

As Passed by the Senate

124th General Assembly

Regular Session

2001-2002

Sub. S. B. No. 261

SENATOR Carnes

A B I L L

To amend sections 131.44, 173.06, 173.40, 2913.40, 1
3721.51, 3721.56, 5101.11, 5111.02, 5111.10, 2
5111.86, 5111.871, 5112.01, 5112.06, 5112.07, 3
5112.11, 5123.041, 5733.04, 5743.02, 5743.03, 4
5743.04, 5743.05, 5743.08, 5743.081, 5743.12, 5
5743.13, 5743.14, 5743.32, 5743.33, 5743.34, 6
5743.35, 5747.01, 5747.02, 5747.05, 5901.02, 7
5901.03, and 5919.34; to amend for purposes of 8
adopting new section numbers as indicated in 9
parentheses sections 5111.10 (5111.90) and 5111.86 10
(5111.91); to enact sections 131.441, 173.061, 11
173.062, 173.07, 173.071, 173.072, 5111.0112, 12
5111.082, 5111.091, 5111.92, 5111.93, 5111.94, and 13
5901.021; and to repeal sections 5743.023 and 14
5743.322 of the Revised Code and to amend Section 15
5.02 of Sub. H.B. 73 of the 124th General Assembly, 16
as subsequently amended; to amend Sections 16, 17
16.02, 44, 44.19, 63.07, 94, 94.02, 94.06, 94.07, 18
125, and 144 of Am. Sub. H.B. 94 of the 124th 19
General Assembly; to amend Section 13 of Am. Sub. 20
H.B. 94 of the 124th General Assembly, as 21
subsequently amended; to amend Sections 63 and 22
63.37 of Am. Sub. H.B. 94 of the 124th General 23
Assembly, as subsequently amended; to amend Section 24
29 of Am. Sub. H.B. 405 of the 124th General 25

Assembly; and to repeal Section 31 of Am. Sub. H.B. 26
405 of the 124th General Assembly to increase the 27
rate of tax on cigarettes; to make other tax 28
modifications; to provide authorization and 29
conditions for the operation of state programs; to 30
make other budgetary and program modifications; and 31
to make operating appropriations for the period 32
ending June 30, 2003, and capital appropriations 33
for the period ending June 30, 2004. 34

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

Section 1. That sections 131.44, 173.06, 173.40, 2913.40, 35
3721.51, 3721.56, 5101.11, 5111.02, 5111.10, 5111.86, 5111.871, 36
5112.01, 5112.06, 5112.07, 5112.11, 5123.041, 5733.04, 5743.02, 37
5743.03, 5743.04, 5743.05, 5743.08, 5743.081, 5743.12, 5743.13, 38
5743.14, 5743.32, 5743.33, 5743.34, 5743.35, 5747.01, 5747.02, 39
5747.05, 5901.02, 5901.03, and 5919.34 be amended; sections 40
5111.10 (5111.90) and 5111.86 (5111.91) be amended for the purpose 41
of adopting new section numbers as indicated in parentheses; and 42
sections 131.441, 173.061, 173.062, 173.07, 173.071, 173.072, 43
5111.0112, 5111.082, 5111.091, 5111.92, 5111.93, 5111.94, and 44
5901.021 of the Revised Code be enacted to read as follows: 45

Sec. 131.44. (A) As used in this section: 46

(1) "Surplus revenue" means the excess, if any, of the total 47
fund balance over the required year-end balance. 48

(2) "Total fund balance" means the sum of the unencumbered 49
balance in the general revenue fund on the last day of the 50
preceding fiscal year plus, the balance in the excess tax receipts 51
fund created under section 131.441 of the Revised Code on the last 52
day of the preceding fiscal year, and the balance in the budget 53

stabilization fund. 54

(3) "Required year-end balance" means the sum of the 55
following: 56

(a) Five per cent of the general revenue fund revenues for 57
the preceding fiscal year; 58

(b) "Ending fund balance," which means one-half of one per 59
cent of general revenue fund revenues for the preceding fiscal 60
year; 61

(c) "Carryover balance," which means, with respect to a 62
fiscal biennium, the excess, if any, of the estimated general 63
revenue fund appropriation and transfer requirement for the second 64
fiscal year of the biennium over the estimated general revenue 65
fund revenue for that fiscal year; 66

(d) "Capital appropriation reserve," which means the amount, 67
if any, of general revenue fund capital appropriations made for 68
the current biennium that the director of budget and management 69
has determined will be encumbered or disbursed; 70

(e) "Income tax reduction impact reserve," which means an 71
amount equal to the reduction projected by the director of budget 72
and management in income tax revenue in the current fiscal year 73
attributable to the previous reduction in the income tax rate made 74
by the tax commissioner pursuant to division (B) of section 75
5747.02 of the Revised Code. 76

(4) "Estimated general revenue fund appropriation and 77
transfer requirement" means the most recent adjusted 78
appropriations made by the general assembly from the general 79
revenue fund and includes both of the following: 80

(a) Appropriations made and transfers of appropriations from 81
the first fiscal year to the second fiscal year of the biennium in 82
provisions of acts of the general assembly signed by the governor 83
but not yet effective; 84

(b) Transfers of appropriation from the first fiscal year to 85
the second fiscal year of the biennium approved by the controlling 86
board. 87

(5) "Estimated general revenue fund revenue" means the most 88
recent such estimate available to the director of budget and 89
management. 90

(B)(1) Not later than the thirty-first day of July each year, 91
the director of budget and management shall determine the surplus 92
revenue that existed on the preceding thirtieth day of June and 93
transfer from the general revenue fund, to the extent of the 94
unobligated, unencumbered balance on the preceding thirtieth day 95
of June in excess of one-half of one per cent of the general 96
revenue fund revenues in the preceding fiscal year, and from the 97
excess tax receipts fund, the following: 98

(a) First, to the budget stabilization fund, any amount 99
necessary for the balance of the budget stabilization fund to 100
equal five per cent of the general revenue fund revenues of the 101
preceding fiscal year; 102

(b) Then, to the income tax reduction fund, which is hereby 103
created in the state treasury, an amount equal to the surplus 104
revenue. 105

(2) Not later than the thirty-first day of July each year, 106
the director shall determine the percentage that the balance in 107
the income tax reduction fund is of the amount of revenue that the 108
director estimates will be received from the tax levied under 109
section 5747.02 of the Revised Code in the current fiscal year 110
without regard to any reduction under division (B) of that 111
section. If that percentage exceeds thirty-five one hundredths of 112
one per cent, the director shall certify the percentage to the tax 113
commissioner not later than the thirty-first day of July. 114

(C) The director of budget and management shall transfer 115

money in the income tax reduction fund to the general revenue
fund, the local government fund, the library and local government
support fund, and the local government revenue assistance fund as
necessary to offset revenue reductions resulting from the
reductions in taxes required under division (B) of section 5747.02
of the Revised Code in the respective amounts and percentages
prescribed by divisions (A)(1), (2), and (4) of section 5747.03 of
the Revised Code as if the amount transferred had been collected
as taxes under Chapter 5747. of the Revised Code. If no reductions
in taxes are made under that division that affect revenue received
in the current fiscal year, the director shall not transfer money
from the income tax reduction fund to the general revenue fund,
the local government fund, the library and local government
support fund, and the local government revenue assistance fund.

Sec. 131.441. (A) As used in this section:

(1) "Base year revenue" means sixteen billion one hundred
ninety-five million eight hundred thousand dollars.

(2) "Target revenue" for each fiscal year after fiscal year
2002 means the target fiscal year revenue for the preceding fiscal
year multiplied by the greater of the following:

(a) One hundred three per cent;

(b) One hundred per cent plus the percentage increase in the
consumer price index prepared by the United States bureau of labor
statistics (all urban consumers, all items) for the twelve-month
period ending on the thirty-first day of December preceding the
determination made under division (C) of this section.

For fiscal year 2002, "target revenue" equals the base year
revenue multiplied by the greater of the quantities described in
divisions (A)(2)(a) and (b) of this section.

(3) "Actual revenue" for a fiscal year means the total amount 146
of taxes, nontax receipts, and transfers credited or made to the 147
general revenue fund in the fiscal year. 148

(4) "Excess revenue" for a fiscal year means the excess, if 149
any, of actual revenue for that fiscal year over the target 150
revenue for that fiscal year. 151

(B) There is hereby created in the state treasury the excess 152
tax receipts fund. Money in the fund shall not be transferred or 153
appropriated from the fund except as provided in division (B)(1) 154
of section 131.44 of the Revised Code. 155

(C) On the thirtieth day of June each year, the director of 156
budget and management shall transfer from the general revenue fund 157
to the excess tax receipts fund an amount equal to the excess 158
revenue for the fiscal year ending on that day. 159

Sec. 173.06. (A) The director of aging shall establish a 160
golden buckeye card program and provide a golden buckeye card to 161
any resident of this state who applies to the director for a card 162
and who is sixty years of age or older or disabled. The director 163
shall devise programs to provide benefits of any kind to card 164
holders, and encourage support and participation in them by all 165
persons, including governmental organizations. Card holders shall 166
be entitled to any benefits granted to them by private persons or 167
organizations, the laws of this state, or ordinances or 168
resolutions of political subdivisions. This section does not 169
require any person or organization to provide benefits to any card 170
holder. The department of aging shall bear all costs of the 171
program, except that the department is not required to bear any 172
costs related to the prescription drug discount programs 173
established pursuant to section 173.061 of the Revised Code. 174

(B) Before issuing a golden buckeye card to any person, the 175
director shall establish the identity of any person who applies 176

for a card and shall ascertain that such person is sixty years of
age or older or disabled. The director shall adopt rules under
Chapter 119. of the Revised Code to prevent the issuance of cards
to persons not qualified to have them. Cards shall contain the
signature of the card holder and any other information the
director considers necessary to carry out the purposes of the
golden buckeye card program under this section. Any card that the
director issues shall be held in perpetuity by the original card
holder and shall not be transferable to any other person. A person
who loses ~~his~~ the person's card may obtain another card from the
director upon providing the same information to the director as
was required for the issuance of the original card.

(C) No person shall use a golden buckeye card except to
obtain a benefit for the holder of the card to which the holder is
entitled under the conditions of the offer.

(D) As used in this section, "disabled person" means a person
who has some impairment of body or mind that makes the person
unfit to work at any substantially remunerative employment that ~~he~~
~~or she~~ the person is substantially able to perform and that will,
with reasonable probability, continue for a period of at least
twelve months without any present indication of recovery
therefrom, or who has been certified as permanently and totally
disabled by an agency of this state or the United States having
the function of so classifying persons.

Sec. 173.061. (A) As used in this section:

(1) "Prescription drug" means a drug that may not be
dispensed without a prescription from a licensed health
professional authorized to prescribe drugs.

(2) "Drug," "licensed health professional authorized to
prescribe drugs," "pharmacy," and "prescription" have the same
meanings as in section 4729.01 of the Revised Code.

(3) "Disabled person" has the same meaning as in section 208
173.06 of the Revised Code. 209

(B) The director of aging shall establish one or more 210
prescription drug discount card programs that enable cardholders 211
to receive discounts on prescription drugs dispensed at 212
participating pharmacies. A card shall be provided to any resident 213
of this state who applies in accordance with rules adopted by the 214
director pursuant to division (F) of this section and is sixty 215
years of age or older or is a disabled person. 216

If the director establishes more than one prescription drug 217
discount card program under this section, an eligible resident may 218
participate in one or more or all of the programs. 219

(C)(1) The director shall solicit and accept proposals from 220
entities separate from the department of aging to provide for 221
administration of a program or programs in accordance with rules 222
adopted under division (F) of this section. Proposals must be 223
submitted not later than a date established by the director. The 224
director shall accept only those proposals that specify all of the 225
following: 226

(a) The estimated amount of the discount based on the 227
entity's previous experience and how the discount is to be 228
achieved; 229

(b) To the extent that discounts on prescription drugs are to 230
be achieved through rebates or discounts in prices that the entity 231
negotiates with drug manufacturers, the proportion of the rebates 232
or discounts to be used to do all of the following: 233

(i) Reduce any costs to cardholders; 234

(ii) Achieve discounts for cardholders; 235

(iii) Cover costs for administering the program. 236

(c) Any other benefits offered to cardholders; 237

(d) If fees are permitted, the fee, if any, to cardholders 238
for participation in the program and whether the fee is to be a 239
one-time or periodic fee; 240

(e) The estimated number and geographic distribution of 241
participating pharmacies and the process for establishing the 242
program's pharmacy network; 243

(f) Financial incentives to be paid to participating 244
pharmacies by the entity; 245

(g) The percentage of prescription drugs to be covered by the 246
program by major drug category; 247

(h) How the entity proposes to improve medication management 248
for cardholders; 249

(i) How cardholders and participating pharmacies will be 250
informed of the discounted price negotiated by the entity; 251

(j) How the entity will handle complaints about the program's 252
operation; 253

(k) The entity's previous experience in managing similar 254
programs; 255

(1) Any additional information requested by the director. 256

(2) The director shall contract with one or more entities to 257
administer a program or programs on the basis of the proposals 258
submitted, but may require an administrator to modify its conduct 259
of a program in accordance with rules adopted under division (F) 260
of this section. Prior to entering into a contract with an entity, 261
the director shall obtain approval of the contract from the 262
controlling board at a public hearing. 263

The director shall adopt rules specifying the period for 264
which a contract will be in effect and may terminate a contract if 265
an administrator fails to conduct a program in accordance with its 266
proposal or with any modifications required by rule. When a 267

contract period ends or a contract is terminated, the director
shall enter into a new contract in the manner specified in this
section for an original contract. Prior to making a new contract,
the director may modify the rules for administration of the
program or programs.

(D) The rules for administration of a program established
under division (C)(2) of this section may permit an administrator
to charge a fee for a prescription drug discount card. The fee may
be a one-time or periodic fee. If the rules permit a fee to be
charged, each entity that submits a proposal under which a fee
will be charged shall specify the amount of the fee and the period
to which the fee will apply.

If an administrator charges a fee for a prescription drug
discount card, the rules may require the administrator to issue
the cards. If an administrator does not charge a fee, the rules
may require the administrator to issue the cards or may include
the prescription drug discount information on golden buckeye cards
issued under section 173.06 of the Revised Code.

(E) As used in this division, "administrator" includes the
administrator's parent company and any subsidiary of the parent
company.

(1) No administrator shall sell any information concerning a
person who holds a prescription drug discount card, other than
aggregate information that does not identify the cardholder,
without the cardholder's written consent.

(2) Unless an administrator has the cardholder's written
consent, no administrator shall use any personally identifiable
information that it obtains concerning a cardholder through the
program to promote or sell a program or product offered by the
administrator that is not related to the administration of the
program. This division does not prohibit an administrator from

contacting cardholders concerning participation in or 299
administration of the program, including, but not limited to, 300
mailing a list of pharmacies participating in the program's 301
network. 302

(3) To the extent that a discount is achieved through rebates 303
or discounts in prices that an administrator negotiates with drug 304
manufacturers, an administrator shall use the rebates or discounts 305
to do the following: 306

(a) Reduce any costs to cardholders; 307

(b) Achieve discounts for cardholders; 308

(c) Cover any administrative costs of the program. 309

(F) The director shall adopt rules in accordance with Chapter 310
119. of the Revised Code that do all of the following: 311

(1) Specify how a resident may apply to participate in any 312
one or more prescription drug discount card programs; 313

(2) Provide for the administration of each program; 314

(3) Specify the circumstances under which the director may 315
require an administrator to modify its conduct of a program; 316

(4) Specify the duration of a contract; 317

(5) Specify whether an administrator may charge a fee for a 318
card and whether an administrator is required to issue the cards; 319

(6) Require that an administrator permit any pharmacy willing 320
to comply with the administrator's terms and conditions for 321
participation in the program's network to participate in any 322
network used by the administrator for its program; 323

(7) Prohibit an administrator from requiring a pharmacy or 324
drug manufacturer to participate in the program's network as a 325
condition of participation in another network operated by the 326
administrator; 327

(8) Permit an administrator to negotiate with one or more 328
drug manufacturers for discounts in drug prices or rebates; 329

(9) Permit an administrator to receive any rebate payments 330
from drug manufacturers; 331

(10) Require that an administrator create a financial 332
incentive program for participating pharmacies through which the 333
administrator shall distribute a portion of any rebate payments 334
from drug manufacturers received under division (F)(9) of this 335
section. 336

(G) Not later than one month after the end of each 337
twelve-month period that one or more prescription drug discount 338
card programs are in operation, each administrator shall collect 339
from each of its participating pharmacies and provide to the 340
director of aging the information required by section 173.071 of 341
the Revised Code. 342

Sec. 173.062. Records identifying the recipients of golden 343
buckeye cards issued under section 173.06 of the Revised Code or 344
prescription drug discount cards issued under section 173.061 of 345
the Revised Code are not public records subject to inspection or 346
copying under section 149.43 of the Revised Code and may be 347
disclosed only at the discretion of the director of aging. The 348
director may disclose only information in records identifying the 349
recipients of golden buckeye cards or prescription drug discount 350
cards that does not contain the recipient's medical history or 351
prescription drug utilization history. 352

Sec. 173.07. Not later than four months after the end of each 353
twelve-month period that one or more prescription drug discount 354
card programs established under section 173.061 of the Revised 355
Code are in operation, the director of aging shall issue a report 356
on the operation of each program during that twelve-month period. 357

Sec. 173.071. Each report issued under section 173.07 of the 358
Revised Code shall be based on information received by the 359
director of aging from each administrator under division (G) of 360
section 173.061 of the Revised Code and specify all of the 361
following about each program: 362

(A) The number of prescription drug discount cardholders; 363

(B) The number of cardholders who used the card at least once 364
in the immediately preceding twelve-month period; 365

(C) The total cost savings to all cardholders generated by 366
the program; 367

(D) The average cost savings to a cardholder per 368
prescription; 369

(E) The source and method of cost savings under the program; 370

(F) The drugs that are discounted under the program listed 371
according to major drug category; 372

(G) For each participating pharmacy, the number of times in 373
the twelve-month period that the pharmacy's customary and usual 374
price was lower than the price offered under the prescription drug 375
discount program; 376

(H) The name of the program's administrator; 377

(I) The length of the contract between the director and the 378
program's administrator; 379

(J) The number of pharmacies participating in the program; 380

(K) Other than the cost of prescription drugs, any fees paid 381
by cardholders to participate in the program; 382

(L) Any costs incurred by the state to operate the program; 383

(M) Any costs incurred by participating pharmacies to 384
participate in the program. 385

Sec. 173.072. The director of aging shall submit each report 386
to the governor, the speaker and minority leader of the house of 387
representatives, the president and minority leader of the senate, 388
and the chairpersons and ranking minority members of the 389
committees of the house of representatives and senate that have 390
primary concern with matters pertaining to health care. 391

Sec. 173.40. There is hereby created a component of the 392
medicaid program established under Chapter 5111. of the Revised 393
Code to be known as the preadmission screening system providing 394
options and resources today program, or PASSPORT. The PASSPORT 395
program shall provide home and community-based services as an 396
alternative to nursing facility placement for aged and disabled 397
medicaid recipients. The program shall be operated pursuant to a 398
home and community-based waiver granted by the United States 399
secretary of health and human services under section 1915 of the 400
"Social Security Act," 49 Stat. 620 (1935), 42 U.S.C. 1396n, as 401
amended. The department of aging shall administer the program 402
through ~~an interagency agreement~~ a contract entered into with the 403
department of job and family services under section ~~5111.86~~ 404
5111.91 of the Revised Code. The directors of aging and job and 405
family services shall adopt rules in accordance with Chapter 119. 406
of the Revised Code to implement the program. 407

Sec. 2913.40. (A) As used in this section: 408

(1) "Statement or representation" means any oral, written, 409
electronic, electronic impulse, or magnetic communication that is 410
used to identify an item of goods or a service for which 411
reimbursement may be made under the medical assistance program or 412
that states income and expense and is or may be used to determine 413
a rate of reimbursement under the medical assistance program. 414

(2) "Medical assistance program" means the program 415

established by the department of job and family services to 416
provide medical assistance under section 5111.01 of the Revised 417
Code and the medicaid program of Title XIX of the "Social Security 418
Act," 49 Stat. 620 (1935), 42 U.S.C. 301, as amended. 419

(3) "Provider" means any person who has signed a provider 420
agreement with the department of job and family services to 421
provide goods or services pursuant to the medical assistance 422
program or any person who has signed an agreement with a party to 423
such a provider agreement under which the person agrees to provide 424
goods or services that are reimbursable under the medical 425
assistance program. 426

(4) "Provider agreement" means an oral or written agreement 427
between the department of job and family services and a person in 428
which the person agrees to provide goods or services under the 429
medical assistance program. 430

(5) "Recipient" means any individual who receives goods or 431
services from a provider under the medical assistance program. 432

(6) "Records" means any medical, professional, financial, or 433
business records relating to the treatment or care of any 434
recipient, to goods or services provided to any recipient, or to 435
rates paid for goods or services provided to any recipient and any 436
records that are required by the rules of the director of job and 437
family services to be kept for the medical assistance program. 438

(B) No person shall knowingly make or cause to be made a 439
false or misleading statement or representation for use in 440
obtaining reimbursement from the medical assistance program. 441

(C) No person, with purpose to commit fraud or knowing that 442
the person is facilitating a fraud, shall do either of the 443
following: 444

(1) Contrary to the terms of the person's provider agreement, 445
charge, solicit, accept, or receive for goods or services that the 446

person provides under the medical assistance program any property, 447
money, or other consideration in addition to the amount of 448
reimbursement under the medical assistance program and the 449
person's provider agreement for the goods or services and any 450
deductibles or co-payments authorized by rules adopted under 451
section ~~5111.02~~ 5111.0112 of the Revised Code or by any rules 452
adopted pursuant to that section. 453

(2) Solicit, offer, or receive any remuneration, other than 454
any deductibles or co-payments authorized by rules adopted under 455
section ~~5111.02~~ 5111.0112 of the Revised Code or by any rules 456
adopted pursuant to that section, in cash or in kind, including, 457
but not limited to, a kickback or rebate, in connection with the 458
furnishing of goods or services for which whole or partial 459
reimbursement is or may be made under the medical assistance 460
program. 461

(D) No person, having submitted a claim for or provided goods 462
or services under the medical assistance program, shall do either 463
of the following for a period of at least six years after a 464
reimbursement pursuant to that claim, or a reimbursement for those 465
goods or services, is received under the medical assistance 466
program: 467

(1) Knowingly alter, falsify, destroy, conceal, or remove any 468
records that are necessary to fully disclose the nature of all 469
goods or services for which the claim was submitted, or for which 470
reimbursement was received, by the person; 471

(2) Knowingly alter, falsify, destroy, conceal, or remove any 472
records that are necessary to disclose fully all income and 473
expenditures upon which rates of reimbursements were based for the 474
person. 475

(E) Whoever violates this section is guilty of medicaid 476
fraud. Except as otherwise provided in this division, medicaid 477

fraud is a misdemeanor of the first degree. If the value of
property, services, or funds obtained in violation of this section
is five hundred dollars or more and is less than five thousand
dollars, medicaid fraud is a felony of the fifth degree. If the
value of property, services, or funds obtained in violation of
this section is five thousand dollars or more and is less than one
hundred thousand dollars, medicaid fraud is a felony of the fourth
degree. If the value of the property, services, or funds obtained
in violation of this section is one hundred thousand dollars or
more, medicaid fraud is a felony of the third degree.

(F) Upon application of the governmental agency, office, or
other entity that conducted the investigation and prosecution in a
case under this section, the court shall order any person who is
convicted of a violation of this section for receiving any
reimbursement for furnishing goods or services under the medical
assistance program to which the person is not entitled to pay to
the applicant its cost of investigating and prosecuting the case.
The costs of investigation and prosecution that a defendant is
ordered to pay pursuant to this division shall be in addition to
any other penalties for the receipt of that reimbursement that are
provided in this section, section 5111.03 of the Revised Code, or
any other provision of law.

(G) The provisions of this section are not intended to be
exclusive remedies and do not preclude the use of any other
criminal or civil remedy for any act that is in violation of this
section.

Sec. 3721.51. The department of job and family services
shall:

(A) For the purposes specified in section 3721.56 of the
Revised Code, determine an annual franchise permit fee on each
nursing home in an amount equal to three dollars and thirty cents

for fiscal ~~years~~ year 2002 and 2003, four dollars and thirty cents
for fiscal years 2003 through 2005, and one dollar for each fiscal
year thereafter, multiplied by the product of the following:

(1) The number of beds licensed as nursing home beds, plus
any other beds certified as skilled nursing facility beds under
Title XVIII or nursing facility beds under Title XIX of the
"Social Security Act," 49 Stat. 620 (1935), 42 U.S.C.A. 301, as
amended, on July 1, 1993, and, for each subsequent year, the first
day of May of the calendar year in which the fee is determined
pursuant to division (A) of section 3721.53 of the Revised Code;

(2) The number of days in fiscal year 1994 and, for each
subsequent year, the number of days in the fiscal year beginning
on the first day of July of the calendar year in which the fee is
determined pursuant to division (A) of section 3721.53 of the
Revised Code.

(B) For the purposes specified in section 3721.56 of the
Revised Code, determine an annual franchise permit fee on each
hospital in an amount equal to three dollars and thirty cents for
fiscal ~~years~~ year 2002 and 2003, four dollars and thirty cents for
fiscal years 2003 through 2005, and one dollar for each fiscal
year thereafter, multiplied by the product of the following:

(1) The number of beds registered pursuant to section 3701.07
of the Revised Code as skilled nursing facility beds or long-term
care beds, plus any other beds licensed as nursing home beds under
section 3721.02 or 3721.09 of the Revised Code, on July 1, 1993,
and, for each subsequent year, the first day of May of the
calendar year in which the fee is determined pursuant to division
(A) of section 3721.53 of the Revised Code;

(2) The number of days in fiscal year 1994 and, for each
subsequent year, the number of days in the fiscal year beginning
on the first day of July of the calendar year in which the fee is

determined pursuant to division (A) of section 3721.53 of the
Revised Code.

If the United States ~~health care financing administration~~
centers for medicare and medicaid services determines that the
franchise permit fee established by sections 3721.50 ~~through to~~
3721.58 of the Revised Code would be an impermissible health care
related tax under section 1903(w) of the "Social Security Act," 49
Stat. 620 (1935), 42 U.S.C. 1396b(w), as amended, the department
of job and family services shall take all necessary actions to
cease implementation of those sections in accordance with rules
adopted under section 3721.58 of the Revised Code.

Sec. 3721.56. (A) Thirty and three-tenths per cent of all
payments and penalties paid by nursing homes and hospitals under
sections 3721.53 and 3721.54 of the Revised Code for fiscal ~~years~~
year 2002 and 2003, twenty-three and twenty-six-hundredths per
cent of such payments and penalties paid for fiscal years 2003
through 2005, and all such payments and penalties paid for
subsequent fiscal years, shall be deposited into the "home and
community-based services for the aged fund," which is hereby
created in the state treasury. The departments of job and family
services and aging shall use the moneys in the fund to fund the
following in accordance with rules adopted under section 3721.58
of the Revised Code:

(1) The medical assistance program established under Chapter
~~511-~~ 5111. of the Revised Code;

(2) The PASSPORT program established under section 173.40 of
the Revised Code;

(3) The residential state supplement program established
under section 173.35 of the Revised Code.

(B) Sixty-nine and seven-tenths per cent of all payments and

penalties paid by nursing homes and hospitals under sections
3721.53 and 3721.54 of the Revised Code for fiscal ~~years~~ year 2002
~~and, and seventy-six and seventy-four-hundredths per cent of such~~
payments and penalties paid for fiscal years 2003 through 2005,
shall be deposited into the nursing facility stabilization fund,
which is hereby created in the state treasury. The department of
job and family services shall use the money in the fund in the
manner provided by Am. Sub. H.B. 94 and Sub. S.B. 261 of the 124th
general assembly.

Sec. 5101.11. This section does not apply to contracts
entered into under section 5111.022, 5111.90, or 5111.91 of the
Revised Code.

(A) As used in this section:

(1) "Entity" includes an agency, board, commission, or
department of the state or a political subdivision of the state; a
private, nonprofit entity; a school district; a private school; or
a public or private institution of higher education.

(2) "Federal financial participation" means the federal
government's share of expenditures made by an entity in
implementing a program administered by the department of job and
family services.

(B) At the request of any public entity having authority to
implement a program administered by the department of job and
family services or any private entity under contract with a public
entity to implement a program administered by the department, the
department may seek to obtain federal financial participation for
costs incurred by the entity. Federal financial participation may
be sought from programs operated pursuant to Title IV-A, Title
IV-E, and Title XIX of the "Social Security Act," 49 Stat. 620
(1935), 42 U.S.C. 301, as amended; the "Food Stamp Act of 1964,"
78 Stat. 703, 7 U.S.C. 2011, as amended; and any other statute or

regulation under which federal financial participation may be
available, except that federal financial participation may be
sought only for expenditures made with funds for which federal
financial participation is available under federal law.

(C) All funds collected by the department of job and family
services pursuant to division (B) of this section shall be
distributed to the entities that incurred the costs, except for
any amounts retained by the department pursuant to division (D)(3)
of this section.

(D) In distributing federal financial participation pursuant
to this section, the department may either enter into an agreement
with the entity that is to receive the funds or distribute the
funds in accordance with rules adopted under division (F) of this
section. If the department decides to enter into an agreement to
distribute the funds, the agreement may include terms that do any
of the following:

(1) Provide for the whole or partial reimbursement of any
cost incurred by the entity in implementing the program;

(2) In the event that federal financial participation is
disallowed or otherwise unavailable for any expenditure, require
the department of job and family services or the entity, whichever
party caused the disallowance or unavailability of federal
financial participation, to assume responsibility for the
expenditures;

(3) Permit the department to retain not more than five per
cent of the amount of the federal financial participation to be
distributed to the entity;

(4) Require the public entity to certify the availability of
sufficient unencumbered funds to match the federal financial
participation it receives under this section;

(5) Establish the length of the agreement, which may be for a

fixed or a continuing period of time;

(6) Establish any other requirements determined by the department to be necessary for the efficient administration of the agreement.

(E) An entity that receives federal financial participation pursuant to this section for a program aiding children and their families shall establish a process for collaborative planning with the department of job and family services for the use of the funds to improve and expand the program.

(F) The director of job and family services shall adopt rules as necessary to implement this section, including rules for the distribution of federal financial participation pursuant to this section. The rules shall be adopted in accordance with Chapter 119. of the Revised Code. The director may adopt or amend any statewide plan required by the federal government for a program administered by the department, as necessary to implement this section.

(G) Federal financial participation received pursuant to this section shall not be included in any calculation made under section 5101.16 or 5101.161 of the Revised Code.

Sec. 5111.0112. The director of job and family services shall examine instituting a copayment program under medicaid. As part of the examination, the director shall determine which groups of medicaid recipients may be subjected to a copayment requirement under federal statutes and regulations and which of those groups are appropriate for a copayment program designed to reduce inappropriate and excessive use of medical goods and services. If, on completion of the examination, the director determines that it is feasible to institute such a copayment program, the director may seek approval from the United States secretary of health and human services to institute the copayment program. If necessary,

the director may seek approval by applying for a waiver of federal statutes and regulations. If such approval is obtained, the director shall adopt rules in accordance with Chapter 119. of the Revised Code governing the copayment program.

Sec. 5111.02. (A) Under the medical assistance program:

(1) ~~Reimbursement~~ Except as otherwise permitted by federal statute or regulation and at the department's discretion, reimbursement by the department of job and family services to a medical provider for any medical service rendered under the program shall not exceed the authorized reimbursement level for the same service under the medicare program established under Title XVIII of the "Social Security Act," 49 Stat. 620 (1935), 42 U.S.C.A. 301, as amended.

(2) Reimbursement for freestanding medical laboratory charges shall not exceed the customary and usual fee for laboratory profiles.

(3) The department may deduct from payments for services rendered by a medicaid provider under the medical assistance program any amounts the provider owes the state as the result of incorrect medical assistance payments the department has made to the provider.

(4) The department may conduct final fiscal audits in accordance with the applicable requirements set forth in federal laws and regulations and determine any amounts the provider may owe the state. When conducting final fiscal audits, the department shall consider generally accepted auditing standards, which include the use of statistical sampling.

