

As Introduced

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

S. B. No. 74

Senator Gavarone

A BILL

To amend sections 113.05, 113.11, 113.12, 113.13, 1
113.40, 113.41, 113.60, 125.30, 125.901, 126.06, 2
127.14, 129.06, 129.09, 131.01, 135.01, 135.02, 3
135.04, 135.05, 135.06, 135.08, 135.10, 135.12, 4
135.143, 135.15, 135.182, 135.47, 718.01, 5
1111.04, 1112.12, 1501.10, 1503.05, 1509.07, 6
1509.225, 1514.04, 1514.05, 1521.061, 1548.06, 7
1735.03, 3314.50, 3366.05, 3737.945, 3903.73, 8
3905.32, 3925.26, 4141.241, 4505.06, 4509.62, 9
4509.63, 4509.65, 4509.67, 4749.01, 5725.17, 10
5725.22, 5727.25, 5727.31, 5727.311, 5727.42, 11
5727.47, 5727.53, 5727.81, 5727.811, 5727.82, 12
5727.83, 5733.022, 5735.03, 5735.062, 5739.031, 13
5739.032, 5739.07, 5743.05, 5743.051, 5743.15, 14
5745.03, 5745.04, 5745.041, 5747.059, 5747.07, 15
5747.072, 5747.42, 5747.44, and 5747.451; to 16
amend, for the purpose of adopting a new section 17
number as indicated in parentheses, section 18
113.41 (125.91); to enact sections 113.22, 19
169.053, and 1501.04; and to repeal sections 20
113.061, 113.07, 129.02, 129.03, 129.08, 129.10, 21
129.11, 129.12, 129.13, 129.14, 129.15, 129.16, 22
129.18, 129.19, 129.20, 129.72, 129.73, 129.74, 23
129.75, 129.76, 144.01, 144.02, 144.03, 144.04, 24

144.05, 144.06, and 144.07 of the Revised Code 25
regarding the Treasurer of State and the 26
electronic payment of taxes. 27

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

Section 1. That sections 113.05, 113.11, 113.12, 113.13, 28
113.40, 113.41, 113.60, 125.30, 125.901, 126.06, 127.14, 129.06, 29
129.09, 131.01, 135.01, 135.02, 135.04, 135.05, 135.06, 135.08, 30
135.10, 135.12, 135.143, 135.15, 135.182, 135.47, 718.01, 31
1111.04, 1112.12, 1501.10, 1503.05, 1509.07, 1509.225, 1514.04, 32
1514.05, 1521.061, 1548.06, 1735.03, 3314.50, 3366.05, 3737.945, 33
3903.73, 3905.32, 3925.26, 4141.241, 4505.06, 4509.62, 4509.63, 34
4509.65, 4509.67, 4749.01, 5725.17, 5725.22, 5727.25, 5727.31, 35
5727.311, 5727.42, 5727.47, 5727.53, 5727.81, 5727.811, 5727.82, 36
5727.83, 5733.022, 5735.03, 5735.062, 5739.031, 5739.032, 37
5739.07, 5743.05, 5743.051, 5743.15, 5745.03, 5745.04, 5745.041, 38
5747.059, 5747.07, 5747.072, 5747.42, 5747.44, and 5747.451 be 39
amended; section 113.41 (125.91) be amended for the purpose of 40
adopting a new section number as indicated in parentheses; and 41
sections 113.22, 169.053, and 1501.04 of the Revised Code be 42
enacted to read as follows: 43

Sec. 113.05. (A) As used in sections 113.05 to 113.40 of 44
the Revised Code: 45

(1) "Account," "appropriation," "disbursement," 46
"electronic funds transfer," "fund," and "warrant" have the same 47
meanings as in section 131.01 of the Revised Code. 48

(2) "Assets" has the same meaning as in section 131.01 of 49
the Revised Code, but does not include items held in safekeeping 50

by the treasurer of state including, but not limited to, 51
collateral pledged to a state agency. 52

(3) "Custodial funds" do not include items held in 53
safekeeping by the treasurer of state including, but not limited 54
to, collateral pledged to a state agency. 55

(B) The state treasury consists of the moneys, claims, 56
bonds, notes, other obligations, stocks, and other securities, 57
receipts or other evidences of ownership, and other intangible 58
assets of the state that are required by law to be deposited in 59
the state treasury or are otherwise a part of the state 60
treasury. All assets of the state treasury shall be kept in the 61
rooms assigned the treasurer of state, with the vaults, safes, 62
and other appliances therein; provided, that: 63

(1) Securities required by law to be deposited or kept in 64
the state treasury may be deposited for safekeeping with the 65
federal reserve bank of Cleveland, Ohio or secured and insured 66
depositories in or out of this state as designated by the 67
treasurer of state. 68

(2) Public moneys may be kept in constituted state 69
depositories. 70

~~(B)~~ (C) The custodial funds of the treasurer of state 71
consist of the moneys, claims, bonds, notes, other obligations, 72
stocks, and other securities, receipts or other evidences of 73
ownership, and other intangible assets that are required by law 74
to be kept in the custody of the treasurer of state but are not 75
part of the state treasury. All assets of the custodial funds of 76
the treasurer of state shall be kept in either or both of the 77
following: 78

(1) The rooms assigned the treasurer of state, with the 79

vaults, safes, and other appliances therein; 80

(2) The federal reserve bank of Cleveland, Ohio or secured 81
and insured depositories in or out of this state as designated 82
by the treasurer of state. 83

~~(C)~~ (D) Assets of the state treasury shall not be 84
commingled with assets of the custodial funds of the treasurer 85
of state. 86

The repositing and deposit of payments pursuant to 87
~~sections section 113.06 and 113.07~~ of the Revised Code ~~are~~ is in 88
compliance with this section. 89

Sec. 113.11. No money shall be paid out of the state 90
treasury or transferred elsewhere except ~~on the warrant of~~ as 91
ordered by the director of budget and management. No money shall 92
be paid out of a custodial fund of the treasurer of state except 93
~~on proper order to the treasurer of state~~ as ordered by the 94
officer authorized by law to pay money out of the fund. 95

The treasurer of state shall adopt rules prescribing the 96
form and manner in which money may be paid out of the state 97
treasury or a custodial fund of the treasurer of state. 98

Sec. 113.12. (A) As used in this section, "valid warrant" 99
means a warrant that is not stopped, stale dated for age, 100
voided, canceled, altered, or fictitious. 101

(B) The treasurer of state, on presentation, shall pay all 102
valid warrants drawn on the ~~treasurer of state~~ state treasury by 103
the director of budget and management. ~~At least once each month~~ 104
On a daily basis, the treasurer of state shall ~~surrender~~ provide 105
to the director electronic records of all warrants the treasurer 106
of state has paid ~~and shall accept the receipt of the director~~ 107
~~therefor. The receipt shall be held by the treasurer of state in~~ 108

~~place of such warrants and as evidence of their payment until an~~ 109
~~audit of the state treasury and the custodial funds of the~~ 110
~~treasurer of state has been completed, adjusted, or returned.~~ 111

Sec. 113.13. The treasurer of state shall ~~have~~ make 112
electronically available and, as requested, transmit to the 113
director of budget and management and the daily ledger report of 114
state funds addressed to the governor ~~information concerning the~~ 115
~~amount in the inactive account, the amount in the active~~ 116
~~account, and the amount of cash on hand.~~ The treasurer of state 117
shall ensure both of the following: 118

(A) That the report provides the beginning fund balance, 119
revenue, disbursements, and ending fund balance; 120

(B) That the amount of the active deposits is captioned as 121
total cash and cash equivalents and the interim deposits as 122
total investments. 123

Sec. 113.22. There is hereby created in the state treasury 124
the treasurer's information technology reserve fund. The fund 125
shall consist of unexpended amounts transferred from either or 126
both of the following: 127

(A) The securities lending program fund created under 128
section 135.47 of the Revised Code; 129

(B) The account created under section 3366.05 of the 130
Revised Code that is in the custody of the treasurer of state 131
and not part of the state treasury. 132

Moneys credited to the treasurer's information technology 133
reserve fund shall be expended only to acquire or maintain 134
hardware, software, or contract services for the efficient 135
operation of the treasurer of state's office. Unexpended amounts 136
shall be retained in the fund and reserved for such future 137

<u>technology needs.</u>	138
Sec. 113.40. (A) As used in this section:	139
(1) "Financial transaction device" includes a credit card,	140
debit card, charge card, prepaid or stored value card, or	141
automated clearinghouse network credit, debit, or e-check entry	142
that includes, but is not limited to, accounts receivable and	143
internet-initiated, point of purchase, and telephone-initiated	144
applications, or any other device or method for making an	145
electronic payment or transfer of funds.	146
(2) "State expenses" includes fees, costs, taxes,	147
assessments, fines, penalties, payments, or any other expense a	148
person owes to a state office under the authority of a state	149
elected official or to a state entity.	150
(3) "State elected official" means the governor,	151
lieutenant governor, attorney general, secretary of state,	152
treasurer of state, and auditor of state.	153
(4) "State entity" includes any state department, agency,	154
board, or commission that deposits funds into the state	155
treasury.	156
(B) Notwithstanding any other section of the Revised Code	157
and subject to division (D) of this section, the board of	158
deposit may adopt a resolution authorizing the acceptance of	159
payments by financial transaction device to pay for state	160
expenses. The resolution shall include all of the following:	161
(1) A designation of those state elected officials and	162
state entities authorized to accept payments by financial	163
transaction device;	164
(2) A list of state expenses that may be paid by the use	165

of a financial transaction device;	166
(3) Specific identification of financial transaction devices that a state elected official or state entity may authorize as acceptable means of payment for state expenses.	167
Division (B) (3) of this section does not require that the same financial transaction devices be accepted for the payment of different types of state expenses.	168
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(4) The amount, if any, authorized as a surcharge or convenience fee under division (E) of this section for persons using a financial transaction device. Division (B) (4) of this section does not require that the same surcharges or convenience fees be applied to the payment of different types of state expenses.	173
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(5) A specific requirement, as provided in division (G) of this section, for the payment of a penalty if a payment made by means of a financial transaction device is returned or dishonored for any reason.	179
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The board of deposit's resolution also shall designate the treasurer of state as the administrative agent to solicit proposals, within guidelines established by the board of deposit in the resolution and in compliance with the procedures provided in division (C) of this section, from financial institutions, issuers of financial transaction devices, and processors of financial transaction devices; to make recommendations about those proposals to the state elected officials; and to assist state offices in implementing the state's financial transaction device acceptance and processing program.	183
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(C) The administrative agent shall follow the procedures provided in this division whenever it plans to contract with	193
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financial institutions, issuers of financial transaction 195
devices, or processors of financial transaction devices for the 196
purposes of this section. The administrative agent shall request 197
proposals from at least three financial institutions, issuers of 198
financial transaction devices, or processors of financial 199
transaction devices, as appropriate in accordance with the 200
resolution adopted under division (B) of this section. Prior to 201
sending any financial institution, issuer, or processor a copy 202
of any such request, the administrative agent shall advertise 203
its intent to request proposals ~~in a newspaper of general~~ 204
~~circulation in the state once a week~~ for two consecutive weeks_ 205
by electronic publication on a state agency web site made 206
available to the general public. The notice shall state that the 207
administrative agent intends to request proposals; specify the 208
purpose of the request; indicate the date, which shall be at 209
least ten days after the ~~second~~ publication, on which the 210
request for proposals will be electronically mailed to financial 211
institutions, issuers, or processors; and require that any 212
financial institution, issuer, or processor, whichever is 213
appropriate, interested in receiving the request for proposals 214
submit written notice of this interest to the administrative 215
agent not later than ~~noon~~ of the day on which the request for 216
proposals will be electronically mailed. 217

Upon receiving the proposals, the administrative agent 218
shall review them and make a recommendation to the board of 219
deposit regarding which proposals to accept. The board of 220
deposit shall consider the agent's recommendation and review all 221
proposals submitted, and then may choose to contract with any or 222
all of the entities submitting proposals, as appropriate. The 223
board of deposit shall provide any financial institution, 224
issuer, or processor that submitted a proposal, but with which 225

the board does not enter into a contract, notice that its 226
proposal is rejected. 227

(D) The board of deposit shall send a copy of the 228
resolution adopted under division (B) of this section to each 229
state elected official and state entity authorized to accept 230
payments for state expenses by financial transaction device. 231
After receiving the resolution and before accepting such 232
payments by financial transaction device, such a state elected 233
official or state entity shall provide written notification to 234
the administrative agent of the official's or entity's intent to 235
implement the resolution within the official's or entity's 236
office. Each state office or entity subject to the board's 237
resolution adopted under division (B) of this section shall use 238
only the financial institutions, issuers of financial 239
transaction devices, and processors of financial transaction 240
devices with which the board of deposit contracts, and each such 241
office or entity is subject to the terms of those contracts. 242

If a state entity under the authority of a state elected 243
official is directly responsible for collecting one or more 244
state expenses and the state elected official determines not to 245
accept payments by financial transaction device for one or more 246
of those expenses, the office is not required to accept payments 247
by financial transaction device for those expenses, 248
notwithstanding the adoption of a resolution by the board of 249
deposit under division (B) of this section. 250

~~Any state entity that prior to March 18, 1999, accepted-~~ 251
~~financial transaction devices may continue to accept such-~~ 252
~~devices until June 30, 2000, without being subject to any-~~ 253
~~resolution adopted by the board of deposit under division (B) of-~~ 254
~~this section, or any other oversight by the board of the-~~ 255

~~entity's financial transaction device program. Any such entity~~ 256
~~may use surcharges or convenience fees in any manner the state~~ 257
~~elected official or other official in charge of the entity~~ 258
~~determines to be appropriate, and, if the administrative agent~~ 259
~~consents, may appoint the administrative agent to be the~~ 260
~~entity's administrative agent for purposes of accepting~~ 261
~~financial transaction devices. In order to be exempt from the~~ 262
~~resolution of the board of deposit under division (B) of this~~ 263
~~section, a state entity shall notify the board in writing within~~ 264
~~thirty days after March 18, 1999, that it accepted financial~~ 265
~~transaction devices prior to March 18, 1999. Each such~~ 266
~~notification shall explain how processing costs associated with~~ 267
~~financial transaction devices are being paid and shall indicate~~ 268
~~whether surcharge or convenience fees are being passed on to~~ 269
~~consumers.~~ 270

(E) The board of deposit may establish a surcharge or 271
convenience fee that may be imposed upon a person making payment 272
by a financial transaction device. The surcharge or convenience 273
fee shall not be imposed unless authorized or otherwise 274
permitted by the rules prescribed under a contract, between the 275
financial institution, issuer, or processor and the 276
administrative agent, governing the use and acceptance of the 277
financial transaction device. 278

The establishment of a surcharge or convenience fee shall 279
follow the guidelines of the financial institution, issuer of 280
financial transaction devices, or processor of financial 281
transaction devices with which the board of deposit contracts. 282

If a surcharge or convenience fee is imposed, every state 283
entity accepting payment by a financial transaction device, 284
regardless of whether that entity is subject to a resolution 285

adopted by the board of deposit, shall clearly post a notice in 286
the entity's office, and shall notify each person making a 287
payment by such a device, about the surcharge or fee. Notice to 288
each person making a payment shall be provided regardless of the 289
medium used to make the payment and in a manner appropriate to 290
that medium. Each notice shall include all of the following: 291

(1) A statement that there is a surcharge or convenience 292
fee for using a financial transaction device; 293

(2) The total amount of the charge or fee expressed in 294
dollars and cents for each transaction, or the rate of the 295
charge or fee expressed as a percentage of the total amount of 296
the transaction, whichever is applicable; 297

(3) A clear statement that the surcharge or convenience 298
fee is nonrefundable. 299

(F) If a person elects to make a payment by a financial 300
transaction device and a surcharge or convenience fee is 301
imposed, the payment of the surcharge or convenience fee is not 302
refundable. 303

(G) If a person makes payment by a financial transaction 304
device and the payment is returned or dishonored for any reason, 305
the person is liable to the state for the state expense and any 306
reimbursable costs for collection, including banking charges, 307
legal fees, or other expenses incurred by the state in 308
collecting the returned or dishonored payment. The remedies and 309
procedures provided in this section are in addition to any other 310
available civil or criminal remedies provided by law. 311

(H) No person making any payment by a financial 312
transaction device to a state office shall be relieved from 313
liability for the underlying obligation, except to the extent 314

that the state realizes final payment of the underlying 315
obligation in cash or its equivalent. If final payment is not 316
made by the financial transaction device issuer or other 317
guarantor of payment in the transaction, the underlying 318
obligation survives and the state shall retain all remedies for 319
enforcement that would have applied if the transaction had not 320
occurred. 321

(I) A state entity or employee who accepts a financial 322
transaction device payment in accordance with this section and 323
any applicable state or local policies or rules is immune from 324
personal liability for the final collection of such payments as 325
specified in section 9.87 of the Revised Code. 326

(J) If the board of deposit determines that it is 327
necessary and in the state's best interest to contract with an 328
additional entity subsequent to the contract award made under 329
division (C) of this section, the board may meet and choose to 330
contract with one or more additional entities for the remainder 331
of the period previously established by a contract award made 332
under division (C) of this section. 333

(K) The administrative agent, in cooperation with the 334
office of budget and management, may adopt, amend, and rescind 335
rules in accordance with section 111.15 of the Revised Code to 336
implement and administer this section. 337

Sec. 113.60. (A) As used in this section and sections 338
113.61 and 113.62 of the Revised Code: 339

(1) "Service intermediary" means a person or entity that 340
enters into a pay for success contract under this section and 341
sections 113.61 and 113.62 of the Revised Code. The service 342
intermediary may act as the service provider that delivers the 343

services specified in the contract or may contract with a 344
separate service provider to deliver those services. 345

(2) "State agency" and "political subdivision" have the 346
same meanings as in section 9.23 of the Revised Code. 347

(B) The treasurer of state shall administer the pay for 348
success contracting program, shall develop procedures for 349
awarding pay for success contracts, and may take any action 350
necessary to implement and administer the program. Under the 351
program, the treasurer of state may enter into a pay for success 352
contract with a service intermediary for the delivery of 353
specified services that benefit the state, a political 354
subdivision, or a group of political subdivisions, such as 355
programs addressing education, public health, criminal justice, 356
or natural resource management. In the case of a contract for 357
the delivery of services that benefit the state, the treasurer 358
of state shall enter into the contract jointly with the director 359
of administrative services. The treasurer of state and, as 360
applicable, the director of administrative services, may enter 361
into a pay for success contract under either of the following 362
circumstances: 363

(1) Upon receiving an appropriation from the general 364
assembly for the purpose of entering into a pay for success 365
contract; 366

(2) (a) At the request of a state agency, a political 367
subdivision, or a group of state agencies or political 368
subdivisions that the treasurer of state and, as applicable, the 369
director of administrative services, enter into a pay for 370
success contract on behalf of the requesting state agency, 371
political subdivision, or group. The requesting state agency, 372
political subdivision, or group shall deposit the cost of the 373

contract with the treasurer of state in the appropriate fund 374
established in section 113.62 of the Revised Code. 375

(b) A political subdivision or group of political 376
subdivisions that requests the treasurer of state to enter into 377
a pay for success contract on behalf of the political 378
subdivision or group shall not use state funds to pay the cost 379
of the contract. 380

(c) The treasurer of state may apply for federal grant 381
moneys on behalf of a requesting state agency, political 382
subdivision, or group to pay the cost of all or part of the 383
contract. The treasurer of state shall not apply for federal 384
grant moneys for the purpose of entering into a pay for success 385
contract without first entering into an agreement with a 386
requesting state agency, political subdivision, or group for the 387
treasurer of state to apply for those moneys. 388

(C) The treasurer of state may adopt rules in accordance 389
with Chapter 119. of the Revised Code to administer the pay for 390
success contracting program, including rules concerning ~~both~~any 391
of the following: 392

(1) The procedure for a state agency, political 393
subdivision, or group of state agencies or political 394
subdivisions to request the treasurer of state and, as 395
applicable, the director of administrative services to enter 396
into a pay for success contract and to deposit the cost of the 397
contract with the treasurer of state; 398

(2) The types of services that are appropriate for a 399
service provider to provide under a pay for success contract; 400

(3) Any other rules necessary for the implementation and 401
administration of sections 113.60 to 113.62 of the Revised Code. 402

~~(D) The rules of the treasurer of state shall include both of the following:~~ 403
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~~(1) A requirement that for not less than seventy five percent of the pay for success contracts entered into under this section, the performance targets specified in the contract require that, based on available regional or national data, the improvement in the status of this state or the relevant area of this state with respect to the issue the contract is meant to address be greater than the average improvement in status with respect to that issue in other geographical areas during the period of the contract;~~ 405
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~~(2) A process to ensure that any regional or national data used to determine whether a service provider has met its performance targets under a pay for success contract are scientifically valid.~~ 414
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Sec. 125.30. ~~(A) The department of administrative services shall do both of the following:~~ 418
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~~(1) Create a business reply form that is capable of containing information that a private business is required to provide to state agencies on a regular basis. The director of administrative services shall adopt rules in accordance with Chapter 119. of the Revised Code specifying the information that the form shall contain. Subject to division (E) of this section, state agencies shall use the business reply form to obtain information from private businesses.~~ 420
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~~(2) Create create and administer an on line online computer network system to allow private businesses that allows persons to electronically file the business reply form forms and, as authorized in the Revised Code, tax information with state~~ 428
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agencies or political subdivisions. 432

~~In creating the business reply form described in division
(A) (1) of this section, the director may consider the
recommendations of interested parties from the small business
community who have direct knowledge of and familiarity with the
current state reporting requirements that apply to and the
associated forms that are filed by small businesses.~~ 433
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~~(B) The director shall establish procedures by which state
agencies may share the information that is collected through the
form established under division (A) of this section. These
procedures shall provide that information that has been
designated as confidential by any state agency shall not be made
available to the other state agencies having access to the
business reply form.~~ 439
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~~(C) Not later than September 30, 1999, the director may
report to the director of budget and management and to the
committees that handle finance and the committees that handle
state government affairs in the house of representatives and the
senate on the progress of state agencies in complying with
division (A) (1) of this section. The director may recommend a
five per cent reduction in the future appropriations of any
state agency that has failed to comply with that division
without good cause.~~ 446
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~~(D) As used in this section:~~ 455

~~(1) "State agency" means the secretary of state, the
department of job and family services regarding duties it
performs pursuant to Title XLI of the Revised Code, the bureau
of workers' compensation, the department of administrative
services, and any other state agency that elects to participate~~ 456
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~~in the pilot program as provided in division (E) of this section.~~ 461
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~~(2) "Form" has the same meaning as in division (B) of section 125.91 of the Revised Code.~~ 463
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~~(E) The provisions of this section pertaining to the business reply form constitute a two year pilot program. Not later than one year after January 21, 1998, the department of administrative services shall complete the planning and preparation that is necessary to implement the pilot program. The director of administrative services may request other state agencies, as defined in division (A) of section 125.91 of the Revised Code, to participate in the pilot program. If the director so requests, the state agency may participate in the program. The provisions of this section shall cease to have effect three years after January 21, 1998. Within ninety days after the completion of the pilot program, the director of administrative services shall report to the director of budget and management and the committees described in division (C) of this section on the effectiveness of the pilot program.~~ 465
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Sec. 125.901. (A) There is hereby established the Ohio geographically referenced information program council within the department of administrative services to coordinate the property owned by the state. The department of administrative services shall provide administrative support for the council. 480
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(B) The council shall consist of the following ~~fifteen~~ fourteen members: 485
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(1) The state chief information officer, or the officer's designee, who shall serve as the council chair; 487
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(2) The director of natural resources, or the director's 489

designee;	490
(3) The director of transportation, or the director's designee;	491 492
(4) The director of environmental protection, or the director's designee;	493 494
(5) The director of development services, or the director's designee;	495 496
(6) The treasurer of state, or the treasurer of state's designee;	497 498
(7) The attorney general, or the attorney general's designee;	499 500
(8) <u>(7)</u> The chancellor of higher education or the chancellor's designee;	501 502
(9) <u>(8)</u> The chief of the division of oil and gas resources management in the department of natural resources or the chief's designee;	503 504 505
(10) <u>(9)</u> The director of public safety or the director's designee;	506 507
(11) <u>(10)</u> The executive director of the county auditors' association or the executive director's designee;	508 509
(12) <u>(11)</u> The executive director of the county commissioners' association or the executive director's designee;	510 511
(13) <u>(12)</u> The executive director of the county engineers' association or the executive director's designee;	512 513
(14) <u>(13)</u> The executive director of the Ohio municipal league or the executive director's designee;	514 515

~~(15)~~-(14) The executive director of the Ohio townships 516
association or the executive director's designee. 517

(C) Members of the council shall serve without 518
compensation. 519

Sec. ~~113.41~~ 125.91. (A) The ~~treasurer of state department~~ 520
of administrative services shall develop and maintain a 521
comprehensive and descriptive database of all real property 522
under the custody and control of the state, except when 523
otherwise required for reasons of homeland security. The 524
information in the database shall be available to the public 525
free of charge through a searchable internet web site. ~~The~~ 526
~~treasurer of state shall allow for public comment on property~~ 527
~~owned by the state.~~ 528

(B) For purposes of the database, ~~the Ohio geographically~~ 529
~~referenced information program council established in section~~ 530
~~125.901 of the Revised Code shall provide to the treasurer of~~ 531
~~state, and the treasurer of state shall collect, information, in~~ 532
~~a format prescribed by the treasurer of state, that adequately~~ 533
~~describes~~each land-holding state agency shall collect and 534
maintain a geographic information systems database of its 535
respective land holdings. The department of administrative 536
services database shall adequately describe, when known, the 537
location boundary, acreage, and use of state owned the property, 538
name of the property, and managing agency name and contact 539
information. The~~Each land-holding agency shall provide its~~ 540
respective geographic information systems database to the Ohio 541
geographically referenced information program council 542
established in section 125.901 of the Revised Code~~shall make its~~ 543
~~best efforts to obtain the required information on the state~~ 544
~~owned property and shall submit updated information to the~~ 545

~~treasurer of state as it becomes available.~~ 546

(C) As used in this section, "state-owned property" does 547
not include state property owned or under the control of the 548
general assembly or any legislative agency, any court or 549
judicial agency, the secretary of state, auditor of state, 550
treasurer of state, or attorney general and their respective 551
offices. 552

Sec. 126.06. The total operating fund consists of all 553
funds in the state treasury except the auto registration 554
distribution fund, local motor vehicle license tax fund, 555
development bond retirement fund, facilities establishment fund, 556
gasoline excise tax fund, higher education improvement fund, 557
highway improvement bond retirement fund, highway capital 558
improvement fund, improvements bond retirement fund, mental 559
health facilities improvement fund, parks and recreation 560
improvement fund, ~~public improvements bond retirement fund,~~ 561
school district income tax fund, state agency facilities 562
improvement fund, public safety - highway purposes fund, Vietnam 563
conflict compensation fund, any other fund determined by the 564
director of budget and management to be a bond fund or bond 565
retirement fund, and such portion of the highway operating fund 566
as is determined by the director of budget and management and 567
the director of transportation to be restricted by Section 5a of 568
Article XII, Ohio Constitution. 569

When determining the availability of money in the total 570
operating fund to pay claims chargeable to a fund contained 571
within the total operating fund, the director of budget and 572
management shall use the same procedures and criteria the 573
director employs in determining the availability of money in a 574
fund contained within the total operating fund. The director may 575

establish limits on the negative cash balance of the general 576
revenue fund within the total operating fund, but in no case 577
shall the negative cash balance of the general revenue fund 578
exceed ten per cent of the total revenue of the general revenue 579
fund in the preceding fiscal year. 580

Sec. 127.14. The controlling board may, at the request of 581
any state agency or the director of budget and management, 582
authorize, with respect to the provisions of any appropriation 583
act: 584

(A) Transfers of all or part of an appropriation within 585
but not between state agencies, except such transfers as the 586
director of budget and management is authorized by law to make, 587
provided that no transfer shall be made by the director for the 588
purpose of effecting new or changed levels of program service 589
not authorized by the general assembly; 590

(B) Transfers of all or part of an appropriation from one 591
fiscal year to another; 592

(C) Transfers of all or part of an appropriation within or 593
between state agencies made necessary by administrative 594
reorganization or by the abolition of an agency or part of an 595
agency; 596

(D) Transfers of all or part of cash balances in excess of 597
needs from any fund of the state to the general revenue fund or 598
to such other fund of the state to which the money would have 599
been credited in the absence of the fund from which the 600
transfers are authorized to be made, except that the controlling 601
board may not authorize such transfers from the accrued leave 602
liability fund, auto registration distribution fund, local motor 603
vehicle license tax fund, budget stabilization fund, building 604

improvement fund, development bond retirement fund, facilities 605
establishment fund, gasoline excise tax fund, general revenue 606
fund, higher education improvement fund, highway improvement 607
bond retirement fund, highway capital improvement fund, highway 608
operating fund, horse racing tax fund, improvements bond 609
retirement fund, public library fund, liquor control fund, local 610
government fund, local transportation improvement program fund, 611
medicaid reserve fund, mental health facilities improvement 612
fund, Ohio fairs fund, parks and recreation improvement fund, 613
~~public improvements bond retirement fund,~~ school district income 614
tax fund, state agency facilities improvement fund, public 615
safety - highway purposes fund, state lottery fund, undivided 616
liquor permit fund, Vietnam conflict compensation bond 617
retirement fund, volunteer fire fighters' dependents fund, 618
waterways safety fund, wildlife fund, workers' compensation 619
fund, or any fund not specified in this division that the 620
director of budget and management determines to be a bond fund 621
or bond retirement fund; 622

(E) Transfers of all or part of those appropriations 623
included in the emergency purposes account of the controlling 624
board; 625

(F) Temporary transfers of all or part of an appropriation 626
or other moneys into and between existing funds, or new funds, 627
as may be established by law when needed for capital outlays for 628
which notes or bonds will be issued; 629

(G) Transfer or release of all or part of an appropriation 630
to a state agency requiring controlling board approval of such 631
transfer or release as provided by law; 632

(H) Temporary transfer of funds included in the emergency 633
purposes appropriation of the controlling board. Such temporary 634

transfers may be made subject to conditions specified by the 635
controlling board at the time temporary transfers are 636
authorized. No transfers shall be made under this division for 637
the purpose of effecting new or changed levels of program 638
service not authorized by the general assembly. 639

As used in this section, "request" means an application by 640
a state agency or the director of budget and management seeking 641
some action by the controlling board. 642

When authorizing the transfer of all or part of an 643
appropriation under this section, the controlling board may 644
authorize the transfer to an existing appropriation item and the 645
creation of and transfer to a new appropriation item. 646

Whenever there is a transfer of all or part of funds 647
included in the emergency purposes appropriation by the 648
controlling board, pursuant to division (E) of this section, the 649
state agency or the director of budget and management receiving 650
such transfer shall keep a detailed record of the use of the 651
transferred funds. At the earliest scheduled meeting of the 652
controlling board following the accomplishment of the purposes 653
specified in the request originally seeking the transfer, or 654
following the total expenditure of the transferred funds for the 655
specified purposes, the state agency or the director of budget 656
and management shall submit a report on the expenditure of such 657
funds to the board. The portion of any appropriation so 658
transferred which is not required to accomplish the purposes 659
designated in the original request to the controlling board 660
shall be returned to the proper appropriation of the controlling 661
board at this time. 662

Notwithstanding any provisions of law providing for the 663
deposit of revenues received by a state agency to the credit of 664

a particular fund in the state treasury, whenever there is a 665
temporary transfer of funds included in the emergency purposes 666
appropriation of the controlling board pursuant to division (H) 667
of this section, revenues received by any state agency receiving 668
such a temporary transfer of funds shall, as directed by the 669
controlling board, be transferred back to the emergency purposes 670
appropriation. 671

The board may delegate to the director of budget and 672
management authority to approve transfers among items of 673
appropriation under division (A) of this section. 674

Sec. 129.06. Funds belonging to the sinking fund shall be 675
applied to the payment of the principal and interest of the 676
bonded debt of the state, and to the expenses of such payment. 677
~~When paid, bonds or certificates of the bonded debt of the state~~ 678
~~shall be canceled, and "paid" written on the face thereof with~~ 679
~~the date of payment, which inscription shall be signed by the~~ 680
~~board of commissioners of the sinking fund. Bonds or~~ 681
~~certificates so paid shall be taken from the proper accounts~~ 682
~~upon the individual and general stock ledgers and entered in the~~ 683
~~account of bonded debt paid, specifying the particular loan, the~~ 684
~~number and date of the certificate and bonds so paid, the~~ 685
~~amount, rate of interest, time at which it was redeemable, and~~ 686
~~in whose name it was standing when paid. All certificates or~~ 687
~~bonds so paid and canceled shall be filed in the office of the~~ 688
~~board.~~ 689

Sec. 129.09. Interest on the bonded debt of the state 690
shall be paid to the owner of bonds or certificates evidencing 691
such debt, or to such owner's agent, attorney, or legal 692
representative. ~~Written proof of the authority of such agent,~~ 693
~~attorney, or legal representative must be presented to and filed~~ 694

~~with the board of commissioners of the sinking fund.~~ 695

Sec. 131.01. As used in Chapters 113., 117., 123., 124., 696
125., 126., 127., and 131. of the Revised Code, and any statute 697
that uses the terms in connection with state accounting or 698
budgeting: 699

(A) "Account" means any record, element, or summary in 700
which financial transactions are identified and recorded as 701
debit or credit transactions in order to summarize items of a 702
similar nature or classification. 703

(B) "Accounting procedure" means the arrangement of all 704
processes which discover, record, and summarize financial 705
information to produce financial statements and reports and to 706
provide internal control. 707

(C) "Accounting system" means the total structure of 708
records and procedures which discover, record, classify, and 709
report information on the financial position and operations of a 710
governmental unit or any of its funds and organizational 711
components. 712

(D) "Allocation" means a portion of an appropriation which 713
is designated for expenditure by specific organizational units 714
or for special purposes, activities, or objects that do not 715
relate to a period of time. 716

(E) "Allotment" means all or part of an appropriation 717
which may be encumbered or expended within a specific period of 718
time. 719

(F) "Appropriation" means an authorization granted by the 720
general assembly to make expenditures and to incur obligations 721
for specific purposes. 722

(G) "Assets" means resources owned, controlled, or otherwise used or held by the state which have monetary value.	723 724
(H) "Budget" means the plan of financial operation embodying an estimate of proposed expenditures and obligations for a given period and the proposed means of financing them.	725 726 727
(I) "Direct deposit" is a form of electronic funds transfer in which money is electronically deposited into the account of a person or entity at a financial institution.	728 729 730
(J) "Disbursement" means a payment made for any purpose.	731
(K) "Electronic benefit transfer" means the electronic delivery of benefits through automated teller machines, point of sale terminals, or other electronic media pursuant to section 5101.33 of the Revised Code.	732 733 734 735
(L) "Electronic funds transfer" means the electronic movement of funds via automated clearing house or wire transfer.	736 737
(M) "Encumbrancing document" means a document reserving all or part of an appropriation.	738 739
(N) "Expenditure" means a reduction of the balance of an appropriation after legal requirements have been met.	740 741
(O) "Fund" means an independent fiscal and accounting entity with a self-balancing set of accounts recording cash or other resources, together with all related liabilities, obligations, reserves, and fund balances which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special rules, restrictions, or limitations.	742 743 744 745 746 747 748
(P) "Lapse" means the automatic termination of an appropriation at the end of the fiscal period for which it was	749 750

appropriated. 751

(Q) "Reappropriation" means an appropriation of a previous 752
appropriation that is continued in force in a succeeding 753
appropriation period. "Reappropriation" shall be equated with 754
and incorporated in the term "appropriation." 755

(R) "Stored value card" means a payment card that may have 756
money loaded and stored on the card and accessed through 757
automated teller machines, point of sale terminals, or other 758
electronic media. "Stored value card" does not include any 759
payment card linked to, and that can access money in, an 760
external account maintained by a financial institution. 761

(S) "Voucher" means the document used to transmit a claim 762
for payment and evidentiary matter related to the claim. 763

~~(S)~~(T) "Warrant" means an order drawn upon the treasurer 764
of state by the director of budget and management, or an 765
authorized person at a state entity holding a custodial account, 766
directing the treasurer of state to pay a specified amount to 767
one or more specified payees. A variety of payment instruments 768
may be used, including an order to make a lump sum payment to a 769
financial institution for the transfer of funds by but not 770
limited to paper warrants, stored value cards, direct deposit to 771
the payee's bank account, or the drawdown of funds by electronic 772
benefit transfer, and the resulting electronic transfer to or by 773
the ultimate payees. 774

The terms defined in this section shall be used, on all 775
accounting forms, reports, formal rules, and budget requests 776
produced by a state agency, only as defined in this section. 777

Sec. 135.01. Except as otherwise provided in sections 778
135.14, 135.143, 135.181, and 135.182 of the Revised Code, as 779

used in sections 135.01 to 135.21 of the Revised Code:	780
(A) "Active deposit" means a public deposit necessary to	781
meet current demands on the treasury, and that is deposited in	782
any of the following:	783
(1) A commercial account that is payable or withdrawable,	784
in whole or in part, on demand;	785
(2) A negotiable order of withdrawal account as authorized	786
in the "Consumer Checking Account Equity Act of 1980," 94 Stat.	787
146, 12 U.S.C.A. 1832(a);	788
(3) A money market deposit account as authorized in the	789
"Garn-St. Germain Depository Institutions Act of 1982," 96 Stat.	790
1501, 12 U.S.C. 3503.	791
(B) "Auditor" includes the auditor of state and the	792
auditor, or officer exercising the functions of an auditor, of	793
any subdivision.	794
(C) "Capital funds" means the sum of the following: the	795
par value of the outstanding common capital stock, the par value	796
of the outstanding preferred capital stock, the aggregate par	797
value of all outstanding capital notes and debentures, and the	798
surplus. In the case of an institution having offices in more	799
than one county, the capital funds of such institution, for the	800
purposes of sections 135.01 to 135.21 of the Revised Code,	801
relative to the deposit of the public moneys of the subdivisions	802
in one such county, shall be considered to be that proportion of	803
the capital funds of the institution that is represented by the	804
ratio that the deposit liabilities of such institution	805
originating at the office located in the county bears to the	806
total deposit liabilities of the institution.	807
(D) "Governing board" means, in the case of the state, the	808

state board of deposit; in the case of all school districts and 809
educational service centers except as otherwise provided in this 810
section, the board of education or governing board of a service 811
center, and when the case so requires, the board of 812
commissioners of the sinking fund; in the case of a municipal 813
corporation, the legislative authority, and when the case so 814
requires, the board of trustees of the sinking fund; in the case 815
of a township, the board of township trustees; in the case of a 816
union or joint institution or enterprise of two or more 817
subdivisions not having a treasurer, the board of directors or 818
trustees thereof; and in the case of any other subdivision 819
electing or appointing a treasurer, the directors, trustees, or 820
other similar officers of such subdivision. The governing board 821
of a subdivision electing or appointing a treasurer shall be the 822
governing board of all other subdivisions for which such 823
treasurer is authorized by law to act. In the case of a county 824
school financing district that levies a tax pursuant to section 825
5705.215 of the Revised Code, the county board of education that 826
serves as its taxing authority shall operate as a governing 827
board. Any other county board of education shall operate as a 828
governing board unless it adopts a resolution designating the 829
board of county commissioners as the governing board for the 830
county school district. 831

(E) "Inactive deposit" means a public deposit other than 832
an interim deposit or an active deposit. 833

(F) "Interim deposit" means a deposit of interim moneys. 834
"Interim moneys" means public moneys in the treasury of ~~the~~ 835
~~state or~~ any subdivision after the award of inactive deposits 836
has been made in accordance with section 135.07 of the Revised 837
Code, which moneys are in excess of the aggregate amount of the 838
inactive deposits as estimated by the governing board prior to 839

the period of designation and which the ~~treasurer or~~ governing 840
board finds should not be deposited as active or inactive 841
deposits for the reason that such moneys will not be needed for 842
immediate use but will be needed before the end of the period of 843
designation. In the case of the state treasury, "interim moneys" 844
means public moneys that are not active deposits and may be 845
invested in accordance with section 135.143 of the Revised Code. 846

(G) "Permissible rate of interest" means a rate of 847
interest that all eligible institutions mentioned in section 848
135.03 of the Revised Code are permitted to pay by law or valid 849
regulations. 850

(H) "Warrant clearance account" means an account 851
established by the treasurer of state for the deposit of active 852
state moneys ~~outside the city of Columbus,~~ such account being 853
for the ~~exclusive purpose~~ purposes of clearing state paper 854
warrants through the banking system ~~to the treasurer,~~ funding 855
electronic benefit transfer cards, issuing stored value cards, 856
or otherwise facilitating the settlement of state obligations. 857

(I) "Public deposit" means public moneys deposited in a 858
public depository pursuant to sections 135.01 to 135.21 of the 859
Revised Code. 860

(J) "Public depository" means an institution which 861
receives or holds any public deposits. 862

(K) "Public moneys" means all moneys in the treasury of 863
the state or any subdivision of the state, or moneys coming 864
lawfully into the possession or custody of the treasurer of 865
state or of the treasurer of any subdivision. "Public moneys of 866
the state" includes all such moneys coming lawfully into the 867
possession of the treasurer of state; and "public moneys of a 868

subdivision" includes all such moneys coming lawfully into the 869
possession of the treasurer of the subdivision. 870

(L) "Subdivision" means any municipal corporation, except 871
one which has adopted a charter under Article XVIII, Ohio 872
Constitution, and the charter or ordinances of the chartered 873
municipal corporation set forth special provisions respecting 874
the deposit or investment of its public moneys, or any school 875
district or educational service center, a county school 876
financing district, township, municipal or school district 877
sinking fund, special taxing or assessment district, or other 878
district or local authority electing or appointing a treasurer, 879
except a county. In the case of a school district or educational 880
service center, special taxing or assessment district, or other 881
local authority for which a treasurer, elected or appointed 882
primarily as the treasurer of a subdivision, is authorized or 883
required by law to act as ex officio treasurer, the subdivision 884
for which such a treasurer has been primarily elected or 885
appointed shall be considered to be the "subdivision." The term 886
also includes a union or joint institution or enterprise of two 887
or more subdivisions, that is not authorized to elect or appoint 888
a treasurer, and for which no ex officio treasurer is provided 889
by law. 890

(M) "Treasurer" means, in the case of the state, the 891
treasurer of state and in the case of any subdivision, the 892
treasurer, or officer exercising the functions of a treasurer, 893
of such subdivision. In the case of a board of trustees of the 894
sinking fund of a municipal corporation, the board of 895
commissioners of the sinking fund of a school district, or a 896
board of directors or trustees of any union or joint institution 897
or enterprise of two or more subdivisions not having a 898
treasurer, such term means such board of trustees of the sinking 899

fund, board of commissioners of the sinking fund, or board of 900
directors or trustees. 901

(N) "Treasury investment board" of a municipal corporation 902
means the mayor or other chief executive officer, the village 903
solicitor or city director of law, and the auditor or other 904
chief fiscal officer. 905

(O) "No-load money market mutual fund" means a no-load 906
money market mutual fund to which all of the following apply: 907

(1) The fund is registered as an investment company under 908
the "Investment Company Act of 1940," 54 Stat. 789, 15 U.S.C.A. 909
80a-1 to 80a-64; 910

(2) The fund has the highest letter or numerical rating 911
provided by at least one nationally recognized standard rating 912
service; 913

(3) The fund does not include any investment in a 914
derivative. As used in division (O) (3) of this section, 915
"derivative" means a financial instrument or contract or 916
obligation whose value or return is based upon or linked to 917
another asset or index, or both, separate from the financial 918
instrument, contract, or obligation itself. Any security, 919
obligation, trust account, or other instrument that is created 920
from an issue of the United States treasury or is created from 921
an obligation of a federal agency or instrumentality or is 922
created from both is considered a derivative instrument. An 923
eligible investment described in section 135.14 or 135.35 of the 924
Revised Code with a variable interest rate payment, based upon a 925
single interest payment or single index comprised of other 926
investments provided for in division (B) (1) or (2) of section 927
135.14 of the Revised Code, is not a derivative, provided that 928

such variable rate investment has a maximum maturity of two 929
years. 930

(P) "Public depositor" means the state or a subdivision, 931
as applicable, that deposits public moneys in a public 932
depository pursuant to sections 135.01 to 135.21 of the Revised 933
Code. 934

(Q) "Uninsured public deposit" means the portion of a 935
public deposit that is not insured by the federal deposit 936
insurance corporation or by any other agency or instrumentality 937
of the federal government. 938

Sec. 135.02. There shall be a state board of deposit 939
consisting of the treasurer of state or an employee of the 940
treasurer of state's department designated by the treasurer of 941
state, the auditor of state or an employee of the auditor of 942
state's department designated by the auditor of state, and the 943
attorney general or an employee of the attorney general's 944
department designated by the attorney general. The board shall 945
meet on the call of the chairperson at least annually to perform 946
the duties prescribed in sections 135.01 to 135.21 of the 947
Revised Code. At any time, two members of the board may request 948
that the chairperson call a meeting of the board, and the 949
chairperson shall call the meeting within thirty days after 950
receiving such requests. The treasurer of state or the treasurer 951
of state's designated representative shall be chairperson of the 952
board. The treasurer of state shall designate an employee of the 953
treasurer of state's department to serve as the secretary of the 954
board and keep its records. A certified copy of such records 955
shall be prima-facie evidence of the matter appearing therein in 956
any court of record. 957

The chairperson shall provide ~~a monthly report~~ 958

notification to the board of deposit ~~consisting of the~~ 959
~~notifications that the reports~~ required under division (B) of 960
section 135.143 of the Revised Code ~~and shall post that report~~ 961
~~monthly have been posted~~ to a web site maintained by the 962
treasurer of state. 963

The necessary expenses of the board shall be paid from the 964
state treasury from appropriations for that purpose upon the 965
order of the board certified by the chairperson and the 966
secretary. 967

Sec. 135.04. (A) Any institution mentioned in section 968
135.03 of the Revised Code is eligible to become a public 969
depository of the active deposits, ~~inactive deposits,~~ and 970
interim deposits of public moneys of the state subject to the 971
requirements of sections 135.01 to 135.21 of the Revised Code. 972

(B) To facilitate the ~~clearance of state warrants to~~ 973
settlement of obligations of the state treasury, the state board 974
of deposit may delegate the authority to the treasurer of state 975
to establish warrant clearance accounts in any institution 976
mentioned in section 135.03 of the Revised Code ~~located in areas~~ 977
~~where the volume of warrant clearances justifies the~~ 978
~~establishment of an account as determined by the treasurer of~~ 979
~~state.~~ The balances maintained in such warrant clearance 980
accounts shall be at sufficient levels to cover the activity 981
generated by such accounts on an individual basis. Any financial 982
institution in the state that has a warrant clearance account 983
established by the treasurer of state shall, not more than ~~ten~~ 984
fifteen days after the close of each ~~quarter~~month, prepare and 985
transmit to the treasurer of state an analysis statement of such 986
account for the ~~quarter~~month then ended. Such statement shall 987
contain such information as determined by the state board of 988

~~deposit, and this information shall be used in whole or in part~~ 989
~~by the treasurer of state in determining the level of balances~~ 990
~~to be maintained in such accounts.~~ 991

(C) Each governing board shall award the active deposits 992
of public moneys subject to its control to the eligible 993
institutions in accordance with this section, except that no 994
such public depository shall thereby be required to take or 995
permitted to receive and have at any one time a greater amount 996
of active deposits of such public moneys than that specified in 997
the application of such depository. When, by reason of such 998
limitation or otherwise, the amount of active public moneys 999
deposited or to be deposited in a public depository, pursuant to 1000
an award made under this section, is reduced or withdrawn, as 1001
the case requires, the amount of such reduction or the sum so 1002
withdrawn shall be deposited in another eligible institution 1003
applying therefor, or if there is no such eligible institution, 1004
then the amount so withheld or withdrawn shall be awarded or 1005
deposited for the remainder of the period of designation in 1006
accordance with sections 135.01 to 135.21 of the Revised Code. 1007

(D) Any institution mentioned in section 135.03 of the 1008
Revised Code is eligible to become a public depository of the 1009
inactive and interim deposits of public moneys of a subdivision. 1010
In case the aggregate amount of inactive or interim deposits 1011
applied for by such eligible institutions is less than the 1012
aggregate maximum amount of such inactive or interim deposits as 1013
estimated to be deposited pursuant to sections 135.01 to 135.21 1014
of the Revised Code, the governing board of the subdivision may 1015
designate as a public depository of the inactive or interim 1016
deposits of the public moneys thereof, one or more institutions 1017
of a kind mentioned in section 135.03 of the Revised Code, 1018
subject to the requirements of sections 135.01 to 135.21 of the 1019

Revised Code. 1020

(E) Any institution mentioned in section 135.03 of the 1021
Revised Code is eligible to become a public depository of the 1022
active deposits of public moneys of a subdivision. In case the 1023
aggregate amount of active deposits of the public moneys of the 1024
subdivision applied for by such eligible institutions is less 1025
than the aggregate maximum amount to be deposited as such, as 1026
estimated by the governing board, said board may designate as a 1027
public depository of the active deposits of the public moneys of 1028
the subdivision, one or more institutions of the kind mentioned 1029
in section 135.03 of the Revised Code, subject to the 1030
requirements of sections 135.01 to 135.21 of the Revised Code. 1031

(F) (1) The governing board of the state or of a 1032
subdivision may designate one or more minority banks as public 1033
depositories of its inactive, interim, or active deposits of 1034
public moneys designated as federal funds. Except for section 1035
135.18, 135.181, or 135.182 of the Revised Code, Chapter 135. of 1036
the Revised Code does not apply to the application for, or the 1037
award of, such deposits. As used in this division, "minority 1038
bank" means a bank that is owned or controlled by one or more 1039
socially or economically disadvantaged persons. Such 1040
disadvantage may arise from cultural, ethnic, or racial 1041
background, chronic economic circumstances, or other similar 1042
cause. Such persons include, but are not limited to, Afro- 1043
Americans, Puerto Ricans, Spanish-speaking Americans, and 1044
American Indians. 1045

(2) In enacting this division, the general assembly finds 1046
that: 1047

(a) Certain commercial banks are owned or controlled by 1048
minority Americans; 1049

