

**As Reported by the House Finance and Appropriations
Committee**

**124th General Assembly
Regular Session
2001-2002**

Sub. S. B. No. 261

SENATOR Carnes

A B I L L

To amend sections 124.151, 131.44, 173.06, 173.40, 1
1333.11, 2913.40, 3721.51, 3721.56, 5101.11, 2
5111.02, 5111.10, 5111.86, 5111.871, 5112.01, 3
5112.06, 5112.07, 5112.11, 5123.041, 5126.053, 4
5126.17, 5733.01, 5733.04, 5743.02, 5743.03, 5
5743.04, 5743.08, 5743.081, 5743.12, 5743.13, 6
5743.14, 5743.32, 5743.33, 5743.34, 5743.35, 7
5747.01, 5747.02, 5747.05, 5747.21, 5901.02, 8
5901.03, and 5919.34; to amend, for the purpose of 9
adopting new section numbers as indicated in 10
parentheses, sections 5111.10 (5111.90), 5111.86 11
(5111.91), and 5126.17 (5126.18); to enact sections 12
131.441, 173.061, 173.062, 173.07, 173.071, 13
173.072, 5111.0112, 5111.082, 5111.091, 5111.92, 14
5111.93, 5111.94, 5747.212, and 5901.021; and to 15
repeal sections 5126.16, 5126.18, 5743.023, and 16
5743.322 of the Revised Code and to amend Section 8 17
of Am. Sub. S.B. 172 of the 123rd General Assembly; 18
to amend Section 5.02 of Sub. H.B. 73 of the 124th 19
General Assembly, as subsequently amended; to amend 20
Sections 16, 16.02, 44, 44.19, 63.07, 63.35, 75.02, 21
94, 94.02, 94.06, 94.07, and 125 of Am. Sub. H.B. 22
94 of the 124th General Assembly; to amend Section 23
13 of Am. Sub. H.B. 94 of the 124th General 24

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Assembly, as subsequently amended; to amend 25
 Sections 63 and 63.37 of Am. Sub. H.B. 94 of the 26
 124th General Assembly, as subsequently amended; to 27
 amend Section 29 of Am. Sub. H.B. 405 of the 124th 28
 General Assembly; and to repeal Section 31 of Am. 29
 Sub. H.B. 405 of the 124th General Assembly to 30
 increase the rate of tax on cigarettes; to make 31
 other tax modifications; to provide authorization 32
 and conditions for the operation of state programs; 33
 to make other budgetary and program modifications; 34
 and to make operating appropriations for the period 35
 ending June 30, 2003, and capital appropriations 36
 for the period ending June 30, 2004. 37

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

Section 1. That sections 124.151, 131.44, 173.06, 173.40, 38
 1333.11, 2913.40, 3721.51, 3721.56, 5101.11, 5111.02, 5111.10, 39
 5111.86, 5111.871, 5112.01, 5112.06, 5112.07, 5112.11, 5123.041, 40
 5126.053, 5126.17, 5733.01, 5733.04, 5743.02, 5743.03, 5743.04, 41
 5743.08, 5743.081, 5743.12, 5743.13, 5743.14, 5743.32, 5743.33, 42
 5743.34, 5743.35, 5747.01, 5747.02, 5747.05, 5747.21, 5901.02, 43
 5901.03, and 5919.34 be amended; sections 5111.10 (5111.90), 44
 5111.86 (5111.91), and 5126.17 (5126.18) be amended for the 45
 purpose of adopting new section numbers as indicated in 46
 parentheses; and sections 131.441, 173.061, 173.062, 173.07, 47
 173.071, 173.072, 5111.0112, 5111.082, 5111.091, 5111.92, 5111.93, 48
 5111.94, 5747.212, and 5901.021 of the Revised Code be enacted to 49
 read as follows: 50

Sec. 124.151. (A) As used in this section, "compensation" 51
 includes, but is not limited to, wages and salary, travel 52
 allowances paid pursuant to section 101.27 of the Revised Code, 53

and benefits paid pursuant to sections 124.13, 124.19, 124.381, 54
124.382, 124.383, 124.384, 124.385, and 124.386 of the Revised 55
Code. 56

(B) The compensation of any employee whose employment 57
commenced on or after the effective date of this amendment and who 58
is paid by warrant of the auditor of state shall, upon the written 59
authorization of the employee be paid by direct deposit. Such Each 60
such employee shall provide to the appointing authority a written 61
authorization for payment by direct deposit. The authorization 62
shall include the designation of a financial institution equipped 63
to accept direct deposits and the number of the account into which 64
the deposit is to be made. The authorization shall remain in 65
effect until withdrawn in writing by the employee or until 66
dishonored by the financial institution. The director of 67
administrative services shall provide by rule adopted under 68
Chapter 119. of the Revised Code for the direct deposit in a 69
financial institution of the compensation of an employee who fails 70
to provide to the appointing authority a written authorization for 71
payment by direct deposit. 72

Sec. 131.44. (A) As used in this section: 73

(1) "Surplus revenue" means the excess, if any, of the total 74
fund balance over the required year-end balance. 75

(2) "Total fund balance" means the sum of the unencumbered 76
balance in the general revenue fund on the last day of the 77
preceding fiscal year plus, the balance in the excess tax receipts 78
fund created under section 131.441 of the Revised Code on the last 79
day of the preceding fiscal year, and the balance in the budget 80
stabilization fund. 81

(3) "Required year-end balance" means the sum of the 82
following: 83

(a) Five per cent of the general revenue fund revenues for 84

the preceding fiscal year;	85
(b) "Ending fund balance," which means one-half of one per cent of general revenue fund revenues for the preceding fiscal year;	86 87 88
(c) "Carryover balance," which means, with respect to a fiscal biennium, the excess, if any, of the estimated general revenue fund appropriation and transfer requirement for the second fiscal year of the biennium over the estimated general revenue fund revenue for that fiscal year;	89 90 91 92 93
(d) "Capital appropriation reserve," which means the amount, if any, of general revenue fund capital appropriations made for the current biennium that the director of budget and management has determined will be encumbered or disbursed;	94 95 96 97
(e) "Income tax reduction impact reserve," which means an amount equal to the reduction projected by the director of budget and management in income tax revenue in the current fiscal year attributable to the previous reduction in the income tax rate made by the tax commissioner pursuant to division (B) of section 5747.02 of the Revised Code.	98 99 100 101 102 103
(4) "Estimated general revenue fund appropriation and transfer requirement" means the most recent adjusted appropriations made by the general assembly from the general revenue fund and includes both of the following:	104 105 106 107
(a) Appropriations made and transfers of appropriations from the first fiscal year to the second fiscal year of the biennium in provisions of acts of the general assembly signed by the governor but not yet effective;	108 109 110 111
(b) Transfers of appropriation from the first fiscal year to the second fiscal year of the biennium approved by the controlling board.	112 113 114

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

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

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

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

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

(C) The director of budget and management shall transfer 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 146
reductions in taxes required under division (B) of section 5747.02 147
of the Revised Code in the respective amounts and percentages 148
prescribed by divisions (A)(1), (2), and (4) of section 5747.03 of 149
the Revised Code as if the amount transferred had been collected 150
as taxes under Chapter 5747. of the Revised Code. If no reductions 151
in taxes are made under that division that affect revenue received 152
in the current fiscal year, the director shall not transfer money 153
from the income tax reduction fund to the general revenue fund, 154
the local government fund, the library and local government 155
support fund, and the local government revenue assistance fund. 156

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Sec. 131.441. (A) As used in this section: 158

(1) "Base year revenue" means sixteen billion one hundred 159
ninety-five million eight hundred thousand dollars. 160

(2) "Target revenue" for each fiscal year after fiscal year 161
2002 means the target fiscal year revenue for the preceding fiscal 162
year multiplied by the greater of the following: 163

(a) One hundred three per cent; 164

(b) One hundred per cent plus the percentage increase in the 165
consumer price index prepared by the United States bureau of labor 166
statistics (all urban consumers, all items) for the twelve-month 167
period ending on the thirty-first day of December preceding the 168
determination made under division (C) of this section. 169

For fiscal year 2002, "target revenue" equals the base year 170
revenue multiplied by the greater of the quantities described in 171
divisions (A)(2)(a) and (b) of this section. 172

(3) "Actual revenue" for a fiscal year means the total amount 173
of taxes credited to the general revenue fund in the fiscal year 174
plus transfers made in the fiscal year from the income tax 175

reduction fund to the general revenue fund under division (C) of 176
section 131.44 of the Revised Code. 177

(4) "Excess revenue" for a fiscal year means the excess, if 178
any, of actual revenue for that fiscal year over the target 179
revenue for that fiscal year. 180

(B) There is hereby created in the state treasury the excess 181
tax receipts fund. Money in the fund shall not be transferred or 182
appropriated from the fund except as provided in division (B)(1) 183
of section 131.44 of the Revised Code. 184

(C) On the thirtieth day of June each year, the director of 185
budget and management shall transfer from the general revenue fund 186
to the excess tax receipts fund an amount equal to the excess 187
revenue for the fiscal year ending on that day. 188

Sec. 173.06. (A) The director of aging shall establish a 189
golden buckeye card program and provide a golden buckeye card to 190
any resident of this state who applies to the director for a card 191
and who is sixty years of age or older or disabled. The director 192
shall devise programs to provide benefits of any kind to card 193
holders, and encourage support and participation in them by all 194
persons, including governmental organizations. Card holders shall 195
be entitled to any benefits granted to them by private persons or 196
organizations, the laws of this state, or ordinances or 197
resolutions of political subdivisions. This section does not 198
require any person or organization to provide benefits to any card 199
holder. The department of aging shall bear all costs of the 200
program, except that the department is not required to bear any 201
costs related to the prescription drug discount programs 202
established pursuant to section 173.061 of the Revised Code. 203

(B) Before issuing a golden buckeye card to any person, the 204
director shall establish the identity of any person who applies 205
for a card and shall ascertain that such person is sixty years of 206

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.

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(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.

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(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.

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

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

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(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.

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(3) "Disabled person" has the same meaning as in section 237
173.06 of the Revised Code. 238

(B) The director of aging shall establish one or more 239
prescription drug discount card programs that enable cardholders 240
to receive discounts on prescription drugs dispensed at 241
participating pharmacies. A card shall be provided to any resident 242
of this state who applies in accordance with rules adopted by the 243
director pursuant to division (F) of this section and is sixty 244
years of age or older or is a disabled person. 245

If the director establishes more than one prescription drug 246
discount card program under this section, an eligible resident may 247
participate in one or more or all of the programs. 248

(C)(1) The director shall solicit and accept proposals from 249
entities separate from the department of aging to provide for 250
administration of a program or programs in accordance with rules 251
adopted under division (F) of this section. Proposals must be 252
submitted not later than a date established by the director. The 253
director shall accept only those proposals that specify all of the 254
following: 255

(a) The estimated amount of the discount based on the 256
entity's previous experience and how the discount is to be 257
achieved; 258

(b) To the extent that discounts on prescription drugs are to 259
be achieved through rebates or discounts in prices that the entity 260
negotiates with drug manufacturers, the proportion of the rebates 261
or discounts to be used to do all of the following: 262

(i) Reduce any costs to cardholders; 263

(ii) Achieve discounts for cardholders; 264

(iii) Cover costs for administering the program. 265

(c) Any other benefits offered to cardholders; 266

<u>(d) If fees are permitted, the fee, if any, to cardholders for participation in the program and whether the fee is to be a one-time or periodic fee;</u>	267
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<u>(e) The estimated number and geographic distribution of participating pharmacies and the process for establishing the program's pharmacy network;</u>	270
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<u>(f) Financial incentives to be paid to participating pharmacies by the entity;</u>	273
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<u>(g) The percentage of prescription drugs to be covered by the program by major drug category;</u>	275
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<u>(h) How the entity proposes to improve medication management for cardholders;</u>	277
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<u>(i) How cardholders and participating pharmacies will be informed of the discounted price negotiated by the entity;</u>	279
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<u>(j) How the entity will handle complaints about the program's operation;</u>	281
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<u>(k) The entity's previous experience in managing similar programs;</u>	283
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<u>(1) Any additional information requested by the director.</u>	285
<u>(2) The director shall contract with one or more entities to administer a program or programs on the basis of the proposals submitted, but may require an administrator to modify its conduct of a program in accordance with rules adopted under division (F) of this section. Prior to entering into a contract with an entity, the director shall obtain approval of the contract from the controlling board at a public hearing.</u>	286
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<u>The director shall adopt rules specifying the period for which a contract will be in effect and may terminate a contract if an administrator fails to conduct a program in accordance with its proposal or with any modifications required by rule. When a</u>	293
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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.

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(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.

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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.

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

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(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.

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(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

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contacting cardholders concerning participation in or 328
administration of the program, including, but not limited to, 329
mailing a list of pharmacies participating in the program's 330
network. 331

(3) To the extent that a discount is achieved through rebates 332
or discounts in prices that an administrator negotiates with drug 333
manufacturers, an administrator shall use the rebates or discounts 334
to do the following: 335

(a) Reduce any costs to cardholders; 336

(b) Achieve discounts for cardholders; 337

(c) Cover any administrative costs of the program. 338

(F) The director shall adopt rules in accordance with Chapter 339
119. of the Revised Code that do all of the following: 340

(1) Specify how a resident may apply to participate in any 341
one or more prescription drug discount card programs; 342

(2) Provide for the administration of each program; 343

(3) Specify the circumstances under which the director may 344
require an administrator to modify its conduct of a program; 345

(4) Specify the duration of a contract; 346

(5) Specify whether an administrator may charge a fee for a 347
card and whether an administrator is required to issue the cards; 348

(6) Require that an administrator permit any pharmacy willing 349
to comply with the administrator's terms and conditions for 350
participation in the program's network to participate in any 351
network used by the administrator for its program; 352

(7) Prohibit an administrator from requiring a pharmacy or 353
drug manufacturer to participate in the program's network as a 354
condition of participation in another network operated by the 355
administrator; 356

(8) Permit an administrator to negotiate with one or more drug manufacturers for discounts in drug prices or rebates; 357
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(9) Permit an administrator to receive any rebate payments from drug manufacturers; 359
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(10) Require that an administrator create a financial incentive program for participating pharmacies through which the administrator shall distribute a portion of any rebate payments from drug manufacturers received under division (F)(9) of this section. 361
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(G) Not later than one month after the end of each twelve-month period that one or more prescription drug discount card programs are in operation, each administrator shall collect from each of its participating pharmacies and provide to the director of aging the information required by section 173.071 of the Revised Code. 366
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Sec. 173.062. Records identifying the recipients of golden buckeye cards issued under section 173.06 of the Revised Code or prescription drug discount cards issued under section 173.061 of the Revised Code are not public records subject to inspection or copying under section 149.43 of the Revised Code and may be disclosed only at the discretion of the director of aging. The director may disclose only information in records identifying the recipients of golden buckeye cards or prescription drug discount cards that does not contain the recipient's medical history or prescription drug utilization history. 372
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Sec. 173.07. Not later than four months after the end of each twelve-month period that one or more prescription drug discount card programs established under section 173.061 of the Revised Code are in operation, the director of aging shall issue a report on the operation of each program during that twelve-month period. 382
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<u>Sec. 173.071. Each report issued under section 173.07 of the</u>	387
<u>Revised Code shall be based on information received by the</u>	388
<u>director of aging from each administrator under division (G) of</u>	389
<u>section 173.061 of the Revised Code and specify all of the</u>	390
<u>following about each program:</u>	391
<u>(A) The number of prescription drug discount cardholders;</u>	392
<u>(B) The number of cardholders who used the card at least once</u>	393
<u>in the immediately preceding twelve-month period;</u>	394
<u>(C) The total cost savings to all cardholders generated by</u>	395
<u>the program;</u>	396
<u>(D) The average cost savings to a cardholder per</u>	397
<u>prescription;</u>	398
<u>(E) The source and method of cost savings under the program;</u>	399
<u>(F) The drugs that are discounted under the program listed</u>	400
<u>according to major drug category;</u>	401
<u>(G) For each participating pharmacy, the number of times in</u>	402
<u>the twelve-month period that the pharmacy's customary and usual</u>	403
<u>price was lower than the price offered under the prescription drug</u>	404
<u>discount program;</u>	405
<u>(H) The name of the program's administrator;</u>	406
<u>(I) The length of the contract between the director and the</u>	407
<u>program's administrator;</u>	408
<u>(J) The number of pharmacies participating in the program;</u>	409
<u>(K) Other than the cost of prescription drugs, any fees paid</u>	410
<u>by cardholders to participate in the program;</u>	411
<u>(L) Any costs incurred by the state to operate the program;</u>	412
<u>(M) Any costs incurred by participating pharmacies to</u>	413
<u>participate in the program.</u>	414

Sec. 173.072. The director of aging shall submit each report 415
to the governor, the speaker and minority leader of the house of 416
representatives, the president and minority leader of the senate, 417
and the chairpersons and ranking minority members of the 418
committees of the house of representatives and senate that have 419
primary concern with matters pertaining to health care. 420

Sec. 173.40. There is hereby created a component of the 421
medicaid program established under Chapter 5111. of the Revised 422
Code to be known as the preadmission screening system providing 423
options and resources today program, or PASSPORT. The PASSPORT 424
program shall provide home and community-based services as an 425
alternative to nursing facility placement for aged and disabled 426
medicaid recipients. The program shall be operated pursuant to a 427
home and community-based waiver granted by the United States 428
secretary of health and human services under section 1915 of the 429
"Social Security Act," 49 Stat. 620 (1935), 42 U.S.C. 1396n, as 430
amended. The department of aging shall administer the program 431
through ~~an interagency agreement~~ a contract entered into with the 432
department of job and family services under section ~~5111.86~~ 433
5111.91 of the Revised Code. The directors of aging and job and 434
family services shall adopt rules in accordance with Chapter 119. 435
of the Revised Code to implement the program. 436

Sec. 1333.11. As used in sections 1333.11 to 1333.21 of the 437
Revised Code: 438

(A) "Cost to the retailer" means the invoice cost of 439
cigarettes to the retailer, or the replacement cost of cigarettes 440
to the retailer within thirty days prior to the date of sale, in 441
the quantity last purchased, whichever is lower, less all trade 442
discounts except customary discounts for cash, to which shall be 443
added the cost of doing business by the retailer as evidenced by 444

the standards and the methods of accounting regularly employed by
the retailer in the retailer's allocation of overhead costs and
expenses, paid or incurred. "Cost to the retailer" must include,
without limitation, labor, including salaries of executives and
officers, rent, depreciation, selling costs, maintenance of
equipment, delivery costs, all types of licenses, insurance,
advertising, and taxes, exclusive of county cigarette taxes paid
or payable on the cigarettes. Where the sale to the retailer is on
a cash and carry basis, the cartage to the retail outlet, if
performed or paid for by the retailer, shall be added to the
invoice cost of the cigarettes to the retailer. In the absence of
proof of a lesser or higher cost by the retailer, the cartage cost
shall be three-fourths of one per cent of the invoice cost of the
cigarettes to the retailer, not including the amount added thereto
by the wholesaler for the face value of state and county cigarette
tax stamps affixed to each package of cigarettes.

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(B) In the absence of proof of a lesser or higher cost of
doing business by the retailer making the sale, the cost of doing
business to the retailer shall be ~~six~~ eight per cent of the
invoice cost of the cigarettes to the retailer exclusive of the
face value of county cigarette taxes paid on the cigarettes or of
the replacement cost of the cigarettes to the retailer within
thirty days prior to the date of sale in the quantity last
purchased exclusive of the face value of county cigarette taxes
paid on the cigarettes, whichever is lower, less all trade
discounts except customary discounts for cash.