~~(5) To the maximum extent that federal laws and regulations permit the implementation of such a policy, the department may institute a copayment program for all services provided under the~~

~~medical assistance program. The program shall be administered in~~ 693
~~accordance with the applicable requirements set forth in federal~~ 694
~~laws and regulations.~~ 695

(6) The number of days of inpatient hospital care for which 696
reimbursement is made on behalf of a recipient of medical 697
assistance to a hospital that is not paid under a 698
diagnostic-related-group prospective payment system shall not 699
exceed thirty days during a period beginning on the day of the 700
recipient's admission to the hospital and ending sixty days after 701
the termination of that hospital stay, except that the department 702
may make exceptions to this limitation. The limitation does not 703
apply to children participating in the program for medically 704
handicapped children established under section 3701.023 of the 705
Revised Code. 706

(B) The director of job and family services may adopt, amend, 707
or rescind rules under Chapter 119. of the Revised Code 708
establishing the amount, duration, and scope of medical services 709
to be included in the medical assistance program. Such rules shall 710
establish the conditions under which services are covered and 711
reimbursed, the method of reimbursement applicable to each covered 712
service, and the amount of reimbursement or, in lieu of such 713
amounts, methods by which such amounts are to be determined for 714
each covered service. Any rules that pertain to nursing facilities 715
or intermediate care facilities for the mentally retarded shall be 716
consistent with sections 5111.20 to 5111.33 of the Revised Code. 717
718

(C) No health insuring corporation that has a contract to 719
provide health care services to recipients of medical assistance 720
shall restrict the availability to its enrollees of any 721
prescription drugs included in the Ohio medicaid drug formulary as 722
established under rules adopted by the director. 723

(D) The division of any reimbursement between a collaborating 724

physician or podiatrist and a clinical nurse specialist, certified
nurse-midwife, or certified nurse practitioner for services
performed by the nurse shall be determined and agreed on by the
nurse and collaborating physician or podiatrist. In no case shall
reimbursement exceed the payment that the physician or podiatrist
would have received had the physician or podiatrist provided the
entire service.

Sec. 5111.082. The director of job and family services, in
rules adopted under section 5111.02 of the Revised Code and
subject to parameters established by federal statutes and
regulations, may establish and implement a supplemental drug
rebate program under which drug manufacturers may be required to
provide the department of job and family services a supplemental
rebate as a condition of having the drug manufacturers' drug
products covered by the medicaid program without prior approval.
If the director establishes a supplemental drug rebate program,
the director shall consult with drug manufacturers regarding the
establishment and implementation of the program.

Sec. 5111.091. Every three months, the director of job and
family services shall submit a report to the president and
minority leader of the senate and speaker and minority leader of
the house of representatives on the establishment and
implementation of programs designed to control the increase of the
cost of the medicaid program.

Sec. 5111.871. The department of job and family services
shall enter into ~~an interagency agreement~~ a contract with the
department of mental retardation and developmental disabilities
under section ~~5111.86~~ 5111.91 of the Revised Code with regard to
the component of the medicaid program established by the
department of job and family services under one or more waivers

from the United States secretary of health and human services 756
pursuant to section 1915 of the "Social Security Act," 49 Stat. 757
620 (1935), 42 U.S.C.A. 1396n, as amended, to provide eligible 758
medicaid recipients with home and community-based services as an 759
alternative to placement in an intermediate care facility for the 760
mentally retarded. The ~~agreement~~ contract shall provide for the 761
department of mental retardation and developmental disabilities to 762
administer the component in accordance with the terms of the 763
waiver. The directors of job and family services and mental 764
retardation and developmental disabilities shall adopt rules in 765
accordance with Chapter 119. of the Revised Code governing the 766
component. 767

If the department of mental retardation and developmental 768
disabilities or the department of job and family services denies 769
an individual's application for home and community-based services 770
provided under this medicaid component, the department that denied 771
the services shall give timely notice to the individual that the 772
individual may request a hearing under section 5101.35 of the 773
Revised Code. 774

The departments of mental retardation and developmental 775
disabilities and job and family services may approve, reduce, 776
deny, or terminate a service included in the individualized 777
service plan developed for a medicaid recipient eligible for home 778
and community-based services provided under this medicaid 779
component. The departments shall consider the recommendations a 780
county board of mental retardation and developmental disabilities 781
makes under division (A)(1)(c) of section 5126.055 of the Revised 782
Code. If either department approves, reduces, denies, or 783
terminates a service, that department shall give timely notice to 784
the medicaid recipient that the recipient may request a hearing 785
under section 5101.35 of the Revised Code. 786

If supported living or residential services, as defined in 787

section 5126.01 of the Revised Code, are to be provided under this
component, any person or government entity with a current, valid
medicaid provider agreement and a current, valid license under
section 5123.19 or certificate under section 5123.045 or 5126.431
of the Revised Code may provide the services.

Sec. ~~5111.10~~ 5111.90. ~~To~~ (A) As used in sections 5111.90 to
5111.93 of the Revised Code:

(1) "Political subdivision" means a municipal corporation,
township, county, school district, or other body corporate and
politic responsible for governmental activities only in a
geographical area smaller than that of the state.

(2) "State agency" means every organized body, office, or
agency, other than the department of job and family services,
established by the laws of the state for the exercise of any
function of state government.

(B) To the extent permitted by Title XIX of the "Social
Security Act," 49 79 Stat. 620 286 (1935 1965), 42 U.S.C.A. 301
1396, as amended, and regulations adopted under that act title,
the department of job and family services may enter into
agreements contracts with political subdivisions to use funds of
the political subdivision to pay the nonfederal share of
expenditures under the ~~medical assistance~~ medicaid program. The
determination and provision of federal financial reimbursement to
a subdivision entering into ~~an agreement~~ a contract under this
section shall be determined by the department, subject to section
5111.92 of the Revised Code, approval by the United States
secretary of health and human services, and the availability of
federal financial participation.

Sec. ~~5111.86~~ 5111.91. The department of job and family
services may enter into ~~interagency agreements~~ contracts with one

or more other state agencies or political subdivisions to have the 818
state agency or political subdivision administer one or more 819
components of the medicaid program, or one or more aspects of a 820
component, under the department's supervision. A state agency or 821
political subdivision that enters into such ~~an interagency~~ 822
~~agreement~~ a contract shall comply with the terms of the contract 823
and any rules the director of job and family services has adopted 824
governing the component, or aspect of the component, that the 825
state agency or political subdivision is to administer, including 826
any rules establishing review, audit, and corrective action plan 827
requirements. A contract with a state agency shall be in the form 828
of an interagency agreement. 829

A state agency or political subdivision that enters into ~~an~~ 830
~~interagency agreement~~ a contract with the department under this 831
section shall reimburse the department for the nonfederal share of 832
the cost to the department of performing, or contracting for the 833
performance of, a fiscal audit of the component of the medicaid 834
program, or aspect of the component, that the state agency or 835
political subdivision administers if rules governing the 836
component, or aspect of the component, require that a fiscal audit 837
be conducted. 838

There is hereby created in the state treasury the medicaid 839
administrative reimbursement fund. The department shall use money 840
in the fund to pay for the nonfederal share of the cost of a 841
fiscal audit for which a state agency or political subdivision is 842
required by this section to reimburse the department. The 843
department shall deposit the reimbursements into the fund. 844

Sec. 5111.92. (A)(1) Except as provided in division (B) of 845
this section, if a state agency or political subdivision 846
administers one or more components of the medicaid program that 847
the United States department of health and human services 848

approved, and for which federal financial participation was 849
initially obtained, prior to January 1, 2002, or administers one 850
or more aspects of such a component, the department of job and 851
family services may retain or collect not more than ten per cent 852
of the federal financial participation the state agency or 853
political subdivision obtains through an approved, administrative 854
claim regarding the component or aspect of the component. If the 855
department retains or collects a percentage of such federal 856
financial participation, the percentage the department retains or 857
collects shall be specified in a contract the department enters 858
into with the state agency or political subdivision under section 859
5111.91 of the Revised Code. 860

(2) Except as provided in division (B) of this section, if a 861
state agency or political subdivision administers one or more 862
components of the medicaid program that the United States 863
department of health and human services approved on or after 864
January 1, 2002, or administers one or more aspects of such a 865
component, the department of job and family services shall retain 866
or collect not less than three and not more than ten per cent of 867
the federal financial participation the state agency or political 868
subdivision obtains through an approved, administrative claim 869
regarding the component or aspect of the component. The percentage 870
the department retains or collects shall be specified in a 871
contract the department enters into with the state agency or 872
political subdivision under section 5111.91 of the Revised Code. 873

(B) The department of job and family services may retain or 874
collect a percentage of federal financial participation under 875
divisions (A)(1) and (2) of this section only to the extent 876
permitted by federal statutes and regulations. 877

(C) All amounts the department retains or collects under this 878
section shall be deposited into the health care services 879
administration fund created under section 5111.94 of the Revised 880

Code. 881

Sec. 5111.93. The department of job and family services may 882
retain or collect a percentage of the federal financial 883
participation included in a supplemental medicaid payment to one 884
or more medicaid providers owned or operated by a state agency or 885
political subdivision that brings the payment to such provider or 886
providers to the upper payment limit established by 42 C.F.R. 887
447.272. If the department retains or collects a percentage of 888
that federal financial participation, the department shall adopt a 889
rule under Chapter 119. of the Revised Code specifying the 890
percentage the department is to retain or collect. All amounts the 891
department retains or collects under this section shall be 892
deposited into the health care services administration fund 893
created under section 5111.94 of the Revised Code. 894

Sec. 5111.94. (A) As used in this section, "vendor offset" 895
means a reduction of a medicaid payment to a medicaid provider to 896
correct a previous, incorrect medicaid payment to that provider. 897

(B) There is hereby created in the state treasury the health 898
care services administration fund. Except as provided in division 899
(C) of this section, all the following shall be deposited into the 900
fund: 901
902

(1) Amounts deposited into the fund pursuant to sections 903
5111.92 and 5111.93 of the Revised Code; 904

(2) The amount of the state share of all money the department 905
of job and family services, in fiscal year 2003 and each fiscal 906
year thereafter, recovers pursuant to a tort action under the 907
department's right of recovery under section 5101.58 of the 908
Revised Code that exceeds the state share of all money the 909
department, in fiscal year 2002, recovers pursuant to a tort 910

action under that right of recovery; 911

(3) Subject to division (D) of this section, the amount of 912
the state share of all money the department of job and family 913
services, in fiscal year 2003 and each fiscal year thereafter, 914
recovers through audits of medicaid providers that exceeds the 915
state share of all money the department, in fiscal year 2002, 916
recovers through such audits; 917

(4) Until October 16, 2003, amounts from assessments on 918
hospitals under section 5112.06 of the Revised Code and 919
intergovernmental transfers by governmental hospitals under 920
section 5112.07 of the Revised Code that are deposited into the 921
fund in accordance with the law. 922

(C) No funds shall be deposited into the health care services 923
administration fund in violation of federal statutes or 924
regulations. 925

(D) In determining under division (B)(3) of this section the 926
amount of money the department, in a fiscal year, recovers through 927
audits of medicaid providers, the amount recovered in the form of 928
vendor offset shall be excluded. 929

(E) The director of job and family services shall use funds 930
available in the health care services administration fund to pay 931
for costs associated with the administration of the medicaid 932
program. 933

Sec. 5112.01. As used in sections 5112.03 to 5112.21 of the 934
Revised Code: 935

(A)(1) "Hospital" means a nonfederal hospital to which either 936
of the following applies: 937

(a) The hospital is registered under section 3701.07 of the 938
Revised Code as a general medical and surgical hospital or a 939
pediatric general hospital, and provides inpatient hospital 940

services, as defined in 42 C.F.R. 440.10; 941

(b) The hospital is recognized under the medicare program 942
established by Title XVIII of the "Social Security Act," 49 Stat. 943
620 (1935), 42 U.S.C.A. 301, as amended, as a cancer hospital and 944
is exempt from the medicare prospective payment system. 945

"Hospital" does not include a hospital operated by a health 946
insuring corporation that has been issued a certificate of 947
authority under section 1751.05 of the Revised Code or a hospital 948
that does not charge patients for services. 949

(2) "Disproportionate share hospital" means a hospital that 950
meets the definition of a disproportionate share hospital in rules 951
adopted under section 5112.03 of the Revised Code. 952

(B) "Bad debt," "charity care," "courtesy care," and 953
"contractual allowances" have the same meanings given these terms 954
in regulations adopted under Title XVIII of the "Social Security 955
Act." 956

(C) "Cost reporting period" means the twelve-month period 957
used by a hospital in reporting costs for purposes of Title XVIII 958
of the "Social Security Act." 959

(D) "Governmental hospital" means a county hospital with more 960
than five hundred registered beds or a state-owned and -operated 961
hospital with more than five hundred registered beds. 962

(E) "Indigent care pool" means the sum of the following: 963

(1) The total of assessments to be paid in a program year by 964
all hospitals under section 5112.06 of the Revised Code, less the 965
assessments deposited into the legislative budget services fund 966
under section 5112.19 of the Revised Code and into the health care 967
services administration fund created under section 5111.94 of the 968
Revised Code; 969

(2) The total amount of intergovernmental transfers required 970

to be made in the same program year by governmental hospitals 971
under section 5112.07 of the Revised Code, less the amount of 972
transfers deposited into the legislative budget services fund 973
under section 5112.19 of the Revised Code and into the health care 974
services administration fund created under section 5111.94 of the 975
Revised Code; 976

(3) The total amount of federal matching funds that will be 977
made available in the same program year as a result of funds 978
distributed by the department of job and family services to 979
hospitals under section 5112.08 of the Revised Code. 980

(F) "Intergovernmental transfer" means any transfer of money 981
by a governmental hospital under section 5112.07 of the Revised 982
Code. 983

(G) "Medical assistance program" means the program of medical 984
assistance established under section 5111.01 of the Revised Code 985
and Title XIX of the "Social Security Act." 986

(H) "Program year" means a period beginning the first day of 987
October, or a later date designated in rules adopted under section 988
5112.03 of the Revised Code, and ending the thirtieth day of 989
September, or an earlier date designated in rules adopted under 990
that section. 991

(I) "Registered beds" means the total number of hospital beds 992
registered with the department of health, as reported in the most 993
recent "directory of registered hospitals" published by the 994
department of health. 995

(J) "Total facility costs" means the total costs for all 996
services rendered to all patients, including the direct, indirect, 997
and overhead cost to the hospital of all services, supplies, 998
equipment, and capital related to the care of patients, regardless 999
of whether patients are enrolled in a health insuring corporation, 1000
excluding costs associated with providing skilled nursing services 1001

in distinct-part nursing facility units, as shown on the
hospital's cost report filed under section 5112.04 of the Revised
Code. Effective October 1, 1993, if rules adopted under section
5112.03 of the Revised Code so provide, "total facility costs" may
exclude costs associated with providing care to recipients of any
of the governmental programs listed in division (B) of that
section.

(K) "Uncompensated care" means bad debt and charity care.

Sec. 5112.06. (A) For the purpose of distributing funds to
hospitals under the medical assistance program pursuant to
sections 5112.01 to 5112.21 of the Revised Code and depositing
funds into the legislative budget services fund under section
5112.19 of the Revised Code and into the health care services
administration fund created under section 5111.94 of the Revised
Code, there is hereby imposed an assessment on all hospitals. Each
hospital's assessment shall be based on total facility costs. All
hospitals shall be assessed according to the rate or rates
established each program year by the department of job and family
services in rules adopted under section 5112.03 of the Revised
Code. The department shall assess all hospitals uniformly and in a
manner consistent with federal statutes and regulations. During
any program year, the department shall not assess any hospital
more than two per cent of the hospital's total facility costs.

The department shall establish an assessment rate or rates
each program year that will do both of the following:

(1) Yield funds that, when combined with intergovernmental
transfers and federal matching funds, will produce a program of
sufficient size to pay a substantial portion of the indigent care
provided by hospitals;

(2) Yield funds that, when combined with intergovernmental
transfers and federal matching funds, will produce amounts for

distribution to disproportionate share hospitals that do not 1033
exceed, in the aggregate, the limits prescribed by the United 1034
States health care financing administration under subsection (f) 1035
of section 1923 of the "Social Security Act," 49 Stat. 620 (1935), 1036
42 U.S.C.A. 1396r-4(f), as amended. 1037

(B)(1) Except as provided in division (B)(3) of this section, 1038
each hospital shall pay its assessment in periodic installments in 1039
accordance with a schedule established by the director of job and 1040
family services in rules adopted under section 5112.03 of the 1041
Revised Code. 1042

(2) The installments shall be equal in amount, unless either 1043
of the following applies: 1044

(a) The department makes adjustments during a program year 1045
under division (D) of section 5112.09 of the Revised Code in the 1046
total amount of hospitals' assessments; 1047

(b) The director of job and family services determines that 1048
adjustments in the amounts of installments are necessary for the 1049
administration of sections 5112.01 to 5112.21 of the Revised Code 1050
and that unequal installments will not create cash flow 1051
difficulties for hospitals. 1052

(3) The director may adopt rules under section 5112.03 of the 1053
Revised Code establishing alternate schedules for hospitals to pay 1054
assessments under this section in order to reduce hospitals' cash 1055
flow difficulties. 1056

Sec. 5112.07. (A) The department of job and family services 1057
may require governmental hospitals to make intergovernmental 1058
transfers each program year for the purpose of distributing funds 1059
to hospitals under the medical assistance program pursuant to 1060
sections 5112.01 to 5112.21 of the Revised Code and depositing 1061
funds into the legislative budget services fund under section 1062

5112.19 of the Revised Code and into the health care services 1063
administration fund created under section 5111.94 of the Revised 1064
Code. The department shall not require transfers in an amount 1065
that, when combined with hospital assessments paid under section 1066
5112.06 of the Revised Code and federal matching funds, produce 1067
amounts for distribution to disproportionate share hospitals that, 1068
in the aggregate, exceed limits prescribed by the United States 1069
health care financing administration under subsection (f) of 1070
section 1923 of the "Social Security Act," 49 Stat. 620 (1935), 42 1071
U.S.C.A. 1396r-4(f), as amended. 1072

(B) Before or during each program year, the department shall 1073
notify each governmental hospital of the amount of the 1074
intergovernmental transfer it is required to make during the 1075
program year. Each governmental hospital shall make 1076
intergovernmental transfers as required by the department under 1077
this section in periodic installments, executed by electronic fund 1078
transfer, in accordance with a schedule established in rules 1079
adopted under section 5112.03 of the Revised Code. 1080

Sec. 5112.11. ~~The~~ Except for moneys deposited into the 1081
legislative budget services fund under section 5112.19 of the 1082
Revised Code and the health care services administration fund 1083
created under section 5111.94 of the Revised Code, the department 1084
of job and family services shall not use money paid to the 1085
department under sections 5112.06 and 5112.07 of the Revised Code 1086
or money that the department pays to hospitals under section 1087
5112.08 of the Revised Code to replace any funds appropriated by 1088
the general assembly for the medical assistance program. 1089

Sec. 5123.041. (A) As used in this section, "habilitation 1090
center" means a habilitation center that provides habilitation 1091
center services under section 5111.041 of the Revised Code. 1092

(B) The department of mental retardation and developmental 1093

disabilities shall do all of the following pursuant to ~~an~~ 1094
~~interagency agreement~~ a contract with the department of job and 1095
family services entered into under section ~~5111.86~~ 5111.91 of the 1096
Revised Code: 1097

(1) Certify habilitation centers that meet the certification 1098
requirements established by rules adopted by the director of job 1099
and family services under section 5111.041 of the Revised Code; 1100

(2) Accept and process medicaid reimbursement claims from 1101
habilitation centers providing habilitation center services to 1102
medicaid recipients under section 5111.041 of the Revised Code; 1103

(3) With medicaid funds provided to the department from the 1104
department of job and family services, pay the medicaid 1105
reimbursement claims accepted and processed under division (B)(2) 1106
of this section; 1107

(4) Perform the other duties included in the interagency 1108
agreement. 1109

(C) The director of mental retardation and developmental 1110
disabilities shall adopt rules in accordance with Chapter 119. of 1111
the Revised Code that do all of the following: 1112

(1) Establish procedures for certification of habilitation 1113
centers; 1114

(2) Establish the fee that may be assessed under division (D) 1115
of this section; 1116

(3) Specify how the department of mental retardation and 1117
developmental disabilities will perform its duties under this 1118
section. 1119

(D) The department of mental retardation and developmental 1120
disabilities may assess the fee established by rule under division 1121
(C)(2) of this section for performing its duties under this 1122
section. The fee may be retained from any payment the department 1123

makes under division (B)(3) of this section. 1124

Sec. 5733.04. As used in this chapter: 1125

(A) "Issued and outstanding shares of stock" applies to 1126
nonprofit corporations, as provided in section 5733.01 of the 1127
Revised Code, and includes, but is not limited to, membership 1128
certificates and other instruments evidencing ownership of an 1129
interest in such nonprofit corporations, and with respect to a 1130
financial institution that does not have capital stock, "issued 1131
and outstanding shares of stock" includes, but is not limited to, 1132
ownership interests of depositors in the capital employed in such 1133
an institution. 1134

(B) "Taxpayer" means a corporation subject to the tax imposed 1135
by section 5733.06 of the Revised Code. 1136

(C) "Resident" means a corporation organized under the laws 1137
of this state. 1138

(D) "Commercial domicile" means the principal place from 1139
which the trade or business of the taxpayer is directed or 1140
managed. 1141

(E) "Taxable year" means the period prescribed by division 1142
(A) of section 5733.031 of the Revised Code upon the net income of 1143
which the value of the taxpayer's issued and outstanding shares of 1144
stock is determined under division (B) of section 5733.05 of the 1145
Revised Code or the period prescribed by division (A) of section 1146
5733.031 of the Revised Code that immediately precedes the date as 1147
of which the total value of the corporation is determined under 1148
division (A) or (C) of section 5733.05 of the Revised Code. 1149

(F) "Tax year" means the calendar year in and for which the 1150
tax imposed by section 5733.06 of the Revised Code is required to 1151
be paid. 1152

(G) "Internal Revenue Code" means the "Internal Revenue Code 1153

of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as amended.

(H) "Federal income tax" means the income tax imposed by the Internal Revenue Code.

(I) Except as provided in section 5733.058 of the Revised Code, "net income" means the taxpayer's taxable income before operating loss deduction and special deductions, as required to be reported for the taxpayer's taxable year under the Internal Revenue Code, subject to the following adjustments:

(1)(a) Deduct any net operating loss incurred in any taxable years ending in 1971 or thereafter but exclusive of any net operating loss incurred in taxable years ending prior to January 1, 1971. This deduction shall not be allowed in any tax year commencing before December 31, 1973, but shall be carried over and allowed in tax years commencing after December 31, 1973, until fully utilized in the next succeeding taxable year or years in which the taxpayer has net income, but in no case for more than the designated carryover period as described in division (I)(1)(b) of this section. The amount of such net operating loss, as determined under the allocation and apportionment provisions of section 5733.051 and division (B) of section 5733.05 of the Revised Code for the year in which the net operating loss occurs, shall be deducted from net income, as determined under the allocation and apportionment provisions of section 5733.051 and division (B) of section 5733.05 of the Revised Code, to the extent necessary to reduce net income to zero with the remaining unused portion of the deduction, if any, carried forward to the remaining years of the designated carryover period as described in division (I)(1)(b) of this section, or until fully utilized, whichever occurs first.

(b) For losses incurred in taxable years ending on or before December 31, 1981, the designated carryover period shall be the five consecutive taxable years after the taxable year in which the

net operating loss occurred. For losses incurred in taxable years 1186
ending on or after January 1, 1982, the designated carryover 1187
period shall be the fifteen consecutive taxable years after the 1188
taxable year in which the net operating loss occurs. 1189

(c) The tax commissioner may require a taxpayer to furnish 1190
any information necessary to support a claim for deduction under 1191
division (I)(1)(a) of this section and no deduction shall be 1192
allowed unless the information is furnished. 1193

(2) Deduct any amount included in net income by application 1194
of section 78 or 951 of the Internal Revenue Code, amounts 1195
received for royalties, technical or other services derived from 1196
sources outside the United States, and dividends received from a 1197
subsidiary, associate, or affiliated corporation that neither 1198
transacts any substantial portion of its business nor regularly 1199
maintains any substantial portion of its assets within the United 1200
States. For purposes of determining net foreign source income 1201
deductible under division (I)(2) of this section, the amount of 1202
gross income from all such sources other than dividend income and 1203
income derived by application of section 78 or 951 of the Internal 1204
Revenue Code shall be reduced by: 1205

(a) The amount of any reimbursed expenses for personal 1206
services performed by employees of the taxpayer for the 1207
subsidiary, associate, or affiliated corporation; 1208

(b) Ten per cent of the amount of royalty income and 1209
technical assistance fees; 1210

(c) Fifteen per cent of the amount of ~~dividends and~~ all other 1211
income. 1212

The amounts described in divisions (I)(2)(a) to (c) of this 1213
section are deemed to be the expenses attributable to the 1214
production of deductible foreign source income unless the taxpayer 1215
shows, by clear and convincing evidence, less actual expenses, or 1216

the tax commissioner shows, by clear and convincing evidence, more
actual expenses.

(3) Add any loss or deduct any gain resulting from the sale,
exchange, or other disposition of a capital asset, or an asset
described in section 1231 of the Internal Revenue Code, to the
extent that such loss or gain occurred prior to the first taxable
year on which the tax provided for in section 5733.06 of the
Revised Code is computed on the corporation's net income. For
purposes of division (I)(3) of this section, the amount of the
prior loss or gain shall be measured by the difference between the
original cost or other basis of the asset and the fair market
value as of the beginning of the first taxable year on which the
tax provided for in section 5733.06 of the Revised Code is
computed on the corporation's net income. At the option of the
taxpayer, the amount of the prior loss or gain may be a percentage
of the gain or loss, which percentage shall be determined by
multiplying the gain or loss by a fraction, the numerator of which
is the number of months from the acquisition of the asset to the
beginning of the first taxable year on which the fee provided in
section 5733.06 of the Revised Code is computed on the
corporation's net income, and the denominator of which is the
number of months from the acquisition of the asset to the sale,
exchange, or other disposition of the asset. The adjustments
described in this division do not apply to any gain or loss where
the gain or loss is recognized by a qualifying taxpayer, as
defined in section 5733.0510 of the Revised Code, with respect to
a qualifying taxable event, as defined in that section.

(4) Deduct the dividend received deduction provided by
section 243 of the Internal Revenue Code.

(5) Deduct any interest or interest equivalent on public
obligations and purchase obligations to the extent included in
federal taxable income. As used in divisions (I)(5) and (6) of

this section, "public obligations," "purchase obligations," and 1249
"interest or interest equivalent" have the same meanings as in 1250
section 5709.76 of the Revised Code. 1251

(6) Add any loss or deduct any gain resulting from the sale, 1252
exchange, or other disposition of public obligations to the extent 1253
included in federal taxable income. 1254

(7) To the extent not otherwise allowed, deduct any dividends 1255
or distributions received by a taxpayer from a public utility, 1256
excluding an electric company, if the taxpayer owns at least 1257
eighty per cent of the issued and outstanding common stock of the 1258
public utility. As used in division (I)(7) of this section, 1259
"public utility" means a public utility as defined in Chapter 1260
5727. of the Revised Code, whether or not the public utility is 1261
doing business in the state. 1262

(8) To the extent not otherwise allowed, deduct any dividends 1263
received by a taxpayer from an insurance company, if the taxpayer 1264
owns at least eighty per cent of the issued and outstanding common 1265
stock of the insurance company. As used in division (I)(8) of this 1266
section, "insurance company" means an insurance company that is 1267
taxable under Chapter 5725. or 5729. of the Revised Code. 1268
1269

(9) Deduct expenditures for modifying existing buildings or 1270
structures to meet American national standards institute standard 1271
A-117.1-1961 (R-1971), as amended; provided, that no deduction 1272
shall be allowed to the extent that such deduction is not 1273
permitted under federal law or under rules of the tax 1274
commissioner. Those deductions as are allowed may be taken over a 1275
period of five years. The tax commissioner shall adopt rules under 1276
Chapter 119. of the Revised Code establishing reasonable 1277
limitations on the extent that expenditures for modifying existing 1278
buildings or structures are attributable to the purpose of making 1279
the buildings or structures accessible to and usable by physically 1280

handicapped persons. 1281

(10) Deduct the amount of wages and salaries, if any, not 1282
otherwise allowable as a deduction but that would have been 1283
allowable as a deduction in computing federal taxable income 1284
before operating loss deduction and special deductions for the 1285
taxable year, had the targeted jobs credit allowed and determined 1286
under sections 38, 51, and 52 of the Internal Revenue Code not 1287
been in effect. 1288

(11) Deduct net interest income on obligations of the United 1289
States and its territories and possessions or of any authority, 1290
commission, or instrumentality of the United States to the extent 1291
the laws of the United States prohibit inclusion of the net 1292
interest for purposes of determining the value of the taxpayer's 1293
issued and outstanding shares of stock under division (B) of 1294
section 5733.05 of the Revised Code. As used in division (I)(11) 1295
of this section, "net interest" means interest net of any expenses 1296
taken on the federal income tax return that would not have been 1297
allowed under section 265 of the Internal Revenue Code if the 1298
interest were exempt from federal income tax. 1299

(12)(a) Except as set forth in division (I)(12)(d) of this 1300
section, to the extent not included in computing the taxpayer's 1301
federal taxable income before operating loss deduction and special 1302
deductions, add gains and deduct losses from direct or indirect 1303
sales, exchanges, or other dispositions, made by a related entity 1304
who is not a taxpayer, of the taxpayer's indirect, beneficial, or 1305
constructive investment in the stock or debt of another entity, 1306
unless the gain or loss has been included in computing the federal 1307
taxable income before operating loss deduction and special 1308
deductions of another taxpayer with a more closely related 1309
investment in the stock or debt of the other entity. The amount of 1310
gain added or loss deducted shall not exceed the product obtained 1311
by multiplying such gain or loss by the taxpayer's proportionate 1312

share, directly, indirectly, beneficially, or constructively, of 1313
the outstanding stock of the related entity immediately prior to 1314
the direct or indirect sale, exchange, or other disposition. 1315
1316

(b) Except as set forth in division (I)(12)(e) of this 1317
section, to the extent not included in computing the taxpayer's 1318
federal taxable income before operating loss deduction and special 1319
deductions, add gains and deduct losses from direct or indirect 1320
sales, exchanges, or other dispositions made by a related entity 1321
who is not a taxpayer, of intangible property other than stock, 1322
securities, and debt, if such property was owned, or used in whole 1323
or in part, at any time prior to or at the time of the sale, 1324
exchange, or disposition by either the taxpayer or by a related 1325
entity that was a taxpayer at any time during the related entity's 1326
ownership or use of such property, unless the gain or loss has 1327
been included in computing the federal taxable income before 1328
operating loss deduction and special deductions of another 1329
taxpayer with a more closely related ownership or use of such 1330
intangible property. The amount of gain added or loss deducted 1331
shall not exceed the product obtained by multiplying such gain or 1332
loss by the taxpayer's proportionate share, directly, indirectly, 1333
beneficially, or constructively, of the outstanding stock of the 1334
related entity immediately prior to the direct or indirect sale, 1335
exchange, or other disposition. 1336

(c) As used in division (I)(12) of this section, "related 1337
entity" means those entities described in divisions (I)(12)(c)(i) 1338
to (iii) of this section: 1339

(i) An individual stockholder, or a member of the 1340
stockholder's family enumerated in section 318 of the Internal 1341
Revenue Code, if the stockholder and the members of the 1342
stockholder's family own, directly, indirectly, beneficially, or 1343
constructively, in the aggregate, at least fifty per cent of the 1344

value of the taxpayer's outstanding stock; 1345

(ii) A stockholder, or a stockholder's partnership, estate, 1346
trust, or corporation, if the stockholder and the stockholder's 1347
partnerships, estates, trusts, and corporations own directly, 1348
indirectly, beneficially, or constructively, in the aggregate, at 1349
least fifty per cent of the value of the taxpayer's outstanding 1350
stock; 1351

(iii) A corporation, or a party related to the corporation in 1352
a manner that would require an attribution of stock from the 1353
corporation to the party or from the party to the corporation 1354
under division (I)(12)(c)(iv) of this section, if the taxpayer 1355
owns, directly, indirectly, beneficially, or constructively, at 1356
least fifty per cent of the value of the corporation's outstanding 1357
stock. 1358

(iv) The attribution rules of section 318 of the Internal 1359
Revenue Code apply for purposes of determining whether the 1360
ownership requirements in divisions (I)(12)(c)(i) to (iii) of this 1361
section have been met. 1362

(d) For purposes of the adjustments required by division 1363
(I)(12)(a) of this section, the term "investment in the stock or 1364
debt of another entity" means only those investments where the 1365
taxpayer and the taxpayer's related entities directly, indirectly, 1366
beneficially, or constructively own, in the aggregate, at any time 1367
during the twenty-four month period commencing one year prior to 1368
the direct or indirect sale, exchange, or other disposition of 1369
such investment at least fifty per cent or more of the value of 1370
either the outstanding stock or such debt of such other entity. 1371

(e) For purposes of the adjustments required by division 1372
(I)(12)(b) of this section, the term "related entity" excludes all 1373
of the following: 1374

(i) Foreign corporations as defined in section 7701 of the 1375

Internal Revenue Code;	1376
(ii) Foreign partnerships as defined in section 7701 of the Internal Revenue Code;	1377 1378
(iii) Corporations, partnerships, estates, and trusts created or organized in or under the laws of the Commonwealth of Puerto Rico or any possession of the United States;	1379 1380 1381
(iv) Foreign estates and foreign trusts as defined in section 7701 of the Internal Revenue Code.	1382 1383
The exclusions described in divisions (I)(12)(e)(i) to (iv) of this section do not apply if the corporation, partnership, estate, or trust is described in any one of divisions (C)(1) to (5) of section 5733.042 of the Revised Code.	1384 1385 1386 1387
(f) Nothing in division (I)(12) of this section shall require or permit a taxpayer to add any gains or deduct any losses described in divisions (I)(12)(f)(i) and (ii) of this section:	1388 1389 1390
(i) Gains or losses recognized for federal income tax purposes by an individual, estate, or trust without regard to the attribution rules described in division (I)(12)(c) of this section;	1391 1392 1393 1394
(ii) A related entity's gains or losses described in division (I)(12)(b) <u>of this section</u> if the taxpayer's ownership of or use of such intangible property was limited to a period not exceeding nine months and was attributable to a transaction or a series of transactions executed in accordance with the election or elections made by the taxpayer or a related entity pursuant to section 338 of the Internal Revenue Code.	1395 1396 1397 1398 1399 1400 1401
(13) Any adjustment required by section 5733.042 of the Revised Code.	1402 1403
(14) Add any amount claimed as a credit under section 5733.0611 of the Revised Code to the extent that such amount	1404 1405

satisfies either of the following:

(a) It was deducted or excluded from the computation of the corporation's taxable income before operating loss deduction and special deductions as required to be reported for the corporation's taxable year under the Internal Revenue Code;

(b) It resulted in a reduction of the corporation's taxable income before operating loss deduction and special deductions as required to be reported for any of the corporation's taxable years under the Internal Revenue Code.