(b) Minority banks are an important source of banking services in their communities; 1050
1051

(c) Minority banks have been unsuccessful in competing under Chapter 135. of the Revised Code for the award of federal funds; 1052
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(d) This division contains safeguards for the protection of the general public and the banking industry, since it provides the governing board of the state or political subdivision with permissive authority in the award of deposits; limits the authority of the governing board to the award of federal funds; and subjects minority banks to certain limitations of Chapter 135. of the Revised Code, including the requirement that, as in the case of every financial institution subject to Chapter 135. of the Revised Code, a minority bank pledge certain securities for repayment of the deposits. 1055
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(3) The purpose of this division is to recognize that the state has a substantial and compelling interest in encouraging the establishment, development, and stability of minority banks by facilitating their access to the award of federal funds, while ensuring the protection of the general public and the banking industry. 1065
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(G) The governing board of a subdivision shall award the first twenty-five thousand dollars of the active deposits of public moneys subject to its control to the eligible institution or institutions applying or qualifying therefor on the basis of the operating needs of the subdivision and shall award the active deposits of public moneys subject to its control in excess of twenty-five thousand dollars to the eligible institution or institutions applying or qualifying therefor. 1071
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Sec. 135.05. Each governing board of a subdivision shall, 1079
at least three weeks prior to the date when it is required by 1080
section 135.12 of the Revised Code to designate public 1081
depositories, by resolution, estimate the aggregate maximum 1082
amount of public moneys subject to its control to be awarded and 1083
be on deposit as inactive deposits. ~~The state board of deposit~~ 1084
~~shall cause a copy of such resolution, together with a notice of~~ 1085
~~the date on which the meeting of the board for the designation~~ 1086
~~of such depositories will be held and the period for which such~~ 1087
~~inactive deposits will be awarded, to be published once a week~~ 1088
~~for two consecutive weeks in two newspapers of general~~ 1089
~~circulation in each of the three most populous counties.~~ The 1090
governing board of each subdivision shall cause a copy of such 1091
resolution, together with a notice of the date on which the 1092
meeting of the board for the designation of such depositories 1093
will be held and the period for which such inactive deposits 1094
will be awarded, to be published once a week for two consecutive 1095
weeks in a newspaper of general circulation in the county or as 1096
provided in section 7.16 of the Revised Code. If a subdivision 1097
is located in more than one county, such publication shall be 1098
made in a newspaper of general circulation in the county in 1099
which the major part of such subdivision is located, and of 1100
general circulation in the subdivision. A written notice stating 1101
the aggregate maximum amount to be awarded as inactive deposits 1102
of the subdivision shall be given to each eligible depository by 1103
the governing board at the time the first publication is made in 1104
the newspaper. 1105

All deposits of the public moneys of ~~the state or any~~ 1106
subdivision made during the period covered by the designation in 1107
excess of the aggregate amount so estimated shall be active 1108
deposits or interim deposits. Inactive, interim, and active 1109

deposits shall be separately awarded, made, and administered as 1110
provided by sections 135.01 to 135.21 of the Revised Code. 1111

Sec. 135.06. Each eligible institution desiring to be a 1112
public depository of the inactive deposits of the public moneys 1113
~~of the state or of the inactive deposits of the public moneys of~~ 1114
the subdivision shall, not more than thirty days prior to the 1115
date fixed by section 135.12 of the Revised Code for the 1116
designation of such public depositories, make application 1117
therefor in writing to the proper governing board. Such 1118
application shall specify the maximum amount of such public 1119
moneys which the applicant desires to receive and have on 1120
deposit as an inactive deposit at any one time during the period 1121
covered by the designation, provided that it shall not apply for 1122
more than thirty per cent of its total assets as revealed by its 1123
latest report to the superintendent of financial institutions, 1124
the comptroller of the currency, ~~the office of thrift~~ 1125
~~supervision,~~ the federal deposit insurance corporation, or the 1126
board of governors of the federal reserve system, and the rate 1127
of interest which the applicant will pay thereon, subject to the 1128
limitations of sections 135.01 to 135.21 of the Revised Code. 1129
Each application shall be accompanied by a financial statement 1130
of the applicant, under oath of its cashier, treasurer, or other 1131
officer, in such detail as to show the capital funds of the 1132
applicant, as of the date of its latest report to the 1133
superintendent of financial institutions, the comptroller of the 1134
currency, ~~the office of thrift supervision,~~ the federal deposit 1135
insurance corporation, or the board of governors of the federal 1136
reserve system, and adjusted to show any changes therein made 1137
prior to the date of the application. Such application may be 1138
combined with an application for designation as a public 1139
depository of active deposits, interim deposits, or both. 1140

Sec. 135.08. Each eligible institution desiring to be a 1141
public depository of interim deposits of the public moneys of 1142
the state or of the ~~interim deposits of the public moneys of the~~ 1143
subdivision shall, not more than ~~thirty~~ one hundred twenty days 1144
prior to the date fixed by section 135.12 of the Revised Code 1145
for the designation of public depositories, make application 1146
therefor in writing to the proper governing board. Such 1147
application shall specify the maximum amount of such public 1148
moneys which the applicant desires to receive and have on 1149
deposit as interim deposits at any one time during the period 1150
covered by the designation, provided that it shall not apply for 1151
more than thirty per cent of its total assets as revealed by its 1152
latest report to the superintendent of financial institutions, 1153
the comptroller of the currency, ~~the office of thrift~~ 1154
~~supervision,~~ the federal deposit insurance corporation, or the 1155
board of governors of the federal reserve system, and the rate 1156
of interest which the applicant will pay thereon, subject to the 1157
limitations of sections 135.01 to 135.21 of the Revised Code. 1158

Each application shall be accompanied by a financial 1159
statement of the applicant, under oath of its cashier, 1160
treasurer, or other officer, in such detail as to show the 1161
capital funds of the applicant, as of the date of its latest 1162
report to the superintendent of financial institutions, the 1163
comptroller of the currency, the office of thrift supervision, 1164
the federal deposit insurance corporation, or the board of 1165
governors of the federal reserve system, and adjusted to show 1166
any changes therein made prior to the date of the application. 1167
Such application may be combined with an application for 1168
designation as a public depository of inactive deposits, active 1169
deposits, or both. 1170

Sec. 135.10. Each eligible institution desiring to be a 1171

public depository of the active deposits of the public moneys of 1172
the state or of a subdivision shall, not more than ~~thirty-one~~ 1173
hundred twenty days prior to the date fixed by section 135.12 of 1174
the Revised Code for the designation of such public 1175
depositories, make application therefor in writing to the proper 1176
governing board. If desired, such application may specify the 1177
maximum amount of such public moneys which the applicant desires 1178
to receive and have on deposit at any one time during the period 1179
covered by the designation. Each application shall be 1180
accompanied by a financial statement of the applicant, under 1181
oath of its cashier, treasurer, or other officer, in such detail 1182
as to show the capital funds of the applicant, as of the date of 1183
its latest report to the superintendent of ~~banks~~ financial 1184
institutions or comptroller of the currency, and adjusted to 1185
show any changes therein prior to the date of the application. 1186
Such application may be combined with an application for 1187
designation as a public depository of inactive deposits, interim 1188
deposits, or both. 1189

Sec. 135.12. (A) Beginning in ~~2004~~ 2025 and every four 1190
years thereafter, the state board of deposit shall meet on the 1191
third Monday of March ~~in the even-numbered years~~ for the purpose 1192
of designating the public depositories of the public moneys of 1193
the state, and at such meeting or any adjourned session thereof 1194
shall designate such public depositories and award the public 1195
moneys of the state to and among the public depositories so 1196
designated for the period of ~~two~~ four years commencing on the 1197
first Monday of July next following. 1198

(B) Each governing board other than the state board of 1199
deposit shall meet every five years on the third Monday or such 1200
regularly scheduled meeting date of the month next preceding the 1201
date of the expiration of its designation of depositories for 1202

the purpose of designating the public depositories of the public 1203
moneys of the subdivision, and at such meeting or any adjourned 1204
session thereof, shall designate such public depositories and 1205
award the public moneys of the subdivision to and among the 1206
public depositories so designated for the period of five years 1207
commencing on the date of the expiration of the next preceding 1208
designation. The designation and award shall be made in 1209
duplicate; one copy shall be retained by the governing board of 1210
the subdivision and one copy shall be certified to the 1211
treasurer. 1212

(C) If a governing board determines, during a designation 1213
period, that a public depository designated under this section 1214
is insolvent or operating in an unsound or unsafe manner, the 1215
governing board may meet and designate a different public 1216
depository of the public moneys of the state or of the 1217
subdivision for the remainder of the designation period. 1218

(D) If a governing board determines during a designation 1219
period that it is necessary and in the state's or subdivision's 1220
best interests to appoint additional depositories, the governing 1221
board may meet and designate one or more additional public 1222
depositories of the public moneys of the state or of the 1223
subdivision for the remainder of the designation period. 1224

(E) Whenever, by amendment or enactment of any state or 1225
federal law or the amendment or adoption of any valid regulation 1226
thereunder, the terms of a designation or award, lawful at the 1227
beginning of any designation period, cease to be lawful during 1228
such period, and if the change of law or regulation requires, 1229
the designation period shall be limited so as not to extend 1230
beyond the date when that change becomes effective. In such 1231
case, the proper governing board shall meet and designate the 1232

public depositories of the public moneys of the state or of the 1233
subdivision for the remainder of the designation period. 1234

(F) During a designation period, whenever a statute 1235
authorizes a new custodial fund to be created, the state board 1236
of deposit shall meet to award the public moneys associated with 1237
the new custodial fund to a designated public depository. 1238

(G) During a designation period, whenever a state agency, 1239
as defined in section 1.60 of the Revised Code, requests to 1240
change its public depository, the state board of deposit shall 1241
meet to consider the request. 1242

Sec. 135.143. (A) The treasurer of state may invest or 1243
execute transactions for any part or all of the interim funds of 1244
the state in the following classifications of obligations: 1245

(1) United States treasury bills, notes, bonds, or any 1246
other obligations or securities issued by the United States 1247
treasury or any other obligation guaranteed as to principal and 1248
interest by the United States; 1249

(2) Bonds, notes, debentures, or any other obligations or 1250
securities issued by any federal government agency or 1251
instrumentality; 1252

(3) (a) Bonds, notes, and other obligations of the state of 1253
Ohio, including, but not limited to, any obligations issued by 1254
the treasurer of state, the Ohio public facilities commission, 1255
the Ohio building authority, the Ohio housing finance agency, 1256
the Ohio water development authority, the Ohio turnpike 1257
infrastructure commission, the Ohio higher educational facility 1258
commission, and state institutions of higher education as 1259
defined in section 3345.011 of the Revised Code; 1260

(b) Bonds, notes, and other obligations of any state or 1261

political subdivision thereof rated in the three highest 1262
categories by at least one nationally recognized standard rating 1263
service and purchased through a registered securities broker or 1264
dealer, provided the treasurer of state is not the sole 1265
purchaser of the bonds, notes, or other obligations at original 1266
issuance. 1267

(4) (a) Written repurchase agreements with any eligible 1268
Ohio financial institution that is a member of the federal 1269
reserve system or federal home loan bank, ~~or any registered~~ 1270
United States government securities dealer, or any counterparty 1271
rated in one of the three highest categories by at least one 1272
nationally recognized standard rating service or otherwise 1273
determined by the treasurer of state to have adequate capital 1274
and liquidity, under the terms of which agreement the treasurer 1275
of state purchases and the eligible financial institution ~~or,~~ 1276
dealer, or counterparty agrees unconditionally to repurchase any 1277
of the securities that are listed in division (A) (1), (2), ~~or~~ 1278
(3), (6), or (11) of this section. The market value of 1279
securities subject to these transactions must exceed the 1280
principal value of the repurchase agreement by an amount 1281
specified by the treasurer of state, and the securities must be 1282
delivered into the custody of the treasurer of state or the 1283
qualified trustee or agent designated by the treasurer of state. 1284
The agreement shall contain the requirement that for each 1285
transaction pursuant to the agreement, the participating 1286
institution ~~or,~~ dealer, or counterparty shall provide all of 1287
the following information: 1288

- (i) The par value of the securities; 1289
- (ii) The type, rate, and maturity date of the securities; 1290
- (iii) A numerical identifier generally accepted in the 1291

securities industry that designates the securities. 1292

(b) The treasurer of state also may sell any securities, 1293
listed in division (A)(1), (2), ~~or (6)~~, or (11) of this section, 1294
regardless of maturity or time of redemption of the securities, 1295
under the same terms and conditions for repurchase, provided 1296
that the securities have been fully paid for and are owned by 1297
the treasurer of state at the time of the sale. 1298

(c) For purposes of division (A)(4) of this section, the 1299
treasurer of state shall only buy or sell securities listed in 1300
division (A)(11) of this section issued by entities that are 1301
organized under the laws of this state, any other state, or the 1302
United States. 1303

(5) Securities lending agreements with any eligible 1304
financial institution that is a member of the federal reserve 1305
system or federal home loan bank or any recognized United States 1306
government securities dealer, under the terms of which 1307
agreements the treasurer of state lends securities and the 1308
eligible financial institution or dealer agrees to 1309
simultaneously exchange similar securities or cash, equal value 1310
for equal value. 1311

Securities and cash received as collateral for a 1312
securities lending agreement are not interim funds of the state. 1313
The investment of cash collateral received pursuant to a 1314
securities lending agreement may be invested only in such 1315
instruments specified by the treasurer of state in accordance 1316
with a written investment policy. 1317

(6) Various forms of commercial paper issued by any entity 1318
that is organized under the laws of the United States or a 1319
state, which notes are rated in the two highest categories by 1320

two nationally recognized standard rating services, provided 1321
that the total amount invested under this section in any 1322
commercial paper at any time shall not exceed forty per cent of 1323
the state's total average portfolio, as determined and 1324
calculated by the treasurer of state; 1325

(7) Bankers acceptances, maturing in two hundred seventy 1326
days or less, provided that the total amount invested in bankers 1327
acceptances at any time shall not exceed ten per cent of the 1328
state's total average portfolio, as determined and calculated by 1329
the treasurer of state; 1330

(8) Certificates of deposit, savings accounts, or deposit 1331
accounts in eligible institutions applying for interim moneys as 1332
provided in section 135.08 of the Revised Code, including linked 1333
deposits as provided in sections 135.61 to 135.67 of the Revised 1334
Code, agricultural linked deposits as provided in sections 1335
135.71 to 135.76 of the Revised Code, business linked deposits 1336
as provided in sections 135.77 to 135.774 of the Revised Code, 1337
adoption linked deposits as provided in sections 135.79 to 1338
135.796 of the Revised Code, and housing linked deposits as 1339
provided in sections 135.81 to 135.87 of the Revised Code; 1340

(9) Negotiable certificates of deposit denominated in 1341
United States dollars issued by a nationally or state-chartered 1342
bank, a savings association or a federal association, a state or 1343
federal credit union, or a federally licensed or state-licensed 1344
branch of a foreign bank, which are rated in the two highest 1345
categories by two nationally recognized standard rating 1346
services, provided that the total amount invested under this 1347
section in negotiable certificates of deposit at any time shall 1348
not exceed twenty-five per cent of the state's total average 1349
portfolio, as determined and calculated by the treasurer of 1350

state. Interim funds invested in accordance with division (A) (9) 1351
of this section are not limited to institutions applying for 1352
interim moneys under section 135.08 of the Revised Code, nor are 1353
they subject to any pledging requirements described in sections 1354
135.18, 135.181, or 135.182 of the Revised Code. 1355

(10) The state treasurer's investment pool authorized 1356
under section 135.45 of the Revised Code; 1357

(11) Debt interests, other than commercial paper described 1358
in division (A) (6) of this section, rated in the three highest 1359
categories by two nationally recognized standard rating services 1360
and issued by entities that are organized under the laws of the 1361
United States or a state, or issued by foreign nations 1362
diplomatically recognized by the United States government, or 1363
any instrument based on, derived from, or related to such 1364
interests, provided that: 1365

(a) The investments in debt interests other than 1366
commercial paper, when added to the investment in written 1367
repurchase agreements for securities listed in division (A) (3) 1368
or (11) of this section, shall not exceed in the aggregate 1369
twenty-five per cent of the state's portfolio. 1370

(b) The investments in debt interests issued by foreign 1371
nations shall not exceed in the aggregate two per cent of the 1372
state's portfolio. 1373

The treasurer of state shall invest under division (A) (11) 1374
of this section in a debt interest issued by a foreign nation 1375
only if the debt interest is backed by the full faith and credit 1376
of that foreign nation, and provided that all interest and 1377
principal shall be denominated and payable in United States 1378
funds. 1379

(c) When added to the investment in commercial paper and negotiable certificates of deposit, the investments in the debt interests of a single issuer shall not exceed in the aggregate five per cent of the state's portfolio.

(d) For purposes of division (A)(11) of this section, a debt interest is rated in the three highest categories by two nationally recognized standard rating services if either the debt interest itself or the issuer of the debt interest is rated, or is implicitly rated, in the three highest categories by two nationally recognized standard rating services.

(e) For purposes of division (A)(11) of this section, the "state's portfolio" means the state's total average portfolio, as determined and calculated by the treasurer of state.

(12) No-load money market mutual funds rated in the highest category by one nationally recognized standard rating service or consisting exclusively of obligations described in division (A)(1), (2), or (6) of this section and repurchase agreements secured by such obligations;

(13) Obligations issued by, or on behalf of, an Ohio political subdivision under Chapter 133. of the Revised Code or Section 12 of Article XVIII, Ohio Constitution, and identified in an agreement described in division (G) of this section;

(14) Obligations issued by the state of Ohio, any political subdivision thereof, or by or on behalf of any nonprofit corporation or association doing business in this state rated in the four highest categories by at least one nationally recognized standard rating service and identified in an agreement described in division (K) of this section.

(B) ~~Whenever, during a period of designation~~ On or before

~~the tenth day of each month, the treasurer of state classifies~~ 1409
~~public moneys as interim moneys, the treasurer of state shall~~ 1410
~~notify the state board of deposit of such action. The~~ 1411
~~notification shall be given within thirty days after such~~ 1412
~~classification and, in that the following reports pertaining to~~ 1413
~~the immediately preceding month have been posted to the web site~~ 1414
~~maintained by the treasurer of state:~~ 1415

(1) The daily ledger report of state funds prepared in 1416
accordance with section 113.13 of the Revised Code; 1417

(2) The monthly portfolio report detailing the current 1418
inventory of all investments and deposits held within the 1419
classification of interim moneys; 1420

(3) The monthly activity report within the classification 1421
of interim moneys summarized by type of investment or deposit. 1422

In the event the state board of deposit does not concur in 1423
such classification or in the investments or deposits made under 1424
this section, the board may order the treasurer of state to sell 1425
or liquidate any of the investments or deposits, and any such 1426
order shall specifically describe the investments or deposits 1427
and fix the date upon which they are to be sold or liquidated. 1428
Investments or deposits so ordered to be sold or liquidated 1429
shall be sold or liquidated for cash by the treasurer of state 1430
on the date fixed in such order at the then current market 1431
price. Neither the treasurer of state nor the members of the 1432
state board of deposit shall be held accountable for any loss 1433
occasioned by sales or liquidations of investments or deposits 1434
at prices lower than their cost. Any loss or expense incurred in 1435
making these sales or liquidations is payable as other expenses 1436
of the treasurer's office. 1437

(C) If any securities or obligations invested in by the 1438
treasurer of state pursuant to this section are registrable 1439
either as to principal or interest, or both, such securities or 1440
obligations shall be registered in the name of the treasurer of 1441
state. 1442

(D) The treasurer of state is responsible for the 1443
safekeeping of all securities or obligations under this section. 1444
Any such securities or obligations may be deposited for 1445
safekeeping as provided in section 113.05 of the Revised Code. 1446

(E) Interest earned on any investments or deposits 1447
authorized by this section shall be collected by the treasurer 1448
of state and credited by the treasurer of state to the proper 1449
fund of the state. 1450

(F) Whenever investments or deposits acquired under this 1451
section mature and become due and payable, the treasurer of 1452
state shall present them for payment according to their tenor, 1453
and shall collect the moneys payable thereon. The moneys so 1454
collected shall be treated as public moneys subject to sections 1455
135.01 to 135.21 of the Revised Code. 1456

(G) The treasurer of state and any entity issuing 1457
obligations referred to in division (A)(13) of this section, 1458
which obligations mature within one year from the original date 1459
of issuance, may enter into an agreement providing for: 1460

(1) The purchase of those obligations by the treasurer of 1461
state on terms and subject to conditions set forth in the 1462
agreement; 1463

(2) The payment to the treasurer of state of a reasonable 1464
fee as consideration for the agreement of the treasurer of state 1465
to purchase those obligations; provided, however, that the 1466

treasurer of state shall not be authorized to enter into any 1467
such agreement with a board of education of a school district 1468
that has an outstanding obligation with respect to a loan 1469
received under authority of section 3313.483 of the Revised 1470
Code. 1471

(H) For purposes of division (G) of this section, a fee 1472
shall not be considered reasonable unless it is set to recover 1473
only the direct costs, a reasonable estimate of the indirect 1474
costs associated with the purchasing of obligations under 1475
division (G) of this section and any reselling of the 1476
obligations or any interest in the obligations, including 1477
interests in a fund comprised of the obligations, and the 1478
administration thereof. No money from the general revenue fund 1479
shall be used to subsidize the purchase or resale of these 1480
obligations. 1481

(I) All money collected by the treasurer of state from the 1482
fee imposed by division (G) of this section shall be deposited 1483
to the credit of the state political subdivision obligations 1484
fund, which is hereby created in the state treasury. Money 1485
credited to the fund shall be used solely to pay the treasurer 1486
of state's direct and indirect costs associated with purchasing 1487
and reselling obligations under division (G) of this section. 1488

(J) As used in this section, "political subdivision" means 1489
a county, township, municipal corporation, school district, or 1490
other body corporate and politic responsible for governmental 1491
activities in a geographic area smaller than that of the state. 1492

(K) (1) The treasurer of state and any entity issuing 1493
obligations referred to in division (A) (14) of this section, 1494
~~which obligations have a demand feature to tender the obligation~~ 1495
~~at par plus accrued interest~~ require a conditional liquidity 1496

requirement, may enter into an agreement providing for the 1497
following: 1498

(a) The purchase of the obligations by the treasurer of 1499
state on terms and subject to conditions set forth in the 1500
agreement; 1501

(b) Payment to the treasurer of state of a fee as 1502
consideration for the agreement of the treasurer of state to 1503
purchase the obligations. 1504

(2) The treasurer of state shall not enter into agreements 1505
under division (K) (1) of this section for obligations that, in 1506
the aggregate, exceed ten per cent of the state's total average 1507
portfolio, as determined and calculated by the treasurer of 1508
state. 1509

(3) For purposes of division (A) (14) of this section, an 1510
obligation is rated in the four highest categories by at least 1511
one nationally recognized standard rating service if either the 1512
debt interest itself or the obligor of the debt interest is 1513
rated in the four highest categories by at least one nationally 1514
recognized standard rating service. 1515

(4) All money collected by the treasurer of state from the 1516
fee imposed by division (K) of this section shall be deposited 1517
to the credit of the state securities tender program fund, which 1518
is hereby created in the state treasury. The amount of income 1519
from the state securities tender program credited to the state 1520
securities tender program fund shall not exceed one per cent of 1521
the average par value of obligations subject to agreements under 1522
division (K) (1) of this section. All other such income shall be 1523
credited to the general revenue fund. The treasurer of state may 1524
use the state securities tender program fund solely for 1525

operations of the office of the treasurer of state. 1526

(L) (1) The treasurer of state and a state university or 1527
college issuing obligations under section 3345.12 of the Revised 1528
Code may enter into an agreement providing for the following: 1529

(a) The purchase of those obligations by the treasurer of 1530
state pursuant to division (A) (3) (a) of this section on terms 1531
and subject to conditions set forth in the agreement; 1532

(b) The department of higher education to withhold, in the 1533
event the state university or college does not pay bond service 1534
charges on the obligations when due, appropriated funds 1535
allocated to the state university or college in an amount 1536
sufficient to pay bond service charges on the obligations, less 1537
any amounts deposited for that purpose under the bond 1538
proceedings. Upon the request of the treasurer of state, the 1539
department of higher education shall promptly pay to the 1540
treasurer of state the amounts withheld. 1541

(2) For purposes of division (L) (1) of this section, 1542
"obligations," "state university or college," "bond service 1543
charges," and "bond proceedings" have the same meanings as in 1544
section 3345.12 of the Revised Code. 1545

Sec. 135.15. Whenever the governing board, other than the 1546
state board of deposit, is of the opinion that the actual amount 1547
of active deposits is insufficient to meet the anticipated 1548
demands on such active deposits, it shall direct the treasurer 1549
to sell interim money investments or deposits or transfer from 1550
the inactive deposits to the active deposits an amount 1551
sufficient to meet such demands. The board shall designate in 1552
such order the depositories from which withdrawals for such 1553
purpose shall be made and the amounts to be withdrawn from each. 1554

The treasurer shall immediately give appropriate written notice 1555
of such withdrawal to each public depository affected thereby, 1556
and at the expiration of the period of such notice shall make 1557
such withdrawals by presentation of certificates of deposit, or 1558
otherwise, in such manner as the board provides by appropriate 1559
regulations. In case there are two or more public depositories 1560
subject to such withdrawal, the board shall make such 1561
withdrawals from the public depositories paying the lowest rates 1562
of interest and in proportional amounts as near as is 1563
practicable. 1564

Whenever the state board of deposit is of the opinion that 1565
the actual amount of active deposits is insufficient to meet the 1566
anticipated demands on such active deposits, it shall direct the 1567
treasurer of state to sell interim money investments or to 1568
redeem negotiated deposits in an amount sufficient to meet such 1569
demands. The treasurer of state shall use the treasurer of 1570
state's discretion in selecting the instruments to be sold or 1571
redeemed. 1572

Sec. 135.182. (A) As used in this section: 1573

(1) "Public depository" means that term as defined in 1574
section 135.01 of the Revised Code, but also means an 1575
institution that receives or holds any public deposits as 1576
defined in section 135.31 of the Revised Code. 1577

(2) "Public depositor" means that term as defined in 1578
section 135.01 of the Revised Code, but also includes a county 1579
and any municipal corporation that has adopted a charter under 1580
Article XVIII, Ohio Constitution. 1581

(3) "Public deposits," "public moneys," and "treasurer" 1582
mean those terms as defined in section 135.01 of the Revised 1583

Code, but also have the same meanings as are set forth in 1584
section 135.31 of the Revised Code, but for purposes of this 1585
section does not include the moneys of metropolitan housing 1586
authorities. 1587

(B) (1) Not later than July 1, 2017, the treasurer of state 1588
shall create the Ohio pooled collateral program. Under this 1589
program, each institution designated as a public depository that 1590
selects the pledging method prescribed in division (A) (2) of 1591
section 135.18 or division (A) (2) of section 135.37 of the 1592
Revised Code shall pledge to the treasurer of state a single 1593
pool of eligible securities for the benefit of all public 1594
depositories at the public depository to secure the repayment of 1595
all uninsured public deposits at the public depository, provided 1596
that at all times the total market value of the securities so 1597
pledged is at least equal to either of the following: 1598

(a) One hundred two per cent of the total amount of all 1599
uninsured public deposits; 1600

(b) An amount determined by rules adopted by the treasurer 1601
of state that set forth the criteria for determining the 1602
aggregate market value of the pool of eligible securities 1603
pledged by a public depository pursuant to division (B) of this 1604
section. Such criteria shall include, but are not limited to, 1605
prudent capital and liquidity management by the public 1606
depository and the safety and soundness of the public depository 1607
as determined by a third-party rating organization. 1608

(2) The treasurer of state shall monitor the eligibility, 1609
market value, and face value of the pooled securities pledged by 1610
the public depository. Each public depository shall carry in its 1611
accounting records at all times a general ledger or other 1612
appropriate account of the total amount of all public deposits 1613

to be secured by the pool, as determined at the opening of 1614
business each day, and the total market value of securities 1615
pledged to secure such deposits, and report such information to 1616
the treasurer of state in a manner and frequency as determined 1617
by the treasurer of state pursuant to rules adopted by the 1618
treasurer of state. A public depositor shall be responsible for 1619
periodically confirming the accuracy of its account balances 1620
with the treasurer of state; otherwise, the treasurer of state 1621
shall be the sole public depositor responsible for monitoring 1622
and ensuring the sufficiency of securities pledged under this 1623
section. 1624

(3) If, on any day, the total market value of the 1625
securities pledged by the public depository is less than that 1626
specified in division (B) (1) (a) or (b) of this section, 1627
whichever is applicable, the public depository shall have two 1628
business days to pledge additional eligible securities having a 1629
market value sufficient, when combined with the market value of 1630
eligible securities already pledged, to satisfy the requirement 1631
of division (B) (1) (a) or (b) of this section, as applicable, to 1632
secure the repayment of all uninsured public deposits at the 1633
public depository. 1634

(C) The public depository shall designate a qualified 1635
trustee approved by the treasurer of state and place with such 1636
trustee for safekeeping the eligible securities pledged pursuant 1637
to division (B) of this section. The trustee shall hold the 1638
eligible securities in an account indicating the treasurer of 1639
state's security interest in the eligible securities. The 1640
treasurer of state shall give written notice of the trustee to 1641
all public depositors for which such securities are pledged. The 1642
trustee shall report to the treasurer of state information 1643
relating to the securities pledged to secure such public 1644

deposits in a manner and frequency as determined by the 1645
treasurer of state. 1646

(D) In order for a public depository to receive public 1647
moneys under this section, the public depository and the 1648
treasurer of state shall first execute an agreement that sets 1649
forth the entire arrangement among the parties and that meets 1650
the requirements described in 12 U.S.C. 1823(e). In addition, 1651
the agreement shall authorize the treasurer of state to obtain 1652
control of the collateral pursuant to division (D) of section 1653
1308.24 of the Revised Code. 1654

(E) The securities or other obligations described in 1655
division (D) of section 135.18 of the Revised Code shall be 1656
eligible as collateral for the purposes of division (B) of this 1657
section, provided no such securities or obligations pledged as 1658
collateral are at any time in default as to either principal or 1659
interest. 1660

(F) Any federal reserve bank or branch thereof located in 1661
this state or federal home loan bank, without compliance with 1662
Chapter 1111. of the Revised Code and without becoming subject 1663
to any other law of this state relative to the exercise by 1664
corporations of trust powers generally, is qualified to act as 1665
trustee for the safekeeping of securities, under this section. 1666
Any institution mentioned in section 135.03 or 135.32 of the 1667
Revised Code that holds a certificate of qualification issued by 1668
the superintendent of financial institutions or any institution 1669
complying with sections 1111.04, 1111.05, and 1111.06 of the 1670
Revised Code is qualified to act as trustee for the safekeeping 1671
of securities under this section, other than those belonging to 1672
itself or to an affiliate as defined in section 1101.01 of the 1673
Revised Code. 1674

(G) The public depository may substitute, exchange, or 1675
release eligible securities deposited with the qualified trustee 1676
pursuant to this section, provided that such substitution, 1677
exchange, or release is effectuated pursuant to written 1678
authorization from the treasurer of state, and such action does 1679
not reduce the total market value of the securities to an amount 1680
that is less than the amount established pursuant to division 1681
(B) of this section. 1682

(H) Notwithstanding the fact that a public depository is 1683
required to pledge eligible securities in certain amounts to 1684
secure public deposits, a qualified trustee has no duty or 1685
obligation to determine the eligibility, market value, or face 1686
value of any securities deposited with the trustee by a public 1687
depository. This applies in all situations including, but not 1688
limited to, a substitution or exchange of securities, but 1689
excluding those situations effectuated by division (I) of this 1690
section in which the trustee is required to determine face and 1691
market value. 1692

(I) The qualified trustee shall enter into a custodial 1693
agreement with the treasurer of state and public depository in 1694
which the trustee agrees to comply with entitlement orders 1695
originated by the treasurer of state without further consent by 1696
the public depository or, in the case of collateral held by the 1697
public depository in an account at a federal reserve bank, the 1698
treasurer of state shall have the treasurer's security interest 1699
marked on the books of the federal reserve bank where the 1700
account for the collateral is maintained. If the public 1701
depository fails to pay over any part of the public deposits 1702
made therein as provided by law and secured pursuant to division 1703
(B) of this section, the treasurer of state shall give written 1704
notice of this failure to the qualified trustee holding the pool 1705

of securities pledged against the public deposits, and at the 1706
same time shall send a copy of this notice to the public 1707
depository. Upon receipt of this notice, the trustee shall 1708
transfer to the treasurer of state for sale, the pooled 1709
securities that are necessary to produce an amount equal to the 1710
public deposits made by the public depositor and not paid over, 1711
less the portion of the deposits covered by any federal deposit 1712
insurance, plus any accrued interest due on the deposits. The 1713
treasurer of state shall sell any of the bonds or other 1714
securities so transferred. When a sale of bonds or other 1715
securities has been so made and upon payment to the public 1716
depositor of the purchase money, the treasurer of state shall 1717
transfer such bonds or securities whereupon the absolute 1718
ownership of such bonds or securities shall pass to the 1719
purchasers. Any surplus after deducting the amount due to the 1720
public depositor and expenses of sale shall be paid to the 1721
public depository. 1722

(J) Any charges or compensation of a qualified trustee for 1723
acting as such under this section shall be paid by the public 1724
depository and in no event shall be chargeable to the public 1725
depositor or to any officer of the public depositor. The charges 1726
or compensation shall not be a lien or charge upon the 1727
securities deposited for safekeeping prior or superior to the 1728
rights to and interests in the securities of the public 1729
depositor. The treasurer and the treasurer's bonders or surety 1730
shall be relieved from any liability to the public depositor or 1731
to the public depository for the loss or destruction of any 1732
securities deposited with a qualified trustee pursuant to this 1733
section. 1734

(K) A public depositor, treasurer, or the public 1735
depositor's or treasurer's bonders or surety are not liable for 1736

the loss of funds if a public depository fails to comply with 1737
the terms set forth in the agreement provided for in division 1738
(D) of this section for the appropriate level of collateral, as 1739
required under division (B) (1) (a) or (b) of this section, to 1740
secure the public deposits made under that agreement. 1741

(L) (1) The following information is confidential and not a 1742
public record under section 149.43 of the Revised Code: 1743

(a) All reports or other information obtained or created 1744
about a public depository for purposes of division (B) (1) (b) of 1745
this section; 1746

(b) The identity of a public depositor's public 1747
depository; 1748

(c) The identity of a public depository's public 1749
depositories. 1750

(2) Nothing in this section prevents the treasurer of 1751
state from releasing or exchanging such confidential information 1752
as required by law or for the operation of the pooled collateral 1753
program. 1754

(M) The treasurer of state may impose reasonable fees, 1755
including late fees, upon public depositories participating in 1756
the pooled collateral program to defray the actual and necessary 1757
expenses incurred by the treasurer in connection with the 1758
program. All such fees collected by the treasurer shall be 1759
deposited into the state treasury to the credit of the 1760
administrative fund created in section 113.20 of the Revised 1761
Code. 1762

(N) The treasurer of state may adopt rules necessary for 1763
the implementation of this section and sections 135.18 and 1764
135.181 of the Revised Code. Such rules shall be adopted in 1765

accordance with Chapter 119. of the Revised Code. 1766

Sec. 135.47. (A) There is hereby created the securities 1767
~~nlending~~ lending program. 1768

(B) There is hereby created in the state treasury the 1769
securities lending program fund. Income from the interest 1770
earnings of the securities lending program in an amount 1771
calculated pursuant to division (D) of this section shall be 1772
credited to the fund. All other such income shall be credited to 1773
the general revenue fund. 1774

(C) The treasurer of state may use the securities lending 1775
program fund ~~solely~~ for operations of the office of the 1776
treasurer of state or may transfer unexpended amounts in the 1777
fund to the treasurer's information technology reserve fund 1778
created under section 113.22 of the Revised Code. 1779

(D) The amount of income from the interest earnings of the 1780
securities lending program that shall be paid into the 1781
securities lending program fund shall not exceed an amount based 1782
on an annual rate of one-quarter of one per cent of the total 1783
average daily par value of assets in the securities lending 1784
program, as determined and calculated by the treasurer of state. 1785
Such income shall be paid on a monthly basis. 1786

Sec. 169.053. (A) As used in this section, "state of Ohio 1787
coupon bond" means property, tangible or intangible, in the form 1788
of a coupon bond and its related interest coupons issued by this 1789
state prior to 1985 and to which all of the following apply: 1790

(1) It has matured, been called and defeased, or otherwise 1791
become due and payable. 1792

(2) Either the treasurer of state or the trustee bank is 1793
the paying agent. 1794

(3) The owner has neither registered the bond or interest coupon nor claimed the bond's principal or interest. 1795
1796

(B) Notwithstanding any provision of the Revised Code to the contrary, state of Ohio coupon bonds held by any person, business, or state or other government, political subdivision, agency, or instrumentality, and all proceeds thereof, shall be presumed abandoned in this state and constitute unclaimed funds under this chapter if both of the following apply: 1797
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1801
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(1) The owner of the state of Ohio coupon bond or interest coupon is unknown to the treasurer of state. 1803
1804

(2) The state of Ohio coupon bond's principal or interest has remained unclaimed and unredeemed for three years after final maturity, call date, interest payment date, or other payment date. 1805
1806
1807
1808

(C) State of Ohio coupon bonds that are presumed abandoned and constitute unclaimed funds under division (B) of this section, including bonds in the possession of the director of commerce, shall escheat to the state three years after becoming abandoned and unclaimed property. All property rights and legal title to and ownership of such bonds or interest coupons or proceeds from such bonds or interest coupons, including all rights, powers, and privileges of survivorship of any owner, co-owner, or beneficiary, shall vest solely in this state as provided in divisions (D) to (H) of this section. 1809
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(D) If, within one hundred eighty days after the three-year period prescribed under division (C) of this section, no claim has been filed under this chapter for the bond, the director shall commence a civil action in a court of competent jurisdiction for a determination that the bond escheats to the 1819
1820
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state. The director may postpone the commencement of an action 1824
until a sufficient number of bonds have accumulated in the 1825
director's custody to justify the expense of the proceedings. 1826

(E) Service by publication shall be made in accordance 1827
with Rule 4.4 of the Rules of Civil Procedure. 1828

(F) If no person files a claim or appears at the hearing 1829
to substantiate a claim or if the court determines that a 1830
claimant is not entitled to the property claimed, and if the 1831
court is satisfied by the evidence that the director has 1832
substantially complied with the laws of this state, the court 1833
shall enter a judgment that the bonds have escheated to the 1834
state and all property rights and legal title to and ownership 1835
of the bonds or the proceeds from the bonds, including all 1836
rights, powers, and privileges of survivorship of any owner, co- 1837
owner, or beneficiary, have vested solely in the state. 1838

(G) The director shall redeem the state of Ohio coupon 1839
bonds escheated to the state by judgment of the court. When the 1840
proceeds that have escheated have been recovered by the 1841
director, the director shall pay all costs incident to the 1842
collection and recovery of the proceeds from the redemption of 1843
the bonds and disburse the remaining balance of the proceeds in 1844
the manner provided under section 169.05 of the Revised Code for 1845
all other unclaimed funds. 1846

(H) Notwithstanding section 169.08 of the Revised Code, 1847
any person claiming a state of Ohio coupon bond that has 1848
escheated to the state under this section, or for the proceeds 1849
from the bond, may file a claim with the director. Upon 1850
providing sufficient proof of the validity of the person's 1851
claim, the director may, in the director's discretion, pay the 1852
claim less any expenses and costs incurred by the state in 1853

securing full title and ownership of the property by escheat. If 1854
payment has been made to a claimant, no action thereafter may be 1855
maintained by any other claimant against the state or any 1856
officer of the state, for or on account of the payment of the 1857
claim. 1858

Sec. 718.01. Any term used in this chapter that is not 1859
otherwise defined in this chapter has the same meaning as when 1860
used in a comparable context in laws of the United States 1861
relating to federal income taxation or in Title LVII of the 1862
Revised Code, unless a different meaning is clearly required. 1863
Except as provided in section 718.81 of the Revised Code, if a 1864
term used in this chapter that is not otherwise defined in this 1865
chapter is used in a comparable context in both the laws of the 1866
United States relating to federal income tax and in Title LVII 1867
of the Revised Code and the use is not consistent, then the use 1868
of the term in the laws of the United States relating to federal 1869
income tax shall control over the use of the term in Title LVII 1870
of the Revised Code. 1871

Except as otherwise provided in section 718.81 of the 1872
Revised Code, as used in this chapter: 1873

(A) (1) "Municipal taxable income" means the following: 1874

(a) For a person other than an individual, income 1875
apportioned or situated to the municipal corporation under 1876
section 718.02 of the Revised Code, as applicable, reduced by 1877
any pre-2017 net operating loss carryforward available to the 1878
person for the municipal corporation. 1879

(b) (i) For an individual who is a resident of a municipal 1880
corporation other than a qualified municipal corporation, income 1881
reduced by exempt income to the extent otherwise included in 1882

income, then reduced as provided in division (A) (2) of this 1883
section, and further reduced by any pre-2017 net operating loss 1884
carryforward available to the individual for the municipal 1885
corporation. 1886

(ii) For an individual who is a resident of a qualified 1887
municipal corporation, Ohio adjusted gross income reduced by 1888
income exempted, and increased by deductions excluded, by the 1889
qualified municipal corporation from the qualified municipal 1890
corporation's tax. If a qualified municipal corporation, on or 1891
before December 31, 2013, exempts income earned by individuals 1892
who are not residents of the qualified municipal corporation and 1893
net profit of persons that are not wholly located within the 1894
qualified municipal corporation, such individual or person shall 1895
have no municipal taxable income for the purposes of the tax 1896
levied by the qualified municipal corporation and may be 1897
exempted by the qualified municipal corporation from the 1898
requirements of section 718.03 of the Revised Code. 1899

(c) For an individual who is a nonresident of a municipal 1900
corporation, income reduced by exempt income to the extent 1901
otherwise included in income and then, as applicable, 1902
apportioned or situated to the municipal corporation under 1903
section 718.02 of the Revised Code, then reduced as provided in 1904
division (A) (2) of this section, and further reduced by any pre- 1905
2017 net operating loss carryforward available to the individual 1906
for the municipal corporation. 1907

(2) In computing the municipal taxable income of a 1908
taxpayer who is an individual, the taxpayer may subtract, as 1909
provided in division (A) (1) (b) (i) or (c) of this section, the 1910
amount of the individual's employee business expenses reported 1911
on the individual's form 2106 that the individual deducted for 1912

federal income tax purposes for the taxable year, subject to the 1913
limitation imposed by section 67 of the Internal Revenue Code. 1914
For the municipal corporation in which the taxpayer is a 1915
resident, the taxpayer may deduct all such expenses allowed for 1916
federal income tax purposes. For a municipal corporation in 1917
which the taxpayer is not a resident, the taxpayer may deduct 1918
such expenses only to the extent the expenses are related to the 1919
taxpayer's performance of personal services in that nonresident 1920
municipal corporation. 1921

(B) "Income" means the following: 1922

(1) (a) For residents, all income, salaries, qualifying 1923
wages, commissions, and other compensation from whatever source 1924
earned or received by the resident, including the resident's 1925
distributive share of the net profit of pass-through entities 1926
owned directly or indirectly by the resident and any net profit 1927
of the resident, except as provided in division (D) (5) of this 1928
section. 1929

(b) For the purposes of division (B) (1) (a) of this 1930
section: 1931

(i) Any net operating loss of the resident incurred in the 1932
taxable year and the resident's distributive share of any net 1933
operating loss generated in the same taxable year and 1934
attributable to the resident's ownership interest in a pass- 1935
through entity shall be allowed as a deduction, for that taxable 1936
year and the following five taxable years, against any other net 1937
profit of the resident or the resident's distributive share of 1938
any net profit attributable to the resident's ownership interest 1939
in a pass-through entity until fully utilized, subject to 1940
division (B) (1) (d) of this section; 1941

(ii) The resident's distributive share of the net profit 1942
of each pass-through entity owned directly or indirectly by the 1943
resident shall be calculated without regard to any net operating 1944
loss that is carried forward by that entity from a prior taxable 1945
year and applied to reduce the entity's net profit for the 1946
current taxable year. 1947

(c) Division (B) (1) (b) of this section does not apply with 1948
respect to any net profit or net operating loss attributable to 1949
an ownership interest in an S corporation unless shareholders' 1950
distributive shares of net profits from S corporations are 1951
subject to tax in the municipal corporation as provided in 1952
division (C) (14) (b) or (c) of this section. 1953

(d) Any amount of a net operating loss used to reduce a 1954
taxpayer's net profit for a taxable year shall reduce the amount 1955
of net operating loss that may be carried forward to any 1956
subsequent year for use by that taxpayer. In no event shall the 1957
cumulative deductions for all taxable years with respect to a 1958
taxpayer's net operating loss exceed the original amount of that 1959
net operating loss available to that taxpayer. 1960

(2) In the case of nonresidents, all income, salaries, 1961
qualifying wages, commissions, and other compensation from 1962
whatever source earned or received by the nonresident for work 1963
done, services performed or rendered, or activities conducted in 1964
the municipal corporation, including any net profit of the 1965
nonresident, but excluding the nonresident's distributive share 1966
of the net profit or loss of only pass-through entities owned 1967
directly or indirectly by the nonresident. 1968

(3) For taxpayers that are not individuals, net profit of 1969
the taxpayer; 1970

(4) Lottery, sweepstakes, gambling and sports winnings, 1971
winnings from games of chance, and prizes and awards. If the 1972
taxpayer is a professional gambler for federal income tax 1973
purposes, the taxpayer may deduct related wagering losses and 1974
expenses to the extent authorized under the Internal Revenue 1975
Code and claimed against such winnings. 1976

(C) "Exempt income" means all of the following: 1977

(1) The military pay or allowances of members of the armed 1978
forces of the United States or members of their reserve 1979
components, including the national guard of any state; 1980

(2) (a) Except as provided in division (C) (2) (b) of this 1981
section, intangible income; 1982

(b) A municipal corporation that taxed any type of 1983
intangible income on March 29, 1988, pursuant to Section 3 of 1984
S.B. 238 of the 116th general assembly, may continue to tax that 1985
type of income if a majority of the electors of the municipal 1986
corporation voting on the question of whether to permit the 1987
taxation of that type of intangible income after 1988 voted in 1988
favor thereof at an election held on November 8, 1988. 1989

(3) Social security benefits, railroad retirement 1990
benefits, unemployment compensation, pensions, retirement 1991
benefit payments, payments from annuities, and similar payments 1992
made to an employee or to the beneficiary of an employee under a 1993
retirement program or plan, disability payments received from 1994
private industry or local, state, or federal governments or from 1995
charitable, religious or educational organizations, and the 1996
proceeds of sickness, accident, or liability insurance policies. 1997
As used in division (C) (3) of this section, "unemployment 1998
compensation" does not include supplemental unemployment 1999

compensation described in section 3402(o)(2) of the Internal Revenue Code.	2000 2001
(4) The income of religious, fraternal, charitable, scientific, literary, or educational institutions to the extent such income is derived from tax-exempt real estate, tax-exempt tangible or intangible property, or tax-exempt activities.	2002 2003 2004 2005
(5) Compensation paid under section 3501.28 or 3501.36 of the Revised Code to a person serving as a precinct election official to the extent that such compensation does not exceed one thousand dollars for the taxable year. Such compensation in excess of one thousand dollars for the taxable year may be subject to taxation by a municipal corporation. A municipal corporation shall not require the payer of such compensation to withhold any tax from that compensation.	2006 2007 2008 2009 2010 2011 2012 2013
(6) Dues, contributions, and similar payments received by charitable, religious, educational, or literary organizations or labor unions, lodges, and similar organizations;	2014 2015 2016
(7) Alimony and child support received;	2017
(8) Compensation for personal injuries or for damages to property from insurance proceeds or otherwise, excluding compensation paid for lost salaries or wages or compensation from punitive damages;	2018 2019 2020 2021
(9) Income of a public utility when that public utility is subject to the tax levied under section 5727.24 or 5727.30 of the Revised Code. Division (C)(9) of this section does not apply for purposes of Chapter 5745. of the Revised Code.	2022 2023 2024 2025
(10) Gains from involuntary conversions, interest on federal obligations, items of income subject to a tax levied by the state and that a municipal corporation is specifically	2026 2027 2028

prohibited by law from taxing, and income of a decedent's estate 2029
during the period of administration except such income from the 2030
operation of a trade or business; 2031

(11) Compensation or allowances excluded from federal 2032
gross income under section 107 of the Internal Revenue Code; 2033

(12) Employee compensation that is not qualifying wages as 2034
defined in division (R) of this section; 2035

(13) Compensation paid to a person employed within the 2036
boundaries of a United States air force base under the 2037
jurisdiction of the United States air force that is used for the 2038
housing of members of the United States air force and is a 2039
center for air force operations, unless the person is subject to 2040
taxation because of residence or domicile. If the compensation 2041
is subject to taxation because of residence or domicile, tax on 2042
such income shall be payable only to the municipal corporation 2043
of residence or domicile. 2044

(14) (a) Except as provided in division (C) (14) (b) or (c) 2045
of this section, an S corporation shareholder's distributive 2046
share of net profits of the S corporation, other than any part 2047
of the distributive share of net profits that represents wages 2048
as defined in section 3121(a) of the Internal Revenue Code or 2049
net earnings from self-employment as defined in section 1402(a) 2050
of the Internal Revenue Code. 2051

(b) If, pursuant to division (H) of former section 718.01 2052
of the Revised Code as it existed before March 11, 2004, a 2053
majority of the electors of a municipal corporation voted in 2054
favor of the question at an election held on November 4, 2003, 2055
the municipal corporation may continue after 2002 to tax an S 2056
corporation shareholder's distributive share of net profits of 2057

an S corporation. 2058

(c) If, on December 6, 2002, a municipal corporation was 2059
imposing, assessing, and collecting a tax on an S corporation 2060
shareholder's distributive share of net profits of the S 2061
corporation to the extent the distributive share would be 2062
allocated or apportioned to this state under divisions (B) (1) 2063
and (2) of section 5733.05 of the Revised Code if the S 2064
corporation were a corporation subject to taxes imposed under 2065
Chapter 5733. of the Revised Code, the municipal corporation may 2066
continue to impose the tax on such distributive shares to the 2067
extent such shares would be so allocated or apportioned to this 2068
state only until December 31, 2004, unless a majority of the 2069
electors of the municipal corporation voting on the question of 2070
continuing to tax such shares after that date voted in favor of 2071
that question at an election held November 2, 2004. If a 2072
majority of those electors voted in favor of the question, the 2073
municipal corporation may continue after December 31, 2004, to 2074
impose the tax on such distributive shares only to the extent 2075
such shares would be so allocated or apportioned to this state. 2076