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(C) "Cost to the wholesaler" means the invoice cost of the
cigarettes to the wholesaler, or the replacement cost of the
cigarettes to the wholesaler within thirty days prior to the date
of sale, in the quantity last purchased, whichever is lower, less
all trade discounts except customary discounts for cash, to which
shall be added a wholesaler's markup to cover in part the cost of

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doing business, which wholesaler's markup, in the absence of proof 477
of a lesser or higher cost of doing business by the wholesaler as 478
evidenced by the standards and methods of accounting regularly 479
employed by the wholesaler in the wholesaler's allocation of 480
overhead costs and expenses, paid or incurred, including without 481
limitation, labor, salaries of executives and officers, rent, 482
depreciation, selling costs, maintenance of equipment, delivery, 483
delivery costs, all types of licenses, taxes, insurance, and 484
advertising, shall be two and five-tenths per cent of said invoice 485
cost of the cigarettes to the wholesaler, to which shall be added 486
the full face value of state and county cigarette tax stamps 487
affixed by the wholesaler to each package of cigarettes, or of the 488
replacement cost of the cigarettes to the wholesaler within thirty 489
days prior to the date of sale in the quantity last purchased, 490
whichever is lower, less all trade discounts except customary 491
discounts for cash. Where the sale by the wholesaler to the 492
retailer is on a cash and carry basis, the wholesaler may, in the 493
absence of proof of a lesser or higher cost, allow to the retailer 494
an amount not to exceed three-fourths of one per cent of the "cost 495
to the wholesaler" excluding the amount added thereto for the face 496
value of state and county cigarette tax stamps affixed to each 497
package of cigarettes. 498

(D) Any person licensed to sell cigarettes as both a 499
wholesaler and a retailer, who does sell cigarettes at retail, 500
shall, in determining "cost to the retailer", first compute "cost 501
to the wholesaler" as provided in division (C) of this section; 502
~~said~~ that "cost to the wholesaler" shall then be used in lieu of 503
the lower of either invoice cost or replacement cost less all 504
trade discounts except customary discounts for cash in computing 505
"cost to the retailer" as provided in divisions (A) and (B) of 506
this section. 507

(E) In all advertisements, offers for sale, or sales 508

involving two or more items at a combined price and in all
advertisements, offers for sale, or sales involving the giving of
any concession of any kind, whether it be coupons or otherwise,
the retailer's or wholesaler's selling price shall not be below
the "cost to the retailer" or the "cost to wholesaler",
respectively, of all articles, products, commodities, and
concessions included in such transactions.

(F)(1) "Sell at retail," "sales at retail," and "retail
sales" include any transfer of title to tangible personal property
for a valuable consideration made, in the ordinary course of trade
or usual prosecution of the seller's business, to the purchaser
for consumption or use.

(2) "Sell at wholesale," "sales at wholesale," and "wholesale
sales" include any such transfer of title to tangible personal
property for the purpose of resale.

(G) "Retailer" includes any person who is permitted to sell
cigarettes at retail within this state under section 5743.15 of
the Revised Code.

(H) "Wholesaler" includes any person who is permitted to sell
cigarettes at wholesale within this state under ~~said~~ that section.

(I) "Person" includes individuals, corporations,
partnerships, associations, joint-stock companies, business
trusts, unincorporated organizations, receivers, or trustees.

(J) "County cigarette taxes" means the taxes levied under
section 5743.024 or 5743.026 of the Revised Code.

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

(1) "Statement or representation" means any oral, written,
electronic, electronic impulse, or magnetic communication that is
used to identify an item of goods or a service for which

reimbursement may be made under the medical assistance program or 539
that states income and expense and is or may be used to determine 540
a rate of reimbursement under the medical assistance program. 541

(2) "Medical assistance program" means the program 542
established by the department of job and family services to 543
provide medical assistance under section 5111.01 of the Revised 544
Code and the medicaid program of Title XIX of the "Social Security 545
Act," 49 Stat. 620 (1935), 42 U.S.C. 301, as amended. 546

(3) "Provider" means any person who has signed a provider 547
agreement with the department of job and family services to 548
provide goods or services pursuant to the medical assistance 549
program or any person who has signed an agreement with a party to 550
such a provider agreement under which the person agrees to provide 551
goods or services that are reimbursable under the medical 552
assistance program. 553

(4) "Provider agreement" means an oral or written agreement 554
between the department of job and family services and a person in 555
which the person agrees to provide goods or services under the 556
medical assistance program. 557

(5) "Recipient" means any individual who receives goods or 558
services from a provider under the medical assistance program. 559

(6) "Records" means any medical, professional, financial, or 560
business records relating to the treatment or care of any 561
recipient, to goods or services provided to any recipient, or to 562
rates paid for goods or services provided to any recipient and any 563
records that are required by the rules of the director of job and 564
family services to be kept for the medical assistance program. 565

(B) No person shall knowingly make or cause to be made a 566
false or misleading statement or representation for use in 567
obtaining reimbursement from the medical assistance program. 568

(C) No person, with purpose to commit fraud or knowing that 569

the person is facilitating a fraud, shall do either of the
following:

(1) Contrary to the terms of the person's provider agreement,
charge, solicit, accept, or receive for goods or services that the
person provides under the medical assistance program any property,
money, or other consideration in addition to the amount of
reimbursement under the medical assistance program and the
person's provider agreement for the goods or services and any
deductibles or co-payments authorized by rules adopted under
section ~~5111.02~~ 5111.0112 of the Revised Code or by any rules
adopted pursuant to that section.

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

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

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

(2) Knowingly alter, falsify, destroy, conceal, or remove any
records that are necessary to disclose fully all income and

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expenditures upon which rates of reimbursements were based for the person.

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

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(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.

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(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.

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Sec. 3721.51. The department of job and family services

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shall: 632

(A) For the purposes specified in section 3721.56 of the 633
Revised Code, determine an annual franchise permit fee on each 634
nursing home in an amount equal to three dollars and thirty cents 635
for fiscal ~~years year~~ 2002 ~~and 2003~~, four dollars and thirty cents 636
for fiscal years 2003 through 2005, and one dollar for each fiscal 637
year thereafter, multiplied by the product of the following: 638

(1) The number of beds licensed as nursing home beds, plus 639
any other beds certified as skilled nursing facility beds under 640
Title XVIII or nursing facility beds under Title XIX of the 641
"Social Security Act," 49 Stat. 620 (1935), 42 U.S.C.A. 301, as 642
amended, on July 1, 1993, and, for each subsequent year, the first 643
day of May of the calendar year in which the fee is determined 644
pursuant to division (A) of section 3721.53 of the Revised Code; 645

(2) The number of days in fiscal year 1994 and, for each 646
subsequent year, the number of days in the fiscal year beginning 647
on the first day of July of the calendar year in which the fee is 648
determined pursuant to division (A) of section 3721.53 of the 649
Revised Code. 650

(B) For the purposes specified in section 3721.56 of the 651
Revised Code, determine an annual franchise permit fee on each 652
hospital in an amount equal to three dollars and thirty cents for 653
fiscal ~~years year~~ 2002 ~~and 2003~~, four dollars and thirty cents for 654
fiscal years 2003 through 2005, and one dollar for each fiscal 655
year thereafter, multiplied by the product of the following: 656

(1) The number of beds registered pursuant to section 3701.07 657
of the Revised Code as skilled nursing facility beds or long-term 658
care beds, plus any other beds licensed as nursing home beds under 659
section 3721.02 or 3721.09 of the Revised Code, on July 1, 1993, 660
and, for each subsequent year, the first day of May of the 661
calendar year in which the fee is determined pursuant to division 662
(A) of section 3721.53 of the Revised Code; 663

(2) The number of days in fiscal year 1994 and, for each 664
subsequent year, the number of days in the fiscal year beginning 665
on the first day of July of the calendar year in which the fee is 666
determined pursuant to division (A) of section 3721.53 of the 667
Revised Code. 668

If the United States ~~health care financing administration~~ 669
centers for medicare and medicaid services determines that the 670
franchise permit fee established by sections 3721.50 ~~through to~~ 671
3721.58 of the Revised Code would be an impermissible health care 672
related tax under section 1903(w) of the "Social Security Act," 49 673
Stat. 620 (1935), 42 U.S.C. 1396b(w), as amended, the department 674
of job and family services shall take all necessary actions to 675
cease implementation of those sections in accordance with rules 676
adopted under section 3721.58 of the Revised Code. 677

Sec. 3721.56. (A) Thirty and three-tenths per cent of all 678
payments and penalties paid by nursing homes and hospitals under 679
sections 3721.53 and 3721.54 of the Revised Code for fiscal ~~years~~ 680
year 2002 and 2003, twenty-three and twenty-six-hundredths per 681
cent of such payments and penalties paid for fiscal years 2003 682
through 2005, and all such payments and penalties paid for 683
subsequent fiscal years, shall be deposited into the "home and 684
community-based services for the aged fund," which is hereby 685
created in the state treasury. The departments of job and family 686
services and aging shall use the moneys in the fund to fund the 687
following in accordance with rules adopted under section 3721.58 688
of the Revised Code: 689

(1) The medical assistance program established under Chapter 690
~~511.~~ 5111. of the Revised Code; 691

(2) The PASSPORT program established under section 173.40 of 692
the Revised Code; 693

(3) The residential state supplement program established 694

under section 173.35 of the Revised Code. 695

(B) Sixty-nine and seven-tenths per cent of all payments and 696
penalties paid by nursing homes and hospitals under sections 697
3721.53 and 3721.54 of the Revised Code for fiscal ~~years~~ year 2002 698
~~and, and seventy-six and seventy-four-hundredths per cent of such~~ 699
payments and penalties paid for fiscal years 2003 through 2005, 700
shall be deposited into the nursing facility stabilization fund, 701
which is hereby created in the state treasury. The department of 702
job and family services shall use the money in the fund in the 703
manner provided by Am. Sub. H.B. 94 and Sub. S.B. 261 of the 124th 704
general assembly. 705

Sec. 5101.11. This section does not apply to contracts 706
entered into under section 5111.022, 5111.90, or 5111.91 of the 707
Revised Code. 708

(A) As used in this section: 709

(1) "Entity" includes an agency, board, commission, or 710
department of the state or a political subdivision of the state; a 711
private, nonprofit entity; a school district; a private school; or 712
a public or private institution of higher education. 713

(2) "Federal financial participation" means the federal 714
government's share of expenditures made by an entity in 715
implementing a program administered by the department of job and 716
family services. 717

(B) At the request of any public entity having authority to 718
implement a program administered by the department of job and 719
family services or any private entity under contract with a public 720
entity to implement a program administered by the department, the 721
department may seek to obtain federal financial participation for 722
costs incurred by the entity. Federal financial participation may 723
be sought from programs operated pursuant to Title IV-A, Title 724

IV-E, and Title XIX of the "Social Security Act," 49 Stat. 620 725
(1935), 42 U.S.C. 301, as amended; the "Food Stamp Act of 1964," 726
78 Stat. 703, 7 U.S.C. 2011, as amended; and any other statute or 727
regulation under which federal financial participation may be 728
available, except that federal financial participation may be 729
sought only for expenditures made with funds for which federal 730
financial participation is available under federal law. 731

(C) All funds collected by the department of job and family 732
services pursuant to division (B) of this section shall be 733
distributed to the entities that incurred the costs, except for 734
any amounts retained by the department pursuant to division (D)(3) 735
of this section. 736

(D) In distributing federal financial participation pursuant 737
to this section, the department may either enter into an agreement 738
with the entity that is to receive the funds or distribute the 739
funds in accordance with rules adopted under division (F) of this 740
section. If the department decides to enter into an agreement to 741
distribute the funds, the agreement may include terms that do any 742
of the following: 743

(1) Provide for the whole or partial reimbursement of any 744
cost incurred by the entity in implementing the program; 745

(2) In the event that federal financial participation is 746
disallowed or otherwise unavailable for any expenditure, require 747
the department of job and family services or the entity, whichever 748
party caused the disallowance or unavailability of federal 749
financial participation, to assume responsibility for the 750
expenditures; 751

(3) Permit the department to retain not more than five per 752
cent of the amount of the federal financial participation to be 753
distributed to the entity; 754

(4) Require the public entity to certify the availability of 755

sufficient unencumbered funds to match the federal financial participation it receives under this section; 756
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(5) Establish the length of the agreement, which may be for a fixed or a continuing period of time; 758
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(6) Establish any other requirements determined by the department to be necessary for the efficient administration of the agreement. 760
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(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. 763
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(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. 768
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(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. 776
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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, 779
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on completion of the examination, the director determines that it 786
is feasible to institute such a copayment program, the director 787
may seek approval from the United States secretary of health and 788
human services to institute the copayment program. If necessary, 789
the director may seek approval by applying for a waiver of federal 790
statutes and regulations. If such approval is obtained, the 791
director shall adopt rules in accordance with Chapter 119. of the 792
Revised Code governing the copayment program. 793

Sec. 5111.02. (A) Under the medical assistance program: 794

(1) ~~Reimbursement~~ Except as otherwise permitted by federal 795
statute or regulation and at the department's discretion, 796
reimbursement by the department of job and family services to a 797
medical provider for any medical service rendered under the 798
program shall not exceed the authorized reimbursement level for 799
the same service under the medicare program established under 800
Title XVIII of the "Social Security Act," 49 Stat. 620 (1935), 42 801
U.S.C.A. 301, as amended. 802

(2) Reimbursement for freestanding medical laboratory charges 803
shall not exceed the customary and usual fee for laboratory 804
profiles. 805

(3) The department may deduct from payments for services 806
rendered by a medicaid provider under the medical assistance 807
program any amounts the provider owes the state as the result of 808
incorrect medical assistance payments the department has made to 809
the provider. 810

(4) The department may conduct final fiscal audits in 811
accordance with the applicable requirements set forth in federal 812
laws and regulations and determine any amounts the provider may 813
owe the state. When conducting final fiscal audits, the department 814
shall consider generally accepted auditing standards, which 815
include the use of statistical sampling. 816

~~(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 accordance with the applicable requirements set forth in federal laws and regulations.~~

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

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

(C) No health insuring corporation that has a contract to provide health care services to recipients of medical assistance shall restrict the availability to its enrollees of any

prescription drugs included in the Ohio medicaid drug formulary as established under rules adopted by the director.

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

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Sec. 5111.082. The director of job and family services, in rules adopted under section 5111.02 of the Revised Code, 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 necessary, the director may apply to the United States secretary of health and human services for a waiver of federal statutes and regulations to establish the supplemental drug rebate program. A supplemental rebate may be, at the director's discretion, one or more cash payments by a drug manufacturer to the department or one or more services a drug manufacturer performs that are guaranteed to produce savings to the medicaid program within one year of the date the director enters into a supplemental drug rebate contract with the drug manufacturer or other date negotiated by the director and drug manufacturer. Examples of services drug manufacturers may perform include disease management, drug product donations, drug utilization control, prescriber and beneficiary counseling and education, and fraud and abuse initiatives.

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If the director establishes a supplemental drug rebate

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program, the director shall consult with drug manufacturers 880
regarding the establishment and implementation of the program. 881

If the director establishes a supplemental drug rebate 882
program, the director shall exempt from the program all of a drug 883
manufacturer's drug products that have been approved by the United 884
States food and drug administration for the treatment of either of 885
the following: 886

(A) Mental illness, as defined in section 5122.01 of the 887
Revised Code, including schizophrenia, major depressive disorder, 888
and bipolar disorder; 889

(B) HIV or AIDS, both as defined in section 3701.24 of the 890
Revised Code. 891

Sec. 5111.091. Every three months, the director of job and 892
family services shall submit a report to the president and 893
minority leader of the senate and speaker and minority leader of 894
the house of representatives on the establishment and 895
implementation of programs designed to control the increase of the 896
cost of the medicaid program. 897

Sec. 5111.871. The department of job and family services 898
shall enter into ~~an interagency agreement~~ a contract with the 899
department of mental retardation and developmental disabilities 900
under section ~~5111.86~~ 5111.91 of the Revised Code with regard to 901
the component of the medicaid program established by the 902
department of job and family services under one or more waivers 903
from the United States secretary of health and human services 904
pursuant to section 1915 of the "Social Security Act," 49 Stat. 905
620 (1935), 42 U.S.C.A. 1396n, as amended, to provide eligible 906
medicaid recipients with home and community-based services as an 907
alternative to placement in an intermediate care facility for the 908

mentally retarded. The ~~agreement~~ contract shall provide for the 909
department of mental retardation and developmental disabilities to 910
administer the component in accordance with the terms of the 911
waiver. The directors of job and family services and mental 912
retardation and developmental disabilities shall adopt rules in 913
accordance with Chapter 119. of the Revised Code governing the 914
component. 915

If the department of mental retardation and developmental 916
disabilities or the department of job and family services denies 917
an individual's application for home and community-based services 918
provided under this medicaid component, the department that denied 919
the services shall give timely notice to the individual that the 920
individual may request a hearing under section 5101.35 of the 921
Revised Code. 922

The departments of mental retardation and developmental 923
disabilities and job and family services may approve, reduce, 924
deny, or terminate a service included in the individualized 925
service plan developed for a medicaid recipient eligible for home 926
and community-based services provided under this medicaid 927
component. The departments shall consider the recommendations a 928
county board of mental retardation and developmental disabilities 929
makes under division (A)(1)(c) of section 5126.055 of the Revised 930
Code. If either department approves, reduces, denies, or 931
terminates a service, that department shall give timely notice to 932
the medicaid recipient that the recipient may request a hearing 933
under section 5101.35 of the Revised Code. 934

If supported living or residential services, as defined in 935
section 5126.01 of the Revised Code, are to be provided under this 936
component, any person or government entity with a current, valid 937
medicaid provider agreement and a current, valid license under 938
section 5123.19 or certificate under section 5123.045 or 5126.431 939
of the Revised Code may provide the services. 940

Sec. ~~5111.10~~ 5111.90. ~~To~~ (A) As used in sections 5111.90 to 5111.93 of the Revised Code: 941 942

(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. 943 944 945 946

(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. 947 948 949 950

(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. 951 952 953 954 955 956 957 958 959 960 961 962 963

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 state agency or political subdivision administer one or more components of the medicaid program, or one or more aspects of a component, under the department's supervision. A state agency or political subdivision that enters into such an ~~interagency~~ 964 965 966 967 968 969 970

agreement a contract shall comply with the terms of the contract 971
and any rules the director of job and family services has adopted 972
governing the component, or aspect of the component, that the 973
state agency or political subdivision is to administer, including 974
any rules establishing review, audit, and corrective action plan 975
requirements. A contract with a state agency shall be in the form 976
of an interagency agreement. 977

A state agency or political subdivision that enters into ~~an~~ 978
~~interagency agreement~~ a contract with the department under this 979
section shall reimburse the department for the nonfederal share of 980
the cost to the department of performing, or contracting for the 981
performance of, a fiscal audit of the component of the medicaid 982
program, or aspect of the component, that the state agency or 983
political subdivision administers if rules governing the 984
component, or aspect of the component, require that a fiscal audit 985
be conducted. 986

There is hereby created in the state treasury the medicaid 987
administrative reimbursement fund. The department shall use money 988
in the fund to pay for the nonfederal share of the cost of a 989
fiscal audit for which a state agency or political subdivision is 990
required by this section to reimburse the department. The 991
department shall deposit the reimbursements into the fund. 992