(15) Deduct the amount contributed by the taxpayer to an individual development account program established by a county department of job and family services pursuant to sections 329.11 to 329.14 of the Revised Code for the purpose of matching funds deposited by program participants. On request of the tax commissioner, the taxpayer shall provide any information that, in the tax commissioner's opinion, is necessary to establish the amount deducted under division (I)(15) of this section.

(16) Any adjustment required by section 5733.0510 of the Revised Code.

(17)(a) Add five-sixths of the amount of depreciation expense allowed under subsection (k) of section 168 of the Internal Revenue Code, including a person's proportionate or distributive share of the amount of depreciation expense allowed by that subsection to any pass-through entity in which the person has direct or indirect ownership. The tax commissioner, under procedures established by the commissioner, may waive the add-back related to a pass-through entity if the person owns, directly or indirectly, less than five per cent of the pass-through entity.

(b) Nothing in division (I)(17) of this section shall be construed to adjust or modify the adjusted basis of any asset.

(c) To the extent the add-back is attributable to property

generating income or loss allocable under section 5733.051 of the
Revised Code, the add-back shall be allocated to the same location
as the income or loss generated by that property. Otherwise, the
add-back shall be apportioned, subject to division (B)(2)(d) of
section 5733.05 of the Revised Code.

(18)(a) If a person is required to make the add-back under
division (I)(17)(a) of this section for a tax year, the person
shall deduct one-fifth of the amount added back for each of the
succeeding five tax years.

(b) If the amount deducted under division (I)(18)(a) of this
section is attributable to an add-back allocated under division
(I)(17)(c) of this section, the amount deducted shall be allocated
to the same location. Otherwise, the amount shall be apportioned
using the apportionment factors for the taxable year in which the
deduction is taken, subject to division (B)(2)(d) of section
5733.05 of the Revised Code.

(J) Any term used in this chapter has the same meaning as
when used in comparable context in the laws of the United States
relating to federal income taxes unless a different meaning is
clearly required. Any reference in this chapter to the Internal
Revenue Code includes other laws of the United States relating to
federal income taxes.

(K) "Financial institution" has the meaning given by section
5725.01 of the Revised Code but does not include a production
credit association as described in 85 Stat. 597, 12 U.S.C.A. 2091.

(L)(1) A "qualifying holding company" is any corporation
satisfying all of the following requirements:

(a) Subject to divisions (L)(2) and (3) of this section, the
net book value of the corporation's intangible assets is greater
than or equal to ninety per cent of the net book value of all of
its assets and at least fifty per cent of the net book value of

all of its assets represents direct or indirect investments in the 1468
equity of, loans and advances to, and accounts receivable due from 1469
related members; 1470

(b) At least ninety per cent of the corporation's gross 1471
income for the taxable year is attributable to the following: 1472

(i) The maintenance, management, ownership, acquisition, use, 1473
and disposition of its intangible property, its aircraft the use 1474
of which is not subject to regulation under 14 C.F.R. part 121 or 1475
part 135, and any real property described in division (L)(2)(c) of 1476
this section; 1477

(ii) The collection and distribution of income from such 1478
property. 1479

(c) The corporation is not a financial institution on the 1480
last day of the taxable year ending prior to the first day of the 1481
tax year; 1482

(d) The corporation's related members make a good faith and 1483
reasonable effort to make timely and fully the adjustments 1484
required by division (C)(2) of section 5733.05 of the Revised Code 1485
and to pay timely and fully all uncontested taxes, interest, 1486
penalties, and other fees and charges imposed under this chapter; 1487

(e) Subject to division (L)(4) of this section, the 1488
corporation elects to be treated as a qualifying holding company 1489
for the tax year. 1490

A corporation otherwise satisfying divisions (L)(1)(a) to (e) 1491
of this section that does not elect to be a qualifying holding 1492
company is not a qualifying holding company for the purposes of 1493
this chapter. 1494

(2)(a)(i) For purposes of making the ninety per cent 1495
computation under division (L)(1)(a) of this section, the net book 1496
value of the corporation's assets shall not include the net book 1497

value of aircraft or real property described in division 1498
(L)(1)(b)(i) of this section. 1499

(ii) For purposes of making the fifty per cent computation 1500
under division (L)(1)(a) of this section, the net book value of 1501
assets shall include the net book value of aircraft or real 1502
property described in division (L)(1)(b)(i) of this section. 1503

(b)(i) As used in division (L) of this section, "intangible 1504
asset" includes, but is not limited to, the corporation's direct 1505
interest in each pass-through entity only if at all times during 1506
the corporation's taxable year ending prior to the first day of 1507
the tax year the corporation's and the corporation's related 1508
members' combined direct and indirect interests in the capital or 1509
profits of such pass-through entity do not exceed fifty per cent. 1510
If the corporation's interest in the pass-through entity is an 1511
intangible asset for that taxable year, then the distributive 1512
share of any income from the pass-through entity shall be income 1513
from an intangible asset for that taxable year. 1514

(ii) If a corporation's and the corporation's related 1515
members' combined direct and indirect interests in the capital or 1516
profits of a pass-through entity exceed fifty per cent at any time 1517
during the corporation's taxable year ending prior to the first 1518
day of the tax year, "intangible asset" does not include the 1519
corporation's direct interest in the pass-through entity, and the 1520
corporation shall include in its assets its proportionate share of 1521
the assets of any such pass-through entity and shall include in 1522
its gross income its distributive share of the gross income of 1523
such pass-through entity in the same form as was earned by the 1524
pass-through entity. 1525

(iii) A pass-through entity's direct or indirect 1526
proportionate share of any other pass-through entity's assets 1527
shall be included for the purpose of computing the corporation's 1528
proportionate share of the pass-through entity's assets under 1529

division (L)(2)(b)(ii) of this section, and such pass-through
entity's distributive share of any other pass-through entity's
gross income shall be included for purposes of computing the
corporation's distributive share of the pass-through entity's
gross income under division (L)(2)(b)(ii) of this section.

(c) For the purposes of divisions (L)(1)(b)(i), (1)(b)(ii),
(2)(a)(i), and (2)(a)(ii) of this section, real property is
described in division (L)(2)(c) of this section only if all of the
following conditions are present at all times during the taxable
year ending prior to the first day of the tax year:

(i) The real property serves as the headquarters of the
corporation's trade or business, or is the place from which the
corporation's trade or business is principally managed or
directed;

(ii) Not more than ten per cent of the value of the real
property and not more than ten per cent of the square footage of
the building or buildings that are part of the real property is
used, made available, or occupied for the purpose of providing,
acquiring, transferring, selling, or disposing of tangible
property or services in the normal course of business to persons
other than related members, the corporation's employees and their
families, and such related members' employees and their families.

(d) As used in division (L) of this section, "related member"
has the same meaning as in division (A)(6) of section 5733.042 of
the Revised Code without regard to division (B) of that section.

(3) The percentages described in division (L)(1)(a) of this
section shall be equal to the quarterly average of those
percentages as calculated during the corporation's taxable year
ending prior to the first day of the tax year.

(4) With respect to the election described in division

(L)(1)(e) of this section:	1561
(a) The election need not accompany a timely filed report;	1562
(b) The election need not accompany the report; rather, the election may accompany a subsequently filed but timely application for refund and timely amended report, or a subsequently filed but timely petition for reassessment;	1563 1564 1565 1566
(c) The election is not irrevocable;	1567
(d) The election applies only to the tax year specified by the corporation;	1568 1569
(e) The corporation's related members comply with division (L)(1)(d) of this section.	1570 1571
Nothing in division (L)(4) of this section shall be construed to extend any statute of limitations set forth in this chapter.	1572 1573
(M) "Qualifying controlled group" means two or more corporations that satisfy the ownership and control requirements of division (A) of section 5733.052 of the Revised Code.	1574 1575 1576
(N) "Limited liability company" means any limited liability company formed under Chapter 1705. of the Revised Code or under the laws of any other state.	1577 1578 1579
(O) "Pass-through entity" means a corporation that has made an election under subchapter S of Chapter 1 of Subtitle A of the Internal Revenue Code for its taxable year under that code, or a partnership, limited liability company, or any other person, other than an individual, trust, or estate, if the partnership, limited liability company, or other person is not classified for federal income tax purposes as an association taxed as a corporation.	1580 1581 1582 1583 1584 1585 1586
(P) "Electric company" and "combined company" have the same meanings as in section 5727.01 of the Revised Code.	1587 1588
Sec. 5743.02. To provide revenues for the general revenue	1589

fund, an excise tax on sales of cigarettes is hereby levied at the 1590
rate of ~~eleven and one-half~~ thirty-seven mills on each cigarette. 1591

Only one sale of the same article shall be used in computing 1592
the amount of tax due. 1593

The treasurer of state shall place to the credit of the tax 1594
refund fund created by section 5703.052 of the Revised Code, out 1595
of receipts from the tax levied by this section, amounts equal to 1596
the refunds certified by the tax commissioner pursuant to section 1597
5743.05 of the Revised Code. The balance of taxes collected under 1598
such section, after the credits to the tax refund fund, shall be 1599
paid into the general revenue fund. 1600

Sec. 5743.03. Except as provided in section 5743.04 of the 1601
Revised Code, the taxes imposed under sections 5743.02, ~~5743.023,~~ 1602
5743.024, and 5743.026 of the Revised Code shall be paid by the 1603
purchase of stamps. A stamp shall be affixed to each package of an 1604
aggregate denomination not less than the amount of the tax upon 1605
the contents thereof. The stamp, so affixed, shall be prima-facie 1606
evidence of payment of the tax. Except as is provided in the rules 1607
prescribed by the tax commissioner under authority of sections 1608
5743.01 to 5743.20 of the Revised Code, and unless such stamps 1609
have been previously affixed, they shall be so affixed by each 1610
wholesale dealer, and canceled by writing or stamping across the 1611
face thereof the number assigned to such wholesale dealer by the 1612
tax commissioner for that purpose, prior to the delivery of any 1613
cigarettes to any person in this state, or in the case of a tax 1614
levied pursuant to section 5743.024 or 5743.026 of the Revised 1615
Code, prior to the delivery of cigarettes to any person in the 1616
county in which the tax is levied. 1617

Except as provided in the rules prescribed by the 1618
commissioner under authority of sections 5743.01 to 5743.20 of the 1619
Revised Code, and unless such stamps have been previously affixed, 1620

each retail dealer shall within twenty-four hours after the receipt of any cigarettes at the retail dealer's place of business and prior to the delivery thereof to any person in this state, or in the case of a tax levied pursuant to section 5743.024 or 5743.026 of the Revised Code prior to the delivery thereof to any person in the county in which the tax is levied, so affix such stamps and cancel same by writing or stamping across the face thereof the number assigned to such retail dealer by the commissioner for that purpose.

Whenever any cigarettes are found in the place of business of any retail dealer without proper tax stamps affixed thereto and canceled, it is presumed that such cigarettes are kept therein in violation of sections 5743.01 to 5743.20 of the Revised Code.

Each wholesale dealer and each retail dealer who purchases cigarettes without proper tax stamps affixed thereto shall, on or before the thirty-first day of the month following the close of each semiannual period, which period shall end on the thirtieth day of June and the thirty-first day of December of each year, make and file a return of the preceding semiannual period, on such form as is prescribed by the tax commissioner, showing the dealer's entire purchases and sales of cigarettes and stamps or impressions for such semiannual period and accurate inventories as of the beginning and end of each semiannual period of cigarettes, stamped or unstamped; cigarette tax stamps affixed or unaffixed and unused meter impressions; and such other information as the commissioner finds necessary to the proper administration of sections 5743.01 to 5743.20 of the Revised Code. The commissioner may extend the time for making and filing returns and may remit all or any part of amounts of penalties which may become due under sections 5743.01 to 5743.20 of the Revised Code. The wholesale or retail dealer shall deliver the return together with a remittance of the tax deficiency reported thereon to the treasurer of state.

The treasurer of state shall stamp or otherwise mark on the return
the date it was received and shall also show thereon by stamp or
otherwise a payment or nonpayment of the deficiency shown by the
return. Thereafter, the treasurer of state shall immediately
transmit all returns filed under this section to the commissioner.
Any wholesale or retail dealer who fails to file a return under
this section and the rules of the commissioner may be required,
for each day the dealer so fails, to forfeit and pay into the
state treasury the sum of one dollar as revenue arising from the
tax imposed by sections 5743.01 to 5743.20 of the Revised Code and
such sum may be collected by assessment in the manner provided in
section 5743.081 of the Revised Code. If the commissioner finds it
necessary in order to insure the payment of the tax imposed by
sections 5743.01 to 5743.20 of the Revised Code, the commissioner
may require returns and payments to be made other than
semiannually. The returns shall be signed by the wholesale or
retail dealer or an authorized agent thereof.

Sec. 5743.04. The tax commissioner shall design and procure
the stamps provided for in section 5743.03 of the Revised Code and
shall enforce and administer sections 5743.01 to 5743.44 of the
Revised Code. With respect to packages containing any number of
cigarettes other than twenty, if the commissioner finds that it is
practicable to collect the taxes levied under sections 5743.02,
~~5743.023,~~ 5743.024, and 5743.026 of the Revised Code by any method
other than that provided in this section and section 5743.03 of
the Revised Code, ~~he~~ the commissioner may by rule prescribe such
other method for payment of the taxes upon such packages of
cigarettes as will adequately protect the revenue; provided, that
in any case where the commissioner prescribes that the taxes upon
such packages of cigarettes shall be paid on the basis of returns
filed by a wholesale or retail dealer, said returns, together with
a remittance of all taxes due as shown thereon, shall be filed

with the treasurer of state not later than the tenth day of the 1685
month following the month in which such cigarettes are sold in 1686
this state. The commissioner may promulgate rules in accordance 1687
with sections 119.01 to 119.13 of the Revised Code as ~~he~~ the 1688
commissioner deems necessary to carry out sections 5743.01 to 1689
5743.44 of the Revised Code and may adopt different detailed rules 1690
applicable to diverse methods and conditions of sale of 1691
cigarettes, prescribing, in each class of cases, upon whom, as 1692
between the wholesale dealer and the retail dealer, the primary 1693
duty of affixing stamps shall rest, and the manner in which stamps 1694
shall be affixed. A copy of such rules shall be furnished to every 1695
licensed dealer as provided in sections 119.01 to 119.13 of the 1696
Revised Code. Any such rule so furnished which excuses a wholesale 1697
dealer from affixing stamps under the circumstances of the 1698
particular case shall be a defense in the prosecution of such 1699
dealer for violation of section 5743.03 of the Revised Code. 1700

The commissioner, ~~if he determines~~ after determining that it 1701
is practicable to evidence payment of the taxes levied under 1702
sections 5743.02, ~~5743.023~~, 5743.024, and 5743.026 of the Revised 1703
Code by impression made by a metering device, shall by resolution 1704
provide that such metering device may be used in lieu of the 1705
stamps otherwise provided for in section 5743.03 of the Revised 1706
Code. The commissioner may authorize any wholesale or retail 1707
dealer to use the metering device approved by ~~him~~ the 1708
commissioner. Such device before being used shall be sealed by the 1709
treasurer of state, and shall be used only in accordance with the 1710
rules prescribed by the commissioner. 1711

Wholesale and retail dealers authorized to use said device 1712
shall prepay the tax represented by meter impressions and shall 1713
deliver the metering device to the treasurer of state or county 1714
treasurer in the county in which the place of business of any 1715
wholesaler or retailer is located if such treasurer is designated 1716

by the treasurer of state, who shall seal the meter in accordance
with the prepayments so made.

Sec. 5743.05. All stamps provided for by section 5743.03 of
the Revised Code, when procured by the tax commissioner, shall be
immediately delivered to the treasurer of state, who shall execute
a receipt therefor showing the number and aggregate face value of
each denomination received by the treasurer of state and any other
information that the commissioner requires to enforce the
collection and distribution of all taxes imposed under section
5743.024 or 5743.026 of the Revised Code, and deliver the receipt
to the commissioner. The treasurer of state shall sell the stamps
and, on the fifth day of each month, make a report showing all
sales made during the preceding month, with the names of
purchasers, the number of each denomination, the aggregate face
value purchased by each, and any other information as the
commissioner requires to enforce the collection and distribution
of all taxes imposed under section 5743.024 of the Revised Code,
and deliver it to the commissioner. The treasurer of state shall
be accountable for all stamps received and unsold. The stamps
shall be sold and accounted for at their face value, except the
commissioner shall, by rule certified to the treasurer of state,
authorize the sale of stamps and meter impressions to wholesale or
retail dealers in this state, or to wholesale dealers outside this
state, at a discount of not less than one and eight-tenths per
cent or more than ten per cent of their face value, as a
commission for affixing and canceling the stamps or meter
impressions.

The tax commissioner, by rule certified to the treasurer of
state, shall authorize the delivery of stamps and meter
impressions to wholesale and retail dealers in this state and to
wholesale dealers outside this state on credit when the purchaser
files with the commissioner a bond to the state, or an irrevocable

letter of credit naming the state as beneficiary, in the amount 1749
and in the form prescribed by the commissioner, and with surety to 1750
the satisfaction of the treasurer of state, conditioned on payment 1751
to the treasurer of state within thirty days for stamps or meter 1752
impressions delivered within that time. The tax commissioner shall 1753
limit delivery of stamps and meter impressions on credit to the 1754
period running from the first day of July of the fiscal year until 1755
the first day of the following May. Any discount allowed as a 1756
commission for affixing and canceling stamps or meter impressions 1757
shall be allowed with respect to sales of stamps and meter 1758
impressions on credit. 1759

The treasurer of state shall redeem and pay for any 1760
destroyed, unused, or spoiled tax stamps and any unused meter 1761
impressions at their net value, and shall refund to wholesale 1762
dealers the net amount of state and county taxes paid erroneously 1763
or paid on cigarettes which have been sold in interstate or 1764
foreign commerce or which have become unsalable, and the net 1765
amount of county taxes that were paid on cigarettes that have been 1766
sold at retail or for retail sale outside a taxing county. An 1767
application for a refund of tax shall be filed with the tax 1768
commissioner, on the form prescribed by the commissioner for that 1769
purpose, within three years from the date the tax stamps are 1770
destroyed or spoiled, from the date of the erroneous payment, or 1771
from the date that cigarettes on which taxes have been paid have 1772
been sold in interstate or foreign commerce or have become 1773
unsalable. On the filing of the application the commissioner shall 1774
determine the amount of refund due payable from receipts of the 1775
state tax, and, if applicable, payable from receipts of a county 1776
tax and certify such amounts to the director of budget and 1777
management and treasurer of state for payment from the tax refund 1778
fund created by section 5703.052 of the Revised Code. When a 1779
refund is granted for payment of an illegal or erroneous 1780
assessment issued by the department, the refund shall include 1781

interest on the amount of the refund from the date of the 1782
overpayment. The interest shall be computed at the rate per annum 1783
prescribed by section 5703.47 of the Revised Code. 1784

Sec. 5743.08. Whenever the tax commissioner discovers any 1785
cigarettes, subject to the taxes levied under section 5743.02, 1786
~~5743.023,~~ 5743.024, or 5743.026 of the Revised Code, and upon 1787
which the taxes have not been paid, the commissioner may seize and 1788
take possession of such cigarettes, which shall thereupon be 1789
forfeited to the state, and the commissioner may within a 1790
reasonable time thereafter sell the forfeited cigarettes. From the 1791
proceeds of the sale, the tax commissioner shall pay the costs 1792
incurred in such proceedings, and any proceeds remaining after the 1793
costs are paid shall be considered as revenue arising from the 1794
tax; provided that the seizure and sale shall not be deemed to 1795
relieve any person from the fine or imprisonment provided for 1796
violation of sections 5743.01 to 5743.20 of the Revised Code. The 1797
sale shall be made where it is most convenient and economical. The 1798
tax commissioner may order the destruction of the forfeited 1799
cigarettes if the quantity or quality of the cigarettes is not 1800
sufficient to warrant their sale. 1801

Sec. 5743.081. (A) If any wholesale dealer or retail dealer 1802
fails to pay the tax levied under ~~sections~~ section 5743.02, 1803
~~5743.023,~~ 5743.024, or 5743.026 of the Revised Code as required by 1804
sections 5743.01 to 5743.20 of the Revised Code, and by the rules 1805
of the tax commissioner, or fails to collect the tax from the 1806
purchaser or consumer, the commissioner may make an assessment 1807
against the wholesale or retail dealer based upon any information 1808
in the commissioner's possession. 1809

The commissioner may make an assessment against any wholesale 1810
or retail dealer who fails to file a return required by section 1811
5743.03 or 5743.025 of the Revised Code. 1812

No assessment shall be made against any wholesale or retail dealer for any taxes imposed under ~~sections~~ section 5743.02, ~~5743.023,~~ 5743.024, or 5743.026 of the Revised Code more than three years after the last day of the calendar month which immediately follows the semiannual period prescribed in section 5743.03 of the Revised Code in which the sale was made, or more than three years after the semiannual return for such period is filed, whichever is later. This section does not bar an assessment against any wholesale or retail dealer who fails to file a return as required by section 5743.03 or 5743.025 of the Revised Code, or who files a fraudulent return.

A penalty of up to thirty per cent may be added to the amount of every assessment made under this section. The commissioner may adopt rules providing for the imposition and remission of penalties added to assessments made under this section.

The commissioner shall give the party assessed written notice of the assessment as provided in section 5703.37 of the Revised Code. The notice shall specify separately any portion of the assessment that represents a county tax.

(B) Unless the party to whom the notice of assessment is directed files with the commissioner within sixty days after service of the notice of assessment, either personally or by certified mail, a petition for reassessment in writing, signed by the party assessed, or by the party's authorized agent having knowledge of the facts, the assessment shall become final and the amount of the assessment shall be due and payable from the party assessed to the treasurer of state. The petition shall indicate the objections of the party assessed, but additional objections may be raised in writing if received prior to the date shown on the final determination by the commissioner.

Unless the petitioner waives a hearing, the commissioner shall assign a time and place for the hearing on the petition and

notify the petitioner of the time and place of the hearing by
personal service or certified mail, but the commissioner may
continue the hearing from time to time if necessary.

The commissioner may make such correction to an assessment as
the commissioner finds proper. The commissioner shall serve a copy
of the final determination on the petitioner by personal service
or certified mail, and the commissioner's decision in the matter
shall be final, subject to appeal as provided in section 5717.02
of the Revised Code. Only objections decided on the merits by the
board of tax appeals or a court shall be given collateral estoppel
or res judicata effect in considering an application for refund of
amounts paid pursuant to the assessment.

(C) After an assessment becomes final, if any portion of the
assessment remains unpaid, including accrued interest, a certified
copy of the commissioner's entry making the assessment final may
be filed in the office of the clerk of the court of common pleas
in the county in which the wholesale or retail dealer's place of
business is located or the county in which the party assessed
resides. If the party assessed maintains no place of business in
this state and is not a resident of this state, the certified copy
of the entry may be filed in the office of the clerk of the court
of common pleas of Franklin county.

The clerk, immediately upon the filing of the commissioner's
entry, shall enter a judgment for the state against the party
assessed in the amount shown on the entry. The judgment may be
filed by the clerk in a loose-leaf book entitled "special
judgments for state cigarette sales tax," and shall have the same
effect as other judgments. Execution shall issue upon the judgment
upon the request of the tax commissioner, and all laws applicable
to sales on execution shall apply to sales made under the judgment
except as otherwise provided in sections 5743.01 to 5743.20 of the
Revised Code.

The portion of the assessment not paid within sixty days 1877
after the assessment was issued shall bear interest at the rate 1878
per annum prescribed by section 5703.47 of the Revised Code from 1879
the day the tax commissioner issues the assessment until it is 1880
paid. Interest shall be paid in the same manner as the tax and may 1881
be collected by the issuance of an assessment under this section. 1882
1883

(D) All money collected by the commissioner under this 1884
section shall be paid to the treasurer of state, and when paid 1885
shall be considered as revenue arising from the taxes imposed by 1886
sections 5743.01 to 5743.20 of the Revised Code. 1887

Sec. 5743.12. No person shall make a false entry upon an 1888
invoice, package, or container of cigarettes upon which an entry 1889
is required by sections 5743.01 to 5743.20 of the Revised Code, 1890
nor shall any person present any such false entry for the 1891
inspection of the tax commissioner with intent to evade the tax 1892
levied under section 5743.02, ~~5743.023~~, 5743.024, or 5743.026 of 1893
the Revised Code. 1894

Sec. 5743.13. No person shall falsely or fraudulently make, 1895
forge, alter, or counterfeit any stamp prescribed by the tax 1896
commissioner under section 5743.03 of the Revised Code, or cause 1897
to be falsely or fraudulently made, forged, altered, or 1898
counterfeited any such stamp, or possess any counterfeiting 1899
device, or knowingly and willfully utter, publish, pass, or tender 1900
as true, any such false, altered, forged, or counterfeited stamp, 1901
or use more than once any such stamp for the purpose of evading 1902
the tax levied under section 5743.02, ~~5743.023~~, 5743.024, or 1903
5743.026 of the Revised Code. 1904

Sec. 5743.14. (A) The tax commissioner may inspect any place 1905
where cigarettes subject to the tax levied under section 5743.02, 1906

~~5743.023,~~ 5743.024, or 5743.026 of the Revised Code are sold or 1907
stored. 1908

(B) No person shall prevent or hinder the tax commissioner 1909
from making a full inspection of any place where cigarettes 1910
subject to the tax levied under section 5743.02, ~~5743.023,~~ 1911
5743.024, or 5743.026 of the Revised Code are sold or stored, or 1912
prevent or hinder the full inspection of invoices, books, records, 1913
or papers required to be kept by sections 5743.01 to 5743.20 of 1914
the Revised Code. 1915

Sec. 5743.32. To provide revenue for the general revenue fund 1916
of the state, an excise tax is hereby levied on the use, 1917
consumption, or storage for consumption of cigarettes by consumers 1918
in this state at the rate of ~~eleven and one-half~~ thirty-seven 1919
mills on each cigarette. The tax shall not apply if the tax levied 1920
by section 5743.02 of the Revised Code has been paid. 1921

The money received into the state treasury from the excise 1922
tax levied by this section shall be credited to the general 1923
revenue fund. 1924

Sec. 5743.33. Every person who has acquired cigarettes for 1925
use, storage, or other consumption subject to the tax levied under 1926
section 5743.32, ~~5743.322,~~ 5743.323, or 5743.324 of the Revised 1927
Code, shall, on or before the fifteenth day of the month following 1928
receipt of such cigarettes, file with the tax commissioner a 1929
return showing the amount of cigarettes acquired, together with 1930
remittance of the tax thereon. No such person shall transport 1931
within this state, cigarettes that have a wholesale value in 1932
excess of sixty dollars, unless ~~he~~ that person has obtained 1933
consent to transport the cigarettes from the department of 1934
taxation prior to such transportation. Such consent shall not be 1935
required if the applicable taxes levied under sections 5743.02, 1936
~~5743.023,~~ 5743.024, and 5743.026 of the Revised Code have been 1937

paid. Application for the consent shall be in the form prescribed 1938
by the tax commissioner. 1939

Every person transporting such cigarettes shall possess the 1940
consent while transporting or possessing the cigarettes within 1941
this state and shall produce the consent upon request of any law 1942
enforcement officer or authorized agent of the tax commissioner. 1943

Any person transporting such cigarettes without the consent 1944
required by this section, shall be subject to the provisions of 1945
this chapter, including the applicable taxes imposed by sections 1946
5743.02, ~~5743.023~~, 5743.024, and 5743.026 of the Revised Code. 1947

Sec. 5743.34. If any person required to pay the tax levied 1948
under section 5743.32, ~~5743.322~~, 5743.323, or 5743.324 of the 1949
Revised Code, fails to make remittance, the tax commissioner may 1950
issue an assessment against that person based on any information 1951
in the commissioner's possession. 1952

Sections 5743.081 and 5743.082 of the Revised Code relating 1953
to the assessments or findings, appeals from assessments or 1954
findings, the effect of assessments or findings before or after 1955
hearing and before or after filing the same in the office of the 1956
clerk of the court of common pleas, and all sections relating to 1957
the procedure, authority, duties, liabilities, powers, and 1958
privileges of the person assessed, the commissioner, the clerk, 1959
and all other public officials, shall be applicable to assessments 1960
made pursuant to this section. 1961

Sec. 5743.35. No person required by section 5743.33 of the 1962
Revised Code to file a return with the tax commissioner shall fail 1963
to make such return, or fail to pay the applicable taxes levied 1964
under section 5743.32, ~~5743.322~~, 5743.323, or 5743.324 of the 1965
Revised Code, or fail to pay any lawful assessment issued by the 1966
commissioner. 1967

Sec. 5747.01. Except as otherwise expressly provided or 1968
clearly appearing from the context, any term used in this chapter 1969
has the same meaning as when used in a comparable context in the 1970
Internal Revenue Code, and all other statutes of the United States 1971
relating to federal income taxes. 1972

As used in this chapter: 1973

(A) "Adjusted gross income" or "Ohio adjusted gross income" 1974
means adjusted gross income as defined and used in the Internal 1975
Revenue Code, adjusted as provided in this section: 1976

(1) Add interest or dividends on obligations or securities of 1977
any state or of any political subdivision or authority of any 1978
state, other than this state and its subdivisions and authorities. 1979

(2) Add interest or dividends on obligations of any 1980
authority, commission, instrumentality, territory, or possession 1981
of the United States that are exempt from federal income taxes but 1982
not from state income taxes. 1983

(3) Deduct interest or dividends on obligations of the United 1984
States and its territories and possessions or of any authority, 1985
commission, or instrumentality of the United States to the extent 1986
included in federal adjusted gross income but exempt from state 1987
income taxes under the laws of the United States. 1988

(4) Deduct disability and survivor's benefits to the extent 1989
included in federal adjusted gross income. 1990

(5) Deduct benefits under Title II of the Social Security Act 1991
and tier 1 railroad retirement benefits to the extent included in 1992
federal adjusted gross income under section 86 of the Internal 1993
Revenue Code. 1994