(d) A municipal corporation shall be deemed to have 2077
elected to tax S corporation shareholders' distributive shares 2078
of net profits of the S corporation in the hands of the 2079
shareholders if a majority of the electors of a municipal 2080
corporation voted in favor of a question at an election held 2081
under division (C) (14) (b) or (c) of this section. The municipal 2082
corporation shall specify by resolution or ordinance that the 2083
tax applies to the distributive share of a shareholder of an S 2084
corporation in the hands of the shareholder of the S 2085
corporation. 2086

(15) To the extent authorized under a resolution or 2087

ordinance adopted by a municipal corporation before January 1, 2088
2016, all or a portion of the income of individuals or a class 2089
of individuals under eighteen years of age. 2090

(16) (a) Except as provided in divisions (C) (16) (b), (c), 2091
and (d) of this section, qualifying wages described in division 2092
(B) (1) or (E) of section 718.011 of the Revised Code to the 2093
extent the qualifying wages are not subject to withholding for 2094
the municipal corporation under either of those divisions. 2095

(b) The exemption provided in division (C) (16) (a) of this 2096
section does not apply with respect to the municipal corporation 2097
in which the employee resided at the time the employee earned 2098
the qualifying wages. 2099

(c) The exemption provided in division (C) (16) (a) of this 2100
section does not apply to qualifying wages that an employer 2101
elects to withhold under division (D) (2) of section 718.011 of 2102
the Revised Code. 2103

(d) The exemption provided in division (C) (16) (a) of this 2104
section does not apply to qualifying wages if both of the 2105
following conditions apply: 2106

(i) For qualifying wages described in division (B) (1) of 2107
section 718.011 of the Revised Code, the employee's employer 2108
withholds and remits tax on the qualifying wages to the 2109
municipal corporation in which the employee's principal place of 2110
work is situated, or, for qualifying wages described in division 2111
(E) of section 718.011 of the Revised Code, the employee's 2112
employer withholds and remits tax on the qualifying wages to the 2113
municipal corporation in which the employer's fixed location is 2114
located; 2115

(ii) The employee receives a refund of the tax described 2116

in division (C) (16) (d) (i) of this section on the basis of the 2117
employee not performing services in that municipal corporation. 2118

(17) (a) Except as provided in division (C) (17) (b) or (c) 2119
of this section, compensation that is not qualifying wages paid 2120
to a nonresident individual for personal services performed in 2121
the municipal corporation on not more than twenty days in a 2122
taxable year. 2123

(b) The exemption provided in division (C) (17) (a) of this 2124
section does not apply under either of the following 2125
circumstances: 2126

(i) The individual's base of operation is located in the 2127
municipal corporation. 2128

(ii) The individual is a professional athlete, 2129
professional entertainer, or public figure, and the compensation 2130
is paid for the performance of services in the individual's 2131
capacity as a professional athlete, professional entertainer, or 2132
public figure. For purposes of division (C) (17) (b) (ii) of this 2133
section, "professional athlete," "professional entertainer," and 2134
"public figure" have the same meanings as in section 718.011 of 2135
the Revised Code. 2136

(c) Compensation to which division (C) (17) of this section 2137
applies shall be treated as earned or received at the 2138
individual's base of operation. If the individual does not have 2139
a base of operation, the compensation shall be treated as earned 2140
or received where the individual is domiciled. 2141

(d) For purposes of division (C) (17) of this section, 2142
"base of operation" means the location where an individual owns 2143
or rents an office, storefront, or similar facility to which the 2144
individual regularly reports and at which the individual 2145

regularly performs personal services for compensation. 2146

(18) Compensation paid to a person for personal services 2147
performed for a political subdivision on property owned by the 2148
political subdivision, regardless of whether the compensation is 2149
received by an employee of the subdivision or another person 2150
performing services for the subdivision under a contract with 2151
the subdivision, if the property on which services are performed 2152
is annexed to a municipal corporation pursuant to section 2153
709.023 of the Revised Code on or after March 27, 2013, unless 2154
the person is subject to such taxation because of residence. If 2155
the compensation is subject to taxation because of residence, 2156
municipal income tax shall be payable only to the municipal 2157
corporation of residence. 2158

(19) In the case of a tax administered, collected, and 2159
enforced by a municipal corporation pursuant to an agreement 2160
with the board of directors of a joint economic development 2161
district under section 715.72 of the Revised Code, the net 2162
profits of a business, and the income of the employees of that 2163
business, exempted from the tax under division (Q) of that 2164
section. 2165

(20) All of the following: 2166

(a) Income derived from disaster work conducted in this 2167
state by an out-of-state disaster business during a disaster 2168
response period pursuant to a qualifying solicitation received 2169
by the business; 2170

(b) Income of a qualifying employee described in division 2171
(A) (14) (a) of section 5703.94 of the Revised Code, to the extent 2172
such income is derived from disaster work conducted in this 2173
state by the employee during a disaster response period pursuant 2174

to a qualifying solicitation received by the employee's 2175
employer; 2176

(c) Income of a qualifying employee described in division 2177
(A) (14) (b) of section 5703.94 of the Revised Code, to the extent 2178
such income is derived from disaster work conducted in this 2179
state by the employee during a disaster response period on 2180
critical infrastructure owned or used by the employee's 2181
employer. 2182

(21) Income the taxation of which is prohibited by the 2183
constitution or laws of the United States. 2184

Any item of income that is exempt income of a pass-through 2185
entity under division (C) of this section is exempt income of 2186
each owner of the pass-through entity to the extent of that 2187
owner's distributive or proportionate share of that item of the 2188
entity's income. 2189

(D) (1) "Net profit" for a person who is an individual 2190
means the individual's net profit required to be reported on 2191
schedule C, schedule E, or schedule F reduced by any net 2192
operating loss carried forward. For the purposes of division (D) 2193
(1) of this section, the net operating loss carried forward 2194
shall be calculated and deducted in the same manner as provided 2195
in division (D) (3) of this section. 2196

(2) "Net profit" for a person other than an individual 2197
means adjusted federal taxable income reduced by any net 2198
operating loss incurred by the person in a taxable year 2199
beginning on or after January 1, 2017, subject to the 2200
limitations of division (D) (3) of this section. 2201

(3) (a) The amount of such net operating loss shall be 2202
deducted from net profit to the extent necessary to reduce 2203

municipal taxable income to zero, with any remaining unused 2204
portion of the net operating loss carried forward to not more 2205
than five consecutive taxable years following the taxable year 2206
in which the loss was incurred, but in no case for more years 2207
than necessary for the deduction to be fully utilized. 2208

(b) No person shall use the deduction allowed by division 2209
(D) (3) of this section to offset qualifying wages. 2210

(c) (i) For taxable years beginning in 2018, 2019, 2020, 2211
2021, or 2022, a person may not deduct, for purposes of an 2212
income tax levied by a municipal corporation that levies an 2213
income tax before January 1, 2016, more than fifty per cent of 2214
the amount of the deduction otherwise allowed by division (D) (3) 2215
of this section. 2216

(ii) For taxable years beginning in 2023 or thereafter, a 2217
person may deduct, for purposes of an income tax levied by a 2218
municipal corporation that levies an income tax before January 2219
1, 2016, the full amount allowed by division (D) (3) of this 2220
section without regard to the limitation of division (D) (3) (b) 2221
(i) of this section. 2222

(d) Any pre-2017 net operating loss carryforward deduction 2223
that is available may be utilized before a taxpayer may deduct 2224
any amount pursuant to division (D) (3) of this section. 2225

(e) Nothing in division (D) (3) (c) (i) of this section 2226
precludes a person from carrying forward, for use with respect 2227
to any return filed for a taxable year beginning after 2018, any 2228
amount of net operating loss that was not fully utilized by 2229
operation of division (D) (3) (c) (i) of this section. To the 2230
extent that an amount of net operating loss that was not fully 2231
utilized in one or more taxable years by operation of division 2232

(D) (3) (c) (i) of this section is carried forward for use with 2233
respect to a return filed for a taxable year beginning in 2019, 2234
2020, 2021, or 2022, the limitation described in division (D) (3) 2235
(c) (i) of this section shall apply to the amount carried 2236
forward. 2237

(4) For the purposes of this chapter, and notwithstanding 2238
division (D) (2) of this section, net profit of a disregarded 2239
entity shall not be taxable as against that disregarded entity, 2240
but shall instead be included in the net profit of the owner of 2241
the disregarded entity. 2242

(5) For the purposes of this chapter, and notwithstanding 2243
any other provision of this chapter, the net profit of a 2244
publicly traded partnership that makes the election described in 2245
division (D) (5) of this section shall be taxed as if the 2246
partnership were a C corporation, and shall not be treated as 2247
the net profit or income of any owner of the partnership. 2248

A publicly traded partnership that is treated as a 2249
partnership for federal income tax purposes and that is subject 2250
to tax on its net profits in one or more municipal corporations 2251
in this state may elect to be treated as a C corporation for 2252
municipal income tax purposes. The publicly traded partnership 2253
shall make the election in every municipal corporation in which 2254
the partnership is subject to taxation on its net profits. The 2255
election shall be made on the annual tax return filed in each 2256
such municipal corporation. The publicly traded partnership 2257
shall not be required to file the election with any municipal 2258
corporation in which the partnership is not subject to taxation 2259
on its net profits, but division (D) (5) of this section applies 2260
to all municipal corporations in which an individual owner of 2261
the partnership resides. 2262

(E) "Adjusted federal taxable income," for a person 2263
required to file as a C corporation, or for a person that has 2264
elected to be taxed as a C corporation under division (D) (5) of 2265
this section, means a C corporation's federal taxable income 2266
before net operating losses and special deductions as determined 2267
under the Internal Revenue Code, adjusted as follows: 2268

(1) Deduct intangible income to the extent included in 2269
federal taxable income. The deduction shall be allowed 2270
regardless of whether the intangible income relates to assets 2271
used in a trade or business or assets held for the production of 2272
income. 2273

(2) Add an amount equal to five per cent of intangible 2274
income deducted under division (E) (1) of this section, but 2275
excluding that portion of intangible income directly related to 2276
the sale, exchange, or other disposition of property described 2277
in section 1221 of the Internal Revenue Code; 2278

(3) Add any losses allowed as a deduction in the 2279
computation of federal taxable income if the losses directly 2280
relate to the sale, exchange, or other disposition of an asset 2281
described in section 1221 or 1231 of the Internal Revenue Code; 2282

(4) (a) Except as provided in division (E) (4) (b) of this 2283
section, deduct income and gain included in federal taxable 2284
income to the extent the income and gain directly relate to the 2285
sale, exchange, or other disposition of an asset described in 2286
section 1221 or 1231 of the Internal Revenue Code; 2287

(b) Division (E) (4) (a) of this section does not apply to 2288
the extent the income or gain is income or gain described in 2289
section 1245 or 1250 of the Internal Revenue Code. 2290

(5) Add taxes on or measured by net income allowed as a 2291

deduction in the computation of federal taxable income;	2292
(6) In the case of a real estate investment trust or	2293
regulated investment company, add all amounts with respect to	2294
dividends to, distributions to, or amounts set aside for or	2295
credited to the benefit of investors and allowed as a deduction	2296
in the computation of federal taxable income;	2297
(7) Deduct, to the extent not otherwise deducted or	2298
excluded in computing federal taxable income, any income derived	2299
from a transfer agreement or from the enterprise transferred	2300
under that agreement under section 4313.02 of the Revised Code;	2301
(8) Deduct exempt income to the extent not otherwise	2302
deducted or excluded in computing adjusted federal taxable	2303
income.	2304
(9) Deduct any net profit of a pass-through entity owned	2305
directly or indirectly by the taxpayer and included in the	2306
taxpayer's federal taxable income unless an affiliated group of	2307
corporations includes that net profit in the group's federal	2308
taxable income in accordance with division (E) (3) (b) of section	2309
718.06 of the Revised Code.	2310
(10) Add any loss incurred by a pass-through entity owned	2311
directly or indirectly by the taxpayer and included in the	2312
taxpayer's federal taxable income unless an affiliated group of	2313
corporations includes that loss in the group's federal taxable	2314
income in accordance with division (E) (3) (b) of section 718.06	2315
of the Revised Code.	2316
If the taxpayer is not a C corporation, is not a	2317
disregarded entity that has made the election described in	2318
division (L) (2) of this section, is not a publicly traded	2319
partnership that has made the election described in division (D)	2320

(5) of this section, and is not an individual, the taxpayer 2321
shall compute adjusted federal taxable income under this section 2322
as if the taxpayer were a C corporation, except guaranteed 2323
payments and other similar amounts paid or accrued to a partner, 2324
former partner, shareholder, former shareholder, member, or 2325
former member shall not be allowed as a deductible expense 2326
unless such payments are a pension or retirement benefit payment 2327
paid to a retired partner, retired shareholder, or retired 2328
member or are in consideration for the use of capital and 2329
treated as payment of interest under section 469 of the Internal 2330
Revenue Code or United States treasury regulations. Amounts paid 2331
or accrued to a qualified self-employed retirement plan with 2332
respect to a partner, former partner, shareholder, former 2333
shareholder, member, or former member of the taxpayer, amounts 2334
paid or accrued to or for health insurance for a partner, former 2335
partner, shareholder, former shareholder, member, or former 2336
member, and amounts paid or accrued to or for life insurance for 2337
a partner, former partner, shareholder, former shareholder, 2338
member, or former member shall not be allowed as a deduction. 2339

Nothing in division (E) of this section shall be construed 2340
as allowing the taxpayer to add or deduct any amount more than 2341
once or shall be construed as allowing any taxpayer to deduct 2342
any amount paid to or accrued for purposes of federal self- 2343
employment tax. 2344

(F) "Schedule C" means internal revenue service schedule C 2345
(form 1040) filed by a taxpayer pursuant to the Internal Revenue 2346
Code. 2347

(G) "Schedule E" means internal revenue service schedule E 2348
(form 1040) filed by a taxpayer pursuant to the Internal Revenue 2349
Code. 2350

(H) "Schedule F" means internal revenue service schedule F 2351
(form 1040) filed by a taxpayer pursuant to the Internal Revenue 2352
Code. 2353

(I) "Internal Revenue Code" has the same meaning as in 2354
section 5747.01 of the Revised Code. 2355

(J) "Resident" means an individual who is domiciled in the 2356
municipal corporation as determined under section 718.012 of the 2357
Revised Code. 2358

(K) "Nonresident" means an individual that is not a 2359
resident. 2360

(L) (1) "Taxpayer" means a person subject to a tax levied 2361
on income by a municipal corporation in accordance with this 2362
chapter. "Taxpayer" does not include a grantor trust or, except 2363
as provided in division (L) (2) (a) of this section, a disregarded 2364
entity. 2365

(2) (a) A single member limited liability company that is a 2366
disregarded entity for federal tax purposes may be a separate 2367
taxpayer from its single member in all Ohio municipal 2368
corporations in which it either filed as a separate taxpayer or 2369
did not file for its taxable year ending in 2003, if all of the 2370
following conditions are met: 2371

(i) The limited liability company's single member is also 2372
a limited liability company. 2373

(ii) The limited liability company and its single member 2374
were formed and doing business in one or more Ohio municipal 2375
corporations for at least five years before January 1, 2004. 2376

(iii) Not later than December 31, 2004, the limited 2377
liability company and its single member each made an election to 2378

be treated as a separate taxpayer under division (L) of this 2379
section as this section existed on December 31, 2004. 2380

(iv) The limited liability company was not formed for the 2381
purpose of evading or reducing Ohio municipal corporation income 2382
tax liability of the limited liability company or its single 2383
member. 2384

(v) The Ohio municipal corporation that was the primary 2385
place of business of the sole member of the limited liability 2386
company consented to the election. 2387

(b) For purposes of division (L) (2) (a) (v) of this section, 2388
a municipal corporation was the primary place of business of a 2389
limited liability company if, for the limited liability 2390
company's taxable year ending in 2003, its income tax liability 2391
was greater in that municipal corporation than in any other 2392
municipal corporation in Ohio, and that tax liability to that 2393
municipal corporation for its taxable year ending in 2003 was at 2394
least four hundred thousand dollars. 2395

(M) "Person" includes individuals, firms, companies, joint 2396
stock companies, business trusts, estates, trusts, partnerships, 2397
limited liability partnerships, limited liability companies, 2398
associations, C corporations, S corporations, governmental 2399
entities, and any other entity. 2400

(N) "Pass-through entity" means a partnership not treated 2401
as an association taxable as a C corporation for federal income 2402
tax purposes, a limited liability company not treated as an 2403
association taxable as a C corporation for federal income tax 2404
purposes, an S corporation, or any other class of entity from 2405
which the income or profits of the entity are given pass-through 2406
treatment for federal income tax purposes. "Pass-through entity" 2407

does not include a trust, estate, grantor of a grantor trust, or 2408
disregarded entity. 2409

(O) "S corporation" means a person that has made an 2410
election under subchapter S of Chapter 1 of Subtitle A of the 2411
Internal Revenue Code for its taxable year. 2412

(P) "Single member limited liability company" means a 2413
limited liability company that has one direct member. 2414

(Q) "Limited liability company" means a limited liability 2415
company formed under former Chapter 1705. ~~or of the Revised Code~~ 2416
as that chapter existed prior to February 11, 2022, Chapter 2417
1706. of the Revised Code, ~~or under~~ the laws of another state. 2418

(R) "Qualifying wages" means wages, as defined in section 2419
3121(a) of the Internal Revenue Code, without regard to any wage 2420
limitations, adjusted as follows: 2421

(1) Deduct the following amounts: 2422

(a) Any amount included in wages if the amount constitutes 2423
compensation attributable to a plan or program described in 2424
section 125 of the Internal Revenue Code. 2425

(b) Any amount included in wages if the amount constitutes 2426
payment on account of a disability related to sickness or an 2427
accident paid by a party unrelated to the employer, agent of an 2428
employer, or other payer. 2429

(c) Any amount attributable to a nonqualified deferred 2430
compensation plan or program described in section 3121(v) (2) (C) 2431
of the Internal Revenue Code if the compensation is included in 2432
wages and the municipal corporation has, by resolution or 2433
ordinance adopted before January 1, 2016, exempted the amount 2434
from withholding and tax. 2435

(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.	2436 2437 2438 2439 2440 2441 2442
(e) Any amount included in wages that is exempt income.	2443
(2) Add the following amounts:	2444
(a) Any amount not included in wages solely because the employee was employed by the employer before April 1, 1986.	2445 2446
(b) Any amount not included in wages because 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 not, by resolution or ordinance, exempted the amount from withholding and tax adopted before January 1, 2016. Division (R) (2) (b) of this section applies only to those amounts constituting ordinary income.	2447 2448 2449 2450 2451 2452 2453 2454
(c) Any amount not included in wages if the amount is an amount described in section 401(k), 403(b), or 457 of the Internal Revenue Code. Division (R) (2) (c) of this section applies only to employee contributions and employee deferrals.	2455 2456 2457 2458
(d) Any amount that is supplemental unemployment compensation benefits described in section 3402(o) (2) of the Internal Revenue Code and not included in wages.	2459 2460 2461
(e) Any amount received that is treated as self-employment income for federal tax purposes in accordance with section 1402(a) (8) of the Internal Revenue Code.	2462 2463 2464

(f) Any amount not included in wages if all of the 2465
following apply: 2466

(i) For the taxable year the amount is employee 2467
compensation that is earned outside of the United States and 2468
that either is included in the taxpayer's gross income for 2469
federal income tax purposes or would have been included in the 2470
taxpayer's gross income for such purposes if the taxpayer did 2471
not elect to exclude the income under section 911 of the 2472
Internal Revenue Code; 2473

(ii) For no preceding taxable year did the amount 2474
constitute wages as defined in section 3121(a) of the Internal 2475
Revenue Code; 2476

(iii) For no succeeding taxable year will the amount 2477
constitute wages; and 2478

(iv) For any taxable year the amount has not otherwise 2479
been added to wages pursuant to either division (R) (2) of this 2480
section or section 718.03 of the Revised Code, as that section 2481
existed before the effective date of H.B. 5 of the 130th general 2482
assembly, March 23, 2015. 2483

(S) "Intangible income" means income of any of the 2484
following types: income yield, interest, capital gains, 2485
dividends, or other income arising from the ownership, sale, 2486
exchange, or other disposition of intangible property including, 2487
but not limited to, investments, deposits, money, or credits as 2488
those terms are defined in Chapter 5701. of the Revised Code, 2489
and patents, copyrights, trademarks, tradenames, investments in 2490
real estate investment trusts, investments in regulated 2491
investment companies, and appreciation on deferred compensation. 2492
"Intangible income" does not include prizes, awards, or other 2493

income associated with any lottery winnings, gambling winnings, or other similar games of chance.	2494 2495
(T) "Taxable year" means the corresponding tax reporting period as prescribed for the taxpayer under the Internal Revenue Code.	2496 2497 2498
(U) (1) "Tax administrator" means, subject to division (U) (2) of this section, the individual charged with direct responsibility for administration of an income tax levied by a municipal corporation in accordance with this chapter, and also includes the following:	2499 2500 2501 2502 2503
(a) A municipal corporation acting as the agent of another municipal corporation;	2504 2505
(b) A person retained by a municipal corporation to administer a tax levied by the municipal corporation, but only if the municipal corporation does not compensate the person in whole or in part on a contingency basis;	2506 2507 2508 2509
(c) The central collection agency or the regional income tax agency or their successors in interest, or another entity organized to perform functions similar to those performed by the central collection agency and the regional income tax agency.	2510 2511 2512 2513
(2) "Tax administrator" does not include the tax commissioner.	2514 2515
(3) A private individual or entity serving in any position described in division (U) (1) (b) or (c) of this section shall have no access to criminal history record information.	2516 2517 2518
(V) "Employer" means a person that is an employer for federal income tax purposes.	2519 2520
(W) "Employee" means an individual who is an employee for	2521

federal income tax purposes.	2522
(X) "Other payer" means any person, other than an individual's employer or the employer's agent, that pays an individual any amount included in the federal gross income of the individual. "Other payer" includes casino operators and video lottery terminal sales agents.	2523 2524 2525 2526 2527
(Y) "Calendar quarter" means the three-month period ending on the last day of March, June, September, or December.	2528 2529
(Z) "Form 2106" means internal revenue service form 2106 filed by a taxpayer pursuant to the Internal Revenue Code.	2530 2531
(AA) "Municipal corporation" includes a joint economic development district or joint economic development zone that levies an income tax under section 715.691, 715.70, 715.71, or 715.72 of the Revised Code.	2532 2533 2534 2535
(BB) "Disregarded entity" means a single member limited liability company, a qualifying subchapter S subsidiary, or another entity if the company, subsidiary, or entity is a disregarded entity for federal income tax purposes.	2536 2537 2538 2539
(CC) "Generic form" means an electronic or paper form that is not prescribed by a particular municipal corporation and that is designed for reporting taxes withheld by an employer, agent of an employer, or other payer, estimated municipal income taxes, or annual municipal income tax liability or for filing a refund claim.	2540 2541 2542 2543 2544 2545
(DD) "Tax return preparer" means any individual described in section 7701(a)(36) of the Internal Revenue Code and 26 C.F.R. 301.7701-15.	2546 2547 2548
(EE) "Ohio business gateway" means the online computer	2549

network system⁷ created under section 125.30 of the Revised 2550
Code, ~~that allows persons to electronically file business reply~~ 2551
~~forms with state agencies and includes~~ or any successor 2552
electronic filing and payment system. 2553

(FF) "Local board of tax review" and "board of tax review" 2554
mean the entity created under section 718.11 of the Revised 2555
Code. 2556

(GG) "Net operating loss" means a loss incurred by a 2557
person in the operation of a trade or business. "Net operating 2558
loss" does not include unutilized losses resulting from basis 2559
limitations, at-risk limitations, or passive activity loss 2560
limitations. 2561

(HH) "Casino operator" and "casino facility" have the same 2562
meanings as in section 3772.01 of the Revised Code. 2563

(II) "Video lottery terminal" has the same meaning as in 2564
section 3770.21 of the Revised Code. 2565

(JJ) "Video lottery terminal sales agent" means a lottery 2566
sales agent licensed under Chapter 3770. of the Revised Code to 2567
conduct video lottery terminals on behalf of the state pursuant 2568
to section 3770.21 of the Revised Code. 2569

(KK) "Postal service" means the United States postal 2570
service. 2571

(LL) "Certified mail," "express mail," "United States 2572
mail," "postal service," and similar terms include any delivery 2573
service authorized pursuant to section 5703.056 of the Revised 2574
Code. 2575

(MM) "Postmark date," "date of postmark," and similar 2576
terms include the date recorded and marked in the manner 2577

described in division (B) (3) of section 5703.056 of the Revised Code. 2578
2579

(NN) "Related member" means a person that, with respect to 2580
the taxpayer during all or any portion of the taxable year, is 2581
either a related entity, a component member as defined in 2582
section 1563(b) of the Internal Revenue Code, or a person to or 2583
from whom there is attribution of stock ownership in accordance 2584
with section 1563(e) of the Internal Revenue Code except, for 2585
purposes of determining whether a person is a related member 2586
under this division, "twenty per cent" shall be substituted for 2587
"5 percent" wherever "5 percent" appears in section 1563(e) of 2588
the Internal Revenue Code. 2589

(OO) "Related entity" means any of the following: 2590

(1) An individual stockholder, or a member of the 2591
stockholder's family enumerated in section 318 of the Internal 2592
Revenue Code, if the stockholder and the members of the 2593
stockholder's family own directly, indirectly, beneficially, or 2594
constructively, in the aggregate, at least fifty per cent of the 2595
value of the taxpayer's outstanding stock; 2596

(2) A stockholder, or a stockholder's partnership, estate, 2597
trust, or corporation, if the stockholder and the stockholder's 2598
partnerships, estates, trusts, or corporations own directly, 2599
indirectly, beneficially, or constructively, in the aggregate, 2600
at least fifty per cent of the value of the taxpayer's 2601
outstanding stock; 2602

(3) A corporation, or a party related to the corporation 2603
in a manner that would require an attribution of stock from the 2604
corporation to the party or from the party to the corporation 2605
under division (OO) (4) of this section, provided the taxpayer 2606

owns directly, indirectly, beneficially, or constructively, at 2607
least fifty per cent of the value of the corporation's 2608
outstanding stock; 2609

(4) The attribution rules described in section 318 of the 2610
Internal Revenue Code apply for the purpose of determining 2611
whether the ownership requirements in divisions (OO) (1) to (3) 2612
of this section have been met. 2613

(PP) (1) "Assessment" means a written finding by the tax 2614
administrator that a person has underpaid municipal income tax, 2615
or owes penalty and interest, or any combination of tax, 2616
penalty, or interest, to the municipal corporation that 2617
commences the person's time limitation for making an appeal to 2618
the local board of tax review pursuant to section 718.11 of the 2619
Revised Code, and has "ASSESSMENT" written in all capital 2620
letters at the top of such finding. 2621

(2) "Assessment" does not include an informal notice 2622
denying a request for refund issued under division (B) (3) of 2623
section 718.19 of the Revised Code, a billing statement 2624
notifying a taxpayer of current or past-due balances owed to the 2625
municipal corporation, a tax administrator's request for 2626
additional information, a notification to the taxpayer of 2627
mathematical errors, or a tax administrator's other written 2628
correspondence to a person or taxpayer that does not meet the 2629
criteria prescribed by division (PP) (1) of this section. 2630

(QQ) "Taxpayers' rights and responsibilities" means the 2631
rights provided to taxpayers in sections 718.11, 718.12, 718.19, 2632
718.23, 718.36, 718.37, 718.38, 5717.011, and 5717.03 of the 2633
Revised Code and the responsibilities of taxpayers to file, 2634
report, withhold, remit, and pay municipal income tax and 2635
otherwise comply with Chapter 718. of the Revised Code and 2636

resolutions, ordinances, and rules adopted by a municipal 2637
corporation for the imposition and administration of a municipal 2638
income tax. 2639

(RR) "Qualified municipal corporation" means a municipal 2640
corporation that, by resolution or ordinance adopted on or 2641
before December 31, 2011, adopted Ohio adjusted gross income, as 2642
defined by section 5747.01 of the Revised Code, as the income 2643
subject to tax for the purposes of imposing a municipal income 2644
tax. 2645

(SS) (1) "Pre-2017 net operating loss carryforward" means 2646
any net operating loss incurred in a taxable year beginning 2647
before January 1, 2017, to the extent such loss was permitted, 2648
by a resolution or ordinance of the municipal corporation that 2649
was adopted by the municipal corporation before January 1, 2016, 2650
to be carried forward and utilized to offset income or net 2651
profit generated in such municipal corporation in future taxable 2652
years. 2653

(2) For the purpose of calculating municipal taxable 2654
income, any pre-2017 net operating loss carryforward may be 2655
carried forward to any taxable year, including taxable years 2656
beginning in 2017 or thereafter, for the number of taxable years 2657
provided in the resolution or ordinance or until fully utilized, 2658
whichever is earlier. 2659

(TT) "Small employer" means any employer that had total 2660
revenue of less than five hundred thousand dollars during the 2661
preceding taxable year. For purposes of this division, "total 2662
revenue" means receipts of any type or kind, including, but not 2663
limited to, sales receipts; payments; rents; profits; gains, 2664
dividends, and other investment income; compensation; 2665
commissions; premiums; money; property; grants; contributions; 2666

donations; gifts; program service revenue; patient service 2667
revenue; premiums; fees, including premium fees and service 2668
fees; tuition payments; unrelated business revenue; 2669
reimbursements; any type of payment from a governmental unit, 2670
including grants and other allocations; and any other similar 2671
receipts reported for federal income tax purposes or under 2672
generally accepted accounting principles. "Small employer" does 2673
not include the federal government; any state government, 2674
including any state agency or instrumentality; any political 2675
subdivision; or any entity treated as a government for financial 2676
accounting and reporting purposes. 2677

(UU) "Audit" means the examination of a person or the 2678
inspection of the books, records, memoranda, or accounts of a 2679
person for the purpose of determining liability for a municipal 2680
income tax. 2681

(VV) "Publicly traded partnership" means any partnership, 2682
an interest in which is regularly traded on an established 2683
securities market. A "publicly traded partnership" may have any 2684
number of partners. 2685

(WW) "Tax commissioner" means the tax commissioner 2686
appointed under section 121.03 of the Revised Code. 2687

(XX) "Out-of-state disaster business," "qualifying 2688
solicitation," "qualifying employee," "disaster work," "critical 2689
infrastructure," and "disaster response period" have the same 2690
meanings as in section 5703.94 of the Revised Code. 2691

(YY) "Pension" means a retirement benefit plan, regardless 2692
of whether the plan satisfies the qualifications described under 2693
section 401(a) of the Internal Revenue Code, including amounts 2694
that are taxable under the "Federal Insurance Contributions 2695

Act," Chapter 21 of the Internal Revenue Code, excluding 2696
employee contributions and elective deferrals, and regardless of 2697
whether such amounts are paid in the same taxable year in which 2698
the amounts are included in the employee's wages, as defined by 2699
section 3121(a) of the Internal Revenue Code. 2700

(ZZ) "Retirement benefit plan" means an arrangement 2701
whereby an entity provides benefits to individuals either on or 2702
after their termination of service because of retirement or 2703
disability. "Retirement benefit plan" does not include wage 2704
continuation payments, severance payments, or payments made for 2705
accrued personal or vacation time. 2706

Sec. 1111.04. (A) Prior to soliciting or engaging in trust 2707
business in this state, a trust company shall pledge to the 2708
~~treasurer of state~~ superintendent of financial institutions 2709
interest bearing securities authorized in division (B) of this 2710
section, having a par value, not including unaccrued interest, 2711
of one hundred thousand dollars, and approved by the 2712
~~superintendent of financial institutions~~. The trust company may 2713
pledge the securities either by delivery to the ~~treasurer of~~ 2714
~~state~~ superintendent or by placing the securities with a 2715
qualified trustee for safekeeping to the account of the 2716
~~treasurer of state~~ superintendent of financial institutions, the 2717
corporate fiduciary, and any other person having an interest in 2718
the securities under Chapter 1109. of the Revised Code, as their 2719
respective interests may appear and be asserted by written 2720
notice to or demand upon the qualified trustee or by order of 2721
judgment of a court. 2722

(B) Securities pledged by a trust company to satisfy the 2723
requirements of division (A) of this section shall be one or 2724
more of the following: 2725

(1) Bonds, notes, or other obligations of or guaranteed by the United States or for which the full faith and credit of the United States is pledged for the payment of principal and interest;	2726 2727 2728 2729
(2) Bonds, notes, debentures, or other obligations or securities issued by any agency or instrumentality of the United States;	2730 2731 2732
(3) General obligations of this or any other state of the United States or any subdivision of this or any other state of the United States.	2733 2734 2735
(C) The treasurer of state superintendent of financial institutions shall <u>review, approve, and accept</u> delivery of securities pursuant to this section when accompanied by the superintendent's approval of the securities or the written receipt of a qualified trustee describing the securities and showing the superintendent's approval of the securities, and shall issue a written acknowledgment of the delivery of the securities or the qualified trustee's receipt and the superintendent's approval to the trust company.	2736 2737 2738 2739 2740 2741 2742 2743 2744
(D) The superintendent shall approve securities to be pledged by a trust company pursuant to this section if the securities are all of the following:	2745 2746 2747
(1) Interest bearing and of the value required by division (A) of this section;	2748 2749
(2) Of one or more of the kinds authorized by division (B) of this section and not a derivative of or merely an interest in any of those securities;	2750 2751 2752
(3) Not in default.	2753

(E) The ~~treasurer of state~~ superintendent of financial 2754
institutions shall, ~~with the approval of the superintendent,~~ 2755
permit a trust company to pledge securities in substitution for 2756
securities pledged pursuant to this section and the withdrawal 2757
of the securities substituted for so long as the securities 2758
remaining pledged satisfy the requirements of division (A) of 2759
this section. The ~~treasurer of state~~ superintendent shall permit 2760
a trust company to collect interest paid on securities pledged 2761
pursuant to this section so long as the trust company is 2762
solvent. The ~~treasurer of state~~ superintendent shall, ~~with the~~ 2763
~~approval of the superintendent,~~ permit a trust company to 2764
withdraw securities pledged pursuant to this section when the 2765
trust company has ceased to solicit or engage in trust business 2766
in this state. 2767

(F) For purposes of this section, a qualified trustee is a 2768
federal reserve bank, a federal home loan bank, a trust company 2769
as defined in section 1101.01 of the Revised Code, or a national 2770
bank or federal savings association that has pledged securities 2771
pursuant to this section, is authorized to accept and execute 2772
trusts, and is doing business under authority granted by the 2773
office of the comptroller of the currency. However, a national 2774
bank or federal savings association doing business under 2775
authority granted by the office of the comptroller of the 2776
currency or a trust company may not act as a qualified trustee 2777
for securities it or any of its affiliates is pledging pursuant 2778
to this section. 2779

(G) The superintendent, with the approval of the ~~treasurer~~ 2780
~~of state and the attorney general,~~ shall prescribe the form of 2781
all receipts and acknowledgments provided for by this section, 2782
and upon request shall furnish a copy of each form, with the 2783
superintendent's certification attached, to each qualified 2784

trustee eligible to hold securities for safekeeping under this 2785
section. 2786

Sec. 1112.12. (A) Prior to transacting any business as a 2787
licensed family trust company, a family trust company shall 2788
pledge to the ~~treasurer of state~~ superintendent of financial 2789
institutions interest-bearing securities authorized in division 2790
(B) of this section, having a par value, not including unaccrued 2791
interest, of one hundred thousand dollars, and approved by the 2792
~~superintendent of financial institutions~~. The family trust 2793
company may pledge the securities either by delivery to the 2794
~~treasurer of state~~ superintendent or by placing the securities 2795
with a qualified trustee for safekeeping to the account of the 2796
~~treasurer of states~~ superintendent of financial institutions. 2797

(B) Securities pledged by a family trust company to 2798
satisfy the requirements of division (A) of this section shall 2799
be one or more of the following, provided that the bonds or 2800
other obligations are rated at the time of purchase in the three 2801
highest classifications established by at least one nationally 2802
recognized standard rating service and purchased through a 2803
registered securities broker or dealer: 2804

(1) Bonds, notes, or other obligations of or guaranteed by 2805
the United States or for which the full faith and credit of the 2806
United States is pledged for the payment of principal and 2807
interest; 2808

(2) Bonds, notes, debentures, or other obligations or 2809
securities issued by any agency or instrumentality of the United 2810
States. 2811

(C) The ~~treasurer of state~~ superintendent of financial 2812
institutions shall review, approve, and accept delivery of 2813

securities pursuant to this section ~~when accompanied by the~~ 2814
~~superintendent's approval of the securities or the written~~ 2815
~~receipt of a qualified trustee describing the securities and~~ 2816
~~showing the superintendent's approval of the securities,~~ and 2817
shall issue a written acknowledgment of the delivery of the 2818
securities or the qualified trustee's receipt and the 2819
superintendent's approval to the family trust company. 2820

(D) The superintendent shall approve securities to be 2821
pledged by a family trust company pursuant to this section if 2822
the securities are all of the following: 2823

(1) Interest-bearing and of the value required by division 2824
(A) of this section; 2825

(2) Of one or more of the kinds authorized by division (B) 2826
of this section and not a derivative of or merely an interest in 2827
any of those securities; 2828

(3) Not in default. 2829

(E) ~~The treasurer of state~~ superintendent of financial 2830
institutions shall, ~~with the approval of the superintendent,~~ 2831
permit a family trust company to pledge securities in 2832
substitution for securities pledged pursuant to this section and 2833
the withdrawal of the securities substituted for so long as the 2834
securities remaining pledged satisfy the requirements of 2835
division (A) of this section. ~~The treasurer of state~~ 2836
superintendent shall permit a family trust company to collect 2837
interest paid on securities pledged pursuant to this section so 2838
long as the family trust company is solvent. ~~The treasurer of~~ 2839
~~state superintendent shall, with the approval of the~~ 2840
~~superintendent,~~ permit a licensed family trust company to 2841
withdraw securities pledged pursuant to this section when the 2842

family trust company has discontinued its business as a licensed 2843
family trust company in this state. 2844

(F) For purposes of this section, a qualified trustee is a 2845
federal reserve bank, a federal home loan bank, a trust company 2846
as defined in section 1101.01 of the Revised Code, or a bank or 2847
savings association that has pledged securities pursuant to 2848
section 1111.04 of the Revised Code, is authorized to accept and 2849
execute trusts, and is doing business under authority granted by 2850
the comptroller of the currency. 2851

(G) The superintendent, ~~with the approval of the treasurer~~ 2852
~~of state,~~ shall prescribe the form of all receipts and 2853
acknowledgments provided for by this section, and upon request 2854
shall furnish a copy of each form, with the superintendent's 2855
certification attached, to each qualified trustee eligible to 2856
hold securities for safekeeping under this section. 2857

Sec. 1501.04. The performance cash bond refunds fund is 2858
created in the state treasury. The fund shall consist of money 2859
received by the department of natural resources from other 2860
entities as performance security. Upon the completion of work or 2861
satisfaction of terms for which the performance cash bond was 2862
required, the money shall be refunded to the pledging entity. If 2863
the performance cash bond is forfeited, the money shall be 2864
transferred to the appropriate fund within the state treasury. 2865

Sec. 1501.10. Advertisement for bids for the leasing of 2866
public service facilities in state parks shall be published in 2867
any newspaper of general circulation in Franklin county and each 2868
county in which the facility to be leased is situated. The 2869
publication shall be made once each week for four consecutive 2870
weeks prior to the date fixed for the acceptance of the bids. 2871
The notice shall set forth the pertinent facts concerning the 2872

facility to be leased and the periods of required operation 2873
during the year and shall refer to the terms and conditions that 2874
the lease shall include, which shall be on file in the office of 2875
the director of natural resources and open to public inspection, 2876
except that questionnaires and financial statements submitted 2877
under this section shall be confidential and shall not be open 2878
to public inspection. 2879

The public service facilities may be leased for a period 2880
of years that may be determined by the director, provided that 2881
the director, at the expiration of the original lease, without 2882
advertisement for bids, may grant the lessee a renewal of the 2883
lease for an additional period not to exceed four years. Leases 2884
executed under this section may contain any provisions that the 2885
director considers necessary, provided that the following 2886
provisions shall be contained in the leases: 2887

(A) The lessee shall be responsible for keeping the 2888
facilities in good condition and repair, reasonable wear and 2889
tear and damages caused by casualty or acts beyond the control 2890
of the lessee excepted. 2891

(B) The lessee shall operate the facilities for periods 2892
during the year that the director determines are necessary to 2893
satisfy the needs of the people of the state, provided that the 2894
periods of required operation shall be set forth in the notice 2895
for the acceptance of bids. 2896

(C) The lessee, upon the execution of the lease, shall 2897
furnish surety to ensure that the lessee shall perform fully all 2898
terms of the lease. The surety shall be in the form of a 2899
performance bond, an irrevocable letter of credit to the state, 2900
cash, or negotiable certificates of deposit of any bank or 2901
savings and loan association organized or transacting business 2902

in the United States. The cash, market value of the certificates 2903
of deposit, or face value of the irrevocable letter of credit 2904
shall be equal to or greater than the amount of the bond 2905
prescribed by the director in the lease. 2906

~~Immediately upon a deposit of~~ If the lessee deposits cash- 2907
~~or certificates of deposit, the director~~ cash shall deliver them- 2908
~~to the treasurer of state, who shall be responsible for their~~ 2909
~~safekeeping and hold them in trust for the purposes for which~~ 2910
~~they have been deposited~~ credited to the performance cash bond 2911
refunds fund created in section 1501.04 of the Revised Code. A 2912
lessee making a deposit of cash or certificates of deposit may 2913
withdraw and receive, from the ~~treasurer of state, on the~~ 2914
~~written order of the director, all or any portion of the cash or~~ 2915
certificates of deposit upon depositing with the ~~treasurer of~~ 2916
~~state cash or director~~ negotiable certificates of deposit issued 2917
by any bank organized or transacting business in this state 2918
equal in par value to the par value of the cash or certificates 2919
of deposit withdrawn. A lessee may demand and receive from the 2920
~~treasurer of state~~ director all interest or other income from 2921
any such certificates as it becomes due. 2922

The director may lease any public service facilities in 2923
state parks to the person who submits the highest and best bid 2924
under the terms set forth in this section and in accordance with 2925
the rules of the director, taking into account the financial 2926
responsibility and the ability of the lessee to operate the 2927
facilities. Bids shall be sealed and opened at a date and time 2928
certain, published in advance. 2929

This section does not apply to a lease and contract 2930
executed under section 1501.012 of the Revised Code. 2931

Sec. 1503.05. (A) The chief of the division of forestry 2932

may sell timber and other forest products from the state forest, 2933
state forest nurseries, and federal lands in accordance with the 2934
terms of an agreement under section 1503.271 of the Revised Code 2935
whenever the chief considers such a sale desirable. With the 2936
approval of the attorney general and the director of natural 2937
resources, the chief may sell portions of the state forest lands 2938
when such a sale is advantageous to the state. 2939

(B) Except as otherwise provided in this section, a timber 2940
sale agreement shall not be executed unless the person or 2941
governmental entity bidding on the sale executes and files a 2942
surety bond conditioned on completion of the timber sale in 2943
accordance with the terms of the agreement in an amount 2944
determined by the chief. All bonds shall be given in a form 2945
prescribed by the chief and shall run to the state as obligee. 2946

The chief shall not approve any bond until it is 2947
personally signed and acknowledged by both principal and surety, 2948
or as to either by the attorney in fact thereof, with a 2949
certified copy of the power of attorney attached. The chief 2950
shall not approve the bond unless there is attached a 2951
certificate of the superintendent of insurance that the company 2952
is authorized to transact a fidelity and surety business in this 2953
state. 2954

In lieu of a bond, the bidder may deposit ~~any of the~~ 2955
~~following:~~ 2956

~~(1) Cash in an amount equal to the amount of the bond;~~ 2957

~~(2) United States government securities having a par value~~ 2958
~~equal to or greater than the amount of the bond;~~ 2959

~~(3) Negotiable~~ cash, negotiable certificates of deposit, 2960
or irrevocable letters of credit issued by any bank organized or 2961

transacting business in this state having a par value equal to 2962
or greater than the amount of the bond. 2963

The cash or securities shall be deposited on the same 2964
terms as bonds. If one or more certificates of deposit are 2965
deposited in lieu of a bond, the chief shall require the bank 2966
that issued any of the certificates to pledge securities of the 2967
aggregate market value equal to the amount of the certificate or 2968
certificates that is in excess of the amount insured by the 2969
federal deposit insurance corporation. The securities to be 2970
pledged shall be those designated as eligible under section 2971
135.18 of the Revised Code. The securities shall be security for 2972
the repayment of the certificate or certificates of deposit. 2973

~~Immediately upon~~ Upon a deposit of cash, ~~securities,~~ 2974
certificates of deposit, or irrevocable letters of credit 2975
described in division (B) of this section, the chief shall 2976
~~deliver them to the treasurer of state, who shall hold them in~~ 2977
trust for the purposes for which they have been deposited. ~~The~~ 2978
~~treasurer of state is responsible for the safekeeping of the~~ 2979
~~deposits. If the bidder deposits cash, the cash shall be~~ 2980
credited to the performance cash bond refunds fund created in 2981
section 1501.04 of the Revised Code. If the bidder deposits 2982
certificates of deposit or letters of credit, the chief is 2983
responsible for the safekeeping of those certificates or 2984
letters. A bidder making a deposit of cash, ~~securities,~~ 2985
certificates of deposit, or letters of credit may withdraw and 2986
receive, from the ~~treasurer of state, on the written order of~~ 2987
~~the chief,~~ all or any portion of the cash, ~~securities,~~ 2988
certificates of deposit, or letters of credit upon depositing 2989
with the ~~treasurer of state cash, other United States government~~ 2990
~~securities, or chief~~ other negotiable certificates of deposit or 2991
irrevocable letters of credit ~~issued by any bank organized or~~ 2992

~~transacting business in this state, that~~ are equal in par value 2993
to the par value of the cash, ~~securities,~~ certificates of 2994
deposit, or letters of credit withdrawn. 2995

A bidder that deposits negotiable certificates of deposit 2996
may demand and receive from the ~~treasurer of state~~ chief all 2997
interest or other income from any such ~~securities or~~ 2998
~~certificates~~ certificate as it becomes due. If ~~securities~~ 2999
certificates so deposited with and in the possession of the 3000
~~treasurer of state~~ chief mature or are called for payment by 3001
their issuer, the ~~treasurer of state~~ chief, at the request of the 3002
bidder who deposited them, shall convert the proceeds ~~of the~~ 3003
~~redemption or payment of the securities~~ into other United States 3004
~~government securities,~~ negotiable certificates of deposit, or 3005
cash as the bidder designates. 3006

When the chief finds that a person or governmental agency 3007
has failed to comply with the conditions of the person's or 3008
~~governmental agency's~~ bond, the chief shall make a finding of 3009
that fact and declare the bond, cash, ~~securities,~~ certificates, 3010
or letters of credit forfeited. The chief thereupon shall 3011
certify the total forfeiture to the attorney general, who shall 3012
proceed to collect the amount of the bond, cash, ~~securities,~~ 3013
certificates, or letters of credit. 3014

In lieu of total forfeiture, the surety, at its option, 3015
may cause the timber sale to be completed or pay to the 3016
~~treasurer of state~~ chief the cost thereof. 3017

All money collected as a result of forfeitures of bonds, 3018
cash, ~~securities,~~ certificates, and letters of credit under this 3019
section shall be credited to the state forest fund created in 3020
this section. 3021

(C) The chief may grant easements and leases on portions 3022
of the state forest lands and state forest nurseries under terms 3023
that are advantageous to the state, and the chief may grant 3024
mineral rights on a royalty basis on those lands and nurseries, 3025
with the approval of the attorney general and the director. 3026

(D) All money received from the sale of state forest 3027
lands, or in payment for easements or leases on or as rents from 3028
those lands or from state forest nurseries, shall be paid into 3029
the state treasury to the credit of the state forest fund, which 3030
is hereby created. In addition, all money received from federal 3031
grants, payments, and reimbursements, from the sale of 3032
reforestation tree stock, from the sale of forest products, 3033
other than standing timber, and from the sale of minerals taken 3034
from the state forest lands and state forest nurseries, together 3035
with royalties from mineral rights, shall be paid into the state 3036
treasury to the credit of the state forest fund. Any other 3037
revenues derived from the operation of the state forests and 3038
related facilities or equipment also shall be paid into the 3039
state treasury to the credit of the state forest fund, as shall 3040
contributions received for the issuance of Smokey Bear license 3041
plates under section 4503.574 of the Revised Code and any other 3042
money required by law to be deposited in the fund. Any revenue 3043
generated from agreements entered into under section 1503.271 of 3044
the Revised Code shall be deposited in the fund. 3045

The state forest fund shall not be expended for any 3046
purpose other than the administration, operation, maintenance, 3047
development, or utilization of the state forests, forest 3048
nurseries, and forest programs; for facilities or equipment 3049
incident to them; for the further purchase of lands for state 3050
forest or forest nursery purposes; for wildfire suppression 3051
payments; for fire prevention purposes in the case of 3052

contributions received pursuant to section 4503.574 of the Revised Code; or for forest management projects associated with federal lands in the case of revenues received pursuant to agreements entered into under section 1503.271 of the Revised Code.

(E) All money received from the sale of standing timber taken from state forest lands and state forest nurseries shall be deposited into the state treasury to the credit of the forestry holding account redistribution fund, which is hereby created. The money shall remain in the fund until they are redistributed in accordance with this division.