Sec. 5111.92. (A)(1) Except as provided in division (B) of 993
this section, if a state agency or political subdivision 994
administers one or more components of the medicaid program that 995
the United States department of health and human services 996
approved, and for which federal financial participation was 997
initially obtained, prior to January 1, 2002, or administers one 998
or more aspects of such a component, the department of job and 999
family services may retain or collect not more than ten per cent 1000
of the federal financial participation the state agency or 1001

political subdivision obtains through an approved, administrative claim regarding the component or aspect of the component. If the department retains or collects a percentage of such federal financial participation, the percentage the department retains or collects shall be specified in a contract the department enters into with the state agency or political subdivision under section 5111.91 of the Revised Code. 1002
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(2) Except as provided in division (B) of this section, if a state agency or political subdivision administers one or more components of the medicaid program that the United States department of health and human services approved on or after January 1, 2002, or administers one or more aspects of such a component, the department of job and family services shall retain or collect not less than three and not more than ten per cent of the federal financial participation the state agency or political subdivision obtains through an approved, administrative claim regarding the component or aspect of the component. The percentage the department retains or collects shall be specified in a contract the department enters into with the state agency or political subdivision under section 5111.91 of the Revised Code. 1009
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(B) The department of job and family services may retain or collect a percentage of federal financial participation under divisions (A)(1) and (2) of this section only to the extent permitted by federal statutes and regulations. 1022
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(C) All amounts the department retains or collects under this section shall be deposited into the health care services administration fund created under section 5111.94 of the Revised Code. 1026
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Sec. 5111.93. The department of job and family services may retain or collect a percentage of the federal financial participation included in a supplemental medicaid payment to one 1030
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or more medicaid providers owned or operated by a state agency or 1033
political subdivision that brings the payment to such provider or 1034
providers to the upper payment limit established by 42 C.F.R. 1035
447.272. If the department retains or collects a percentage of 1036
that federal financial participation, the department shall adopt a 1037
rule under Chapter 119. of the Revised Code specifying the 1038
percentage the department is to retain or collect. All amounts the 1039
department retains or collects under this section shall be 1040
deposited into the health care services administration fund 1041
created under section 5111.94 of the Revised Code. 1042

Sec. 5111.94. (A) As used in this section, "vendor offset" 1043
means a reduction of a medicaid payment to a medicaid provider to 1044
correct a previous, incorrect medicaid payment to that provider. 1045

(B) There is hereby created in the state treasury the health 1047
care services administration fund. Except as provided in division 1048
(C) of this section, all the following shall be deposited into the 1049
fund: 1050

(1) Amounts deposited into the fund pursuant to sections 1051
5111.92 and 5111.93 of the Revised Code; 1052

(2) The amount of the state share of all money the department 1053
of job and family services, in fiscal year 2003 and each fiscal 1054
year thereafter, recovers pursuant to a tort action under the 1055
department's right of recovery under section 5101.58 of the 1056
Revised Code that exceeds the state share of all money the 1057
department, in fiscal year 2002, recovers pursuant to a tort 1058
action under that right of recovery; 1059

(3) Subject to division (D) of this section, the amount of 1060
the state share of all money the department of job and family 1061
services, in fiscal year 2003 and each fiscal year thereafter, 1062

recovers through audits of medicaid providers that exceeds the 1063
state share of all money the department, in fiscal year 2002, 1064
recovers through such audits; 1065

(4) Until October 16, 2003, amounts from assessments on 1066
hospitals under section 5112.06 of the Revised Code and 1067
intergovernmental transfers by governmental hospitals under 1068
section 5112.07 of the Revised Code that are deposited into the 1069
fund in accordance with the law. 1070

(C) No funds shall be deposited into the health care services 1071
administration fund in violation of federal statutes or 1072
regulations. 1073

(D) In determining under division (B)(3) of this section the 1074
amount of money the department, in a fiscal year, recovers through 1075
audits of medicaid providers, the amount recovered in the form of 1076
vendor offset shall be excluded. 1077

(E) The director of job and family services shall use funds 1078
available in the health care services administration fund to pay 1079
for costs associated with the administration of the medicaid 1080
program. 1081

Sec. 5112.01. As used in sections 5112.03 to 5112.21 of the 1082
Revised Code: 1083

(A)(1) "Hospital" means a nonfederal hospital to which either 1084
of the following applies: 1085

(a) The hospital is registered under section 3701.07 of the 1086
Revised Code as a general medical and surgical hospital or a 1087
pediatric general hospital, and provides inpatient hospital 1088
services, as defined in 42 C.F.R. 440.10; 1089

(b) The hospital is recognized under the medicare program 1090
established by Title XVIII of the "Social Security Act," 49 Stat. 1091
620 (1935), 42 U.S.C.A. 301, as amended, as a cancer hospital and 1092

is exempt from the medicare prospective payment system. 1093

"Hospital" does not include a hospital operated by a health 1094
insuring corporation that has been issued a certificate of 1095
authority under section 1751.05 of the Revised Code or a hospital 1096
that does not charge patients for services. 1097

(2) "Disproportionate share hospital" means a hospital that 1098
meets the definition of a disproportionate share hospital in rules 1099
adopted under section 5112.03 of the Revised Code. 1100

(B) "Bad debt," "charity care," "courtesy care," and 1101
"contractual allowances" have the same meanings given these terms 1102
in regulations adopted under Title XVIII of the "Social Security 1103
Act." 1104

(C) "Cost reporting period" means the twelve-month period 1105
used by a hospital in reporting costs for purposes of Title XVIII 1106
of the "Social Security Act." 1107

(D) "Governmental hospital" means a county hospital with more 1108
than five hundred registered beds or a state-owned and -operated 1109
hospital with more than five hundred registered beds. 1110

(E) "Indigent care pool" means the sum of the following: 1111

(1) The total of assessments to be paid in a program year by 1112
all hospitals under section 5112.06 of the Revised Code, less the 1113
assessments deposited into the legislative budget services fund 1114
under section 5112.19 of the Revised Code and into the health care 1115
services administration fund created under section 5111.94 of the 1116
Revised Code; 1117

(2) The total amount of intergovernmental transfers required 1118
to be made in the same program year by governmental hospitals 1119
under section 5112.07 of the Revised Code, less the amount of 1120
transfers deposited into the legislative budget services fund 1121
under section 5112.19 of the Revised Code and into the health care 1122

services administration fund created under section 5111.94 of the 1123
Revised Code; 1124

(3) The total amount of federal matching funds that will be 1125
made available in the same program year as a result of funds 1126
distributed by the department of job and family services to 1127
hospitals under section 5112.08 of the Revised Code. 1128

(F) "Intergovernmental transfer" means any transfer of money 1129
by a governmental hospital under section 5112.07 of the Revised 1130
Code. 1131

(G) "Medical assistance program" means the program of medical 1132
assistance established under section 5111.01 of the Revised Code 1133
and Title XIX of the "Social Security Act." 1134

(H) "Program year" means a period beginning the first day of 1135
October, or a later date designated in rules adopted under section 1136
5112.03 of the Revised Code, and ending the thirtieth day of 1137
September, or an earlier date designated in rules adopted under 1138
that section. 1139

(I) "Registered beds" means the total number of hospital beds 1140
registered with the department of health, as reported in the most 1141
recent "directory of registered hospitals" published by the 1142
department of health. 1143

(J) "Total facility costs" means the total costs for all 1144
services rendered to all patients, including the direct, indirect, 1145
and overhead cost to the hospital of all services, supplies, 1146
equipment, and capital related to the care of patients, regardless 1147
of whether patients are enrolled in a health insuring corporation, 1148
excluding costs associated with providing skilled nursing services 1149
in distinct-part nursing facility units, as shown on the 1150
hospital's cost report filed under section 5112.04 of the Revised 1151
Code. Effective October 1, 1993, if rules adopted under section 1152
5112.03 of the Revised Code so provide, "total facility costs" may 1153

exclude costs associated with providing care to recipients of any 1154
of the governmental programs listed in division (B) of that 1155
section. 1156

(K) "Uncompensated care" means bad debt and charity care. 1157

Sec. 5112.06. (A) For the purpose of distributing funds to 1158
hospitals under the medical assistance program pursuant to 1159
sections 5112.01 to 5112.21 of the Revised Code and depositing 1160
funds into the legislative budget services fund under section 1161
5112.19 of the Revised Code and into the health care services 1162
administration fund created under section 5111.94 of the Revised 1163
Code, there is hereby imposed an assessment on all hospitals. Each 1164
hospital's assessment shall be based on total facility costs. All 1165
hospitals shall be assessed according to the rate or rates 1166
established each program year by the department of job and family 1167
services in rules adopted under section 5112.03 of the Revised 1168
Code. The department shall assess all hospitals uniformly and in a 1169
manner consistent with federal statutes and regulations. During 1170
any program year, the department shall not assess any hospital 1171
more than two per cent of the hospital's total facility costs. 1172

The department shall establish an assessment rate or rates 1173
each program year that will do both of the following: 1174

(1) Yield funds that, when combined with intergovernmental 1175
transfers and federal matching funds, will produce a program of 1176
sufficient size to pay a substantial portion of the indigent care 1177
provided by hospitals; 1178

(2) Yield funds that, when combined with intergovernmental 1179
transfers and federal matching funds, will produce amounts for 1180
distribution to disproportionate share hospitals that do not 1181
exceed, in the aggregate, the limits prescribed by the United 1182
States health care financing administration under subsection (f) 1183
of section 1923 of the "Social Security Act," 49 Stat. 620 (1935), 1184

42 U.S.C.A. 1396r-4(f), as amended. 1185

(B)(1) Except as provided in division (B)(3) of this section, 1186
each hospital shall pay its assessment in periodic installments in 1187
accordance with a schedule established by the director of job and 1188
family services in rules adopted under section 5112.03 of the 1189
Revised Code. 1190

(2) The installments shall be equal in amount, unless either 1191
of the following applies: 1192

(a) The department makes adjustments during a program year 1193
under division (D) of section 5112.09 of the Revised Code in the 1194
total amount of hospitals' assessments; 1195

(b) The director of job and family services determines that 1196
adjustments in the amounts of installments are necessary for the 1197
administration of sections 5112.01 to 5112.21 of the Revised Code 1198
and that unequal installments will not create cash flow 1199
difficulties for hospitals. 1200

(3) The director may adopt rules under section 5112.03 of the 1201
Revised Code establishing alternate schedules for hospitals to pay 1202
assessments under this section in order to reduce hospitals' cash 1203
flow difficulties. 1204

Sec. 5112.07. (A) The department of job and family services 1205
may require governmental hospitals to make intergovernmental 1206
transfers each program year for the purpose of distributing funds 1207
to hospitals under the medical assistance program pursuant to 1208
sections 5112.01 to 5112.21 of the Revised Code and depositing 1209
funds into the legislative budget services fund under section 1210
5112.19 of the Revised Code and into the health care services 1211
administration fund created under section 5111.94 of the Revised 1212
Code. The department shall not require transfers in an amount 1213
that, when combined with hospital assessments paid under section 1214

5112.06 of the Revised Code and federal matching funds, produce 1215
amounts for distribution to disproportionate share hospitals that, 1216
in the aggregate, exceed limits prescribed by the United States 1217
health care financing administration under subsection (f) of 1218
section 1923 of the "Social Security Act," 49 Stat. 620 (1935), 42 1219
U.S.C.A. 1396r-4(f), as amended. 1220

(B) Before or during each program year, the department shall 1221
notify each governmental hospital of the amount of the 1222
intergovernmental transfer it is required to make during the 1223
program year. Each governmental hospital shall make 1224
intergovernmental transfers as required by the department under 1225
this section in periodic installments, executed by electronic fund 1226
transfer, in accordance with a schedule established in rules 1227
adopted under section 5112.03 of the Revised Code. 1228

Sec. 5112.11. The Except for moneys deposited into the 1229
legislative budget services fund under section 5112.19 of the 1230
Revised Code and the health care services administration fund 1231
created under section 5111.94 of the Revised Code, the department 1232
of job and family services shall not use money paid to the 1233
department under sections 5112.06 and 5112.07 of the Revised Code 1234
or money that the department pays to hospitals under section 1235
5112.08 of the Revised Code to replace any funds appropriated by 1236
the general assembly for the medical assistance program. 1237

Sec. 5123.041. (A) As used in this section, "habilitation 1238
center" means a habilitation center that provides habilitation 1239
center services under section 5111.041 of the Revised Code. 1240

(B) The department of mental retardation and developmental 1241
disabilities shall do all of the following pursuant to ~~an~~ 1242
~~interagency agreement~~ a contract with the department of job and 1243
family services entered into under section ~~5111.86~~ 5111.91 of the 1244
Revised Code: 1245

(1) Certify habilitation centers that meet the certification requirements established by rules adopted by the director of job and family services under section 5111.041 of the Revised Code;	1246 1247 1248
(2) Accept and process medicaid reimbursement claims from habilitation centers providing habilitation center services to medicaid recipients under section 5111.041 of the Revised Code;	1249 1250 1251
(3) With medicaid funds provided to the department from the department of job and family services, pay the medicaid reimbursement claims accepted and processed under division (B)(2) of this section;	1252 1253 1254 1255
(4) Perform the other duties included in the interagency agreement.	1256 1257
(C) The director of mental retardation and developmental disabilities shall adopt rules in accordance with Chapter 119. of the Revised Code that do all of the following:	1258 1259 1260
(1) Establish procedures for certification of habilitation centers;	1261 1262
(2) Establish the fee that may be assessed under division (D) of this section;	1263 1264
(3) Specify how the department of mental retardation and developmental disabilities will perform its duties under this section.	1265 1266 1267
(D) The department of mental retardation and developmental disabilities may assess the fee established by rule under division (C)(2) of this section for performing its duties under this section. The fee may be retained from any payment the department makes under division (B)(3) of this section.	1268 1269 1270 1271 1272
Sec. 5126.053. (A) As used in this section, "effective tax rate" has the same meaning as in section 5126.16 of the Revised	1273 1274

As Reported by the House Finance and Appropriations Committee

Code of a county board of mental retardation and developmental 1275
disabilities means the quotient obtained by dividing (1) the total 1276
taxes charged and payable for a tax year from a tax levied 1277
pursuant to division (L) of section 5705.19 or section 5705.191 or 1278
5705.222 of the Revised Code, after the reduction prescribed by 1279
section 319.301 of the Revised Code but before the reduction 1280
prescribed by section 319.302 or 323.152 of the Revised Code, by 1281
(2) the county board's taxable value for that tax year, as 1282
reported under division (B)(1) of section 5126.18 of the Revised 1283
Code. 1284

(B) Notwithstanding sections 5126.12 and 5126.15 of the 1285
Revised Code with regard to the distribution of state subsidies to 1286
county boards of mental retardation and developmental 1287
disabilities, the department of mental retardation and 1288
developmental disabilities shall, except as provided in division 1289
(D) of this section, reduce the funds provided under those 1290
sections to a county board in each year that the board, on the 1291
first day of January of that year, has an effective tax rate of 1292
less than one and one-half mills for general operations for 1293
programs under which the board provides or arranges the following: 1294

(1) Early childhood services pursuant to section 5126.05 of 1295
the Revised Code for children under age three; 1296

(2) Adult services pursuant to section 5126.05 and division 1297
(B) of section 5126.051 of the Revised Code for individuals age 1298
sixteen or older; 1299

(3) Service and support administration pursuant to section 1300
5126.15 of the Revised Code. 1301

(C) If a county board is subject to the reduction required by 1302
this section, payments to the county board under sections 5126.12 1303
and 5126.15 of the Revised Code shall be made in the same 1304
percentage that the board's effective tax rate is of one and 1305
one-half mills. 1306

(D) A county board subject to the reduction required by this 1307
section may appeal to the department for an exemption from the 1308
reduction. The board may present evidence of its attempts to 1309
obtain passage of levies and any other extenuating circumstances 1310
the board considers relevant. The department shall grant an 1311
exemption if it determines that the board has made good faith 1312
efforts to obtain an effective tax rate of at least one and 1313
one-half mills for general operations for programs under which the 1314
services described in division (B) of this section are provided 1315
and arranged or that there are extenuating circumstances. 1316

(E) Upon the request of the department, each county auditor 1317
shall certify to the department the amount of taxes charged and 1318
payable as described in division (A) of this section for the most 1319
recent tax year for which such information is available. 1320

Sec. ~~5126.17~~ 5126.18. (A) As used in this section: 1321

(1) "County board" means a county board of mental retardation 1322
and developmental disabilities. 1323

(2) Notwithstanding section 5126.01 of the Revised Code, 1324
"adult services" means the following services, as they are 1325
identified on individual information forms submitted by county 1326
boards to the department of mental retardation and developmental 1327
disabilities for the purpose of subsidies paid to county boards 1328
under section 5126.12 of the Revised Code, provided to an 1329
individual with mental retardation or other developmental 1330
disability who is at least twenty-two years of age: 1331

(a) Assessment; 1332

(b) Home service; 1333

(c) Adult program; 1334

(d) Community employment services; 1335

<u>(e) Retirement.</u>	1336
<u>(3) "Adult services enrollment" means a county board's average daily membership in adult services, exclusive of such services provided to individuals served solely through service and support administration provided pursuant to section 5126.15 of the Revised Code or family support services provided pursuant to section 5126.11 of the Revised Code.</u>	1337 1338 1339 1340 1341 1342
<u>(4) "Taxable value" means the taxable value of a county board certified under division (B)(1) of this section.</u>	1343 1344
<u>(5) "Per-mill yield" of a county board means the quotient obtained by dividing (a) the taxable value of the county board by (b) one thousand.</u>	1345 1346 1347
<u>(6) "Local adult services cost" means a county board's expenditures for adult services, excluding all federal and state reimbursements and subsidy allocations received by such boards and expended for such services, as certified under section 5126.12 of the Revised Code.</u>	1348 1349 1350 1351 1352
<u>(7) "Statewide average millage" means one thousand multiplied by the quotient obtained by dividing (a) the total of the local adult services costs of all county boards by (b) the total of the taxable values of all county boards.</u>	1353 1354 1355 1356
<u>(8) "County yield" of a county board means the product obtained by multiplying (a) the statewide average millage by (b) the per-mill yield of the county board.</u>	1357 1358 1359
<u>(9) "County yield per enrollee" of a county board means the quotient obtained by dividing (a) the county yield of the county board by (b) the adult enrollment of the county board.</u>	1360 1361 1362
<u>(10) "Statewide yield per enrollee" means the quotient obtained by dividing (a) the sum of the county yields of all county boards by (b) the sum of the adult enrollments of all</u>	1363 1364 1365

county boards. 1366

(11) "Local tax effort for adult services" of a county board 1367
means one thousand multiplied by the quotient obtained by dividing 1368
(a) the local adult services cost of the county board by (b) the 1369
taxable value of the county board. 1370

(12) "Funding percentage" for a fiscal year means the 1371
percentage that the amount appropriated to the department for the 1372
purpose of making payments under this section in the fiscal year 1373
is of the amount computed under division (C)(3) of this section 1374
for the fiscal year. 1375

(13) "Funding-adjusted required millage" for a fiscal year 1376
means the statewide average millage multiplied by the funding 1377
percentage for that fiscal year. 1378

(B)(1) On the request of the director of mental retardation 1379
and developmental disabilities, the tax commissioner shall provide 1380
to the department of mental retardation and developmental 1381
disabilities information specifying each county's the taxable 1382
value. 1383

~~(2) On request of the director, each county auditor shall~~ 1384
~~submit a certified report to the department specifying the~~ 1385
~~county's taxes and the aggregate rate of tax authorized to be~~ 1386
~~levied by the board of county commissioners pursuant to division~~ 1387
~~(L) of section 5705.19 and section 5705.222 of the Revised Code or~~ 1388
~~the aggregate rate of tax authorized pursuant to that division and~~ 1389
~~that section and certified to the county auditor under section~~ 1390
~~319.30 of the Revised Code. Tax information submitted by the~~ 1391
~~county auditor shall be obtained from the most recent tax year for~~ 1392
~~which the information is available.~~ 1393