(6) ~~Add, in~~ In the case of a taxpayer who is a beneficiary of 1995
a trust that makes an accumulation distribution as defined in 1996
section 665 of the Internal Revenue Code, add, for the 1997

beneficiary's taxable years beginning before 2002, the portion, if 1998
any, of such distribution that does not exceed the undistributed 1999
net income of the trust for the three taxable years preceding the 2000
taxable year in which the distribution is made. "Undistributed net 2001
income of a trust" means the taxable income of the trust increased 2002
by (a)(i) the additions to adjusted gross income required under 2003
division (A) of this section and (ii) the personal exemptions 2004
allowed to the trust pursuant to section 642(b) of the Internal 2005
Revenue Code, and decreased by (b)(i) the deductions to adjusted 2006
gross income required under division (A) of this section, (ii) the 2007
amount of federal income taxes attributable to such income, and 2008
(iii) the amount of taxable income that has been included in the 2009
adjusted gross income of a beneficiary by reason of a prior 2010
accumulation distribution. Any undistributed net income included 2011
in the adjusted gross income of a beneficiary shall reduce the 2012
undistributed net income of the trust commencing with the earliest 2013
years of the accumulation period. 2014

(7) Deduct the amount of wages and salaries, if any, not 2015
otherwise allowable as a deduction but that would have been 2016
allowable as a deduction in computing federal adjusted gross 2017
income for the taxable year, had the targeted jobs credit allowed 2018
and determined under sections 38, 51, and 52 of the Internal 2019
Revenue Code not been in effect. 2020

(8) Deduct any interest or interest equivalent on public 2021
obligations and purchase obligations to the extent included in 2022
federal adjusted gross income. 2023

(9) Add any loss or deduct any gain resulting from the sale, 2024
exchange, or other disposition of public obligations to the extent 2025
included in federal adjusted gross income. 2026

(10) Deduct or add amounts, as provided under section 5747.70 2027
of the Revised Code, related to contributions to variable college 2028
savings program accounts made or tuition credits purchased 2029

pursuant to Chapter 3334. of the Revised Code. 2030

(11)(a) Deduct, to the extent not otherwise allowable as a 2031
deduction or exclusion in computing federal or Ohio adjusted gross 2032
income for the taxable year, the amount the taxpayer paid during 2033
the taxable year for medical care insurance and qualified 2034
long-term care insurance for the taxpayer, the taxpayer's spouse, 2035
and dependents. No deduction for medical care insurance under 2036
division (A)(11) of this section shall be allowed either to any 2037
taxpayer who is eligible to participate in any subsidized health 2038
plan maintained by any employer of the taxpayer or of the 2039
taxpayer's spouse, or to any taxpayer who is entitled to, or on 2040
application would be entitled to, benefits under part A of Title 2041
XVIII of the "Social Security Act," 49 Stat. 620 (1935), 42 U.S.C. 2042
301, as amended. For the purposes of division (A)(11)(a) of this 2043
section, "subsidized health plan" means a health plan for which 2044
the employer pays any portion of the plan's cost. The deduction 2045
allowed under division (A)(11)(a) of this section shall be the net 2046
of any related premium refunds, related premium reimbursements, or 2047
related insurance premium dividends received during the taxable 2048
year. 2049

(b) Deduct, to the extent not otherwise deducted or excluded 2050
in computing federal or Ohio adjusted gross income during the 2051
taxable year, the amount the taxpayer paid during the taxable 2052
year, not compensated for by any insurance or otherwise, for 2053
medical care of the taxpayer, the taxpayer's spouse, and 2054
dependents, to the extent the expenses exceed seven and one-half 2055
per cent of the taxpayer's federal adjusted gross income. 2056

(c) For purposes of division (A)(11) of this section, 2057
"medical care" has the meaning given in section 213 of the 2058
Internal Revenue Code, subject to the special rules, limitations, 2059
and exclusions set forth therein, and "qualified long-term care" 2060
has the same meaning given in section 7702(B)(b) of the Internal 2061

Revenue Code. 2062

(12)(a) Deduct any amount included in federal adjusted gross 2063
income solely because the amount represents a reimbursement or 2064
refund of expenses that in any year the taxpayer had deducted as 2065
an itemized deduction pursuant to section 63 of the Internal 2066
Revenue Code and applicable United States department of the 2067
treasury regulations. The deduction otherwise allowed under 2068
division (A)(12)(a) of this section shall be reduced to the extent 2069
the reimbursement is attributable to an amount the taxpayer 2070
deducted under this section in any taxable year. 2071

(b) Add any amount not otherwise included in Ohio adjusted 2072
gross income for any taxable year to the extent that the amount is 2073
attributable to the recovery during the taxable year of any amount 2074
deducted or excluded in computing federal or Ohio adjusted gross 2075
income in any taxable year. 2076

(13) Deduct any portion of the deduction described in section 2077
1341(a)(2) of the Internal Revenue Code, for repaying previously 2078
reported income received under a claim of right, that meets both 2079
of the following requirements: 2080

(a) It is allowable for repayment of an item that was 2081
included in the taxpayer's adjusted gross income for a prior 2082
taxable year and did not qualify for a credit under division (A) 2083
or (B) of section 5747.05 of the Revised Code for that year; 2084

(b) It does not otherwise reduce the taxpayer's adjusted 2085
gross income for the current or any other taxable year. 2086

(14) Deduct an amount equal to the deposits made to, and net 2087
investment earnings of, a medical savings account during the 2088
taxable year, in accordance with section 3924.66 of the Revised 2089
Code. The deduction allowed by division (A)(14) of this section 2090
does not apply to medical savings account deposits and earnings 2091
otherwise deducted or excluded for the current or any other 2092

taxable year from the taxpayer's federal adjusted gross income.	2093
(15)(a) Add an amount equal to the funds withdrawn from a	2094
medical savings account during the taxable year, and the net	2095
investment earnings on those funds, when the funds withdrawn were	2096
used for any purpose other than to reimburse an account holder	2097
for, or to pay, eligible medical expenses, in accordance with	2098
section 3924.66 of the Revised Code;	2099
(b) Add the amounts distributed from a medical savings	2100
account under division (A)(2) of section 3924.68 of the Revised	2101
Code during the taxable year.	2102
(16) Add any amount claimed as a credit under section	2103
5747.059 of the Revised Code to the extent that such amount	2104
satisfies either of the following:	2105
(a) The amount was deducted or excluded from the computation	2106
of the taxpayer's federal adjusted gross income as required to be	2107
reported for the taxpayer's taxable year under the Internal	2108
Revenue Code;	2109
(b) The amount resulted in a reduction of the taxpayer's	2110
federal adjusted gross income as required to be reported for any	2111
of the taxpayer's taxable years under the Internal Revenue Code.	2112
(17) Deduct the amount contributed by the taxpayer to an	2113
individual development account program established by a county	2114
department of job and family services pursuant to sections 329.11	2115
to 329.14 of the Revised Code for the purpose of matching funds	2116
deposited by program participants. On request of the tax	2117
commissioner, the taxpayer shall provide any information that, in	2118
the tax commissioner's opinion, is necessary to establish the	2119
amount deducted under division (A)(17) of this section.	2120
(18) Beginning in taxable year 2001, if the taxpayer is	2121
married and files a joint return and the combined federal adjusted	2122
gross income of the taxpayer and the taxpayer's spouse for the	2123

taxable year does not exceed one hundred thousand dollars, or if
the taxpayer is single and has a federal adjusted gross income for
the taxable year not exceeding fifty thousand dollars, deduct
amounts paid during the taxable year for qualified tuition and
fees paid to an eligible institution for the taxpayer, the
taxpayer's spouse, or any dependent of the taxpayer, who is a
resident of this state and is enrolled in or attending a program
that culminates in a degree or diploma at an eligible institution.
The deduction may be claimed only to the extent that qualified
tuition and fees are not otherwise deducted or excluded for any
taxable year from federal or Ohio adjusted gross income. The
deduction may not be claimed for educational expenses for which
the taxpayer claims a credit under section 5747.27 of the Revised
Code.

(19) Add any reimbursement received during the taxable year
of any amount the taxpayer deducted under division (A)(18) of this
section in any previous taxable year to the extent the amount is
not otherwise included in Ohio adjusted gross income.

(20)(a) Add five-sixths of the amount of depreciation expense
allowed by subsection (k) of section 168 of the Internal Revenue
Code, including the taxpayer's proportionate or distributive share
of the amount of depreciation expense allowed by that subsection
to a pass-through entity in which the taxpayer has a direct or
indirect ownership interest. The tax commissioner, under
procedures established by the commissioner, may waive the add-back
related to a pass-through entity if the taxpayer owns, directly or
indirectly, less than five per cent of the pass-through entity.

(b) Nothing in division (A)(20) of this section shall be
construed to adjust or modify the adjusted basis of any asset.

(c) To the extent the add-back required under division
(A)(20)(a) of this section is attributable to property generating

nonbusiness income or loss allocated under section 5747.20 of the
Revised Code, the add-back shall be sitused to the same location
as the nonbusiness income or loss generated by the property for
the purpose of determining the credit under division (A) of
section 5747.05 of the Revised Code. Otherwise, the add-back shall
be apportioned, subject to one or more of the four alternative
methods of apportionment enumerated in section 5747.21 of the
Revised Code.

(21)(a) If the taxpayer was required to add an amount under
division (A)(20)(a) of this section for a taxable year, deduct
one-fifth of the amount so added for each of the five succeeding
taxable years.

(b) If the amount deducted under division (A)(21)(a) of this
section is attributable to an add-back allocated under division
(A)(20)(c) of this section, the amount deducted shall be sitused
to the same location. Otherwise, the add-back shall be apportioned
using the apportionment factors for the taxable year in which the
deduction is taken, subject to one or more of the four alternative
methods of apportionment enumerated in section 5747.21 of the
Revised Code.

(B) "Business income" means income arising from transactions,
activities, and sources in the regular course of a trade or
business and includes income from tangible and intangible property
if the acquisition, rental, management, and disposition of the
property constitute integral parts of the regular course of a
trade or business operation.

(C) "Nonbusiness income" means all income other than business
income and may include, but is not limited to, compensation, rents
and royalties from real or tangible personal property, capital
gains, interest, dividends and distributions, patent or copyright
royalties, or lottery winnings, prizes, and awards.

(D) "Compensation" means any form of remuneration paid to an 2188
employee for personal services. 2189

(E) "Fiduciary" means a guardian, trustee, executor, 2190
administrator, receiver, conservator, or any other person acting 2191
in any fiduciary capacity for any individual, trust, or estate. 2192

(F) "Fiscal year" means an accounting period of twelve months 2193
ending on the last day of any month other than December. 2194

(G) "Individual" means any natural person. 2195

(H) "Internal Revenue Code" means the "Internal Revenue Code 2196
of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as amended. 2197

(I) "Resident" means: 2198

(1) An individual who is domiciled in this state, subject to 2199
section 5747.24 of the Revised Code; 2200

(2) The estate of a decedent who at the time of death was 2201
domiciled in this state. The domicile tests of section 5747.24 of 2202
the Revised Code and any election under section 5747.25 of the 2203
Revised Code are not controlling for purposes of division (I)(2) 2204
of this section. 2205

(3) A trust that, in whole or part, resides in this state. If 2206
only part of a trust resides in this state, the trust is a 2207
resident only with respect to that part. For the purposes of 2208
division (I)(3) of this section, a trust resides in this state to 2209
the extent that it consists of the net current value, adjusted for 2210
any profits, gains, or losses, of assets or liabilities that were 2211
transferred to the trust by any of the following: 2212

(a) The will of a decedent who was domiciled in this state at 2213
the time of the decedent's death; 2214

(b) A person who is domiciled in this state if the trust or 2215
part of the trust is not irrevocable; 2216

(c) A person who was domiciled in this state when the trust 2217
or part of the trust became irrevocable, but only if, for all or 2218
some portion of the current taxable year of the trust, at least 2219
one beneficiary of the trust is a resident for the purposes of 2220
this chapter. 2221

For the purpose of divisions (I)(3)(b) and (c) of this 2222
section, the transfer of net assets to a trust is irrevocable to 2223
the extent that the transferor is not considered to be the owner 2224
of the net assets under sections 671 to 678 of the Internal 2225
Revenue Code. 2226

The tax commissioner may adopt rules to ascertain the part of 2227
a trust residing in this state under this division. 2228

(J) "Nonresident" means an individual or estate that is not a 2229
resident. An individual who is a resident for only part of a 2230
taxable year is a nonresident for the remainder of that taxable 2231
year. 2232

(K) "Pass-through entity" has the same meaning as in section 2233
5733.04 of the Revised Code. 2234

(L) "Return" means the notifications and reports required to 2235
be filed pursuant to this chapter for the purpose of reporting the 2236
tax due and includes declarations of estimated tax when so 2237
required. 2238

(M) "Taxable year" means the calendar year or the taxpayer's 2239
fiscal year ending during the calendar year, or fractional part 2240
thereof, upon which the adjusted gross income is calculated 2241
pursuant to this chapter. 2242

(N) "Taxpayer" means any person subject to the tax imposed by 2243
section 5747.02 of the Revised Code or any pass-through entity 2244
that makes the election under division (D) of section 5747.08 of 2245
the Revised Code. 2246

(O) "Dependents" means dependents as defined in the Internal Revenue Code and as claimed in the taxpayer's federal income tax return for the taxable year or which the taxpayer would have been permitted to claim had the taxpayer filed a federal income tax return.

(P) "Principal county of employment" means, in the case of a nonresident, the county within the state in which a taxpayer performs services for an employer or, if those services are performed in more than one county, the county in which the major portion of the services are performed.

(Q) As used in sections 5747.50 to 5747.55 of the Revised Code:

(1) "Subdivision" means any county, municipal corporation, park district, or township.

(2) "Essential local government purposes" includes all functions that any subdivision is required by general law to exercise, including like functions that are exercised under a charter adopted pursuant to the Ohio Constitution.

(R) "Overpayment" means any amount already paid that exceeds the figure determined to be the correct amount of the tax.

(S) "Taxable income" applies only to estates ~~only~~ and trusts, and means taxable income as defined and used in the Internal Revenue Code adjusted as follows:

(1) Add interest or dividends on obligations or securities of any state or of any political subdivision or authority of any state, other than this state and its subdivisions and authorities;

(2) Add interest or dividends on obligations of any authority, commission, instrumentality, territory, or possession of the United States that are exempt from federal income taxes but not from state income taxes;

(3) Add the amount of personal exemption allowed to the 2277
estate pursuant to section 642(b) of the Internal Revenue Code; 2278

(4) Deduct interest or dividends on obligations of the United 2279
States and its territories and possessions or of any authority, 2280
commission, or instrumentality of the United States that are 2281
exempt from state taxes under the laws of the United States; 2282
2283

(5) Deduct the amount of wages and salaries, if any, not 2284
otherwise allowable as a deduction but that would have been 2285
allowable as a deduction in computing federal taxable income for 2286
the taxable year, had the targeted jobs credit allowed under 2287
sections 38, 51, and 52 of the Internal Revenue Code not been in 2288
effect; 2289

(6) Deduct any interest or interest equivalent on public 2290
obligations and purchase obligations to the extent included in 2291
federal taxable income; 2292

(7) Add any loss or deduct any gain resulting from sale, 2293
exchange, or other disposition of public obligations to the extent 2294
included in federal taxable income; 2295

(8) Except in the case of the final return of an estate, add 2296
any amount deducted by the taxpayer on both its Ohio estate tax 2297
return pursuant to section 5731.14 of the Revised Code, and on its 2298
federal income tax return in determining either federal adjusted 2299
gross income or federal taxable income; 2300

(9)(a) Deduct any amount included in federal taxable income 2301
solely because the amount represents a reimbursement or refund of 2302
expenses that in a previous year the decedent had deducted as an 2303
itemized deduction pursuant to section 63 of the Internal Revenue 2304
Code and applicable treasury regulations. The deduction otherwise 2305
allowed under division (S)(9)(a) of this section shall be reduced 2306
to the extent the reimbursement is attributable to an amount the 2307

taxpayer or decedent deducted under this section in any taxable	2308
year.	2309
(b) Add any amount not otherwise included in Ohio taxable	2310
income for any taxable year to the extent that the amount is	2311
attributable to the recovery during the taxable year of any amount	2312
deducted or excluded in computing federal or Ohio taxable income	2313
in any taxable year.	2314
(10) Deduct any portion of the deduction described in section	2315
1341(a)(2) of the Internal Revenue Code, for repaying previously	2316
reported income received under a claim of right, that meets both	2317
of the following requirements:	2318
(a) It is allowable for repayment of an item that was	2319
included in the taxpayer's taxable income or the decedent's	2320
adjusted gross income for a prior taxable year and did not qualify	2321
for a credit under division (A) or (B) of section 5747.05 of the	2322
Revised Code for that year.	2323
(b) It does not otherwise reduce the taxpayer's taxable	2324
income or the decedent's adjusted gross income for the current or	2325
any other taxable year.	2326
(11) Add any amount claimed as a credit under section	2327
5747.059 of the Revised Code to the extent that the amount	2328
satisfies either of the following:	2329
(a) The amount was deducted or excluded from the computation	2330
of the taxpayer's federal taxable income as required to be	2331
reported for the taxpayer's taxable year under the Internal	2332
Revenue Code;	2333
(b) The amount resulted in a reduction in the taxpayer's	2334
federal taxable income as required to be reported for any of the	2335
taxpayer's taxable years under the Internal Revenue Code.	2336
<u>(12) Deduct any amount that a trust is required to report as</u>	2337

farm income on its federal income tax return, but only if the 2338
assets of the trust include at least ten acres of land satisfying 2339
the definition of "land devoted exclusively to agricultural use" 2340
under section 5713.30 of the Revised Code, regardless of whether 2341
the land is valued for tax purposes as such land under sections 2342
5713.30 to 5713.38 of the Revised Code. 2343

(T) "School district income" and "school district income tax" 2344
have the same meanings as in section 5748.01 of the Revised Code. 2345
2346

(U) As used in divisions (A)(8), (A)(9), (S)(6), and (S)(7) 2347
of this section, "public obligations," "purchase obligations," and 2348
"interest or interest equivalent" have the same meanings as in 2349
section 5709.76 of the Revised Code. 2350

(V) "Limited liability company" means any limited liability 2351
company formed under Chapter 1705. of the Revised Code or under 2352
the laws of any other state. 2353

(W) "Pass-through entity investor" means any person who, 2354
during any portion of a taxable year of a pass-through entity, is 2355
a partner, member, shareholder, or investor in that pass-through 2356
entity. 2357

(X) "Banking day" has the same meaning as in section 1304.01 2358
of the Revised Code. 2359

(Y) "Month" means a calendar month. 2360

(Z) "Quarter" means the first three months, the second three 2361
months, the third three months, or the last three months of the 2362
taxpayer's taxable year. 2363

(AA)(1) "Eligible institution" means a state university or 2364
state institution of higher education as defined in section 2365
3345.011 of the Revised Code, or a private, nonprofit college, 2366
university, or other post-secondary institution located in this 2367

state that possesses a certificate of authorization issued by the
Ohio board of regents pursuant to Chapter 1713. of the Revised
Code or a certificate of registration issued by the state board of
proprietary school registration under Chapter 3332. of the Revised
Code.

(2) "Qualified tuition and fees" means tuition and fees
imposed by an eligible institution as a condition of enrollment or
attendance, not exceeding two thousand five hundred dollars in
each of the individual's first two years of post-secondary
education. If the individual is a part-time student, "qualified
tuition and fees" includes tuition and fees paid for the academic
equivalent of the first two years of post-secondary education
during a maximum of five taxable years, not exceeding a total of
five thousand dollars. "Qualified tuition and fees" does not
include:

(a) Expenses for any course or activity involving sports,
games, or hobbies unless the course or activity is part of the
individual's degree or diploma program;

(b) The cost of books, room and board, student activity fees,
athletic fees, insurance expenses, or other expenses unrelated to
the individual's academic course of instruction;

(c) Tuition, fees, or other expenses paid or reimbursed
through an employer, scholarship, grant in aid, or other
educational benefit program.

(BB) Any term used in this chapter that is not otherwise
defined in this section and that is not used in a comparable
context in the Internal Revenue Code and other statutes of the
United States relating to federal income taxes has the same
meaning as in section 5733.40 of the Revised Code.

Sec. 5747.02. (A) For the purpose of providing revenue for

the support of schools and local government functions, to provide 2398
relief to property taxpayers, to provide revenue for the general 2399
revenue fund, and to meet the expenses of administering the tax 2400
levied by this chapter, there is hereby levied on every 2401
individual, trust, and ~~every~~ estate residing in or earning or 2402
receiving income in this state, on every individual, trust, and 2403
estate earning or receiving lottery winnings, prizes, or awards 2404
pursuant to Chapter 3770. of the Revised Code, and on every 2405
individual, trust, and estate otherwise having nexus with or in 2406
this state under the Constitution of the United States, an annual 2407
tax measured in the case of individuals by adjusted gross income 2408
less an exemption for the taxpayer, the taxpayer's spouse, and 2409
each dependent as provided in section 5747.025 of the Revised 2410
Code; measured in the case of trusts by the sum of the taxable 2411
income allocated or apportioned to this state under division 2412
(D)(1) of this section; and measured in the case of estates by 2413
taxable income. The tax imposed by this section on the balance 2414
thus obtained is hereby levied as follows: 2415

ADJUSTED GROSS INCOME LESS 2416

EXEMPTIONS (INDIVIDUALS)

OR 2417

ALLOCATED AND APPORTIONED 2418

TAXABLE INCOME (TRUSTS) 2419

OR 2420

TAXABLE INCOME (ESTATES) TAX 2421

\$5,000 or less	.743%	2422
-----------------	-------	------

More than \$5,000 but not more	\$37.15 plus 1.486% of the amount	2423
than \$10,000	in excess of \$5,000	

More than \$10,000 but not more	\$111.45 plus 2.972% of the	2424
than \$15,000	amount in excess of \$10,000	

More than \$15,000 but not more	\$260.05 plus 3.715% of the	2425
than \$20,000	amount in excess of \$15,000	

More than \$20,000 but not more	\$445.80 plus 4.457% of the	2426
---------------------------------	-----------------------------	------

than \$40,000	amount in excess of \$20,000	
More than \$40,000 but not more than \$80,000	\$1,337.20 plus 5.201% of the amount in excess of \$40,000	2427
More than \$80,000 but not more than \$100,000	\$3,417.60 plus 5.943% of the amount in excess of \$80,000	2428
More than \$100,000 but not more than \$200,000	\$4,606.20 plus 6.9% of the amount in excess of \$100,000	2429
More than \$200,000	\$11,506.20 plus 7.5% of the amount in excess of \$200,000	2430

(B) If the director of budget and management makes a certification to the tax commissioner under division (B) of section 131.44 of the Revised Code, the amount of tax as determined under division (A) of this section shall be reduced by the percentage prescribed in that certification for taxable years beginning in the calendar year in which that certification is made.

(C) The levy of this tax on income does not prevent a municipal corporation, a joint economic development zone created under section 715.691, or a joint economic development district created under section 715.70 or 715.71 or sections 715.72 to 715.81 of the Revised Code from levying a tax on income.

(D) For the purpose of determining the tax imposed against a trust under this section:

(1)(a) Except as provided in division (D)(1)(b) of this section, the taxable income of the trust shall be allocated and apportioned to this state in the same manner as the net income of a corporation is allocated and apportioned to this state under sections 5733.05 and 5733.051 of the Revised Code.

(b) Notwithstanding divisions (E) and (F) of section 5733.051 of the Revised Code, capital gains and losses from the sale or other disposition of intangible property that may produce income enumerated in division (F) of that section and dividends and

distributions from a domestic international sales corporation, or 2454
from a payor the location of whose physical assets is unavailable 2455
to the trust, are allocable to this state to the extent the 2456
capital gains and losses or dividends and distributions are 2457
attributable to assets held by a trust or portion of a trust that 2458
is a resident for the purposes of this chapter. 2459

(c) Notwithstanding division (D)(1)(a) of this section, 2460
income from intangible assets not described in division (D)(1)(b) 2461
of this section and capital gains and losses from the sale or 2462
disposition of intangible assets not described in division 2463
(D)(1)(b) of this section are allocable to this state to the 2464
extent those assets are held by a trust or portion of a trust that 2465
is a resident for the purposes of this chapter. 2466

(2) The tax shall be the sum of the taxable income allocated 2467
and apportioned to this state under division (D)(1) of this 2468
section multiplied by the rates prescribed by division (A) of this 2469
section. 2470

(3) Only credits enumerated in divisions (A)(14) to (33) of 2471
section 5747.98 of the Revised Code are applicable against the 2472
tax. 2473

(E) For the purposes of this section, "trust" means any trust 2474
described in Subchapter J of the Internal Revenue Code, excluding 2475
a trust exempted from taxation under section 501(c)(3) of Internal 2476
Revenue Code. 2477

Sec. 5747.05. As used in this section, "income tax" includes 2478
both a tax on net income and a tax measured by net income. 2479

The following credits shall be allowed against the income tax 2480
imposed by section 5747.02 of the Revised Code on individuals and 2481
estates: 2482

(A)(1) The amount of tax otherwise due under section 5747.02 2483

of the Revised Code on such portion of the adjusted gross income 2484
of any nonresident taxpayer that is not allocable to this state 2485
pursuant to sections 5747.20 to 5747.23 of the Revised Code; 2486

(2) The credit provided under this division shall not exceed 2487
the portion of the total tax due under section 5747.02 of the 2488
Revised Code that the amount of the nonresident taxpayer's 2489
adjusted gross income not allocated to this state pursuant to 2490
sections 5747.20 to 5747.23 of the Revised Code bears to the total 2491
adjusted gross income of the nonresident taxpayer derived from all 2492
sources everywhere. 2493

(3) The tax commissioner may enter into an agreement with the 2494
taxing authorities of any state or of the District of Columbia 2495
that imposes an income tax to provide that compensation paid in 2496
this state to a nonresident taxpayer shall not be subject to the 2497
tax levied in section 5747.02 of the Revised Code so long as 2498
compensation paid in such other state or in the District of 2499
Columbia to a resident taxpayer shall likewise not be subject to 2500
the income tax of such other state or of the District of Columbia. 2501

(B) The lesser of division (B)(1) or (2) of this section: 2502

(1) The amount of tax otherwise due under section 5747.02 of 2503
the Revised Code on such portion of the adjusted gross income of a 2504
resident taxpayer that in another state or in the District of 2505
Columbia is subjected to an income tax. The credit provided under 2506
division (B)(1) of this section shall not exceed the portion of 2507
the total tax due under section 5747.02 of the Revised Code that 2508
the amount of the resident taxpayer's adjusted gross income 2509
subjected to an income tax in the other state or in the District 2510
of Columbia bears to the total adjusted gross income of the 2511
resident taxpayer derived from all sources everywhere. 2512

(2) The amount of income tax liability to another state or 2513
the District of Columbia on the portion of the adjusted gross 2514

income of a resident taxpayer that in another state or in the 2515
District of Columbia is subjected to an income tax. The credit 2516
provided under division (B)(2) of this section shall not exceed 2517
the amount of tax otherwise due under section 5747.02 of the 2518
Revised Code. 2519

(3) If the credit provided under division (B) of this section 2520
is affected by a change in either the portion of adjusted gross 2521
income of a resident taxpayer subjected to an income tax in 2522
another state or the District of Columbia or the amount of income 2523
tax liability that has been paid to another state or the District 2524
of Columbia, the taxpayer shall report the change to the tax 2525
commissioner within sixty days of the change in such form as the 2526
commissioner requires. 2527

(a) In the case of an underpayment, the report shall be 2528
accompanied by payment of any additional tax due as a result of 2529
the reduction in credit together with interest on the additional 2530
tax and is a return subject to assessment under section 5747.13 of 2531
the Revised Code solely for the purpose of assessing any 2532
additional tax due under this division, together with any 2533
applicable penalty and interest. It shall not reopen the 2534
computation of the taxpayer's tax liability under this chapter 2535
from a previously filed return no longer subject to assessment 2536
except to the extent that such liability is affected by an 2537
adjustment to the credit allowed by division (B) of this section. 2538

(b) In the case of an overpayment, an application for refund 2539
may be filed under this division within the sixty day period 2540
prescribed for filing the report even if it is beyond the period 2541
prescribed in section 5747.11 of the Revised Code if it otherwise 2542
conforms to the requirements of such section. An application filed 2543
under this division shall only claim refund of overpayments 2544
resulting from an adjustment to the credit allowed by division (B) 2545
of this section unless it is also filed within the time prescribed 2546

in section 5747.11 of the Revised Code. It shall not reopen the
computation of the taxpayer's tax liability except to the extent
that such liability is affected by an adjustment to the credit
allowed by division (B) of this section.

(C) For a taxpayer sixty-five years of age or older during
the taxable year, a credit for such year equal to fifty dollars
for each return required to be filed under section 5747.08 of the
Revised Code.

(D) A taxpayer sixty-five years of age or older during the
taxable year who has received a lump-sum distribution from a
pension, retirement, or profit-sharing plan in the taxable year
may elect to receive a credit under this division in lieu of the
credit to which ~~he~~ the taxpayer is entitled under division (C) of
this section. A taxpayer making such election shall receive a
credit for the taxable year equal to fifty dollars times the
taxpayer's expected remaining life as shown by annuity tables
issued under the provisions of the Internal Revenue Code and in
effect for the calendar year which includes the last day of the
taxable year. A taxpayer making an election under this division is
not entitled to the credit authorized under division (C) of this
section in subsequent taxable years except that if such election
was made prior to July 1, 1983, the taxpayer is entitled to
one-half the credit authorized under such division in subsequent
taxable years but may not make another election under this
division.

(E) A taxpayer who is not sixty-five years of age or older
during the taxable year who has received a lump-sum distribution
from a pension, retirement, or profit-sharing plan in a taxable
year ending on or before July 31, 1991, may elect to take a credit
against the tax otherwise due under this chapter for such year
equal to fifty dollars times the expected remaining life of a
taxpayer sixty-five years of age as shown by annuity tables issued

under the provisions of the Internal Revenue Code and in effect
for the calendar year which includes the last day of the taxable
year. A taxpayer making an election under this division is not
entitled to a credit under division (C) or (D) of this section in
any subsequent year except that if such election was made prior to
July 1, 1983, the taxpayer is entitled to one-half the credit
authorized under division (C) of this section in subsequent years
but may not make another election under this division. No taxpayer
may make an election under this division for a taxable year ending
on or after August 1, 1991.

(F) A taxpayer making an election under either division (D)
or (E) of this section may make only one such election in the
taxpayer's lifetime.

(G)(1) On a joint return filed by a husband and wife, each of
whom had adjusted gross income of at least five hundred dollars,
exclusive of interest, dividends and distributions, royalties,
rent, and capital gains, a credit equal to the percentage shown in
the table contained in this division of the amount of tax due
after allowing for any other credit that precedes the credit under
this division in the order required under section 5747.98 of the
Revised Code.

(2) The credit to which a taxpayer is entitled under this
division in any taxable year is the percentage shown in column B
that corresponds with the taxpayer's adjusted gross income, less
exemptions for the taxable year:

A.	B.	
IF THE ADJUSTED GROSS INCOME, LESS	THE CREDIT FOR THE TAXABLE	
EXEMPTIONS, FOR THE TAX YEAR IS:	YEAR IS:	
\$25,000 or less	20%	
More than \$25,000 but not more	15%	
than \$50,000		
More than \$50,000 but not more	10%	

than \$75,000

More than \$75,000 5% 2609

(3) The credit allowed under this division shall not exceed 2610
six hundred fifty dollars in any taxable year. 2611

(H) No claim for credit under this section shall be allowed 2612
unless the claimant furnishes such supporting information as the 2613
tax commissioner prescribes by rules. Each credit under this 2614
section shall be claimed in the order required under section 2615
5747.98 of the Revised Code. 2616

(I) An individual who is a resident for part of a taxable 2617
year and a nonresident for the remainder of the taxable year is 2618
allowed the credits under divisions (A) and (B) of this section in 2619
accordance with rules prescribed by the tax commissioner. In no 2620
event shall the same income be subject to both credits. 2621

(J) The credit allowed under division (A) of this section 2622
shall be calculated based upon the amount of tax due under section 2623
5747.02 of the Revised Code after subtracting any other credits 2624
that precede the credit under that division in the order required 2625
under section 5747.98 of the Revised Code. The credit allowed 2626
under division (B) of this section shall be calculated based upon 2627
the amount of tax due under section 5747.02 of the Revised Code 2628
after subtracting any other credits that precede the credit under 2629
that division in the order required under section 5747.98 of the 2630
Revised Code. 2631

(K) No credit shall be allowed under division (B) of this 2632
section unless the taxpayer furnishes such proof as the tax 2633
commissioner shall require that the income tax liability has been 2634
paid to another state or the District of Columbia. 2635

(L) No credit shall be allowed under division (B) of this 2636
section for compensation that is not subject to the income tax of 2637
another state or the District of Columbia as the result of an 2638

agreement entered into by the tax commissioner under division
(A)(3) of this section.