The redistribution shall occur at least once each year. To begin the redistribution, the chief first shall determine the amount of all standing timber sold from state forest lands and state forest nurseries, together with the amount of the total sale proceeds, in each county, in each township within the county, and in each school district within the county. The chief next shall determine the amount of the direct costs that the division of forestry incurred in association with the sale of that standing timber. The amount of the direct costs shall be subtracted from the amount of the total sale proceeds and shall be transferred from the forestry holding account redistribution fund to the state forest fund.

The remaining amount of the total sale proceeds equals the net value of the standing timber that was sold. The chief shall determine the net value of standing timber sold from state forest lands and state forest nurseries in each county, in each township within the county, and in each school district within the county and shall send to each county treasurer a copy of the determination at the time that money is paid to the county

treasurer under this division. 3083

Thirty-five per cent of the net value of standing timber 3084
sold from state forest lands and state forest nurseries located 3085
in a county shall be transferred from the forestry holding 3086
account redistribution fund to the state forest fund. The 3087
remaining sixty-five per cent of the net value shall be 3088
transferred from the forestry holding account redistribution 3089
fund and paid to the county treasurer for the use of the general 3090
fund of that county. 3091

The county auditor shall do all of the following: 3092

(1) Retain for the use of the general fund of the county 3093
one-fourth of the amount received by the county under division 3094
(E) of this section; 3095

(2) Pay into the general fund of any township located 3096
within the county and containing such lands and nurseries one- 3097
fourth of the amount received by the county from standing timber 3098
sold from lands and nurseries located in the township; 3099

(3) Request the board of education of any school district 3100
located within the county and containing such lands and 3101
nurseries to identify which fund or funds of the district should 3102
receive the money available to the school district under 3103
division (E) (3) of this section. After receiving notice from the 3104
board, the county auditor shall pay into the fund or funds so 3105
identified one-half of the amount received by the county from 3106
standing timber sold from lands and nurseries located in the 3107
school district, distributed proportionately as identified by 3108
the board. 3109

The division of forestry shall not supply logs, lumber, or 3110
other forest products or minerals, taken from the state forest 3111

lands or state forest nurseries, to any other agency or 3112
subdivision of the state unless payment is made therefor in the 3113
amount of the actual prevailing value thereof. This section is 3114
applicable to the money so received. 3115

(F) The chief may enter into a personal service contract 3116
for consulting services to assist the chief with the sale of 3117
timber or other forest products and related inventory. 3118
Compensation for consulting services shall be paid from the 3119
proceeds of the sale of timber or other forest products and 3120
related inventory that are the subject of the personal service 3121
contract. 3122

Sec. 1509.07. (A) (1) (a) Except as provided in division (A) 3123
(1) (b) or (A) (2) of this section, an owner of any well, except 3124
an exempt Mississippian well or an exempt domestic well, shall 3125
obtain liability insurance coverage from a company authorized or 3126
approved to do business in this state in an amount of not less 3127
than one million dollars bodily injury coverage and property 3128
damage coverage to pay damages for injury to persons or damage 3129
to property caused by the drilling, operation, or plugging of 3130
all the owner's wells in this state. However, if any well is 3131
located within an urbanized area, the owner shall obtain 3132
liability insurance coverage in an amount of not less than three 3133
million dollars for bodily injury coverage and property damage 3134
coverage to pay damages for injury to persons or damage to 3135
property caused by the drilling, operation, or plugging of all 3136
of the owner's wells in this state. 3137

(b) A board of county commissioners of a county that is an 3138
owner of a well or a board of township trustees of a township 3139
that is an owner of a well may elect to satisfy the liability 3140
coverage requirements specified in division (A) (1) (a) of this 3141

section by participating in a joint self-insurance pool in 3142
accordance with the requirements established under section 3143
2744.081 of the Revised Code. Nothing in division (A) (1) (b) of 3144
this section shall be construed to allow an entity, other than a 3145
county or township, to participate in a joint self-insurance 3146
pool to satisfy the liability coverage requirements specified in 3147
division (A) (1) (a) of this section. 3148

(2) An owner of a horizontal well shall obtain liability 3149
insurance coverage from an insurer authorized to write such 3150
insurance in this state or from an insurer approved to write 3151
such insurance in this state under section 3905.33 of the 3152
Revised Code in an amount of not less than five million dollars 3153
bodily injury coverage and property damage coverage to pay 3154
damages for injury to persons or damage to property caused by 3155
the production operations of all the owner's wells in this 3156
state. The insurance policy shall include a reasonable level of 3157
coverage available for an environmental endorsement. 3158

(3) An owner shall maintain the coverage required under 3159
division (A) (1) or (2) of this section until all the owner's 3160
wells are plugged and abandoned or are transferred to an owner 3161
who has obtained insurance as required under this section and 3162
who is not under a notice of material and substantial violation 3163
or under a suspension order. The owner shall provide proof of 3164
liability insurance coverage to the chief of the division of oil 3165
and gas resources management upon request. Upon failure of the 3166
owner to provide that proof when requested, the chief may order 3167
the suspension of any outstanding permits and operations of the 3168
owner until the owner provides proof of the required insurance 3169
coverage. 3170

(B) (1) Except as otherwise provided in this section, an 3171

owner of any well, before being issued a permit under section 3172
1509.06 of the Revised Code or before operating or producing 3173
from a well, shall execute and file with the division of oil and 3174
gas resources management a surety bond conditioned on compliance 3175
with the restoration requirements of section 1509.072, the 3176
plugging requirements of section 1509.12, the permit provisions 3177
of section 1509.13 of the Revised Code, and all rules and orders 3178
of the chief relating thereto, in an amount set by rule of the 3179
chief. 3180

(2) The owner may deposit with the chief, instead of a 3181
surety bond, cash in an amount equal to the surety bond as 3182
prescribed pursuant to this section or negotiable certificates 3183
of deposit or irrevocable letters of credit, issued by any bank 3184
organized or transacting business in this state, having a cash 3185
value equal to or greater than the amount of the surety bond as 3186
prescribed pursuant to this section. Cash or certificates of 3187
deposit shall be deposited upon the same terms as those upon 3188
which surety bonds may be deposited. If the owner deposits cash, 3189
the cash shall be credited to the performance cash bond refunds 3190
fund created in section 1501.04 of the Revised Code. If the 3191
owner deposits certificates of deposit ~~are deposited with the~~ 3192
~~chief instead of a surety bond,~~ the chief shall require the bank 3193
that issued any such certificate to pledge securities of a cash 3194
value equal to the amount of the certificate that is in excess 3195
of the amount insured by ~~any of the agencies and~~ 3196
~~instrumentalities created under the "Federal Deposit Insurance~~ 3197
~~Act," 64 Stat. 873 (1950), 12 U.S.C. 1811, as amended, and~~ 3198
~~regulations adopted under it, including at least the federal~~ 3199
deposit insurance corporation. The securities shall be security 3200
for the repayment of the certificate of deposit. 3201

~~Immediately upon~~ Upon a deposit of cash, certificates of 3202

deposit, or letters of credit with the chief, the chief shall 3203
~~deliver them to the treasurer of state who shall hold them in~~ 3204
trust for the purposes for which they have been deposited. 3205

(3) Instead of a surety bond, the chief may accept proof 3206
of financial responsibility consisting of a sworn financial 3207
statement showing a net financial worth within this state equal 3208
to twice the amount of the bond for which it substitutes and, as 3209
may be required by the chief, a list of producing properties of 3210
the owner within this state or other evidence showing ability 3211
and intent to comply with the law and rules concerning 3212
restoration and plugging that may be required by rule of the 3213
chief. The owner of an exempt Mississippian well is not required 3214
to file scheduled updates of the financial documents, but shall 3215
file updates of those documents if requested to do so by the 3216
chief. The owner of a nonexempt Mississippian well shall file 3217
updates of the financial documents in accordance with a schedule 3218
established by rule of the chief. The chief, upon determining 3219
that an owner for whom the chief has accepted proof of financial 3220
responsibility instead of bond cannot demonstrate financial 3221
responsibility, shall order that the owner execute and file a 3222
bond or deposit cash, certificates of deposit, or irrevocable 3223
letters of credit as required by this section for the wells 3224
specified in the order within ten days of receipt of the order. 3225
If the order is not complied with, all wells of the owner that 3226
are specified in the order and for which no bond is filed or 3227
cash, certificates of deposit, or letters of credit are 3228
deposited shall be plugged. No owner shall fail or refuse to 3229
plug such a well. Each day on which such a well remains 3230
unplugged thereafter constitutes a separate offense. 3231

(4) The surety bond provided for in this section shall be 3232
executed by a surety company authorized to do business in this 3233

state. 3234

The chief shall not approve any bond until it is 3235
personally signed and acknowledged by both principal and surety, 3236
or as to either by the principal's or surety's attorney in fact, 3237
with a certified copy of the power of attorney attached thereto. 3238
The chief shall not approve a bond unless there is attached a 3239
certificate of the superintendent of insurance that the company 3240
is authorized to transact a fidelity and surety business in this 3241
state. 3242

All bonds shall be given in a form to be prescribed by the 3243
chief and shall run to the state as obligee. 3244

(5) An owner of an exempt Mississippian well or an exempt 3245
domestic well, in lieu of filing a surety bond, cash in an 3246
amount equal to the surety bond, certificates of deposit, 3247
irrevocable letters of credit, or a sworn financial statement, 3248
may file a one-time fee of fifty dollars, which shall be 3249
deposited in the oil and gas well plugging fund created in 3250
section 1509.071 of the Revised Code. 3251

(C) An owner, operator, producer, or other person shall 3252
not operate a well or produce from a well at any time if the 3253
owner, operator, producer, or other person has not satisfied the 3254
requirements established in this section. 3255

Sec. 1509.225. (A) Before being issued a registration 3256
certificate under section 1509.222 of the Revised Code, an 3257
applicant shall execute and file with the division of oil and 3258
gas resources management a surety bond for fifteen thousand 3259
dollars to provide compensation for damage and injury resulting 3260
from transporters' violations of sections 1509.22, 1509.222, and 3261
1509.223 of the Revised Code, all rules and orders of the chief 3262

of the division of oil and gas resources management relating 3263
thereto, and all terms and conditions of the registration 3264
certificate imposed thereunder. The applicant may deposit with 3265
the chief, in lieu of a surety bond, cash in an amount equal to 3266
the surety bond as prescribed in this section, or negotiable 3267
certificates of deposit issued by any bank organized or 3268
transacting business in this state having a cash value equal to 3269
or greater than the amount of the surety bond as prescribed in 3270
this section. Cash or certificates of deposit shall be deposited 3271
upon the same terms as those upon which surety bonds may be 3272
deposited, and the chief shall hold them in trust for the 3273
purposes for which they have been deposited. If the applicant 3274
deposits cash, the cash shall be credited to the performance 3275
cash bond refunds fund created in section 1501.04 of the Revised 3276
Code. If the applicant deposits certificates of deposit ~~are~~ 3277
~~deposited with the chief in lieu of a surety bond,~~ the chief 3278
shall require the bank that issued any such certificate to 3279
pledge securities of a cash value equal to the amount of the 3280
certificate that is in excess of the amount insured by ~~any of~~ 3281
~~the agencies and instrumentalities created under the "Federal~~ 3282
~~Deposit Insurance Act," 64 Stat. 873 (1950), 12 U.S.C. 1811, as~~ 3283
~~amended, and regulations adopted under it, including at least~~ 3284
the federal deposit insurance ~~corporation.~~ 3285

~~Such corporation. Such securities shall be security for~~ 3286
the repayment of the certificate of deposit. ~~Immediately upon a~~ 3287
~~deposit of cash or certificates with the chief, the chief shall~~ 3288
~~deliver it to the treasurer of state who shall hold it in trust~~ 3289
~~for the purposes for which it has been deposited.~~ 3290

(B) The surety bond provided for in this section shall be 3291
executed by a surety company authorized to do business in this 3292
state. The chief shall not approve any bond until it is 3293

personally signed and acknowledged by both principal and surety, 3294
or as to either by an attorney in fact, with a certified copy of 3295
the power of attorney attached thereto. The chief shall not 3296
approve the bond unless there is attached a certificate of the 3297
superintendent of insurance that the company is authorized to 3298
transact a fidelity and surety business in this state. All bonds 3299
shall be given in a form to be prescribed by the chief. 3300

(C) If a registered transporter is found liable for a 3301
violation of section 1509.22, 1509.222, or 1509.223 of the 3302
Revised Code or a rule, order, or term or condition of a 3303
certificate involving, in any case, damage or injury to persons 3304
or property, or both, the court may order the forfeiture of any 3305
portion of the bond, cash, or other securities required by this 3306
section in full or partial payment of damages to the person to 3307
whom the damages are due. The ~~treasurer of state and the chief~~ 3308
shall deliver the bond or any cash or other securities deposited 3309
in lieu of bond, as specified in the court's order, to the 3310
person to whom the damages are due; however, execution against 3311
the bond, cash, or other securities, if necessary, is the 3312
responsibility of the person to whom the damages are due. The 3313
chief shall not release the bond, cash, or securities required 3314
by this section except by court order or until the registration 3315
is terminated. 3316

Sec. 1514.04. (A) Upon receipt of notification from the 3317
chief of the division of mineral resources management of the 3318
chief's intent to issue an order granting a surface or in-stream 3319
mining permit to the applicant, the applicant shall file a 3320
surety bond, cash, an irrevocable letter of credit, or 3321
certificates of deposit in the amount, unless otherwise provided 3322
by rule, of ten thousand dollars. If the amount of land to be 3323
affected is more than twenty acres, the applicant also shall 3324

file a surety bond, cash, an irrevocable letter of credit, or 3325
certificates of deposit in the amount of five hundred dollars 3326
per acre of land to be affected that exceeds twenty acres. Upon 3327
receipt of notification from the chief of the chief's intent to 3328
issue an order granting an amendment to a surface or in-stream 3329
mining permit, the applicant shall file a surety bond, cash, an 3330
irrevocable letter of credit, or certificates of deposit in the 3331
amount required in this division. 3332

In the case of a surface mining permit, the bond shall be 3333
filed based on the number of acres estimated to be affected 3334
during the first year of operation under the permit. In the case 3335
of an amendment to a surface mining permit, the bond shall be 3336
filed based on the number of acres estimated to be affected 3337
during the balance of the period until the next anniversary date 3338
of the permit. 3339

In the case of an in-stream mining permit, the bond shall 3340
be filed based on the number of acres of land within the limits 3341
of the in-stream mining permit for the entire permit period. In 3342
the case of an amendment to an in-stream mining permit, the bond 3343
shall be filed based on the number of any additional acres of 3344
land to be affected within the limits of the in-stream mining 3345
permit. 3346

(B) A surety bond filed pursuant to this section and 3347
sections 1514.02 and 1514.03 of the Revised Code shall be upon 3348
the form that the chief prescribes and provides and shall be 3349
signed by the operator as principal and by a surety company 3350
authorized to transact business in the state as surety. The bond 3351
shall be payable to the state and shall be conditioned upon the 3352
faithful performance by the operator of all things to be done 3353
and performed by the operator as provided in this chapter and 3354

the rules and orders of the chief adopted or issued pursuant 3355
thereto. 3356

The operator may deposit with the chief, in lieu of a 3357
surety bond, cash in an amount equal to the surety bond as 3358
prescribed in this section or an irrevocable letter of credit or 3359
negotiable certificates of deposit issued by any bank organized 3360
or transacting business in this state having a cash value equal 3361
to or greater than the amount of the surety bond as prescribed 3362
in this section. Cash or certificates of deposit shall be 3363
deposited upon the same terms as the terms upon which surety 3364
bonds may be deposited. If the operator deposits cash, the cash 3365
shall be credited to the performance cash bond refunds fund 3366
created in section 1501.04 of the Revised Code. If ~~one or more~~ 3367
the operator deposits certificates of deposit ~~are deposited with~~ 3368
~~the chief in lieu of a surety bond~~, the chief shall require the 3369
bank that issued any such certificate to pledge securities of a 3370
cash value equal to the amount of the certificate, ~~or~~ 3371
~~certificates~~, that is in excess of the amount insured by the 3372
federal deposit insurance corporation. The securities shall be 3373
security for the repayment of the certificate of deposit. 3374

(C) ~~Immediately upon~~ Upon a deposit of cash, a letter of 3375
credit, or certificates with the chief, the chief shall ~~deliver~~ 3376
~~it to the treasurer of state who shall hold it in trust for the~~ 3377
purposes for which it has been deposited. The ~~treasurer of state~~ 3378
chief shall be responsible for the safekeeping of such deposits. 3379
An operator making a deposit of cash, a letter of credit, or 3380
certificates of deposit may withdraw and receive, from the 3381
~~treasurer of state, on the written order of the chief~~, all or 3382
any part of the cash, letter of credit, or certificates in the 3383
possession of the ~~treasurer of state~~ chief, upon depositing with 3384
the ~~treasurer of state~~ cash, or chief an irrevocable letter of 3385

credit or negotiable certificates of deposit issued by any bank 3386
organized or transacting business in this state, equal in value 3387
to the value of the cash, letter of credit, or certificates 3388
withdrawn. An operator may demand and receive from the ~~treasurer~~ 3389
~~of state chief~~ all interest or other income from any 3390
certificates as it becomes due. If certificates deposited with 3391
and in the possession of the ~~treasurer of state chief~~ mature or 3392
are called for payment by the issuer thereof, the ~~treasurer of~~ 3393
~~state chief~~, at the request of the operator who deposited them, 3394
shall convert the proceeds of the redemption or payment of the 3395
certificates into such other negotiable certificates of deposit 3396
issued by any bank organized or transacting business in this 3397
state or cash, as may be designated by the operator. 3398

(D) A governmental agency, as defined in division (A) of 3399
section 1514.022 of the Revised Code, or a board or commission 3400
that derives its authority from a governmental agency shall not 3401
require a surface or in-stream mining operator to file a surety 3402
bond or any other form of financial assurance for the 3403
reclamation of land to be affected by a surface or in-stream 3404
mining operation authorized under this chapter. 3405

Sec. 1514.05. (A) At any time within the period allowed an 3406
operator by section 1514.02 of the Revised Code to reclaim an 3407
area of land affected by surface or in-stream mining, the 3408
operator may file a request, on a form provided by the chief of 3409
the division of mineral resources management, for inspection of 3410
the area of land upon which the reclamation, other than any 3411
required planting, is completed. The request shall include all 3412
of the following: 3413

(1) The location of the area and number of acres; 3414

(2) The permit number; 3415

(3) A map showing the location of the acres reclaimed, 3416
prepared and certified in accordance with division (A) (11) or 3417
(12) of section 1514.02 of the Revised Code, as appropriate. In 3418
the case of an in-stream mining operation, the map also shall 3419
include, as applicable, the information required under division 3420
(A) (18) of section 1514.02 of the Revised Code. 3421

The chief shall make an inspection and evaluation of the 3422
reclamation of the area of land for which the request was 3423
submitted within ninety days after receipt of the request or, if 3424
the operator fails to complete the reclamation or file the 3425
request as required, as soon as the chief learns of the default. 3426
Thereupon, if the chief approves the reclamation, other than any 3427
required planting, as meeting the requirements of this chapter, 3428
rules adopted thereunder, any orders issued during the mining or 3429
reclamation, and the specifications of the plan for mining and 3430
reclaiming, the chief shall issue an order to the operator and 3431
the operator's surety releasing them from liability for one-half 3432
of the total amount of their surety bond on deposit to ensure 3433
reclamation for the area upon which reclamation is completed. If 3434
the operator has deposited cash, an irrevocable letter of 3435
credit, or certificates of deposit in lieu of a surety bond to 3436
ensure reclamation, the chief shall ~~issue an order~~ deliver to 3437
the operator ~~releasing or the operator's authorized agent one-~~ 3438
half of the amount so held ~~and promptly shall transmit a-~~ 3439
~~certified copy of the order to the treasurer of state. Upon-~~ 3440

~~presentation of the order to the treasurer of state by the~~ 3441
~~operator to whom it was issued, or by the operator's authorized~~ 3442
~~agent, the treasurer of state shall deliver to the operator or~~ 3443
~~the operator's authorized agent the cash, irrevocable letter of-~~ 3444
~~credit, or certificates of deposit designated in the order.~~ 3445

If the chief does not approve the reclamation, other than 3446
any required planting, the chief shall notify the operator by 3447
certified mail. The notice shall be an order stating the reasons 3448
for unacceptability, ordering further actions to be taken, and 3449
setting a time limit for compliance. If the operator does not 3450
comply with the order within the time limit specified, the chief 3451
may order an extension of time for compliance after determining 3452
that the operator's noncompliance is for good cause, resulting 3453
from developments partially or wholly beyond the operator's 3454
control. If the operator complies within the time limit or the 3455
extension of time granted for compliance, the chief shall order 3456
release of the performance bond in the same manner as in the 3457
case of approval of reclamation, other than any required 3458
planting, by the chief, and the ~~treasurer of state~~chief shall 3459
proceed as in that case. If the operator does not comply within 3460
the time limit and the chief does not order an extension, or if 3461
the chief orders an extension of time and the operator does not 3462
comply within the extension of time granted for compliance, the 3463
chief shall issue another order declaring that the operator has 3464
failed to reclaim and, if the operator's permit has not already 3465
expired or been revoked, revoking the operator's permit. The 3466
chief shall thereupon proceed under division (C) of this 3467
section. 3468

(B) At any time within the period allowed an operator by 3469
section 1514.02 of the Revised Code to reclaim an area affected 3470
by surface mining, the operator may file a request, on a form 3471
provided by the chief, for inspection of the area of land on 3472
which all reclamation, including the successful establishment of 3473
any required planting, is completed. The request shall include 3474
all of the following: 3475

(1) The location of the area and number of acres; 3476

(2) The permit number; 3477

(3) The type and date of any required planting of 3478
vegetative cover and the degree of success of growth; 3479

(4) A map showing the location of the acres reclaimed, 3480
prepared and certified in accordance with division (A) (11) or 3481
(12) of section 1514.02 of the Revised Code, as appropriate. In 3482
the case of an in-stream mining operation, the map also shall 3483
include the information required under division (A) (18) of 3484
section 1514.02 of the Revised Code. 3485

The chief shall make an inspection and evaluation of the 3486
reclamation of the area of land for which the request was 3487
submitted within ninety days after receipt of the request or, if 3488
the operator fails to complete the reclamation or file the 3489
request as required, as soon as the chief learns of the default. 3490
Thereupon, if the chief finds that the reclamation meets the 3491
requirements of this chapter, rules adopted under it, any orders 3492
issued during the mining and reclamation, and the specifications 3493
of the plan for mining and reclaiming and decides to release any 3494
remaining performance bond on deposit to ensure reclamation of 3495
the area on which reclamation is completed, within ten days of 3496
completing the inspection and evaluation, the chief shall order 3497
release of the remaining performance bond in the same manner as 3498
in the case of approval of reclamation other than required 3499
planting, and the ~~treasurer of state~~chief shall proceed as in 3500
that case. 3501

If the chief does not approve the reclamation performed by 3502
the operator, the chief shall notify the operator by certified 3503
mail within ninety days of the filing of the application for 3504
inspection or of the date when the chief learns of the default. 3505
The notice shall be an order stating the reasons for 3506

unacceptability, ordering further actions to be taken, and 3507
setting a time limit for compliance. If the operator does not 3508
comply with the order within the time limit specified, the chief 3509
may order an extension of time for compliance after determining 3510
that the operator's noncompliance is for good cause, resulting 3511
from developments partially or wholly beyond the operator's 3512
control. If the operator complies within the time limit or the 3513
extension of time granted for compliance, the chief shall order 3514
release of the remaining performance bond in the same manner as 3515
in the case of approval of reclamation by the chief, and the 3516
~~treasurer of state~~chief shall proceed as in that case. If the 3517
operator does not comply within the time limit and the chief 3518
does not order an extension, or if the chief orders an extension 3519
of time and the operator does not comply within the extension of 3520
time granted for compliance, the chief shall issue another order 3521
declaring that the operator has failed to reclaim and, if the 3522
operator's permit has not already expired or been revoked, 3523
revoking the operator's permit. The chief then shall proceed 3524
under division (C) of this section. 3525

(C) Upon issuing an order under division (A) or (B) of 3526
this section declaring that the operator has failed to reclaim, 3527
the chief shall make a finding as to the number and location of 3528
the acres of land that the operator has failed to reclaim in the 3529
manner required by this chapter. The chief shall order the 3530
release of the performance bond in the amount of five hundred 3531
dollars per acre for those acres that the chief finds to have 3532
been reclaimed in the manner required by this chapter. The 3533
release shall be ordered in the same manner as in the case of 3534
other approval of reclamation by the chief, and the ~~treasurer of~~ 3535
~~state~~chief shall proceed as in that case. If the operator has on 3536
deposit cash, an irrevocable letter of credit, or certificates 3537

of deposit to ensure reclamation of the area of the land 3538
affected, the chief at the same time shall issue an order 3539
declaring that the remaining cash, irrevocable letter of credit, 3540
or certificates of deposit are the property of the state and are 3541
available for use by the chief in performing reclamation of the 3542
area and shall proceed in accordance with section 1514.06 of the 3543
Revised Code. 3544

If the operator has on deposit a surety bond to ensure 3545
reclamation of the area of land affected, the chief shall notify 3546
the surety in writing of the operator's default and shall 3547
request the surety to perform the surety's obligation and that 3548
of the operator. The surety, within ten days after receipt of 3549
the notice, shall notify the chief as to whether it intends to 3550
perform those obligations. 3551

If the surety chooses to perform, it shall arrange for 3552
work to begin within thirty days of the day on which it notifies 3553
the chief of its decision. If the surety completes the work as 3554
required by this chapter, the chief shall issue an order to the 3555
surety releasing the surety from liability under the bond in the 3556
same manner as if the surety were an operator proceeding under 3557
this section. If, after the surety begins the work, the chief 3558
determines that the surety is not carrying the work forward with 3559
reasonable progress, or that it is improperly performing the 3560
work, or that it has abandoned the work or otherwise failed to 3561
perform its obligation and that of the operator, the chief shall 3562
issue an order terminating the right of the surety to perform 3563
the work and demanding payment of the amount due as required by 3564
this chapter. 3565

If the surety chooses not to perform and so notifies the 3566
chief, does not respond to the chief's notice within ten days of 3567

receipt thereof, or fails to begin work within thirty days of 3568
the day it timely notifies the chief of its decision to perform 3569
its obligation and that of the operator, the chief shall issue 3570
an order terminating the right of the surety to perform the work 3571
and demanding payment of the amount due, as required by this 3572
chapter. 3573

Upon receipt of an order of the chief demanding payment of 3574
the amount due, the surety immediately shall deposit with the 3575
chief cash in the full amount due under the order for deposit 3576
with the ~~treasurer of state~~ chief. If the surety fails to make an 3577
immediate deposit, the chief shall certify it to the attorney 3578
general for collection. When the chief has issued an order 3579
terminating the right of the surety and has the cash on deposit, 3580
the cash is the property of the state and is available for use 3581
by the chief, who shall proceed in accordance with section 3582
1514.06 of the Revised Code. 3583

Sec. 1521.061. (A) (1) Except as otherwise provided in this 3584
section, the chief of the division of water resources shall not 3585
issue a construction permit under section 1521.06 of the Revised 3586
Code unless the person or governmental agency applying for the 3587
permit executes and files a surety bond conditioned on 3588
completion of the dam or levee in accordance with the terms of 3589
the permit and the plans and specifications approved by the 3590
chief. Except as provided in division (A) (2) of this section, 3591
the surety bond shall equal: 3592

(a) \$50,000 for the first \$500,000 of the estimated cost 3593
of the project; plus 3594

(b) Twenty-five per cent of the estimated cost for the 3595
next \$4,500,000 of the estimated cost of the project; plus 3596

(c) Ten per cent of the estimated cost that exceeds 3597
\$5,000,000. 3598

(2) The chief may reduce the amount of the required surety 3599
bond to the amount equal to the cost estimate of construction 3600
activities necessary to render the dam nonhazardous if the cost 3601
estimate is provided by the applicant and approved by the chief. 3602

(B) If a permittee requests an extension of the time 3603
period during which a construction permit is valid in accordance 3604
with rules adopted under section 1521.06 of the Revised Code, 3605
the chief shall determine whether the revised construction cost 3606
estimate provided with the request exceeds the original 3607
construction cost estimate that was filed with the chief by more 3608
than twenty-five per cent. If the revised construction cost 3609
estimate exceeds the original construction cost estimate by more 3610
than twenty-five per cent, the chief may require an additional 3611
surety bond to be filed in an amount determined in accordance 3612
with division (A) of this section based on the revised 3613
construction cost estimate. 3614

(C) The chief shall not approve any bond until it is 3615
personally signed and acknowledged by both principal and surety, 3616
or as to either by the attorney in fact thereof, with a 3617
certified copy of the power of attorney attached. The chief 3618
shall not approve the bond unless there is attached a 3619
certificate of the superintendent of insurance that the company 3620
is authorized to transact a fidelity and surety business in this 3621
state. 3622

All bonds shall be given in a form prescribed by the chief 3623
and shall run to the state as obligee. 3624

(D) (1) The applicant may deposit, in lieu of a bond, cash 3625

in an amount equal to the amount of the bond or ~~United States-~~ 3626
~~government securities or~~ negotiable certificates of deposit 3627
issued by any bank organized or transacting business in this 3628
state having a par value equal to or greater than the amount of 3629
the bond. Such cash or securities shall be deposited upon the 3630
same terms as bonds. If one or more certificates of deposit are 3631
deposited in lieu of a bond, the chief shall require the bank 3632
that issued any such certificate to pledge securities of the 3633
aggregate market value equal to the amount of the certificate 3634
that is in excess of the amount insured by the federal deposit 3635
insurance corporation. The securities to be pledged shall be 3636
those designated as eligible under section 135.18 of the Revised 3637
Code. The securities shall be security for the repayment of the 3638
certificate of deposit. 3639

(2) ~~Immediately upon~~ Upon a deposit of cash, ~~securities,~~ 3640
or certificates of deposit, the chief shall ~~deliver them to the~~ 3641
~~treasurer of state, who shall hold them in trust for the~~ 3642
purposes for which they have been deposited. ~~The treasurer of~~ 3643
~~state is responsible for the safekeeping of such deposits. If~~ 3644
the applicant deposits cash, the cash shall be credited to the 3645
performance cash bond refunds fund created in section 1501.04 of 3646
the Revised Code. An applicant making a deposit of cash, ~~—~~ 3647
~~securities,~~ or certificates of deposit may withdraw and receive, — 3648
from the ~~treasurer of state, on the written order of the chief,~~ 3649
all or any portion of the cash, ~~securities,~~ or certificates of 3650
deposit, ~~upon depositing with the treasurer of state cash, chief~~ 3651
other ~~United States government securities, or negotiable~~ 3652
certificates of deposit issued by any bank organized or 3653
transacting business in this state equal in par value to the par 3654
value of the cash, ~~securities,~~ or certificates of deposit 3655
withdrawn. An applicant may demand and receive from the 3656

~~treasurer of state chief~~ all interest or other income from any 3657
such ~~securities or~~ certificates as it becomes due. If ~~securities~~ 3658
certificates so deposited with and in the possession of the 3659
~~treasurer of state chief~~ mature or are called for payment by the 3660
issuer thereof, the ~~treasurer of state~~ chief, at the request of 3661
the applicant who deposited them, shall convert the proceeds of 3662
the redemption or payment of the ~~securities~~ certificates into 3663
~~such other United States government securities,~~ negotiable 3664
certificates of deposit issued by any bank organized or 3665
transacting business in this state, or cash as the applicant 3666
designates. 3667

(E) (1) When the chief finds that a person or governmental 3668
agency has failed to comply with the conditions of the person's 3669
or agency's bond, the chief shall make a finding of that fact 3670
and declare the bond, cash, ~~securities,~~ or certificates of 3671
deposit forfeited in the amount set by rule of the chief. The 3672
chief shall thereupon certify the total forfeiture to the 3673
attorney general, who shall proceed to collect that amount. 3674

(2) In lieu of total forfeiture, the surety, at its 3675
option, may cause the dam or levee to be completed as required 3676
by section 1521.06 of the Revised Code and rules of the chief, 3677
or otherwise rendered nonhazardous, or pay to the ~~treasurer of~~ 3678
~~state chief~~ the cost thereof. 3679

(F) (1) All moneys collected on account of forfeitures of 3680
bonds, cash, ~~securities,~~ and certificates of deposit under this 3681
section shall be credited to the dam safety fund created in 3682
section 1521.06 of the Revised Code. The chief shall make 3683
expenditures from the fund to complete dams and levees for which 3684
bonds have been forfeited or to otherwise render them 3685
nonhazardous. 3686

(2) Expenditures from the fund for those purposes shall be 3687
made pursuant to contracts entered into by the chief with 3688
persons who agree to furnish all of the materials, equipment, 3689
work, and labor as specified and provided in the contract. 3690

(G) A surety bond shall not be required for a permit for a 3691
dam or levee that is to be designed and constructed by an agency 3692
of the United States government, if the agency files with the 3693
chief written assurance of the agency's financial responsibility 3694
for the structure for one year following the chief's approval of 3695
the completed construction provided for under division (E) of 3696
section 1521.06 of the Revised Code. 3697

Sec. 1548.06. (A) (1) Application for a certificate of 3698
title for a watercraft or outboard motor shall be made upon a 3699
form prescribed by the chief of the division of parks and 3700
watercraft and shall be sworn to before a notary public or other 3701
officer empowered to administer oaths. The application shall be 3702
filed with the clerk of any court of common pleas. An 3703
application for a certificate of title may be filed 3704
electronically by any electronic means approved by the chief in 3705
any county with the clerk of the court of common pleas of that 3706
county. The application shall be accompanied by the fee 3707
prescribed in section 1548.10 of the Revised Code. The fee shall 3708
be retained by the clerk who issues the certificate of title and 3709
shall be distributed in accordance with that section. If a clerk 3710
of a court of common pleas, other than the clerk of the court of 3711
common pleas of an applicant's county of residence, issues a 3712
certificate of title to the applicant, the clerk shall transmit 3713
data related to the transaction to the automated title 3714
processing system. 3715

(2) If a certificate of title previously has been issued 3716

for the watercraft or outboard motor, the application for a 3717
certificate of title also shall be accompanied by the 3718
certificate of title duly assigned unless otherwise provided in 3719
this chapter. If a certificate of title previously has not been 3720
issued for the watercraft or outboard motor in this state, the 3721
application, unless otherwise provided in this chapter, shall be 3722
accompanied by a manufacturer's or importer's certificate; by a 3723
sworn statement of ownership if the watercraft or outboard motor 3724
was purchased by the applicant on or before October 9, 1963, or 3725
if the watercraft is less than fourteen feet long with a 3726
permanently affixed mechanical means of propulsion and was 3727
purchased by the applicant on or before January 1, 2000; or by a 3728
certificate of title, bill of sale, or other evidence of 3729
ownership required by the law of another state from which the 3730
watercraft or outboard motor was brought into this state. 3731
Evidence of ownership of a watercraft or outboard motor for 3732
which an Ohio certificate of title previously has not been 3733
issued and which watercraft or outboard motor does not have 3734
permanently affixed to it a manufacturer's serial number shall 3735
be accompanied by the certificate of assignment of a hull 3736
identification number assigned by the chief as provided in 3737
section 1548.07 of the Revised Code. 3738

(3) The clerk shall retain the evidence of title presented 3739
by the applicant and on which the certificate of title is 3740
issued, except that, if an application for a certificate of 3741
title is filed electronically, by a vendor on behalf of a 3742
purchaser of a watercraft or outboard motor, the clerk shall 3743
retain the completed electronic record to which the vendor 3744
converted the certificate of title application and other 3745
required documents. The chief, after consultation with the 3746
attorney general, shall adopt rules that govern the location at 3747

which, and the manner in which, are stored the actual 3748
application and all other documents relating to the sale of a 3749
watercraft or outboard motor when a vendor files the application 3750
for a certificate of title electronically on behalf of a 3751
purchaser. 3752

(B) The clerk shall use reasonable diligence in 3753
ascertaining whether the facts in the application are true by 3754
checking the application and documents accompanying it or the 3755
electronic record to which a vendor converted the application 3756
and accompanying documents with the records of watercraft and 3757
outboard motors in the clerk's office. If the clerk is satisfied 3758
that the applicant is the owner of the watercraft or outboard 3759
motor and that the application is in the proper form, the clerk 3760
shall issue a physical certificate of title over the clerk's 3761
signature and sealed with the clerk's seal unless the applicant 3762
specifically requests the clerk not to issue a physical 3763
certificate of title and instead to issue an electronic 3764
certificate of title. However, if the evidence indicates and an 3765
investigation shows that one or more Ohio titles already exist 3766
for the watercraft or outboard motor, the chief may cause the 3767
redundant title or titles to be canceled. 3768

(C) In the case of the sale of a watercraft or outboard 3769
motor by a vendor to a general purchaser or user, the 3770
certificate of title shall be obtained in the name of the 3771
purchaser by the vendor upon application signed by the 3772
purchaser. In all other cases, the certificate shall be obtained 3773
by the purchaser. In all cases of transfer of watercraft or 3774
outboard motors, the application for certificate of title shall 3775
be filed within thirty days after the later of the date of 3776
purchase or assignment of ownership of the watercraft or 3777
outboard motor. If the application for certificate of title is 3778

not filed within thirty days after the later of the date of 3779
purchase or assignment of ownership of the watercraft or 3780
outboard motor, the clerk shall charge a late penalty fee of 3781
five dollars in addition to the fee prescribed by section 3782
1548.10 of the Revised Code. The clerk shall retain the entire 3783
amount of each late penalty fee. 3784

(D) The clerk shall refuse to accept an application for 3785
certificate of title unless the applicant either tenders with 3786
the application payment of all taxes levied by or pursuant to 3787
Chapter 5739. or 5741. of the Revised Code based on the 3788
applicant's county of residence less, in the case of a sale by a 3789
vendor, any discount to which the vendor is entitled under 3790
section 5739.12 of the Revised Code, or submits any of the 3791
following: 3792

(1) A receipt issued by the tax commissioner or a clerk of 3793
courts showing payment of the tax; 3794

(2) A copy of the unit certificate of exemption completed 3795
by the purchaser at the time of sale as provided in section 3796
5739.03 of the Revised Code; 3797

(3) An exemption certificate, in a form prescribed by the 3798
tax commissioner, that specifies why the purchase is not subject 3799
to the tax imposed by Chapter 5739. or 5741. of the Revised 3800
Code. 3801

Payment of the tax shall be in accordance with rules 3802
issued by the tax commissioner, and the clerk shall issue a 3803
receipt in the form prescribed by the tax commissioner to any 3804
applicant who tenders payment of the tax with the application 3805
for the certificate of title. 3806

(E) (1) For receiving and disbursing the taxes paid to the 3807

clerk by a resident of the clerk's county, the clerk may retain 3808
a poundage fee of one and one one-hundredth per cent of the 3809
taxes collected, which shall be paid into the certificate of 3810
title administration fund created by section 325.33 of the 3811
Revised Code. The clerk shall not retain a poundage fee from 3812
payments of taxes by persons who do not reside in the clerk's 3813
county. 3814

(2) A clerk, however, may retain from the taxes paid to 3815
the clerk an amount equal to the poundage fees associated with 3816
certificates of title issued by other clerks of courts of common 3817
pleas to applicants who reside in the first clerk's county. The 3818
chief of the division of parks and watercraft, in consultation 3819
with the tax commissioner and the clerks of the courts of common 3820
pleas, shall develop a report from the automated title 3821
processing system that informs each clerk of the amount of the 3822
poundage fees that the clerk is permitted to retain from those 3823
taxes because of certificates of title issued by the clerks of 3824
other counties to applicants who reside in the first clerk's 3825
county. 3826

(F) In the case of casual sales of watercraft or outboard 3827
motors that are subject to the tax imposed by Chapter 5739. or 3828
5741. of the Revised Code, the purchase price for the purpose of 3829
determining the tax shall be the purchase price on an affidavit 3830
executed and filed with the clerk by the vendor on a form to be 3831
prescribed by the chief, which shall be prima-facie evidence of 3832
the price for the determination of the tax. In addition to the 3833
information required by section 1548.08 of the Revised Code, 3834
each certificate of title shall contain in bold lettering the 3835
following notification and statements: "WARNING TO TRANSFEROR 3836
AND TRANSFEREE (SELLER AND BUYER). You are required by law to 3837
state the true selling price. A false statement is a violation 3838

of section 2921.13 of the Revised Code and is punishable by six 3839
months imprisonment or a fine of up to one thousand dollars, or 3840
both. All transfers are audited by the department of taxation. 3841
The seller and buyer must provide any information requested by 3842
the department of taxation. The buyer may be assessed any 3843
additional tax found to be due." 3844

(G) Each county clerk of courts shall forward to the 3845
~~treasurer of state~~ tax commissioner all sales and use tax 3846
collections resulting from sales of titled watercraft and 3847
outboard motors during a calendar week on or before the Friday 3848
following the close of that week. If, on any Friday, the offices 3849
of the clerk of courts or the state are not open for business, 3850
the tax shall be forwarded to the ~~treasurer of state~~ 3851
commissioner on or before the next day on which the offices are 3852
open. Every remittance of tax under this division shall be 3853
accompanied by a remittance report in such form as the ~~tax~~ 3854
commissioner prescribes. ~~Upon receipt of a tax remittance and~~ 3855
~~remittance report, the treasurer of state shall date stamp the~~ 3856
~~report and forward it to the tax commissioner.~~ If the tax due 3857
for any week is not remitted by a clerk of courts as required 3858
under this division, the clerk shall forfeit the poundage fees 3859
for the sales made during that week. The ~~treasurer of state~~ 3860
commissioner may require the clerks of courts to transmit tax 3861
collections and remittance reports electronically. 3862

(H) For purposes of a transfer of a certificate of title, 3863
if the clerk is satisfied that a secured party has discharged a 3864
lien but has not canceled the lien notation with a clerk, the 3865
clerk may cancel the lien notation on the automated title 3866
processing system and notify the clerk of the county of origin. 3867

(I) Every clerk shall have the capability to transact by 3868

electronic means all procedures and transactions relating to the 3869
issuance of watercraft or outboard motor certificates of title 3870
that are described in the Revised Code as being accomplished by 3871
electronic means. 3872

Sec. 1735.03. No title guarantee and trust company shall 3873
do business until it has deposited with the ~~treasurer of state~~ 3874
superintendent of insurance fifty thousand dollars, in 3875
securities permitted by sections 3925.05, 3925.06, and 3925.08 3876
of the Revised Code. The ~~treasurer of state~~ superintendent shall 3877
hold such securities deposited with ~~him~~ the superintendent as 3878
security for the faithful performance of all guarantees entered 3879
into and all trusts accepted by such company, but so long as it 3880
continues solvent ~~he~~ the superintendent shall permit it to 3881
collect the interest of, or dividends or distributions on, its 3882
securities so deposited, and to withdraw any of such securities 3883
on depositing with ~~him~~ the superintendent cash or other 3884
securities of the kind specified in this section so as to 3885
maintain the value of such deposit at fifty thousand dollars. 3886

If such a company has made such deposits with the 3887
~~treasurer of state~~ superintendent of insurance, it may request- 3888
~~him~~ the superintendent to return to it securities held by ~~him~~ 3889
the superintendent in such deposit in excess of the amount 3890
required, and ~~he~~ the superintendent shall then surrender such 3891
excess to the company, taking proper receipts therefor. 3892

Sec. 3314.50. No community school shall initiate 3893
operation, ~~on or after the effective date of this amendment,~~ 3894
unless the governing authority of the school has posted a bond 3895
in the amount of fifty thousand dollars with the auditor of 3896
state. The bond shall be used, in the event the school closes, 3897
to pay the auditor of state any moneys owed or that become owed 3898

by the school for the costs of audits conducted by the auditor 3899
of state or a public accountant under Chapter 117. of the 3900
Revised Code. 3901

The department of education shall notify the auditor of 3902
state of the proposed initiation of operations of any community 3903
school and shall provide the auditor of state with the 3904
certification of the sponsor of the community school of the 3905
compliance by the community school with all legal preconditions 3906
to the initiation of its operations, including compliance with 3907
this section. 3908

In lieu of the bond, ~~the governing authority of the~~ 3909
~~school, the school's sponsor,~~ or an operator that has a contract 3910
with the school may ~~deposit with the auditor of state cash in~~ 3911
~~the amount of fifty thousand dollars as guarantee of payment~~ 3912
~~under the provisions of this section. In lieu of a bond or a~~ 3913
~~cash deposit, the school's sponsor or an operator that has a~~ 3914
~~contract with the school may provide a written guarantee of~~ 3915
payment, which shall obligate the school's sponsor or the 3916
operator that provides the written guarantee to pay the cost of 3917
audits of the school under this section up to the amount of 3918
fifty thousand dollars. Any such written guarantee shall be 3919
binding upon any successor entity that enters into a contract to 3920
sponsor or to operate the school, and any such entity, as a 3921
condition of its undertaking shall acknowledge and accept such 3922
obligation. 3923

In the event that a sponsor or operator has provided a 3924
written guarantee under this section, and, subsequent to the 3925
provision of the guarantee, the governing authority of the 3926
school posts a bond under this section, ~~or the governing~~ 3927
~~authority of the school, a sponsor, or an operator provides a~~ 3928

~~cash deposit of fifty thousand dollars as required,~~ the written 3929
guarantee shall cease to be of further effect. 3930

~~As soon as it is practicable to do so after the filing of~~ 3931
~~a bond or the deposit of cash, the auditor of state shall~~ 3932
~~deliver the bond or cash to the treasurer of state, who shall~~ 3933
~~hold it in trust for the purposes prescribed in this section.~~ 3934
~~The treasurer of state shall be responsible for the safekeeping~~ 3935
~~of all bonds filed or cash deposited under this section.~~ The 3936
auditor of state shall notify the department of education when 3937
the school's governing authority has filed the bond, ~~deposited~~ 3938
~~the cash guarantee,~~ or submitted a written guarantee of payment. 3939

When the auditor of state conducts an audit of a community 3940
school that has closed and is subject to the requirements of 3941
this section, the auditor of state shall certify the amount of 3942
forfeiture to the ~~treasurer of state~~attorney general, who shall 3943
assess the bond for the costs of the audit ~~or shall pay money~~ 3944
~~from the named insurer or from the school's cash deposit for the~~ 3945
~~costs of the audit~~ to reimburse the auditor of state or public 3946
accountant for costs incurred in conducting audits of the 3947
school. 3948

To the extent that the amount of the bond ~~or the cash~~ 3949
~~deposit~~ is not needed to cover audit costs, the bond shall be of 3950
no further effect, ~~and any cash balance shall be refunded by the~~ 3951
~~treasurer of state to the entity which provided the bond.~~ When 3952
the auditor of state conducts an audit of a community school 3953
that has closed and is subject to the requirements of this 3954
section, and, as to which, a written guarantee has been given 3955
under this section, the entity that provided the guarantee shall 3956
be solely and fully liable for any such audit costs, and shall 3957
promptly pay the costs of the audit up to fifty thousand 3958

dollars. 3959

No community school that is subject to the provisions of 3960
this section shall maintain or continue its operations absent 3961
the ongoing provision of a bond, ~~a cash deposit~~, or a written 3962
guarantee as required by this section. 3963

Sec. 3366.05. The issuing authority, as an eligible not- 3964
for-profit holder of federal education loans, may act as an 3965
eligible not-for-profit servicer of certain student loans owned 3966
by the federal government under Section 2212 of the "Health Care 3967
and Education Reconciliation Act of 2010," Pub. L. No. 111-152. 3968
The issuing authority is authorized to take such actions and to 3969
enter into such contracts and to execute all instruments 3970
necessary or appropriate to act as an eligible not-for-profit 3971
servicer. Notwithstanding division (C) of section 3366.03 and 3972
division (B) of section 3366.04 of the Revised Code, revenues 3973
received by the issuing authority under this section shall be 3974
deposited in an account in the custody of the treasurer of state 3975
that is not part of the state treasury and shall be used to pay 3976
administrative costs incurred by the issuing authority. 3977
Unexpended amounts shall be deposited in the state treasury and 3978
credited, as determined by the treasurer of state, to the 3979
treasurer of state's administrative fund created under section 3980
113.20 of the Revised Code or the treasurer's information 3981
technology reserve fund created under section 113.22 of the 3982
Revised Code. 3983

Sec. 3737.945. Moneys in the funds of the petroleum 3984
underground storage tank release compensation board, except as 3985
otherwise provided in any resolution authorizing the issuance of 3986
its revenue bonds or in any trust agreement securing the same, 3987
in excess of current needs, may be invested by the board in 3988

notes, bonds, or other obligations of the United States, or of 3989
any agency or instrumentality thereof, or in obligations of this 3990
state or any political subdivision thereof, or the treasurer of 3991
state's investment pool authorized under section 135.45 of the 3992
Revised Code. Income from all such investments of moneys in any 3993
fund shall be credited to such funds as the board determines, 3994
subject to the provisions of any resolution or trust agreement, 3995
and the investments may be sold as the board determines. 3996

Sec. 3903.73. All securities deposited with the 3997
superintendent of insurance shall be ~~deposited by him with the~~ 3998
~~treasurer of state, and the treasurer of state shall not deliver~~ 3999
~~such securities or coupons attached thereto, except upon the~~ 4000
~~written order of~~ held by the superintendent for the purpose 4001
intended. No security shall be accepted for deposit by the 4002
superintendent unless it is of par value and market value of one 4003
thousand dollars or more. 4004

Sec. 3905.32. For each initial license issued under 4005
section 3905.30 of the Revised Code and renewal of that license, 4006
the superintendent of insurance shall collect one hundred 4007
dollars. ~~The renewal fee shall be paid to the treasurer of~~ 4008
~~state.~~ 4009

Sec. 3925.26. When a company organized under section 4010
3925.25 of the Revised Code desires to do business in another 4011
state, by the laws of which, to qualify it therefor, it must 4012
make a deposit of securities assigned in trust for the benefit 4013
of its policyholders with an officer of this state, the 4014
~~treasurer of state~~ superintendent of insurance shall receive 4015
such deposit and issue therefor to the company ~~his~~ a receipt, 4016
giving a pertinent description of the securities and a 4017
certificate of their market value. ~~The treasurer of state shall~~ 4018

~~issue a like certificate to the superintendent of insurance, who shall place it on file in his office. Such company may exchange these securities for other like securities, in whole or in part, as far as its business requires, and it may wholly withdraw them if it discontinues business in such other state. Such changes or withdrawals of securities shall at once be certified by the treasurer of state to the superintendent.~~

Sec. 4141.241. (A) (1) Any nonprofit organization described in division (X) of section 4141.01 of the Revised Code, which becomes subject to this chapter on or after January 1, 1972, shall pay contributions under section 4141.25 of the Revised Code, unless it elects, in accordance with this division, to pay to the director of job and family services for deposit in the unemployment compensation fund an amount in lieu of contributions equal to the amount of regular benefits plus one half of extended benefits paid from that fund that is attributable to service in the employ of the nonprofit organization to individuals whose service, during the base period of the claims, was within the effective period of such election.