~~(3) The of property on each county's tax list of real and~~ 1394
~~public utility property and tax list of personal property for the~~ 1395
~~most recent tax year for which such information is available. The~~ 1396

director may request any other tax information necessary for the 1397
purposes of ~~sections 5126.16 to 5126.18 of the Revised Code~~ this 1398
section. 1399

~~(B) Using the information obtained under this section and~~ 1400
~~each board's enrollment, the department shall annually determine~~ 1401
~~the hypothetical statewide average revenue per enrollee and, for~~ 1402
~~each county board, the hypothetical local revenue per enrollee.~~ 1403

(2) On the request of the director, each county board shall 1404
report the county board's adult services enrollment and local 1405
adult services cost. 1406

(C) Each year, the department of mental retardation and 1407
developmental disabilities shall compute the following: 1408

(1) For each county board, the amount, if any, by which the 1409
statewide yield per enrollee exceeds the county yield per 1410
enrollee; 1411

(2) For each county board, the amount of any excess computed 1412
under division (C)(1) of this section multiplied by the adult 1413
services enrollment of the county board; 1414

(3) The sum of the amounts computed under division (C)(2) of 1415
this section for all county boards. 1416

(D) From money appropriated for the purpose, the department, 1417
on or before the thirtieth day of September of each year, shall 1418
provide for payment to each county board of the amount computed 1419
for that county board under division (C)(2) of this section, 1420
subject to any reduction or adjustment under division (E), (F), or 1421
(G) of this section. 1422

(E) If a county board's local tax effort for adult services 1423
is less than the funding-adjusted required millage, the director 1424
shall reduce the amount of payment otherwise computed under 1425
division (C)(2) of this section so that the amount paid, after the 1426
reduction, is the same percentage of the amount computed under 1427

division (C)(2) of this section as the county board's local tax effort for adult services is of the funding-adjusted required millage. 1428
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If the director reduces the amount of a county board's payment under this division, the department, not later than the fifteenth day of July, shall notify the county board of the reduction and the amount of the reduction. The notice shall include a statement that the county board may request to be exempted from the reduction by filing a request with the director, in the manner and form prescribed by the director, within twenty-one days after such notification is issued. The board may present evidence of its attempt to obtain passage of levies or any other extenuating circumstances the board considers relevant. If the county board requests a hearing before the director to present such evidence, the director shall conduct a hearing on the request unless the director exempts the board from the reduction on the basis of the evidence presented in the request filed by the board. Upon receiving a properly and timely filed request for exemption, but not later than the thirty-first day of August, the director shall determine whether the county board shall be exempted from all or a part of the reduction. The director may exempt the board from all or part of the reduction if the director finds that the board has made good faith efforts to obtain passage of tax levies or that there are extenuating circumstances. 1431
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(F) If a payment is reduced under division (E) of this section and the director does not exempt the county board from the reduction, the amount of the reduction shall be apportioned among all county boards entitled to payments under this section for which payments were not so reduced. The amount apportioned to each county board shall be proportionate to the amount of the board's payment as computed under division (C)(2) of this section. 1452
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(G) If, for any fiscal year, the amount appropriated to the 1459

department for the purpose of this section is less than the amount 1460
computed under division (C)(3) of this section for the fiscal 1461
year, the department shall adjust the amount of each payment as 1462
computed under divisions (C)(2), (E), and (F) of this section by 1463
multiplying that amount by the funding percentage. 1464

(H) The payments authorized by this section are supplemental 1465
to all other funds that may be received by a county board. A 1466
county board shall use the payments solely to pay the nonfederal 1467
share of medicaid expenditures that division (A) of section 1468
5126.057 of the Revised Code requires the county board to pay. 1469

Sec. 5733.01. (A) The tax provided by this chapter for 1471
domestic corporations shall be the amount charged against each 1472
corporation organized for profit under the laws of this state and 1473
each nonprofit corporation organized pursuant to Chapter 1729. of 1474
the Revised Code, except as provided in sections 5733.09 and 1475
5733.10 of the Revised Code, for the privilege of exercising its 1476
franchise during the calendar year in which that amount is 1477
payable, and the tax provided by this chapter for foreign 1478
corporations shall be the amount charged against each corporation 1479
organized for profit and each nonprofit corporation organized or 1480
operating in the same or similar manner as nonprofit corporations 1481
organized under Chapter 1729. of the Revised Code, under the laws 1482
of any state or country other than this state, except as provided 1483
in sections 5733.09 and 5733.10 of the Revised Code, for the 1484
privilege of doing business in this state, owning or using a part 1485
or all of its capital or property in this state, holding a 1486
certificate of compliance with the laws of this state authorizing 1487
it to do business in this state, or otherwise having nexus in or 1488
with this state under the Constitution of the United States, 1489
during the calendar year in which that amount is payable. 1490

(B) A corporation is subject to the tax imposed by section 1491
5733.06 of the Revised Code for each calendar year that it is so 1492
organized, doing business, owning or using a part or all of its 1493
capital or property, holding a certificate of compliance, or 1494
otherwise having nexus in or with this state under the 1495
Constitution of the United States, on the first day of January of 1496
that calendar year. 1497

(C) Any corporation subject to this chapter that is not 1498
subject to the federal income tax shall file its returns and 1499
compute its tax liability as required by this chapter in the same 1500
manner as if that corporation were subject to the federal income 1501
tax. 1502

(D) For purposes of this chapter, a federally chartered 1503
financial institution shall be deemed to be organized under the 1504
laws of the state within which its principal office is located. 1505

(E) Any person, as defined in section 5701.01 of the Revised 1506
Code, shall be treated as a corporation for purposes of this 1507
chapter if the person is classified for federal income tax 1508
purposes as an association taxable as a corporation. 1509

(F) For the purposes of this chapter, "disregarded entity" 1510
has the same meaning as in division (D) of section 5745.01 of the 1511
Revised Code. 1512

(1) A person's interest in a disregarded entity or qualified 1513
subchapter S subsidiary, whether held directly or indirectly, 1514
shall be treated as the person's ownership of the assets and 1515
liabilities of the disregarded entity or qualified subchapter S 1516
subsidiary, and the income, including gain or loss, shall be 1517
included in the person's net income under this chapter. 1518

(2) Any sale, exchange, or other disposition of the person's 1519
interest in the disregarded entity or qualified subchapter S 1520
subsidiary, whether held directly or indirectly, shall be treated 1521

as a sale, exchange, or other disposition of the person's share of 1522
the disregarded entity's or qualified subchapter S subsidiary's 1523
underlying assets or liabilities, and the gain or loss from such 1524
sale, exchange, or disposition shall be included in the person's 1525
net income under this chapter. 1526

(3) The disregarded entity's or qualified subchapter S 1527
subsidiary's payroll, property, and sales factors shall be 1528
included in the person's factors. 1529

Sec. 5733.04. As used in this chapter: 1530

(A) "Issued and outstanding shares of stock" applies to 1531
nonprofit corporations, as provided in section 5733.01 of the 1532
Revised Code, and includes, but is not limited to, membership 1533
certificates and other instruments evidencing ownership of an 1534
interest in such nonprofit corporations, and with respect to a 1535
financial institution that does not have capital stock, "issued 1536
and outstanding shares of stock" includes, but is not limited to, 1537
ownership interests of depositors in the capital employed in such 1538
an institution. 1539

(B) "Taxpayer" means a corporation subject to the tax imposed 1540
by section 5733.06 of the Revised Code. 1541

(C) "Resident" means a corporation organized under the laws 1542
of this state. 1543

(D) "Commercial domicile" means the principal place from 1544
which the trade or business of the taxpayer is directed or 1545
managed. 1546

(E) "Taxable year" means the period prescribed by division 1547
(A) of section 5733.031 of the Revised Code upon the net income of 1548
which the value of the taxpayer's issued and outstanding shares of 1549
stock is determined under division (B) of section 5733.05 of the 1550
Revised Code or the period prescribed by division (A) of section 1551

5733.031 of the Revised Code that immediately precedes the date as 1552
of which the total value of the corporation is determined under 1553
division (A) or (C) of section 5733.05 of the Revised Code. 1554

(F) "Tax year" means the calendar year in and for which the 1555
tax imposed by section 5733.06 of the Revised Code is required to 1556
be paid. 1557

(G) "Internal Revenue Code" means the "Internal Revenue Code 1558
of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as amended. 1559

(H) "Federal income tax" means the income tax imposed by the 1560
Internal Revenue Code. 1561

(I) Except as provided in section 5733.058 of the Revised 1562
Code, "net income" means the taxpayer's taxable income before 1563
operating loss deduction and special deductions, as required to be 1564
reported for the taxpayer's taxable year under the Internal 1565
Revenue Code, subject to the following adjustments: 1566

(1)(a) Deduct any net operating loss incurred in any taxable 1567
years ending in 1971 or thereafter but exclusive of any net 1568
operating loss incurred in taxable years ending prior to January 1569
1, 1971. This deduction shall not be allowed in any tax year 1570
commencing before December 31, 1973, but shall be carried over and 1571
allowed in tax years commencing after December 31, 1973, until 1572
fully utilized in the next succeeding taxable year or years in 1573
which the taxpayer has net income, but in no case for more than 1574
the designated carryover period as described in division (I)(1)(b) 1575
of this section. The amount of such net operating loss, as 1576
determined under the allocation and apportionment provisions of 1577
section 5733.051 and division (B) of section 5733.05 of the 1578
Revised Code for the year in which the net operating loss occurs, 1579
shall be deducted from net income, as determined under the 1580
allocation and apportionment provisions of section 5733.051 and 1581
division (B) of section 5733.05 of the Revised Code, to the extent 1582

necessary to reduce net income to zero with the remaining unused 1583
portion of the deduction, if any, carried forward to the remaining 1584
years of the designated carryover period as described in division 1585
(I)(1)(b) of this section, or until fully utilized, whichever 1586
occurs first. 1587

(b) For losses incurred in taxable years ending on or before 1588
December 31, 1981, the designated carryover period shall be the 1589
five consecutive taxable years after the taxable year in which the 1590
net operating loss occurred. For losses incurred in taxable years 1591
ending on or after January 1, 1982, the designated carryover 1592
period shall be the fifteen consecutive taxable years after the 1593
taxable year in which the net operating loss occurs. 1594

(c) The tax commissioner may require a taxpayer to furnish 1595
any information necessary to support a claim for deduction under 1596
division (I)(1)(a) of this section and no deduction shall be 1597
allowed unless the information is furnished. 1598

(2) Deduct any amount included in net income by application 1599
of section 78 or 951 of the Internal Revenue Code, amounts 1600
received for royalties, technical or other services derived from 1601
sources outside the United States, and dividends received from a 1602
subsidiary, associate, or affiliated corporation that neither 1603
transacts any substantial portion of its business nor regularly 1604
maintains any substantial portion of its assets within the United 1605
States. For purposes of determining net foreign source income 1606
deductible under division (I)(2) of this section, the amount of 1607
gross income from all such sources other than dividend income and 1608
income derived by application of section 78 or 951 of the Internal 1609
Revenue Code shall be reduced by: 1610

(a) The amount of any reimbursed expenses for personal 1611
services performed by employees of the taxpayer for the 1612
subsidiary, associate, or affiliated corporation; 1613

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(b) Ten per cent of the amount of royalty income and 1614
technical assistance fees; 1615

(c) Fifteen per cent of the amount of ~~dividends~~ and all other 1616
income. 1617

The amounts described in divisions (I)(2)(a) to (c) of this 1618
section are deemed to be the expenses attributable to the 1619
production of deductible foreign source income unless the taxpayer 1620
shows, by clear and convincing evidence, less actual expenses, or 1621
the tax commissioner shows, by clear and convincing evidence, more 1622
actual expenses. 1623

(3) Add any loss or deduct any gain resulting from the sale, 1624
exchange, or other disposition of a capital asset, or an asset 1625
described in section 1231 of the Internal Revenue Code, to the 1626
extent that such loss or gain occurred prior to the first taxable 1627
year on which the tax provided for in section 5733.06 of the 1628
Revised Code is computed on the corporation's net income. For 1629
purposes of division (I)(3) of this section, the amount of the 1630
prior loss or gain shall be measured by the difference between the 1631
original cost or other basis of the asset and the fair market 1632
value as of the beginning of the first taxable year on which the 1633
tax provided for in section 5733.06 of the Revised Code is 1634
computed on the corporation's net income. At the option of the 1635
taxpayer, the amount of the prior loss or gain may be a percentage 1636
of the gain or loss, which percentage shall be determined by 1637
multiplying the gain or loss by a fraction, the numerator of which 1638
is the number of months from the acquisition of the asset to the 1639
beginning of the first taxable year on which the fee provided in 1640
section 5733.06 of the Revised Code is computed on the 1641
corporation's net income, and the denominator of which is the 1642
number of months from the acquisition of the asset to the sale, 1643
exchange, or other disposition of the asset. The adjustments 1644
described in this division do not apply to any gain or loss where 1645

the gain or loss is recognized by a qualifying taxpayer, as 1646
defined in section 5733.0510 of the Revised Code, with respect to 1647
a qualifying taxable event, as defined in that section. 1648

(4) Deduct the dividend received deduction provided by 1649
section 243 of the Internal Revenue Code. 1650

(5) Deduct any interest or interest equivalent on public 1651
obligations and purchase obligations to the extent included in 1652
federal taxable income. As used in divisions (I)(5) and (6) of 1653
this section, "public obligations," "purchase obligations," and 1654
"interest or interest equivalent" have the same meanings as in 1655
section 5709.76 of the Revised Code. 1656

(6) Add any loss or deduct any gain resulting from the sale, 1657
exchange, or other disposition of public obligations to the extent 1658
included in federal taxable income. 1659

(7) To the extent not otherwise allowed, deduct any dividends 1660
or distributions received by a taxpayer from a public utility, 1661
excluding an electric company, if the taxpayer owns at least 1662
eighty per cent of the issued and outstanding common stock of the 1663
public utility. As used in division (I)(7) of this section, 1664
"public utility" means a public utility as defined in Chapter 1665
5727. of the Revised Code, whether or not the public utility is 1666
doing business in the state. 1667

(8) To the extent not otherwise allowed, deduct any dividends 1668
received by a taxpayer from an insurance company, if the taxpayer 1669
owns at least eighty per cent of the issued and outstanding common 1670
stock of the insurance company. As used in division (I)(8) of this 1671
section, "insurance company" means an insurance company that is 1672
taxable under Chapter 5725. or 5729. of the Revised Code. 1673

1674

(9) Deduct expenditures for modifying existing buildings or 1675
structures to meet American national standards institute standard 1676

A-117.1-1961 (R-1971), as amended; provided, that no deduction 1677
shall be allowed to the extent that such deduction is not 1678
permitted under federal law or under rules of the tax 1679
commissioner. Those deductions as are allowed may be taken over a 1680
period of five years. The tax commissioner shall adopt rules under 1681
Chapter 119. of the Revised Code establishing reasonable 1682
limitations on the extent that expenditures for modifying existing 1683
buildings or structures are attributable to the purpose of making 1684
the buildings or structures accessible to and usable by physically 1685
handicapped persons. 1686

(10) Deduct the amount of wages and salaries, if any, not 1687
otherwise allowable as a deduction but that would have been 1688
allowable as a deduction in computing federal taxable income 1689
before operating loss deduction and special deductions for the 1690
taxable year, had the targeted jobs credit allowed and determined 1691
under sections 38, 51, and 52 of the Internal Revenue Code not 1692
been in effect. 1693

(11) Deduct net interest income on obligations of the United 1694
States and its territories and possessions or of any authority, 1695
commission, or instrumentality of the United States to the extent 1696
the laws of the United States prohibit inclusion of the net 1697
interest for purposes of determining the value of the taxpayer's 1698
issued and outstanding shares of stock under division (B) of 1699
section 5733.05 of the Revised Code. As used in division (I)(11) 1700
of this section, "net interest" means interest net of any expenses 1701
taken on the federal income tax return that would not have been 1702
allowed under section 265 of the Internal Revenue Code if the 1703
interest were exempt from federal income tax. 1704

(12)(a) Except as set forth in division (I)(12)(d) of this 1705
section, to the extent not included in computing the taxpayer's 1706
federal taxable income before operating loss deduction and special 1707
deductions, add gains and deduct losses from direct or indirect 1708

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sales, exchanges, or other dispositions, made by a related entity 1709
who is not a taxpayer, of the taxpayer's indirect, beneficial, or 1710
constructive investment in the stock or debt of another entity, 1711
unless the gain or loss has been included in computing the federal 1712
taxable income before operating loss deduction and special 1713
deductions of another taxpayer with a more closely related 1714
investment in the stock or debt of the other entity. The amount of 1715
gain added or loss deducted shall not exceed the product obtained 1716
by multiplying such gain or loss by the taxpayer's proportionate 1717
share, directly, indirectly, beneficially, or constructively, of 1718
the outstanding stock of the related entity immediately prior to 1719
the direct or indirect sale, exchange, or other disposition. 1720

(b) Except as set forth in division (I)(12)(e) of this 1722
section, to the extent not included in computing the taxpayer's 1723
federal taxable income before operating loss deduction and special 1724
deductions, add gains and deduct losses from direct or indirect 1725
sales, exchanges, or other dispositions made by a related entity 1726
who is not a taxpayer, of intangible property other than stock, 1727
securities, and debt, if such property was owned, or used in whole 1728
or in part, at any time prior to or at the time of the sale, 1729
exchange, or disposition by either the taxpayer or by a related 1730
entity that was a taxpayer at any time during the related entity's 1731
ownership or use of such property, unless the gain or loss has 1732
been included in computing the federal taxable income before 1733
operating loss deduction and special deductions of another 1734
taxpayer with a more closely related ownership or use of such 1735
intangible property. The amount of gain added or loss deducted 1736
shall not exceed the product obtained by multiplying such gain or 1737
loss by the taxpayer's proportionate share, directly, indirectly, 1738
beneficially, or constructively, of the outstanding stock of the 1739
related entity immediately prior to the direct or indirect sale, 1740
exchange, or other disposition. 1741

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

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

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

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

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

(d) For purposes of the adjustments required by division (I)(12)(a) of this section, the term "investment in the stock or debt of another entity" means only those investments where the taxpayer and the taxpayer's related entities directly, indirectly, beneficially, or constructively own, in the aggregate, at any time

during the twenty-four month period commencing one year prior to 1773
the direct or indirect sale, exchange, or other disposition of 1774
such investment at least fifty per cent or more of the value of 1775
either the outstanding stock or such debt of such other entity. 1776

(e) For purposes of the adjustments required by division 1777
(I)(12)(b) of this section, the term "related entity" excludes all 1778
of the following: 1779

(i) Foreign corporations as defined in section 7701 of the 1780
Internal Revenue Code; 1781

(ii) Foreign partnerships as defined in section 7701 of the 1782
Internal Revenue Code; 1783

(iii) Corporations, partnerships, estates, and trusts created 1784
or organized in or under the laws of the Commonwealth of Puerto 1785
Rico or any possession of the United States; 1786

(iv) Foreign estates and foreign trusts as defined in section 1787
7701 of the Internal Revenue Code. 1788

The exclusions described in divisions (I)(12)(e)(i) to (iv) 1789
of this section do not apply if the corporation, partnership, 1790
estate, or trust is described in any one of divisions (C)(1) to 1791
(5) of section 5733.042 of the Revised Code. 1792