2639
2640

Sec. 5901.02. In each county there shall be a commission
known as "the veterans service commission." Except as provided in
section 5901.021 of the Revised Code, the commission shall be
composed of five ~~persons. Those persons shall be~~ residents of the
county ~~and shall be~~ appointed to five-year terms by a judge of the
court of common pleas. At the time of appointment or reappointment
to the commission, no commission member appointed under this
section shall be an employee of the commission or hold an elective
or other appointive office of the county served by the commission.

2641
2642
2643
2644
2645
2646
2647
2648
2649
2650

Each member of the commission appointed under this section
shall be an honorably discharged or honorably separated veteran.
Within sixty days after the date of appointment, each such member
~~of the commission~~ shall file the member's form DD214 with the
governor's office of veterans affairs in accordance with
guidelines established by the director of that office.
~~Appointments to the commission~~ Such appointments shall be made
from lists of recommended persons, in the manner specified in the
following paragraph. One person shall be a representative
recommended by the American Legion; one person shall be a
representative recommended by the Veterans of Foreign Wars; one
person shall be a representative recommended by the Disabled
American Veterans; one person shall be a representative
recommended by the AMVETS; and one person shall be a
representative recommended by the Military Order of the Purple
Heart of the U.S.A., the Vietnam Veterans of America, or the
Korean War Veterans Association. If any such organization has no
post or chapter located in the county, the appointment shall be
made from lists of recommended persons submitted by posts or
chapters of any other congressionally chartered veterans

2651
2652
2653
2654
2655
2656
2657
2658
2659
2660
2661
2662
2663
2664
2665
2666
2667
2668
2669
2670

organizations located in the county. If no such other 2671
organizations have posts or chapters located in the county, the 2672
judge ~~described in the following paragraph~~ responsible for making 2673
appointments under this section may appoint any qualified veteran 2674
to represent the veteran community. 2675

On or before the fifteenth day of October of each year, the 2676
~~appointing judge of the court of common pleas who is responsible~~ 2677
~~for making appointments to the commission~~ shall notify each post 2678
or chapter of each organization within the county from which the 2679
member may or must be appointed that it may submit a list 2680
containing three recommendations of persons who are eligible for 2681
appointment. If the judge does not receive any recommendations 2682
within sixty days after providing the required notification, the 2683
judge may appoint any qualified veteran to represent the veteran 2684
community. The judge shall make the appointment on or before the 2685
fifteenth day of January of each year. ~~Vacancies occurring on the~~ 2686
~~commission~~ Any vacancy in a membership appointed under this 2687
section shall be filled in the same manner as the original 2688
appointments. 2689

Beginning in the year 2000, ~~appointments~~ appointment of 2690
members to the commission under this section shall be made as 2691
follows: 2692

(A) Appointments for members to represent the American Legion 2693
shall be made for terms to commence in years ending in zero and 2694
five. 2695

(B) Appointments for members to represent the Veterans of 2696
Foreign Wars shall be made for terms to commence in years ending 2697
in one and six. 2698

(C) Appointments for members to represent the Disabled 2699
American Veterans shall be made for terms to commence in years 2700
ending in two and seven. 2701

(D) Appointments for members to represent the AMVETS shall be 2702
made for terms to commence in years ending in three and eight. 2703

(E) Appointments for members to represent the Military Order 2704
of the Purple Heart of the U.S.A., the Vietnam Veterans of 2705
America, or the Korean War Veterans Association shall be made for 2706
terms to commence in years ending in four and nine. 2707

The terms immediately preceding the initial appointments made 2708
under divisions (A) to (E) of this section may be for periods of 2709
less than five years. 2710

Sec. 5901.021. This section applies only to counties having a 2711
population, according to the most recent decennial census, of more 2712
than four hundred thousand. In any such county in which the 2713
veterans service commission submits a budget request under section 2714
5901.11 of the Revised Code for the ensuing fiscal year that 2715
exceeds (1) twenty-five-thousandths of one per cent of the 2716
assessed value of property in the county or (2) the amount 2717
appropriated to the commission from the county general fund in the 2718
current fiscal year by more than ten per cent of that 2719
appropriation, the board of county commissioners, by resolution, 2720
may create not more than six memberships on the veterans service 2721
commission in addition to the memberships provided for by section 2722
5901.02 of the Revised Code. The board shall prescribe the number 2723
of years such memberships shall exist, which shall not exceed five 2724
years. Once a board of county commissioners creates such 2725
memberships, it may not create additional memberships under this 2726
section if the total number of such memberships would exceed six. 2727
The board shall appoint residents of the county to each of the 2728
additional memberships for terms prescribed by the board and 2729
commencing on a date fixed by the board. 2730

If the board of county commissioners appoints such additional 2731
members, the board may permit the commission to submit an original 2732

or revised budget request for the ensuing fiscal year later than 2733
the last Monday in May, as otherwise required under section 2734
5901.11 of the Revised Code. 2735

The board of county commissioners may remove, for cause, any 2736
member appointed under this section; shall provide for whether 2737
such members may be reappointed upon the expiration of their 2738
terms; and shall fill any vacancy in a membership appointed under 2739
this section for the unexpired term in the manner provided for the 2740
original appointment. 2741

Sec. 5901.03. The veterans service commission shall select 2742
one of its members as president, one as vice-president, and one as 2743
secretary. The commission shall meet at least once each month. A 2744
judge of the court of common pleas may remove, for cause, any 2745
member of the commission ~~for cause~~ appointed under section 5901.02 2746
of the Revised Code, and shall fill vacancies ~~occurring on the~~ 2747
~~commission occurring among memberships appointed under that~~ 2748
section for the unexpired terms, in the manner provided ~~in section~~ 2749
~~5901.02 of the Revised Code for the original appointments.~~ 2750

The commission's duties shall include but are not limited to 2751
the following: 2752

(A) Employing such staff as are necessary to carry out the 2753
commission's duties, and fixing their compensation; 2754

(B) Establishing policies and procedures for the 2755
administration of the commission and the veterans service office; 2756

(C) Establishing policies and procedures for the 2757
administration of assistance as provided under this chapter; 2758

(D) Causing the budgets of the veterans service commission 2759
and veterans service office to be presented to the board of county 2760
commissioners for approval; 2761

(E) Establishing programs of outreach and coordination with 2762

other agencies to enhance available services to veterans within 2763
the county; 2764

(F) Promoting, monitoring, and providing funding for ongoing 2765
education and training for veterans service commissioners and 2766
staff; 2767

(G) Making reports to the organizations represented on the 2768
commission, as provided in section 5901.02 of the Revised Code, 2769
and to others, upon request; 2770

(H) Establishing regularly scheduled transportation for 2771
veterans to and from veterans administration medical centers whose 2772
districts the county is within, through contractual agreements or 2773
through other arrangements determined by the commission to be most 2774
cost-effective; 2775

(I) Participating in appropriate memorial and commemorative 2776
activities to help promote patriotism and veterans services; 2777

(J) Taking any other actions required by this chapter. 2778

Sec. 5919.34. (A) As used in this section: 2779

(1) "Academic term" means any one of the following: 2780

(a) Fall term, which consists of fall semester or fall 2781
quarter, as appropriate; 2782

(b) Winter term, which consists of winter semester, winter 2783
quarter, or spring semester, as appropriate; 2784

(c) Spring term, which consists of spring quarter; 2785

(d) Summer term, which consists of summer semester or summer 2786
quarter, as appropriate. 2787

(2) "Eligible applicant" means any individual to whom all of 2788
the following apply: 2789

(a) The individual does not possess a baccalaureate degree. 2790

(b) The individual has enlisted, re-enlisted, or extended 2791
current enlistment in the Ohio national guard or is an individual 2792
to which division (F) of this section applies. 2793

(c) The individual is actively enrolled as a full-time or 2794
part-time student for at least six credit hours of course work in 2795
a semester or quarter in a two-year or four-year degree-granting 2796
program at an institution of higher education or in a 2797
diploma-granting program at an institution of higher education 2798
that is a school of nursing. 2799

(d) The individual has not accumulated ninety-six eligibility 2800
units under division (E) of this section. 2801

(3) "Institution of higher education" means an Ohio 2802
institution of higher education that is state-assisted, that is 2803
nonprofit and has received a certificate of authorization from the 2804
Ohio board of regents pursuant to Chapter 1713. of the Revised 2805
Code, that is a private institution exempt from regulation under 2806
Chapter 3332. of the Revised Code as prescribed in section 2807
3333.046 of the Revised Code, or that holds a certificate of 2808
registration and program authorization issued by the state board 2809
of proprietary school registration pursuant to section 3332.05 of 2810
the Revised Code. 2811

(4) "State university" has the same meaning as in section 2812
3345.011 of the Revised Code. 2813

(B)(1) There is hereby created a scholarship program to be 2814
known as the Ohio national guard scholarship program. For the 2815
fiscal year 2000, the number of participants in the program for 2816
the fall term is limited to the equivalent of two thousand five 2817
hundred full-time participants; the number of participants in the 2818
program for the winter term is limited to the equivalent of two 2819
thousand five hundred full-time participants; the number of 2820
participants in the program for the spring term is limited to the 2821

equivalent of one thousand six hundred seventy-five full-time
participants; and the number of participants in the program for
the summer term is limited to the equivalent of six hundred
full-time participants. Except as provided in division (B)(2) of
this section for the fiscal year 2001 and succeeding fiscal years,
the number of participants in the program for the fall term is
limited to the equivalent of three thousand five hundred full-time
participants; the number of participants in the program for the
winter term is limited to the equivalent of three thousand five
hundred full-time participants; the number of participants in the
program for the spring term is limited to the equivalent of two
thousandthree hundred forty-five full-time participants; and the
number of participants in the program for the summer term is
limited to the equivalent of eight hundred full-time participants.

(2) After the application deadline for any academic term in
fiscal year 2001, the adjutant general may request the controlling
board, if sufficient appropriated funds are available, to approve
the following number of additional participants for that term:

(a) For the fall or winter academic term, up to the
equivalent of five hundred additional full-time participants;

(b) For the spring academic term, up to the equivalent of
three hundred seventy-five additional full-time participants;

(c) For the summer academic term, up to the equivalent of one
hundred twenty-five additional full-time participants.

(C) If the adjutant general estimates that appropriations for
all scholarships applied for under this section and likely to be
used during an academic term are inadequate for all eligible
applicants for that academic term to receive scholarships, the
adjutant general shall promptly inform all applicants not
receiving scholarships for that academic term of the next academic
term that appropriations will be adequate for the scholarships.

Any such eligible applicant may again apply for a scholarship
beginning that academic term if the applicant is in compliance
with all requirements established by this section and the adjutant
general for the program. The adjutant general shall process all
applications for scholarships for each academic term in the order
in which they are received. The scholarships shall be made without
regard to financial need. At no time shall one person be placed in
priority over another because of sex, race, or religion.

(D)(1) Except as provided in division ~~(H)~~(I) of this section,
for each academic term that an eligible applicant is approved for
a scholarship under this section and either remains a current
member in good standing of the Ohio national guard or is eligible
for a scholarship under division (F)(1) of this section, the
institution of higher education in which the applicant is enrolled
shall, if the applicant's enlistment obligation extends beyond the
end of that academic term or if division (F)(1) of this section
applies, be paid on the applicant's behalf the applicable one of
the following amounts:

~~(1)~~(a) If the institution is state-assisted, an amount equal
to one hundred per cent of the institution's tuition charges;

~~(2)~~(b) If the institution is a nonprofit private institution
or a private institution exempt from regulation under Chapter
3332. of the Revised Code as prescribed in section 3333.046 of the
Revised Code, an amount equal to one hundred per cent of the
average tuition charges of all state universities;

~~(3)~~(c) If the institution is an institution that holds a
certificate of registration from the state board of proprietary
school registration, the lesser of the following:

~~(a)~~(i) An amount equal to one hundred per cent of the total
instructional and general charges of the institution;

~~(b)~~(ii) An amount equal to one hundred per cent of the

average tuition charges of all state universities. 2884

~~(4)~~(2) An eligible applicant's scholarship shall not be 2885
reduced by the amount of that applicant's benefits under "the 2886
Montgomery G.I. Bill Act of 1984," Pub. L. No. 98-525, 98 Stat. 2887
2553 (1984). 2888

(E) A scholarship recipient under this section shall be 2889
entitled to receive scholarships under this section for the number 2890
of quarters or semesters it takes the recipient to accumulate 2891
ninety-six eligibility units as determined under divisions (E)(1) 2892
to (3) of this section. 2893

(1) To determine the maximum number of semesters or quarters 2894
for which a recipient is entitled to a scholarship under this 2895
section, the adjutant general shall convert a recipient's credit 2896
hours of enrollment for each academic term into eligibility units 2897
in accordance with the following table: 2898

Number of		The following		The following	
credit hours		number of		number of	
of enrollment		eligibility		eligibility	
in an academic		units if a		units if a	
term	equals	semester	or	quarter	
12 or more hours		12 units		8 units	
9 but less than 12		9 units		6 units	
6 but less than 9		6 units		4 units	

(2) A scholarship recipient under this section may continue 2907
to apply for scholarships under this section until the recipient 2908
has accumulated ninety-six eligibility units. 2909

(3) If a scholarship recipient withdraws from courses prior 2910
to the end of an academic term so that the recipient's enrollment 2911
for that academic term is less than six credit hours, no 2912
scholarship shall be paid on behalf of that person for that 2913
academic term ~~except that. Except as provided in division (F)(3)~~ 2914
of this section, if a scholarship has already been paid on behalf 2915

of the person for that academic term, the adjutant general shall 2916
add to that person's accumulated eligibility units the number of 2917
eligibility units for which the scholarship was paid. 2918

(F) This division applies to any eligible applicant called 2919
into active duty on or after September 11, 2001. As used in this 2920
division, "active duty" means active duty pursuant to an executive 2921
order of the president of the United States, an act of the 2922
congress of the United States, or section 5919.29 or 5923.21 of 2923
the Revised Code. 2924

(1) An individual to whom this division applies is eligible 2925
for scholarships under this section for those academic terms that 2926
were missed or could have been missed as a result of the 2927
individual's call into active duty. Scholarships shall not be paid 2928
for the academic term in which an eligible applicant's enlistment 2929
obligation ends unless an applicant is eligible under this 2930
division for a scholarship for such academic term due to previous 2931
active duty. 2932

(2) When an individual to whom this division applies 2933
withdraws or otherwise fails to complete courses, for which 2934
scholarships have been awarded under this section, because the 2935
individual was called into active duty, the institution of higher 2936
education shall grant the individual a leave of absence from the 2937
individual's education program and shall not impose any academic 2938
penalty for such withdrawal or failure to complete courses. 2939
Division (F)(2) of this section applies regardless of whether or 2940
not the scholarship amount was paid to the institution of higher 2941
education. 2942

(3) If an individual to whom this division applies withdraws 2943
or otherwise fails to complete courses because the individual was 2944
called into active duty, and if scholarships for those courses 2945
have already been paid, either: 2946

(a) The adjutant general shall not add to that person's 2947

2948
2949
2950
2951
2952
accumulated eligibility units calculated under division (E) of
this section the number of eligibility units for the academic
courses or term for which the scholarship was paid and the
institution of higher education shall repay the scholarship amount
to the state.

2953
2954
2955
2956
2957
2958
2959
2960
(b) The adjutant general shall add to that individual's
accumulated eligibility units calculated under division (E) of
this section the number of eligibility units for the academic
courses or term for which the scholarship was paid if the
institution of higher education agrees to permit the individual to
complete the remainder of the academic courses in which the
individual was enrolled at the time the individual was called into
active duty.

2961
2962
2963
2964
2965
2966
2967
2968
2969
2970
2971
2972
(G) A scholarship recipient under this section who fails to
complete the term of enlistment, re-enlistment, or extension of
current enlistment the recipient was serving at the time a
scholarship was paid on behalf of the recipient under this section
is liable to the state for repayment of a percentage of all Ohio
national guard scholarships paid on behalf of the recipient under
this section, plus interest at the rate of ten per cent per annum
calculated from the dates the scholarships were paid. This
percentage shall equal the percentage of the current term of
enlistment, re-enlistment, or extension of enlistment a recipient
has not completed as of the date the recipient is discharged from
the Ohio national guard.

2973
2974
2975
2976
2977
2978
2979
The attorney general may commence a civil action on behalf of
the adjutant general to recover the amount of the scholarships and
the interest provided for in this division and the expenses
incurred in prosecuting the action, including court costs and
reasonable attorney's fees. A scholarship recipient is not liable
under this division if the recipient's failure to complete the
term of enlistment being served at the time a scholarship was paid

on behalf of the recipient under this section is due to the
recipient's death; discharge from the national guard due to
disability; or the recipient's enlistment, for a term not less
than the recipient's remaining term in the national guard, in the
active component of the United States armed forces or the active
reserve component of the United States armed forces.

~~(G)~~(H) On or before the first day of each academic term, the
adjutant general shall provide an eligibility roster to each
institution of higher education at which one or more scholarship
recipients have applied for enrollment. The institution shall use
the roster to certify the actual full-time or part-time enrollment
of each scholarship recipient listed as enrolled at the
institution and return the roster to the adjutant general within
thirty days after the first day of the academic term. The adjutant
general shall report to the Ohio board of regents the number of
students in the Ohio national guard scholarship program at each
institution of higher education. The Ohio board of regents shall
provide for payment of the appropriate number and amount of
scholarships to each institution of higher education pursuant to
division (D) of this section. The adjutant general shall report on
a quarterly basis to the director of budget and management, the
speaker of the house of representatives, and the president of the
senate the number of Ohio national guard scholarship recipients
and a projection of the cost of the program for the remainder of
the biennium.

~~(H)~~(I) The chancellor of the Ohio board of regents and the
adjutant general may adopt rules pursuant to Chapter 119. of the
Revised Code governing the administration and fiscal management of
the Ohio national guard scholarship program and the procedure by
which the Ohio board of regents and the department of the adjutant
general may modify the amount of scholarships a member receives
based on the amount of other state financial aid a member

receives. 3012

~~(I)~~(J) Notwithstanding division (A) of section 127.14 of the 3013
Revised Code, the controlling board shall not transfer all or part 3014
of any appropriation for the Ohio national guard scholarship 3015
program. 3016

Section 2. That existing sections 131.44, 173.06, 173.40, 3017
2913.40, 3721.51, 3721.56, 5101.11, 5111.02, 5111.10, 5111.86, 3018
5111.871, 5112.01, 5112.06, 5112.07, 5112.11, 5123.041, 5733.04, 3019
5743.02, 5743.03, 5743.04, 5743.05, 5743.08, 5743.081, 5743.12, 3020
5743.13, 5743.14, 5743.32, 5743.33, 5743.34, 5743.35, 5747.01, 3021
5747.02, 5747.05, 5901.02, 5901.03, and 5919.34 and sections 3022
5743.023 and 5743.322 of the Revised Code are hereby repealed. 3023

Section 3. (A) As used in this section, "net additional tax" 3024
means the net additional amount of tax due on all packages of Ohio 3025
stamped cigarettes and on all unaffixed Ohio cigarette tax stamps 3026
that a wholesale or retail dealer has on hand as of the beginning 3027
of business on July 1, 2002, as a result of the amendment of 3028
section 5743.02 and the repeal of section 5743.023 of the Revised 3029
Code by this act. 3030

(B) The amendment by this act of sections 5743.02, 5743.03, 3031
5743.04, 5743.05, 5743.08, 5743.081, 5743.12, 5743.13, 5743.14, 3032
5743.32, 5743.33, 5743.34, and 5743.35 and the repeal by this act 3033
of sections 5743.023 and 5743.322 of the Revised Code take effect 3034
July 1, 2002. 3035

(C) In addition to the return required by section 5743.03 of 3036
the Revised Code, each wholesale dealer and each retail dealer 3037
shall make and file a return on forms prescribed by the Tax 3038
Commissioner, showing the net additional tax due and any other 3039
information that the Commissioner considers necessary for the 3040
administration of sections 5743.01 to 5743.20 of the Revised Code. 3041

Not later than July 31, 2002, each wholesale dealer and each
retail dealer shall deliver the return to the Treasurer of State,
together with a remittance of an amount equal to one-third of the
net additional tax. The Treasurer of State shall stamp or
otherwise mark on the return the date it was received and also
shall show on the return by stamp or otherwise the tax payment
remitted with the return. The Treasurer of State immediately shall
transmit all returns filed under this section to the Tax
Commissioner. Not later than August 31, 2002, and also not later
than September 30, 2002, each such dealer shall remit to the
Treasurer of State an amount equal to one-third of the net
additional tax. Any wholesale or retail dealer who fails to file a
return or remit the net additional tax as prescribed by this
section, for each day the dealer fails to do so, shall forfeit and
pay into the state treasury, as revenue arising from the tax
imposed by this section, a late charge equal to the greater of
fifty dollars or ten per cent of the tax due. Any unpaid or
unreported tax liability or late charge levied by this section may
be collected by assessment in the manner provided in section
5743.081 or 5743.082 of the Revised Code.

Section 4. (A) Notwithstanding sections 5743.02 and 5743.32
of the Revised Code, as amended by this act, the rate of the tax
imposed by those sections shall be thirty-four and one-half mills
on each cigarette from the first day of the first month after the
month in which the Director of Budget and Management makes the
certification to the Tax Commissioner under division (B) of this
section.

(B) In the first month beginning after fiscal year 2002 in
which the balance in the Budget Stabilization Fund created under
section 131.43 of the Revised Code equals or exceeds five per cent
of the General Revenue Fund revenues for the preceding fiscal
year, the Director of Budget and Management shall certify such

fact to the Tax Commissioner. The Tax Commissioner shall notify
wholesale and retail dealers of the reduction in the rate of such
taxes.

3074
3075
3076

Section 5. To ease taxpayer compliance burdens, each taxpayer
having a taxable year ending after September 10, 2001, and before
the effective date of this section, may elect to apply to that
taxable year the amendment by this act of section 5733.04 of the
Revised Code, by the addition of divisions (I)(17) and (18) of
that section, and of section 5747.01 of the Revised Code by the
addition of divisions (A)(20) and (21) of that section. If the
taxpayer has more than one taxable year ending during that period
and makes that election, the election applies to all those taxable
years. The election shall accompany or be reflected in the report
or return when filed, or shall accompany or be reflected in an
amended report. The election is revocable at the option of the
person making the election, but no revocation is effective if it
is made after the ninetieth day before the last day of the
applicable period of time described in division (B) of section
5733.12 or division (B) of section 5747.11 of the Revised Code, as
applicable.

3077
3078
3079
3080
3081
3082
3083
3084
3085
3086
3087
3088
3089
3090
3091
3092
3093

Section 6. (A) The Committee to Study State and Local Taxes
is hereby created. The committee shall consist of nine members.
The Speaker of the House of Representatives shall appoint three
members of the House of Representatives to the committee, not more
than two of whom shall be from the majority party. The President
of the Senate shall appoint three members of the Senate to the
committee, not more than two of whom shall be from the majority
party. One member shall be the Tax Commissioner, one shall be the
Director of Budget and Management, and one shall be the Director
of Development. Vacancies shall be filled in the same manner as
original appointments. The members of the committee shall be

3094
3095
3096
3097
3098
3099
3100
3101
3102
3103
3104

appointed within thirty days after the effective date of this 3105
section. The members shall select a chairperson of the committee 3106
from among themselves. A majority of the committee constitutes a 3107
quorum for the conduct of official business. 3108

(B) The committee may request staff assistance from the 3109
Legislative Service Commission as well as the participating 3110
agencies. The committee may meet during periods when the General 3111
Assembly has adjourned, and may solicit and take testimony from 3112
experts on public finance and taxation as well as from interested 3113
parties. All state agencies and local governments shall comply 3114
promptly with any requests by the committee for data or other 3115
information the committee requires to properly complete its 3116
research. 3117

(C) The committee shall: 3118

(1) Make a study of the current state and local tax 3119
structure, including a determination of how the current tax 3120
structure affects various sectors of the economy, such as 3121
business, industry, and individuals; 3122

(2) Examine the current state and local tax structure with 3123
attention to its equity, simplicity, stability, neutrality, and 3124
competitiveness. The committee shall take ease of administration 3125
and compliance into consideration as an aspect of "simplicity." 3126
The committee shall take long term revenues into consideration as 3127
an aspect of "stability." 3128

(3) Identify aspects of the tax structure that present 3129
particular obstacles to equity, simplicity, stability, neutrality, 3130
and competitiveness; 3131

(4) Analyze who bears the ultimate tax burden with respect to 3132
any particular tax; 3133

(5) Evaluate priorities in the tax structure. 3134

(D) On or before March 1, 2003, the committee shall prepare 3135
and submit to the Governor, Speaker of the House of 3136
Representatives, and President of the Senate, and to the Minority 3137
Leaders of the House and Senate, a report summarizing the 3138
committee's review of the state and local tax structure. The 3139
report shall include recommendations for improvements in the tax 3140
structure, which recommendations shall be revenue neutral in the 3141
aggregate. 3142

Section 7. The amendment by this act of section 5747.01 of 3143
the Revised Code by the addition to divisions (A)(6), (I), and (S) 3144
and the addition of division (S)(12) of that section, and the 3145
amendment by this act of sections 5747.02 and 5747.05 of the 3146
Revised Code, apply to taxable years beginning on or after January 3147
1, 2002. 3148

Section 8. That Section 5.02 of Sub. H.B. 73 of the 124th 3149
General Assembly, as amended by Am. Sub. H.B. 405 of the 124th 3150
General Assembly, be amended to read as follows: 3151

"Sec. 5.02. ENFORCEMENT 3152

State Highway Safety Fund Group 3153

036 764-033	Minor Capital Projects	\$	2,531,302	\$	1,732,358	3154
-------------	------------------------	----	-----------	----	-----------	------

036 764-321	Operating Expense -	\$	185,264,130	\$	195,245,402	3155
-------------	---------------------	----	-------------	----	-------------	------

Highway Patrol

036 764-605	Motor Carrier	\$	189,309	\$	192,411	3156
-------------	---------------	----	---------	----	--------------------	------

	Enforcement Expense				<u>2,454,232</u>	
--	---------------------	--	--	--	------------------	--

83C 764-630	Contraband,	\$	603,296	\$	622,894	3157
-------------	-------------	----	---------	----	---------	------

Forfeiture, Other

83F 764-657	Law Enforcement Auto.	\$	5,050,151	\$	5,277,569	3158
-------------	-----------------------	----	-----------	----	-----------	------

Data System

83G 764-633	OMVI Fines	\$	781,051	\$	820,927	3159
-------------	------------	----	---------	----	---------	------

831 764-610	Patrol/Federal	\$	2,210,831	\$	2,336,609	3160
-------------	----------------	----	-----------	----	-----------	------

831 764-659	Transportation	\$	3,919,153	\$	4,087,361	3161
	Enforcement - Federal					
837 764-602	Turnpike Policing	\$	8,803,786	\$	9,306,325	3162
838 764-606	Patrol Reimbursement	\$	216,690	\$	222,108	3163
840 764-607	State Fair Security	\$	1,306,015	\$	1,384,660	3164
840 764-617	Security and	\$	4,484,313	\$	4,749,103	3165
	Investigations					
840 764-626	State Fairgrounds	\$	783,175	\$	829,631	3166
	Police Force					
840 764-667	Security Assessment	\$	152,324	\$	160,982	3167
841 764-603	Salvage and Exchange -	\$	1,243,025	\$	1,274,101	3168
	Highway Patrol					
TOTAL HSF State Highway Safety						3169
Fund Group		\$	217,538,551	\$	228,242,441	3170
						<u>230,504,262</u> 3171
General Services Fund Group						3172
4S2 764-660	MARCS Maintenance	\$	241,811	\$	227,222	3173
TOTAL GSF General Services						3174
Fund Group		\$	241,811	\$	227,222	3175
TOTAL ALL BUDGET FUND GROUPS -						3176
Enforcement		\$	217,780,362	\$	228,469,663	3177
						<u>230,731,484</u> 3178
COLLECTIVE BARGAINING INCREASES						3179
Notwithstanding division (D) of section 127.14 and division						3180
(B) of section 131.35 of the Revised Code, except for the General						3181
Revenue Fund, the Controlling Board may, upon the request of						3182
either the Director of Budget and Management, or the Department of						3183
Public Safety with the approval of the Director of Budget and						3184
Management, increase appropriations for any fund, as necessary for						3185
the Department of Public Safety, to assist in paying the costs of						3186
increases in employee compensation that have occurred pursuant to						3187
collective bargaining agreements under Chapter 4117. of the						3188

Revised Code and, for exempt employees, under section 124.152 of
the Revised Code.

PATROL REIMBURSEMENT FUND CASH TRANSFER

On the effective date of this amendment or as soon as
possible thereafter, the Director of Budget and Management shall
transfer \$551,150.59 in cash from the Patrol Reimbursement Fund
(Fund 838) to the Turnpike Policing Fund (Fund 837). This transfer
will correct an inaccurate deposit made at the end of fiscal year
2001.

On the effective date of this amendment or as soon as
possible thereafter, the Director of Budget and Management shall
transfer up to \$189,309 in cash in fiscal year 2002 and shall
transfer up to ~~\$192,411~~ \$2,454,232 in cash in fiscal year 2003
from the Financial Responsibility Compliance (Fund 835) to the
State Highway Safety Fund (Fund 036)."

Section 9. That existing Section 5.02 of Sub. H.B. 73 of the
124th General Assembly, as amended by Am. Sub. H.B. 405 of the
124th General Assembly, is hereby repealed.