(2) Any nonprofit organization which becomes subject to this chapter after January 1, 1972, may elect to become liable for payments in lieu of contributions for a period of not less than the remainder of that calendar year and the next calendar year, beginning with the date on which such subjectivity begins, by filing a written notice of its election with the director not later than thirty days immediately following the date of the determination of such subjectivity.

(3) Any nonprofit organization which makes an election in accordance with this division will continue to be liable for

payments in lieu of contributions for the period described in 4049
this division and until it files with the director a written 4050
notice terminating its election. The notice shall be filed not 4051
later than thirty days prior to the beginning of the calendar 4052
year for which the termination is to become effective. 4053

(4) Any nonprofit organization which has been paying 4054
contributions for a period subsequent to January 1, 1972, may 4055
change to a reimbursable basis by filing with the director, not 4056
later than thirty days prior to the beginning of any calendar 4057
year, a written notice of election to become liable for payments 4058
in lieu of contributions. The election shall not be terminable 4059
by the organization during that calendar year and the next 4060
calendar year. 4061

(5) The director, in accordance with any rules the 4062
director prescribes, shall notify each nonprofit organization of 4063
any determination which the director may make of its status as 4064
an employer and of the effective date of any election which it 4065
makes and of any termination of the election. Any determinations 4066
shall be subject to reconsideration, appeal, and review in 4067
accordance with section 4141.26 of the Revised Code. 4068

(B) Except as provided in division (I) of section 4141.29 4069
of the Revised Code, benefits based on service with a nonprofit 4070
organization granted a reimbursing status under this section 4071
shall be payable in the same amount, on the same terms, and 4072
subject to the same conditions, as benefits payable on the basis 4073
of other service subject to this chapter. Payments in lieu of 4074
contributions shall be made in accordance with this division and 4075
division (D) of section 4141.24 of the Revised Code. 4076

(1) (a) At the end of each calendar quarter, or at the end 4077
of any other period as determined by the director under division 4078

(D) (4) of section 4141.24 of the Revised Code, the director 4079
shall bill each nonprofit organization or group of such 4080
organizations which has elected to make payments in lieu of 4081
contributions for an amount equal to the full amount of regular 4082
benefits plus one half of the amount of extended benefits paid 4083
during such quarter or other prescribed period which is 4084
attributable to service in the employ of such organization. 4085

(b) In the computation of the amount of benefits to be 4086
charged to employers liable for payments in lieu of 4087
contributions, all benefits attributable to service described in 4088
division (B) (1) (a) of this section shall be computed and charged 4089
to such organization as described in division (D) of section 4090
4141.24 of the Revised Code, and, except as provided in division 4091
(D) (2) of section 4141.24 of the Revised Code, no portion of the 4092
amount may be charged to the mutualized account established by 4093
division (B) of section 4141.25 of the Revised Code. 4094

(c) The director may prescribe regulations under which 4095
organizations, which have elected to make payments in lieu of 4096
contributions, may request permission to make such payments in 4097
equal installments throughout the year with an adjustment at the 4098
end of the year for any excess or shortage of the amount of such 4099
installment payments compared with the total amount of benefits 4100
actually charged the organization's account during the year. In 4101
making any adjustment, where the total installment payments are 4102
less than the actual benefits charged, the organization shall be 4103
liable for payment of the unpaid balance in accordance with 4104
division (B) (2) of this section. If the total installment 4105
payments exceed the actual benefits charged, all or part of the 4106
excess may, at the discretion of the director, be refunded or 4107
retained in the fund as part of the payments which may be 4108
required in the next year. 4109

(2) Payment of any bill rendered under division (B) (1) of 4110
this section shall be made not later than thirty days after the 4111
bill was mailed to the last known address of the organization or 4112
was otherwise delivered to it, unless there has been an 4113
application for review and redetermination in accordance with 4114
division (B) (4) of this section. 4115

(3) Payments made by an organization under this section 4116
shall not be deducted or deductible, in whole or in part, from 4117
the remuneration of individuals in the employ of the 4118
organization. 4119

(4) An organization may file an application for review and 4120
redetermination of the amounts appearing on any bill rendered to 4121
such organization under division (B) (1) of this section. The 4122
application shall be filed and determined under division (D) (4) 4123
of section 4141.24 of the Revised Code. 4124

(5) Past-due payments of amounts in lieu of contributions 4125
shall be subject to the same interest rates and collection 4126
procedures that apply to past-due contributions under sections 4127
4141.23 and ~~414.27~~ 4141.27 of the Revised Code. In case of 4128
failure to file a required quarterly report within the time 4129
prescribed by the director, the nonprofit organization shall be 4130
subject to a forfeiture pursuant to section 4141.20 of the 4131
Revised Code for each quarterly report that is not timely filed. 4132

All interest and forfeitures collected under this division 4133
shall be paid into the unemployment compensation special 4134
administrative fund as provided in section 4141.11 of the 4135
Revised Code. 4136

(6) All payments in lieu of contributions collected under 4137
this section shall be paid into the unemployment compensation 4138

fund as provided in section 4141.09 of the Revised Code. Any 4139
refunds of such payments shall be paid from the unemployment 4140
compensation fund, as provided in section 4141.09 of the Revised 4141
Code. 4142

(C) (1) Any nonprofit organization, or group of such 4143
organizations approved under division (D) of this section, that 4144
elects to become liable for payments in lieu of contributions 4145
shall be required within thirty days after the effective date of 4146
its election, to execute and file with the director a surety 4147
bond approved by the director or it may elect instead to deposit 4148
with the director approved municipal or other bonds, or approved 4149
securities, or a combination thereof, or other forms of 4150
collateral security approved by the director. 4151

(2) (a) The amount of the bond or deposit required shall be 4152
equal to three per cent of the organization's wages paid for 4153
employment as defined in section 4141.01 of the Revised Code 4154
that would have been taxable had the organization been a subject 4155
employer during the four calendar quarters immediately preceding 4156
the effective date of the election, or the amount established by 4157
the director within the limitation provided in division (C) (2) 4158
(d) of this section, whichever is the less. The effective date 4159
of the amount of the bond or other collateral security required 4160
after the employer initially is determined by the director to be 4161
liable for payments in lieu of contributions shall be the 4162
renewal date in the case of a bond or the biennial anniversary 4163
of the effective date of election in the case of deposit of 4164
securities or other forms of collateral security approved by the 4165
director, whichever date shall be most recent and applicable. If 4166
the nonprofit organization did not pay wages in each of such 4167
four calendar quarters, the amount of the bond or deposit shall 4168
be as determined by the director under regulations prescribed 4169

for this purpose. 4170

(b) Any bond or other form of collateral security approved 4171
by the director deposited under this division shall be in force 4172
for a period of not less than two calendar years and shall be 4173
renewed with the approval of the director, at such times as the 4174
director may prescribe, but not less frequently than at two-year 4175
intervals as long as the organization continues to be liable for 4176
payments in lieu of contributions. The director shall require 4177
adjustments to be made in a previously filed bond or other form 4178
of collateral security as the director considers appropriate. If 4179
the bond or other form of collateral security is to be 4180
increased, the adjusted bond or collateral security shall be 4181
filed by the organization within thirty days of the date that 4182
notice of the required adjustment was mailed or otherwise 4183
delivered to it. Failure by any organization covered by such 4184
bond or collateral security to pay the full amount of payments 4185
in lieu of contributions when due, together with any applicable 4186
interest provided for in division (B) (5) of this section, shall 4187
render the surety liable on the bond or collateral security to 4188
the extent of the bond or collateral security, as though the 4189
surety was the organization. 4190

(c) Any securities accepted in lieu of surety bond by the 4191
director shall be ~~deposited with the treasurer of state who~~ 4192
~~shall have in the director's custody thereof and retain the same~~ 4193
~~in the treasurer of state's retained in the director's~~ 4194
possession, ~~or release them,~~ until released according to 4195
conditions prescribed by regulations of the director. Income 4196
from the securities, held in custody by the ~~treasurer of~~ 4197
~~state~~director, shall accrue to the benefit of the depositor and 4198
shall be distributed to the depositor ~~in the absence of any~~ 4199
~~notification from the director that~~ unless the depositor is in 4200

default on any payment owed to the director. The director may 4201
require the sale of any such bonds to the extent necessary to 4202
satisfy any unpaid payments in lieu of contributions, together 4203
with any applicable interest or forfeitures provided for in 4204
division (B) (5) of this section. The director shall require the 4205
employer within thirty days following any sale of deposited 4206
securities, under this subdivision, to deposit additional 4207
securities, surety bond, or combination of both, to make whole 4208
the employer's security deposit at the approved level. Any cash 4209
remaining from the sale of such securities may, at the 4210
discretion of the director, be refunded in whole or in part, or 4211
be paid into the unemployment compensation fund to cover future 4212
payments required of the organization. 4213

(d) The required bond or deposit for any nonprofit 4214
organization, or group of such organizations approved by the 4215
director under division (D) of this section, that is determined 4216
by the director to be liable for payments in lieu of 4217
contributions ~~effective beginning on and after January 1, 1996,~~ 4218
~~but prior to January 1, 1998,~~ and the required bond or deposit 4219
for any renewed elections under division (C) (2) (b) of this 4220
section ~~effective during that period shall not exceed one~~ 4221
~~million two hundred fifty thousand dollars. The required bond or~~ 4222
~~deposit for any nonprofit organization, or group of such~~ 4223
~~organizations approved by the director under division (D) of~~ 4224
~~this section, that is determined to be liable for payments in~~ 4225
~~lieu of contributions effective on and after January 1, 1998,~~ 4226
~~and the required bond or deposit for any renewed elections~~ 4227
~~effective on and after January 1, 1998,~~ shall not exceed two 4228
million dollars. 4229

(3) If any nonprofit organization fails to file a bond or 4230
make a deposit, or to file a bond in an increased amount or to 4231

make whole the amount of a previously made deposit, as provided 4232
under this division, the director may terminate the 4233
organization's election to make payments in lieu of 4234
contributions effective for the quarter following such failure 4235
and the termination shall continue for not less than the 4236
remainder of that calendar year and the next calendar year, 4237
beginning with the quarter in which the termination becomes 4238
effective; except that the director may extend for good cause 4239
the applicable filing, deposit, or adjustment period by not more 4240
than thirty days. 4241

(D) (1) Two or more nonprofit organizations that have 4242
become liable for payments in lieu of contributions, in 4243
accordance with division (A) of this section, may file a joint 4244
application to the director for the establishment of the group 4245
account for the purpose of sharing the cost of benefits paid 4246
that are attributable to service in the employ of those 4247
employers. Notwithstanding division (E) of section 4141.242 of 4248
the Revised Code, hospitals operated by this state or a 4249
political subdivision may participate in a group account with 4250
nonprofit organizations under the procedures set forth in this 4251
section. Each application shall identify and authorize a group 4252
representative to act as the group's agent for the purposes of 4253
this division. 4254

(2) Upon the director's approval of the application, the 4255
director shall establish a group account for the employers 4256
effective as of the beginning of the calendar quarter in which 4257
the director receives the application and shall notify the 4258
group's representative of the effective date of the account. The 4259
account shall remain in effect for not less than two years and 4260
thereafter until terminated by the director or upon application 4261
by the group. 4262

(3) Upon establishment of the account, each member of the group shall be liable, in the event that the group representative fails to pay any bill issued to it pursuant to division (B) of this section, for payments in lieu of contributions with respect to each calendar quarter in the amount that bears the same ratio to the total benefits paid in the quarter that are attributable to service performed in the employ of all members of the group as the total wages paid for service in employment by the member in the quarter bear to the total wages paid during the quarter for service performed in the employ of all members of the group.

(4) The director shall adopt regulations as considered necessary with respect to the following: applications for establishment, bonding, maintenance, and termination of group accounts that are authorized by this section; addition of new members to and withdrawal of active members from such accounts; and the determination of the amounts that are payable under this division by the group representative and in the event of default in payment by the group representative, members of the group, and the time and manner of payments.

Sec. 4505.06. (A) (1) Application for a certificate of title shall be made in a form prescribed by the registrar of motor vehicles and shall be sworn to before a notary public or other officer empowered to administer oaths. The application shall be filed with the clerk of any court of common pleas. An application for a certificate of title may be filed electronically by any electronic means approved by the registrar in any county with the clerk of the court of common pleas of that county. Any payments required by this chapter shall be considered as accompanying any electronically transmitted application when payment actually is received by the clerk.

Payment of any fee or taxes may be made by electronic transfer 4294
of funds. 4295

(2) The application for a certificate of title shall be 4296
accompanied by the fee prescribed in section 4505.09 of the 4297
Revised Code. The fee shall be retained by the clerk who issues 4298
the certificate of title and shall be distributed in accordance 4299
with that section. If a clerk of a court of common pleas, other 4300
than the clerk of the court of common pleas of an applicant's 4301
county of residence, issues a certificate of title to the 4302
applicant, the clerk shall transmit data related to the 4303
transaction to the automated title processing system. 4304

(3) If a certificate of title previously has been issued 4305
for a motor vehicle in this state, the application for a 4306
certificate of title also shall be accompanied by that 4307
certificate of title duly assigned, unless otherwise provided in 4308
this chapter. If a certificate of title previously has not been 4309
issued for the motor vehicle in this state, the application, 4310
unless otherwise provided in this chapter, shall be accompanied 4311
by a manufacturer's or importer's certificate or by a 4312
certificate of title of another state from which the motor 4313
vehicle was brought into this state. If the application refers 4314
to a motor vehicle last previously registered in another state, 4315
the application also shall be accompanied by the physical 4316
inspection certificate required by section 4505.061 of the 4317
Revised Code. If the application is made by two persons 4318
regarding a motor vehicle in which they wish to establish joint 4319
ownership with right of survivorship, they may do so as provided 4320
in section 2131.12 of the Revised Code. If the applicant 4321
requests a designation of the motor vehicle in beneficiary form 4322
so that upon the death of the owner of the motor vehicle, 4323
ownership of the motor vehicle will pass to a designated 4324

transfer-on-death beneficiary or beneficiaries, the applicant 4325
may do so as provided in section 2131.13 of the Revised Code. A 4326
person who establishes ownership of a motor vehicle that is 4327
transferable on death in accordance with section 2131.13 of the 4328
Revised Code may terminate that type of ownership or change the 4329
designation of the transfer-on-death beneficiary or 4330
beneficiaries by applying for a certificate of title pursuant to 4331
this section. The clerk shall retain the evidence of title 4332
presented by the applicant and on which the certificate of title 4333
is issued, except that, if an application for a certificate of 4334
title is filed electronically by an electronic motor vehicle 4335
dealer on behalf of the purchaser of a motor vehicle, the clerk 4336
shall retain the completed electronic record to which the dealer 4337
converted the certificate of title application and other 4338
required documents. The registrar, after consultation with the 4339
attorney general, shall adopt rules that govern the location at 4340
which, and the manner in which, are stored the actual 4341
application and all other documents relating to the transfer of 4342
a motor vehicle when an electronic motor vehicle dealer files 4343
the application for a certificate of title electronically on 4344
behalf of the purchaser. Not later than December 31, 2017, the 4345
registrar shall arrange for a service that enables all 4346
electronic motor vehicle dealers to file applications for 4347
certificates of title on behalf of purchasers of motor vehicles 4348
electronically by transferring the applications directly from 4349
the computer systems of the dealers to the clerk. 4350

The clerk shall use reasonable diligence in ascertaining 4351
whether or not the facts in the application for a certificate of 4352
title are true by checking the application and documents 4353
accompanying it or the electronic record to which a dealer 4354
converted the application and accompanying documents with the 4355

records of motor vehicles in the clerk's office. If the clerk is 4356
satisfied that the applicant is the owner of the motor vehicle 4357
and that the application is in the proper form, the clerk, 4358
within five business days after the application is filed and 4359
except as provided in section 4505.021 of the Revised Code, 4360
shall issue a physical certificate of title over the clerk's 4361
signature and sealed with the clerk's seal, unless the applicant 4362
specifically requests the clerk not to issue a physical 4363
certificate of title and instead to issue an electronic 4364
certificate of title. For purposes of the transfer of a 4365
certificate of title, if the clerk is satisfied that the secured 4366
party has duly discharged a lien notation but has not canceled 4367
the lien notation with a clerk, the clerk may cancel the lien 4368
notation on the automated title processing system and notify the 4369
clerk of the county of origin. 4370

(4) In the case of the sale of a motor vehicle to a 4371
general buyer or user by a dealer, by a motor vehicle leasing 4372
dealer selling the motor vehicle to the lessee or, in a case in 4373
which the leasing dealer subleased the motor vehicle, the 4374
sublessee, at the end of the lease agreement or sublease 4375
agreement, or by a manufactured housing broker, the certificate 4376
of title shall be obtained in the name of the buyer by the 4377
dealer, leasing dealer, or manufactured housing broker, as the 4378
case may be, upon application signed by the buyer. The 4379
certificate of title shall be issued, or the process of entering 4380
the certificate of title application information into the 4381
automated title processing system if a physical certificate of 4382
title is not to be issued shall be completed, within five 4383
business days after the application for title is filed with the 4384
clerk. If the buyer of the motor vehicle previously leased the 4385
motor vehicle and is buying the motor vehicle at the end of the 4386

lease pursuant to that lease, the certificate of title shall be 4387
obtained in the name of the buyer by the motor vehicle leasing 4388
dealer who previously leased the motor vehicle to the buyer or 4389
by the motor vehicle leasing dealer who subleased the motor 4390
vehicle to the buyer under a sublease agreement. 4391

In all other cases, except as provided in section 4505.032 4392
and division (D)(2) of section 4505.11 of the Revised Code, such 4393
certificates shall be obtained by the buyer. 4394

(5) (a) (i) If the certificate of title is being obtained in 4395
the name of the buyer by a motor vehicle dealer or motor vehicle 4396
leasing dealer and there is a security interest to be noted on 4397
the certificate of title, the dealer or leasing dealer shall 4398
submit the application for the certificate of title and payment 4399
of the applicable tax to a clerk within seven business days 4400
after the later of the delivery of the motor vehicle to the 4401
buyer or the date the dealer or leasing dealer obtains the 4402
manufacturer's or importer's certificate, or certificate of 4403
title issued in the name of the dealer or leasing dealer, for 4404
the motor vehicle. Submission of the application for the 4405
certificate of title and payment of the applicable tax within 4406
the required seven business days may be indicated by postmark or 4407
receipt by a clerk within that period. 4408

(ii) Upon receipt of the certificate of title with the 4409
security interest noted on its face, the dealer or leasing 4410
dealer shall forward the certificate of title to the secured 4411
party at the location noted in the financing documents or 4412
otherwise specified by the secured party. 4413

(iii) A motor vehicle dealer or motor vehicle leasing 4414
dealer is liable to a secured party for a late fee of ten 4415
dollars per day for each certificate of title application and 4416

payment of the applicable tax that is submitted to a clerk more 4417
than seven business days but less than twenty-one days after the 4418
later of the delivery of the motor vehicle to the buyer or the 4419
date the dealer or leasing dealer obtains the manufacturer's or 4420
importer's certificate, or certificate of title issued in the 4421
name of the dealer or leasing dealer, for the motor vehicle and, 4422
from then on, twenty-five dollars per day until the application 4423
and applicable tax are submitted to a clerk. 4424

(b) In all cases of transfer of a motor vehicle except the 4425
transfer of a manufactured home or mobile home, the application 4426
for certificate of title shall be filed within thirty days after 4427
the assignment or delivery of the motor vehicle. 4428

(c) An application for a certificate of title for a new 4429
manufactured home shall be filed within thirty days after the 4430
delivery of the new manufactured home to the purchaser. The date 4431
of the delivery shall be the date on which an occupancy permit 4432
for the manufactured home is delivered to the purchaser of the 4433
home by the appropriate legal authority. 4434

(d) An application for a certificate of title for a used 4435
manufactured home or a used mobile home shall be filed as 4436
follows: 4437

(i) If a certificate of title for the used manufactured 4438
home or used mobile home was issued to the motor vehicle dealer 4439
prior to the sale of the manufactured or mobile home to the 4440
purchaser, the application for certificate of title shall be 4441
filed within thirty days after the date on which an occupancy 4442
permit for the manufactured or mobile home is delivered to the 4443
purchaser by the appropriate legal authority. 4444

(ii) If the motor vehicle dealer has been designated by a 4445

secured party to display the manufactured or mobile home for 4446
sale, or to sell the manufactured or mobile home under section 4447
4505.20 of the Revised Code, but the certificate of title has 4448
not been transferred by the secured party to the motor vehicle 4449
dealer, and the dealer has complied with the requirements of 4450
division (A) of section 4505.181 of the Revised Code, the 4451
application for certificate of title shall be filed within 4452
thirty days after the date on which the motor vehicle dealer 4453
obtains the certificate of title for the home from the secured 4454
party or the date on which an occupancy permit for the 4455
manufactured or mobile home is delivered to the purchaser by the 4456
appropriate legal authority, whichever occurs later. 4457

(6) If an application for a certificate of title is not 4458
filed within the period specified in division (A) (5) (b), (c), or 4459
(d) of this section, the clerk shall collect a fee of five 4460
dollars for the issuance of the certificate, except that no such 4461
fee shall be required from a motor vehicle salvage dealer, as 4462
defined in division (A) of section 4738.01 of the Revised Code, 4463
who immediately surrenders the certificate of title for 4464
cancellation. The fee shall be in addition to all other fees 4465
established by this chapter, and shall be retained by the clerk. 4466
The registrar shall provide, on the certificate of title form 4467
prescribed by section 4505.07 of the Revised Code, language 4468
necessary to give evidence of the date on which the assignment 4469
or delivery of the motor vehicle was made. 4470

(7) As used in division (A) of this section, "lease 4471
agreement," "lessee," and "sublease agreement" have the same 4472
meanings as in section 4505.04 of the Revised Code and "new 4473
manufactured home," "used manufactured home," and "used mobile 4474
home" have the same meanings as in section 5739.0210 of the 4475
Revised Code. 4476

(B) (1) The clerk, except as provided in this section, 4477
shall refuse to accept for filing any application for a 4478
certificate of title and shall refuse to issue a certificate of 4479
title unless the dealer or the applicant, in cases in which the 4480
certificate shall be obtained by the buyer, submits with the 4481
application payment of the tax levied by or pursuant to Chapters 4482
5739. and 5741. of the Revised Code based on the purchaser's 4483
county of residence. Upon payment of the tax in accordance with 4484
division (E) of this section, the clerk shall issue a receipt 4485
prescribed by the registrar and agreed upon by the tax 4486
commissioner showing payment of the tax or a receipt issued by 4487
the commissioner showing the payment of the tax. When submitting 4488
payment of the tax to the clerk, a dealer shall retain any 4489
discount to which the dealer is entitled under section 5739.12 4490
of the Revised Code. 4491

(2) For receiving and disbursing such taxes paid to the 4492
clerk by a resident of the clerk's county, the clerk may retain 4493
a poundage fee of one and one one-hundredth per cent, and the 4494
clerk shall pay the poundage fee into the certificate of title 4495
administration fund created by section 325.33 of the Revised 4496
Code. The clerk shall not retain a poundage fee from payments of 4497
taxes by persons who do not reside in the clerk's county. 4498

A clerk, however, may retain from the taxes paid to the 4499
clerk an amount equal to the poundage fees associated with 4500
certificates of title issued by other clerks of courts of common 4501
pleas to applicants who reside in the first clerk's county. The 4502
registrar, in consultation with the tax commissioner and the 4503
clerks of the courts of common pleas, shall develop a report 4504
from the automated title processing system that informs each 4505
clerk of the amount of the poundage fees that the clerk is 4506
permitted to retain from those taxes because of certificates of 4507

title issued by the clerks of other counties to applicants who 4508
reside in the first clerk's county. 4509

(3) In the case of casual sales of motor vehicles, as 4510
defined in section 4517.01 of the Revised Code, the price for 4511
the purpose of determining the tax shall be the purchase price 4512
on the assigned certificate of title, or assignment form 4513
prescribed by the registrar, executed by the seller and filed 4514
with the clerk by the buyer on a form to be prescribed by the 4515
registrar, which shall be prima-facie evidence of the amount for 4516
the determination of the tax. 4517

(4) Each county clerk shall forward to the ~~treasurer of~~ 4518
~~state registrar of motor vehicles~~ all sales and use tax 4519
collections resulting from sales of motor vehicles, off-highway 4520
motorcycles, and all-purpose vehicles during a calendar week on 4521
or before the Friday following the close of that week. If, on 4522
any Friday, the offices of the clerk of courts or the state are 4523
not open for business, the tax shall be forwarded to the 4524
~~treasurer of state registrar~~ on or before the next day on which 4525
the offices are open. Every remittance of tax under division (B) 4526
(4) of this section shall be accompanied by a remittance report 4527
in such form as the tax commissioner prescribes. Upon receipt of 4528
a tax remittance and remittance report, the ~~treasurer of state~~ 4529
~~registrar~~ shall date stamp the report and forward it to the tax 4530
commissioner. If the tax due for any week is not remitted by a 4531
clerk of courts as required under division (B) (4) of this 4532
section, the commissioner may require the clerk to forfeit the 4533
poundage fees for the sales made during that week. The ~~treasurer~~ 4534
~~of state registrar~~ may require the clerks of courts to transmit 4535
tax collections and remittance reports electronically. 4536

(C) (1) If the transferor indicates on the certificate of 4537

title that the odometer reflects mileage in excess of the 4538
designed mechanical limit of the odometer, the clerk shall enter 4539
the phrase "exceeds mechanical limits" following the mileage 4540
designation. If the transferor indicates on the certificate of 4541
title that the odometer reading is not the actual mileage, the 4542
clerk shall enter the phrase "nonactual: warning - odometer 4543
discrepancy" following the mileage designation. The clerk shall 4544
use reasonable care in transferring the information supplied by 4545
the transferor, but is not liable for any errors or omissions of 4546
the clerk or those of the clerk's deputies in the performance of 4547
the clerk's duties created by this chapter. 4548

The registrar shall prescribe an affidavit in which the 4549
transferor shall swear to the true selling price and, except as 4550
provided in this division, the true odometer reading of the 4551
motor vehicle. The registrar may prescribe an affidavit in which 4552
the seller and buyer provide information pertaining to the 4553
odometer reading of the motor vehicle in addition to that 4554
required by this section, as such information may be required by 4555
the United States secretary of transportation by rule prescribed 4556
under authority of subchapter IV of the "Motor Vehicle 4557
Information and Cost Savings Act," 86 Stat. 961 (1972), 15 4558
U.S.C. 1981. 4559

(2) Division (C)(1) of this section does not require the 4560
giving of information concerning the odometer and odometer 4561
reading of a motor vehicle when ownership of a motor vehicle is 4562
being transferred as a result of a bequest, under the laws of 4563
intestate succession, to a survivor pursuant to section 2106.18, 4564
2131.12, or 4505.10 of the Revised Code, to a transfer-on-death 4565
beneficiary or beneficiaries pursuant to section 2131.13 of the 4566
Revised Code, in connection with the creation of a security 4567
interest or for a vehicle with a gross vehicle weight rating of 4568

more than sixteen thousand pounds. 4569

(D) When the transfer to the applicant was made in some 4570
other state or in interstate commerce, the clerk, except as 4571
provided in this section, shall refuse to issue any certificate 4572
of title unless the tax imposed by or pursuant to Chapter 5741. 4573
of the Revised Code based on the purchaser's county of residence 4574
has been paid as evidenced by a receipt issued by the tax 4575
commissioner, or unless the applicant submits with the 4576
application payment of the tax. Upon payment of the tax in 4577
accordance with division (E) of this section, the clerk shall 4578
issue a receipt prescribed by the registrar and agreed upon by 4579
the tax commissioner, showing payment of the tax. 4580

For receiving and disbursing such taxes paid to the clerk 4581
by a resident of the clerk's county, the clerk may retain a 4582
poundage fee of one and one one-hundredth per cent. The clerk 4583
shall not retain a poundage fee from payments of taxes by 4584
persons who do not reside in the clerk's county. 4585

A clerk, however, may retain from the taxes paid to the 4586
clerk an amount equal to the poundage fees associated with 4587
certificates of title issued by other clerks of courts of common 4588
pleas to applicants who reside in the first clerk's county. The 4589
registrar, in consultation with the tax commissioner and the 4590
clerks of the courts of common pleas, shall develop a report 4591
from the automated title processing system that informs each 4592
clerk of the amount of the poundage fees that the clerk is 4593
permitted to retain from those taxes because of certificates of 4594
title issued by the clerks of other counties to applicants who 4595
reside in the first clerk's county. 4596

When the vendor is not regularly engaged in the business 4597
of selling motor vehicles, the vendor shall not be required to 4598

purchase a vendor's license or make reports concerning those 4599
sales. 4600

(E) The clerk shall accept any payment of a tax in cash, 4601
or by cashier's check, certified check, draft, money order, or 4602
teller check issued by any insured financial institution payable 4603
to the clerk and submitted with an application for a certificate 4604
of title under division (B) or (D) of this section. The clerk 4605
also may accept payment of the tax by corporate, business, or 4606
personal check, credit card, electronic transfer or wire 4607
transfer, debit card, or any other accepted form of payment made 4608
payable to the clerk. The clerk may require bonds, guarantees, 4609
or letters of credit to ensure the collection of corporate, 4610
business, or personal checks. Any service fee charged by a third 4611
party to a clerk for the use of any form of payment may be paid 4612
by the clerk from the certificate of title administration fund 4613
created in section 325.33 of the Revised Code, or may be 4614
assessed by the clerk upon the applicant as an additional fee. 4615
Upon collection, the additional fees shall be paid by the clerk 4616
into that certificate of title administration fund. 4617

The clerk shall make a good faith effort to collect any 4618
payment of taxes due but not made because the payment was 4619
returned or dishonored, but the clerk is not personally liable 4620
for the payment of uncollected taxes or uncollected fees. The 4621
clerk shall notify the tax commissioner of any such payment of 4622
taxes that is due but not made and shall furnish the information 4623
to the commissioner that the commissioner requires. The clerk 4624
shall deduct the amount of taxes due but not paid from the 4625
clerk's periodic remittance of tax payments, in accordance with 4626
procedures agreed upon by the tax commissioner. The commissioner 4627
may collect taxes due by assessment in the manner provided in 4628
section 5739.13 of the Revised Code. 4629

Any person who presents payment that is returned or 4630
dishonored for any reason is liable to the clerk for payment of 4631
a penalty over and above the amount of the taxes due. The clerk 4632
shall determine the amount of the penalty, and the penalty shall 4633
be no greater than that amount necessary to compensate the clerk 4634
for banking charges, legal fees, or other expenses incurred by 4635
the clerk in collecting the returned or dishonored payment. The 4636
remedies and procedures provided in this section are in addition 4637
to any other available civil or criminal remedies. Subsequently 4638
collected penalties, poundage fees, and title fees, less any 4639
title fee due the state, from returned or dishonored payments 4640
collected by the clerk shall be paid into the certificate of 4641
title administration fund. Subsequently collected taxes, less 4642
poundage fees, shall be sent by the clerk to the ~~treasurer of~~ 4643
~~state registrar of motor vehicles~~ at the next scheduled periodic 4644
remittance of tax payments, with information as the commissioner 4645
may require. The clerk may abate all or any part of any penalty 4646
assessed under this division. 4647

(F) In the following cases, the clerk shall accept for 4648
filing an application and shall issue a certificate of title 4649
without requiring payment or evidence of payment of the tax: 4650

(1) When the purchaser is this state or any of its 4651
political subdivisions, a church, or an organization whose 4652
purchases are exempted by section 5739.02 of the Revised Code; 4653

(2) When the transaction in this state is not a retail 4654
sale as defined by section 5739.01 of the Revised Code; 4655

(3) When the purchase is outside this state or in 4656
interstate commerce and the purpose of the purchaser is not to 4657
use, store, or consume within the meaning of section 5741.01 of 4658
the Revised Code; 4659

(4) When the purchaser is the federal government; 4660

(5) When the motor vehicle was purchased outside this 4661
state for use outside this state; 4662

(6) When the motor vehicle is purchased by a nonresident 4663
under the circumstances described in division (B)(1) of section 4664
5739.029 of the Revised Code, and upon presentation of a copy of 4665
the statement provided by that section, and a copy of the 4666
exemption certificate provided by section 5739.03 of the Revised 4667
Code. 4668

(G) An application, as prescribed by the registrar and 4669
agreed to by the tax commissioner, shall be filled out and sworn 4670
to by the buyer of a motor vehicle in a casual sale. The 4671
application shall contain the following notice in bold 4672
lettering: "WARNING TO TRANSFEROR AND TRANSFEREE (SELLER AND 4673
BUYER): You are required by law to state the true selling price. 4674
A false statement is in violation of section 2921.13 of the 4675
Revised Code and is punishable by six months' imprisonment or a 4676
fine of up to one thousand dollars, or both. All transfers are 4677
audited by the department of taxation. The seller and buyer must 4678
provide any information requested by the department of taxation. 4679
The buyer may be assessed any additional tax found to be due." 4680

(H) For sales of manufactured homes or mobile homes 4681
occurring on or after January 1, 2000, the clerk shall accept 4682
for filing, pursuant to Chapter 5739. of the Revised Code, an 4683
application for a certificate of title for a manufactured home 4684
or mobile home without requiring payment of any tax pursuant to 4685
section 5739.02, 5741.021, 5741.022, or 5741.023 of the Revised 4686
Code, or a receipt issued by the tax commissioner showing 4687
payment of the tax. For sales of manufactured homes or mobile 4688
homes occurring on or after January 1, 2000, the applicant shall 4689

pay to the clerk an additional fee of five dollars for each 4690
certificate of title issued by the clerk for a manufactured or 4691
mobile home pursuant to division (H) of section 4505.11 of the 4692
Revised Code and for each certificate of title issued upon 4693
transfer of ownership of the home. The clerk shall credit the 4694
fee to the county certificate of title administration fund, and 4695
the fee shall be used to pay the expenses of archiving those 4696
certificates pursuant to division (A) of section 4505.08 and 4697
division (H) (3) of section 4505.11 of the Revised Code. The tax 4698
commissioner shall administer any tax on a manufactured or 4699
mobile home pursuant to Chapters 5739. and 5741. of the Revised 4700
Code. 4701

(I) Every clerk shall have the capability to transact by 4702
electronic means all procedures and transactions relating to the 4703
issuance of motor vehicle certificates of title that are 4704
described in the Revised Code as being accomplished by 4705
electronic means. 4706

Sec. 4509.62. ~~Proof—A person may effectuate proof of~~ 4707
~~financial responsibility may be evidenced by the certificate of~~ 4708
~~the treasurer of state that the person named therein has~~ 4709
~~deposited with him—depositing with the registrar of motor~~ 4710
~~vehicles thirty thousand dollars in money or bonds of the United~~ 4711
~~States, of this state, or of a political subdivision of this~~ 4712
~~state at their par or face value. The treasurer of state~~ 4713
~~registrar shall not accept any such deposit and issue a~~ 4714
~~certificate therefor and the registrar shall not accept such~~ 4715
~~certificate unless it is accompanied by evidence that there are~~ 4716
no unsatisfied judgments against the depositor in the county 4717
where the depositor resides. 4718

The financial responsibility custodial fund is created, 4719

which shall be in the custody of the treasurer of state but 4720
shall not be part of the state treasury. All money deposited 4721
under this section shall be credited to that fund. 4722

Sec. 4509.63. The deposit provided for in section 4509.62 4723
of the Revised Code shall be held by the ~~treasurer of state~~ 4724
registrar of motor vehicles to satisfy, in accordance with 4725
sections 4509.01 to 4509.78, inclusive, of the Revised Code, any 4726
execution on a judgment, against the person making the deposit, 4727
for damages, including damages for care and loss of services, 4728
because of bodily injury to or death of any person, or for 4729
damages because of injury to property, including the loss of use 4730
thereof, resulting from the ownership, maintenance, or use of a 4731
motor vehicle after such deposit was made. Money ~~or securities~~ 4732
so deposited shall not be subject to attachment or execution 4733
unless such attachment or execution arises out of a suit for 4734
damages as described in this section. 4735

Sec. 4509.65. The registrar of motor vehicles shall 4736
consent to the cancellation of any bond or certificate of 4737
insurance or ~~the registrar shall direct and the treasurer of~~ 4738
~~state shall return~~ any money ~~or securities~~ to the person 4739
entitled thereto upon the substitution and acceptance of other 4740
adequate proof of financial responsibility in accordance with 4741
sections 4509.01 to 4509.78, inclusive, of the Revised Code. 4742

Sec. 4509.67. (A) The registrar of motor vehicles shall, 4743
upon request, consent to the immediate cancellation of any bond 4744
or certificate of insurance, ~~or shall direct and the treasurer~~ 4745
~~of state shall return~~ to the person entitled any money ~~or~~ 4746
~~securities~~ deposited under sections 4509.01 to 4509.78 of the 4747
Revised Code, as proof of financial responsibility, or ~~the~~ 4748
~~registrar shall waive~~ the requirement of filing proof, in any of 4749

the following events: 4750

(1) At any time after three years from the date such proof 4751
was required when, during the three years preceding the request, 4752
the registrar has not received record of a conviction or bail 4753
forfeiture which would require or permit the suspension or 4754
revocation of the license, registration or nonresident's 4755
operating privilege of the person by or for whom such proof was 4756
furnished and the person's motor vehicle registration has not 4757
been suspended for a violation of section 4509.101 of the 4758
Revised Code; 4759

(2) In the event of the death of the person on whose 4760
behalf such proof was filed or the permanent incapacity of such 4761
person to operate a motor vehicle; 4762

(3) In the event the person who has given proof surrenders 4763
his the person's license and registration to the registrar. 4764

(B) The registrar shall not consent to the cancellation of 4765
any bond or the return of any money ~~or securities~~ if any action 4766
for damages upon a liability covered by such proof is pending, 4767
or any judgment upon any such liability is unsatisfied, or in 4768
the event the person who has filed such bond or deposited such 4769
money ~~or securities~~ has within two years immediately preceding 4770
such request been involved as a driver or owner in any ~~motor-~~ 4771
~~vehicle~~ motor vehicle accident resulting in injury to the person 4772
or property of others. An affidavit of the applicant as to the 4773
nonexistence of such facts, or that ~~he~~ the applicant has been 4774
released from all liability, or has been finally adjudicated not 4775
liable, for such injury may be accepted as evidence thereof in 4776
the absence of evidence to the contrary in the records of the 4777
registrar. 4778

(C) Whenever any person whose proof has been canceled or
returned under division (A) (3) of this section applies for a
license or registration within a period of three years from the
date proof was originally required, any such application shall
be refused unless the applicant re-establishes proof of
financial responsibility for the remainder of the three-year
period.

Sec. 4749.01. As used in this chapter:

(A) "Private investigator" means any person who engages in
the business of private investigation.

(B) "Business of private investigation" means, except when
performed by one excluded under division (H) of this section,
the conducting, for hire, in person or through a partner or
employees, of any investigation relevant to any crime or wrong
done or threatened, or to obtain information on the identity,
habits, conduct, movements, whereabouts, affiliations,
transactions, reputation, credibility, or character of any
person, or to locate and recover lost or stolen property, or to
determine the cause of or responsibility for any libel or
slander, or any fire, accident, or damage to property, or to
secure evidence for use in any legislative, administrative, or
judicial investigation or proceeding.

(C) "Security guard provider" means any person who engages
in the business of security services.

(D) "Business of security services" means either of the
following:

(1) Furnishing, for hire, watchpersons, guards, private
patrol officers, or other persons whose primary duties are to
protect persons or property;

(2) Furnishing, for hire, guard dogs, or armored motor vehicle security services, in connection with the protection of persons or property.

(E) "Class A license" means a license issued under section 4749.03 of the Revised Code that qualifies the person issued the license to engage in the business of private investigation and the business of security services.

(F) "Class B license" means a license issued under section 4749.03 of the Revised Code that qualifies the person issued the license to engage only in the business of private investigation.

(G) "Class C license" means a license issued under section 4749.03 of the Revised Code that qualifies the person issued the license to engage only in the business of security services.

(H) "Private investigator," "business of private investigation," "security guard provider," and "business of security services" do not include:

(1) Public officers and employees whose official duties require them to engage in investigatory activities;

(2) Attorneys at law or any expert hired by an attorney at law for consultation or litigation purposes;

(3) A consumer reporting agency, as defined in the "Fair Credit Reporting Act," 84 Stat. 1128, 15 U.S.C.A. 1681a, as amended, provided that the consumer reporting agency is in compliance with the requirements of that act and that the agency's activities are confined to any of the following:

(a) The issuance of consumer credit reports;

(b) The conducting of limited background investigations that pertain only to a client's prospective tenant and that are

engaged in with the prior written consent of the prospective 4836
tenant; 4837

(c) The business of pre-employment background 4838
investigation. As used in division (H) (3) (c) of this section, 4839
"business of pre-employment background investigation" means, and 4840
is limited to, furnishing for hire, in person or through a 4841
partner or employees, the conducting of limited background 4842
investigations, in-person interviews, telephone interviews, or 4843
written inquiries that pertain only to a client's prospective 4844
employee and the employee's employment and that are engaged in 4845
with the prior written consent of the prospective employee. 4846

(4) Certified public insurance adjusters that hold a 4847
certificate of authority issued pursuant to sections 3951.01 to 4848
3951.09 of the Revised Code, while the adjuster is investigating 4849
the cause of or responsibility for a fire, accident, or other 4850
damage to property with respect to a claim or claims for loss or 4851
damage under a policy of insurance covering real or personal 4852
property; 4853

(5) Personnel placement services and persons who act as 4854
employees of such entities engaged in investigating matters 4855
related to personnel placement activities; 4856

(6) An employee in the regular course of the employee's 4857
employment, engaged in investigating matters pertinent to the 4858
business of the employee's employer or protecting property in 4859
the possession of the employee's employer, provided the employer 4860
is deducting all applicable state and federal employment taxes 4861
on behalf of the employee and neither the employer nor the 4862
employee is employed by, associated with, or acting for or on 4863
behalf of any private investigator or security guard provider; 4864

(7) Any better business bureau or similar organization or 4865
any of its employees while engaged in the maintenance of the 4866
quality of business activities relating to consumer sales and 4867
services; 4868

(8) An accountant who is registered or certified under 4869
Chapter 4701. of the Revised Code or any of the accountant's 4870
employees while engaged in activities for which the accountant 4871
is certified or registered; 4872

(9) Any person who, for hire or otherwise, conducts 4873
genealogical research in this state. 4874

As used in division (H) (9) of this section, "genealogical 4875
research" means the determination of the origins and descent of 4876
families, including the identification of individuals, their 4877
family relationships, and the biographical details of their 4878
lives. "Genealogical research" does not include furnishing for 4879
hire services for locating missing persons or natural or birth 4880
parents or children. 4881

(10) Any person residing in this state who conducts 4882
research for the purpose of locating the last known owner of 4883
unclaimed funds, provided that the person is in compliance with 4884
Chapter 169. of the Revised Code and rules adopted thereunder. 4885
The exemption set forth in division (H) (10) of this section 4886
applies only to the extent that the person is conducting 4887
research for the purpose of locating the last known owner of 4888
unclaimed funds. 4889

As used in division (H) (10) of this section, "owner" and 4890
"unclaimed funds" have the same meanings as in section 169.01 of 4891
the Revised Code. 4892

(11) A professional engineer who is registered under 4893

Chapter 4733. of the Revised Code or any of his employees. 4894

As used in division (H) (11) of this section and 4895
notwithstanding division (I) of this section, "employee" has the 4896
same meaning as in section 4101.01 of the Revised Code. 4897

(12) Any person residing in this state who, for hire or 4898
otherwise, conducts research for the purpose of locating persons 4899
to whom the state of Ohio owes money in the form of warrants, as 4900
defined in ~~division (S) of~~ section 131.01 of the Revised Code, 4901
that the state voided but subsequently reissues. 4902

(13) An independent insurance adjuster who, as an 4903
individual, an independent contractor, an employee of an 4904
independent contractor, adjustment bureau association, 4905
corporation, insurer, partnership, local recording agent, 4906
managing general agent, or self-insurer, engages in the business 4907
of independent insurance adjustment, or any person who 4908
supervises the handling of claims except while acting as an 4909
employee of an insurer licensed in this state while handling 4910
claims pertaining to specific policies written by that insurer. 4911

As used in division (H) (13) of this section, "independent 4912
insurance adjustment" means conducting investigations to 4913
determine the cause of or circumstances concerning a fire, 4914
accident, bodily injury, or damage to real or personal property; 4915
determining the extent of damage of that fire, accident, injury, 4916
or property damage; securing evidence for use in a legislative, 4917
administrative, or judicial investigation or proceeding, 4918
adjusting losses; and adjusting or settling claims, including 4919
the investigation, adjustment, denial, establishment of damages, 4920
negotiation, settlement, or payment of claims in connection with 4921
insurance contractors, self-insured programs, or other similar 4922
insurance programs. "Independent adjuster" does not include 4923

either of the following: 4924

(a) An attorney who adjusts insurance losses incidental to 4925
the practice of law and who does not advertise or represent that 4926
the attorney is an independent insurance adjuster; 4927

(b) A licensed agent or general agent of an insurer 4928
licensed in this state who processes undisputed or uncontested 4929
losses for insurers under policies issued by that agent or 4930
general agent. 4931

(14) Except for a commissioned peace officer who engages 4932
in the business of private investigation or compensates others 4933
who engage in the business of private investigation or the 4934
business of security services or both, any commissioned peace 4935
officer as defined in division (B) of section 2935.01 of the 4936
Revised Code. 4937

(I) "Employee" means every person who may be required or 4938
directed by any employer, in consideration of direct or indirect 4939
gain or profit, to engage in any employment, or to go, or work, 4940
or be at any time in any place of employment, provided that the 4941
employer of the employee deducts all applicable state and 4942
federal employment taxes on behalf of the employee. 4943

Sec. 5725.17. (A) In addition to any other penalty imposed 4944
by this chapter or Chapter 5703. of the Revised Code, the 4945
following penalties shall apply: 4946

(1) If a dealer in intangibles fails to make and furnish 4947
to the tax commissioner the report required by section 5725.14 4948
of the Revised Code, within the time fixed by that section, a 4949
penalty shall be imposed equal to the greater of fifty dollars 4950
per month or fraction of a month, not to exceed five hundred 4951
dollars, or five per cent per month or fraction of a month, not 4952

to exceed fifty per cent, of the tax required to be shown on the report, for each month or fraction of a month elapsing between the due date, including extensions of the due date, and the date on which the report is filed.

(2) If a dealer in intangibles fails to pay any amounts of the tax levied by division (D) of section 5707.03 of the Revised Code by the dates prescribed for payment, a penalty shall be imposed equal to the greater of ~~the penalty due under division (F) of section 5725.22 of the Revised Code, for which this penalty shall be a substitute~~ (a) five per cent of the taxes due, if payment is made within ten calendar days of the date shown on the tax bill, or ten per cent of the taxes due, if payment is not made within ten days of such date, or (b) two times the interest charged under section 5725.221 of the Revised Code for the delinquent payment.

(3) If a dealer in intangibles submits a report required by section 5725.14 of the Revised Code that is marked, defaced, or otherwise designed by the dealer to be a frivolous protest or an attempt to delay or impede the administration of the tax levied by division (D) of section 5707.03 of the Revised Code, a penalty shall be imposed equal to the greater of one hundred dollars or twenty-five per cent of the tax required to be shown on the report.

(4) If a dealer in intangibles makes a fraudulent attempt to evade the reporting or payment of the tax levied by division (D) of section 5707.03 of the Revised Code, a penalty shall be imposed equal to the greater of one thousand dollars or one hundred per cent of the tax required to be shown on the report required by section 5725.14 of the Revised Code.