(f) Nothing in division (I)(12) of this section shall require 1793
or permit a taxpayer to add any gains or deduct any losses 1794
described in divisions (I)(12)(f)(i) and (ii) of this section: 1795

(i) Gains or losses recognized for federal income tax 1796
purposes by an individual, estate, or trust without regard to the 1797
attribution rules described in division (I)(12)(c) of this 1798
section; 1799

(ii) A related entity's gains or losses described in division 1800
(I)(12)(b) of this section if the taxpayer's ownership of or use 1801
of such intangible property was limited to a period not exceeding 1802

nine months and was attributable to a transaction or a series of 1803
transactions executed in accordance with the election or elections 1804
made by the taxpayer or a related entity pursuant to section 338 1805
of the Internal Revenue Code. 1806

(13) Any adjustment required by section 5733.042 of the 1807
Revised Code. 1808

(14) Add any amount claimed as a credit under section 1809
5733.0611 of the Revised Code to the extent that such amount 1810
satisfies either of the following: 1811

(a) It was deducted or excluded from the computation of the 1812
corporation's taxable income before operating loss deduction and 1813
special deductions as required to be reported for the 1814
corporation's taxable year under the Internal Revenue Code; 1815

(b) It resulted in a reduction of the corporation's taxable 1816
income before operating loss deduction and special deductions as 1817
required to be reported for any of the corporation's taxable years 1818
under the Internal Revenue Code. 1819

(15) Deduct the amount contributed by the taxpayer to an 1820
individual development account program established by a county 1821
department of job and family services pursuant to sections 329.11 1822
to 329.14 of the Revised Code for the purpose of matching funds 1823
deposited by program participants. On request of the tax 1824
commissioner, the taxpayer shall provide any information that, in 1825
the tax commissioner's opinion, is necessary to establish the 1826
amount deducted under division (I)(15) of this section. 1827

(16) Any adjustment required by section 5733.0510 of the 1828
Revised Code. 1829

(17)(a) Add five-sixths of the amount of depreciation expense 1830
allowed under subsection (k) of section 168 of the Internal 1831
Revenue Code, including a person's proportionate or distributive 1832
share of the amount of depreciation expense allowed by that 1833

subsection to any pass-through entity in which the person has 1834
direct or indirect ownership. The tax commissioner, under 1835
procedures established by the commissioner, may waive the add-back 1836
related to a pass-through entity if the person owns, directly or 1837
indirectly, less than five per cent of the pass-through entity. 1838

(b) Nothing in division (I)(17) of this section shall be 1839
construed to adjust or modify the adjusted basis of any asset. 1840

(c) To the extent the add-back is attributable to property 1841
generating income or loss allocable under section 5733.051 of the 1842
Revised Code, the add-back shall be allocated to the same location 1843
as the income or loss generated by that property. Otherwise, the 1844
add-back shall be apportioned, subject to division (B)(2)(d) of 1845
section 5733.05 of the Revised Code. 1846

(18)(a) If a person is required to make the add-back under 1847
division (I)(17)(a) of this section for a tax year, the person 1848
shall deduct one-fifth of the amount added back for each of the 1849
succeeding five tax years. 1850

(b) If the amount deducted under division (I)(18)(a) of this 1851
section is attributable to an add-back allocated under division 1852
(I)(17)(c) of this section, the amount deducted shall be allocated 1853
to the same location. Otherwise, the amount shall be apportioned 1854
using the apportionment factors for the taxable year in which the 1855
deduction is taken, subject to division (B)(2)(d) of section 1856
5733.05 of the Revised Code. 1857

(J) Any term used in this chapter has the same meaning as 1858
when used in comparable context in the laws of the United States 1859
relating to federal income taxes unless a different meaning is 1860
clearly required. Any reference in this chapter to the Internal 1861
Revenue Code includes other laws of the United States relating to 1862
federal income taxes. 1863

(K) "Financial institution" has the meaning given by section 1864

5725.01 of the Revised Code but does not include a production 1865
credit association as described in 85 Stat. 597, 12 U.S.C.A. 2091. 1866

(L)(1) A "qualifying holding company" is any corporation 1867
satisfying all of the following requirements: 1868

(a) Subject to divisions (L)(2) and (3) of this section, the 1869
net book value of the corporation's intangible assets is greater 1870
than or equal to ninety per cent of the net book value of all of 1871
its assets and at least fifty per cent of the net book value of 1872
all of its assets represents direct or indirect investments in the 1873
equity of, loans and advances to, and accounts receivable due from 1874
related members; 1875

(b) At least ninety per cent of the corporation's gross 1876
income for the taxable year is attributable to the following: 1877

(i) The maintenance, management, ownership, acquisition, use, 1878
and disposition of its intangible property, its aircraft the use 1879
of which is not subject to regulation under 14 C.F.R. part 121 or 1880
part 135, and any real property described in division (L)(2)(c) of 1881
this section; 1882

(ii) The collection and distribution of income from such 1883
property. 1884

(c) The corporation is not a financial institution on the 1885
last day of the taxable year ending prior to the first day of the 1886
tax year; 1887

(d) The corporation's related members make a good faith and 1888
reasonable effort to make timely and fully the adjustments 1889
required by division (C)(2) of section 5733.05 of the Revised Code 1890
and to pay timely and fully all uncontested taxes, interest, 1891
penalties, and other fees and charges imposed under this chapter; 1892

(e) Subject to division (L)(4) of this section, the 1893
corporation elects to be treated as a qualifying holding company 1894

for the tax year. 1895

A corporation otherwise satisfying divisions (L)(1)(a) to (e) 1896
of this section that does not elect to be a qualifying holding 1897
company is not a qualifying holding company for the purposes of 1898
this chapter. 1899

(2)(a)(i) For purposes of making the ninety per cent 1900
computation under division (L)(1)(a) of this section, the net book 1901
value of the corporation's assets shall not include the net book 1902
value of aircraft or real property described in division 1903
(L)(1)(b)(i) of this section. 1904

(ii) For purposes of making the fifty per cent computation 1905
under division (L)(1)(a) of this section, the net book value of 1906
assets shall include the net book value of aircraft or real 1907
property described in division (L)(1)(b)(i) of this section. 1908

(b)(i) As used in division (L) of this section, "intangible 1909
asset" includes, but is not limited to, the corporation's direct 1910
interest in each pass-through entity only if at all times during 1911
the corporation's taxable year ending prior to the first day of 1912
the tax year the corporation's and the corporation's related 1913
members' combined direct and indirect interests in the capital or 1914
profits of such pass-through entity do not exceed fifty per cent. 1915
If the corporation's interest in the pass-through entity is an 1916
intangible asset for that taxable year, then the distributive 1917
share of any income from the pass-through entity shall be income 1918
from an intangible asset for that taxable year. 1919

(ii) If a corporation's and the corporation's related 1920
members' combined direct and indirect interests in the capital or 1921
profits of a pass-through entity exceed fifty per cent at any time 1922
during the corporation's taxable year ending prior to the first 1923
day of the tax year, "intangible asset" does not include the 1924
corporation's direct interest in the pass-through entity, and the 1925

corporation shall include in its assets its proportionate share of 1926
the assets of any such pass-through entity and shall include in 1927
its gross income its distributive share of the gross income of 1928
such pass-through entity in the same form as was earned by the 1929
pass-through entity. 1930

(iii) A pass-through entity's direct or indirect 1931
proportionate share of any other pass-through entity's assets 1932
shall be included for the purpose of computing the corporation's 1933
proportionate share of the pass-through entity's assets under 1934
division (L)(2)(b)(ii) of this section, and such pass-through 1935
entity's distributive share of any other pass-through entity's 1936
gross income shall be included for purposes of computing the 1937
corporation's distributive share of the pass-through entity's 1938
gross income under division (L)(2)(b)(ii) of this section. 1939

(c) For the purposes of divisions (L)(1)(b)(i), (1)(b)(ii), 1940
(2)(a)(i), and (2)(a)(ii) of this section, real property is 1941
described in division (L)(2)(c) of this section only if all of the 1942
following conditions are present at all times during the taxable 1943
year ending prior to the first day of the tax year: 1944

(i) The real property serves as the headquarters of the 1945
corporation's trade or business, or is the place from which the 1946
corporation's trade or business is principally managed or 1947
directed; 1948

(ii) Not more than ten per cent of the value of the real 1949
property and not more than ten per cent of the square footage of 1950
the building or buildings that are part of the real property is 1951
used, made available, or occupied for the purpose of providing, 1952
acquiring, transferring, selling, or disposing of tangible 1953
property or services in the normal course of business to persons 1954
other than related members, the corporation's employees and their 1955
families, and such related members' employees and their families. 1956

(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.	1957 1958 1959 1960
(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.	1961 1962 1963 1964
(4) With respect to the election described in division (L)(1)(e) of this section:	1965 1966
(a) The election need not accompany a timely filed report;	1967
(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;	1968 1969 1970 1971
(c) The election is not irrevocable;	1972
(d) The election applies only to the tax year specified by the corporation;	1973 1974
(e) The corporation's related members comply with division (L)(1)(d) of this section.	1975 1976
Nothing in division (L)(4) of this section shall be construed to extend any statute of limitations set forth in this chapter.	1977 1978
(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.	1979 1980 1981
(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.	1982 1983 1984
(O) "Pass-through entity" means a corporation that has made	1985

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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.

(P) "Electric company" and "combined company" have the same meanings as in section 5727.01 of the Revised Code.

Sec. 5743.02. To provide revenues for the general revenue fund, an excise tax on sales of cigarettes is hereby levied at the rate of ~~eleven~~ twenty-seven and one-half mills on each cigarette.

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

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

Sec. 5743.03. Except as provided in section 5743.04 of the Revised Code, the taxes imposed under sections 5743.02, ~~5743.023,~~ 5743.024, and 5743.026 of the Revised Code shall be paid by the purchase of stamps. A stamp shall be affixed to each package of an aggregate denomination not less than the amount of the tax upon the contents thereof. The stamp, so affixed, shall be prima-facie evidence of payment of the tax. Except as is provided in the rules prescribed by the tax commissioner under authority of sections 5743.01 to 5743.20 of the Revised Code, and unless such stamps have been previously affixed, they shall be so affixed by each

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wholesale dealer, and canceled by writing or stamping across the
face thereof the number assigned to such wholesale dealer by the
tax commissioner for that purpose, prior to the delivery of any
cigarettes 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 of cigarettes to any person in the
county in which the tax is levied.

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

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of the beginning and end of each semiannual period of cigarettes, 2048
stamped or unstamped; cigarette tax stamps affixed or unaffixed 2049
and unused meter impressions; and such other information as the 2050
commissioner finds necessary to the proper administration of 2051
sections 5743.01 to 5743.20 of the Revised Code. The commissioner 2052
may extend the time for making and filing returns and may remit 2053
all or any part of amounts of penalties which may become due under 2054
sections 5743.01 to 5743.20 of the Revised Code. The wholesale or 2055
retail dealer shall deliver the return together with a remittance 2056
of the tax deficiency reported thereon to the treasurer of state. 2057
The treasurer of state shall stamp or otherwise mark on the return 2058
the date it was received and shall also show thereon by stamp or 2059
otherwise a payment or nonpayment of the deficiency shown by the 2060
return. Thereafter, the treasurer of state shall immediately 2061
transmit all returns filed under this section to the commissioner. 2062
Any wholesale or retail dealer who fails to file a return under 2063
this section and the rules of the commissioner may be required, 2064
for each day the dealer so fails, to forfeit and pay into the 2065
state treasury the sum of one dollar as revenue arising from the 2066
tax imposed by sections 5743.01 to 5743.20 of the Revised Code and 2067
such sum may be collected by assessment in the manner provided in 2068
section 5743.081 of the Revised Code. If the commissioner finds it 2069
necessary in order to insure the payment of the tax imposed by 2070
sections 5743.01 to 5743.20 of the Revised Code, the commissioner 2071
may require returns and payments to be made other than 2072
semiannually. The returns shall be signed by the wholesale or 2073
retail dealer or an authorized agent thereof. 2074

Sec. 5743.04. The tax commissioner shall design and procure 2075
the stamps provided for in section 5743.03 of the Revised Code and 2076
shall enforce and administer sections 5743.01 to 5743.44 of the 2077
Revised Code. With respect to packages containing any number of 2078
cigarettes other than twenty, if the commissioner finds that it is 2079

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practicable to collect the taxes levied under sections 5743.02, 2080
5743.023, 5743.024, and 5743.026 of the Revised Code by any method 2081
other than that provided in this section and section 5743.03 of 2082
the Revised Code, ~~he~~ the commissioner may by rule prescribe such 2083
other method for payment of the taxes upon such packages of 2084
cigarettes as will adequately protect the revenue; provided, that 2085
in any case where the commissioner prescribes that the taxes upon 2086
such packages of cigarettes shall be paid on the basis of returns 2087
filed by a wholesale or retail dealer, said returns, together with 2088
a remittance of all taxes due as shown thereon, shall be filed 2089
with the treasurer of state not later than the tenth day of the 2090
month following the month in which such cigarettes are sold in 2091
this state. The commissioner may promulgate rules in accordance 2092
with sections 119.01 to 119.13 of the Revised Code as ~~he~~ the 2093
commissioner deems necessary to carry out sections 5743.01 to 2094
5743.44 of the Revised Code and may adopt different detailed rules 2095
applicable to diverse methods and conditions of sale of 2096
cigarettes, prescribing, in each class of cases, upon whom, as 2097
between the wholesale dealer and the retail dealer, the primary 2098
duty of affixing stamps shall rest, and the manner in which stamps 2099
shall be affixed. A copy of such rules shall be furnished to every 2100
licensed dealer as provided in sections 119.01 to 119.13 of the 2101
Revised Code. Any such rule so furnished which excuses a wholesale 2102
dealer from affixing stamps under the circumstances of the 2103
particular case shall be a defense in the prosecution of such 2104
dealer for violation of section 5743.03 of the Revised Code. 2105

The commissioner, ~~if he determines~~ after determining that it 2106
is practicable to evidence payment of the taxes levied under 2107
sections 5743.02, ~~5743.023~~, 5743.024, and 5743.026 of the Revised 2108
Code by impression made by a metering device, shall by resolution 2109
provide that such metering device may be used in lieu of the 2110
stamps otherwise provided for in section 5743.03 of the Revised 2111
Code. The commissioner may authorize any wholesale or retail 2112

dealer to use the metering device approved by ~~him~~ the 2113
commissioner. Such device before being used shall be sealed by the 2114
treasurer of state, and shall be used only in accordance with the 2115
rules prescribed by the commissioner. 2116

Wholesale and retail dealers authorized to use said device 2117
shall prepay the tax represented by meter impressions and shall 2118
deliver the metering device to the treasurer of state or county 2119
treasurer in the county in which the place of business of any 2120
wholesaler or retailer is located if such treasurer is designated 2121
by the treasurer of state, who shall seal the meter in accordance 2122
with the prepayments so made. 2123

Sec. 5743.08. Whenever the tax commissioner discovers any 2124
cigarettes, subject to the taxes levied under section 5743.02, 2125
~~5743.023,~~ 5743.024, or 5743.026 of the Revised Code, and upon 2126
which the taxes have not been paid, the commissioner may seize and 2127
take possession of such cigarettes, which shall thereupon be 2128
forfeited to the state, and the commissioner may within a 2129
reasonable time thereafter sell the forfeited cigarettes. From the 2130
proceeds of the sale, the tax commissioner shall pay the costs 2131
incurred in such proceedings, and any proceeds remaining after the 2132
costs are paid shall be considered as revenue arising from the 2133
tax; provided that the seizure and sale shall not be deemed to 2134
relieve any person from the fine or imprisonment provided for 2135
violation of sections 5743.01 to 5743.20 of the Revised Code. The 2136
sale shall be made where it is most convenient and economical. The 2137
tax commissioner may order the destruction of the forfeited 2138
cigarettes if the quantity or quality of the cigarettes is not 2139
sufficient to warrant their sale. 2140

Sec. 5743.081. (A) If any wholesale dealer or retail dealer 2141
fails to pay the tax levied under ~~sections~~ section 5743.02, 2142
~~5743.023,~~ 5743.024, or 5743.026 of the Revised Code as required by 2143

sections 5743.01 to 5743.20 of the Revised Code, and by the rules 2144
of the tax commissioner, or fails to collect the tax from the 2145
purchaser or consumer, the commissioner may make an assessment 2146
against the wholesale or retail dealer based upon any information 2147
in the commissioner's possession. 2148

The commissioner may make an assessment against any wholesale 2149
or retail dealer who fails to file a return required by section 2150
5743.03 or 5743.025 of the Revised Code. 2151

No assessment shall be made against any wholesale or retail 2152
dealer for any taxes imposed under ~~sections~~ section 5743.02, 2153
~~5743.023~~, 5743.024, or 5743.026 of the Revised Code more than 2154
three years after the last day of the calendar month which 2155
immediately follows the semiannual period prescribed in section 2156
5743.03 of the Revised Code in which the sale was made, or more 2157
than three years after the semiannual return for such period is 2158
filed, whichever is later. This section does not bar an assessment 2159
against any wholesale or retail dealer who fails to file a return 2160
as required by section 5743.03 or 5743.025 of the Revised Code, or 2161
who files a fraudulent return. 2162

A penalty of up to thirty per cent may be added to the amount 2163
of every assessment made under this section. The commissioner may 2164
adopt rules providing for the imposition and remission of 2165
penalties added to assessments made under this section. 2166

The commissioner shall give the party assessed written notice 2167
of the assessment as provided in section 5703.37 of the Revised 2168
Code. The notice shall specify separately any portion of the 2169
assessment that represents a county tax. 2170

(B) Unless the party to whom the notice of assessment is 2171
directed files with the commissioner within sixty days after 2172
service of the notice of assessment, either personally or by 2173
certified mail, a petition for reassessment in writing, signed by 2174
the party assessed, or by the party's authorized agent having 2175

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
after the assessment was issued shall bear interest at the rate
per annum prescribed by section 5703.47 of the Revised Code from
the day the tax commissioner issues the assessment until it is
paid. Interest shall be paid in the same manner as the tax and may
be collected by the issuance of an assessment under this section.