Section 10. That Sections 16, 16.02, 44, 44.19, 63.07, 94,
94.02, 94.06, 94.07, 125, and 144 of Am. Sub. H.B. 94 of the 124th
General Assembly be amended to read as follows:

"Sec. 16. AGE DEPARTMENT OF AGING

General Revenue Fund

GRF 490-321 Operating Expenses	\$	2,896,946	\$	2,877,346
GRF 490-403 PASSPORT	\$	60,630,444	\$	62,563,924
				<u>70,363,924</u>
GRF 490-405 Golden Buckeye Card	\$	377,560	\$	377,560
GRF 490-406 Senior Olympics	\$	39,862	\$	39,862
GRF 490-407 Long-Term Care	\$	622,799	\$	622,799

		Consumer Guide					
GRF	490-409	Ohio Community Service	\$	311,640	\$	311,640	3217
		Council Operations					
GRF	490-410	Long-Term Care	\$	1,412,058	\$	1,412,058	3218
		Ombudsman					
GRF	490-411	Senior Community	\$	13,784,750	\$	13,784,750	3219
		Services					
GRF	490-412	Residential State	\$	12,534,591	\$	12,290,915	3220
		Supplement					
GRF	490-414	Alzheimers Respite	\$	4,436,673	\$	4,436,673	3221
GRF	490-416	Transportation For	\$	183,000	\$	183,000	3222
		Elderly					
<u>GRF</u>	<u>490-419</u>	<u>Prescription Drug</u>	<u>\$</u>	<u>0</u>	<u>\$</u>	<u>177,000</u>	3223
		<u>Discount Program</u>					
GRF	490-499	Senior Employment	\$	15,574	\$	15,574	3224
		Program					
GRF	490-504	Senior Facilities	\$	130,000	\$	100,000	3225
GRF	490-506	Senior Volunteers	\$	491,614	\$	496,580	3226
TOTAL GRF	General Revenue Fund		\$	97,867,511	\$	99,512,681	3227
						<u>107,489,681</u>	3228
		General Services Fund Group					3229
480	490-606	Senior Citizens	\$	363,587	\$	372,677	3230
		Services Special					
		Events					
TOTAL GSF	General Services Fund						3231
Group			\$	363,587	\$	372,677	3232
		Federal Special Revenue Fund Group					3233
3C4	490-607	PASSPORT	\$	129,645,833	\$	144,875,065	3234
3M3	490-611	Federal Aging	\$	22,943,588	\$	23,517,178	3235
		Nutrition					
3M4	490-612	Federal Supportive	\$	21,025,940	\$	21,545,338	3236
		Services					

3R7	490-617	Ohio Community Service	\$	7,350,920	\$	7,350,920	3237
		Council Programs					
322	490-618	Older Americans	\$	10,873,661	\$	11,144,778	3238
		Support Services					
TOTAL FED		Federal Special Revenue					3239
Fund Group			\$	191,839,942	\$	208,433,279	3240
State Special Revenue Fund Group							3241
4C4	490-609	Regional Long-Term	\$	440,185	\$	451,190	3242
		Care Ombudsman Program					
4J4	490-610	PASSPORT/Residential	\$	24,000,000	\$	24,000,000	3243
		State Supplement					
4U9	490-602	PASSPORT Fund	\$	5,000,000	\$	5,000,000	3244
5K9	490-613	Nursing Home Consumer	\$	400,000	\$	400,000	3245
		Guide					
624	490-604	OCSC Community Support	\$	2,500	\$	2,500	3246
TOTAL SSR		State Special Revenue					3247
Fund Group			\$	29,842,685	\$	29,853,690	3248
TOTAL ALL BUDGET FUND GROUPS			\$	319,913,725	\$	338,172,327	3249
						<u>346,149,327</u>	3250

Sec. 16.02. PASSPORT 3252

Appropriation item 490-403, PASSPORT, and the amounts set 3253
aside for the PASSPORT Waiver Program in appropriation item 3254
490-610, PASSPORT/Residential State Supplement, may be used to 3255
assess clients regardless of Medicaid eligibility. 3256

The Director of Aging shall adopt rules under section 111.15 3257
of the Revised Code governing the nonwaiver funded PASSPORT 3258
program, including client eligibility. 3259

The Department of Aging shall administer the Medicaid Waiver 3260
funded PASSPORT Home Care program as delegated by the Department 3261
of Job and Family Services in an interagency agreement. The 3262
foregoing appropriation item 490-403, PASSPORT, and the amounts 3263

set aside for the PASSPORT Waiver Program in appropriation item 3264
490-610, PASSPORT/Residential State Supplement, shall be used to 3265
provide the required state match for federal Medicaid funds 3266
supporting the Medicaid Waiver funded PASSPORT Home Care program. 3267
Appropriation item 490-403, PASSPORT, and the amounts set aside 3268
for the PASSPORT Waiver Program in appropriation item 490-610, 3269
PASSPORT/Residential State Supplement, may also be used to support 3270
the Department of Aging's administrative costs associated with 3271
operating the PASSPORT program. 3272

The foregoing appropriation item 490-607, PASSPORT, shall be 3273
used to provide the federal matching share for all PASSPORT 3274
program costs determined by the Department of Job and Family 3275
Services to be eligible for Medicaid reimbursement. 3276

SENIOR COMMUNITY SERVICES 3277

The foregoing appropriation item 490-411, Senior Community 3278
Services, shall be used for services designated by the Department 3279
of Aging, including, but not limited to, home-delivered meals, 3280
transportation services, personal care services, respite services, 3281
home repair, and care coordination. Service priority shall be 3282
given to low income, frail, and cognitively impaired persons 60 3283
years of age and over. The department shall promote cost sharing 3284
by service recipients for those services funded with block grant 3285
funds, including, where possible, sliding-fee scale payment 3286
systems based on the income of service recipients. 3287

ALZHEIMERS RESPITE 3288

The foregoing appropriation item 490-414, Alzheimers Respite, 3289
shall be used only to fund Alzheimer's disease services under 3290
section 173.04 of the Revised Code. 3291

TRANSPORTATION FOR ELDERLY 3292

The foregoing appropriation item 490-416, Transportation for 3293
Elderly, shall be used for non-capital expenses related to 3294

transportation services for the elderly that provide access to 3295
such things as healthcare services, congregate meals, 3296
socialization programs, and grocery shopping. The appropriation 3297
shall be allocated to the following agencies: 3298

(A) \$45,000 per fiscal year to the Cincinnati Jewish 3299
Vocational Services; 3300

(B) \$45,000 per fiscal year to the Cleveland Jewish Community 3301
Center; 3302

(C) \$45,000 per fiscal year to the Columbus Jewish 3303
Federation; 3304

(D) \$20,000 per fiscal year to the Dayton Jewish Family 3305
Services; 3306

(E) \$10,000 per fiscal year to the Akron Jewish Community 3307
Center; 3308

(F) \$5,000 per fiscal year to the Youngstown Jewish 3309
Federation; 3310

(G) \$3,000 per fiscal year to the Canton Jewish Federation; 3311

(H) \$10,000 per fiscal year to the Toledo Jewish Federation. 3312

Agencies receiving funding from appropriation item 490-416, 3313
Transportation for Elderly, shall coordinate services with other 3314
local service agencies. 3315

RESIDENTIAL STATE SUPPLEMENT 3316

Under the Residential State Supplement Program, the amount 3317
used to determine whether a resident is eligible for payment and 3318
for determining the amount per month the eligible resident will 3319
receive shall be as follows: 3320

(A) \$900 for a residential care facility, as defined in 3321
section 3721.01 of the Revised Code; 3322

(B) \$900 for an adult group home, as defined in Chapter 3722. 3323

of the Revised Code;	3324
(C) \$800 for an adult foster home, as defined in Chapter 173. of the Revised Code;	3325 3326
(D) \$800 for an adult family home, as defined in Chapter 3722. of the Revised Code;	3327 3328
(E) \$800 for an adult community alternative home, as defined in Chapter 3724. of the Revised Code;	3329 3330
(F) \$800 for an adult residential facility, as defined in Chapter 5119. of the Revised Code;	3331 3332
(G) \$600 for adult community mental health housing services, as defined in division (B)(5) of section 173.35 of the Revised Code.	3333 3334 3335
The Departments of Aging and Job and Family Services shall reflect this amount in any applicable rules the departments adopt under section 173.35 of the Revised Code.	3336 3337 3338
TRANSFER OF RESIDENTIAL STATE SUPPLEMENT APPROPRIATIONS	3339
The Department of Aging may transfer cash by intrastate transfer vouchers from the foregoing appropriation items 490-412, Residential State Supplement, and 490-610, PASSPORT/Residential State Supplement, to the Department of Job and Family Services' Fund 4J5, Home and Community-Based Services for the Aged Fund. The funds shall be used to make benefit payments to Residential State Supplement recipients.	3340 3341 3342 3343 3344 3345 3346
LONG-TERM CARE OMBUDSMAN	3347
The foregoing appropriation item 490-410, Long-Term Care Ombudsman, shall be used for a program to fund ombudsman program activities in nursing homes, adult care facilities, boarding homes, and home and community care services.	3348 3349 3350 3351
<u>PRESCRIPTION DRUG DISCOUNT PROGRAM</u>	3352

The foregoing appropriation item 490-419, Prescription Drug Discount Program, shall be used to administer a prescription drug discount program.

SENIOR FACILITIES

Of the foregoing appropriation item 490-504, Senior Facilities, in fiscal year 2002, \$10,000 shall be for the Tri-city Senior Center, \$10,000 shall be for the Westlake Senior Center, and \$10,000 shall be for the Rocky River Senior Center.

Of the foregoing appropriation item 490-504, Senior Facilities, \$10,000 shall be for the Jilliard Senior Center, \$10,000 shall be for the Northwest Stark County Senior Center, and \$10,000 shall be for the North Ridgeville Senior Center.

REGIONAL LONG-TERM CARE OMBUDSMAN PROGRAMS

The foregoing appropriation item 490-609, Regional Long-Term Care Ombudsman Programs, shall be used solely to pay the costs of operating the regional long-term care ombudsman programs.

PASSPORT/RESIDENTIAL STATE SUPPLEMENT

Of the foregoing appropriation item 490-610, PASSPORT/Residential State Supplement, up to \$2,835,000 each fiscal year shall be used to fund the Residential State Supplement Program. The remaining available funds shall be used to fund the PASSPORT program.

Sec. 44. EDU DEPARTMENT OF EDUCATION

General Revenue Fund

GRF 200-100	Personal Services	\$	11,819,828	\$	12,113,828
GRF 200-320	Maintenance and Equipment	\$	5,052,866	\$	5,185,051
GRF 200-406	Head Start	\$	98,843,825	\$	98,843,825
GRF 200-408	Public Preschool	\$	19,506,206	\$	19,506,206

GRF	200-410	Professional Development	\$	23,463,829	\$	34,810,579	3381
GRF	200-411	Family and Children First	\$	3,550,000	\$	3,550,000	3382
GRF	200-416	Vocational Education Match	\$	2,381,738	\$	2,381,738	3383
GRF	200-420	Technical Systems Development	\$	6,000,000	\$	6,500,000	3384
GRF	200-421	Alternative Education Programs	\$	18,000,000	\$	18,000,000	3385
GRF	200-422	School Management Assistance	\$	2,185,675	\$	1,971,219	3386
GRF	200-424	Policy Analysis	\$	642,756	\$	674,894	3387
GRF	200-425	Tech Prep Administration	\$	2,431,012	\$	2,431,012	3388
GRF	200-426	Ohio Educational Computer Network	\$	39,871,927	\$	39,871,927	3389
GRF	200-427	Academic Standards	\$	8,474,999	\$	8,862,500	3390
GRF	200-431	School Improvement Initiatives	\$	15,850,000	\$	14,625,000	3391
GRF	200-432	School Conflict Management	\$	626,496	\$	657,821	3392
GRF	200-433	Reading/Writing Improvement	\$	18,962,948	\$	19,276,694	3393
GRF	200-437	Student Assessment	\$	23,692,045	\$	25,942,045	3394
GRF	200-438	Safe Schools	\$	2,050,000	\$	2,050,000	3395
GRF	200-441	American Sign Language	\$	232,073	\$	236,715	3396
GRF	200-442	Child Care Licensing	\$	1,517,751	\$	1,548,107	3397
GRF	200-444	Professional Recruitment	\$	1,917,000	\$	1,705,800	3398
GRF	200-445	OhioReads Admin/Volunteer Support	\$	5,485,440	\$	5,485,440	3399

GRF	200-446	Education Management Information System	\$	16,479,636	\$	17,573,430	3400
GRF	200-447	GED Testing/Adult High School	\$	2,038,678	\$	2,079,451	3401
GRF	200-455	Community Schools	\$	4,728,935	\$	4,824,517	3402
GRF	200-500	School Finance Equity	\$	23,560,125	\$	19,975,864	3403
GRF	200-501	Base Cost Funding	\$	4,273,654,781	\$	4,441,014,505	3404
GRF	200-502	Pupil Transportation	\$	334,183,786	\$	377,305,465	3405
GRF	200-503	Bus Purchase Allowance	\$	36,735,279	\$	36,799,984	3406
GRF	200-505	School Lunch Match	\$	9,639,000	\$	9,831,780	3407
GRF	200-509	Adult Literacy Education	\$	8,628,000	\$	8,628,000	3408
GRF	200-511	Auxiliary Services	\$	122,782,475	\$	127,650,709	3409
GRF	200-513	Student Intervention Services	\$	31,900,000	\$	38,280,000	3410
GRF	200-514	Post-Secondary/Adult Career-Technical Education	\$	23,240,243	\$	23,240,243	3411
GRF	200-520	Disadvantaged Pupil Impact Aid	\$	360,149,743	\$	360,149,743	3412
GRF	200-521	Gifted Pupil Program	\$	45,930,131	\$	47,983,321	3413
GRF	200-525	Parity Aid	\$	99,813,832	\$	210,305,911	3414
GRF	200-532	Nonpublic Administrative Cost Reimbursement	\$	53,533,703	\$	55,675,051	3415
GRF	200-534	Desegregation Costs	\$	500,000	\$	500,000	3416
GRF	200-540	Special Education Enhancements	\$	139,006,701	\$	141,950,428	3417
GRF	200-545	Career-Technical Education Enhancements	\$	21,673,574	\$	22,406,349	3418
GRF	200-546	Charge-Off Supplement	\$	39,191,433	\$	28,684,104	3419
GRF	200-552	County MR/DD Boards Vehicle Purchases	\$	1,666,204	\$	1,666,204	3420

GRF 200-553	County MR/DD Boards	\$	9,575,910	\$	9,575,910	3421
	Transportation					
	Operating					
GRF 200-558	Emergency Loan	\$	4,500,000	\$	3,300,000	3422
	Interest Subsidy					
GRF 200-566	OhioReads Grants	\$	27,148,000	\$	27,148,000	3423
GRF 200-570	School Improvement	\$	837,500	\$	987,500	3424
	Incentive Grants					
GRF 200-574	Substance Abuse	\$	1,948,200	\$	1,948,200	3425
	Prevention					
GRF 200-580	Bethel School Cleanup	\$	65,000	\$	65,000	3426
GRF 200-901	Property Tax	\$	707,700,000	\$	743,000,000	3427
	Allocation - Education					
GRF 200-906	Tangible Tax Exemption	\$	73,500,000	\$	75,700,000	3428
	- Education					
TOTAL GRF	General Revenue Fund	\$	6,786,869,283	\$	7,164,480,070	3429
	General Services Fund Group					3430
138 200-606	Information Technology	\$	6,629,469	\$	6,761,034	3431
4D1 200-602	Ohio	\$	345,000	\$	345,000	3432
	Prevention/Education					
	Resource Center					
4L2 200-681	Teacher Certification	\$	4,684,143	\$	4,856,290	3433
	and Licensure					
452 200-638	Miscellaneous Revenue	\$	1,045,000	\$	1,045,000	3434
5H3 200-687	School District	\$	24,000,000	\$	24,000,000	3435
	Solvency Assistance					
596 200-656	Ohio Career	\$	743,217	\$	769,230	3436
	Information System					
TOTAL GSF	General Services					3437
Fund Group		\$	37,446,829	\$	37,776,554	3438
	Federal Special Revenue Fund Group					3439
3C5 200-661	Federal Dependent Care	\$	18,189,907	\$	18,233,488	3440

		Programs					
3D1	200-664	Drug Free Schools	\$	20,621,375	\$	20,660,570	3441
3D2	200-667	Honors Scholarship	\$	2,454,688	\$	2,540,602	3442
		Program					
3H9	200-605	Head Start	\$	250,000	\$	250,000	3443
		Collaboration Project					
3M0	200-623	ESEA Chapter One	\$	320,505,063	\$	330,172,277	3444
3M1	200-678	ESEA Chapter Two	\$	13,595,978	\$	14,059,555	3445
3M2	200-680	Ind W/Disab Education	\$	186,000,000	\$	206,000,000	3446
		Act					
3L6	200-617	Federal School Lunch	\$	175,274,000	\$	180,181,672	3447
3L7	200-618	Federal School	\$	45,746,000	\$	47,026,888	3448
		Breakfast					
3L8	200-619	Child and Adult Care	\$	60,257,639	\$	61,966,125	3449
		Programs					
3L9	200-621	Vocational Education	\$	43,613,582	\$	45,142,330	3450
		Basic Grant					
3S2	200-641	Tech Literacy Transfer	\$	15,183,430	\$	15,183,430	3451
3T4	200-613	Public Charter Schools	\$	4,887,260	\$	5,055,185	3452
3T6	200-611	Class Size Reduction	\$	63,000,000	\$	65,000,000	3453
3U2	200-662	Teacher Quality	\$	1,300,501	\$	1,352,000	3454
		Enhancement Grants					
3U3	200-665	Reading Excellence	\$	10,018,756	\$	0	3455
		Grant Program					
3U6	200-675	Provision 2 & 3 Grant	\$	191,050	\$	0	3456
309	200-601	Educationally	\$	20,759,222	\$	21,425,345	3457
		Disadvantaged					
366	200-604	Adult Basic Education	\$	17,527,286	\$	18,140,740	3458
367	200-607	School Food Services	\$	10,089,884	\$	10,408,199	3459
368	200-614	Veterans' Training	\$	648,514	\$	671,212	3460
369	200-616	Vocational Education	\$	8,000,000	\$	8,000,000	3461
370	200-624	Education of All	\$	1,364,246	\$	1,410,908	3462
		Handicapped Children					

371	200-631	EEO Title IV	\$	1,155,361	\$	1,213,894	3463
374	200-647	E.S.E.A. Consolidated	\$	110,094	\$	110,094	3464
378	200-660	Math/Science	\$	12,696,055	\$	13,036,530	3465
Technology Investments							
TOTAL FED Federal Special							3466
Revenue Fund Group			\$	1,053,439,891	\$	1,087,241,044	3467
State Special Revenue Fund Group							3468
4R7	200-695	Indirect Cost Recovery	\$	3,942,779	\$	4,168,947	3469
4V7	200-633	Interagency Vocational	\$	695,197	\$	731,674	3470
Support							
053	200-900	School District	\$	102,000,000	\$	115,911,593	3471
Property Tax							
Replacement							
454	200-610	Guidance and Testing	\$	940,636	\$	956,761	3472
455	200-608	Commodity Foods	\$	10,000,000	\$	11,000,000	3473
598	200-659	Auxiliary Services	\$	1,328,910	\$	1,328,910	3474
Mobile Units							
620	200-615	Educational Grants	\$	1,525,000	\$	1,525,000	3475
TOTAL SSR State Special Revenue							3476
Fund Group			\$	120,432,522	\$	135,622,885	3477
Lottery Profits Education Fund Group							3478
017	200-612	Base Cost Funding	\$	604,000,000	\$	596,000,000	3479
017	200-682	Lease Rental Payment	\$	29,722,100	\$	25,722,600	3480
Reimbursement						<u>35,722,600</u>	
TOTAL LPE Lottery Profits							3481
Education Fund Group			\$	633,722,100	\$	621,722,600	3482
						<u>631,722,600</u>	3483
TOTAL ALL BUDGET FUND GROUPS			\$	8,631,910,625	\$	9,046,843,153	3484
						<u>9,056,843,153</u>	3485

Sec. 44.19. LOTTERY PROFITS EDUCATION FUND 3487

Appropriation item 200-612, Base Cost Funding (Fund 017), 3488

shall be used in conjunction with appropriation item 200-501, Base 3489
Cost Funding (GRF), to provide payments to school districts 3490
pursuant to Chapter 3317. of the Revised Code. 3491

Of the foregoing appropriation item 200-612, Base Cost 3492
Funding (Fund 017), \$25,000,000 in each fiscal year shall be used 3493
from the funds transferred from the Unclaimed Prizes Trust Fund 3494
pursuant to the section entitled "Transfers from the Unclaimed 3495
Prizes Fund" of ~~this act~~ Am. Sub. H.B. 94 of the 124th General 3496
Assembly. 3497

The Department of Education, with the approval of the 3498
Director of Budget and Management, shall determine the monthly 3499
distribution schedules of appropriation item 200-501, Base Cost 3500
Funding (GRF), and appropriation item 200-612, Base Cost Funding 3501
(Fund 017). If adjustments to the monthly distribution schedule 3502
are necessary, the Department of Education shall make such 3503
adjustments with the approval of the Director of Budget and 3504
Management. 3505

Of the foregoing appropriation item 200-682, Lease Rental 3506
Payment Reimbursement (Fund 017), \$10,000,000 in fiscal year 2003 3507
shall be used from the funds transferred from the Unclaimed Prizes 3508
Trust Fund pursuant to the paragraph with the heading "Transfers 3509
from the Unclaimed Prizes Fund" in Am. Sub. H.B. 94 of the 124th 3510
General Assembly. 3511

The Director of Budget and Management shall transfer via 3512
intrastate transfer voucher the amount appropriated under the 3513
Lottery Profits Education Fund for appropriation item 200-682, 3514
Lease Rental Payment Reimbursement, to the General Revenue Fund on 3515
a schedule determined by the director. These funds shall support 3516
the appropriation item 230-428, Lease Rental Payments (GRF), of 3517
the School Facilities Commission. 3518

LOTTERY PROFITS TRANSFERS* 3519

On the fifteenth day of May of each fiscal year, the Director 3520
of Budget and Management shall determine if lottery profits 3521
transfers will meet the appropriation amounts from the Lottery 3522
Profits Education Fund. 3523

On or after the date specified in each fiscal year, if the 3524
director determines that lottery profits will not meet 3525
appropriations and if other funds are not available to meet the 3526
shortfall, the Superintendent of Public Instruction shall take the 3527
actions specified under the "Reallocation of Funds" section of 3528
~~this act~~ Am. Sub. H.B. 94 of the 124th General Assembly. 3529

TRANSFERS FROM THE UNCLAIMED PRIZES FUND 3530

By the fifteenth day of January of fiscal year 2002 and 3531
fiscal year 2003, the Director of Budget and Management shall 3532
respectively transfer \$25,000,000 for fiscal year 2002 and 3533
\$35,000,000 for fiscal year 2003 from the State Lottery 3534
Commission's Unclaimed Prizes Fund to the Lottery Profits 3535
Education Fund, to be used solely for purposes specified in the 3536
Department of Education's budget. Transfers of unclaimed prizes 3537
under this provision shall not count as lottery profits in the 3538
determination made concerning excess profits titled "Lottery 3539
Profits" under the Department of Education in ~~this act~~ Am. Sub. 3540
H.B. 94 of the 124th General Assembly. 3541

TEACHER CERTIFICATION AND LICENSURE 3542

The foregoing appropriation item 200-681, Teacher 3543
Certification and Licensure, shall be used by the Department of 3544
Education in each year of the biennium to administer teacher 3545
certification and licensure functions pursuant to sections 3546
3301.071, 3301.074, 3301.50, 3301.51, 3319.088, 3319.22, 3319.24 3547
to 3319.28, 3319.281, 3319.282, 3319.29, 3319.301, 3319.31, and 3548
3319.51 of the Revised Code. 3549

Sec. 63.07. MEDICAID PROGRAM SUPPORT FUND - STATE 3550

The foregoing appropriation item 600-671, Medicaid Program 3551
Support, shall be used by the Department of Job and Family 3552
Services to pay for Medicaid services and contracts. 3553

HEALTH CARE SERVICES ADMINISTRATION 3554

The foregoing appropriation item 600-654, Health Care 3555
Services Administration, shall be used by the Department of Job 3556
and Family Services for costs associated with the administration 3557
of the Medicaid program. 3558

HEALTH CARE SERVICES ADMINISTRATION FUND 3559

For fiscal year 2003, the Director of Job and Family Services 3560
may deposit revenue received from federal reimbursement for 3561
allowable Title XIX administrative expenditures made by state or 3562
local entities into the Health Care Services Administration Fund 3563
(Fund 5U3). 3564

Of the amount received by the Department of Job and Family 3565
Services during fiscal year 2003 from the first installment of 3566
assessments paid under section 5112.06 of the Revised Code and 3567
intergovernmental transfers made under section 5112.07 of the 3568
Revised Code, the Director of Job and Family Services shall 3569
deposit \$175,000 into the state treasury to the credit of the 3570
Health Care Services Administration Fund (Fund 5U3). 3571

Sec. 94. BOR BOARD OF REGENTS 3572

General Revenue Fund 3573

GRF 235-321	Operating Expenses	\$	3,137,394	\$	3,137,394	3574
GRF 235-401	Lease-Rental Payments	\$	295,058,500	\$	268,910,500	3575
GRF 235-402	Sea Grants	\$	299,940	\$	299,940	3576
GRF 235-403	Math/Science Teaching	\$	1,984,000	\$	2,018,680	3577
	Improvement					

GRF 235-404	College Readiness Initiatives	\$	2,500,000	\$	2,500,000	3578
GRF 235-406	Articulation and Transfer	\$	800,000	\$	800,000	3579
GRF 235-408	Midwest Higher Education Compact	\$	75,000	\$	75,000	3580
GRF 235-409	Information System	\$	1,362,023	\$	1,362,023	3581
GRF 235-414	State Grants and Scholarship Administration	\$	1,373,420	\$	1,373,420	3582
GRF 235-415	Jobs Challenge	\$	10,100,000	\$	10,200,000	3583
GRF 235-417	Ohio Learning Network	\$	3,920,000	\$	3,920,000	3584
GRF 235-418	Access Challenge	\$	62,268,000	\$	62,268,000	3585
GRF 235-420	Success Challenge	\$	47,041,000	\$	47,041,000	3586
GRF 235-428	Appalachian New Economy Partnership	\$	1,000,000	\$	1,500,000	3587
<u>GRF 235-451</u>	<u>Eminent Scholars</u>	<u>\$</u>	<u>0</u>	<u>\$</u>	<u>3,000,000</u>	3588
GRF 235-454	Research Challenge	\$	20,000,000	\$	20,000,000	3589
GRF 235-455	Productivity Improvement Challenge	\$	1,694,947	\$	1,728,845	3590
GRF 235-474	Area Health Education Centers Program Support	\$	2,093,727	\$	2,135,601	3591
GRF 235-477	Access Improvement Projects	\$	1,110,879	\$	1,110,879	3592
GRF 235-501	State Share of Instruction	\$	1,659,011,727	\$	1,668,611,581	3593
GRF 235-502	Student Support Services	\$	1,000,000	\$	1,000,000	3594
GRF 235-503	Ohio Instructional Grants	\$	98,000,000	\$	111,500,000	3595
GRF 235-504	War Orphans Scholarships	\$	4,652,548	\$	4,792,124	3596

Sub. S. B. No. 261
As Passed by the Senate

Page 121

GRF 235-507	OhioLINK	\$	7,668,731	\$	7,668,731	3597
GRF 235-508	Air Force Institute of Technology	\$	2,000,000	\$	2,000,000	3598
GRF 235-509	Displaced Homemakers	\$	240,096	\$	240,096	3599
GRF 235-510	Ohio Supercomputer Center	\$	4,833,574	\$	4,833,574	3600
GRF 235-511	Cooperative Extension Service	\$	27,708,525	\$	27,708,525	3601
GRF 235-513	OU Voinovich Center	\$	367,500	\$	367,500	3602
GRF 235-514	Central State Supplement	\$	12,044,956	\$	12,044,956	3603
GRF 235-515	Case Western Reserve University School of Medicine	\$	4,280,224	\$	4,281,936	3604
GRF 235-519	Family Practice	\$	6,538,471	\$	6,541,087	3605
GRF 235-520	Shawnee State Supplement	\$	2,272,000	\$	2,272,000	3606
GRF 235-521	OSU Glenn Institute	\$	367,500	\$	367,500	3607
GRF 235-524	Police and Fire Protection	\$	240,096	\$	240,096	3608
GRF 235-525	Geriatric Medicine	\$	1,087,195	\$	1,108,939	3609
GRF 235-526	Primary Care Residencies	\$	3,166,168	\$	3,229,491	3610
GRF 235-527	Ohio Aerospace Institute	\$	2,383,334	\$	2,383,334	3611
GRF 235-530	Academic Scholarships	\$	8,000,000	\$	8,000,000	3612
GRF 235-531	Student Choice Grants	\$	52,428,000	\$	53,476,560	3613
GRF 235-534	Student Workforce Development Grants	\$	1,200,000	\$	1,200,000	3614
GRF 235-535	Ohio Agricultural Research and Development Center	\$	38,730,884	\$	38,730,884	3615
GRF 235-536	Ohio State University	\$	15,989,883	\$	15,996,281	3616

	Clinical Teaching					
GRF 235-537	University of Cincinnati Clinical Teaching	\$	13,151,461	\$	13,156,724	3617
GRF 235-538	Medical College of Ohio at Toledo Clinical Teaching	\$	10,250,851	\$	10,254,953	3618
GRF 235-539	Wright State University Clinical Teaching	\$	4,980,064	\$	4,982,057	3619
GRF 235-540	Ohio University Clinical Teaching	\$	4,814,378	\$	4,816,305	3620
GRF 235-541	Northeastern Ohio Universities College of Medicine Clinical Teaching	\$	4,951,583	\$	4,953,565	3621
GRF 235-543	Ohio College of Podiatric Medicine Clinical Subsidy	\$	499,800	\$	500,000	3622
GRF 235-547	School of International Business	\$	1,708,764	\$	1,708,764	3623
GRF 235-549	Part-time Student Instructional Grants	\$	13,311,638	\$	13,977,219	3624
GRF 235-552	Capital Component	\$	14,537,639	\$	14,537,639	3625
GRF 235-553	Dayton Area Graduate Studies Institute	\$	3,779,088	\$	3,779,088	3626
GRF 235-554	Computer Science Graduate Education	\$	3,482,368	\$	3,482,368	3627
GRF 235-555	Library Depositories	\$	1,999,200	\$	2,039,184	3628
GRF 235-556	Ohio Academic Resources Network	\$	3,510,777	\$	3,580,993	3629
GRF 235-558	Long-term Care Research	\$	312,004	\$	312,004	3630

Sub. S. B. No. 261
As Passed by the Senate

Page 123

GRF 235-561	Bowling Green State University Canadian Studies Center	\$ 164,289	\$ 164,289	3631
GRF 235-572	Ohio State University Clinic Support	\$ 2,061,138	\$ 2,061,138	3632
GRF 235-583	Urban University Programs	\$ 6,503,559	\$ 6,503,559	3633
GRF 235-585	Ohio University Innovation Center	\$ 48,750	\$ 48,750	3634
GRF 235-587	Rural University Projects	\$ 1,375,552	\$ 1,375,552	3635
GRF 235-588	Ohio Resource Center for Mathematics, Science, and Reading	\$ 980,000	\$ 980,000	3636
GRF 235-595	International Center for Water Resources Development	\$ 185,593	\$ 185,593	3637
GRF 235-596	Hazardous Materials Program	\$ 390,096	\$ 390,096	3638
GRF 235-599	National Guard Scholarship Program	\$ 12,048,106	\$ 12,048,106	3639
GRF 235-909	Higher Education General Obligation Debt Service	\$ 50,055,100	\$ 74,344,100	3640
TOTAL GRF General Revenue Fund		\$ 2,565,132,040 <u>2,565,132,040</u>	\$ 2,589,158,523 <u>2,592,158,523</u>	3641
General Services Fund Group				3642
456 235-603	Publications	\$ 43,050	\$ 44,342	3643
456 235-613	Job Preparation Initiative	\$ 144,383	\$ 144,383	3644
TOTAL GSF General Services Fund Group		\$ 187,433	\$ 188,725	3645 3646

Federal Special Revenue Fund Group					3647
3H2 235-608 Human Services Project	\$	1,500,000	\$	1,500,000	3648
3N6 235-605 State Student	\$	2,000,000	\$	2,000,000	3649
Incentive Grants					
3T0 235-610 NHSC Ohio Loan	\$	100,000	\$	100,000	3650
Repayment					
312 235-609 Tech Prep	\$	183,852	\$	183,852	3651
312 235-611 Gear-up Grant	\$	1,590,986	\$	1,690,434	3652
312 235-612 Carl D. Perkins	\$	112,960	\$	112,960	3653
Grant/Plan					
Administration					
312 235-631 Federal Grants	\$	2,055,511	\$	0	3654
TOTAL FED Federal Special Revenue					3655
Fund Group	\$	7,543,309	\$	5,587,246	3656
State Special Revenue Fund Group					3657
4E8 235-602 HEFC Administration	\$	13,080	\$	13,900	3658
4P4 235-604 Physician Loan	\$	416,067	\$	436,870	3659
Repayment					
649 235-607 Ohio State University	\$	855,021	\$	760,000	3660
Highway/Transportation					
Research					
682 235-606 Nursing Loan Program	\$	870,000	\$	893,000	3661
TOTAL SSR State Special Revenue					3662
Fund Group	\$	2,154,168	\$	2,103,770	3663
TOTAL ALL BUDGET FUND GROUPS	\$	2,575,016,950	\$	2,597,038,264	3664
				<u>2,600,038,264</u>	

Sec. 94.02. MISSION-BASED CORE FUNDING FOR HIGHER EDUCATION 3666

JOBS CHALLENGE 3667

Funds appropriated to appropriation item 235-415, Jobs 3668
Challenge, shall be distributed to state-assisted community and 3669
technical colleges, regional campuses of state-assisted 3670

universities, and other organizationally distinct and identifiable 3671
member campuses of the EnterpriseOhio Network in support of 3672
noncredit job-related training. In fiscal years 2002 and 2003, 3673
\$2,114,673 and \$1,981,841, respectively, shall be distributed as 3674
performance grants to EnterpriseOhio Network campuses based upon 3675
each campus's documented performance according to criteria 3676
established by the Board of Regents for increasing training and 3677
related services to businesses, industries, and public sector 3678
organizations. 3679

Of the foregoing appropriation item 235-415, Jobs Challenge, 3680
\$3,130,087 in fiscal year 2002 and \$2,875,953 in fiscal year 2003 3681
shall be allocated to the Targeted Industries Training Grant 3682
Program to attract, develop, and retain business and industry 3683
strategically important to the state's economy. 3684

Also, in fiscal years 2002 and 2003, \$2,991,513 and 3685
\$3,629,797, respectively, shall be allocated to the Non-credit 3686
Incentives Grant Program to reward two-year campuses for 3687
increasing the amount of non-credit skill upgrading services 3688
provided to Ohio employers and employees. The funds shall be 3689
distributed to campuses in proportion to each campus's share of 3690
noncredit job-related training revenues received by all campuses 3691
for the previous fiscal year. It is the intent of the General 3692
Assembly that this workforce development incentive component of 3693
the Jobs Challenge Program reward campus noncredit job-related 3694
training efforts in the same manner that the Research Challenge 3695
Program rewards campuses for their ability to obtain sponsored 3696
research revenues. 3697

Of the foregoing appropriation item 235-415, Jobs Challenge, 3698
\$1,863,726 in fiscal year 2002 and \$1,712,409 in fiscal year 2003 3699
shall be allocated as an incentive to support local EnterpriseOhio 3700
Network Campus/Adult Workforce Education Center Partnerships. The 3701
purpose of the partnerships is to promote and deliver coordinated, 3702

comprehensive training to local employers. Each partnership shall 3703
include a formal agreement between one or more EnterpriseOhio 3704
Network campus and one or more adult workforce education center 3705
for the delivery of training services. 3706

ACCESS CHALLENGE 3707

In each fiscal year, the foregoing appropriation item 3708
235-418, Access Challenge, shall be distributed to Ohio's 3709
state-assisted access colleges and universities. For the purposes 3710
of this allocation, "access campuses" includes state-assisted 3711
community colleges, state community colleges, technical colleges, 3712
Shawnee State University, Central State University, Cleveland 3713
State University, the regional campuses of state-assisted 3714
universities, and, where they are organizationally distinct and 3715
identifiable, the community-technical colleges located at the 3716
University of Cincinnati, Youngstown State University, and the 3717
University of Akron. 3718

In fiscal years 2002 and 2003, Access Challenge subsidies 3719
shall be distributed by the Board of Regents to eligible access 3720
campuses on the basis of each campus's share of fiscal year 1999 3721
all-terms subsidy eligible General Studies FTEs. For the purpose 3722
of these calculations, the average all-terms subsidy eligible 3723
General Studies FTEs for Youngstown State University's eligible 3724
Comm-Tech enrollments shall equal 348. 3725

For the purposes of this calculation, Cleveland State 3726
University's enrollments shall be adjusted by the ratio of the sum 3727
of subsidy-eligible lower-division FTE student enrollments 3728
eligible for access funding to the sum of subsidy-eligible General 3729
Studies FTE student enrollments at Central State University and 3730
Shawnee State University, and for the following universities and 3731
their regional campuses: Ohio State University, Ohio University, 3732
Kent State University, Bowling Green State University, Miami 3733
University, the University of Cincinnati, the University of Akron, 3734

and Wright State University. 3735

SUCCESS CHALLENGE 3736

The foregoing appropriation item 235-420, Success Challenge, 3737
shall be used by the Board of Regents to promote degree completion 3738
by students enrolled at a main campus of a state-assisted 3739
university. 3740

In each fiscal year, two-thirds of the appropriations shall 3741
be distributed to state-assisted university main campuses in 3742
proportion to each campus's share of the total statewide 3743
bachelor's degrees granted by university main campuses to 3744
"at-risk" students. In fiscal years 2002 and 2003, an "at-risk" 3745
student means any undergraduate student who has received an Ohio 3746
Instructional Grant during the past ten years. An eligible 3747
institution shall not receive its share of this distribution until 3748
it has submitted a plan that addresses how the subsidy will be 3749
used to better serve at-risk students and increase their 3750
likelihood of successful completion of a bachelor's degree 3751
program. The Board of Regents shall disseminate to all 3752
state-supported institutions of higher education all such plans 3753
submitted by institutions that received Success Challenge funds. 3754

In each fiscal year, one-third of the appropriations shall be 3755
distributed to university main campuses in proportion to each 3756
campus's share of the total bachelor's degrees granted by 3757
university main campuses to undergraduate students who completed 3758
their bachelor's degrees in a "timely manner" in the previous 3759
fiscal year. For the purposes of this section, "timely manner" 3760
means the normal time it would take for a full-time degree-seeking 3761
undergraduate student to complete the student's degree. Generally, 3762
for such students pursuing a bachelor's degree, "timely manner" 3763
means four years. Exceptions to this general rule shall be 3764
permitted for students enrolled in programs specifically designed 3765
to be completed in a longer time period. The Board of Regents 3766

shall collect base-line data beginning with the 1998-99 academic
year to assess the timely completion statistics by university main
campuses.

