 798
liability company's, or business trust's fiscal 799
responsibilities, shall be personally liable for failure to file 800
the report or pay the tax due as required by this section. The 801
dissolution, termination, or bankruptcy of a corporation, 802
limited liability company, or business trust does not discharge 803
a responsible officer's, member's, manager's, employee's, or 804
trustee's liability for a failure of the corporation, limited 805
liability company, or business trust to file returns or pay tax 806
due. 807

(H) If an employer required to deduct and withhold income 808
tax from compensation and to pay that tax to the state under 809
sections 5747.06 and 5747.07 of the Revised Code sells the 810
employer's business or stock of merchandise or quits the 811
employer's business, the taxes required to be deducted and 812
withheld and paid to the state pursuant to those sections prior 813
to that time, together with any interest and penalties imposed 814
on those taxes, become due and payable immediately, and that 815
person shall make a final return within fifteen days after the 816
date of selling or quitting business. The employer's successor 817
shall withhold a sufficient amount of the purchase money to 818
cover the amount of the taxes, interest, and penalties due and 819
unpaid, until the former owner produces a receipt from the tax 820
commissioner showing that the taxes, interest, and penalties 821
have been paid or a certificate indicating that no such taxes 822
are due. If the purchaser of the business or stock of 823
merchandise fails to withhold purchase money, the purchaser 824
shall be personally liable for the payment of the taxes, 825
interest, and penalties accrued and unpaid during the operation 826

of the business by the former owner. If the amount of taxes, 827
interest, and penalties outstanding at the time of the purchase 828
exceeds the total purchase money, the tax commissioner in the 829
commissioner's discretion may adjust the liability of the seller 830
or the responsibility of the purchaser to pay that liability to 831
maximize the collection of withholding tax revenue. 832

(I) An employer whose actual or required payments under 833
this section exceeded eighty-four thousand dollars during the 834
twelve-month period ending on the thirtieth day of June of the 835
preceding calendar year shall make all payments required by this 836
section for the year by electronic funds transfer under section 837
5747.072 of the Revised Code. 838

(J) (1) Every professional employer organization, 839
professional employer organization reporting entity, and 840
alternate employer organization shall file a report with the tax 841
commissioner within thirty days after commencing business in 842
this state that includes all of the following information: 843

(a) The name, address, number the employer receives from 844
the secretary of state to do business in this state, if 845
applicable, and federal employer identification number of each 846
client employer of the organization or entity; 847

(b) The date that each client employer became a client of 848
the organization or entity; 849

(c) The names and mailing addresses of the chief executive 850
officer and the chief financial officer of each client employer 851
for taxation of the client employer. 852

(2) Beginning with the calendar quarter ending after a 853
professional employer organization, professional employer 854
organization reporting entity, or alternate employer 855

organization files the report required under division (J) (1) of 856
this section, and every calendar quarter thereafter, the 857
organization or entity shall file an updated report with the tax 858
commissioner. The organization or entity shall file the updated 859
report not later than the last day of the month following the 860
end of the calendar quarter and shall include all of the 861
following information in the report: 862

(a) If an entity became a client employer of the 863
professional employer organization, professional employer 864
organization reporting entity, or alternate employer 865
organization at any time during the calendar quarter, all of the 866
information required under division (J) (1) of this section for 867
each new client employer; 868

(b) If an entity terminated the professional employer 869
organization agreement or the alternate employer organization 870
agreement between the entity and the professional employer 871
organization, professional employer organization reporting 872
entity, or alternate employer organization, as applicable, at 873
any time during the calendar quarter, the information described 874
in division (J) (1) (a) of this section for that entity, the date 875
during the calendar quarter that the entity ceased being a 876
client of the organization or reporting entity, if applicable, 877
or the date the entity ceased business operations in this state, 878
if applicable; 879

(c) If the name or mailing address of the chief executive 880
officer or the chief financial officer of a client employer has 881
changed since the professional employer organization, 882
professional employer organization reporting entity, or 883
alternate employer organization previously submitted a report 884
under division (J) (1) or (2) of this section, the updated name 885

or mailing address, or both, of the chief executive officer or 886
the chief financial officer, as applicable; 887

(d) If none of the events described in divisions (J) (2) (a) 888
to (c) of this section occurred during the calendar quarter, a 889
statement of that fact. 890

Sec. 5747.073. (A) As used in this section: 891

(1) "Eligible employee" means an employee who is nineteen 892
years of age or younger and enrolled in a career-technical 893
education program approved under section 3317.161 of the Revised 894
Code. 895

(2) "Income tax" means the tax imposed under section 896
5747.02 of the Revised Code. 897

(B) An employer required to deduct and withhold income tax 898
from an employee's compensation under section 5747.06 of the 899
Revised Code and remit such amounts under section 5747.07 of the 900
Revised Code is entitled to a credit against the amount required 901
to be remitted if the employer employs an eligible employee in 902
fulfillment of a work-based learning experience, internship, or 903
cooperative education program associated with the career- 904
technical education program in which the eligible employee is 905
enrolled. The credit equals fifteen per cent of the amount of 906
income tax deducted and withheld from that eligible employee's 907
compensation during the quarterly, monthly, or partial weekly 908
withholding period, as applicable under division (B) of section 909
5747.07 of the Revised Code, and shall be claimed on the return 910
filed for such period. 911

(C) Any amount allowed as a credit to an employer under 912
this section shall be considered to have been remitted for 913
purposes of reporting the income tax deducted and withheld from 914

the employee's compensation under section 5747.06 of the Revised Code and for purposes of determining the income tax paid by the employee. 915
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(D) The tax commissioner may require an employer that employs an eligible employee to provide any supporting documentation necessary to demonstrate the employer's eligibility for the credit allowed under this section. 918
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Section 2. That existing sections 3301.17, 3313.6113, 3735.671, 5709.82, 5709.83, and 5747.07 of the Revised Code are hereby repealed. 922
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Section 3. (A) The Employers Providing Work-Based Learning Pilot Program is created. The program expires two years after the effective date of this section. For the program's duration, both of the following apply: 925
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(1) The Administrator of Workers' Compensation, subject to the approval of the Bureau of Workers' Compensation Board of Directors, shall grant a discount on premium rates for an employer that provides work-based learning experiences for students enrolled in a career-technical education program approved under section 3317.161 of the Revised Code. 929
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(2) In calculating the premium due under a policy insuring an employer against liability for an employee's injury, occupational disease, or death not covered under Chapter 4121., 4123., 4127., or 4131. of the Revised Code, no company that is authorized to transact the business of insurance in this state shall increase the premium rate solely because the employer provides work-based learning experiences described in division (A) (1) of this section. 935
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(B) Pursuant to section 4109.06 of the Revised Code, the 943

requirements of Chapter 4109. of the Revised Code do not apply 944
to a student participating in a work-based learning experience 945
described in division (A)(1) of this section. 946

(C) Not later than the date on which the program expires, 947
the Administrator shall prepare and submit to the President of 948
the Senate and the Speaker of the House of Representatives a 949
report that includes all of the following: 950

(1) The name of each employer that participated in and 951
received a discount on premium rates under the program; 952

(2) The amount of the discount on premium rates that each 953
employer received under the program; 954

(3) Statistical information regarding the students who 955
participated in an employer's work-based learning experience, 956
provided that the Administrator shall not include information 957
that identifies those students. 958