(5) If any person makes a false or fraudulent claim for

abatement or refund of the tax levied by division (D) of section 4983
5707.03 of the Revised Code, a penalty shall be imposed equal to 4984
the greater of one thousand dollars or one hundred per cent of 4985
the claim. The penalty imposed by this division, any abatement 4986
or refund on the claim, and interest on any refund from the date 4987
of the refund, may be assessed under section 5725.15 of the 4988
Revised Code or added by the tax commissioner as tax, penalty, 4989
and interest due from the tax levied by division (D) of section 4990
5707.03 of the Revised Code, without regard to whether the 4991
person making the claim is otherwise subject to the tax, and 4992
without regard to any time limitation for assessment. 4993

(B) Each penalty imposed under division (A) of this 4994
section shall be in addition to any other penalty imposed under 4995
that division. All or part of any penalty imposed under division 4996
(A) of this section may be abated by the commissioner. 4997

Sec. 5725.22. (A) The treasurer of state shall maintain ~~an~~ 4998
~~intangible property tax list of taxes levied by section 5707.03~~ 4999
~~of the Revised Code and certified by the tax commissioner~~ 5000
~~pursuant to sections 5711.13, 5725.08, 5725.16, and 5727.15 of~~ 5001
~~the Revised Code, and a separate list of taxes levied by section~~ 5002
5725.18 of the Revised Code and certified for assessment by the 5003
superintendent of insurance pursuant to section 5725.20 of the 5004
Revised Code. 5005

~~(B)(1) With respect to taxes levied under section 5725.18~~ 5006
~~of the Revised Code, the treasurer of state, upon receipt of an~~ 5007
~~assessment, shall compute the taxes at the rates prescribed by~~ 5008
~~law and enter the taxes on the proper tax list. (B) The~~ 5009
treasurer of state shall collect, and the taxpayer shall pay, 5010
all ~~such~~ taxes levied under section 5725.18 of the Revised Code 5011
and any interest applicable thereto. Payments may be made ~~by~~ 5012

mail, ~~in person,~~electronically or by any other means authorized 5013
by the treasurer of state. ~~The~~ Whenever the superintendent of 5014
insurance submits an electronic call for data, the treasurer of 5015
state shall ~~render a daily itemized statement electronically~~ 5016
submit to the superintendent ~~of insurance of the data requested,~~ 5017
including the amount of taxes collected and the name of the 5018
domestic insurance company from whom collected. The treasurer of 5019
state may adopt rules concerning the methods and timeliness of 5020
payments under this division. 5021

~~(2) With respect to taxes levied under section 5707.03 of~~ 5022
~~the Revised Code, any assessment certified to the treasurer of~~ 5023
~~state shall reflect the taxes computed at the rates prescribed~~ 5024
~~by law. Upon receipt of such an assessment, the treasurer shall~~ 5025
~~enter the taxes on the proper tax list. The tax commissioner~~ 5026
~~shall collect, and the taxpayer shall pay, all such taxes and~~ 5027
~~any interest applicable thereto. Payments may be made by mail,~~ 5028
~~in person, or by any other means authorized by the commissioner.~~ 5029
~~The commissioner shall immediately forward to the treasurer any~~ 5030
~~payments received under this division, together with any~~ 5031
~~information necessary for the treasurer to properly credit such~~ 5032
~~payments. The commissioner may adopt rules concerning the method~~ 5033
~~and timeliness of payments under this division.~~ 5034

(C) Each tax bill issued pursuant to this section shall 5035
separately reflect the taxes due, interest, if any, due date, 5036
and any other information considered necessary. ~~With respect to~~ 5037
~~taxes levied under section 5725.18 of the Revised Code, the~~ The 5038
last day on which payment may be made without penalty shall be 5039
the fifteenth day of June, unless that day is not a business day 5040
as defined in section 5709.40 of the Revised Code, in which case 5041
the payment may be made on the next business day. ~~With respect~~ 5042
~~to taxes levied under section 5707.03 of the Revised Code, the~~ 5043

~~last day on which payment may be made without penalty shall be~~ 5044
~~at least twenty but not more than thirty days from the date of~~ 5045
~~mailing the tax bill. The treasurer of state or tax~~ 5046
~~commissioner, as appropriate, shall issue the tax bill and, if~~ 5047
~~the tax bill is issued by mail, the mailing thereof shall be~~ 5048
~~prima facie evidence of receipt thereof by the taxpayer to the~~ 5049
taxpayer electronically through the department of insurance's 5050
web site. 5051

The treasurer ~~or commissioner, as appropriate, of state~~ 5052
shall refund taxes as provided in this section, but no refund 5053
shall be made to a taxpayer having a delinquent claim certified 5054
pursuant to this section that remains unpaid. The treasurer ~~or~~ 5055
~~commissioner of state~~ may consult the attorney general regarding 5056
such claims. Refunds shall be paid from the tax refund fund 5057
created by section 5703.052 of the Revised Code. 5058

(D) (1) ~~Within twenty days after receipt of any preliminary~~ 5059
~~assessment of taxes levied under section 5725.18 of the Revised~~ 5060
~~Code~~ Unless an exigency exists, the treasurer of state shall 5061
issue a tax bill within twenty days after receipt of an 5062
assessment certified by the superintendent of insurance under 5063
section 5725.20 of the Revised Code, but if such ~~preliminary~~ 5064
assessment reflects a late filed tax return, the treasurer of 5065
state shall add interest as provided in division (A) of section 5066
5725.221 of the Revised Code and issue a tax bill. In the case 5067
of an exigency, the treasurer of state shall issue the tax bill 5068
as soon as possible and may extend the due date for payment of 5069
the tax prescribed by division (C) of this section. 5070

(2) After receipt of any amended or final assessment of 5071
taxes ~~levied under section 5725.18 of the Revised Code~~ received 5072
from the superintendent of insurance pursuant to section 5725.20 5073

of the Revised Code, the treasurer of state shall ascertain the 5074
difference between the total taxes computed on such assessment 5075
and the total taxes computed on the most recent assessment 5076
certified for the same tax year. If the difference is a 5077
deficiency, the treasurer of state shall add interest as 5078
provided in division (B) (1) of section 5725.221 of the Revised 5079
Code and issue a tax bill, with payment due thirty days after 5080
the date of the bill is issued. ~~Unless an exigency exists, the~~ 5081
~~treasurer shall issue the tax bill on or before the fifteenth-~~ 5082
~~day of May. In the case of an exigency, the treasurer shall~~ 5083
~~issue the tax bill as soon as possible after the fifteenth day-~~ 5084
~~of May and may extend the due date for payment of the tax~~ 5085
~~prescribed by division (C) of this section.~~ If the difference is 5086
an excess, the treasurer of state shall add interest as provided 5087
in division (B) (2) of section 5725.221 of the Revised Code and 5088
certify the name of the taxpayer and the amount to be refunded 5089
to the director of budget and management for payment to the 5090
taxpayer. If the taxpayer has a deficiency for one tax year and 5091
an excess for another tax year, or any combination thereof for 5092
more than two tax years, the treasurer of state may determine 5093
the net result after adding interest, if applicable, and, 5094
depending on such result, proceed to issue a tax bill or certify 5095
a refund. 5096

~~(E) (1) Except as provided in division (E) (2) of this~~ 5097
~~section, within twenty days after certifying to the treasurer of~~ 5098
~~state an amended or final assessment, or a preliminary~~ 5099
~~assessment of a dealer in intangibles that has failed to file a~~ 5100
~~report or disclose taxable property, the tax commissioner shall~~ 5101
~~ascertain the difference between the total taxes computed on~~ 5102
~~such assessment and the total taxes computed on the most recent~~ 5103
~~assessment certified for the same tax year, if any. If the~~ 5104

~~difference is a deficiency, the commissioner shall add interest as provided in division (B) (1) of section 5725.221 of the Revised Code and issue a tax bill. If the difference is an excess, the commissioner shall add interest as provided in division (B) (2) of section 5725.221 of the Revised Code and certify the name of the taxpayer and the amount to be refunded to the director of budget and management for payment to the taxpayer. If the taxpayer has a deficiency for one tax year and excess for another tax year, or any combination thereof for more than two tax years, the commissioner may determine the net result after adding interest, if applicable, and, depending on such result, proceed to mail a tax bill or certify a refund.~~

~~(2) The tax commissioner may issue a tax bill for any deficiency resulting from an assessment at the time the commissioner issues the assessment.~~

~~(F) With respect to taxes levied under section 5707.03 of the Revised Code, if a taxpayer fails to pay all taxes and interest, if any, on or before the due date shown on the tax bill but makes payment within ten calendar days of such date, the tax commissioner shall add a penalty equal to five per cent of the taxes due. If payment is not made within ten days of such date, the commissioner shall add a penalty equal to ten per cent of the taxes due. The commissioner shall prepare a delinquent claim for each tax bill on which penalties were added and certify such claims to the attorney general for collection. For each claim certified by the commissioner, the attorney general shall proceed to collect the delinquent taxes, penalties, and interest thereon in the manner prescribed by law.~~

~~(G) With respect to taxes levied under section 5725.18 of the Revised Code, if (E) If a taxpayer fails to pay all taxes~~

and interest, if any, on or before the due date shown on the tax 5135
bill issued by the treasurer of state, the treasurer of state 5136
shall add a penalty equal to five hundred dollars for each month 5137
the taxpayer fails to pay all taxes and interest due. The 5138
treasurer of state may add an additional penalty, not to exceed 5139
ten per cent of the taxes and interest due, if the taxpayer 5140
fails to demonstrate that the taxpayer made a good faith effort 5141
to pay all taxes and interest on or before the due date shown on 5142
the tax bill. The treasurer of state shall prepare a delinquent 5143
claim for each tax bill on which penalties were added and 5144
certify such claims to the attorney general for collection. The 5145
attorney general shall transmit a copy of each claim certified 5146
by the treasurer of state to the superintendent of insurance. 5147
For each claim certified by the treasurer of state, the attorney 5148
general shall proceed to collect the delinquent taxes, 5149
penalties, and interest thereon in the manner prescribed by law. 5150

Sec. 5727.25. (A) Except as provided in division (B) of 5151
this section, within forty-five days after the last day of 5152
March, June, September, and December, each natural gas company 5153
or combined company subject to the excise tax imposed by section 5154
5727.24 of the Revised Code shall file a return with the tax 5155
commissioner, in such form as the ~~tax~~-commissioner prescribes, 5156
and pay the full amount of the tax due on its taxable gross 5157
receipts for the preceding calendar quarter, ~~except that the~~ 5158
~~first payment of this tax shall be made on or before November~~ 5159
~~15, 2000, for the five-month period of May 1, 2000, to September~~ 5160
~~30, 2000.~~ All payments made under this division shall be made ~~by~~ 5161
~~electronic funds transfer~~ electronically in accordance with 5162
section 5727.311 of the Revised Code. 5163

(B) Any natural gas company or combined company subject to 5164
the excise tax imposed by this section that has an annual tax 5165

liability for the preceding calendar year ending on the thirty- 5166
first day of December of less than three hundred twenty-five 5167
thousand dollars may elect to file an annual return with the tax 5168
commissioner, in such form as the ~~tax~~-commissioner prescribes, 5169
for the next year. A company that elects to file an annual 5170
return for the calendar year shall file the return and remit the 5171
taxes due on its taxable gross receipts within forty-five days 5172
after the thirty-first day of December. ~~The first payment of the~~ 5173
~~tax under this division shall be made on or before February 14,~~ 5174
~~2001, for the period of May 1, 2000, to December 31, 2000.~~The 5175
minimum tax for a natural gas company or combined company 5176
subject to this division shall be fifty dollars, and the company 5177
shall not be required to remit the tax due ~~by electronic funds~~ 5178
~~transfer~~electronically. 5179

(C) A return required to be filed under division (A) or 5180
(B) of this section shall show the amount of tax due from the 5181
company for the period covered by the return and any other 5182
information as prescribed by the tax commissioner. A return 5183
shall be considered filed when received by the ~~tax~~-commissioner. 5184
The commissioner may extend the time for making and filing 5185
returns and paying the tax. 5186

(D) Any natural gas company or combined company that fails 5187
to file a return or pay the full amount of the tax due within 5188
the period prescribed under this section shall pay an additional 5189
charge of fifty dollars or ten per cent of the tax required to 5190
be paid for the reporting period, whichever is greater. If any 5191
tax due is not paid timely in accordance with this section, the 5192
company liable for the tax shall pay interest, calculated at the 5193
rate per annum prescribed by section 5703.47 of the Revised 5194
Code, from the date the tax payment was due to the date of 5195
payment or to the date an assessment was issued, whichever 5196

occurs first. The tax commissioner may collect any additional 5197
charge or interest imposed by this section by assessment in the 5198
manner provided in section 5727.26 of the Revised Code. The 5199
commissioner may abate all or a portion of the additional charge 5200
and may adopt rules governing such abatements. 5201

~~(E) The tax commissioner shall immediately forward to the~~ 5202
~~treasurer of state any amounts that the commissioner receives~~ 5203
~~under this section.~~ The taxes, additional charges, penalties, 5204
and interest collected under sections 5727.24 to 5727.29 of the 5205
Revised Code shall be credited in accordance with section 5206
5727.45 of the Revised Code. 5207

Sec. 5727.31. (A) Each public utility subject to the 5208
excise tax imposed by section 5727.30 of the Revised Code, 5209
annually, on or before the first day of August, shall file with 5210
the tax commissioner a statement in such form as the 5211
commissioner prescribes and shall pay any amount due. 5212

(B) (1) Annually, on or before the fifteenth day of October 5213
of the current year, each public utility whose estimated excise 5214
taxes for the current year as based upon the statement required 5215
to be filed in that year by division (A) of this section are one 5216
thousand dollars or more shall file with the commissioner a 5217
report, in such form as the commissioner prescribes, showing the 5218
amount of excise tax estimated to be charged or levied pursuant 5219
to law for the current year upon the basis of such annual 5220
statement, and shall remit a portion of the estimated excise 5221
taxes shown to be due by the report. The portion of the 5222
estimated excise taxes due at the time the report is filed shall 5223
be one-third of its total excise taxes estimated to be charged 5224
or levied for the current year based upon the annual statement 5225
filed under division (A) of this section. 5226

(2) Annually, on or before the first day of March and 5227
June, each public utility whose excise taxes as based upon its 5228
last preceding annual statement filed under division (A) of this 5229
section prior to the first day of January were one thousand 5230
dollars or more shall file with the commissioner a report, in 5231
such form as the commissioner prescribes, showing the amount of 5232
excise tax charged or levied pursuant to law upon the basis of 5233
such annual statement, and shall remit a portion of the excise 5234
taxes shown to be due by each such report. The portion of the 5235
excise taxes due at the time each such report is filed shall be 5236
one-third of its total excise taxes so charged or levied based 5237
upon such annual statement. 5238

(C) Any public utility subject to the excise taxes imposed 5239
by section 5727.30 of the Revised Code whose tax as certified 5240
under section 5727.38 of the Revised Code in a year equals or 5241
exceeds the amount specified for that year in section 5727.311 5242
of the Revised Code shall make the payments required under this 5243
section in the second ensuing and each succeeding year in the 5244
manner prescribed by section 5727.311 of the Revised Code, 5245
except as otherwise prescribed by that section. 5246

(D) (1) For purposes of this section, a report required to 5247
be filed under division (B) of this section is considered filed 5248
when it is received by the tax commissioner. 5249

(2) For purposes of this section and sections 5727.311 and 5250
5727.42 of the Revised Code, remittance of an excise tax 5251
required to be made under this section is considered to be made 5252
when the remittance is received by the ~~treasurer of state or tax~~ 5253
commissioner, or when credited to an account designated by the 5254
treasurer of state for the receipt of tax remittances. 5255

Sec. 5727.311. (A) Any public utility subject to an excise 5256

tax imposed by section 5727.30 of the Revised Code whose tax 5257
equals or exceeds fifty thousand dollars shall make each payment 5258
required under division (B) of section 5727.31 of the Revised 5259
Code for the second ensuing and each succeeding year ~~by~~ 5260
~~electronic funds transfer~~ electronically as prescribed by 5261
division (C) of this section. 5262

If the tax in each of two consecutive years is less than 5263
fifty thousand dollars, the public utility is relieved of the 5264
requirement to remit taxes ~~by electronic funds transfer~~ 5265
electronically for the year that next follows the second of the 5266
consecutive years in which the tax certified is less than fifty 5267
thousand dollars, and is relieved of that requirement for each 5268
succeeding year unless the tax in a subsequent year equals or 5269
exceeds fifty thousand dollars. 5270

(B) The tax commissioner shall notify each public utility 5271
required by this section or section 5727.25 of the Revised Code 5272
to remit taxes ~~by electronic funds transfer~~ electronically of 5273
the public utility's obligation to do so ~~and shall maintain an~~ 5274
~~updated list of those public utilities~~. Failure by the tax- 5275
commissioner to notify a public utility subject to this section 5276
to remit taxes ~~by electronic funds transfer~~ electronically does 5277
not relieve the public utility of its obligation to remit taxes 5278
~~by electronic funds transfer~~ in that manner. 5279

(C) Public utilities required by this section or section 5280
5727.25 of the Revised Code to remit periodic payments ~~by~~ 5281
~~electronic funds transfer~~ electronically shall remit such 5282
payments ~~to the treasurer of state in the manner prescribed by~~ 5283
~~rules adopted by the treasurer of state under section 113.061 of~~ 5284
~~the Revised Code~~ in the manner prescribed by the tax 5285
commissioner. The electronic payment of public utility excise 5286

taxes ~~by electronic funds transfer~~ does not affect a public 5287
utility's obligation to file the annual statement and periodic 5288
reports in the manner and at the times prescribed by section 5289
5727.31 of the Revised Code. 5290

A public utility required by this section or section 5291
5727.25 of the Revised Code to remit taxes ~~by electronic funds-~~ 5292
~~transfer electronically~~ may apply to the ~~tax~~ commissioner in the 5293
manner prescribed by the commissioner to be excused from that 5294
requirement. The commissioner may excuse the public utility from 5295
electronic remittance ~~by electronic funds transfer~~ for good 5296
cause shown for the period of time requested by the public 5297
utility or for a portion of that period. The commissioner shall 5298
notify the public utility of the commissioner's decision as soon 5299
as is practicable. 5300

(D) If a public utility required by this section or 5301
section 5727.25 of the Revised Code to remit taxes ~~by electronic-~~ 5302
~~funds transfer electronically~~ remits those taxes by some means 5303
other than ~~by electronic funds transfer electronically~~ as 5304
prescribed by this section ~~and the rules adopted by the~~ 5305
~~treasurer of state~~, and the tax commissioner determines that the 5306
failure to remit taxes as required was not due to reasonable 5307
cause or was due to willful neglect, the commissioner may impose 5308
an additional charge on the public utility equal to five per 5309
cent of the amount of the taxes required to be paid ~~by-~~ 5310
~~electronic funds transfer~~ electronically, but not to exceed five 5311
thousand dollars. Any additional charge imposed under this 5312
section is in addition to any other penalty or charge imposed 5313
under this chapter, and shall be considered as revenue arising 5314
from excise taxes imposed by this chapter. 5315

No additional charge shall be assessed under this division 5316

against a public utility that has been notified of its 5317
obligation to remit taxes electronically under this section and 5318
that remits its first two tax payments after such notification 5319
by some other means ~~other than electronic funds transfer~~. The 5320
additional charge may be assessed upon the remittance of any 5321
subsequent tax payment that the public utility remits by some 5322
means other than ~~electronic funds transfer~~electronically. 5323

Sec. 5727.42. (A) ~~The treasurer of state shall notify the~~ 5324
~~tax commissioner of any payment of the excise tax imposed by~~ 5325
~~section 5727.30 of the Revised Code. The~~ tax commissioner shall 5326
collect the excise tax imposed by section 5727.30 of the Revised 5327
Code and the taxpayer shall pay all taxes and any penalties 5328
thereon. Payments of the tax may be made by mail, in person, ~~by~~ 5329
~~electronic funds transfer~~ electronically if required to do so by 5330
section 5727.311 of the Revised Code, or by any other means 5331
authorized by the commissioner. The commissioner may adopt rules 5332
concerning the methods and timeliness of payment. 5333

(B) Each tax assessment issued pursuant to this section 5334
shall separately reflect the taxes and any penalty due, and any 5335
other information considered necessary. The commissioner shall 5336
mail the assessment to the taxpayer, and the mailing of it shall 5337
be prima-facie evidence of receipt thereof by the taxpayer. 5338

(C) The commissioner shall refund taxes levied and 5339
payments made for the tax imposed by section 5727.30 of the 5340
Revised Code as provided in this section, but no refund shall be 5341
made to a taxpayer having a delinquent claim certified pursuant 5342
to this section that remains unpaid. The commissioner may 5343
consult the attorney general regarding such claims. 5344

(D) After receiving any excise tax annual statement for 5345
the tax imposed by section 5727.30 of the Revised Code, the 5346

commissioner shall: 5347

(1) Ascertain the difference between the total taxes owed 5348
and the sum of all payments made for that year. 5349

(2) If the difference is a deficiency, the commissioner 5350
shall issue an assessment. 5351

(3) If the difference is an excess, the commissioner shall 5352
notify the director of budget and management and issue a refund 5353
of that amount to the taxpayer. If the amount of the refund is 5354
less than that claimed by the taxpayer, the taxpayer, within 5355
sixty days of the issuance of the refund, may provide to the 5356
commissioner additional information to support the claim or may 5357
request a hearing. Upon receiving such information or request 5358
within that time, the commissioner shall follow the same 5359
procedures set forth in divisions (C) and (D) of section 5703.70 5360
of the Revised Code for the determination of refund 5361
applications. 5362

If the taxpayer has a deficiency for one tax year and an 5363
excess for another tax year, or any combination thereof for more 5364
than two years, the commissioner may determine the net result 5365
and, depending on such result, proceed to issue an assessment or 5366
certify a refund. 5367

(E) If a taxpayer fails to pay the amount of taxes 5368
required to be paid, or fails to make an estimated payment on or 5369
before the due date prescribed in division (B) of section 5370
5727.31 of the Revised Code, the commissioner shall impose a 5371
penalty in the amount of fifteen per cent of the unpaid amount, 5372
and the commissioner shall issue an assessment for the unpaid 5373
amount and penalty. Unless a timely petition for reassessment is 5374
filed under section 5727.47 of the Revised Code, the attorney 5375

general shall proceed to collect the delinquent taxes and 5376
penalties thereon in the manner prescribed by law and notify the 5377
commissioner of all collections. 5378

Sec. 5727.47. (A) Notice of each assessment certified or 5379
issued pursuant to section 5727.23 or 5727.38 of the Revised 5380
Code shall be mailed to the public utility, and its mailing 5381
shall be prima-facie evidence of its receipt by the public 5382
utility to which it is addressed. With the notice, the tax 5383
commissioner shall provide instructions on how to petition for 5384
reassessment and request a hearing on the petition. If a public 5385
utility objects to such an assessment, it may file with the 5386
commissioner, either personally or by certified mail, within 5387
sixty days after the mailing of the notice of assessment a 5388
written petition for reassessment signed by the utility's 5389
authorized agent having knowledge of the facts. The date the 5390
commissioner receives the petition shall be considered the date 5391
of filing. The petition shall indicate the utility's objections, 5392
but additional objections may be raised in writing if received 5393
by the commissioner prior to the date shown on the final 5394
determination. 5395

In the case of a petition seeking a reduction in taxable 5396
value filed with respect to an assessment certified under 5397
section 5727.23 of the Revised Code, the petitioner shall state 5398
in the petition the total amount of reduction in taxable value 5399
sought by the petitioner. If the petitioner objects to the 5400
percentage of true value at which taxable property is assessed 5401
by the commissioner, the petitioner shall state in the petition 5402
the total amount of reduction in taxable value sought both with 5403
and without regard to the objection pertaining to the percentage 5404
of true value at which its taxable property is assessed. If a 5405
petitioner objects to the commissioner's apportionment of the 5406

taxable value of the petitioner's taxable property, the 5407
petitioner shall distinctly state in the petition that the 5408
petitioner objects to the commissioner's apportionment, and, 5409
within forty-five days after filing the petition for 5410
reassessment, shall submit the petitioner's proposed 5411
apportionment of the taxable value of its taxable property among 5412
taxing districts. If a petitioner that objects to the 5413
commissioner's apportionment fails to state its objections to 5414
that apportionment in its petition for reassessment or fails to 5415
submit its proposed apportionment within forty-five days after 5416
filing the petition for reassessment, the commissioner shall 5417
dismiss the petitioner's objection to the commissioner's 5418
apportionment, and the taxable value of the petitioner's taxable 5419
property, subject to any adjustment to taxable value pursuant to 5420
the petition or appeal, shall be apportioned in the manner used 5421
by the commissioner in the preliminary or amended preliminary 5422
assessment certified under section 5727.23 of the Revised Code. 5423

If an additional objection seeking a reduction in taxable 5424
value in excess of the reduction stated in the original petition 5425
is properly and timely raised with respect to an assessment 5426
issued under section 5727.23 of the Revised Code, the petitioner 5427
shall state the total amount of the reduction in taxable value 5428
sought in the additional objection both with and without regard 5429
to any reduction in taxable value pertaining to the percentage 5430
of true value at which taxable property is assessed. If a 5431
petitioner fails to state the reduction in taxable value sought 5432
in the original petition or in additional objections properly 5433
raised after the petition is filed, the commissioner shall 5434
notify the petitioner of the failure by certified mail. If the 5435
petitioner fails to notify the commissioner in writing of the 5436
reduction in taxable value sought in the petition or in an 5437

additional objection within thirty days after receiving the 5438
commissioner's notice, the commissioner shall dismiss the 5439
petition or the additional objection in which that reduction is 5440
sought. 5441

(B) (1) Subject to divisions (B) (2) and (3) of this 5442
section, a public utility filing a petition for reassessment 5443
regarding an assessment certified or issued under section 5444
5727.23 or 5727.38 of the Revised Code shall pay the tax with 5445
respect to the assessment objected to as required by law. The 5446
acceptance of any tax payment by the ~~treasurer of state,~~ tax 5447
commissioner, or any county treasurer shall not prejudice any 5448
claim for taxes on final determination by the commissioner or 5449
final decision by the board of tax appeals or any court. 5450

(2) If a public utility properly and timely files a 5451
petition for reassessment regarding an assessment certified 5452
under section 5727.23 of the Revised Code, the petitioner shall 5453
pay the tax as prescribed by divisions (B) (2) (a), (b), and (c) 5454
of this section: 5455

(a) If the petitioner does not object to the 5456
commissioner's apportionment of the taxable value of the 5457
petitioner's taxable property, the petitioner is not required to 5458
pay the part of the tax otherwise due on the taxable value that 5459
the petitioner seeks to have reduced, subject to division (B) (2) 5460
(c) of this section. 5461

(b) If the petitioner objects to the commissioner's 5462
apportionment of the taxable value of the petitioner's taxable 5463
property, the petitioner is not required to pay the tax 5464
otherwise due on the part of the taxable value apportioned to 5465
any taxing district that the petitioner objects to, subject to 5466
division (B) (2) (c) of this section. If, pursuant to division (A) 5467

of this section, the petitioner has, in a proper and timely 5468
manner, apportioned taxable value to a taxing district to which 5469
the commissioner did not apportion the petitioner's taxable 5470
value, the petitioner shall pay the tax due on the taxable value 5471
that the petitioner has apportioned to the taxing district, 5472
subject to division (B) (2) (c) of this section. 5473

(c) If a petitioner objects to the percentage of true 5474
value at which taxable property is assessed by the commissioner, 5475
the petitioner shall pay the tax due on the basis of the 5476
percentage of true value at which the public utility's taxable 5477
property is assessed by the commissioner. In any case, the 5478
petitioner's payment of tax shall not be less than the amount of 5479
tax due based on the taxable value reflected on the last appeal 5480
notice issued by the commissioner under division (C) of this 5481
section. Until the county auditor receives notification under 5482
division (E) of this section and proceeds under section 5727.471 5483
of the Revised Code to issue any refund that is found to be due, 5484
the county auditor shall not issue a refund for any increase in 5485
the reduction in taxable value that is sought by a petitioner 5486
later than forty-five days after the petitioner files the 5487
original petition as required under division (A) of this 5488
section. 5489

(3) Any part of the tax that, under division (B) (2) (a) or 5490
(b) of this section, is not paid shall be collected upon receipt 5491
of the notification as provided in section 5727.471 of the 5492
Revised Code with interest thereon computed in the same manner 5493
as interest is computed under division (E) of section 5715.19 of 5494
the Revised Code, subject to any correction of the assessment by 5495
the commissioner under division (E) of this section or the final 5496
judgment of the board of tax appeals or a court to which the 5497
board's final judgment is appealed. The penalty imposed under 5498

section 323.121 of the Revised Code shall apply only to the 5499
unpaid portion of the tax if the petitioner's tax payment is 5500
less than the amount of tax due based on the taxable value 5501
reflected on the last appeal notice issued by the commissioner 5502
under division (C) of this section. 5503

(C) Upon receipt of a properly filed petition for 5504
reassessment with respect to an assessment certified under 5505
section 5727.23 of the Revised Code, the tax commissioner shall 5506
notify the treasurer of state or the auditor of each county to 5507
which the assessment objected to has been certified. In the case 5508
of a petition with respect to an assessment certified under 5509
section 5727.23 of the Revised Code, the commissioner shall 5510
issue an appeal notice within thirty days after receiving the 5511
amount of the taxable value reduction and apportionment changes 5512
sought by the petitioner in the original petition or in any 5513
additional objections properly and timely raised by the 5514
petitioner. The appeal notice shall indicate the amount of the 5515
reduction in taxable value sought in the petition or in the 5516
additional objections and the extent to which the reduction in 5517
taxable value and any change in apportionment requested by the 5518
petitioner would affect the commissioner's apportionment of the 5519
taxable value among taxing districts in the county as shown in 5520
the assessment. If a petitioner is seeking a reduction in 5521
taxable value on the basis of a lower percentage of true value 5522
than the percentage at which the commissioner assessed the 5523
petitioner's taxable property, the appeal notice shall indicate 5524
the reduction in taxable value sought by the petitioner without 5525
regard to the reduction sought on the basis of the lower 5526
percentage and shall indicate that the petitioner is required to 5527
pay tax on the reduced taxable value determined without regard 5528
to the reduction sought on the basis of a lower percentage of 5529

true value, as provided under division (B) (2) (c) of this 5530
section. The appeal notice shall include a statement that the 5531
reduced taxable value and the apportionment indicated in the 5532
notice are not final and are subject to adjustment by the 5533
commissioner or by the board of tax appeals or a court on 5534
appeal. If the commissioner finds an error in the appeal notice, 5535
the commissioner may amend the notice, but the notice is only 5536
for informational and tax payment purposes; the notice is not 5537
subject to appeal by any person. The commissioner also shall 5538
mail a copy of the appeal notice to the petitioner. Upon the 5539
request of a taxing authority, the county auditor may disclose 5540
to the taxing authority the extent to which a reduction in 5541
taxable value sought by a petitioner would affect the 5542
apportionment of taxable value to the taxing district or 5543
districts under the taxing authority's jurisdiction, but such a 5544
disclosure does not constitute a notice required by law to be 5545
given for the purpose of section 5717.02 of the Revised Code. 5546

(D) If the petitioner requests a hearing on the petition, 5547
the tax commissioner shall assign a time and place for the 5548
hearing on the petition and notify the petitioner of such time 5549
and place, but the commissioner may continue the hearing from 5550
time to time as necessary. 5551

(E) The tax commissioner may make corrections to the 5552
assessment as the commissioner finds proper. The commissioner 5553
shall serve a copy of the commissioner's final determination on 5554
the petitioner in the manner provided in section 5703.37 of the 5555
Revised Code. The commissioner's decision in the matter shall be 5556
final, subject to appeal under section 5717.02 of the Revised 5557
Code. With respect to a final determination issued for an 5558
assessment certified under section 5727.23 of the Revised Code, 5559
the commissioner also shall transmit a copy of the final 5560

determination to the applicable county auditor. In the absence 5561
of any further appeal, or when a decision of the board of tax 5562
appeals or of any court to which the decision has been appealed 5563
becomes final, the commissioner shall notify the public utility 5564
and, as appropriate, shall proceed under section 5727.42 of the 5565
Revised Code, or notify the applicable county auditor, who shall 5566
proceed under section 5727.471 of the Revised Code. 5567

The notification made under this division is not subject 5568
to further appeal. 5569

(F) On appeal, no adjustment shall be made in the tax 5570
commissioner's assessment certified under section 5727.23 of the 5571
Revised Code that reduces the taxable value of a petitioner's 5572
taxable property by an amount that exceeds the reduction sought 5573
by the petitioner in its petition for reassessment or in any 5574
additional objections properly and timely raised after the 5575
petition is filed with the commissioner. 5576

Sec. 5727.53. The taxes, fees, and penalties provided by 5577
this chapter that are remitted to the ~~treasurer of state tax~~ 5578
commissioner may be recovered by an action brought in the name 5579
of the state in the court of common pleas of Franklin county, or 5580
of any county in which such public utility is doing business, or 5581
in which the line of any railroad company is located, and such 5582
court of common pleas shall have jurisdiction of the action 5583
regardless of the amount involved. The attorney general, on 5584
request of the tax commissioner, shall institute such action in 5585
the court of common pleas of Franklin county or of any of such 5586
counties the commissioner directs. Sums recovered in any such 5587
action shall be paid into the state treasury in the same manner 5588
as the tax. 5589

Sec. 5727.81. (A) For the purpose of raising revenue to 5590

fund the needs of this state and its local governments, an 5591
excise tax is hereby levied and imposed on an electric 5592
distribution company for all electricity distributed by such 5593
company at the following rates per kilowatt hour of electricity 5594
distributed in a thirty-day period by the company through a 5595
meter of an end user in this state: 5596

5597

	1	2	
A	KILOWATT HOURS DISTRIBUTED	RATE PER	
B	TO AN END USER	KILOWATT HOUR	
C	For the first 2,000		\$.00465
D	For the next 2,001 to 15,000		\$.00419
E	For 15,001 and above		\$.00363

If no meter is used to measure the kilowatt hours of 5598
electricity distributed by the company, the rates shall apply to 5599
the estimated kilowatt hours of electricity distributed to an 5600
unmetered location in this state. 5601

The electric distribution company shall base the monthly 5602
tax on the kilowatt hours of electricity distributed to an end 5603
user through the meter of the end user that is not measured for 5604
a thirty-day period by dividing the days in the measurement 5605
period into the total kilowatt hours measured during the 5606
measurement period to obtain a daily average usage. The tax 5607
shall be determined by obtaining the sum of divisions (A) (1), 5608
(2), and (3) of this section and multiplying that amount by the 5609

number of days in the measurement period: 5610

(1) Multiplying \$0.00465 per kilowatt hour for the first 5611
sixty-seven kilowatt hours distributed using a daily average; 5612

(2) Multiplying \$0.00419 for the next sixty-eight to five 5613
hundred kilowatt hours distributed using a daily average; 5614

(3) Multiplying \$0.00363 for the remaining kilowatt hours 5615
distributed using a daily average. 5616

Except as provided in division (C) of this section, the 5617
electric distribution company shall pay the tax to the tax 5618
commissioner in accordance with section 5727.82 of the Revised 5619
Code, unless required to remit each tax payment ~~by electronic~~ 5620
~~funds transfer to the treasurer of state~~ electronically in 5621
accordance with section 5727.83 of the Revised Code. 5622

Only the distribution of electricity through a meter of an 5623
end user in this state shall be used by the electric 5624
distribution company to compute the amount or estimated amount 5625
of tax due. In the event a meter is not actually read for a 5626
measurement period, the estimated kilowatt hours distributed by 5627
an electric distribution company to bill for its distribution 5628
charges shall be used. 5629

(B) Except as provided in division (C) of this section, 5630
each electric distribution company shall pay the tax imposed by 5631
this section in all of the following circumstances: 5632

(1) The electricity is distributed by the company through 5633
a meter of an end user in this state; 5634

(2) The company is distributing electricity through a 5635
meter located in another state, but the electricity is consumed 5636
in this state in the manner prescribed by the tax commissioner; 5637

(3) The company is distributing electricity in this state 5638
without the use of a meter, but the electricity is consumed in 5639
this state as estimated and in the manner prescribed by the tax 5640
commissioner. 5641

(C) (1) As used in division (C) of this section: 5642

(a) "Total price of electricity" means the aggregate value 5643
in money of anything paid or transferred, or promised to be paid 5644
or transferred, to obtain electricity or electric service, 5645
including but not limited to the value paid or promised to be 5646
paid for the transmission or distribution of electricity and for 5647
transition costs as described in Chapter 4928. of the Revised 5648
Code. 5649

(b) "Package" means the provision or the acquisition, at a 5650
combined price, of electricity with other services or products, 5651
or any combination thereof, such as natural gas or other fuels; 5652
energy management products, software, and services; machinery 5653
and equipment acquisition; and financing agreements. 5654

(c) "Single location" means a facility located on 5655
contiguous property separated only by a roadway, railway, or 5656
waterway. 5657

(2) Division (C) of this section applies to any commercial 5658
or industrial purchaser's receipt of electricity through a meter 5659
of an end user in this state or through more than one meter at a 5660
single location in this state in a quantity that exceeds forty- 5661
five million kilowatt hours of electricity over the course of 5662
the preceding calendar year, or any commercial or industrial 5663
purchaser that will consume more than forty-five million 5664
kilowatt hours of electricity over the course of the succeeding 5665
twelve months as estimated by the tax commissioner. The tax 5666

commissioner shall make such an estimate upon the written 5667
request by an applicant for registration as a self-assessing 5668
purchaser under this division. ~~For the meter reading period~~ 5669
~~including July 1, 2008, through the meter reading period~~ 5670
~~including December 31, 2010, such a purchaser may elect to self-~~ 5671
~~assess the excise tax imposed by this section at the rate of~~ 5672
~~\$.00075 per kilowatt hour on the first five hundred four million~~ 5673
~~kilowatt hours distributed to that meter or location during the~~ 5674
~~registration year, and a percentage of the total price of all~~ 5675
~~electricity distributed to that meter or location equal to three~~ 5676
~~and one half per cent. For the meter reading period including~~ 5677
~~January 1, 2011, and thereafter, such~~ Such a purchaser may elect 5678
to self-assess the excise tax imposed by this section at the 5679
rate of \$.00257 per kilowatt hour for the first five hundred 5680
million kilowatt hours, and \$.001832 per kilowatt hour for each 5681
kilowatt hour in excess of five hundred million kilowatt hours, 5682
distributed to that meter or location during the registration 5683
year. 5684

A qualified end user that receives electricity through a 5685
meter of an end user in this state or through more than one 5686
meter at a single location in this state and that consumes, over 5687
the course of the previous calendar year, more than forty-five 5688
million kilowatt hours in other than its qualifying 5689
manufacturing process, may elect to self-assess the tax as 5690
allowed by this division with respect to the electricity used in 5691
other than its qualifying manufacturing process. 5692

Payment of the tax shall be made directly to the tax 5693
commissioner in accordance with divisions (A) (4) and (5) of 5694
section 5727.82 of the Revised Code, or ~~the treasurer of state~~ 5695
in accordance with section 5727.83 of the Revised Code. If the 5696
electric distribution company serving the self-assessing 5697

purchaser is a municipal electric utility and the purchaser is 5698
within the municipal corporation's corporate limits, payment 5699
shall be made to such municipal corporation's general fund and 5700
reports shall be filed in accordance with divisions (A) (4) and 5701
(5) of section 5727.82 of the Revised Code, except that 5702
"municipal corporation" shall be substituted for ~~"treasurer of~~ 5703
~~state" and "tax commissioner."~~ A self-assessing purchaser that 5704
pays the excise tax as provided in this division shall not be 5705
required to pay the tax to the electric distribution company 5706
from which its electricity is distributed. If a self-assessing 5707
purchaser's receipt of electricity is not subject to the tax as 5708
measured under this division, the tax on the receipt of such 5709
electricity shall be measured and paid as provided in division 5710
(A) of this section. 5711

(3) In the case of the acquisition of a package, unless 5712
the elements of the package are separately stated isolating the 5713
total price of electricity from the price of the remaining 5714
elements of the package, the tax imposed under this section 5715
applies to the entire price of the package. If the elements of 5716
the package are separately stated, the tax imposed under this 5717
section applies to the total price of the electricity. 5718

(4) Any electric supplier that sells electricity as part 5719
of a package shall separately state to the purchaser the total 5720
price of the electricity and, upon request by the tax 5721
commissioner, the total price of each of the other elements of 5722
the package. 5723

(5) The tax commissioner may adopt rules relating to the 5724
computation of the total price of electricity with respect to 5725
self-assessing purchasers, which may include rules to establish 5726
the total price of electricity purchased as part of a package. 5727

(6) An annual application for registration as a self- 5728
assessing purchaser shall be made for each qualifying meter or 5729
location on a form prescribed by the tax commissioner. The 5730
registration year begins on the first day of May and ends on the 5731
following thirtieth day of April. Persons may apply after the 5732
first day of May for the remainder of the registration year. In 5733
the case of an applicant applying on the basis of an estimated 5734
consumption of forty-five million kilowatt hours over the course 5735
of the succeeding twelve months, the applicant shall provide 5736
such information as the tax commissioner considers to be 5737
necessary to estimate such consumption. At the time of making 5738
the application and by the first day of May of each year, a 5739
self-assessing purchaser shall pay a fee of five hundred dollars 5740
to the tax commissioner, ~~or to the treasurer of state as~~ 5741
~~provided in section 5727.83 of the Revised Code,~~ for each 5742
qualifying meter or location. The tax commissioner shall 5743
immediately pay to the treasurer of state all amounts that the 5744
tax commissioner receives under this section. The treasurer of 5745
state shall deposit such amounts into the kilowatt hour excise 5746
tax administration fund, which is hereby created in the state 5747
treasury. Money in the fund shall be used to defray the tax 5748
commissioner's cost in administering the tax owed under section 5749
5727.81 of the Revised Code by self-assessing purchasers. After 5750
the application is approved by the tax commissioner, the 5751
registration shall remain in effect for the current registration 5752
year, or until canceled by the registrant upon written 5753
notification to the commissioner of the election to pay the tax 5754
in accordance with division (A) of this section, or until 5755
canceled by the tax commissioner for not paying the tax or fee 5756
under division (C) of this section or for not meeting the 5757
qualifications in division (C) (2) of this section. The tax 5758
commissioner shall give written notice to the electric 5759

distribution company from which electricity is delivered to a 5760
self-assessing purchaser of the purchaser's self-assessing 5761
status, and the electric distribution company is relieved of the 5762
obligation to pay the tax imposed by division (A) of this 5763
section for electricity distributed to that self-assessing 5764
purchaser until it is notified by the tax commissioner that the 5765
self-assessing purchaser's registration is canceled. Within 5766
fifteen days of notification of the canceled registration, the 5767
electric distribution company shall be responsible for payment 5768
of the tax imposed by division (A) of this section on 5769
electricity distributed to a purchaser that is no longer 5770
registered as a self-assessing purchaser. A self-assessing 5771
purchaser with a canceled registration must file a report and 5772
remit the tax imposed by division (A) of this section on all 5773
electricity it receives for any measurement period prior to the 5774
tax being reported and paid by the electric distribution 5775
company. A self-assessing purchaser whose registration is 5776
canceled by the tax commissioner is not eligible to register as 5777
a self-assessing purchaser for two years after the registration 5778
is canceled. 5779

(7) If the tax commissioner cancels the self-assessing 5780
registration of a purchaser registered on the basis of its 5781
estimated consumption because the purchaser does not consume at 5782
least forty-five million kilowatt hours of electricity over the 5783
course of the twelve-month period for which the estimate was 5784
made, the tax commissioner shall assess and collect from the 5785
purchaser the difference between (a) the amount of tax that 5786
would have been payable under division (A) of this section on 5787
the electricity distributed to the purchaser during that period 5788
and (b) the amount of tax paid by the purchaser on such 5789
electricity pursuant to division (C) (2) of this section. The 5790

assessment shall be paid within sixty days after the tax 5791
commissioner issues it, regardless of whether the purchaser 5792
files a petition for reassessment under section 5727.89 of the 5793
Revised Code covering that period. If the purchaser does not pay 5794
the assessment within the time prescribed, the amount assessed 5795
is subject to the additional charge and the interest prescribed 5796
by divisions (B) and (C) of section 5727.82 of the Revised Code, 5797
and is subject to assessment under section 5727.89 of the 5798
Revised Code. If the purchaser is a qualified end user, division 5799
(C) (7) of this section applies only to electricity it consumes 5800
in other than its qualifying manufacturing process. 5801

(D) The tax imposed by this section does not apply to: 5802

(1) The distribution or obtaining of any kilowatt hours of 5803
electricity to or by any of the following: 5804

(a) The federal government; 5805

(b) An end user located at a federal facility that uses 5806
electricity for the enrichment of uranium; 5807

(c) A qualified regeneration meter; 5808

(d) An end user for any day the end user is a qualified 5809
end user; 5810

(e) An end user if the electricity is generated by an 5811
electric generation facility that is primarily dedicated to 5812
providing electricity to the electric-consuming facilities of 5813
the end user, that is sized so as to not exceed one hundred per 5814
cent of the customer-generator's annual requirements for 5815
electric energy at the time of interconnection, that is 5816
physically interconnected and integrated with the electric- 5817
consuming facilities of the end user, and that is located on the 5818
same property on which the end user's electric-consuming 5819

facilities are situated or on property that is contiguous to the 5820
property on which the end user's electric-consuming facilities 5821
are situated. 5822

(2) Kilowatt hours of electricity generated by a self- 5823
generator if the electric generating facility is sized so as not 5824
to exceed one hundred per cent of the customer-generator's 5825
annual requirements for electric energy at the time of 5826
interconnection. 5827

The exemption under division (D) (1) (d) of this section for 5828
a qualified end user only applies to the manufacturing location 5829
where the qualified end user uses electricity in a chlor-alkali 5830
manufacturing process or where the qualified end user uses more 5831
than three million kilowatt hours per day in an electrochemical 5832
manufacturing process. As used in division (D) of this section, 5833
"customer-generator" and "self-generator" have the same meanings 5834
as in section 4928.01 of the Revised Code. 5835

(E) All revenue arising from the tax imposed by this 5836
section shall be credited to the general revenue fund except as 5837
provided by division (C) of this section and section 5727.82 of 5838
the Revised Code. 5839

Sec. 5727.811. (A) For the purpose of raising revenue to 5840
fund the needs of this state and its local governments, an 5841
excise tax is hereby levied on every natural gas distribution 5842
company for all natural gas volumes billed by, or on behalf of, 5843
the company ~~beginning with the measurement period that includes~~ 5844
~~July 1, 2001.~~ Except as provided in divisions (C) or (D) of this 5845
section, the tax shall be levied at the following rates per MCF 5846
of natural gas distributed by the company through a meter of an 5847
end user in this state: 5848

5849

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A	MCF DISTRIBUTED TO AN END USER	RATE PER MCF
B	For the first 100 MCF per month	\$.1593
C	For the next 101 to 2000 MCF per month	\$.0877
D	For 2001 and above MCF per month	\$.0411

If no meter is used to measure the MCF of natural gas distributed by the company, the rates shall apply to the estimated MCF of natural gas distributed to an unmetered location in this state.

(B) A natural gas distribution company shall base the tax on the MCF of natural gas distributed to an end user through the meter of the end user in this state that is estimated to be consumed by the end user as reflected on the end user's customer statement from the natural gas distribution company. ~~Until January 1, 2003, the natural gas distribution company shall pay the tax levied by this section to the treasurer of state in accordance with section 5727.82 of the Revised Code. Beginning January 1, 2003, the~~ The natural gas distribution company shall pay the tax levied by this section to the tax commissioner in accordance with section 5727.82 of the Revised Code unless required to remit payment to the treasurer of state in accordance with section 5727.83 of the Revised Code.