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

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

Sec. 5743.13. No person shall falsely or fraudulently make,
forge, alter, or counterfeit any stamp prescribed by the tax
commissioner under section 5743.03 of the Revised Code, or cause
to be falsely or fraudulently made, forged, altered, or

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counterfeited any such stamp, or possess any counterfeiting 2238
device, or knowingly and willfully utter, publish, pass, or tender 2239
as true, any such false, altered, forged, or counterfeited stamp, 2240
or use more than once any such stamp for the purpose of evading 2241
the tax levied under section 5743.02, ~~5743.023~~, 5743.024, or 2242
5743.026 of the Revised Code. 2243

Sec. 5743.14. (A) The tax commissioner may inspect any place 2244
where cigarettes subject to the tax levied under section 5743.02, 2245
~~5743.023~~, 5743.024, or 5743.026 of the Revised Code are sold or 2246
stored. 2247

(B) No person shall prevent or hinder the tax commissioner 2248
from making a full inspection of any place where cigarettes 2249
subject to the tax levied under section 5743.02, ~~5743.023~~, 2250
5743.024, or 5743.026 of the Revised Code are sold or stored, or 2251
prevent or hinder the full inspection of invoices, books, records, 2252
or papers required to be kept by sections 5743.01 to 5743.20 of 2253
the Revised Code. 2254

Sec. 5743.32. To provide revenue for the general revenue fund 2255
of the state, an excise tax is hereby levied on the use, 2256
consumption, or storage for consumption of cigarettes by consumers 2257
in this state at the rate of ~~eleven~~ twenty-seven and one-half 2258
mills on each cigarette. The tax shall not apply if the tax levied 2259
by section 5743.02 of the Revised Code has been paid. 2260

The money received into the state treasury from the excise 2261
tax levied by this section shall be credited to the general 2262
revenue fund. 2263

Sec. 5743.33. Every person who has acquired cigarettes for 2264
use, storage, or other consumption subject to the tax levied under 2265
section 5743.32, ~~5743.322~~, 5743.323, or 5743.324 of the Revised 2266
Code, shall, on or before the fifteenth day of the month following 2267

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receipt of such cigarettes, file with the tax commissioner a 2268
return showing the amount of cigarettes acquired, together with 2269
remittance of the tax thereon. No such person shall transport 2270
within this state, cigarettes that have a wholesale value in 2271
excess of sixty dollars, unless ~~he~~ that person has obtained 2272
consent to transport the cigarettes from the department of 2273
taxation prior to such transportation. Such consent shall not be 2274
required if the applicable taxes levied under sections 5743.02, 2275
~~5743.023~~, 5743.024, and 5743.026 of the Revised Code have been 2276
paid. Application for the consent shall be in the form prescribed 2277
by the tax commissioner. 2278

Every person transporting such cigarettes shall possess the 2279
consent while transporting or possessing the cigarettes within 2280
this state and shall produce the consent upon request of any law 2281
enforcement officer or authorized agent of the tax commissioner. 2282

Any person transporting such cigarettes without the consent 2283
required by this section, shall be subject to the provisions of 2284
this chapter, including the applicable taxes imposed by sections 2285
5743.02, ~~5743.023~~, 5743.024, and 5743.026 of the Revised Code. 2286

Sec. 5743.34. If any person required to pay the tax levied 2287
under section 5743.32, ~~5743.322~~, 5743.323, or 5743.324 of the 2288
Revised Code, fails to make remittance, the tax commissioner may 2289
issue an assessment against that person based on any information 2290
in the commissioner's possession. 2291

Sections 5743.081 and 5743.082 of the Revised Code relating 2292
to the assessments or findings, appeals from assessments or 2293
findings, the effect of assessments or findings before or after 2294
hearing and before or after filing the same in the office of the 2295
clerk of the court of common pleas, and all sections relating to 2296
the procedure, authority, duties, liabilities, powers, and 2297
privileges of the person assessed, the commissioner, the clerk, 2298

and all other public officials, shall be applicable to assessments 2299
made pursuant to this section. 2300

Sec. 5743.35. No person required by section 5743.33 of the 2301
Revised Code to file a return with the tax commissioner shall fail 2302
to make such return, or fail to pay the applicable taxes levied 2303
under section 5743.32, ~~5743.322~~, 5743.323, or 5743.324 of the 2304
Revised Code, or fail to pay any lawful assessment issued by the 2305
commissioner. 2306

Sec. 5747.01. Except as otherwise expressly provided or 2307
clearly appearing from the context, any term used in this chapter 2308
has the same meaning as when used in a comparable context in the 2309
Internal Revenue Code, and all other statutes of the United States 2310
relating to federal income taxes. 2311

As used in this chapter: 2312

(A) "Adjusted gross income" or "Ohio adjusted gross income" 2313
means adjusted gross income as defined and used in the Internal 2314
Revenue Code, adjusted as provided in this section: 2315

(1) Add interest or dividends on obligations or securities of 2316
any state or of any political subdivision or authority of any 2317
state, other than this state and its subdivisions and authorities. 2318

(2) Add interest or dividends on obligations of any 2319
authority, commission, instrumentality, territory, or possession 2320
of the United States that are exempt from federal income taxes but 2321
not from state income taxes. 2322

(3) Deduct interest or dividends on obligations of the United 2323
States and its territories and possessions or of any authority, 2324
commission, or instrumentality of the United States to the extent 2325
included in federal adjusted gross income but exempt from state 2326
income taxes under the laws of the United States. 2327

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(4) Deduct disability and survivor's benefits to the extent included in federal adjusted gross income.	2328 2329
(5) Deduct benefits under Title II of the Social Security Act and tier 1 railroad retirement benefits to the extent included in federal adjusted gross income under section 86 of the Internal Revenue Code.	2330 2331 2332 2333
(6) Add, in <u>In</u> the case of a taxpayer who is a beneficiary of a trust that makes an accumulation distribution as defined in section 665 of the Internal Revenue Code, <u>add, for the beneficiary's taxable years beginning before 2002 or after 2004,</u> the portion, if any, of such distribution that does not exceed the undistributed net income of the trust for the three taxable years preceding the taxable year in which the distribution is made <u>to the extent that the portion was not included in the trust's taxable income for any of the trust's taxable years beginning in 2002, 2003, or 2004.</u> "Undistributed net income of a trust" means the taxable income of the trust increased by (a)(i) the additions to adjusted gross income required under division (A) of this section and (ii) the personal exemptions allowed to the trust pursuant to section 642(b) of the Internal Revenue Code, and decreased by (b)(i) the deductions to adjusted gross income required under division (A) of this section, (ii) the amount of federal income taxes attributable to such income, and (iii) the amount of taxable income that has been included in the adjusted gross income of a beneficiary by reason of a prior accumulation distribution. Any undistributed net income included in the adjusted gross income of a beneficiary shall reduce the undistributed net income of the trust commencing with the earliest years of the accumulation period.	2334 2335 2336 2337 2338 2339 2340 2341 2342 2343 2344 2345 2346 2347 2348 2349 2350 2351 2352 2353 2354 2355 2356
(7) Deduct the amount of wages and salaries, if any, not otherwise allowable as a deduction but that would have been allowable as a deduction in computing federal adjusted gross	2357 2358 2359

income for the taxable year, had the targeted jobs credit allowed 2360
and determined under sections 38, 51, and 52 of the Internal 2361
Revenue Code not been in effect. 2362

(8) Deduct any interest or interest equivalent on public 2363
obligations and purchase obligations to the extent included in 2364
federal adjusted gross income. 2365

(9) Add any loss or deduct any gain resulting from the sale, 2366
exchange, or other disposition of public obligations to the extent 2367
included in federal adjusted gross income. 2368

(10) Deduct or add amounts, as provided under section 5747.70 2369
of the Revised Code, related to contributions to variable college 2370
savings program accounts made or tuition credits purchased 2371
pursuant to Chapter 3334. of the Revised Code. 2372

(11)(a) Deduct, to the extent not otherwise allowable as a 2373
deduction or exclusion in computing federal or Ohio adjusted gross 2374
income for the taxable year, the amount the taxpayer paid during 2375
the taxable year for medical care insurance and qualified 2376
long-term care insurance for the taxpayer, the taxpayer's spouse, 2377
and dependents. No deduction for medical care insurance under 2378
division (A)(11) of this section shall be allowed either to any 2379
taxpayer who is eligible to participate in any subsidized health 2380
plan maintained by any employer of the taxpayer or of the 2381
taxpayer's spouse, or to any taxpayer who is entitled to, or on 2382
application would be entitled to, benefits under part A of Title 2383
XVIII of the "Social Security Act," 49 Stat. 620 (1935), 42 U.S.C. 2384
301, as amended. For the purposes of division (A)(11)(a) of this 2385
section, "subsidized health plan" means a health plan for which 2386
the employer pays any portion of the plan's cost. The deduction 2387
allowed under division (A)(11)(a) of this section shall be the net 2388
of any related premium refunds, related premium reimbursements, or 2389
related insurance premium dividends received during the taxable 2390
year. 2391

(b) Deduct, to the extent not otherwise deducted or excluded 2392
in computing federal or Ohio adjusted gross income during the 2393
taxable year, the amount the taxpayer paid during the taxable 2394
year, not compensated for by any insurance or otherwise, for 2395
medical care of the taxpayer, the taxpayer's spouse, and 2396
dependents, to the extent the expenses exceed seven and one-half 2397
per cent of the taxpayer's federal adjusted gross income. 2398

(c) For purposes of division (A)(11) of this section, 2399
"medical care" has the meaning given in section 213 of the 2400
Internal Revenue Code, subject to the special rules, limitations, 2401
and exclusions set forth therein, and "qualified long-term care" 2402
has the same meaning given in section 7702(B)(b) of the Internal 2403
Revenue Code. 2404

(12)(a) Deduct any amount included in federal adjusted gross 2405
income solely because the amount represents a reimbursement or 2406
refund of expenses that in any year the taxpayer had deducted as 2407
an itemized deduction pursuant to section 63 of the Internal 2408
Revenue Code and applicable United States department of the 2409
treasury regulations. The deduction otherwise allowed under 2410
division (A)(12)(a) of this section shall be reduced to the extent 2411
the reimbursement is attributable to an amount the taxpayer 2412
deducted under this section in any taxable year. 2413

(b) Add any amount not otherwise included in Ohio adjusted 2414
gross income for any taxable year to the extent that the amount is 2415
attributable to the recovery during the taxable year of any amount 2416
deducted or excluded in computing federal or Ohio adjusted gross 2417
income in any taxable year. 2418

(13) Deduct any portion of the deduction described in section 2419
1341(a)(2) of the Internal Revenue Code, for repaying previously 2420
reported income received under a claim of right, that meets both 2421
of the following requirements: 2422

(a) It is allowable for repayment of an item that was 2423
included in the taxpayer's adjusted gross income for a prior 2424
taxable year and did not qualify for a credit under division (A) 2425
or (B) of section 5747.05 of the Revised Code for that year; 2426

(b) It does not otherwise reduce the taxpayer's adjusted 2427
gross income for the current or any other taxable year. 2428

(14) Deduct an amount equal to the deposits made to, and net 2429
investment earnings of, a medical savings account during the 2430
taxable year, in accordance with section 3924.66 of the Revised 2431
Code. The deduction allowed by division (A)(14) of this section 2432
does not apply to medical savings account deposits and earnings 2433
otherwise deducted or excluded for the current or any other 2434
taxable year from the taxpayer's federal adjusted gross income. 2435

(15)(a) Add an amount equal to the funds withdrawn from a 2436
medical savings account during the taxable year, and the net 2437
investment earnings on those funds, when the funds withdrawn were 2438
used for any purpose other than to reimburse an account holder 2439
for, or to pay, eligible medical expenses, in accordance with 2440
section 3924.66 of the Revised Code; 2441

(b) Add the amounts distributed from a medical savings 2442
account under division (A)(2) of section 3924.68 of the Revised 2443
Code during the taxable year. 2444

(16) Add any amount claimed as a credit under section 2445
5747.059 of the Revised Code to the extent that such amount 2446
satisfies either of the following: 2447

(a) The amount was deducted or excluded from the computation 2448
of the taxpayer's federal adjusted gross income as required to be 2449
reported for the taxpayer's taxable year under the Internal 2450
Revenue Code; 2451

(b) The amount resulted in a reduction of the taxpayer's 2452
federal adjusted gross income as required to be reported for any 2453

of the taxpayer's taxable years under the Internal Revenue Code. 2454

(17) Deduct the amount contributed by the taxpayer to an 2455
individual development account program established by a county 2456
department of job and family services pursuant to sections 329.11 2457
to 329.14 of the Revised Code for the purpose of matching funds 2458
deposited by program participants. On request of the tax 2459
commissioner, the taxpayer shall provide any information that, in 2460
the tax commissioner's opinion, is necessary to establish the 2461
amount deducted under division (A)(17) of this section. 2462

(18) Beginning in taxable year 2001, if the taxpayer is 2463
married and files a joint return and the combined federal adjusted 2464
gross income of the taxpayer and the taxpayer's spouse for the 2465
taxable year does not exceed one hundred thousand dollars, or if 2466
the taxpayer is single and has a federal adjusted gross income for 2467
the taxable year not exceeding fifty thousand dollars, deduct 2468
amounts paid during the taxable year for qualified tuition and 2469
fees paid to an eligible institution for the taxpayer, the 2470
taxpayer's spouse, or any dependent of the taxpayer, who is a 2471
resident of this state and is enrolled in or attending a program 2472
that culminates in a degree or diploma at an eligible institution. 2473
The deduction may be claimed only to the extent that qualified 2474
tuition and fees are not otherwise deducted or excluded for any 2475
taxable year from federal or Ohio adjusted gross income. The 2476
deduction may not be claimed for educational expenses for which 2477
the taxpayer claims a credit under section 5747.27 of the Revised 2478
Code. 2479

(19) Add any reimbursement received during the taxable year 2480
of any amount the taxpayer deducted under division (A)(18) of this 2481
section in any previous taxable year to the extent the amount is 2482
not otherwise included in Ohio adjusted gross income. 2483

(20)(a) Add five-sixths of the amount of depreciation expense 2484
allowed by subsection (k) of section 168 of the Internal Revenue 2485

Code, including the taxpayer's proportionate or distributive share 2486
of the amount of depreciation expense allowed by that subsection 2487
to a pass-through entity in which the taxpayer has a direct or 2488
indirect ownership interest. The tax commissioner, under 2489
procedures established by the commissioner, may waive the add-back 2490
related to a pass-through entity if the taxpayer owns, directly or 2491
indirectly, less than five per cent of the pass-through entity. 2492
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(b) Nothing in division (A)(20) of this section shall be 2494
construed to adjust or modify the adjusted basis of any asset. 2495

(c) To the extent the add-back required under division 2496
(A)(20)(a) of this section is attributable to property generating 2497
nonbusiness income or loss allocated under section 5747.20 of the 2498
Revised Code, the add-back shall be situated to the same location 2499
as the nonbusiness income or loss generated by the property for 2500
the purpose of determining the credit under division (A) of 2501
section 5747.05 of the Revised Code. Otherwise, the add-back shall 2502
be apportioned, subject to one or more of the four alternative 2503
methods of apportionment enumerated in section 5747.21 of the 2504
Revised Code. 2505

(21)(a) If the taxpayer was required to add an amount under 2506
division (A)(20)(a) of this section for a taxable year, deduct 2507
one-fifth of the amount so added for each of the five succeeding 2508
taxable years. 2509

(b) If the amount deducted under division (A)(21)(a) of this 2510
section is attributable to an add-back allocated under division 2511
(A)(20)(c) of this section, the amount deducted shall be situated 2512
to the same location. Otherwise, the add-back shall be apportioned 2513
using the apportionment factors for the taxable year in which the 2514
deduction is taken, subject to one or more of the four alternative 2515
methods of apportionment enumerated in section 5747.21 of the 2516
Revised Code. 2517

(B) "Business income" means income arising from transactions, 2518
activities, and sources in the regular course of a trade or 2519
business and includes income from real property, tangible 2520
property, and intangible property if the acquisition, rental, 2521
management, and disposition of the property constitute integral 2522
parts of the regular course of a trade or business operation. 2523
"Business income" includes income, including gain or loss, from a 2524
partial or complete liquidation of a business, including, but not 2525
limited to, gain or loss from the sale or other disposition of 2526
goodwill. 2527

(C) "Nonbusiness income" means all income other than business 2528
income and may include, but is not limited to, compensation, rents 2529
and royalties from real or tangible personal property, capital 2530
gains, interest, dividends and distributions, patent or copyright 2531
royalties, or lottery winnings, prizes, and awards. 2532
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(D) "Compensation" means any form of remuneration paid to an 2534
employee for personal services. 2535

(E) "Fiduciary" means a guardian, trustee, executor, 2536
administrator, receiver, conservator, or any other person acting 2537
in any fiduciary capacity for any individual, trust, or estate. 2538

(F) "Fiscal year" means an accounting period of twelve months 2539
ending on the last day of any month other than December. 2540

(G) "Individual" means any natural person. 2541

(H) "Internal Revenue Code" means the "Internal Revenue Code 2542
of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as amended. 2543

(I) "Resident" means: 2544

(1) An individual who is domiciled in this state, subject to 2545
section 5747.24 of the Revised Code; 2546

(2) The estate of a decedent who at the time of death was 2547

domiciled in this state. The domicile tests of section 5747.24 of
the Revised Code and any election under section 5747.25 of the
Revised Code are not controlling for purposes of division (I)(2)
of this section.

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(3) Division (I)(3) of this section applies only to taxable
years of a trust beginning in 2002, 2003, or 2004.

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

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

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

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

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

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

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

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

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

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

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

(O) "Dependents" means 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
estate pursuant to section 642(b) of the Internal Revenue Code;

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

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

effect;	2638
(6) Deduct any interest or interest equivalent on public obligations and purchase obligations to the extent included in federal taxable income;	2639 2640 2641
(7) Add any loss or deduct any gain resulting from sale, exchange, or other disposition of public obligations to the extent included in federal taxable income;	2642 2643 2644
(8) Except in the case of the final return of an estate, add any amount deducted by the taxpayer on both its Ohio estate tax return pursuant to section 5731.14 of the Revised Code, and on its federal income tax return in determining either federal adjusted gross income or federal taxable income;	2645 2646 2647 2648 2649
(9)(a) Deduct any amount included in federal taxable income solely because the amount represents a reimbursement or refund of expenses that in a previous year the decedent had deducted as an itemized deduction pursuant to section 63 of the Internal Revenue Code and applicable treasury regulations. The deduction otherwise allowed under division (S)(9)(a) of this section shall be reduced to the extent the reimbursement is attributable to an amount the taxpayer or decedent deducted under this section in any taxable year.	2650 2651 2652 2653 2654 2655 2656 2657 2658
(b) Add any amount not otherwise included in Ohio taxable income for any taxable year to the extent that the amount is attributable to the recovery during the taxable year of any amount deducted or excluded in computing federal or Ohio taxable income in any taxable year.	2659 2660 2661 2662 2663
(10) Deduct any portion of the deduction described in section 1341(a)(2) of the Internal Revenue Code, for repaying previously reported income received under a claim of right, that meets both of the following requirements:	2664 2665 2666 2667
(a) It is allowable for repayment of an item that was	2668

included in the taxpayer's taxable income or the decedent's
adjusted gross income for a prior taxable year and did not qualify
for a credit under division (A) or (B) of section 5747.05 of the
Revised Code for that year.

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

(11) Add any amount claimed as a credit under section
5747.059 of the Revised Code to the extent that the amount
satisfies either of the following:

(a) The amount was deducted or excluded from the computation
of the taxpayer's federal taxable income as required to be
reported for the taxpayer's taxable year under the Internal
Revenue Code;

(b) The amount resulted in a reduction in the taxpayer's
federal taxable income as required to be reported for any of the
taxpayer's taxable years under the Internal Revenue Code.

(12) Deduct any amount that a trust is required to report as
farm income on its federal income tax return, but only if the
assets of the trust include at least ten acres of land satisfying
the definition of "land devoted exclusively to agricultural use"
under section 5713.30 of the Revised Code, regardless of whether
the land is valued for tax purposes as such land under sections
5713.30 to 5713.38 of the Revised Code. Division (S)(12) of this
section applies only to taxable years of a trust beginning in
2002, 2003, or 2004.

(13) Add the net amount of income described in section 641(c)
of the Internal Revenue Code to the extent that amount is not
included in federal taxable income.