EMINENT SCHOLARS

The foregoing appropriation item 235-451, Eminent Scholars,
shall be used by the Ohio Board of Regents to establish an Ohio
Eminent Scholars Program, the purpose of which is to invest
educational resources to address problems that are of vital
statewide significance while fostering the growth in eminence of
Ohio's academic programs. Endowment grants of \$750,000 to state
colleges and universities and nonprofit Ohio institutions of
higher education holding certificates of authorization issued
under section 1713.02 of the Revised Code to match endowment gifts
from nonstate sources may be made in accordance with a plan
established by the Ohio Board of Regents. Matching gifts in
science and technology programs shall be \$750,000, and in all
other program areas, \$500,000. The grants shall have as their
purpose attracting and sustaining in Ohio scholar-leaders of
national or international prominence, each of whom will assist the
state in one of the following three areas: (1) improving the
state's economic development; (2) strengthening the state's system
of K-12 education; or (3) improving public health and safety. Such
scholar-leaders shall, among their duties, share broadly the
benefits and knowledge unique to their fields of scholarship to
the betterment of Ohio and its people.

RESEARCH CHALLENGE

The foregoing appropriation item 235-454, Research Challenge,
shall be used to enhance the basic research capabilities of public
colleges and universities and accredited Ohio institutions of
higher education holding certificates of authorization issued
pursuant to section 1713.02 of the Revised Code, in order to
strengthen academic research for pursuing Ohio's economic

3799 redevelopment goals. The Board of Regents, in consultation with
3800 the colleges and universities, shall administer the Research
3801 Challenge Program and utilize a means of matching, on a fractional
3802 basis, external funds attracted in the previous year by
3803 institutions for basic research. The program may include
3804 incentives for increasing the amount of external research funds
3805 coming to eligible institutions and for focusing research efforts
3806 upon critical state needs. Colleges and universities shall submit
3807 for review and approval to the Board of Regents plans for the
3808 institutional allocation of state dollars received through the
3809 program. The institutional plans shall provide the rationale for
3810 the allocation in terms of the strategic targeting of funds for
3811 academic and state purposes, for strengthening research programs,
3812 and for increasing the amount of external research funds, and
3813 shall include an evaluation process to provide results of the
3814 increased support.

3815 The Board of Regents shall submit a biennial report of
3816 progress to the General Assembly.

3817 COMPUTER SCIENCE GRADUATE EDUCATION

3818 The foregoing appropriation item 235-554, Computer Science
3819 Graduate Education, shall be used by the Board of Regents to
3820 support improvements in graduate programs in computer science at
3821 state-assisted universities. In each fiscal year, up to \$200,000
3822 may be used to support collaborative efforts in graduate education
3823 in this program area.

3824 **Sec. 94.06. PLEDGE OF FEES***

3825 Any new pledge of fees, or new agreement for adjustment of
3826 fees, made in the 2001-2003 biennium to secure bonds or notes of a
3827 state-assisted institution of higher education for a project for
3828 which bonds or notes were not outstanding on the effective date of
3829 this section shall be effective only after approval by the Board

of Regents, unless approved in a previous biennium. 3830

HIGHER EDUCATION GENERAL OBLIGATION DEBT SERVICE 3831

The foregoing appropriation item 235-909, Higher Education 3832
General Obligation Debt Service, shall be used to pay all debt 3833
service and financing costs at the times they are required to be 3834
made pursuant to sections 151.01 and 151.04 of the Revised Code 3835
during the period from July 1, 2001, to June 30, 2003. The Office 3836
of the Sinking Fund or the Director of Budget and Management shall 3837
effectuate the required payments by an interstate transfer 3838
voucher. 3839

~~Of the foregoing appropriation item 235-909, Higher Education 3840
General Obligation Debt Service, surplus funds net of encumbrances 3841
from the appropriation for fiscal year 2002 shall be 3842
reappropriated to appropriation item 235-501, State Share of 3843
Instruction, for fiscal year 2003. 3844~~

LEASE RENTAL PAYMENTS 3845

The foregoing appropriation item 235-401, Lease Rental 3846
Payments, shall be used to meet all payments at the times they are 3847
required to be made during the period from July 1, 2001, to June 3848
30, 2003, by the Board of Regents pursuant to leases and 3849
agreements made under section 154.21 of the Revised Code, but 3850
limited to the aggregate amount of \$563,969,000. Nothing in ~~this~~ 3851
~~act~~ Am. Sub. H.B. 94 of the 124th General Assembly shall be deemed 3852
to contravene the obligation of the state to pay, without 3853
necessity for further appropriation, from the sources pledged 3854
thereto, the bond service charges on obligations issued pursuant 3855
to section 154.21 of the Revised Code. 3856

~~Of the forgoing appropriation item 235-401, Lease Rental 3857
Payments, surplus funds net of encumbrances from the appropriation 3858
for fiscal year 2002 shall be reappropriated to appropriation item 3859
235-501, State Share of Instruction, for fiscal year 2003. 3860~~

Sec. 94.07. OHIO INSTRUCTIONAL GRANTS 3861

Notwithstanding section 3333.12 of the Revised Code, in lieu 3862
of the tables in that section, instructional grants for all 3863
full-time students shall be made for fiscal year 2002 using the 3864
tables under this heading. 3865

The tables under this heading prescribe the maximum grant 3866
amounts covering two semesters, three quarters, or a comparable 3867
portion of one academic year. The grant amount for a full-time 3868
student enrolled in an eligible institution for a semester or 3869
quarter in addition to the portion of the academic year covered by 3870
a grant determined under these tables shall be a percentage of the 3871
maximum prescribed in the applicable table. The maximum grant for 3872
a fourth quarter shall be one-third of the maximum amount 3873
prescribed under the table. The maximum grant for a third semester 3874
shall be one-half of the maximum amount prescribed under the 3875
table. 3876

For a full-time student who is a dependent and enrolled in a 3877
nonprofit educational institution that is not a state-assisted 3878
institution and that has a certificate of authorization issued 3879
pursuant to Chapter 1713. of the Revised Code, the amount of the 3880
instructional grant for two semesters, three quarters, or a 3881
comparable portion of the academic year shall be determined in 3882
accordance with the following table: 3883

Private Institution 3884

Table of Grants 3885

		Maximum Grant \$5,160				3886
Gross Income		Number of Dependents				3887
	1	2	3	4	5 or more	3888
Under \$14,000	\$5,160	\$5,160	\$5,160	\$5,160	\$5,160	3889
\$14,001 - \$15,000	4,644	5,160	5,160	5,160	5,160	3890

\$15,001 - \$16,000	4,116	4,644	5,160	5,160	5,160	3891
\$16,001 - \$17,000	3,612	4,116	4,644	5,160	5,160	3892
\$17,001 - \$18,000	3,102	3,612	4,116	4,644	5,160	3893
\$18,001 - \$21,000	2,586	3,102	3,612	4,116	4,644	3894
\$21,001 - \$24,000	2,058	2,586	3,102	3,612	4,116	3895
\$24,001 - \$27,000	1,536	2,058	2,586	3,102	3,612	3896
\$27,001 - \$30,000	1,272	1,536	2,058	2,586	3,102	3897
\$30,001 - \$31,000	1,020	1,272	1,536	2,058	2,586	3898
\$31,001 - \$32,000	930	1,020	1,272	1,536	2,058	3899
\$32,001 - \$33,000	840	930	1,020	1,272	1,536	3900
\$33,001 - \$34,000	420	840	930	1,020	1,272	3901
\$34,001 - \$35,000	--	420	840	930	1,020	3902
\$35,001 - \$36,000	--	--	420	840	930	3903
\$36,001 - \$37,000	--	--	--	420	840	3904
\$37,001 - \$38,000	--	--	--	--	420	3905

For a full-time student who is financially independent and 3906
enrolled in a nonprofit educational institution that is not a 3907
state-assisted institution and that has a certificate of 3908
authorization issued pursuant to Chapter 1713. of the Revised 3909
Code, the amount of the instructional grant for two semesters, 3910
three quarters, or a comparable portion of the academic year shall 3911
be determined in accordance with the following table: 3912

Private Institution 3913

Table of Grants 3914

Maximum Grant \$5,160 3915

Gross Income Number of Dependents 3916

	0	1	2	3	4	5 or more	3917
Under \$4,500	\$5,160	\$5,160	\$5,160	\$5,160	\$5,160	\$5,160	3918
\$4,501 - \$5,000	4,644	5,160	5,160	5,160	5,160	5,160	3919
\$5,001 - \$5,500	4,116	4,644	5,160	5,160	5,160	5,160	3920
\$5,501 - \$6,000	3,612	4,116	4,644	5,160	5,160	5,160	3921
\$6,001 - \$6,500	3,102	3,612	4,116	4,644	5,160	5,160	3922

\$6,501 - \$7,000	2,586	3,102	3,612	4,116	4,644	5,160	3923
\$7,001 - \$8,000	2,058	2,586	3,102	3,612	4,116	4,644	3924
\$8,001 - \$9,000	1,536	2,058	2,586	3,102	3,612	4,116	3925
\$9,001 - \$10,000	1,272	1,536	2,058	2,586	3,102	3,612	3926
\$10,001 - \$11,500	1,020	1,272	1,536	2,058	2,586	3,102	3927
\$11,501 - \$13,000	930	1,020	1,272	1,536	2,058	2,586	3928
\$13,001 - \$14,500	840	930	1,020	1,272	1,536	2,058	3929
\$14,501 - \$16,000	420	840	930	1,020	1,272	1,536	3930
\$16,001 - \$19,000	--	420	840	930	1,020	1,272	3931
\$19,001 - \$22,000	--	--	420	840	930	1,020	3932
\$22,001 - \$25,000	--	--	--	420	840	930	3933
\$25,001 - \$30,000	--	--	--	--	420	840	3934
\$30,001 - \$35,000	--	--	--	--	--	420	3935

For a full-time student who is a dependent and enrolled in an
educational institution that holds a certificate of registration
from the state board of proprietary school registration, the
amount of the instructional grant for two semesters, three
quarters, or a comparable portion of the academic year shall be
determined in accordance with the following table:

Proprietary Institution

Table of Grants

Maximum Grant \$4,374

Gross Income Number of Dependents

	1	2	3	4	5 or more	
Under \$14,000	\$4,374	\$4,374	\$4,374	\$4,374	\$4,374	3947
\$14,001 - \$15,000	3,948	4,374	4,374	4,374	4,374	3948
\$15,001 - \$16,000	3,480	3,948	4,374	4,374	4,374	3949
\$16,001 - \$17,000	3,042	3,480	3,948	4,374	4,374	3950
\$17,001 - \$18,000	2,634	3,042	3,480	3,948	4,374	3951
\$18,001 - \$21,000	2,166	2,634	3,042	3,480	3,948	3952
\$21,001 - \$24,000	1,752	2,166	2,634	3,042	3,480	3953
\$24,001 - \$27,000	1,338	1,752	2,166	2,634	3,042	3954

\$27,001 - \$30,000	1,074	1,338	1,752	2,166	2,634	3955
\$30,001 - \$31,000	858	1,074	1,338	1,752	2,166	3956
\$31,001 - \$32,000	804	858	1,074	1,338	1,752	3957
\$32,001 - \$33,000	708	804	858	1,074	1,338	3958
\$33,001 - \$34,000	354	708	804	858	1,074	3959
\$34,001 - \$35,000	--	354	708	804	858	3960
\$35,001 - \$36,000	--	--	354	708	804	3961
\$36,001 - \$37,000	--	--	--	354	708	3962
\$37,001 - \$38,000	--	--	--	--	354	3963

For a full-time student who is financially independent and 3964
enrolled in an educational institution that holds a certificate of 3965
registration from the state board of proprietary school 3966
registration, the amount of the instructional grant for two 3967
semesters, three quarters, or a comparable portion of the academic 3968
year shall be determined in accordance with the following table: 3969

Proprietary Institution 3970

Table of Grants 3971

Maximum Grant \$4,374 3972

Gross Income Number of Dependents 3973

	0	1	2	3	4	5 or more	3974
Under \$4,500	\$4,374	\$4,374	\$4,374	\$4,374	\$4,374	\$4,374	3975
\$4,501 - \$5,000	3,948	4,374	4,374	4,374	4,374	4,374	3976
\$5,001 - \$5,500	3,480	3,948	4,374	4,374	4,374	4,374	3977
\$5,501 - \$6,000	3,042	3,480	3,948	4,374	4,374	4,374	3978
\$6,001 - \$6,500	2,634	3,042	3,480	3,948	4,374	4,374	3979
\$6,501 - \$7,000	2,166	2,634	3,042	3,480	3,948	4,374	3980
\$7,001 - \$8,000	1,752	2,166	2,634	3,042	3,480	3,948	3981
\$8,001 - \$9,000	1,338	1,752	2,166	2,634	3,042	3,480	3982
\$9,001 - \$10,000	1,074	1,338	1,752	2,166	2,634	3,042	3983
\$10,001 - \$11,500	858	1,074	1,338	1,752	2,166	2,634	3984
\$11,501 - \$13,000	804	858	1,074	1,338	1,752	2,166	3985
\$13,001 - \$14,500	708	804	858	1,074	1,338	1,752	3986

\$14,501 - \$16,000	354	708	804	858	1,074	1,338	3987
\$16,001 - \$19,000	--	354	708	804	858	1,074	3988
\$19,001 - \$22,000	--	--	354	708	804	858	3989
\$22,001 - \$25,000	--	--	--	354	708	804	3990
\$25,001 - \$30,000	--	--	--	--	354	708	3991
\$30,001 - \$35,000	--	--	--	--	--	354	3992

For a full-time student who is a dependent and enrolled in a state-assisted educational institution, the amount of the instructional grant for two semesters, three quarters, or a comparable portion of the academic year shall be determined in accordance with the following table:

Public Institution

Table of Grants

	Maximum Grant \$2,070					4000
Gross Income	Number of Dependents					4001
	1	2	3	4	5 or more	4002
Under \$14,000	\$2,070	\$2,070	\$2,070	\$2,070	\$2,070	4003
\$14,001 - \$15,000	1,866	2,070	2,070	2,070	2,070	4004
\$15,001 - \$16,000	1,644	1,866	2,070	2,070	2,070	4005
\$16,001 - \$17,000	1,458	1,644	1,866	2,070	2,070	4006
\$17,001 - \$18,000	1,248	1,458	1,644	1,866	2,070	4007
\$18,001 - \$21,000	1,020	1,248	1,458	1,644	1,866	4008
\$21,001 - \$24,000	816	1,020	1,248	1,458	1,644	4009
\$24,001 - \$27,000	612	816	1,020	1,248	1,458	4010
\$27,001 - \$30,000	492	612	816	1,020	1,248	4011
\$30,001 - \$31,000	396	492	612	816	1,020	4012
\$31,001 - \$32,000	366	396	492	612	816	4013
\$32,001 - \$33,000	336	366	396	492	612	4014
\$33,001 - \$34,000	168	336	366	396	492	4015
\$34,001 - \$35,000	--	168	336	366	396	4016
\$35,001 - \$36,000	--	--	168	336	366	4017
\$36,001 - \$37,000	--	--	--	168	336	4018

\$37,001 - \$38,000 -- -- -- -- 168 4019

For a full-time student who is financially independent and 4020
enrolled in a state-assisted educational institution, the amount 4021
of the instructional grant for two semesters, three quarters, or a 4022
comparable portion of the academic year shall be determined in 4023
accordance with the following table: 4024

Public Institution 4025

Table of Grants 4026

Maximum Grant \$2,070 4027

Gross Income Number of Dependents 4028

	0	1	2	3	4	5 or more	4029
--	---	---	---	---	---	--------------	------

Under \$4,500	\$2,070	\$2,070	\$2,070	\$2,070	\$2,070	\$2,070	4030
---------------	---------	---------	---------	---------	---------	---------	------

\$4,501 - \$5,000	1,866	2,070	2,070	2,070	2,070	2,070	4031
-------------------	-------	-------	-------	-------	-------	-------	------

\$5,001 - \$5,500	1,644	1,866	2,070	2,070	2,070	2,070	4032
-------------------	-------	-------	-------	-------	-------	-------	------

\$5,501 - \$6,000	1,458	1,644	1,866	2,070	2,070	2,070	4033
-------------------	-------	-------	-------	-------	-------	-------	------

\$6,001 - \$6,500	1,248	1,458	1,644	1,866	2,070	2,070	4034
-------------------	-------	-------	-------	-------	-------	-------	------

\$6,501 - \$7,000	1,020	1,248	1,458	1,644	1,866	2,070	4035
-------------------	-------	-------	-------	-------	-------	-------	------

\$7,001 - \$8,000	816	1,020	1,248	1,458	1,644	1,866	4036
-------------------	-----	-------	-------	-------	-------	-------	------

\$8,001 - \$9,000	612	816	1,020	1,248	1,458	1,644	4037
-------------------	-----	-----	-------	-------	-------	-------	------

\$9,001 - \$10,000	492	612	816	1,020	1,248	1,458	4038
--------------------	-----	-----	-----	-------	-------	-------	------

\$10,001 - \$11,500	396	492	612	816	1,020	1,248	4039
---------------------	-----	-----	-----	-----	-------	-------	------

\$11,501 - \$13,000	366	396	492	612	816	1,020	4040
---------------------	-----	-----	-----	-----	-----	-------	------

\$13,001 - \$14,500	336	366	396	492	612	816	4041
---------------------	-----	-----	-----	-----	-----	-----	------

\$14,501 - \$16,000	168	336	366	396	492	612	4042
---------------------	-----	-----	-----	-----	-----	-----	------

\$16,001 - \$19,000	--	168	336	366	396	492	4043
---------------------	----	-----	-----	-----	-----	-----	------

\$19,001 - \$22,000	--	--	168	336	366	396	4044
---------------------	----	----	-----	-----	-----	-----	------

\$22,001 - \$25,000	--	--	--	168	336	366	4045
---------------------	----	----	----	-----	-----	-----	------

\$25,001 - \$30,000	--	--	--	--	168	336	4046
---------------------	----	----	----	----	-----	-----	------

\$30,001 - \$35,000	--	--	--	--	--	168	4047
---------------------	----	----	----	----	----	-----	------

The foregoing appropriation item 235-503, Ohio Instructional 4048
Grants, shall be used to make the payments authorized by division 4049

(C) of section 3333.26 of the Revised Code to the institutions 4050
described in that division. In addition, this appropriation shall 4051
be used to reimburse the institutions described in division (B) of 4052
section 3333.26 of the Revised Code for the cost of the waivers 4053
required by that division. 4054

Of the appropriation item 235-503, Ohio Instructional Grants, 4055
up to \$3,800,000 of surplus funds net of encumbrances from the 4056
appropriation for fiscal year 2002 shall be reappropriated to 4057
appropriation item 235-534, Student Workforce Development Grants, 4058
for fiscal year 2003. 4059

WAR ORPHANS SCHOLARSHIPS 4060

The foregoing appropriation item 235-504, War Orphans 4061
Scholarships, shall be used to reimburse state-assisted 4062
institutions of higher education for waivers of instructional fees 4063
and general fees provided by them, to provide grants to 4064
institutions that have received a certificate of authorization 4065
from the Ohio Board of Regents under Chapter 1713. of the Revised 4066
Code, in accordance with the provisions of section 5910.04 of the 4067
Revised Code, and to fund additional scholarship benefits provided 4068
by section 5910.032 of the Revised Code. 4069

PART-TIME STUDENT INSTRUCTIONAL GRANTS 4070

The foregoing appropriation item 235-549, Part-time Student 4071
Instructional Grants, shall be used to support a grant program for 4072
part-time undergraduate students who are Ohio residents and who 4073
are enrolled in degree granting programs. 4074

Eligibility for participation in the program shall include 4075
degree granting educational institutions that hold a certificate 4076
of registration from the State Board of Proprietary School 4077
Registration, and nonprofit institutions that have a certificate 4078
of authorization issued pursuant to Chapter 1713. of the Revised 4079
Code, as well as state-assisted colleges and universities. Grants 4080

shall be given to students on the basis of need, as determined by
the college, which, in making these determinations, shall give
special consideration to single-parent heads-of-household and
displaced homemakers who enroll in an educational degree program
that prepares the individual for a career. In determining need,
the college also shall consider the availability of educational
assistance from a student's employer. It is the intent of the
General Assembly that these grants not supplant such assistance.

Sec. 125. UNCLAIMED FUNDS ~~TRANSER~~ TRANSFER

Notwithstanding division (A) of section 169.05 of the Revised
Code, prior to June 30, 2003, upon the request of the Director of
Budget and Management, the Director of Commerce shall transfer to
the General Revenue Fund up to ~~\$30,000,000~~ \$80,800,000 of the
unclaimed funds that have been reported by the holder of unclaimed
funds as provided by section 169.05 of the Revised Code,
irrespective of the allocation of the unclaimed funds under that
section.

Sec. 144. TRANSFERS TO THE GENERAL REVENUE FUND

Notwithstanding any other provision of law to the contrary,
including Am. Sub. H.B. 94 and Am. Sub. H.B. 405 of the 124th
General Assembly as subsequently amended, during fiscal years 2002
and 2003, the Director of Budget and Management is hereby
authorized to ~~transfer~~ make such transfers of cash to the General
Revenue Fund from non-federal, non-General Revenue Fund funds that
are not constitutionally restricted ~~to,~~ as are necessary to ensure
that expenditures from the General Revenue Fund do not exceed
amounts credited to it. The Director shall issue any directives to
state agencies that are necessary to accomplish the purposes of
this section. ~~The total amount of cash transfers made pursuant to~~
~~this section to the General Revenue Fund during fiscal years 2002~~

~~and 2003 shall not exceed \$31,794,657."~~ 4111

Section 11. That existing Sections 16, 16.02, 44, 44.19, 4112
63.07, 94, 94.02, 94.06, 94.07, 125, and 144 of Am. Sub. H.B. 94 4113
of the 124th General Assembly are hereby repealed. 4114

Section 12. That Section 13 of Am. Sub. H.B. 94 of the 124th 4115
General Assembly, as amended by Am. Sub. H.B. 524 of the 124th 4116
General Assembly, be amended to read as follows: 4117

"Sec. 13. DAS DEPARTMENT OF ADMINISTRATIVE SERVICES 4118

General Revenue Fund 4119

GRF 100-402	Unemployment	\$	107,713	\$	109,114	4120
	Compensation					
GRF 100-405	Agency Audit Expenses	\$	662,147	\$	614,704	4121
GRF 100-406	County & University	\$	850,133	\$	838,777	4122
	Human Resources					
	Services					
GRF 100-409	Departmental	\$	948,332	\$	975,481	4123
	Information Services					
GRF 100-414	Ohio Geographically	\$	512,410	\$	510,807	4124
	Referenced Information					
	Program					
GRF 100-416	Strategic Technology	\$	3,470,440	\$	5,000,000	4125
	Development Programs					
GRF 100-417	MARCS	\$	5,350,344	\$	6,176,160	4126
					<u>4,676,915</u>	4127
GRF 100-418	E-Government	\$	2,000,000	\$	4,000,000	4128
	Development					
GRF 100-419	Ohio SONET	\$	4,527,924	\$	1,785,270	4129
GRF 100-420	Innovation Ohio	\$	144,000	\$	144,000	4130
GRF 100-421	ERP Project	\$	600,000	\$	624,000	4131
	Implementation					

GRF 100-433	State of Ohio Computer Center	\$	5,003,580	\$	5,027,234	4132
GRF 100-439	Equal Opportunity Certification Programs	\$	817,894	\$	861,093	4133
GRF 100-447	OBA - Building Rent Payments	\$	96,106,300	\$	110,268,500	4134
GRF 100-448	OBA - Building Operating Payments	\$	26,098,000	\$	26,098,000	4135
GRF 100-449	DAS - Building Operating Payments	\$	5,126,955	\$	5,126,968	4136
GRF 100-451	Minority Affairs	\$	119,706	\$	118,043	4137
GRF 100-734	Major Maintenance	\$	70,224	\$	68,376	4138
GRF 102-321	Construction Compliance	\$	1,392,590	\$	1,396,506	4139
GRF 130-321	State Agency Support Services	\$	3,632,427	\$	3,740,888	4140
TOTAL GRF General Revenue Fund		\$	157,541,119	\$	173,483,921	4141
					<u>171,984,676</u>	4142
General Services Fund Group						4143
112 100-616	DAS Administration	\$	5,243,105	\$	5,503,547	4144
115 100-632	Central Service Agency	\$	1,259,438	\$	376,844	4145
117 100-644	General Services Division - Operating	\$	5,790,000	\$	7,091,000	4146
122 100-637	Fleet Management	\$	1,600,913	\$	1,652,189	4147
125 100-622	Human Resources Division - Operating	\$	23,895,125	\$	24,640,311	4148
127 100-627	Vehicle Liability Insurance	\$	3,373,835	\$	3,487,366	4149
128 100-620	Collective Bargaining	\$	3,292,859	\$	3,410,952	4150
130 100-606	Risk Management Reserve	\$	185,900	\$	197,904	4151
131 100-639	State Architect's Office	\$	7,504,787	\$	7,772,789	4152

Page 141

132	100-631	DAS Building Management	\$	10,887,913	\$	11,362,872	4153
188	100-649	Equal Opportunity Programs	\$	1,214,691	\$	1,253,311	4154
201	100-653	General Services Resale Merchandise	\$	1,779,000	\$	1,833,000	4155
210	100-612	State Printing	\$	6,648,503	\$	6,928,823	4156
4H2	100-604	Governor's Residence Gift	\$	22,628	\$	23,194	4157
4P3	100-603	Departmental MIS Services	\$	7,447,713	\$	7,761,365	4158
427	100-602	Investment Recovery	\$	4,204,735	\$	4,179,184	4159
5C2	100-605	MARCS Development	\$	3,429,947	\$	4,475,190	4160
5C3	100-608	Skilled Trades	\$	2,237,200	\$	2,332,464	4161
5D7	100-621	Workforce Development	\$	12,000,000	\$	12,000,000	4162
5L7	100-610	Professional Development	\$	2,700,000	\$	2,700,000	4163
TOTAL GSF General Services Fund Group							4164
			\$	104,718,292	\$	108,982,305	4165
Intragovernmental Service Fund Group							4166
133	100-607	Information Technology Fund	\$	104,482,097	\$	111,387,436	4167
4N6	100-617	Major Computer Purchases	\$	12,000,000	\$	4,500,000	4168
TOTAL ISF Intragovernmental Service Fund Group							4169
			\$	116,482,097	\$	115,887,436	4170
Agency Fund Group							4171
113	100-628	Unemployment Compensation	\$	3,500,000	\$	3,577,000	4172
124	100-629	Payroll Deductions	\$	1,877,100,000	\$	1,999,100,000	4173
TOTAL AGY Agency Fund Group			\$	1,880,600,000	\$	2,002,677,000	4174
Holding Account Redistribution Fund Group							4175

R08 100-646 General Services	\$	20,000	\$	20,000	4176
Refunds					
TOTAL 090 Holding Account					4177
Redistribution Fund Group	\$	20,000	\$	20,000	4178
TOTAL ALL BUDGET FUND GROUPS	\$	2,259,361,508	\$	2,401,050,662	4179
				<u>2,399,551,417"</u>	4180

Section 13. That existing Section 13 of Am. Sub. H.B. 94 of 4182
the 124th General Assembly, as amended by Am. Sub. H.B. 524 of the 4183
124th General Assembly, is hereby repealed. 4184

Section 14. That Sections 63 and 63.37 of Am. Sub. H.B. 94 of 4185
the 124th General Assembly, as amended by Am. Sub. H.B. 299 of the 4186
124th General Assembly, be amended to read as follows: 4187

"Sec. 63. JFS DEPARTMENT OF JOB AND FAMILY SERVICES 4188

General Revenue Fund 4189

GRF 600-100 Personal Services 4190

State \$ 56,614,143 \$ 58,715,838 4191

Federal \$ 18,645,558 \$ 19,317,882 4192

Personal Services \$ 75,259,701 \$ 78,033,720 4193

Total

GRF 600-200 Maintenance 4194

State \$ 30,439,164 \$ 24,320,541 4195

Federal \$ 7,295,237 \$ 5,828,810 4196

Maintenance Total \$ 37,734,401 \$ 30,149,351 4197

GRF 600-300 Equipment 4198

State \$ 5,469,830 \$ 979,504 4199

Federal \$ 179,026 \$ 32,059 4200

Equipment Total \$ 5,648,856 \$ 1,011,563 4201

GRF 600-402 Electronic Benefits 4202

Transfer (EBT)