(C) A natural gas distribution company with seventy thousand customers or less may elect to apply the rates specified in division (A) of this section to the aggregate of the natural gas distributed by the company through the meter of

all its customers in this state, and upon such election, this 5871
method shall be used to determine the amount of tax to be paid 5872
by such company. 5873

(D) A natural gas distribution company shall pay the tax 5874
imposed by this section at the rate of \$.02 per MCF of natural 5875
gas distributed by the company through the meter of a flex 5876
customer. The natural gas distribution company correspondingly 5877
shall reduce the per MCF rate that it charges the flex customer 5878
for natural gas distribution services by \$.02 per MCF of natural 5879
gas distributed to the flex customer. 5880

(E) Except as provided in division (F) of this section, 5881
each natural gas distribution company shall pay the tax imposed 5882
by this section in all of the following circumstances: 5883

(1) The natural gas is distributed by the company through 5884
a meter of an end user in this state; 5885

(2) The natural gas distribution company is distributing 5886
natural gas through a meter located in another state, but the 5887
natural gas is consumed in this state in the manner prescribed 5888
by the tax commissioner; 5889

(3) The natural gas distribution company is distributing 5890
natural gas in this state without the use of a meter, but the 5891
natural gas is consumed in this state as estimated and in the 5892
manner prescribed by the tax commissioner. 5893

(F) The tax levied by this section does not apply to the 5894
distribution of natural gas to the federal government, or 5895
natural gas produced by an end user in this state that is 5896
consumed by that end user or its affiliates and is not 5897
distributed through the facilities of a natural gas company. 5898

(G) All revenue arising from the tax imposed by this 5899

section shall be credited to the general revenue fund. 5900

Sec. 5727.82. (A) (1) Except as provided in divisions (A) 5901
(3) and (D) of this section, by the twentieth day of each month, 5902
each electric distribution company required to pay the tax 5903
imposed by section 5727.81 of the Revised Code shall file with 5904
the tax commissioner a return as prescribed by the tax 5905
commissioner and shall make payment of the full amount of tax 5906
due for the preceding month. ~~The first payment of this tax shall~~ 5907
~~be made on or before June 20, 2001.~~ The electric distribution 5908
company shall make payment to the tax commissioner unless 5909
required to remit ~~each tax~~ the payment by electronic funds 5910
~~transfer to the treasurer of state electronically~~ as provided in 5911
section 5727.83 of the Revised Code. 5912

(2) By the twentieth day of May, August, November, and 5913
February, each natural gas distribution company required to pay 5914
the tax imposed by section 5727.811 of the Revised Code shall 5915
file with the tax commissioner a return as prescribed by the tax 5916
commissioner and shall make payment to the tax commissioner, ~~or~~ 5917
~~to the treasurer of state as provided in section 5727.83 of the~~ 5918
~~Revised Code,~~ of the full amount of tax due for the preceding 5919
quarter. ~~The first payment of this tax shall be made on or~~ 5920
~~before November 20, 2001, for the quarter ending September 30,~~ 5921
~~2001.~~ 5922

(3) If the electric distribution company required to pay 5923
the tax imposed by section 5727.81 of the Revised Code is a 5924
municipal electric utility, it may retain in its general fund 5925
that portion of the tax on the kilowatt hours distributed to end 5926
users located within the boundaries of the municipal 5927
corporation. However, the municipal electric utility shall make 5928
payment in accordance with division (A) (1) of this section of 5929

the tax due on the kilowatt hours distributed to end users 5930
located outside the boundaries of the municipal corporation. 5931

(4) By the twentieth day of each month, each self- 5932
assessing purchaser that under division (C) of section 5727.81 5933
of the Revised Code pays directly to the tax commissioner ~~or the~~ 5934
~~treasurer of state~~ the tax imposed by section 5727.81 of the 5935
Revised Code shall file with the tax commissioner a return as 5936
prescribed by the tax commissioner and shall make payment of the 5937
full amount of the tax due for the preceding month. 5938

(5) As prescribed by the tax commissioner, a return shall 5939
be signed by the company or self-assessing purchaser required to 5940
file it, or an authorized employee, officer, or agent of the 5941
company or purchaser. The return shall be deemed filed when 5942
received by the tax commissioner. 5943

(B) Any natural gas distribution company, electric 5944
distribution company, or self-assessing purchaser required by 5945
this section to file a return who fails to file it and pay the 5946
tax within the period prescribed shall pay an additional charge 5947
of fifty dollars or ten per cent of the tax required to be paid 5948
for the reporting period, whichever is greater. The tax 5949
commissioner may collect the additional charge by assessment 5950
pursuant to section 5727.89 of the Revised Code. The 5951
commissioner may abate all or a portion of the additional charge 5952
and may adopt rules governing such abatements. 5953

(C) If any tax due is not paid timely in accordance with 5954
this section, the natural gas distribution company, electric 5955
distribution company, or self-assessing purchaser liable for the 5956
tax shall pay interest, calculated at the rate per annum 5957
prescribed by section 5703.47 of the Revised Code, from the date 5958
the tax payment was due to the date of payment or to the date an 5959

assessment is issued, whichever occurs first. Interest shall be 5960
paid in the same manner as the tax, and the commissioner may 5961
collect the interest by assessment pursuant to section 5727.89 5962
of the Revised Code. 5963

(D) Not later than the tenth day of each month, a 5964
qualified end user not making the election to self-assess under 5965
division (C) of section 5727.81 of the Revised Code shall report 5966
in writing to the electric distribution company that distributes 5967
electricity to the end user the kilowatt hours that were 5968
consumed as a qualified end user in a qualifying manufacturing 5969
process for the prior month and the number of days, if any, on 5970
which the end user was not a qualified end user. For each 5971
calendar day during that month, a qualified end user shall 5972
report the kilowatt hours that were not used in a qualifying 5973
manufacturing process. For each calendar day the end user was 5974
not a qualified end user, the end user shall report in writing 5975
to the electric distribution company the total number of 5976
kilowatt hours used on that day, and the electric distribution 5977
company shall pay the tax imposed under section 5727.81 of the 5978
Revised Code on each kilowatt hour that was not distributed to a 5979
qualified end user in a qualifying manufacturing process. The 5980
electric distribution company may rely in good faith on a 5981
qualified end user's report filed under this division. If it is 5982
determined that the end user was not a qualified end user for 5983
any calendar day or the quantity of electricity used by the 5984
qualified end user in a qualifying manufacturing process was 5985
overstated, the tax commissioner shall assess and collect any 5986
tax imposed under section 5727.81 of the Revised Code directly 5987
from the qualified end user. As requested by the commissioner, 5988
each end user reporting to an electric distribution company that 5989
it is a qualified end user shall provide documentation to the 5990

commissioner that establishes the volume of electricity consumed 5991
daily by the qualified end user and the total number of kilowatt 5992
hours consumed in a qualifying manufacturing process. 5993

~~(E) The tax commissioner shall immediately pay to the 5994
treasurer of state all amounts that the tax commissioner 5995
receives under this section. The treasurer of state shall credit 5996
such amounts in accordance with this chapter. 5997~~

Sec. 5727.83. (A) A natural gas distribution company, an 5998
electric distribution company, or a self-assessing purchaser 5999
shall remit each tax payment ~~by electronic funds transfer~~ 6000
electronically as prescribed by divisions (B) and (C) of this 6001
section. 6002

The tax commissioner shall notify each natural gas 6003
distribution company, electric distribution company, and self- 6004
assessing purchaser of the obligation to remit taxes ~~by~~ 6005
~~electronic funds transfer, shall maintain an updated list of~~ 6006
~~those companies and purchasers, and shall timely certify to the~~ 6007
~~treasurer of state the list and any additions thereto or~~ 6008
~~deletions therefrom~~electronically by using the Ohio business 6009
gateway, as defined in section 718.01 of the Revised Code, or 6010
another means of electronic payment. Failure by the ~~tax~~ 6011
commissioner to notify a company or self-assessing purchaser 6012
subject to this section to remit taxes ~~by electronic funds~~ 6013
~~transfer~~electronically does not relieve the company or self- 6014
assessing purchaser of its obligation to remit taxes in that 6015
manner. 6016

(B) A natural gas distribution company, an electric 6017
distribution company, or a self-assessing purchaser required by 6018
this section to remit payments ~~by electronic funds transfer~~ 6019
electronically shall remit such payments ~~to the treasurer of~~ 6020

~~state in the manner prescribed by rules adopted by the treasurer~~ 6021
~~of state under section 113.061 of the Revised Code, and on or~~ 6022
before the dates specified under section 5727.82 of the Revised 6023
Code. The payment of taxes ~~by electronic funds transfer~~ 6024
electronically does not affect a company's or self-assessing 6025
purchaser's obligation to file a return as required under 6026
section 5727.82 of the Revised Code. 6027

(C) A natural gas distribution company, an electric 6028
distribution company, or a self-assessing purchaser required by 6029
this section to remit taxes ~~by electronic funds transfer~~ 6030
electronically may apply to the ~~treasurer of state tax~~ 6031
commissioner in the manner prescribed by the ~~treasurer of state~~ 6032
commissioner to be excused from that requirement. The ~~treasurer~~ 6033
~~of state commissioner~~ may excuse the company or self-assessing 6034
purchaser from electronic remittance ~~by electronic funds~~ 6035
~~transfer~~ for good cause shown for the period of time requested 6036
by the company or self-assessing purchaser or for a portion of 6037
that period. The ~~treasurer of state commissioner~~ shall notify 6038
the ~~tax commissioner and the~~ company or self-assessing purchaser 6039
of the ~~treasurer of state's~~ commissioner's decision as soon as 6040
is practicable. 6041

(D) If a natural gas distribution company, an electric 6042
distribution company, or a self-assessing purchaser required by 6043
this section to remit taxes ~~by electronic funds transfer~~ 6044
electronically remits those taxes by some means other than ~~by~~ 6045
~~electronic funds transfer~~ electronically as prescribed by this 6046
section ~~and the rules adopted by the treasurer of state, and the~~ 6047
~~treasurer of state tax commissioner~~ determines that such failure 6048
was not due to reasonable cause or was due to willful neglect, 6049
the ~~treasurer of state~~ shall notify the ~~tax commissioner of the~~ 6050
~~failure to remit by electronic funds transfer and shall provide~~ 6051

~~the commissioner with any information used in making that~~ 6052
~~determination. The tax commissioner may collect an additional~~ 6053
charge by assessment in the manner prescribed by section 5727.89 6054
of the Revised Code. The additional charge shall equal five per 6055
cent of the amount of the taxes required to be paid ~~by~~ 6056
~~electronic funds transfer~~electronically, but shall not exceed 6057
five thousand dollars. Any additional charge assessed under this 6058
section is in addition to any other penalty or charge imposed 6059
under this chapter, and shall be considered as revenue arising 6060
from the tax imposed under this chapter. The ~~tax~~ commissioner 6061
may abate all or a portion of such a charge and may adopt rules 6062
governing such abatements. 6063

No additional charge shall be assessed under this division 6064
against a natural gas distribution company, an electric 6065
distribution company, or a self-assessing purchaser that has 6066
been notified of its obligation to remit taxes electronically 6067
under this section and that remits its first two tax payments 6068
after such notification by some other means ~~other than~~ 6069
~~electronic funds transfer~~. The additional charge may be assessed 6070
upon the remittance of any subsequent tax payment that the 6071
company or purchaser remits by some means other than ~~electronic~~ 6072
~~funds transfer~~electronically. 6073

Sec. 5733.022. (A) Subject to division (C) of this 6074
section, if a taxpayer's total liability for taxes imposed by 6075
section 5733.06 of the Revised Code, after reduction for all 6076
nonrefundable credits allowed the taxpayer, ~~for tax year 1992 or~~ 6077
~~1993 exceeds one hundred thousand dollars, the taxpayer shall~~ 6078
~~remit each tax payment for tax year 1994 to the treasurer of~~ 6079
~~state by electronic funds transfer as prescribed by divisions~~ 6080
~~(B) and (C) of this section. Subject to division (C) of this~~ 6081
~~section, if a taxpayer's total liability for taxes, after~~ 6082

~~reduction for all nonrefundable credits allowed the taxpayer, exceeds one hundred thousand dollars for tax year 1993, the taxpayer shall remit each tax payment for tax year 1995 by electronic funds transfer as prescribed by divisions (B) and (C) of this section. If a taxpayer's total liability for taxes, after reduction for all nonrefundable credits allowed the taxpayer, exceeds seventy five thousand dollars for tax year 1994, the taxpayer shall remit each tax payment for tax year 1996 by electronic funds transfer as prescribed by divisions (B) and (C) of this section. For tax year 1997 and any succeeding tax year, if a taxpayer's total liability for taxes, after reduction for all nonrefundable credits allowed the taxpayer, exceeds fifty thousand dollars for the second preceding tax year, the taxpayer shall remit each tax payment for the tax year by electronic funds transfer electronically as prescribed by divisions (B) and (C) of this section.~~

The tax commissioner shall notify each taxpayer required to remit taxes ~~by electronic funds transfer electronically of the taxpayer's obligation to do so, shall maintain an updated list of those taxpayers, and shall provide the list and any additions thereto or deletions therefrom to the treasurer of state.~~ Failure by the tax commissioner to notify a taxpayer subject to this section to remit taxes ~~by electronic funds transfer electronically does not relieve the taxpayer of its obligation to remit taxes by electronic funds transfer in that manner.~~

(B) Taxpayers required by this section to remit payments ~~by electronic funds transfer electronically shall remit such payments to the treasurer of state in the manner prescribed by rules adopted by the treasurer under section 113.061 of the Revised Code~~ the tax commissioner.

Except as otherwise provided in this paragraph, the 6114
electronic payment of taxes ~~by electronic funds transfer~~ does 6115
not affect a taxpayer's obligation to file the annual 6116
corporation report or the declaration of estimated tax report as 6117
required under sections 5733.02 and 5733.021 of the Revised 6118
Code. ~~If the taxpayer remits estimated tax payments in a manner,~~ 6119
~~designated by rule of the treasurer of state, that permits the~~ 6120
~~inclusion of all information necessary for the treasurer of~~ 6121
~~state to process the tax payment, the taxpayer need not file the~~ 6122
~~declaration of estimated tax report as required by section~~ 6123
~~5733.021 of the Revised Code.~~ 6124

(C) If two or more taxpayers have elected or are required 6125
to file a combined report under section 5733.052 of the Revised 6126
Code, the tax liability of those taxpayers for purposes of 6127
division (A) of this section is the aggregate tax liability of 6128
those taxpayers after reduction for nonrefundable credits 6129
allowed the taxpayers. 6130

(D) A taxpayer required by this section to remit taxes ~~by~~ 6131
~~electronic funds transfer~~ electronically may apply to the 6132
~~treasurer of state~~ tax commissioner in the manner prescribed by 6133
the ~~treasurer commissioner~~ to be excused from that requirement. 6134
The ~~treasurer of state commissioner~~ may excuse the taxpayer from 6135
electronic remittance ~~by electronic funds transfer~~ for good 6136
cause shown for the period of time requested by the taxpayer or 6137
for a portion of that period. The ~~treasurer commissioner~~ shall 6138
notify the ~~tax commissioner and the taxpayer of the treasurer's~~ 6139
commissioner's decision as soon as is practicable. 6140

(E) If a taxpayer required by this section to remit taxes 6141
~~by electronic funds transfer~~ electronically remits those taxes 6142
by some means other than ~~by electronic funds transfer~~ 6143

~~electronically~~ as prescribed by this section ~~and the rules~~ 6144
~~adopted by the treasurer of state, and the treasurer tax~~ 6145
~~commissioner~~ determines that such failure was not due to 6146
reasonable cause or was due to willful neglect, the ~~treasurer~~ 6147
~~shall notify the tax commissioner of the failure to remit by~~ 6148
~~electronic funds transfer and shall provide the commissioner~~ 6149
~~with any information used in making that determination. The tax~~ 6150
commissioner may collect an additional charge by assessment in 6151
the manner prescribed by section 5733.11 of the Revised Code. 6152
The additional charge shall equal five per cent of the amount of 6153
the taxes or estimated tax payments required to be paid ~~by~~ 6154
~~electronic funds transfer~~ electronically, but shall not exceed 6155
five thousand dollars. Any additional charge assessed under this 6156
section is in addition to any other penalty or charge imposed 6157
under this chapter, and shall be considered as revenue arising 6158
from the taxes imposed under this chapter. The ~~tax~~ commissioner 6159
may remit all or a portion of such a charge and may adopt rules 6160
governing such remission. 6161

No additional charge shall be assessed under this division 6162
against a taxpayer that has been notified of its obligation to 6163
remit taxes electronically under this section and that remits 6164
its first two tax payments after such notification by some other 6165
~~means other than electronic funds transfer~~. The additional 6166
charge may be assessed upon the remittance of any subsequent tax 6167
payment that the taxpayer remits by some means other than 6168
~~electronic funds transfer~~ electronically. 6169

Sec. 5735.03. Except as provided in division (C) (2) of 6170
section 5735.02 of the Revised Code, every motor fuel dealer 6171
shall file with the tax commissioner a surety bond of not less 6172
than five thousand dollars, but may be required by the tax 6173
commissioner to submit a surety bond equal to three months' 6174

average tax liability, on a form approved by and with a surety 6175
satisfactory to the commissioner, upon which the motor fuel 6176
dealer shall be the principal obligor and the state shall be the 6177
obligee, conditioned upon the prompt filing of true reports and 6178
the payment by the motor fuel dealer to the ~~treasurer of state~~ 6179
commissioner of all motor fuel excise taxes levied by the state, 6180
provided that after notice is received from the state by the 6181
surety of the delinquency of any taxes, if the surety pays the 6182
taxes within thirty days after the receipt of the notice no 6183
penalties or interest shall be charged against the surety. If 6184
the surety does not pay the taxes within thirty days, but does 6185
pay within ninety days from the date of the receipt of notice 6186
from the state by the surety, no penalty shall be assessed 6187
against the surety but the surety shall pay interest at the rate 6188
of six per cent per annum on the unpaid taxes from the date the 6189
taxes are due and payable. If the surety does not pay within 6190
ninety days then the surety shall be liable for interest and 6191
penalties, and the tax commissioner may cancel all bonds issued 6192
by the surety. 6193

The commissioner may increase or reduce the amount of the 6194
bond required to be filed by any licensed motor fuel dealer. If 6195
the commissioner finds that it is necessary to increase the bond 6196
to assure payment of the tax, the bond may be increased to an 6197
amount equal to three months/average liability or fifty thousand 6198
dollars, whichever is greater. 6199

If liability upon the bond thus filed by the motor fuel 6200
dealer with the commissioner is discharged or reduced, whether 6201
by judgment rendered, payment made, or otherwise, or if, in the 6202
opinion of the commissioner any surety on the bond theretofore 6203
given has become unsatisfactory or unacceptable, the 6204
commissioner may require the motor fuel dealer to file a new 6205

bond with satisfactory sureties in the same amount, and if a new
bond is not filed the commissioner shall forthwith cancel the
license of the motor fuel dealer. If a new bond is furnished by
the motor fuel dealer, the commissioner shall cancel and
surrender the bond of the motor fuel dealer for which the new
bond is substituted.

A surety on a bond furnished by a motor fuel dealer shall
be released from all liability to the state accruing on the bond
after the expiration of sixty days from the date upon which the
surety lodges with the commissioner a written request to be
released. The request shall not operate to release the surety
from any liability already accrued, or which accrues before the
expiration of the sixty-day period. The commissioner shall
promptly on receipt of notice of the request notify the motor
fuel dealer who furnished the bond and, unless the motor fuel
dealer on or before the expiration of the sixty-day period files
with the commissioner a new bond with a surety satisfactory to
the commissioner in the amount and form provided in this
section, the commissioner shall forthwith cancel the license of
the motor fuel dealer. If the new bond is furnished by said
motor fuel dealer, the commissioner shall cancel and surrender
the bond of the motor fuel dealer for which the new bond is
substituted.

The commissioner, in lieu of any surety bond required by
this section, may accept a deposit by a motor fuel dealer of
cash. Any cash thus accepted shall be deposited with the
~~treasurer of state~~ commissioner to be held ~~by the treasurer of~~
~~state, in the same manner as other cash required to be deposited~~
~~with the treasurer of state under the laws of the state,~~ for the
account of such motor fuel dealer and subject to any lawful
claim of the state for any excise tax upon motor fuel, and

penalties and interest thereon levied by the laws of this state. 6237
The state shall have a lien upon cash thus deposited for the 6238
amount of any motor fuel excise taxes and penalty and interest 6239
due to the state from the motor fuel dealer in whose behalf they 6240
were deposited. The amount of cash to be thus accepted shall in 6241
all respects be determined in the same manner as provided in 6242
this section for the amount of surety bonds. Any cash deposited 6243
shall be subject to levy upon execution to satisfy any judgment 6244
secured in any action by the state to recover any motor fuel 6245
excise taxes, and penalties and interest found to be due to the 6246
state from such motor fuel dealer. The cash shall be released by 6247
the ~~treasurer of state commissioner~~ upon ~~certificate of the~~ 6248
~~commissioner~~ a determination that the license of the motor fuel 6249
dealer in whose behalf they have been deposited has been 6250
canceled or that other security has been accepted in lieu 6251
thereof, and that the state asserts no claim thereto. 6252

Sec. 5735.062. (A) If the tax commissioner so requires, 6253
the dealer shall remit each monthly tax payment electronically 6254
as prescribed by division (B) of this section. 6255

The commissioner shall notify each dealer required to 6256
remit taxes electronically of the dealer's obligation to do so. 6257
Failure by the commissioner to notify a dealer subject to this 6258
section to remit taxes electronically does not relieve the 6259
dealer of its obligation to remit taxes electronically. 6260

(B) Dealers required by division (A) of this section to 6261
remit payments electronically shall remit such payments ~~to the~~ 6262
~~treasurer of state in the manner prescribed by rules adopted by~~ 6263
~~the treasurer under section 113.061 of the Revised Code or~~ 6264
through the ~~department of taxation's web site~~ Ohio business 6265
gateway, as defined in section 718.01 of the Revised Code, or in 6266

another manner as prescribed by the commissioner. Required 6267
payments shall be remitted on or before the dates specified 6268
under section 5735.06 of the Revised Code. The payment of taxes 6269
electronically does not affect a dealer's obligation to file the 6270
monthly return as required under section 5735.06 of the Revised 6271
Code. 6272

A dealer required by this section to remit taxes 6273
electronically may apply to the commissioner to be excused from 6274
that requirement. The commissioner may excuse the dealer from 6275
the electronic remittance requirement for good cause shown for 6276
the period of time requested by the dealer or for a portion of 6277
that period. 6278

(C) If a dealer required by this section to remit taxes 6279
electronically fails to do so, the commissioner may impose a 6280
penalty on the dealer not to exceed one of the following: 6281

(1) For the first return period the dealer fails to remit 6282
taxes electronically, the greater of twenty-five dollars or five 6283
per cent of the amount of the payment required to be remitted; 6284

(2) For the second or any subsequent return period the 6285
dealer fails to remit taxes electronically, the greater of fifty 6286
dollars or ten per cent of the amount of the payment required to 6287
be remitted. 6288

The penalty imposed under division (C) of this section is 6289
in addition to any other penalty imposed under this chapter and 6290
shall be considered as revenue arising from the taxes imposed 6291
under this chapter. A penalty may be collected by assessment in 6292
the manner prescribed by section 5735.12 of the Revised Code. 6293
The commissioner may abate all or a portion of a penalty. 6294

(D) The commissioner may adopt rules necessary to 6295

administer this section. 6296

Sec. 5739.031. (A) Upon application, the tax commissioner 6297
may issue a direct payment permit that authorizes a consumer to 6298
pay the sales tax levied by or pursuant to section 5739.02, 6299
5739.021, 5739.023, or 5739.026 of the Revised Code or the use 6300
tax levied by or pursuant to section 5741.02, 5741.021, 6301
5741.022, or 5741.023 of the Revised Code directly to the state 6302
and waives the collection of the tax by the vendor or seller if 6303
payment directly to the state would improve compliance and 6304
increase the efficiency of the administration of the tax. The 6305
commissioner may adopt rules establishing the criteria for the 6306
issuance of such permits. 6307

(B) Each permit holder, on or before the twenty-third day 6308
of each month, shall make and file with the ~~treasurer of state~~ 6309
tax commissioner a return for the preceding month in such form 6310
as is prescribed by the ~~tax~~ commissioner and shall pay the tax 6311
shown on the return to be due. The return shall show the sum of 6312
the prices of taxable merchandise used and taxable services 6313
received, the amount of tax due from the permit holder, and such 6314
other information as the commissioner deems necessary. The 6315
commissioner, upon written request by the permit holder, may 6316
extend the time for making and filing returns and paying the 6317
tax. If the commissioner determines that a permit holder's tax 6318
liability is not such as to merit monthly filing, the 6319
commissioner may authorize the permit holder to file returns and 6320
pay the tax at less frequent intervals. ~~The treasurer of state~~ 6321
~~shall show on the return the date it was filed and the amount of~~ 6322
~~the payment remitted to the treasurer. Thereafter, the treasurer~~ 6323
~~immediately shall transmit all returns filed under this section~~ 6324
~~to the tax commissioner.~~ 6325

Any permit holder required to file a return and pay the tax under this section whose total payment for any calendar year equals or exceeds the amount shown in section 5739.032 of the Revised Code shall make each payment required by this section in the second ensuing and each succeeding year ~~by electronic funds transfer electronically~~ as prescribed by, and on or before the dates specified in, section 5739.032 of the Revised Code, except as otherwise prescribed by that section.

(C) For purposes of reporting and remitting the tax, the price of tangible personal property or services purchased by, or of tangible personal property produced by, the permit holder shall be determined under division (G) of section 5741.01 of the Revised Code. Except as otherwise provided in division (E) of section 5739.033 of the Revised Code, the situs of any purchase transaction made by the permit holder is the location where the tangible personal property or service is received by the permit holder.

(D) It shall be the duty of every permit holder required to make a return and pay its tax under this section to keep and preserve suitable records of purchases together with invoices of purchases, bills of lading, asset ledgers, depreciation schedules, transfer journals, and such other primary and secondary records and documents in such form as the commissioner requires. All such records and other documents shall be open during business hours to the inspection of the tax commissioner, and shall be preserved for a period of four years, unless the commissioner, in writing, has authorized their destruction or disposal at an earlier date, or by order or by reason of a waiver of the four-year time limitation pursuant to section 5739.16 of the Revised Code requires that they be kept longer.

(E) A permit granted pursuant to this section shall 6356
continue to be valid until surrendered by the holder or canceled 6357
for cause by the tax commissioner. 6358

(F) Persons who hold a direct payment permit that has not 6359
been canceled shall not be required to issue exemption 6360
certificates and shall not be required to pay the tax as 6361
prescribed in sections 5739.03, 5739.033, and 5741.12 of the 6362
Revised Code. Such persons shall notify vendors and sellers from 6363
whom purchases of tangible personal property or services are 6364
made, of their direct payment permit number and that the tax is 6365
being paid directly to the state. Upon receipt of such notice, 6366
such vendor or seller shall be absolved from all duties and 6367
liabilities imposed by section 5739.03 or 5741.04 of the Revised 6368
Code with respect to sales of tangible personal property or 6369
services to such permit holder. 6370

Vendors and sellers who make sales upon which the tax is 6371
not collected by reason of the provisions of this section shall 6372
maintain records in such manner that the amount involved and 6373
identity of the purchaser may be ascertained. The receipts from 6374
such sales shall not be subject to the tax levied in section 6375
5739.10 of the Revised Code. 6376

Upon the cancellation or surrender of a direct payment 6377
permit, the provisions of sections 5739.03, 5741.04, and 5741.12 6378
of the Revised Code shall immediately apply to all purchases 6379
made subsequent to such cancellation or surrender by the person 6380
who previously held such permit, and such person shall so notify 6381
vendors and sellers from whom purchases of tangible personal 6382
property or services are made, in writing, prior to or at the 6383
time of the first purchase after such cancellation or surrender. 6384
Upon receipt of such notice, the vendor shall be subject to the 6385

provisions of sections 5739.03 and 5739.10 of the Revised Code 6386
and the seller shall be subject to the provisions of section 6387
5741.04 of the Revised Code, with respect to all sales 6388
subsequently made to such person. Failure of any such person to 6389
notify vendors or sellers from whom purchases of tangible 6390
personal property or services are made of the cancellation or 6391
surrender of a direct payment permit shall be considered as a 6392
refusal to pay the tax by the person required to issue such 6393
notice. 6394

Sec. 5739.032. (A) If the total amount of tax required to 6395
be paid by a permit holder under section 5739.031 of the Revised 6396
Code for any calendar year equals or exceeds seventy-five 6397
thousand dollars, the permit holder shall remit each monthly tax 6398
payment in the second ensuing and each succeeding year ~~by~~ 6399
~~electronic funds transfer~~ electronically as prescribed by 6400
division (B) of this section. 6401

If a permit holder's tax payment for each of two 6402
consecutive years is less than seventy-five thousand dollars, 6403
the permit holder is relieved of the requirement to remit taxes 6404
~~by electronic funds transfer~~ electronically for the year that 6405
next follows the second of the consecutive years in which the 6406
tax payment is less than that amount, and is relieved of that 6407
requirement for each succeeding year, unless the tax payment in 6408
a subsequent year equals or exceeds seventy-five thousand 6409
dollars. 6410

~~The tax commissioner shall notify each permit holder~~ 6411
~~required to remit taxes by electronic funds transfer of the~~ 6412
~~permit holder's obligation to do so, shall maintain an updated~~ 6413
~~list of those permit holders, and shall timely certify the list~~ 6414
~~and any additions thereto or deletions therefrom to the~~ 6415

~~treasurer of state.~~ Failure by the tax commissioner to notify a 6416
permit holder subject to this section to remit taxes ~~by~~ 6417
~~electronic funds transfer~~ electronically does not relieve the 6418
permit holder of its obligation to remit taxes ~~by electronic~~ 6419
~~funds transfer~~ in that manner. 6420

(B) Permit holders required by division (A) of this 6421
section to remit payments ~~by electronic funds transfer~~ 6422
electronically shall remit such payments ~~to the treasurer of~~ 6423
~~state in the manner prescribed by this section and rules adopted~~ 6424
~~by the treasurer of state under section 113.061 of the Revised~~ 6425
~~Code~~ by using the Ohio business gateway, as defined in section 6426
718.01 of the Revised Code, or another means of electronic 6427
payment, and as follows: 6428

(1) On or before the twenty-third day of each month, a 6429
permit holder shall remit an amount equal to seventy-five per 6430
cent of the anticipated tax liability for that month. 6431

(2) On or before the twenty-third day of each month, a 6432
permit holder shall report the taxes due for the previous month 6433
and shall remit that amount, less any amounts paid for that 6434
month as required by division (B) (1) of this section. 6435

The electronic payment of taxes ~~by electronic funds~~ 6436
~~transfer~~ does not affect a permit holder's obligation to file 6437
the monthly return as required under section 5739.031 of the 6438
Revised Code. 6439

~~(C) A permit holder required by this section to remit~~ 6440
~~taxes by electronic funds transfer may apply to the treasurer of~~ 6441
~~state in the manner prescribed by the treasurer of state to be~~ 6442
~~excused from that requirement. The treasurer of state may excuse~~ 6443
~~the permit holder from remittance by electronic funds transfer~~ 6444

~~for good cause shown for the period of time requested by the~~ 6445
~~permit holder or for a portion of that period. The treasurer of~~ 6446
~~state shall notify the tax commissioner and the permit holder of~~ 6447
~~the treasurer of state's decision as soon as is practicable.~~ 6448

~~(D) (1) (a) (C) (1) (a)~~ If a permit holder that is required to 6449
remit payments under division (B) of this section fails to make 6450
a payment, or makes a payment under division (B) (1) of this 6451
section that is less than seventy-five per cent of the actual 6452
liability for that month, the commissioner may impose an 6453
additional charge not to exceed five per cent of that unpaid 6454
amount. 6455

(b) Division ~~(D) (1) (a) (C) (1) (a)~~ of this section does not 6456
apply if the permit holder's payment under division (B) (1) of 6457
this section is equal to or greater than seventy-five per cent 6458
of the permit holder's reported liability for the same month in 6459
the immediately preceding calendar year. 6460

(2) If a permit holder required by this section to remit 6461
taxes ~~by electronic funds transfer electronically~~ remits those 6462
taxes by some means other than ~~by electronic funds transfer~~ 6463
~~electronically~~ as prescribed by this section ~~and the rules~~ 6464
~~adopted by the treasurer of state,~~ and the tax commissioner 6465
determines that such failure was not due to reasonable cause or 6466
was due to willful neglect, the commissioner may impose an 6467
additional charge not to exceed the lesser of five per cent of 6468
the amount of the taxes required to be paid ~~by electronic funds~~ 6469
~~transfer electronically~~ or five thousand dollars. 6470

(3) Any additional charge imposed under division ~~(D) (1)~~ 6471
~~(C) (1)~~ or (2) of this section is in addition to any other 6472
penalty or charge imposed under this chapter, and shall be 6473
considered as revenue arising from taxes imposed under this 6474

chapter. An additional charge may be collected by assessment in 6475
the manner prescribed by section 5739.13 of the Revised Code. 6476
The tax commissioner may waive all or a portion of such a charge 6477
and may adopt rules governing such waiver. 6478

No additional charge shall be imposed under division ~~(D)~~ 6479
~~(2)~~ (C) (2) of this section against a permit holder that has been 6480
notified of its obligation to remit taxes electronically under 6481
this section and that remits its first two tax payments after 6482
such notification by some other means ~~other than electronic~~ 6483
~~funds transfer~~. The additional charge may be imposed upon the 6484
remittance of any subsequent tax payment that the permit holder 6485
remits by some means other than ~~electronic funds~~ 6486
~~transfer~~ electronically. 6487

Sec. 5739.07. (A) When, pursuant to this chapter, a vendor 6488
has paid taxes to the ~~treasurer of state or the treasurer of~~ 6489
~~state's agent, or to the~~ tax commissioner or the commissioner's 6490
agent, the commissioner shall refund to the vendor the amount of 6491
taxes paid, and any penalties assessed with respect to such 6492
taxes, if the vendor has refunded to the consumer the full 6493
amount of taxes the consumer paid illegally or erroneously or if 6494
the vendor has illegally or erroneously billed the consumer but 6495
has not collected the taxes from the consumer. 6496

(B) When, pursuant to this chapter, a consumer has paid 6497
taxes directly to the ~~treasurer of state or the treasurer of~~ 6498
~~state's agent, or to the~~ tax commissioner or the commissioner's 6499
agent, and the payment or assessment was illegal or erroneous, 6500
the commissioner shall refund to the consumer the full amount of 6501
illegal or erroneous taxes paid and any penalties assessed with 6502
respect to such taxes. 6503

(C) The commissioner shall refund to the consumer amounts 6504

paid illegally or erroneously to a vendor only if: 6505

(1) The commissioner has not refunded the tax to the 6506
vendor and the vendor has not refunded the tax to the consumer; 6507
or 6508

(2) The consumer has received a refund from a manufacturer 6509
or other person, other than the vendor, of the full purchase 6510
price, but not the tax, paid to the vendor in settlement of a 6511
complaint by the consumer about the property or service 6512
purchased. 6513

The commissioner may require the consumer to obtain or the 6514
vendor to provide a written statement confirming that the vendor 6515
has not refunded the tax to the consumer and has not filed an 6516
application for refund of the tax with the commissioner. 6517

(D) Subject to division (E) of this section, an 6518
application for refund shall be filed with the tax commissioner 6519
on the form prescribed by the commissioner within four years 6520
from the date of the illegal or erroneous payment, unless the 6521
vendor or consumer waives the time limitation under division (A) 6522
(3) of section 5739.16 of the Revised Code. If the time 6523
limitation is waived, the refund application period shall be 6524
extended for the same period as the waiver. 6525

(E) An application for refund shall be filed in accordance 6526
with division (D) of this section unless a person is subject to 6527
an assessment that is subject to the time limit of division (B) 6528
of section 5703.58 of the Revised Code for amounts not reported 6529
and paid between the four-year time limit described in division 6530
(D) of this section and the seven-year limit described in 6531
division (B) of section 5703.58 of the Revised Code, in which 6532
case the person may file an application within six months after 6533

the date the assessment is issued. Any refund allowed under this 6534
division shall not exceed the amount of the assessment due for 6535
the same period. 6536

(F) On the filing of an application for a refund, the 6537
commissioner shall determine the amount of refund to which the 6538
applicant is entitled. If the amount is not less than that 6539
claimed, the commissioner shall certify that amount to the 6540
director of budget and management and the treasurer of state for 6541
payment from the tax refund fund created by section 5703.052 of 6542
the Revised Code. If the amount is less than that claimed, the 6543
commissioner shall proceed in accordance with section 5703.70 of 6544
the Revised Code. 6545

(G) When a refund is granted under this section, it shall 6546
include interest thereon as provided by section 5739.132 of the 6547
Revised Code. 6548

Sec. 5743.05. The tax commissioner shall sell all stamps 6549
provided for by section 5743.03 of the Revised Code. Each stamp 6550
that is to be affixed to a package of cigarettes shall be sold 6551
for the amount of tax due on that package, except the 6552
commissioner shall, by rule, authorize the sale of stamps to 6553
wholesale dealers in this state, or to wholesale dealers outside 6554
this state, at a discount of not less than one and eight-tenths 6555
per cent or more than ten per cent of such tax due, as a 6556
commission for affixing and canceling the stamps. 6557

The commissioner, by rule, shall authorize the delivery of 6558
stamps to wholesale dealers in this state and to wholesale 6559
dealers outside this state on credit. If such a dealer has not 6560
been in good credit standing with this state for five 6561
consecutive years preceding the purchase, the commissioner shall 6562
require the dealer to file with the commissioner a bond to the 6563

state in the amount and in the form prescribed by the 6564
commissioner, with surety to the satisfaction of the 6565
commissioner, conditioned on payment to the ~~treasurer of state~~ 6566
~~or the~~ commissioner within thirty days or the following twenty- 6567
third day of June, whichever comes first for stamps delivered 6568
within that time. If such a dealer has been in good credit 6569
standing with this state for five consecutive years preceding 6570
the purchase, the commissioner shall not require that the dealer 6571
file such a bond but shall require payment for the stamps within 6572
thirty days after purchase of the stamps or the following 6573
twenty-third day of June, whichever comes first. Each stamp that 6574
is sold to a dealer not required to file a bond shall be sold 6575
for the amount of tax due on that package of cigarettes. The 6576
maximum amount that may be sold on credit to a dealer not 6577
required to file a bond shall equal one hundred ten per cent of 6578
the dealer's average monthly purchases over the preceding 6579
calendar year. The maximum amount shall be adjusted to reflect 6580
any changes in the tax rate and may be adjusted, upon 6581
application to the commissioner by the dealer, to reflect 6582
changes in the business operations of the dealer. The maximum 6583
amount shall be applicable to the period between the first day 6584
of July to the following twenty-third day of June. Payment by a 6585
dealer not required to file a bond shall be remitted by 6586
electronic funds transfer as prescribed by section 5743.051 of 6587
the Revised Code. If a dealer not required to file a bond fails 6588
to make the payment in full within the required payment period, 6589
the commissioner shall not thereafter sell stamps to that dealer 6590
until the dealer pays the outstanding amount, including penalty 6591
and interest on that amount as prescribed in this chapter, and 6592
the commissioner thereafter may require the dealer to file a 6593
bond until the dealer is restored to good standing. The 6594
commissioner shall limit delivery of stamps on credit to the 6595

period running from the first day of July of the fiscal year 6596
until the twenty-third day of the following June. Any discount 6597
allowed as a commission for affixing and canceling stamps shall 6598
be allowed with respect to sales of stamps on credit. 6599

The commissioner shall redeem and pay for any destroyed, 6600
unused, or spoiled tax stamps at their net value, and shall 6601
refund to wholesale dealers the net amount of state and county 6602
taxes paid erroneously or paid on cigarettes that have been sold 6603
in interstate or foreign commerce or that have become unsalable, 6604
and the net amount of county taxes that were paid on cigarettes 6605
that have been sold at retail or for retail sale outside a 6606
taxing county. 6607

An application for a refund of tax shall be filed with the 6608
commissioner, on the form prescribed by the commissioner for 6609
that purpose, within three years from the date the tax stamps 6610
are destroyed or spoiled, from the date of the erroneous 6611
payment, or from the date that cigarettes on which taxes have 6612
been paid have been sold in interstate or foreign commerce or 6613
have become unsalable. 6614

On the filing of the application, the commissioner shall 6615
determine the amount of refund to which the applicant is 6616
entitled, payable from receipts of the state tax, and, if 6617
applicable, payable from receipts of a county tax. If the amount 6618
is not less than that claimed, the commissioner shall certify 6619
the amount to the director of budget and management and 6620
treasurer of state for payment from the tax refund fund created 6621
by section 5703.052 of the Revised Code. If the amount is less 6622
than that claimed, the commissioner shall proceed in accordance 6623
with section 5703.70 of the Revised Code. 6624

If a refund is granted for payment of an illegal or 6625

erroneous assessment issued by the department, the refund shall 6626
include interest on the amount of the refund from the date of 6627
the overpayment. The interest shall be computed at the rate per 6628
annum prescribed by section 5703.47 of the Revised Code. 6629

Sec. 5743.051. This section applies to any wholesale or 6630
retail cigarette dealer required by section 5743.05 of the 6631
Revised Code to remit payment for tax stamps ~~by electronic funds~~ 6632
~~transfer~~electronically. The tax commissioner shall notify each 6633
dealer of the dealer's obligation to do so and shall maintain an 6634
updated list of those dealers. Failure by the ~~tax~~ commissioner 6635
to notify a dealer subject to this section to remit taxes ~~by~~ 6636
~~electronic funds transfer~~ electronically does not relieve the 6637
dealer of its obligation to remit taxes ~~by electronic funds~~ 6638
~~transfer~~in that manner. 6639

A dealer required to remit payments ~~by electronic funds~~ 6640
~~transfer~~ electronically shall remit such payments to the 6641
~~treasurer of state~~ commissioner in the manner ~~prescribed by~~ 6642
~~rules adopted by the treasurer of state under section 113.061 of~~ 6643
~~the Revised Code~~ approved by the commissioner and within the 6644
time prescribed for such a dealer by section 5743.05 of the 6645
Revised Code. 6646

A dealer required to remit taxes ~~by electronic funds~~ 6647
~~transfer~~ electronically may apply to the ~~tax~~ commissioner in the 6648
manner prescribed by the ~~tax~~ commissioner to be excused from 6649
that requirement. The ~~tax~~ commissioner may excuse the dealer 6650
from electronic remittance ~~by electronic funds transfer~~ for good 6651
cause shown for the period of time requested by the dealer or 6652
for a portion of that period. 6653

If a dealer required to remit taxes ~~by electronic funds~~ 6654
~~transfer~~ electronically remits those taxes by some other means, 6655

~~the treasurer of state shall notify the tax commissioner of the~~ 6656
~~failure to remit by electronic funds transfer. If and the tax~~ 6657
commissioner determines that such failure was not due to 6658
reasonable cause or was due to willful neglect, the ~~tax~~ 6659
commissioner may collect an additional charge by assessment in 6660
the manner prescribed by section 5743.081 of the Revised Code. 6661
The additional charge shall equal five per cent of the amount of 6662
the taxes required to be paid ~~by electronic funds transfer~~ 6663
electronically but shall not exceed five thousand dollars. Any 6664
additional charge assessed under this section is in addition to 6665
any other penalty or charge imposed under this chapter and shall 6666
be considered as revenue arising from taxes imposed under this 6667
chapter. The ~~tax~~-commissioner may abate all or a portion of such 6668
a charge and may adopt rules governing such remissions. 6669

No additional charge shall be assessed under this section 6670
against a dealer that has been notified of its obligation to 6671
remit taxes electronically under this section and that remits 6672
its first two tax payments after such notification by some other 6673
~~means other than electronic funds transfer~~. The additional 6674
charge may be assessed upon the remittance of any subsequent tax 6675
payment that the dealer remits by some means other than 6676
~~electronic funds transfer~~electronically. 6677

Sec. 5743.15. (A) Except as otherwise provided in this 6678
division, no person shall engage in this state in the wholesale 6679
or retail business of trafficking in cigarettes or in the 6680
business of a manufacturer or importer of cigarettes without 6681
having a license to conduct each such activity issued by a 6682
county auditor under division (B) of this section or the tax 6683
commissioner under divisions (C) and (F) of this section. On 6684
dissolution of a partnership by death, the surviving partner may 6685
operate under the license of the partnership until expiration of 6686

the license, and the heirs or legal representatives of deceased 6687
persons, and receivers and trustees in bankruptcy appointed by 6688
any competent authority, may operate under the license of the 6689
person succeeded in possession by such heir, representative, 6690
receiver, or trustee in bankruptcy if the partner or successor 6691
notifies the issuer of the license of the dissolution or 6692
succession within thirty days after the dissolution or 6693
succession. 6694

(B) (1) Each applicant for a license to engage in the 6695
retail business of trafficking in cigarettes under this section, 6696
annually, on or before the fourth Monday of May, shall make and 6697
deliver to the county auditor of the county in which the 6698
applicant desires to engage in the retail business of 6699
trafficking in cigarettes, upon a blank form furnished by such 6700
auditor for that purpose, a statement showing the name of the 6701
applicant, each physical place in the county where the 6702
applicant's business is conducted, the nature of the business, 6703
and any other information the tax commissioner requires in the 6704
form of statement prescribed by the commissioner. If the 6705
applicant is a firm, partnership, or association other than a 6706
corporation, the application shall state the name and address of 6707
each of its members. If the applicant is a corporation, the 6708
application shall state the name and address of each of its 6709
officers. At the time of making the application required by this 6710
section, every person desiring to engage in the retail business 6711
of trafficking in cigarettes shall pay an application fee in the 6712
sum of one hundred twenty-five dollars for each physical place 6713
where the person proposes to carry on such business. Each place 6714
of business shall be deemed such space, under lease or license 6715
to, or under the control of, or under the supervision of the 6716
applicant, as is contained in one or more contiguous, adjacent, 6717

or adjoining buildings constituting an industrial plant or a 6718
place of business operated by, or under the control of, one 6719
person, or under one roof and connected by doors, halls, 6720
stairways, or elevators, which space may contain any number of 6721
points at which cigarettes are offered for sale, provided that 6722
each additional point at which cigarettes are offered for sale 6723
shall be listed in the application. 6724

(2) Upon receipt of the application and exhibition of the 6725
county treasurer's receipt showing the payment of the 6726
application fee, the county auditor shall issue to the applicant 6727
a license for each place of business designated in the 6728
application, authorizing the applicant to engage in such 6729
business at such place for one year commencing on the fourth 6730
Monday of May. The form of the license shall be prescribed by 6731
the commissioner. A duplicate license may be obtained from the 6732
county auditor upon payment of a five-dollar fee if the original 6733
license is lost, destroyed, or defaced. When an application is 6734
filed after the fourth Monday of May, the application fee 6735
required to be paid shall be proportioned in amount to the 6736
remainder of the license year, except that it shall not be less 6737
than twenty-five dollars in any one year. 6738

(3) The holder of a retail dealer's cigarette license may 6739
transfer the license to a place of business within the same 6740
county other than that designated on the license on condition 6741
that the licensee's ownership interest and business structure 6742
remain unchanged, and that the licensee applies to the county 6743
auditor therefor, upon forms approved by the commissioner and 6744
the payment of a fee of five dollars into the county treasury. 6745

(C) (1) Each applicant for a license to engage in the 6746
wholesale business of trafficking in cigarettes under this 6747

section, annually, on or before the fourth Monday in May, shall 6748
make and deliver to the tax commissioner, upon a blank form 6749
furnished by the commissioner for that purpose, a statement 6750
showing the name of the applicant, physical street address where 6751
the applicant's business is conducted, the nature of the 6752
business, and any other information required by the 6753
commissioner. If the applicant is a firm, partnership, or 6754
association other than a corporation, the applicant shall state 6755
the name and address of each of its members. If the applicant is 6756
a corporation, the applicant shall state the name and address of 6757
each of its officers. At the time of making the application 6758
required by this section, every person desiring to engage in the 6759
wholesale business of trafficking in cigarettes shall pay an 6760
application fee of one thousand dollars for each physical place 6761
where the person proposes to carry on such business. Each place 6762
of business shall be deemed such space, under lease or license 6763
to, or under the control of, or under the supervision of the 6764
applicant, as is contained in one or more contiguous, adjacent, 6765
or adjoining buildings constituting an industrial plant or a 6766
place of business operated by, or under the control of, one 6767
person, or under one roof and connected by doors, halls, 6768
stairways, or elevators. A duplicate license may be obtained 6769
from the commissioner upon payment of a twenty-five-dollar fee 6770
if the original license is lost, destroyed, or defaced. 6771

(2) Upon receipt of the application and payment of any 6772
application fee required by this section, the commissioner shall 6773
verify that the applicant is not in violation of any provision 6774
of Chapter 1346. or Title LVII of the Revised Code. The 6775
commissioner shall also verify that the applicant has filed any 6776
returns, submitted any information, and paid any outstanding 6777
taxes, charges, or fees as required for any tax, charge, or fee 6778

administered by the commissioner, to the extent that the 6779
commissioner is aware of the returns, information, or payments 6780
at the time of the application. Upon approval, the commissioner 6781
shall issue to the applicant a license for each physical place 6782
of business designated in the application authorizing the 6783
applicant to engage in business at that location for one year 6784
commencing on the fourth Monday in May. For licenses issued 6785
after the fourth Monday in May, the application fee shall be 6786
reduced proportionately by the remainder of the twelve-month 6787
period for which the license is issued, except that the 6788
application fee required to be paid under this section shall be 6789
not less than two hundred dollars in any one year. 6790

(3) The holder of a wholesale dealer cigarette license may 6791
transfer the license to a place of business other than that 6792
designated on the license on condition that the licensee's 6793
ownership or business structure remains unchanged, and that the 6794
licensee applies to the commissioner for such a transfer upon a 6795
form promulgated by the commissioner and pays a fee of twenty- 6796
five dollars, which shall be deposited into the cigarette tax 6797
enforcement fund created in division (E) of this section. 6798

(D) (1) The wholesale cigarette license application fees 6799
collected under this section shall be paid into the cigarette 6800
tax enforcement fund. 6801

(2) The retail cigarette license application fees 6802
collected under this section shall be distributed as follows: 6803

(a) Thirty per cent shall be paid upon the warrant of the 6804
county auditor into the treasury of the municipal corporation or 6805
township in which the places of business for which the tax 6806
revenue was received are located; 6807

(b) Ten per cent shall be credited to the general fund of the county; 6808
6809

(c) Sixty per cent shall be paid into the cigarette tax enforcement fund. 6810
6811

(3) The remainder of the revenues and fines collected under this section and the penal laws relating to cigarettes shall be distributed as follows: 6812
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6814

(a) Three-fourths shall be paid upon the warrant of the county auditor into the treasury of the municipal corporation or township in which the place of business, on account of which the revenues and fines were received, is located; 6815
6816
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(b) One-fourth shall be credited to the general fund of the county. 6819
6820

(E) There is hereby created within the state treasury the cigarette tax enforcement fund for the purpose of providing funds to assist in paying the costs of enforcing sections 1333.11 to 1333.21 and Chapter 5743. of the Revised Code. 6821
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The portion of cigarette license application fees received by a county auditor during the annual application period that ends on the fourth Monday in May and that is required to be deposited in the cigarette tax enforcement fund shall be sent to the ~~treasurer of state~~ tax commissioner by the thirtieth day of June each year accompanied by the form prescribed by the tax commissioner. The portion of cigarette license application fees received by each county auditor after the fourth Monday in May and that is required to be deposited in the cigarette tax enforcement fund shall be sent to the ~~treasurer of state~~ commissioner by the last day of the month following the month in which such fees were collected. 6825
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(F) (1) Every person who desires to engage in the business 6837
of a manufacturer or importer of cigarettes shall, annually, on 6838
or before the fourth Monday of May, make and deliver to the tax 6839
commissioner, upon a blank form furnished by the commissioner 6840
for that purpose, a statement showing the name of the applicant, 6841
the nature of the applicant's business, and any other 6842
information required by the commissioner. If the applicant is a 6843
firm, partnership, or association other than a corporation, the 6844
applicant shall state the name and address of each of its 6845
members. If the applicant is a corporation, the applicant shall 6846
state the name and address of each of its officers. 6847

(2) Upon receipt of the application required under this 6848
section, the commissioner shall verify that the applicant is not 6849
in violation of any provision of Chapter 1346. of the Revised 6850
Code. The commissioner shall also verify that the applicant has 6851
filed any returns, submitted any information, and paid any 6852
outstanding taxes, charges, or fees as required for any tax, 6853
charge, or fee administered by the commissioner, to the extent 6854
that the commissioner is aware of the returns, information, 6855
taxes, charges, or fees at the time of the application. Upon 6856
approval, the commissioner shall issue to the applicant a 6857
license authorizing the applicant to engage in the business of 6858
manufacturer or importer, whichever the case may be, for one 6859
year commencing on the fourth Monday of May. 6860

(3) The issuing of a license under division (F) (1) of this 6861
section to a manufacturer does not excuse a manufacturer from 6862
the certification process required under section 1346.05 of the 6863
Revised Code. A manufacturer who is issued a license under 6864
division (F) (1) of this section and who is not listed on the 6865
directory required under section 1346.05 of the Revised Code 6866
shall not be permitted to sell cigarettes in this state other 6867

than to a licensed cigarette wholesaler for sale outside this 6868
state. Such a manufacturer shall provide documentation to the 6869
commissioner evidencing that the cigarettes are legal for sale 6870
in another state. 6871

(G) The tax commissioner may adopt rules necessary to 6872
administer this section. 6873

Sec. 5745.03. (A) For each taxable year, each taxpayer 6874
shall file an annual report with the tax commissioner not later 6875
than the fifteenth day of the fourth month after the end of the 6876
taxpayer's taxable year, and shall remit with that report the 6877
amount of tax due as shown on the report less the amount paid 6878
for the year under section 5745.04 of the Revised Code. The 6879
remittance shall be made in the form prescribed by the ~~tax~~ 6880
commissioner. If the amount payable with the report exceeds one 6881
thousand dollars, the taxpayer shall remit the amount ~~by~~ 6882
~~electronic funds transfer as electronically in a manner~~ 6883
prescribed by the ~~treasurer of state~~commissioner. The ~~tax~~ 6884
commissioner shall ~~immediately forward to the treasurer of state~~ 6885
~~all amounts that the tax commissioner receives pursuant to this~~ 6886
~~chapter. The treasurer of state shall credit~~ ninety-eight and 6887
one-half per cent of such remittances to the municipal income 6888
tax fund, which is hereby created in the state treasury, and 6889
credit the remainder to the municipal income tax administrative 6890
fund, which is hereby created in the state treasury. 6891

(B) Any taxpayer that has been granted an extension for 6892
filing a federal income tax return may request an extension for 6893
filing the return required under this section by filing with the 6894
tax commissioner a copy of the taxpayer's request for the 6895
federal filing extension. The request shall be filed not later 6896
than the last day for filing the return as required under 6897

division (A) of this section. If such a request is properly and 6898
timely filed, the ~~tax~~-commissioner shall extend the last day for 6899
filing the return required under this section for the same 6900
period for which the federal filing extension was granted. The 6901
~~tax~~-commissioner may deny the filing extension request only if 6902
the taxpayer fails to timely file the request, fails to file a 6903
copy of the federal extension request, owes past due taxes, 6904
interest, or penalty under this chapter, or has failed to file a 6905
required report or other document for a prior taxable year. The 6906
granting of an extension under this section does not extend the 6907
last day for paying taxes without penalty pursuant to this 6908
chapter unless the ~~tax~~-commissioner extends the payment date. 6909

(C) The annual report shall include statements of the 6910
following facts as of the last day of the taxpayer's taxable 6911
year: 6912

(1) The name of the taxpayer; 6913

(2) The name of the state or country under the laws of 6914
which it is incorporated; 6915

(3) The location of its principal office in this state 6916
and, in the case of a taxpayer organized under the laws of 6917
another state, the principal place of business in this state and 6918
the name and address of the officer or agent of the taxpayer in 6919
charge of the business conducted in this state; 6920

(4) The names of the president, secretary, treasurer, and 6921
statutory agent in this state, with the post-office address of 6922
each; 6923

(5) The date on which the taxpayer's taxable year begins 6924
and ends; 6925

(6) The taxpayer's federal taxable income during the 6926

taxpayer's taxable year; 6927

(7) Any other information the tax commissioner requires 6928
for the proper administration of this chapter. 6929

(D) The tax commissioner may require any reports required 6930
under this chapter to be filed in an electronic format. 6931

(E) A municipal corporation may not require a taxpayer 6932
required to file a report under this section to file a report of 6933
the taxpayer's income, but a municipal corporation may require a 6934
taxpayer to report to the municipal corporation the value of the 6935
taxpayer's real and tangible personal property situated in the 6936
municipal corporation, compensation paid by the taxpayer to its 6937
employees in the municipal corporation, and sales made in the 6938
municipal corporation by the taxpayer, to the extent necessary 6939
for the municipal corporation to compute the taxpayer's 6940
municipal property, payroll, and sales factors for the municipal 6941
corporation. 6942

(F) On or before the thirty-first day of January each 6943
year, each municipal corporation imposing a tax on income shall 6944
certify to the tax commissioner the rate of the tax in effect on 6945
the first day of January of that year. If any municipal 6946
corporation fails to certify its income tax rate as required by 6947
this division, the ~~tax~~-commissioner shall notify the director of 6948
budget and management, who, upon receiving such notification, 6949
shall withhold from each payment made to the municipal 6950
corporation under section 5745.05 of the Revised Code fifty per 6951
cent of the amount of the payment otherwise due the municipal 6952
corporation under that section as computed on the basis of the 6953
tax rate most recently certified until the municipal corporation 6954
certifies the tax rate in effect on the first day of January of 6955
that year. 6956

The tax rate used to determine the tax payable to a municipal corporation under this section for a taxpayer's taxable year shall be the tax rate in effect in a municipal corporation on the first day of January in that taxable year. If a taxpayer's taxable year is for a period less than twelve months that does not include the first day of January, the tax rate used to determine the tax payable to a municipal corporation under this section for the taxpayer's taxable year shall be the tax rate in effect in a municipal corporation on the first day of January in the preceding taxable year.