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

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(U) As used in divisions (A)(8), (A)(9), (S)(6), and (S)(7) 2701
of this section, "public obligations," "purchase obligations," and 2702
"interest or interest equivalent" have the same meanings as in 2703
section 5709.76 of the Revised Code. 2704

(V) "Limited liability company" means any limited liability 2705
company formed under Chapter 1705. of the Revised Code or under 2706
the laws of any other state. 2707

(W) "Pass-through entity investor" means any person who, 2708
during any portion of a taxable year of a pass-through entity, is 2709
a partner, member, shareholder, or investor in that pass-through 2710
entity. 2711

(X) "Banking day" has the same meaning as in section 1304.01 2712
of the Revised Code. 2713

(Y) "Month" means a calendar month. 2714

(Z) "Quarter" means the first three months, the second three 2715
months, the third three months, or the last three months of the 2716
taxpayer's taxable year. 2717

(AA)(1) "Eligible institution" means a state university or 2718
state institution of higher education as defined in section 2719
3345.011 of the Revised Code, or a private, nonprofit college, 2720
university, or other post-secondary institution located in this 2721
state that possesses a certificate of authorization issued by the 2722
Ohio board of regents pursuant to Chapter 1713. of the Revised 2723
Code or a certificate of registration issued by the state board of 2724
proprietary school registration under Chapter 3332. of the Revised 2725
Code. 2726

(2) "Qualified tuition and fees" means tuition and fees 2727
imposed by an eligible institution as a condition of enrollment or 2728
attendance, not exceeding two thousand five hundred dollars in 2729
each of the individual's first two years of post-secondary 2730

As Reported by the House Finance and Appropriations Committee

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)(1) "Modified business income" means the business income
included in a trust's taxable income after such taxable income is
first reduced by the qualifying amount, if any.

(2) "Qualifying amount" of a trust means capital gains and
losses from the sale, exchange, or other disposition of equity or
ownership interest in, or debt obligations of, a qualifying
investee to the extent included in the trust's taxable income, but
only if the location of the physical assets of the qualifying
investee is available to the trust.

(3) "Modified nonbusiness income" means a trust's taxable
income other than modified business income and other than the
qualifying amount.

(4) "Modified taxable income" applies only to trusts and
means the sum of the following:

(a) Modified business income multiplied by the fraction

calculated under division (B)(2) of section 5733.05, and applying 2761
section 5733.057 of the Revised Code, as if the trust were a 2762
corporation subject to the tax imposed by section 5733.06 of the 2763
Revised Code; 2764

(b) The qualifying amount multiplied by the ratio of the book 2765
value of the physical assets in this state of the qualifying 2766
investee to the book value of the total physical assets everywhere 2767
of the qualifying investee; 2768

(c) Modified nonbusiness income to the extent produced by 2769
assets held by a trust or portion of a trust that is a resident 2770
for the purposes of this chapter. 2771

If the allocation and apportionment of a trust's income under 2772
divisions (BB)(4)(a) and (c) of this section do not fairly 2773
represent the modified taxable income of the trust in this state, 2774
the alternative methods described in division (C) of section 2775
5747.21 of the Revised Code may be applied in the manner and to 2776
the same extent provided in that section. 2777

(5) "Qualifying investee" means a person in which a trust has 2778
an equity or ownership interest, or a person or unit of government 2779
the debt obligations of either of which are owned by a trust. 2780
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(CC) Any term used in this chapter that is not otherwise 2782
defined in this section and that is not used in a comparable 2783
context in the Internal Revenue Code and other statutes of the 2784
United States relating to federal income taxes has the same 2785
meaning as in section 5733.40 of the Revised Code. 2786

Sec. 5747.02. (A) For the purpose of providing revenue for 2787
the support of schools and local government functions, to provide 2788
relief to property taxpayers, to provide revenue for the general 2789
revenue fund, and to meet the expenses of administering the tax 2790
levied by this chapter, there is hereby levied on every 2791

individual, trust, and ~~every~~ estate residing in or earning or 2792
receiving income in this state, on every individual, trust, and 2793
estate earning or receiving lottery winnings, prizes, or awards 2794
pursuant to Chapter 3770. of the Revised Code, and on every 2795
individual, trust, and estate otherwise having nexus with or in 2796
this state under the Constitution of the United States, an annual 2797
tax measured in the case of individuals by adjusted gross income 2798
less an exemption for the taxpayer, the taxpayer's spouse, and 2799
each dependent as provided in section 5747.025 of the Revised 2800
Code, measured in the case of trusts by modified taxable income 2801
under division (D) of this section; and measured in the case of 2802
estates by taxable income. The tax imposed by this section on the 2803
balance thus obtained is hereby levied as follows: 2804

ADJUSTED GROSS INCOME LESS 2805

EXEMPTIONS (INDIVIDUALS)

OR 2806

MODIFIED 2807

TAXABLE INCOME (TRUSTS) 2808

OR 2809

TAXABLE INCOME (ESTATES) TAX 2810

\$5,000 or less .743% 2811

More than \$5,000 but not more \$37.15 plus 1.486% of the amount 2812
than \$10,000 in excess of \$5,000

More than \$10,000 but not more \$111.45 plus 2.972% of the 2813
than \$15,000 amount in excess of \$10,000

More than \$15,000 but not more \$260.05 plus 3.715% of the 2814
than \$20,000 amount in excess of \$15,000

More than \$20,000 but not more \$445.80 plus 4.457% of the 2815
than \$40,000 amount in excess of \$20,000

More than \$40,000 but not more \$1,337.20 plus 5.201% of the 2816
than \$80,000 amount in excess of \$40,000

More than \$80,000 but not more \$3,417.60 plus 5.943% of the 2817
than \$100,000 amount in excess of \$80,000

More than \$100,000 but not more than \$200,000 \$4,606.20 plus 6.9% of the amount in excess of \$100,000 2818

More than \$200,000 \$11,506.20 plus 7.5% of the amount in excess of \$200,000 2819

In July of each year, beginning in 2005, the tax commissioner shall adjust the income amounts prescribed in this division by multiplying the percentage increase in the gross domestic product deflator computed that year under section 5747.025 of the Revised Code by each of the income amounts resulting from the adjustment under this division in the preceding year, adding the resulting product to the corresponding income amount resulting from the adjustment in the preceding year, and rounding the resulting sum to the nearest multiple of fifty dollars. The tax commissioner also shall recompute each of the tax dollar amounts to the extent necessary to reflect the adjustment of the income amounts. The rates of taxation shall not be adjusted. 2820
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The adjusted amounts apply to taxable years beginning in the calendar year in which the adjustments are made. The tax commissioner shall not make such adjustments in any year in which the amount resulting from the adjustment would be less than the amount resulting from the adjustment in the preceding year. 2832
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(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. 2837
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(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 2844
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715.81 of the Revised Code from levying a tax on income. 2848

(D) Division (D) of this section applies only to taxable 2849
years of a trust beginning in 2002, 2003, or 2004. 2850

The tax imposed by this section on a trust shall be computed 2851
by multiplying the modified taxable income of the trust by the 2852
rates prescribed by division (A) of this section. 2853

A credit is allowed against the tax computed under division 2854
(D) of this section equal to the lesser of (1) the tax paid to 2855
another state or the District of Columbia on modified nonbusiness 2856
income of a trust, or (2) the effective tax rate, based on 2857
modified taxable income, multiplied by the modified nonbusiness 2858
income of the trust. The credit applies before any other 2859
applicable credits. The credits enumerated in divisions (A)(1) to 2860
(13) of section 5747.98 of the Revised Code do not apply to a 2861
trust subject to this division. 2862

(E) For the purposes of this section, "trust" means any trust 2863
described in Subchapter J of the Internal Revenue Code, excluding 2864
a trust exempted from taxation under section 501(c)(3) of Internal 2865
Revenue Code. 2866

Sec. 5747.05. As used in this section, "income tax" includes 2867
both a tax on net income and a tax measured by net income. 2868

The following credits shall be allowed against the income tax 2869
imposed by section 5747.02 of the Revised Code on individuals and 2870
estates: 2871

(A)(1) The amount of tax otherwise due under section 5747.02 2872
of the Revised Code on such portion of the adjusted gross income 2873
of any nonresident taxpayer that is not allocable to this state 2874
pursuant to sections 5747.20 to 5747.23 of the Revised Code; 2875

(2) The credit provided under this division shall not exceed 2876
the portion of the total tax due under section 5747.02 of the 2877

Revised Code that the amount of the nonresident taxpayer's 2878
adjusted gross income not allocated to this state pursuant to 2879
sections 5747.20 to 5747.23 of the Revised Code bears to the total 2880
adjusted gross income of the nonresident taxpayer derived from all 2881
sources everywhere. 2882

(3) The tax commissioner may enter into an agreement with the 2883
taxing authorities of any state or of the District of Columbia 2884
that imposes an income tax to provide that compensation paid in 2885
this state to a nonresident taxpayer shall not be subject to the 2886
tax levied in section 5747.02 of the Revised Code so long as 2887
compensation paid in such other state or in the District of 2888
Columbia to a resident taxpayer shall likewise not be subject to 2889
the income tax of such other state or of the District of Columbia. 2890

(B) The lesser of division (B)(1) or (2) of this section: 2891

(1) The amount of tax otherwise due under section 5747.02 of 2892
the Revised Code on such portion of the adjusted gross income of a 2893
resident taxpayer that in another state or in the District of 2894
Columbia is subjected to an income tax. The credit provided under 2895
division (B)(1) of this section shall not exceed the portion of 2896
the total tax due under section 5747.02 of the Revised Code that 2897
the amount of the resident taxpayer's adjusted gross income 2898
subjected to an income tax in the other state or in the District 2899
of Columbia bears to the total adjusted gross income of the 2900
resident taxpayer derived from all sources everywhere. 2901

(2) The amount of income tax liability to another state or 2902
the District of Columbia on the portion of the adjusted gross 2903
income of a resident taxpayer that in another state or in the 2904
District of Columbia is subjected to an income tax. The credit 2905
provided under division (B)(2) of this section shall not exceed 2906
the amount of tax otherwise due under section 5747.02 of the 2907
Revised Code. 2908

(3) If the credit provided under division (B) of this section 2909
is affected by a change in either the portion of adjusted gross 2910
income of a resident taxpayer subjected to an income tax in 2911
another state or the District of Columbia or the amount of income 2912
tax liability that has been paid to another state or the District 2913
of Columbia, the taxpayer shall report the change to the tax 2914
commissioner within sixty days of the change in such form as the 2915
commissioner requires. 2916

(a) In the case of an underpayment, the report shall be 2917
accompanied by payment of any additional tax due as a result of 2918
the reduction in credit together with interest on the additional 2919
tax and is a return subject to assessment under section 5747.13 of 2920
the Revised Code solely for the purpose of assessing any 2921
additional tax due under this division, together with any 2922
applicable penalty and interest. It shall not reopen the 2923
computation of the taxpayer's tax liability under this chapter 2924
from a previously filed return no longer subject to assessment 2925
except to the extent that such liability is affected by an 2926
adjustment to the credit allowed by division (B) of this section. 2927

(b) In the case of an overpayment, an application for refund 2928
may be filed under this division within the sixty day period 2929
prescribed for filing the report even if it is beyond the period 2930
prescribed in section 5747.11 of the Revised Code if it otherwise 2931
conforms to the requirements of such section. An application filed 2932
under this division shall only claim refund of overpayments 2933
resulting from an adjustment to the credit allowed by division (B) 2934
of this section unless it is also filed within the time prescribed 2935
in section 5747.11 of the Revised Code. It shall not reopen the 2936
computation of the taxpayer's tax liability except to the extent 2937
that such liability is affected by an adjustment to the credit 2938
allowed by division (B) of this section. 2939

(C) For a taxpayer sixty-five years of age or older during 2940

the taxable year, a credit for such year equal to fifty dollars 2941
for each return required to be filed under section 5747.08 of the 2942
Revised Code. 2943

(D) A taxpayer sixty-five years of age or older during the 2944
taxable year who has received a lump-sum distribution from a 2945
pension, retirement, or profit-sharing plan in the taxable year 2946
may elect to receive a credit under this division in lieu of the 2947
credit to which ~~he~~ the taxpayer is entitled under division (C) of 2948
this section. A taxpayer making such election shall receive a 2949
credit for the taxable year equal to fifty dollars times the 2950
taxpayer's expected remaining life as shown by annuity tables 2951
issued under the provisions of the Internal Revenue Code and in 2952
effect for the calendar year which includes the last day of the 2953
taxable year. A taxpayer making an election under this division is 2954
not entitled to the credit authorized under division (C) of this 2955
section in subsequent taxable years except that if such election 2956
was made prior to July 1, 1983, the taxpayer is entitled to 2957
one-half the credit authorized under such division in subsequent 2958
taxable years but may not make another election under this 2959
division. 2960

(E) A taxpayer who is not sixty-five years of age or older 2961
during the taxable year who has received a lump-sum distribution 2962
from a pension, retirement, or profit-sharing plan in a taxable 2963
year ending on or before July 31, 1991, may elect to take a credit 2964
against the tax otherwise due under this chapter for such year 2965
equal to fifty dollars times the expected remaining life of a 2966
taxpayer sixty-five years of age as shown by annuity tables issued 2967
under the provisions of the Internal Revenue Code and in effect 2968
for the calendar year which includes the last day of the taxable 2969
year. A taxpayer making an election under this division is not 2970
entitled to a credit under division (C) or (D) of this section in 2971
any subsequent year except that if such election was made prior to 2972

July 1, 1983, the taxpayer is entitled to one-half the credit 2973
authorized under division (C) of this section in subsequent years 2974
but may not make another election under this division. No taxpayer 2975
may make an election under this division for a taxable year ending 2976
on or after August 1, 1991. 2977

(F) A taxpayer making an election under either division (D) 2978
or (E) of this section may make only one such election in the 2979
taxpayer's lifetime. 2980

(G)(1) On a joint return filed by a husband and wife, each of 2981
whom had adjusted gross income of at least five hundred dollars, 2982
exclusive of interest, dividends and distributions, royalties, 2983
rent, and capital gains, a credit equal to the percentage shown in 2984
the table contained in this division of the amount of tax due 2985
after allowing for any other credit that precedes the credit under 2986
this division in the order required under section 5747.98 of the 2987
Revised Code. 2988

(2) The credit to which a taxpayer is entitled under this 2989
division in any taxable year is the percentage shown in column B 2990
that corresponds with the taxpayer's adjusted gross income, less 2991
exemptions for the taxable year: 2992

A.	B.	
IF THE ADJUSTED GROSS INCOME, LESS	THE CREDIT FOR THE TAXABLE	2993
EXEMPTIONS, FOR THE TAX YEAR IS:	YEAR IS:	2994
\$25,000 or less	20%	2995
More than \$25,000 but not more	15%	2996
than \$50,000		
More than \$50,000 but not more	10%	2997
than \$75,000		
More than \$75,000	5%	2998

(3) The credit allowed under this division shall not exceed 2999
six hundred fifty dollars in any taxable year. 3000

(H) No claim for credit under this section shall be allowed 3001
unless the claimant furnishes such supporting information as the 3002
tax commissioner prescribes by rules. Each credit under this 3003
section shall be claimed in the order required under section 3004
5747.98 of the Revised Code. 3005

(I) An individual who is a resident for part of a taxable 3006
year and a nonresident for the remainder of the taxable year is 3007
allowed the credits under divisions (A) and (B) of this section in 3008
accordance with rules prescribed by the tax commissioner. In no 3009
event shall the same income be subject to both credits. 3010

(J) The credit allowed under division (A) of this section 3011
shall be calculated based upon the amount of tax due under section 3012
5747.02 of the Revised Code after subtracting any other credits 3013
that precede the credit under that division in the order required 3014
under section 5747.98 of the Revised Code. The credit allowed 3015
under division (B) of this section shall be calculated based upon 3016
the amount of tax due under section 5747.02 of the Revised Code 3017
after subtracting any other credits that precede the credit under 3018
that division in the order required under section 5747.98 of the 3019
Revised Code. 3020

(K) No credit shall be allowed under division (B) of this 3021
section unless the taxpayer furnishes such proof as the tax 3022
commissioner shall require that the income tax liability has been 3023
paid to another state or the District of Columbia. 3024

(L) No credit shall be allowed under division (B) of this 3025
section for compensation that is not subject to the income tax of 3026
another state or the District of Columbia as the result of an 3027
agreement entered into by the tax commissioner under division 3028
(A)(3) of this section. 3029

Sec. 5747.21. (A) This section applies solely for the 3030
purposes of computing the credit allowed under division (A) of 3031

section 5747.05 of the Revised Code, computing income taxable in 3032
this state under division (D) of section 5747.08 of the Revised 3033
Code, and computing the credit allowed under section 5747.057 of 3034
the Revised Code. ~~Except~~ 3035

(B) Except as otherwise provided under ~~section~~ sections 3036
5747.211 and 5747.212 of the Revised Code, all items of business 3037
income and business deduction shall be apportioned to this state 3038
by multiplying the adjusted gross income by the fraction 3039
calculated under division (B)(2) of section 5733.05 and section 3040
5733.057 of the Revised Code as if the taxpayer's business were a 3041
corporation subject to the tax imposed by section 5733.06 of the 3042
Revised Code. 3043

(C) If the allocation and apportionment provisions of 3044
sections 5747.20 to 5747.23 of the Revised Code or of any rule 3045
adopted by the tax commissioner, do not fairly represent the 3046
extent of business activity in this state of a taxpayer or 3047
pass-through entity, the taxpayer or pass-through entity may 3048
request, which request must be in writing accompanying the return 3049
or amended return, or the tax commissioner may require, in respect 3050
of all or any part of the business activity, if reasonable, any 3051
one or more of the following: 3052

(1) Separate accounting; 3053

(2) The exclusion of one or more factors; 3054

(3) The inclusion of one or more additional factors which 3055
will fairly represent the business activity in this state; 3056

(4) The employment of any other method to effectuate an 3057
equitable allocation of such business in this state. An 3058
alternative method will be effective only with approval of the tax 3059
commissioner. 3060

The tax commissioner may adopt rules in the manner provided 3061
by sections 5703.14 and 5747.18 of the Revised Code providing for 3062

alternative methods of calculating business income and nonbusiness 3063
income applicable to all taxpayers and pass-through entities, to 3064
classes of taxpayers and pass-through entities, or only to 3065
taxpayers and pass-through entities within a certain industry. 3066

Sec. 5747.212. This section applies solely for the purpose of 3067
computing the credit allowed under division (A) of section 5747.05 3068
of the Revised Code, computing income taxable in this state under 3069
division (D) of section 5747.08 of the Revised Code, and computing 3070
the credit allowed under section 5747.057 of the Revised Code. 3071

A pass-through entity investor that owns, directly or 3073
indirectly, at least twenty per cent of the pass-through entity at 3074
any time during the current taxable year or either of the two 3075
preceding taxable years shall apportion any income, including gain 3076
or loss, realized from the sale, exchange, or other disposition of 3077
a debt or equity interest in the entity as prescribed in this 3078
section. For such purposes, in lieu of using the method prescribed 3079
by sections 5747.20 and 5747.21 of the Revised Code, the investor 3080
shall apportion the income using the average of the pass-through 3081
entity's apportionment fractions otherwise applicable under 3082
section 5747.21 of the Revised Code for the current and two 3083
preceding taxable years. If the pass-through entity was not in 3084
business for one or more of those years, each year that the entity 3085
was not in business shall be excluded in determining the average. 3086

Sec. 5901.02. In each county there shall be a commission 3087
known as "the veterans service commission." Except as provided in 3088
section 5901.021 of the Revised Code, the commission shall be 3089
composed of five persons. ~~Those persons shall be~~ residents of the 3090
county ~~and shall be~~ appointed to five-year terms by a judge of the 3091
court of common pleas. At the time of appointment or reappointment 3092
to the commission, no commission member appointed under this 3093

section shall be an employee of the commission or hold an elective 3094
or other appointive office of the county served by the commission. 3095
3096

Each member of the commission appointed under this section 3097
shall be an honorably discharged or honorably separated veteran. 3098
Within sixty days after the date of appointment, each such member 3099
~~of the commission~~ shall file the member's form DD214 with the 3100
governor's office of veterans affairs in accordance with 3101
guidelines established by the director of that office. 3102
~~Appointments to the commission~~ Such appointments shall be made 3103
from lists of recommended persons, in the manner specified in the 3104
following paragraph. One person shall be a representative 3105
recommended by the American Legion; one person shall be a 3106
representative recommended by the Veterans of Foreign Wars; one 3107
person shall be a representative recommended by the Disabled 3108
American Veterans; one person shall be a representative 3109
recommended by the AMVETS; and one person shall be a 3110
representative recommended by the Military Order of the Purple 3111
Heart of the U.S.A., the Vietnam Veterans of America, or the 3112
Korean War Veterans Association. If any such organization has no 3113
post or chapter located in the county, the appointment shall be 3114
made from lists of recommended persons submitted by posts or 3115
chapters of any other congressionally chartered veterans 3116
organizations located in the county. If no such other 3117
organizations have posts or chapters located in the county, the 3118
judge ~~described in the following paragraph~~ responsible for making 3119
appointments under this section may appoint any qualified veteran 3120
to represent the veteran community. 3121

On or before the fifteenth day of October of each year, the 3122
appointing judge of the court of common pleas who is responsible 3123
~~for making appointments to the commission~~ shall notify each post 3124
or chapter of each organization within the county from which the 3125

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member may or must be appointed that it may submit a list 3126
containing three recommendations of persons who are eligible for 3127
appointment. If the judge does not receive any recommendations 3128
within sixty days after providing the required notification, the 3129
judge may appoint any qualified veteran to represent the veteran 3130
community. The judge shall make the appointment on or before the 3131
fifteenth day of January of each year. ~~Vacancies occurring on the~~ 3132
~~commission~~ Any vacancy in a membership appointed under this 3133
section shall be filled in the same manner as the original 3134
appointments. 3135

Beginning in the year 2000, ~~appointments~~ appointment of 3136
members to the commission under this section shall be made as 3137
follows: 3138

(A) Appointments for members to represent the American Legion 3139
shall be made for terms to commence in years ending in zero and 3140
five. 3141

(B) Appointments for members to represent the Veterans of 3142
Foreign Wars shall be made for terms to commence in years ending 3143
in one and six. 3144

(C) Appointments for members to represent the Disabled 3145
American Veterans shall be made for terms to commence in years 3146
ending in two and seven. 3147

(D) Appointments for members to represent the AMVETS shall be 3148
made for terms to commence in years ending in three and eight. 3149

(E) Appointments for members to represent the Military Order 3150
of the Purple Heart of the U.S.A., the Vietnam Veterans of 3151
America, or the Korean War Veterans Association shall be made for 3152
terms to commence in years ending in four and nine. 3153

The terms immediately preceding the initial appointments made 3154
under divisions (A) to (E) of this section may be for periods of 3155
less than five years. 3156

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

If the board of county commissioners appoints such additional members, the board may permit the commission to submit an original or revised budget request for the ensuing fiscal year later than the last Monday in May, as otherwise required under section 5901.11 of the Revised Code.