State \$ 7,551,305 \$ 7,715,079 4203

	Federal	\$	7,551,305	\$	7,715,079	4204
	EBT Total	\$	15,102,610	\$	15,430,158	4205
GRF 600-410	TANF State	\$	268,636,561	\$	268,619,061	4206
GRF 600-413	Day Care	\$	84,120,606	\$	84,120,606	4207
	Match/Maintenance of Effort					
GRF 600-416	Computer Projects					4208
	State	\$	137,583,171	\$	142,908,736	4209
	Federal	\$	32,665,206	\$	34,770,353	4210
	Computer Projects Total	\$	170,248,377	\$	177,679,089	4211
GRF 600-420	Child Support Administration	\$	7,919,511	\$	7,885,309	4212
GRF 600-426	Children's Health Insurance Plan (CHIP)					4213
	State	\$	13,571,338	\$	15,770,373	4214
	Federal	\$	33,535,007	\$	38,968,860	4215
	CHIP Total	\$	47,106,345	\$	54,739,233	4216
GRF 600-427	Child and Family Services Activities	\$	7,189,086	\$	7,000,427	4217
GRF 600-435	Unemployment Compensation Review Commission	\$	3,759,151	\$	3,785,380	4218
GRF 600-436	Medicaid Systems Enhancements	\$	4,445,384	\$	1,853,611	4219
GRF 600-502	Child Support Match	\$	17,383,992	\$	16,814,103	4220
GRF 600-504	Non-TANF County Administration	\$	70,554,373	\$	68,697,679	4221
GRF 600-511	Disability Assistance/Other Assistance	\$	84,662,017	\$	98,152,408	4222
GRF 600-512	Non-TANF Emergency Assistance	\$	1,079,000	\$	1,079,000	4223

GRF 600-525	Health Care/Medicaid				4224
	State	\$ 2,908,181,745	\$ 3,112,834,875		4225
	Federal	\$ 4,174,579,446	\$ 4,460,972,607		4226
	Health Care Total	\$ 7,082,761,191	\$ 7,573,807,482		4227
GRF 600-527	Child Protective Services	\$ 59,592,059	\$ 64,047,479		4228
GRF 600-528	Adoption Services				4229
	State	\$ 33,085,023	\$ 37,697,562		4230
	Federal	\$ 32,158,564	\$ 36,641,941		4231
	Adoption Services Total	\$ 65,243,587	\$ 74,339,503		4232
GRF 600-534	Adult Protective Services	\$ 2,850,975	\$ 2,775,950		4233
GRF 600-552	County Social Services	\$ 11,354,550	\$ 11,055,746		4234
TOTAL GRF General Revenue Fund					4235
	State	\$ 3,816,042,984	\$ 4,036,829,267		4236
	Federal	\$ 4,306,609,349	\$ 4,604,247,591		4237
	GRF Total	\$ 8,122,652,333	\$ 8,641,076,858		4238
General Services Fund Group					4239
4A8 600-658	Child Support Collections	\$ 42,389,027	\$ 42,389,027		4240
4R4 600-665	BCII Service Fees	\$ 124,522	\$ 136,974		4241
5C9 600-671	Medicaid Program Support	\$ 50,846,239	\$ 59,226,893		4242
5R1 600-677	County Computers	\$ 5,000,000	\$ 5,000,000		4243
613 600-645	Training Activities	\$ 1,462,626	\$ 1,157,525		4244
TOTAL GSF General Services Fund Group		\$ 99,822,414	\$ 107,910,419		4245
Federal Special Revenue Fund Group					4246
3A2 600-641	Emergency Food Distribution	\$ 2,018,844	\$ 2,018,844		4247
3D3 600-648	Children's Trust Fund	\$ 2,040,524	\$ 2,040,524		4248

		Federal					
3F0	600-623	Health Care Federal	\$	260,504,926	\$	281,562,040	4250
						<u>321,924,490</u>	4251
3F0	600-650	Hospital Care	\$	320,551,643	\$	332,807,785	4252
		Assurance Match					
3G5	600-655	Interagency	\$	852,461,818	\$	860,986,436	4253
		Reimbursement					
3G9	600-657	Special Activities	\$	522,500	\$	190,000	4254
		Self Sufficiency					
3H7	600-617	Day Care Federal	\$	299,156,430	\$	337,848,130	4255
3N0	600-628	IV-E Foster Care	\$	152,981,760	\$	173,963,142	4256
		Maintenance					
3S5	600-622	Child Support Projects	\$	534,050	\$	534,050	4257
3V0	600-688	Workforce Investment	\$	128,476,093	\$	128,476,093	4258
		Act					
3V4	600-678	Federal Unemployment	\$	74,025,525	\$	74,025,525	4259
		Programs					
						<u>125,025,525</u>	4260
3V4	600-679	Unemployment	\$	2,286,421	\$	2,286,421	4261
		Compensation Review					
		Commission - Federal					
3V6	600-689	TANF Block Grant	\$	654,410,661	\$	677,098,311	4262
3V6	600-690	Wellness	\$	14,337,515	\$	14,337,515	4263
316	600-602	State and Local	\$	10,166,587	\$	10,325,460	4264
		Training					
327	600-606	Child Welfare	\$	34,594,191	\$	34,592,977	4265
331	600-686	Federal Operating	\$	41,600,896	\$	41,640,897	4266
365	600-681	JOB Training Program	\$	25,000,000	\$	5,469,259	4267
384	600-610	Food Stamps and State	\$	160,371,358	\$	161,716,857	4268
		Administration					
385	600-614	Refugee Services	\$	4,388,503	\$	4,559,632	4269
395	600-616	Special	\$	9,491,000	\$	9,491,000	4270
		Activities/Child and					

Family Services					
396	600-620	Social Services Block	\$	51,195,100	\$ 51,297,478 4271
Grant					
397	600-626	Child Support	\$	248,001,590	\$ 247,353,041 4272
398	600-627	Adoption Maintenance/	\$	277,806,175	\$ 341,298,661 4273
Administration					
TOTAL FED Federal Special Revenue					4274
Fund Group			\$	3,626,924,110	\$ 3,795,920,078 4275
					<u>3,887,292,528</u> 4276
State Special Revenue Fund Group					4277
198	600-647	Children's Trust Fund	\$	4,368,785	\$ 4,379,333 4278
3W3	600-695	Adult Protective	\$	120,227	\$ 4279
Services					
3W3	600-696	Non-TANF Adult	\$	1,000,000	\$ 4280
Assistance					
3W8	600-638	Hippy Program	\$	62,500	\$ 4281
3W9	600-640	Adoption Connection	\$	50,000	\$ 4282
4A9	600-607	Unemployment	\$	9,420,000	\$ 9,420,000 4283
Compensation Admin					
Fund					
4E3	600-605	Nursing Home	\$	95,511	\$ 95,511 4284
Assessments					
4E7	600-604	Child and Family	\$	145,805	\$ 149,450 4285
Services Collections					
4F1	600-609	Foundation	\$	116,400	\$ 119,310 4286
Grants/Child and					
Family Services					
4J5	600-613	Nursing Facility Bed	\$	31,179,798	\$ 31,279,798 4287
Assessments					
4J5	600-618	Residential State	\$	15,700,000	\$ 15,700,000 4288
Supplement Payments					
4K1	600-621	ICF/MR Bed Assessments	\$	21,604,331	\$ 22,036,418 4289
4R3	600-687	Banking Fees	\$	592,937	\$ 592,937 4290

4V2 600-612	Child Support Activities	\$	124,993	\$	124,993	4291
4Z1 600-625	HealthCare Compliance	\$	10,000,000	\$	10,000,000	4292
5A5 600-685	Unemployment Benefit Automation	\$	19,607,027	\$	13,555,667	4293
5E6 600-634	State Option Food Stamps	\$	6,000,000	\$	6,000,000	4294
5P4 600-691	TANF Child Welfare	\$	7,500,000	\$	7,500,000	4295
5P5 600-692	Health Care Services	\$	223,847,498	\$	255,386,713	4296
5R2 600-608	Medicaid-Nursing Facilities	\$	59,462,415	\$	79,283,220	4297
					<u>105,136,444</u>	4298
<u>5U3 600-654</u>	<u>Health Care Services</u> <u>Administration</u>	<u>\$</u>	<u>0</u>	<u>\$</u>	<u>3,419,405</u>	4299
651 600-649	Hospital Care Assurance Program Fund	\$	222,480,109	\$	233,384,431	4300
TOTAL SSR	State Special Revenue					4301
Fund Group		\$	633,478,336	\$	690,240,508	4302
					<u>719,513,137</u>	4303
Agency Fund Group						4304
192 600-646	Support Intercept - Federal	\$	80,000,000	\$	82,000,000	4305
5B6 600-601	Food Stamp Intercept	\$	5,283,920	\$	5,283,920	4306
583 600-642	Support Intercept - State	\$	20,162,335	\$	20,565,582	4307
TOTAL AGY	Agency Fund Group	\$	105,446,255	\$	107,849,502	4308
Holding Account	Redistribution Fund Group					4309
R12 600-643	Refunds and Audit Settlements	\$	200,000	\$	200,000	4310
R13 600-644	Forgery Collections		700,000		700,000	4311
TOTAL 090	Holding Account	\$	900,000	\$	900,000	4312
Redistribution Fund Group						

TOTAL ALL BUDGET FUND GROUPS	\$12,589,223,448	\$13,343,897,365	4313
		<u>13,464,532,444</u>	4314

Sec. 63.37. NURSING FACILITY STABILIZATION FUND 4316

(A) As used in this section: 4317

(1) "Inpatient days" and "nursing facility" have the same 4318
meanings as in section 5111.20 of the Revised Code. 4319

(2) "Medicaid day" means all days during which a resident who 4320
is a Medicaid recipient occupies a bed in a nursing facility that 4321
is included in the facility's certified capacity under Title XIX 4322
of the "Social Security Act," 79 Stat. 286 (1965), 42 U.S.C.A. 4323
1396, as amended. Therapeutic or hospital leave days for which 4324
payment is made under section 5111.33 of the Revised Code are 4325
considered Medicaid days proportionate to the percentage of the 4326
nursing facility's per resident per day rate paid for those days. 4327

(B) The Department of Job and Family Services shall use money 4328
in the Nursing Facility Stabilization Fund created under section 4329
3721.56 of the Revised Code to do all of the following: 4330

(1) Make payments to nursing facilities under sections 4331
5111.20 to 5111.32 of the Revised Code; 4332

(2) Beginning with payments made to nursing facilities in 4333
August 2001, make payments to each nursing facility for each 4334
Medicaid day ~~in fiscal years 2002 and 2003~~ in an amount equal to 4335
sixty-nine and seven-tenths per cent, for fiscal year 2002, and 4336
seventy-six and seventy-four-hundredths per cent, for fiscal year 4337
2003, of the franchise permit fee the nursing facility pays under 4338
section 3721.53 of the Revised Code for the fiscal year the 4339
department makes the payment divided by the nursing facility's 4340
inpatient days for the calendar year preceding the calendar year 4341
in which that fiscal year begins; 4342

(3) Beginning with payments made to nursing facilities in 4343

August 2001, make payments to each nursing facility for fiscal
years 2002 and 2003 in an amount equal to one dollar and fifty
cents per Medicaid day for the purpose of enhancing quality of
care.

(C) Any money remaining in the Nursing Facility Stabilization
Fund after payments specified in division (B) of this section are
made for fiscal years 2002 and 2003 shall be retained in the fund.
Any interest or other investment proceeds earned on money in the
fund shall be credited to the fund and used to make payments in
accordance with division (B) of this section.

(D) Notwithstanding division (N) of section 5111.20 of the
Revised Code, the Department of Job and Family Services, in making
Medicaid payments to a nursing facility under sections 5111.20 to
5111.32 of the Revised Code, shall ~~exclude~~ do both of the
following:

(1) Exclude from a nursing facility's other protected costs
the cost of sixty-nine and seven-tenths per cent of the franchise
permit fee that the nursing facility pays under section 3721.53 of
the Revised Code for fiscal ~~years~~ year 2002 ~~and 2003~~ if the
nursing facility receives payments under division (B)(2) of this
section for sixty-nine and seven-tenths per cent of those
franchise permit fees;

(2) Exclude from a nursing facility's other protected costs
the cost of seventy-six and seventy-four-hundredths per cent of
the franchise permit fee that the nursing facility pays under
section 3721.53 of the Revised Code for fiscal year 2003 if the
nursing facility receives payments under division (B)(2) of this
section for seventy-six and seventy-four-hundredths per cent of
those franchise permit fees."

Section 15. That existing Sections 63 and 63.37 of Am. Sub.
H.B. 94 of the 124th General Assembly, as amended by Am. Sub. H.B.

299 of the 124th General Assembly, are hereby repealed. 4375

Section 16. That Section 29 of Am. Sub. H.B. 405 of the 124th 4376
General Assembly be amended to read as follows: 4377

"Sec. 29. BUDGET STABILIZATION FUND TRANSFERS 4378

(A) Notwithstanding section 131.43 and division (D) of 4379
section 127.14 of the Revised Code, the Director of Budget and 4380
Management may, with Controlling Board approval, transfer up to 4381
\$248 million from the Budget Stabilization Fund to the General 4382
Revenue Fund during the 2002-2003 biennium to help ensure that the 4383
available revenue receipts and balances in the General Revenue 4384
Fund are not less than the appropriations for each fiscal year. 4385

(B) Notwithstanding section 131.43 and division (D) of 4386
section 127.14 of the Revised Code, the Director of Budget and 4387
Management shall transfer, not later than 30 days after the 4388
effective date of this section, \$8.0 million from the Budget 4389
Stabilization Fund to the General Revenue Fund. ~~These funds~~ Of the 4390
amount transferred, \$2.0 million shall be used for emergency 4391
purposes, to include, but not be limited to, the Department of 4392
Health and Department of Agriculture for anthrax and bioterrorism 4393
testing, the Adjutant General for costs associated with the 4394
deployment of troops, armory maintenance, equipment costs and 4395
capital needs, the Department of Public Safety, security, and 4396
other emergency purpose expenses. These amounts are hereby 4397
appropriated for General Revenue Fund appropriation line items 4398
established by the Director of Budget and Management. 4399

Prior to utilizing these funds, the appropriate agency must 4400
receive the approval of the Controlling Board. Any of these funds 4401
unspent in fiscal year 2002 shall be transferred to fiscal year 4402
2003 by the Director of Budget and Management for the same purpose 4403
as in fiscal year 2002. 4404

The Of the \$2.0 million transferred for emergency purposes as 4405
specified in this division, the unobligated and unencumbered 4406
balance of these funds as of June 30, 2003, shall be transferred 4407
back to the Budget Stabilization Fund." 4408

Section 17. That existing Section 29 of Am. Sub. H.B. 405 of 4409
the 124th General Assembly is hereby repealed. 4410

Section 18. That Section 31 of Am. Sub. H.B. 405 of the 124th 4411
General Assembly is hereby repealed. This repeal is not subject to 4412
the referendum. Therefore, under Ohio Constitution, Article II, 4413
Section 1d, the repeal goes into immediate effect. 4414

Section 19. In addition to any amounts that have been 4415
authorized for transfer from the Budget Stabilization Fund to the 4416
General Revenue Fund in fiscal year 2002, there is hereby 4417
appropriated in fiscal year 2002 an amount deemed necessary by the 4418
Director of Budget and Management, from the Budget Stabilization 4419
Fund (Fund 013), to appropriation item 001-601, GRF Shortfall 4420
Contingency, for the purpose of overcoming the current shortfall 4421
of revenues to the General Revenue Fund. The Director shall make 4422
disbursements, using an intrastate transfer voucher, from the 4423
foregoing appropriation to the General Revenue Fund, of such 4424
amounts as are necessary to ensure that the unobligated and 4425
unencumbered balance in the General Revenue Fund at the end of 4426
fiscal year 2002 is not more than \$100,000,000. 4427

In addition to any amounts that have been authorized for 4428
transfer from the Budget Stabilization Fund to the General Revenue 4429
Fund in fiscal year 2003, there is hereby appropriated in fiscal 4430
year 2003 an amount deemed necessary by the Director of Budget and 4431
Management, from the Budget Stabilization Fund (Fund 013) to 4432
appropriation item 001-601, GRF Shortfall Contingency. The 4433
Director shall make disbursements, using an intrastate transfer 4434

voucher, from the foregoing appropriation to the General Revenue
Fund, of such amounts as are necessary to ensure that the
unobligated and unencumbered balance in the General Revenue Fund
at the end of fiscal year 2003 is not more than \$100,000,000.

Section 20. On or before January 1, 2003, the Director of
Budget and Management shall reduce fiscal year 2003 General
Revenue Fund appropriations for the Department of Education by
\$30,000,000. The following GRF appropriation items are exempt from
the reduction: 200-406, Head Start; 200-500, School Finance
Equity; 200-501, Base Cost Funding; 200-502, Pupil Transportation;
200-511, Auxillary Services; 200-520, Disadvantaged Pupil Impact
Aid; 200-521, Gifted Pupil Program; 200-525, Parity Aid; 200-532,
Nonpublic Administration Cost Reimbursement; 200-534,
Desegregation Costs; 200-540, Special Education Enhancements;
200-545, Career-Technical Education Enhancements; 200-546,
Charge-Off Supplement; 200-553, County MR/DD Boards Transportation
Operating; 200-901, Property Tax Allocation - Education; and
200-906, Tangible Tax Exemption - Education.

Section 21. Not later than July 10, 2002, the Director of
Budget and Management shall reduce fiscal year 2003 General
Revenue Fund appropriations made to the Department of
Rehabilitation and Correction appropriation item 501-321,
Institutional Operations, by \$10,000,000. This appropriations
reduction is in addition to any other General Revenue Fund
appropriations reductions made to the Department of Rehabilitation
and Correction appropriations in fiscal year 2003, including but
not limited to any General Revenue Fund appropriations reductions
imposed by executive order.

Section 22. There is hereby appropriated out of funds made
available to the state under Section 903(d) of the Social Security

Act, as amended, the sum of \$51,000,000 to be used under the 4465
direction of the Department of Job and Family Services to pay for 4466
administrative activities for the Unemployment Insurance Program, 4467
employment services, and other allowable expenditures under 4468
Section 903(d) of the Social Security Act, as amended. 4469

The amounts obligated pursuant to this section shall not 4470
exceed at any time the amount by which the aggregate of the 4471
amounts transferred to the account of the state pursuant to 4472
Section 903(d) of the Social Security Act, as amended, exceeds the 4473
aggregate of the amounts obligated for administration and paid out 4474
for benefits and required by law to be charged against the amounts 4475
transferred to the account of the state. 4476

Of the appropriation item 600-678, Federal Unemployment 4477
Programs, in Section 63 of Am. Sub. H.B. 94 of the 124th General 4478
Assembly, as amended, up to \$18,000,000 in fiscal year 2003 shall 4479
be used by the Department of Job and Family Services to reimburse 4480
the General Revenue Fund, through state intrastate transfer 4481
vouchers, for expenses incurred on or after the date of enactment 4482
of this section from the General Revenue Fund for the 4483
aforementioned programs as reported to the federal government as 4484
allowable expenditures. 4485

Section 23. All items in this section are hereby appropriated 4486
as designated out of moneys in the state treasury to the credit of 4487
the General Revenue Fund. For all appropriations made in this 4488
section, those in the first column are for fiscal year 2002 and 4489
those in the second column are for fiscal year 2003. The 4490
appropriations made in this section, are in addition to any other 4491
appropriations made for the 2001-2003 biennium. 4492

TAX DEPARTMENT OF TAXATION 4493

General Revenue Fund 4494

GRF 110-321 Operating Expenses	\$	0	\$	2,500,000	4495
--------------------------------	----	---	----	-----------	------

TOTAL GRF General Revenue Fund	\$	0	\$	2,500,000	4496
TOTAL ALL BUDGET FUND GROUPS	\$	0	\$	2,500,000	4497

AUDIT AND COMPLIANCE DIVISIONS 4498

Of the foregoing appropriation item 110-321, Operating 4499
Expenses, \$2,500,000 in fiscal year 2003 shall be used to hire 4500
employees in the Audit Division and the Compliance Division for 4501
the purpose of enhancing enforcement of General Revenue Fund 4502
taxes. 4503

Within the limits set forth in this section, the Director of 4504
Budget and Management shall establish accounts indicating the 4505
source and amount of funds for each appropriation made in this 4506
section, and shall determine the form and manner in which 4507
appropriation accounts shall be maintained. Expenditures from 4508
appropriations contained in this section shall be accounted for as 4509
though made in Am. Sub. H.B. 94 of the 124th General Assembly. 4510

The appropriations made in this section are subject to all 4511
provisions of Am. Sub. H.B. 94 of the 124th General Assembly that 4512
are generally applicable to General Revenue Fund appropriations, 4513
except for the appropriation reduction provision in Section 202 of 4514
that act. 4515

Section 24. There is hereby created the Economic Development 4516
Study Committee consisting of four members appointed by the 4517
President of the Senate and three members appointed by the Speaker 4518
of the House of Representatives. Of the members appointed by the 4519
President, one shall represent retail merchants, one the Ohio 4520
Chamber of Commerce, one the Ohio Manufacturers Association, and 4521
one the Interuniversity Council. Of the members appointed by the 4522
Speaker, one shall represent the Ohio Farm Bureau Federation, one 4523
the labor unions of the state, and one the National Federation of 4524
Independent Businesses. At the first meeting of the committee, the 4525
members shall elect a chairperson and vice chairperson. Members 4526

shall serve without compensation. The committee shall study the 4527
needs of the economy of the state and shall submit a written 4528
report to the President, the Speaker, and the minority leaders of 4529
the House and Senate not later than January 31, 2003. The report 4530
shall address the challenges of the ongoing revenue shortfall of 4531
the state and recommend measures to increase investment in high 4532
technology in the state, encourage economic growth and the 4533
creation of jobs, improve primary, secondary, and higher 4534
education, and achieve other goals important to the vitality of 4535
the state's economy. Upon submitting its report, the committee 4536
shall cease to exist. 4537

Section 25. Notwithstanding section 3702.68 of the Revised 4538
Code, the Director of Health may accept for review under section 4539
3702.52 of the Revised Code an application for a certificate of 4540
need approving the relocation of up to twenty-four existing 4541
nursing home beds in Jackson County to Gallia County. 4542

Section 26. The Ohio Public Facilities Commission, upon 4543
request by the Board of Regents, is hereby authorized to issue and 4544
sell, in accordance with Section 2n of Article VIII, Ohio 4545
Constitution, and sections 151.01 and 151.04 of the Revised Code, 4546
original obligations of the State of Ohio, in an aggregate 4547
principal amount not to exceed \$50,000,000. These obligations, in 4548
addition to the original issuance of obligations heretofore 4549
authorized by prior acts of the General Assembly, shall be issued 4550
and sold from time to time and in amounts necessary to ensure 4551
sufficient moneys to the credit of the Higher Education 4552
Improvement Fund (Fund 034) to pay costs charged to that fund 4553
associated with previously authorized capital facilities and the 4554
capital facilities in Section 30 of this act for state-supported 4555
and state-assisted institutions of higher education, as estimated 4556
by the Director of Budget and Management. 4557

Section 27. All items in this section are hereby appropriated 4558
as designated out of moneys in the state treasury to the credit of 4559
the Higher Education Improvement Fund (Fund 034). All 4560
appropriations made in this section are for fiscal years 2003 and 4561
2004. The appropriations made in this section are in addition to 4562
any other capital appropriations made for fiscal years 2003 and 4563
2004. 4564

Appropriations 4565

BOR BOARD OF REGENTS 4566

Higher Education Improvement Fund 4567

034 CAP-068 Third Frontier Project \$ 50,000,000 4568

Total 034 Higher Education Improvement Fund \$ 50,000,000 4569

TOTAL ALL BUDGET FUND GROUPS THIRD FRONTIER \$ 50,000,000 4570

PROJECT

THIRD FRONTIER PROJECT 4571

The foregoing appropriation item CAP-068, Third Frontier 4572
Project, shall be used to acquire, renovate, or construct 4573
facilities and purchase equipment for research programs technology 4574
development, product development, and commercialization programs 4575
at or involving state-supported and state-assisted institutions of 4576
higher education. The funds shall be used to make grants, awarded 4577
on a competitive basis, and shall be administered by the 4578
Department of Development. Expenditure of these funds shall comply 4579
with Section 2n of Article VIII, Ohio Constitution, and sections 4580
151.01 and 151.04 of the Revised Code for the period beginning 4581
July 1, 2002, and ending June 30, 2004. 4582

The Department of Development shall develop guidelines 4583
relative to the application for and selection of projects funded 4584
from appropriation item CAP-068, Third Frontier Project. The 4585
guidelines shall be developed in consultation with the Board of 4586
Regents, the Governor's Science and Technology Advisor, and other 4587

interested parties at the discretion of the Department of 4588
Development. The Board of Regents and all state-assisted and 4589
state-supported institutions of higher education shall take all 4590
actions necessary to implement grants awarded by the Department of 4591
Development. 4592

The foregoing capital appropriation item, CAP-068, Third 4593
Frontier Project, for which an appropriation is made from the 4594
Higher Education Improvement Fund (Fund 034) is determined to 4595
consist of capital improvements and capital facilities for 4596
state-supported and state-assisted institutions of higher 4597
education, and is designated for the capital facilities to which 4598
proceeds of obligations in the Higher Education Improvement Fund 4599
(Fund 034) are to be applied. 4600

Within the limits set forth in this section, the Director of 4601
Budget and Management shall establish accounts indicating the 4602
source and amount of funds for each appropriation made in this 4603
section, and shall determine the form and manner in which 4604
appropriation accounts shall be maintained. Expenditures from 4605
appropriations contained in this section shall be accounted for as 4606
though made in the 2002-2004 biennial capital appropriations act 4607
of the 124th General Assembly. 4608

The appropriations made in this section are subject to all 4609
provisions of the 2002-2004 biennial capital appropriations act of 4610
the 124th General Assembly that are generally applicable to such 4611
appropriations. 4612

Section 28. Notwithstanding section 183.02 of the Revised 4613
Code and in addition to any amounts that have been authorized for 4614
transfer from the Tobacco Master Settlement Agreement Fund (Fund 4615
087) to the General Revenue Fund in fiscal year 2002, there is 4616
hereby appropriated in fiscal year 2002, \$180,000,000 from the 4617
Tobacco Master Settlement Agreement Fund (Fund 087) to 4618

appropriation item 001-602, GRF Revenue Supplement, for the 4619
purpose of overcoming the current shortfall of revenues to the 4620
General Revenue Fund. The Director shall make disbursements, using 4621
an intrastate transfer voucher, from the foregoing appropriation 4622
to the General Revenue Fund. 4623

Of the tobacco revenue that is credited to the Tobacco Master 4624
Settlement Agreement Fund in fiscal year 2002, the share that is 4625
determined pursuant to section 183.02 of the Revised Code to be 4626
the amount transferred by the Director of Budget and Management 4627
from the Tobacco Master Settlement Agreement Fund to the Education 4628
Facilities Trust Fund (Fund N87) shall be reduced by the amount 4629
that is appropriated from the Tobacco Master Settlement Agreement 4630
Fund to appropriation item 001-602, GRF Revenue Supplement, in 4631
accordance with this section. 4632

Section 29. All items set forth in this section are hereby 4633
appropriated out of any moneys in the state treasury to the credit 4634
of the School Building Program Assistance Fund (Fund 032), created 4635
under section 3318.25 of the Revised Code, derived from the 4636
proceeds of obligations heretofore and herein authorized to pay 4637
the cost of facilities for a system of common schools throughout 4638
the state for the period beginning July 1, 2002, and ending June 4639
30, 2004. The appropriation shall be in addition to any other 4640
appropriation for this purpose. 4641

SCHOOL FACILITIES COMMISSION 4642

CAP-770 School Building Program Assistance	\$	180,000,000	4643
Total School Facilities Commission	\$	180,000,000	4644
Total School Building Program Assistance Fund	\$	180,000,000	4645

SCHOOL BUILDING PROGRAM ASSISTANCE 4646

The foregoing appropriation item CAP-770, School Building 4647
Program Assistance, shall be used by the School Facilities 4648
Commission to provide funding to school districts that receive 4649

conditional approval from the Commission pursuant to Chapter 3318. 4650
of the Revised Code. 4651

Expenditures from appropriations contained in this section 4652
may be accounted for as though made in the main capital 4653
appropriations act for the fiscal year 2003-2004 biennium enacted 4654
by the 124th General Assembly. The School Facilities Commission 4655
shall not commit any of the appropriations made in this section 4656
until after July 1, 2002. 4657

Section 30. The Ohio Public Facilities Commission is hereby 4658
authorized to issue and sell, in accordance with the provisions of 4659
Section 2n of Article VIII, Ohio Constitution, and Chapter 151. 4660
and particularly sections 151.01 and 151.03 of the Revised Code, 4661
original obligations in an aggregate principal amount not to 4662
exceed \$180,000,000 to pay the costs associated with previously 4663
authorized capital facilities and the capital facilities 4664
authorized in the immediately preceding section of this act for 4665
the School Building Assistance Program for the School Facilities 4666
Commission to distribute in accordance with their rules and 4667
guidelines pursuant to Chapter 3318. of the Revised Code. 4668

Section 31. The amendment or enactment by this act of 4669
sections 5901.02, 5901.021, and 5901.03 of the Revised Code first 4670
applies to veterans service commission budget requests for the 4671
fiscal year beginning January 1, 2003. Notwithstanding section 4672
5901.11 of the Revised Code to the contrary, if a budget request 4673
for that fiscal year exceeds either of the amounts set forth in 4674
section 5901.021 of the Revised Code as enacted by this act, the 4675
board of county commissioners may exercise the authority granted 4676
under that section with respect to such request regardless of when 4677
the budget request was submitted to the board. 4678

Section 32. Sections 26, 27, 29, 30, and 31 of this act are 4679

subject to the referendum. Therefore, under Ohio Constitution, 4680
Article II, Section 1c and section 1.471 of the Revised Code, the 4681
sections take effect on the ninety-first day after this act is 4682
filed with the Secretary of State. If, however, a referendum 4683
petition is filed against the sections, the sections, unless 4684
rejected at the referendum, take effect at the earliest time 4685
permitted by law. 4686

Section 33. Except as otherwise specifically provided in this 4687
act, the codified and uncodified sections of law amended or 4688
enacted in this act, and the items of law of which the codified 4689
and uncodified sections of law amended or enacted in this act are 4690
composed, are not subject to the referendum. Therefore, under Ohio 4691
Constitution, Article II, Section 1d, the codified and uncodified 4692
sections of law amended or enacted in this act, and the items of 4693
law of which the codified and uncodified sections of law amended 4694
or enacted in this act are composed, except as otherwise 4695
specifically provided in this act, go into immediate effect when 4696
this act becomes law. 4697

Section 34. The repeals by this act of sections 5743.023 and 4698
5743.322 of the Revised Code are not subject to the referendum. 4699
Therefore, under Ohio Constitution, Article II, Section 1d, the 4700
repeals go into effect as prescribed in Section 3 of this act. 4701

Section 35. Sections 173.06, 173.061, 173.062, 173.07, 4702
173.071, 173.072, 5901.02, 5901.021, and 5901.03 of the Revised 4703
Code as amended or enacted by this act, and the items of law of 4704
which such sections as amended or enacted by this act are 4705
composed, are subject to the referendum. Therefore, under Ohio 4706
Constitution, Article II, Section 1c and section 1.471 of the 4707
Revised Code, such sections as amended or enacted by this act, and 4708
the items of law of which such sections as amended or enacted by 4709

this act are composed, take effect on the ninety-first day after 4710
this act is filed with the Secretary of State. If, however, a 4711
referendum petition is filed against any such section as amended 4712
or enacted by this act, or against any item of law of which any 4713
such section as amended or enacted by this act is composed, the 4714
section as amended or enacted, or item of law, unless rejected at 4715
the referendum, takes effect at the earliest time permitted by 4716
law. 4717

Section 36. The amendment of sections 5112.01, 5112.06, 4718
5112.07, and 5112.11 of the Revised Code is not intended to 4719
supersede the earlier repeal, with delayed effective date, of 4720
those sections. 4721