Sec. 5745.04. (A) As used in this section, "combined tax liability" means the total of a taxpayer's income tax liabilities to all municipal corporations in this state for a taxable year.

(B) ~~Beginning with its taxable year beginning in 2003,~~
~~each~~ Each taxpayer shall file a declaration of estimated tax report with, and remit estimated taxes to, the tax commissioner, payable to the treasurer of state, at the times and in the amounts prescribed in divisions (B)(1) to (4) of this section. ~~This division also applies to a taxpayer having a taxable year consisting of fewer than twelve months, at least one of which is in 2002, that ends before January 1, 2003.~~ The first taxable year a taxpayer is subject to this chapter, the estimated taxes the taxpayer is required to remit under this section shall be based solely on the current taxable year and not on the liability for the preceding taxable year.

(1) Not less than twenty-five per cent of the combined tax liability for the preceding taxable year or twenty per cent of the combined tax liability for the current taxable year shall have been remitted not later than the fifteenth day of the

fourth month after the end of the preceding taxable year. 6987

(2) Not less than fifty per cent of the combined tax 6988
liability for the preceding taxable year or forty per cent of 6989
the combined tax liability for the current taxable year shall 6990
have been remitted not later than the fifteenth day of the sixth 6991
month after the end of the preceding taxable year. 6992

(3) Not less than seventy-five per cent of the combined 6993
tax liability for the preceding taxable year or sixty per cent 6994
of the combined tax liability for the current taxable year shall 6995
have been remitted not later than the fifteenth day of the ninth 6996
month after the end of the preceding taxable year. 6997

(4) Not less than one hundred per cent of the combined tax 6998
liability for the preceding taxable year or eighty per cent of 6999
the combined tax liability for the current taxable year shall 7000
have been remitted not later than the fifteenth day of the 7001
twelfth month after the end of the preceding taxable year. 7002

(C) Each taxpayer shall report on the declaration of 7003
estimated tax report the portion of the remittance that the 7004
taxpayer estimates that it owes to each municipal corporation 7005
for the taxable year. 7006

(D) Upon receiving a declaration of estimated tax report 7007
and remittance of estimated taxes under this section, the tax 7008
commissioner shall ~~immediately forward to the treasurer of state~~ 7009
~~such remittance. The treasurer of state shall credit~~ ninety- 7010
eight and one-half per cent of the remittance to the municipal 7011
income tax fund and credit the remainder to the municipal income 7012
tax administrative fund. 7013

(E) If any remittance of estimated taxes is for one 7014
thousand dollars or more, the taxpayer shall make the remittance 7015

~~by electronic funds transfer electronically~~ as prescribed by 7016
section ~~5745.04~~ 5745.041 of the Revised Code. 7017

(F) Notwithstanding section 5745.08 or 5745.09 of the 7018
Revised Code, no penalty or interest shall be imposed on a 7019
taxpayer if the declaration of estimated tax report is properly 7020
filed, and the estimated tax is paid, within the time prescribed 7021
by division (B) of this section. 7022

Sec. 5745.041. Any taxpayer required by section 5745.03 or 7023
5745.04 of the Revised Code to remit tax payments ~~by electronic~~ 7024
~~funds transfer electronically~~ shall remit such payments ~~to the~~ 7025
~~treasurer of state in the manner prescribed by rules adopted by~~ 7026
~~the treasurer under section 113.061 of the Revised Code~~ in the 7027
manner prescribed by the tax commissioner. Except as otherwise 7028
provided in this paragraph, the payment of taxes ~~by electronic~~ 7029
~~funds transfer electronically~~ does not affect a taxpayer's 7030
obligation to file reports under this chapter. ~~If a taxpayer~~ 7031
~~remits estimated tax payments in a manner, designated by rule of~~ 7032
~~the treasurer of state, that permits the inclusion of all~~ 7033
~~information necessary for the treasurer of state to process the~~ 7034
~~payment, the taxpayer is not required to file the declaration of~~ 7035
~~estimated tax report as otherwise required under section 5745.04~~ 7036
~~of the Revised Code.~~ 7037

~~The treasurer of state, in consultation with the tax~~ 7038
~~commissioner, may adopt rules governing the format for reporting~~ 7039
~~and paying estimated taxes by electronic funds transfer.~~ 7040

A taxpayer required to remit taxes ~~by electronic funds~~ 7041
~~transfer electronically~~ may apply to the ~~treasurer of state tax~~ 7042
commissioner in the manner prescribed by the ~~treasurer~~ 7043
commissioner to be excused from that requirement. The ~~treasurer~~ 7044
~~of state commissioner~~ may excuse the taxpayer from the 7045

requirement for good cause shown for the period of time 7046
requested by the taxpayer or for a portion of that period. ~~The~~ 7047
~~treasurer shall notify the tax commissioner and the taxpayer of~~ 7048
~~the treasurer's decision as soon as is practicable.~~ 7049

If a taxpayer required by this section to remit taxes ~~by~~ 7050
~~electronic funds transfer~~ electronically remits those taxes by 7051
some means other than ~~by electronic funds transfer~~ 7052
electronically as prescribed by this section ~~and the rules~~ 7053
~~adopted by the treasurer of state, and the treasurer~~ 7054
commissioner determines that such failure was not due to 7055
reasonable cause or was due to willful neglect, the ~~treasurer~~ 7056
~~shall notify the tax commissioner of the failure to remit by~~ 7057
~~electronic funds transfer and shall provide the commissioner~~ 7058
~~with any information used in making that determination. The tax~~ 7059
commissioner may collect an additional charge by assessment in 7060
the manner prescribed by section 5745.12 of the Revised Code. 7061
The additional charge shall equal five per cent of the amount of 7062
the taxes or estimated tax payments required to be paid ~~by~~ 7063
~~electronic funds transfer~~ electronically, but shall not exceed 7064
five thousand dollars. Any additional charge assessed under this 7065
section is in addition to any other penalty or charge imposed 7066
under this chapter, and shall be considered as revenue arising 7067
from municipal income taxes collected under this chapter. The 7068
~~tax~~ commissioner may remit all or a portion of such a charge and 7069
may adopt rules governing such remission. 7070

No additional charge shall be assessed under this section 7071
against a taxpayer that has been notified of its obligation to 7072
remit taxes electronically under this section and that remits 7073
its first two tax payments after such notification by some other 7074
~~means other than electronic funds transfer~~. The additional 7075
charge may be assessed upon the remittance of any subsequent tax 7076

payment that the taxpayer remits by some means other than 7077
~~electronic funds transfer~~electronically. 7078

Sec. 5747.059. (A) This section applies only to reduce a 7079
taxpayer's aggregate tax liability under section 5747.02 of the 7080
Revised Code. 7081

(B) There is hereby allowed a refundable credit against a 7082
taxpayer's aggregate tax liability under section 5747.02 of the 7083
Revised Code. This credit shall be equal to the taxpayer's 7084
proportionate share of the lesser of either the tax due or the 7085
tax paid under section 5733.41 or 5747.41 of the Revised Code by 7086
any qualifying entity as defined in section 5733.40 of the 7087
Revised Code for the qualifying taxable year of the qualifying 7088
entity which ends in the taxable year of the taxpayer. 7089

(C) The taxpayer shall claim the credit for the taxpayer's 7090
taxable year in which ends the qualifying entity's qualifying 7091
taxable year. For purposes of making tax payments under this 7092
chapter, taxes equal to the amount of the credit shall be 7093
considered to be paid by the taxpayer to this state on the day 7094
that the qualifying entity pays to the ~~treasurer of state tax~~
commissioner the amount due pursuant to section 5733.41 and 7095
sections 5747.41 to 5747.453 of the Revised Code with respect to 7096
and for the taxpayer. 7097
7098

(D) In claiming the credit and determining the taxpayer's 7099
proportionate share of the tax due and the tax paid by any 7100
qualifying entity, the taxpayer shall follow the concepts set 7101
forth in subchapters J and K of the Internal Revenue Code. 7102

(E) The credit shall be claimed in the order required 7103
under section 5747.98 of the Revised Code. If the amount of the 7104
credit under this section exceeds the aggregate amount of tax 7105

otherwise due under section 5747.02 of the Revised Code after 7106
deduction of all other credits in that order, the taxpayer is 7107
entitled to a refund of the excess. 7108

Sec. 5747.07. (A) As used in this section: 7109

(1) "Partial weekly withholding period" means a period 7110
during which an employer directly, indirectly, or constructively 7111
pays compensation to, or credits compensation to the benefit of, 7112
an employee, and that consists of a consecutive Saturday, 7113
Sunday, Monday, and Tuesday or a consecutive Wednesday, 7114
Thursday, and Friday. There are two partial weekly withholding 7115
periods each week, except that a partial weekly withholding 7116
period cannot extend from one calendar year into the next 7117
calendar year; if the first day of January falls on a day other 7118
than Saturday or Wednesday, the partial weekly withholding 7119
period ends on the thirty-first day of December and there are 7120
three partial weekly withholding periods during that week. 7121

(2) "Undeposited taxes" means the taxes an employer is 7122
required to deduct and withhold from an employee's compensation 7123
pursuant to section 5747.06 of the Revised Code that have not 7124
been remitted to the tax commissioner pursuant to this section 7125
or ~~to the treasurer of state pursuant to~~ section 5747.072 of the 7126
Revised Code. 7127

(3) A "week" begins on Saturday and concludes at the end 7128
of the following Friday. 7129

(4) "Professional employer organization," "professional 7130
employer organization agreement," and "professional employer 7131
organization reporting entity" have the same meanings as in 7132
section 4125.01 of the Revised Code. 7133

(5) "Alternate employer organization" and "alternate 7134

employer organization agreement" have the same meanings as in 7135
section 4133.01 of the Revised Code. 7136

(6) "Client employer" has the same meaning as in section 7137
4125.01 of the Revised Code in the context of a professional 7138
employer organization or a professional employer organization 7139
reporting entity, or the same meaning as in section 4133.01 of 7140
the Revised Code in the context of an alternate employer 7141
organization. 7142

(B) Except as provided in divisions (C) and (D) of this 7143
section and in division (A) of section 5747.072 of the Revised 7144
Code, every employer required to deduct and withhold any amount 7145
under section 5747.06 of the Revised Code shall file a return 7146
and shall pay the amount required by law as follows: 7147

(1) An employer who accumulates or is required to 7148
accumulate undeposited taxes of one hundred thousand dollars or 7149
more during a partial weekly withholding period shall make the 7150
payment of the undeposited taxes by the close of the first 7151
banking day after the day on which the accumulation reaches one 7152
hundred thousand dollars. If required under division (I) of this 7153
section, the payment shall be made ~~by electronic funds transfer~~ 7154
electronically under section 5747.072 of the Revised Code. 7155

(2) Except as required by division (B)(1) of this section, 7156
an employer whose actual or required payments under this section 7157
were at least eighty-four thousand dollars during the twelve- 7158
month period ending on the thirtieth day of June of the 7159
preceding calendar year shall make the payment of undeposited 7160
taxes within three banking days after the close of a partial 7161
weekly withholding period during which the employer was required 7162
to deduct and withhold any amount under this chapter. If 7163
required under division (I) of this section, the payment shall 7164

be made ~~by electronic funds transfer~~ electronically under 7165
section 5747.072 of the Revised Code. 7166

(3) Except as required by divisions (B)(1) and (2) of this 7167
section, if an employer's actual or required payments were more 7168
than two thousand dollars during the twelve-month period ending 7169
on the thirtieth day of June of the preceding calendar year, the 7170
employer shall make the payment of undeposited taxes for each 7171
month during which they were required to be withheld no later 7172
than fifteen days following the last day of that month. The 7173
employer shall file the return prescribed by the tax 7174
commissioner with the payment. 7175

(4) Except as required by divisions (B)(1), (2), and (3) 7176
of this section, an employer shall make the payment of 7177
undeposited taxes for each calendar quarter during which they 7178
were required to be withheld no later than the last day of the 7179
month following the last day of March, June, September, and 7180
December each year. The employer shall file the return 7181
prescribed by the tax commissioner with the payment. 7182

(C) The return and payment schedules prescribed by 7183
divisions (B)(1) and (2) of this section do not apply to the 7184
return and payment of undeposited school district income taxes 7185
arising from taxes levied pursuant to Chapter 5748. of the 7186
Revised Code. Undeposited school district income taxes shall be 7187
returned and paid pursuant to divisions (B)(3) and (4) of this 7188
section, as applicable. 7189

(D)(1) The requirements of division (B) of this section 7190
are met if the amount paid is not less than ninety-five per cent 7191
of the actual tax withheld or required to be withheld for the 7192
prior quarterly, monthly, or partial weekly withholding period, 7193
and the underpayment is not due to willful neglect. Any 7194

underpayment of withheld tax shall be paid within thirty days of 7195
the date on which the withheld tax was due without regard to 7196
division (D) (1) of this section. An employer described in 7197
division (B) (1) or (2) of this section shall make the payment ~~by~~ 7198
~~electronic funds transfer~~ electronically under section 5747.072 7199
of the Revised Code. 7200

(2) If the tax commissioner believes that quarterly or 7201
monthly payments would result in a delay that might jeopardize 7202
the remittance of withholding payments, the commissioner may 7203
order that the payments be made weekly, or more frequently if 7204
necessary, and the payments shall be made no later than three 7205
banking days following the close of the period for which the 7206
jeopardy order is made. An order requiring weekly or more 7207
frequent payments shall be delivered to the employer personally 7208
or by certified mail and remains in effect until the 7209
commissioner notifies the employer to the contrary. 7210

(3) If compelling circumstances exist concerning the 7211
remittance of undeposited taxes, the commissioner may order the 7212
employer to make payments under any of the payment schedules 7213
under division (B) of this section. The order shall be delivered 7214
to the employer personally or by certified mail and shall remain 7215
in effect until the commissioner notifies the employer to the 7216
contrary. For purposes of division (D) (3) of this section, 7217
"compelling circumstances" exist if either or both of the 7218
following are true: 7219

(a) Based upon annualization of payments made or required 7220
to be made during the preceding calendar year and during the 7221
current calendar year, the employer would be required for the 7222
next calendar year to make payments under division (B) (2) of 7223
this section. 7224

(b) Based upon annualization of payments made or required 7225
to be made during the current calendar year, the employer would 7226
be required for the next calendar year to make payments under 7227
division (B) (2) of this section. 7228

(E) (1) An employer described in division (B) (1) or (2) of 7229
this section shall file, not later than the last day of the 7230
month following the end of each calendar quarter, a return 7231
covering, but not limited to, both the actual amount deducted 7232
and withheld and the amount required to be deducted and withheld 7233
for the tax imposed under section 5747.02 of the Revised Code 7234
during each partial weekly withholding period or portion of a 7235
partial weekly withholding period during that quarter. The 7236
employer shall file the quarterly return even if the aggregate 7237
amount required to be deducted and withheld for the quarter is 7238
zero dollars. At the time of filing the return, the employer 7239
shall pay any amounts of undeposited taxes for the quarter, 7240
whether actually deducted and withheld or required to be 7241
deducted and withheld, that have not been previously paid. If 7242
required under division (I) of this section, the payment shall 7243
be made ~~by electronic funds transfer~~electronically. The tax 7244
commissioner shall prescribe the form and other requirements of 7245
the quarterly return. 7246

(2) In addition to other returns required to be filed and 7247
payments required to be made under this section, every employer 7248
required to deduct and withhold taxes shall file, not later than 7249
the thirty-first day of January of each year, an annual return 7250
covering, but not limited to, both the aggregate amount deducted 7251
and withheld and the aggregate amount required to be deducted 7252
and withheld during the entire preceding year for the tax 7253
imposed under section 5747.02 of the Revised Code and for each 7254
tax imposed under Chapter 5748. of the Revised Code. At the time 7255

of filing that return, the employer shall pay over any amounts 7256
of undeposited taxes for the preceding year, whether actually 7257
deducted and withheld or required to be deducted and withheld, 7258
that have not been previously paid. The employer shall make the 7259
annual report, to each employee and to the tax commissioner, of 7260
the compensation paid and each tax withheld, as the commissioner 7261
by rule may prescribe. 7262

Each employer required to deduct and withhold any tax is 7263
liable for the payment of that amount required to be deducted 7264
and withheld, whether or not the tax has in fact been withheld, 7265
unless the failure to withhold was based upon the employer's 7266
good faith in reliance upon the statement of the employee as to 7267
liability, and the amount shall be deemed to be a special fund 7268
in trust for the general revenue fund. 7269

(F) Each employer shall file with the employer's annual 7270
return the following items of information on employees for whom 7271
withholding is required under section 5747.06 of the Revised 7272
Code: 7273

(1) The full name of each employee, the employee's 7274
address, the employee's school district of residence, and in the 7275
case of a nonresident employee, the employee's principal county 7276
of employment; 7277

(2) The social security number of each employee; 7278

(3) The total amount of compensation paid before any 7279
deductions to each employee for the period for which the annual 7280
return is made; 7281

(4) The amount of the tax imposed by section 5747.02 of 7282
the Revised Code and the amount of each tax imposed under 7283
Chapter 5748. of the Revised Code withheld from the compensation 7284

of the employee for the period for which the annual return is 7285
made. The commissioner may extend upon good cause the period for 7286
filing any notice or return required to be filed under this 7287
section and may adopt rules relating to extensions of time. If 7288
the extension results in an extension of time for the payment of 7289
the amounts withheld with respect to which the return is filed, 7290
the employer shall pay, at the time the amount withheld is paid, 7291
an amount of interest computed at the rate per annum prescribed 7292
by section 5703.47 of the Revised Code on that amount withheld, 7293
from the day that amount was originally required to be paid to 7294
the day of actual payment or to the day an assessment is issued 7295
under section 5747.13 of the Revised Code, whichever occurs 7296
first. 7297

(5) In addition to all other interest charges and 7298
penalties imposed, all amounts of taxes withheld or required to 7299
be withheld and remaining unpaid after the day the amounts are 7300
required to be paid shall bear interest from the date prescribed 7301
for payment at the rate per annum prescribed by section 5703.47 7302
of the Revised Code on the amount unpaid, in addition to the 7303
amount withheld, until paid or until the day an assessment is 7304
issued under section 5747.13 of the Revised Code, whichever 7305
occurs first. 7306

(G) An employee of a corporation, limited liability 7307
company, or business trust having control or supervision of or 7308
charged with the responsibility of filing the report and making 7309
payment, or an officer, member, manager, or trustee of a 7310
corporation, limited liability company, or business trust who is 7311
responsible for the execution of the corporation's, limited 7312
liability company's, or business trust's fiscal 7313
responsibilities, shall be personally liable for failure to file 7314
the report or pay the tax due as required by this section. The 7315

dissolution, termination, or bankruptcy of a corporation, 7316
limited liability company, or business trust does not discharge 7317
a responsible officer's, member's, manager's, employee's, or 7318
trustee's liability for a failure of the corporation, limited 7319
liability company, or business trust to file returns or pay tax 7320
due. 7321

(H) If an employer required to deduct and withhold income 7322
tax from compensation and to pay that tax to the state under 7323
sections 5747.06 and 5747.07 of the Revised Code sells the 7324
employer's business or stock of merchandise or quits the 7325
employer's business, the taxes required to be deducted and 7326
withheld and paid to the state pursuant to those sections prior 7327
to that time, together with any interest and penalties imposed 7328
on those taxes, become due and payable immediately, and that 7329
person shall make a final return within fifteen days after the 7330
date of selling or quitting business. The employer's successor 7331
shall withhold a sufficient amount of the purchase money to 7332
cover the amount of the taxes, interest, and penalties due and 7333
unpaid, until the former owner produces a receipt from the tax 7334
commissioner showing that the taxes, interest, and penalties 7335
have been paid or a certificate indicating that no such taxes 7336
are due. If the purchaser of the business or stock of 7337
merchandise fails to withhold purchase money, the purchaser 7338
shall be personally liable for the payment of the taxes, 7339
interest, and penalties accrued and unpaid during the operation 7340
of the business by the former owner. If the amount of taxes, 7341
interest, and penalties outstanding at the time of the purchase 7342
exceeds the total purchase money, the tax commissioner in the 7343
commissioner's discretion may adjust the liability of the seller 7344
or the responsibility of the purchaser to pay that liability to 7345
maximize the collection of withholding tax revenue. 7346

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

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

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

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

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

(2) Beginning with the calendar quarter ending after a professional employer organization, professional employer organization reporting entity, or alternate employer organization files the report required under division (J) (1) of this section, and every calendar quarter thereafter, the organization or entity shall file an updated report with the tax commissioner. The organization or entity shall file the updated report not later than the last day of the month following the end of the calendar quarter and shall include all of the

following information in the report: 7376

(a) If an entity became a client employer of the 7377
professional employer organization, professional employer 7378
organization reporting entity, or alternate employer 7379
organization at any time during the calendar quarter, all of the 7380
information required under division (J) (1) of this section for 7381
each new client employer; 7382

(b) If an entity terminated the professional employer 7383
organization agreement or the alternate employer organization 7384
agreement between the entity and the professional employer 7385
organization, professional employer organization reporting 7386
entity, or alternate employer organization, as applicable, at 7387
any time during the calendar quarter, the information described 7388
in division (J) (1) (a) of this section for that entity, the date 7389
during the calendar quarter that the entity ceased being a 7390
client of the organization or reporting entity, if applicable, 7391
or the date the entity ceased business operations in this state, 7392
if applicable; 7393

(c) If the name or mailing address of the chief executive 7394
officer or the chief financial officer of a client employer has 7395
changed since the professional employer organization, 7396
professional employer organization reporting entity, or 7397
alternate employer organization previously submitted a report 7398
under division (J) (1) or (2) of this section, the updated name 7399
or mailing address, or both, of the chief executive officer or 7400
the chief financial officer, as applicable; 7401

(d) If none of the events described in divisions (J) (2) (a) 7402
to (c) of this section occurred during the calendar quarter, a 7403
statement of that fact. 7404

Sec. 5747.072. (A) Any employer required by section 7405
5747.07 of the Revised Code to remit undeposited taxes ~~by~~ 7406
~~electronic funds transfer~~ electronically shall do so ~~in the~~ 7407
~~manner prescribed by rules adopted by the treasurer of state~~ 7408
~~under section 113.061 of the Revised Code and~~ by using the Ohio 7409
business gateway, as defined in section 718.01 of the Revised 7410
Code, or another means of electronic payment on or before the 7411
dates specified under that ~~division~~section. The tax commissioner 7412
shall notify each such employer of the employer's obligation to 7413
remit undeposited taxes ~~by electronic funds transfer, shall~~ 7414
~~maintain an updated list of those employers, and shall provide~~ 7415
~~the list and any additions thereto or deletions therefrom to the~~ 7416
~~treasurer of state~~electronically. Failure by the ~~tax~~ 7417
commissioner to notify an employer subject to this section to 7418
remit taxes ~~by electronic funds transfer~~ electronically does not 7419
relieve the employer of its obligation to remit taxes ~~by~~ 7420
~~electronic funds transfer~~in that manner. 7421

Except as otherwise provided in this paragraph, the 7422
payment of taxes ~~by electronic funds transfer~~ electronically 7423
does not affect an employer's obligation to file the quarterly 7424
return as required under division (E) (1) of section 5747.07 of 7425
the Revised Code or the annual return as required under 7426
divisions (E) (2) and (F) of that section. ~~If the employer remits~~ 7427
~~estimated tax payments in a manner, designated by the treasurer~~ 7428
~~of state, that permits the inclusion of all information~~ 7429
~~necessary for the treasurer of state to process the tax payment,~~ 7430
~~the employer need not file the return required under division~~ 7431
~~(B) of section 5747.07 of the Revised Code. The treasurer of~~ 7432
~~state, in consultation with the tax commissioner, may adopt~~ 7433
~~rules governing the format for filing the returns under section~~ 7434
~~5747.07 of the Revised Code by employers who remit undeposited~~ 7435

~~taxes by electronic funds transfer. The rules may permit the~~ 7436
~~filing of returns at less frequent intervals than required by~~ 7437
~~that division if the treasurer of state and the tax commissioner~~ 7438
~~determine that remittance by electronic funds transfer warrants~~ 7439
~~less frequent filing of returns.~~ 7440

An employer required by this section to remit taxes ~~by~~ 7441
~~electronic funds transfer~~ electronically may apply to the 7442
~~treasurer of state~~ commissioner to be excused from that 7443
requirement. The ~~treasurer of state~~ commissioner may excuse the 7444
employer from electronic remittance ~~by electronic funds transfer~~ 7445
for good cause shown for the period of time requested by the 7446
employer or a portion of that period. The ~~treasurer~~ commissioner 7447
shall notify the ~~tax commissioner and the employer~~ of the 7448
~~treasurer's~~ commissioner's decision as soon as is practicable. 7449

(B) If an employer required by this section to remit 7450
undeposited taxes ~~by electronic funds transfer~~ electronically 7451
remits those taxes by some other means ~~other than electronic~~ 7452
~~funds transfer as prescribed by the rules adopted by the~~ 7453
~~treasurer of state, and the treasurer~~ tax commissioner 7454
determines that such failure was not due to reasonable cause or 7455
was due to willful neglect, the ~~treasurer shall notify the tax~~ 7456
~~commissioner of the failure to remit by electronic funds~~ 7457
~~transfer and shall provide the commissioner with any information~~ 7458
~~used in making that determination. The tax commissioner may~~ 7459
collect an additional charge by assessment in the manner 7460
prescribed by section 5747.13 of the Revised Code. The 7461
additional charge shall equal five per cent of the amount of the 7462
undeposited taxes, but shall not exceed five thousand dollars. 7463
Any additional charge assessed under this section is in addition 7464
to any other penalty or charge imposed by this chapter, and 7465
shall be considered as revenue arising from the taxes imposed by 7466

this chapter. The ~~tax~~-commissioner may remit all or a portion of 7467
such a charge and may adopt rules governing such remission. 7468

No additional charge shall be assessed under this division 7469
against an employer that has been notified of its obligation to 7470
remit taxes electronically under this section and that remits 7471
its first two tax payments after such notification by some other 7472
~~means other than electronic funds transfer~~. The additional 7473
charge may be assessed upon the remittance of any subsequent tax 7474
payment that the employer remits by some means other than 7475
~~electronic funds transfer~~electronically. 7476

Sec. 5747.42. (A) In addition to the other returns 7477
required to be filed and other remittances required to be made 7478
pursuant to this chapter, every qualifying entity or electing 7479
pass-through entity that is subject to the tax imposed by 7480
section 5733.41, 5747.38, or 5747.41 of the Revised Code shall 7481
file an annual return as follows: 7482

(1) For a qualifying entity, on or before the fifteenth 7483
day of the fourth month following the end of the entity's 7484
qualifying taxable year; 7485

(2) For an electing pass-through entity, on or before the 7486
fifteenth day of April following the end of the entity's taxable 7487
year that ends in the preceding calendar year. 7488

Each entity shall also remit to the tax commissioner, with 7489
the remittance made payable to the treasurer of state, the 7490
amount of the taxes shown to be due on the return, less the 7491
amount paid for the taxable year on a declaration of estimated 7492
tax report filed by the taxpayer as provided by section 5747.43 7493
of the Revised Code. Remittance shall be made in the form 7494
prescribed by the tax commissioner, including ~~electronic funds~~ 7495

~~transfer electronically~~ if required by section 5747.44 of the Revised Code. 7496
7497

A domestic qualifying entity shall not dissolve, and a foreign qualifying entity shall not withdraw or retire from business in this state, without filing the tax returns and paying the taxes charged for the year in which such dissolution or withdrawal occurs. 7498
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(B) The tax commissioner shall furnish qualifying entities or electing pass-through entities, upon request, copies of the forms prescribed by the commissioner for the purpose of making the returns required by sections 5747.42 to 5747.453 of the Revised Code. 7503
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(C) The annual return required by this section shall be signed by the applicable entity's trustee or other fiduciary, or president, vice-president, secretary, treasurer, general manager, general partner, superintendent, or managing agent in this state. The annual return shall contain the facts, figures, computations, and attachments that result in the tax charged by section 5733.41, 5747.38, or 5747.41 of the Revised Code. Each entity also shall file with its annual return all of the following: 7508
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(1) In the case of the tax charged by section 5733.41 or 5747.41 of the Revised Code, the full name and address of each qualifying investor or qualifying beneficiary unless the qualifying entity submits such information in accordance with division (D) of this section; 7517
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7519
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7521

(2) In the case of the tax charged by section 5733.41 or 5747.41 of the Revised Code, the social security number, federal employer identification number, or other identifying number of 7522
7523
7524

each qualifying investor or qualifying beneficiary, unless the 7525
taxpayer submits that information in accordance with division 7526
(D) of this section; 7527

(3) In the case of the tax charged by section 5747.38 of 7528
the Revised Code, the full name and address and the social 7529
security number, federal employer identification number, or 7530
other identifying number of each owner of the electing pass- 7531
through entity, unless the entity submits such information in 7532
accordance with division (D) of this section; 7533

(4) The amount of tax imposed by sections 5733.41 and 7534
5747.41 or by section 5747.38 of the Revised Code, and the 7535
amount of the tax paid by the entity, for the applicable taxable 7536
year covered by the annual return; 7537

(5) The amount of tax imposed by sections 5733.41 and 7538
5747.41 or by section 5747.38 of the Revised Code that is 7539
attributable to each qualifying investor, qualifying 7540
beneficiary, or owner, as applicable, unless the entity submits 7541
this information in accordance with division (D) of this 7542
section. 7543

(D) On the date the annual return is due, including 7544
extensions of time, if any, the applicable entity may be 7545
required by rule to transmit electronically or by magnetic media 7546
the information set forth in division (C) of this section. The 7547
tax commissioner may adopt rules governing the format for the 7548
transmission of such information. The tax commissioner may 7549
exempt an entity or a class of entities from the requirements 7550
imposed by this division. 7551

(E) Upon good cause shown, the tax commissioner may extend 7552
the period for filing any return required to be filed under this 7553

section or section 5747.43 or 5747.44 of the Revised Code and 7554
for transmitting any information required to be transmitted 7555
under those sections. The tax commissioner may adopt rules 7556
relating to extensions of time to file and to transmit. At the 7557
time an entity pays any tax imposed under section 5733.41, 7558
5747.38, or 5747.41 of the Revised Code or estimated tax as 7559
required under section 5747.43 of the Revised Code, the entity 7560
also shall pay interest computed at the rate per annum 7561
prescribed by section 5703.47 of the Revised Code on that tax or 7562
estimated tax, from the time the tax or estimated tax originally 7563
was required to be paid, without consideration of any filing 7564
extensions, to the time of actual payment. Nothing in this 7565
division shall be construed to abate, modify, or limit the 7566
imposition of any penalties imposed for the failure to timely 7567
pay taxes under this chapter or Chapter 5733. of the Revised 7568
Code without consideration of any filing extensions. 7569

Sec. 5747.44. (A) If a qualifying entity's or an electing 7570
pass-through entity's total liability for taxes imposed under 7571
sections 5733.41 and 5747.41 or under section 5747.38 of the 7572
Revised Code exceeds one hundred eighty thousand dollars for the 7573
second preceding taxable year or qualifying taxable year, as 7574
applicable, the entity shall make all payments required under 7575
sections 5747.42 and 5747.43 or under section 5747.38 of the 7576
Revised Code ~~by electronic funds transfer as electronically in~~ 7577
~~the manner prescribed by this section and rules adopted by the~~ 7578
~~treasurer of state under section 113.061 of the Revised Code~~the 7579
tax commissioner. 7580

The tax commissioner shall notify each qualifying entity 7581
and electing pass-through entity required to remit taxes ~~by~~ 7582
~~electronic funds transfer electronically~~ of the entity's 7583
obligation to do so, ~~shall maintain an updated list of those~~ 7584

~~entities, and shall provide the list and any additions thereto~~ 7585
~~or deletions therefrom to the treasurer of state. Failure by the~~ 7586
~~tax commissioner to notify an entity subject to this section to~~ 7587
~~remit taxes by electronic funds transfer electronically~~ does not 7588
~~relieve the entity of its obligation to remit taxes by~~ 7589
~~electronic funds transfer in that manner.~~ 7590

(B) Except as otherwise provided in this division, the 7591
payment of taxes ~~by electronic funds transfer electronically~~ 7592
does not affect a qualifying entity's or an electing pass- 7593
through entity's obligation to file the returns required under 7594
sections 5747.42 and 5747.43 of the Revised Code. ~~The treasurer~~ 7595
~~of state, in consultation with the tax commissioner, may adopt~~ 7596
~~rules in addition to the rules adopted under section 113.061 of~~ 7597
~~the Revised Code governing the format for filing returns by~~ 7598
~~qualifying entities and electing pass-through entities that~~ 7599
~~remit taxes by electronic funds transfer. The rules may provide~~ 7600
~~for the filing of returns at less frequent intervals than~~ 7601
~~otherwise required if the treasurer of state and the tax~~ 7602
~~commissioner determine that remittance by electronic funds~~ 7603
~~transfer warrants less frequent filing of returns.~~ 7604

(C) A qualifying entity or an electing pass-through entity 7605
required by this section to remit taxes ~~by electronic funds~~ 7606
~~transfer electronically~~ may apply to the ~~treasurer of state tax~~ 7607
~~commissioner~~ in the manner prescribed by the ~~treasurer of state~~ 7608
~~commissioner~~ to be excused from that requirement. The ~~treasurer~~ 7609
~~of state commissioner~~ may excuse the entity from electronic 7610
remittance ~~by electronic funds transfer~~ for good cause shown for 7611
the period of time requested by the entity or for a portion of 7612
that period. The ~~treasurer of state commissioner~~ shall notify 7613
~~the tax commissioner and the entity of the treasurer of state's~~ 7614
commissioner's decision as soon as is practicable. 7615

(D) If a qualifying entity or an electing pass-through 7616
entity required by this section to remit taxes ~~by electronic~~ 7617
~~funds transfer electronically~~ remits those taxes by some means 7618
other than ~~by electronic funds transfer electronically~~ as 7619
prescribed by this section and ~~the rules adopted by the~~ 7620
~~treasurer of state~~, and the ~~treasurer of state~~ tax commissioner 7621
determines that such failure was not due to reasonable cause or 7622
was due to willful neglect, the ~~treasurer of state shall notify~~ 7623
~~the tax commissioner of the failure to remit by electronic funds~~ 7624
~~transfer and shall provide the commissioner with any information~~ 7625
~~used in making that determination. The tax commissioner may~~ 7626
collect an additional charge by assessment in the manner 7627
prescribed by section 5747.13 of the Revised Code. The 7628
additional charge shall equal five per cent of the amount of the 7629
taxes required to be paid ~~by electronic funds~~ 7630
~~transfer~~electronically, but shall not exceed five thousand 7631
dollars. Any additional charge assessed under this section is in 7632
addition to any other penalty or charge imposed under this 7633
chapter or Chapter 5733. of the Revised Code, and shall be 7634
considered as revenue arising from the taxes imposed under 7635
sections 5733.41 and 5747.41 or under section 5747.38 of the 7636
Revised Code. The ~~tax~~ commissioner may remit all or a portion of 7637
such a charge and may adopt rules governing such remission. 7638

No additional charge shall be assessed under this division 7639
against a qualifying entity or an electing pass-through entity 7640
that has been notified of its obligation to remit taxes 7641
electronically under this section and that remits its first two 7642
tax payments after such notification by some other means ~~other~~ 7643
~~than electronic funds transfer~~. The additional charge may be 7644
assessed upon the remittance of any subsequent tax payment that 7645
the entity remits by some means other than ~~electronic funds~~ 7646

~~transfer~~electronically.

7647

Sec. 5747.451. (A) The mere retirement from business or 7648
voluntary dissolution of a domestic or foreign qualifying entity 7649
or electing pass-through entity does not exempt it from the 7650
requirements to make reports as required under sections 5747.42 7651
to 5747.44 or to pay the taxes imposed under section 5733.41, 7652
5747.38, or 5747.41 of the Revised Code. If any qualifying 7653
entity or electing pass-through entity subject to the taxes 7654
imposed under section 5733.41, 5747.38, or 5747.41 of the 7655
Revised Code sells its business or stock of merchandise or quits 7656
its business, the taxes required to be paid prior to that time, 7657
together with any interest or penalty thereon, become due and 7658
payable immediately, and the entity shall make a final return 7659
within fifteen days after the date of selling or quitting 7660
business. The successor of the qualifying entity or electing 7661
pass-through entity shall withhold a sufficient amount of the 7662
purchase money to cover the amount of such taxes, interest, and 7663
penalties due and unpaid until the entity produces a receipt 7664
from the tax commissioner showing that the taxes, interest, and 7665
penalties have been paid, or a certificate indicating that no 7666
taxes are due. If the purchaser of the business or stock of 7667
goods fails to withhold purchase money, the purchaser is 7668
personally liable for the payment of the taxes, interest, and 7669
penalties accrued and unpaid during the operation of the 7670
business by the entity. If the amount of those taxes, interest, 7671
and penalty unpaid at the time of the purchase exceeds the total 7672
purchase money, the tax commissioner may adjust the entity's 7673
liability for those taxes, interest, and penalty, or adjust the 7674
responsibility of the purchaser to pay that liability, in a 7675
manner calculated to maximize the collection of those 7676
liabilities. 7677

(B) Annually, on the last day of each qualifying taxable 7678
year of a qualifying entity or taxable year of an electing pass- 7679
through entity, the taxes imposed under section 5733.41, 7680
5747.38, or 5747.41 of the Revised Code, together with any 7681
penalties subsequently accruing thereon, become a lien on all 7682
property in this state of the entity, whether such property is 7683
employed by the entity in the prosecution of its business or is 7684
in the hands of an assignee, trustee, or receiver for the 7685
benefit of the entity's creditors and investors. The lien shall 7686
continue until those taxes, together with any penalties 7687
subsequently accruing, are paid. 7688

Upon failure of such a qualifying entity or an electing 7689
pass-through entity to pay those taxes on the day fixed for 7690
payment, ~~the treasurer of state shall thereupon notify the tax-~~ 7691
~~commissioner, and the tax~~ commissioner may file, in the office 7692
of the county recorder in each county in this state in which the 7693
entity owns or has a beneficial interest in real estate, notice 7694
of the lien containing a brief description of such real estate. 7695
No fee shall be charged for such a filing. The lien is not valid 7696
as against any mortgagee, purchaser, or judgment creditor whose 7697
rights have attached prior to the time the notice is so filed in 7698
the county in which the real estate which is the subject of such 7699
mortgage, purchase, or judgment lien is located. The notice 7700
shall be recorded in the official records kept by the county 7701
recorder and indexed under the name of the entity charged with 7702
the tax. When the tax, together with any penalties subsequently 7703
accruing thereon, have been paid, the tax commissioner shall 7704
furnish to the entity an acknowledgment of such payment that the 7705
entity may record with the county recorder of each county in 7706
which notice of such lien has been filed, for which recording 7707
the county recorder shall charge and receive a fee of two 7708

dollars. 7709

(C) In addition to all other remedies for the collection 7710
of any taxes or penalties due under law, whenever any taxes, 7711
interest, or penalties due from any qualifying entity or 7712
electing pass-through entity under section 5733.41 of the 7713
Revised Code or this chapter have remained unpaid for a period 7714
of ninety days, or whenever any qualifying entity or electing 7715
pass-through entity has failed for a period of ninety days to 7716
make any report or return required by law, or to pay any penalty 7717
for failure to make or file such report or return, the attorney 7718
general, upon the request of the tax commissioner, shall file a 7719
petition in the court of common pleas in the county of the state 7720
in which such entity has its principal place of business for a 7721
judgment for the amount of the taxes, interest, or penalties 7722
appearing to be due, the enforcement of any lien in favor of the 7723
state, and an injunction to restrain such entity and its 7724
officers, directors, and managing agents from the transaction of 7725
any business within this state, other than such acts as are 7726
incidental to liquidation or winding up, until the payment of 7727
such taxes, interest, and penalties, and the costs of the 7728
proceeding fixed by the court, or the making and filing of such 7729
report or return. 7730

The petition shall be in the name of the state. Any of the 7731
qualifying entities or electing pass-through entities having its 7732
principal places of business in the county may be joined in one 7733
suit. On the motion of the attorney general, the court of common 7734
pleas shall enter an order requiring all defendants to answer by 7735
a day certain, and may appoint a special master commissioner to 7736
take testimony, with such other power and authority as the court 7737
confers, and permitting process to be served by registered mail 7738
and by publication in a newspaper of general circulation in the 7739

county, which publication need not be made more than once, 7740
setting forth the name of each delinquent entity, the matter in 7741
which the entity is delinquent, the names of its officers, 7742
directors, and managing agents, if set forth in the petition, 7743
and the amount of any taxes, fees, or penalties claimed to be 7744
owing by the entity. 7745

All or any of the trustees or other fiduciaries, officers, 7746
directors, investors, beneficiaries, or managing agents of any 7747
qualifying entity or electing pass-through entity may be joined 7748
as defendants with such entity. 7749

If it appears to the court upon hearing that any 7750
qualifying entity or electing pass-through entity that is a 7751
party to the proceeding is indebted to the state for taxes 7752
imposed under section 5733.41, 5747.38, or 5747.41 of the 7753
Revised Code, or interest or penalties thereon, judgment shall 7754
be entered therefor with interest; and if it appears that any 7755
qualifying entity or electing pass-through entity has failed to 7756
make or file any report or return, a mandatory injunction may be 7757
issued against the entity, its trustees or other fiduciaries, 7758
officers, directors, and managing agents, enjoining them from 7759
the transaction of any business within this state, other than 7760
acts incidental to liquidation or winding up, until the making 7761
and filing of all proper reports or returns and until the 7762
payment in full of all taxes, interest, and penalties. 7763

If the trustees or other fiduciaries, officers, directors, 7764
investors, beneficiaries, or managing agents of a qualifying 7765
entity or an electing pass-through entity are not made parties 7766
in the first instance, and a judgment or an injunction is 7767
rendered or issued against the entity, those officers, 7768
directors, investors, or managing agents may be made parties to 7769

such proceedings upon the motion of the attorney general, and, 7770
upon notice to them of the form and terms of such injunction, 7771
they shall be bound thereby as fully as if they had been made 7772
parties in the first instance. 7773

In any action authorized by this division, a statement of 7774
the tax commissioner, or the secretary of state, when duly 7775
certified, shall be prima-facie evidence of the amount of taxes, 7776
interest, or penalties due from any qualifying entity or 7777
electing pass-through entity, or of the failure of any such 7778
entity to file with the commissioner or the secretary of state 7779
any report required by law, and any such certificate of the 7780
commissioner or the secretary of state may be required in 7781
evidence in any such proceeding. 7782

On the application of any defendant and for good cause 7783
shown, the court may order a separate hearing of the issues as 7784
to any defendant. 7785

The costs of the proceeding shall be apportioned among the 7786
parties as the court deems proper. 7787

The court in such proceeding may make, enter, and enforce 7788
such other judgments and orders and grant such other relief as 7789
is necessary or incidental to the enforcement of the claims and 7790
lien of the state. 7791

In the performance of the duties enjoined upon the 7792
attorney general by this division, the attorney general may 7793
direct any prosecuting attorney to bring an action, as 7794
authorized by this division, in the name of the state with 7795
respect to any delinquent qualifying entities or delinquent 7796
electing pass-through entities within the prosecuting attorney's 7797
county, and like proceedings and orders shall be had as if such 7798

action were instituted by the attorney general. 7799

(D) If any qualifying entity or electing pass-through 7800
entity fails to make and file the reports or returns required 7801
under this chapter, or to pay the penalties provided by law for 7802
failure to make and file such reports or returns for a period of 7803
ninety days after the time prescribed by this chapter, the 7804
attorney general, on the request of the tax commissioner, shall 7805
commence an action in quo warranto in the court of appeals of 7806
the county in which that entity has its principal place of 7807
business to forfeit and annul its privileges and franchises. If 7808
the court is satisfied that any such entity is in default, it 7809
shall render judgment ousting such entity from the exercise of 7810
its privileges and franchises within this state, and shall 7811
otherwise proceed as provided in sections 2733.02 to 2733.39 of 7812
the Revised Code. 7813

Section 2. That existing sections 113.05, 113.11, 113.12, 7814
113.13, 113.40, 113.41, 113.60, 125.30, 125.901, 126.06, 127.14, 7815
129.06, 129.09, 131.01, 135.01, 135.02, 135.04, 135.05, 135.06, 7816
135.08, 135.10, 135.12, 135.143, 135.15, 135.182, 135.47, 7817
718.01, 1111.04, 1112.12, 1501.10, 1503.05, 1509.07, 1509.225, 7818
1514.04, 1514.05, 1521.061, 1548.06, 1735.03, 3314.50, 3366.05, 7819
3737.945, 3903.73, 3905.32, 3925.26, 4141.241, 4505.06, 4509.62, 7820
4509.63, 4509.65, 4509.67, 4749.01, 5725.17, 5725.22, 5727.25, 7821
5727.31, 5727.311, 5727.42, 5727.47, 5727.53, 5727.81, 5727.811, 7822
5727.82, 5727.83, 5733.022, 5735.03, 5735.062, 5739.031, 7823
5739.032, 5739.07, 5743.05, 5743.051, 5743.15, 5745.03, 5745.04, 7824
5745.041, 5747.059, 5747.07, 5747.072, 5747.42, 5747.44, and 7825
5747.451 of the Revised Code are hereby repealed. 7826

Section 3. That sections 113.061, 113.07, 129.02, 129.03, 7827
129.08, 129.10, 129.11, 129.12, 129.13, 129.14, 129.15, 129.16, 7828

129.18, 129.19, 129.20, 129.72, 129.73, 129.74, 129.75, 129.76, 7829
144.01, 144.02, 144.03, 144.04, 144.05, 144.06, and 144.07 of 7830
the Revised Code are hereby repealed. 7831

Section 4. Notwithstanding any other provision of the 7832
Revised Code to the contrary, the public depositories designated 7833
and awarded the public moneys of the state under division (A) of 7834
section 135.12 of the Revised Code for the period commencing on 7835
or around July 4, 2022, shall be the designated public 7836
depositories for a total of three years commencing from that 7837
applicable date. 7838

Section 5. Section 718.01 of the Revised Code is presented 7839
in this act as a composite of the section as amended by both 7840
H.B. 228 and S.B. 217 of the 134th General Assembly and both 7841
H.B. 197 and S.B. 276 of the 133rd General Assembly. The General 7842
Assembly, applying the principle stated in division (B) of 7843
section 1.52 of the Revised Code that amendments are to be 7844
harmonized if reasonably capable of simultaneous operation, 7845
finds that the composite is the resulting version of the section 7846
in effect prior to the effective date of the section as 7847
presented in this act. 7848