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

Sec. 5901.03. The veterans service commission shall select 3188
one of its members as president, one as vice-president, and one as 3189
secretary. The commission shall meet at least once each month. A 3190
judge of the court of common pleas may remove, for cause, any 3191
member of the commission ~~for cause~~ appointed under section 5901.02 3192
of the Revised Code, and shall fill vacancies ~~occurring on the~~ 3193
~~commission~~ occurring among memberships appointed under that 3194
section for the unexpired terms, in the manner provided ~~in section~~ 3195
~~5901.02 of the Revised Code~~ for the original appointments. 3196

The commission's duties shall include but are not limited to 3197
the following: 3198

(A) Employing such staff as are necessary to carry out the 3199
commission's duties, and fixing their compensation; 3200

(B) Establishing policies and procedures for the 3201
administration of the commission and the veterans service office; 3202

(C) Establishing policies and procedures for the 3203
administration of assistance as provided under this chapter; 3204

(D) Causing the budgets of the veterans service commission 3205
and veterans service office to be presented to the board of county 3206
commissioners for approval; 3207

(E) Establishing programs of outreach and coordination with 3208
other agencies to enhance available services to veterans within 3209
the county; 3210

(F) Promoting, monitoring, and providing funding for ongoing 3211
education and training for veterans service commissioners and 3212
staff; 3213

(G) Making reports to the organizations represented on the 3214
commission, as provided in section 5901.02 of the Revised Code, 3215
and to others, upon request; 3216

(H) Establishing regularly scheduled transportation for 3217
veterans to and from veterans administration medical centers whose 3218
districts the county is within, through contractual agreements or 3219
through other arrangements determined by the commission to be most 3220
cost-effective; 3221

(I) Participating in appropriate memorial and commemorative 3222
activities to help promote patriotism and veterans services; 3223

(J) Taking any other actions required by this chapter. 3224

Sec. 5919.34. (A) As used in this section: 3225

(1) "Academic term" means any one of the following: 3226

(a) Fall term, which consists of fall semester or fall 3227
quarter, as appropriate; 3228

(b) Winter term, which consists of winter semester, winter 3229
quarter, or spring semester, as appropriate; 3230

(c) Spring term, which consists of spring quarter; 3231

(d) Summer term, which consists of summer semester or summer 3232
quarter, as appropriate. 3233

(2) "Eligible applicant" means any individual to whom all of 3234
the following apply: 3235

(a) The individual does not possess a baccalaureate degree. 3236

(b) The individual has enlisted, re-enlisted, or extended 3237
current enlistment in the Ohio national guard or is an individual 3238
to which division (F) of this section applies. 3239

(c) The individual is actively enrolled as a full-time or 3240
part-time student for at least six credit hours of course work in 3241
a semester or quarter in a two-year or four-year degree-granting 3242
program at an institution of higher education or in a 3243
diploma-granting program at an institution of higher education 3244

that is a school of nursing. 3245

(d) The individual has not accumulated ninety-six eligibility 3246
units under division (E) of this section. 3247

(3) "Institution of higher education" means an Ohio 3248
institution of higher education that is state-assisted, that is 3249
nonprofit and has received a certificate of authorization from the 3250
Ohio board of regents pursuant to Chapter 1713. of the Revised 3251
Code, that is a private institution exempt from regulation under 3252
Chapter 3332. of the Revised Code as prescribed in section 3253
3333.046 of the Revised Code, or that holds a certificate of 3254
registration and program authorization issued by the state board 3255
of proprietary school registration pursuant to section 3332.05 of 3256
the Revised Code. 3257

(4) "State university" has the same meaning as in section 3258
3345.011 of the Revised Code. 3259

(B)(1) There is hereby created a scholarship program to be 3260
known as the Ohio national guard scholarship program. For the 3261
fiscal year 2000, the number of participants in the program for 3262
the fall term is limited to the equivalent of two thousand five 3263
hundred full-time participants; the number of participants in the 3264
program for the winter term is limited to the equivalent of two 3265
thousand five hundred full-time participants; the number of 3266
participants in the program for the spring term is limited to the 3267
equivalent of one thousand six hundred seventy-five full-time 3268
participants; and the number of participants in the program for 3269
the summer term is limited to the equivalent of six hundred 3270
full-time participants. Except as provided in division (B)(2) of 3271
this section for the fiscal year 2001 and succeeding fiscal years, 3272
the number of participants in the program for the fall term is 3273
limited to the equivalent of three thousand five hundred full-time 3274
participants; the number of participants in the program for the 3275
winter term is limited to the equivalent of three thousand five 3276

hundred full-time participants; the number of participants in the
program for the spring term is limited to the equivalent of two
thousand three 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 3308
a scholarship under this section and either remains a current 3309
member in good standing of the Ohio national guard or is eligible 3310
for a scholarship under division (F)(1) of this section, the 3311
institution of higher education in which the applicant is enrolled 3312
shall, if the applicant's enlistment obligation extends beyond the 3313
end of that academic term or if division (F)(1) of this section 3314
applies, be paid on the applicant's behalf the applicable one of 3315
the following amounts: 3316

~~(1)~~(a) If the institution is state-assisted, an amount equal 3317
to one hundred per cent of the institution's tuition charges; 3318

~~(2)~~(b) If the institution is a nonprofit private institution 3319
or a private institution exempt from regulation under Chapter 3320
3332. of the Revised Code as prescribed in section 3333.046 of the 3321
Revised Code, an amount equal to one hundred per cent of the 3322
average tuition charges of all state universities; 3323

~~(3)~~(c) If the institution is an institution that holds a 3324
certificate of registration from the state board of proprietary 3325
school registration, the lesser of the following: 3326

~~(a)~~(i) An amount equal to one hundred per cent of the total 3327
instructional and general charges of the institution; 3328

~~(b)~~(ii) An amount equal to one hundred per cent of the 3329
average tuition charges of all state universities. 3330

~~(4)~~(2) An eligible applicant's scholarship shall not be 3331
reduced by the amount of that applicant's benefits under "the 3332
Montgomery G.I. Bill Act of 1984," Pub. L. No. 98-525, 98 Stat. 3333
2553 (1984). 3334

(E) A scholarship recipient under this section shall be 3335
entitled to receive scholarships under this section for the number 3336
of quarters or semesters it takes the recipient to accumulate 3337
ninety-six eligibility units as determined under divisions (E)(1) 3338

to (3) of this section. 3339

(1) To determine the maximum number of semesters or quarters 3340
for which a recipient is entitled to a scholarship under this 3341
section, the adjutant general shall convert a recipient's credit 3342
hours of enrollment for each academic term into eligibility units 3343
in accordance with the following table: 3344

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	semester	quarter	
12 or more hours	12 units	8 units	3345
9 but less than 12	9 units	6 units	3346
6 but less than 9	6 units	4 units	3347

(2) A scholarship recipient under this section may continue 3348
to apply for scholarships under this section until the recipient 3349
has accumulated ninety-six eligibility units. 3350

(3) If a scholarship recipient withdraws from courses prior 3351
to the end of an academic term so that the recipient's enrollment 3352
for that academic term is less than six credit hours, no 3353
scholarship shall be paid on behalf of that person for that 3354
academic term ~~except that~~. Except as provided in division (F)(3) 3355
of this section, if a scholarship has already been paid on behalf 3356
of the person for that academic term, the adjutant general shall 3357
add to that person's accumulated eligibility units the number of 3358
eligibility units for which the scholarship was paid. 3359

(F) This division applies to any eligible applicant called 3360
into active duty on or after September 11, 2001. As used in this 3361
division, "active duty" means active duty pursuant to an executive 3362
order of the president of the United States, an act of the 3363
congress of the United States, or section 5919.29 or 5923.21 of 3364
the Revised Code. 3365

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(1) An individual to whom this division applies is eligible for scholarships under this section for those academic terms that were missed or could have been missed as a result of the individual's call into active duty. Scholarships shall not be paid for the academic term in which an eligible applicant's enlistment obligation ends unless an applicant is eligible under this division for a scholarship for such academic term due to previous active duty. 3371
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(2) When an individual to whom this division applies withdraws or otherwise fails to complete courses, for which scholarships have been awarded under this section, because the individual was called into active duty, the institution of higher education shall grant the individual a leave of absence from the individual's education program and shall not impose any academic penalty for such withdrawal or failure to complete courses. Division (F)(2) of this section applies regardless of whether or not the scholarship amount was paid to the institution of higher education. 3379
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(3) If an individual to whom this division applies withdraws or otherwise fails to complete courses because the individual was called into active duty, and if scholarships for those courses have already been paid, either: 3389
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(a) The adjutant general shall not add to that person'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 and the institution of higher education shall repay the scholarship amount to the state. 3393
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(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 3399
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3402

institution of higher education agrees to permit the individual to 3403
complete the remainder of the academic courses in which the 3404
individual was enrolled at the time the individual was called into 3405
active duty. 3406

(G) A scholarship recipient under this section who fails to 3407
complete the term of enlistment, re-enlistment, or extension of 3408
current enlistment the recipient was serving at the time a 3409
scholarship was paid on behalf of the recipient under this section 3410
is liable to the state for repayment of a percentage of all Ohio 3411
national guard scholarships paid on behalf of the recipient under 3412
this section, plus interest at the rate of ten per cent per annum 3413
calculated from the dates the scholarships were paid. This 3414
percentage shall equal the percentage of the current term of 3415
enlistment, re-enlistment, or extension of enlistment a recipient 3416
has not completed as of the date the recipient is discharged from 3417
the Ohio national guard. 3418

The attorney general may commence a civil action on behalf of 3419
the adjutant general to recover the amount of the scholarships and 3420
the interest provided for in this division and the expenses 3421
incurred in prosecuting the action, including court costs and 3422
reasonable attorney's fees. A scholarship recipient is not liable 3423
under this division if the recipient's failure to complete the 3424
term of enlistment being served at the time a scholarship was paid 3425
on behalf of the recipient under this section is due to the 3426
recipient's death; discharge from the national guard due to 3427
disability; or the recipient's enlistment, for a term not less 3428
than the recipient's remaining term in the national guard, in the 3429
active component of the United States armed forces or the active 3430
reserve component of the United States armed forces. 3431

~~(G)~~(H) On or before the first day of each academic term, the 3432
adjutant general shall provide an eligibility roster to each 3433
institution of higher education at which one or more scholarship 3434

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recipients have applied for enrollment. The institution shall use 3435
the roster to certify the actual full-time or part-time enrollment 3436
of each scholarship recipient listed as enrolled at the 3437
institution and return the roster to the adjutant general within 3438
thirty days after the first day of the academic term. The adjutant 3439
general shall report to the Ohio board of regents the number of 3440
students in the Ohio national guard scholarship program at each 3441
institution of higher education. The Ohio board of regents shall 3442
provide for payment of the appropriate number and amount of 3443
scholarships to each institution of higher education pursuant to 3444
division (D) of this section. The adjutant general shall report on 3445
a quarterly basis to the director of budget and management, the 3446
speaker of the house of representatives, and the president of the 3447
senate the number of Ohio national guard scholarship recipients 3448
and a projection of the cost of the program for the remainder of 3449
the biennium. 3450

~~(H)~~(I) The chancellor of the Ohio board of regents and the 3451
adjutant general may adopt rules pursuant to Chapter 119. of the 3452
Revised Code governing the administration and fiscal management of 3453
the Ohio national guard scholarship program and the procedure by 3454
which the Ohio board of regents and the department of the adjutant 3455
general may modify the amount of scholarships a member receives 3456
based on the amount of other state financial aid a member 3457
receives. 3458

~~(I)~~(J) Notwithstanding division (A) of section 127.14 of the 3459
Revised Code, the controlling board shall not transfer all or part 3460
of any appropriation for the Ohio national guard scholarship 3461
program. 3462

Section 2. That existing sections 124.151, 131.44, 173.06, 3463
173.40, 1333.11, 2913.40, 3721.51, 3721.56, 5101.11, 5111.02, 3464
5111.10, 5111.86, 5111.871, 5112.01, 5112.06, 5112.07, 5112.11, 3465
5123.041, 5126.053, 5126.17, 5733.01, 5733.04, 5743.02, 5743.03, 3466

5743.04, 5743.08, 5743.081, 5743.12, 5743.13, 5743.14, 5743.32, 3467
5743.33, 5743.34, 5743.35, 5747.01, 5747.02, 5747.05, 5747.21, 3468
5901.02, 5901.03, and 5919.34 and sections 5126.16, 5126.18, 3469
5743.023, and 5743.322 of the Revised Code are hereby repealed. 3470

Section 3. (A) As used in this section, "net additional tax" 3471
means the net additional amount of tax due on all packages of Ohio 3472
stamped cigarettes and on all unaffixed Ohio cigarette tax stamps 3473
that a wholesale or retail dealer has on hand as of the beginning 3474
of business on July 1, 2002, as a result of the amendment of 3475
section 5743.02 and the repeal of section 5743.023 of the Revised 3476
Code by this act. 3477

(B) The amendment by this act of sections 5743.02, 5743.03, 3478
5743.04, 5743.08, 5743.081, 5743.12, 5743.13, 5743.14, 5743.32, 3479
5743.33, 5743.34, and 5743.35 and the repeal by this act of 3480
sections 5743.023 and 5743.322 of the Revised Code take effect 3481
July 1, 2002. 3482

(C) In addition to the return required by section 5743.03 of 3483
the Revised Code, each wholesale dealer and each retail dealer 3484
shall make and file a return on forms prescribed by the Tax 3485
Commissioner, showing the net additional tax due and any other 3486
information that the Commissioner considers necessary for the 3487
administration of sections 5743.01 to 5743.20 of the Revised Code. 3488
Not later than July 31, 2002, each wholesale dealer and each 3489
retail dealer shall deliver the return to the Treasurer of State, 3490
together with a remittance of an amount equal to one-third of the 3491
net additional tax. The Treasurer of State shall stamp or 3492
otherwise mark on the return the date it was received and also 3493
shall show on the return by stamp or otherwise the tax payment 3494
remitted with the return. The Treasurer of State immediately shall 3495
transmit all returns filed under this section to the Tax 3496
Commissioner. Not later than August 31, 2002, and also not later 3497
than September 30, 2002, each such dealer shall remit to the 3498

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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 section 5743.02 of the Revised Code, 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.

(D) Notwithstanding section 5743.05 of the Revised Code, for
cigarette tax stamps and meter impressions sold on or after July
1, 2002, and before May 1, 2003, the Treasurer of State may sell
and account for such stamps and meter impressions at their face
value in effect on June 30, 2002, with the remainder due within
thirty days, provided that if a wholesale or retail dealer does
not pay the remainder within such thirty days, the Treasurer of
State shall not thereafter sell stamps or meter impressions to
that dealer until the dealer pays the outstanding amount,
including penalty and interest on that amount as prescribed by
Chapter 5743. of the Revised Code. In cases where a dealer is
permitted to purchase stamps or meter impressions on credit, the
bond shall not be required to secure payment of any amount in
excess of the face value of stamps or meter impressions in effect
on June 30, 2002, and otherwise payable as provided in this
division, provided that if the dealer defaults on the obligation
to pay any amount due, the Treasurer of State shall not thereafter
sell stamps or meter impressions to that dealer until the dealer
pays the outstanding amount, including penalty and interest on
that amount as prescribed by Chapter 5743. 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 3531
on each cigarette from the first day of the first month after the 3532
month in which the Director of Budget and Management makes the 3533
certification to the Tax Commissioner under division (B) of this 3534
section. 3535

(B) In the first month beginning after fiscal year 2002 in 3536
which the balance in the Budget Stabilization Fund created under 3537
section 131.43 of the Revised Code equals or exceeds five per cent 3538
of the General Revenue Fund revenues for the preceding fiscal 3539
year, the Director of Budget and Management shall certify such 3540
fact to the Tax Commissioner. The Tax Commissioner shall notify 3541
wholesale and retail dealers of the reduction in the rate of such 3542
taxes. 3543

Section 5. (A) Except as provided in division (B) of this 3544
section, the amendment or enactment by this act of sections 3545
5733.01, 5747.01, 5747.02, 5747.05, 5747.21, and 5747.212 of the 3546
Revised Code apply to taxable years ending on or after the 3547
effective date of this section. 3548

(B) To ease taxpayer compliance burdens, each taxpayer having 3549
a taxable year ending after September 10, 2001, and before the 3550
effective date of this section, may elect to apply to that taxable 3551
year the amendment by this act of section 5733.04 of the Revised 3552
Code, by the addition of divisions (I)(17) and (18) of that 3553
section, and of section 5747.01 of the Revised Code by the 3554
addition of divisions (A)(20) and (21) of that section. If the 3555
taxpayer has more than one taxable year ending during that period 3556
and makes that election, the election applies to all those taxable 3557
years. The election shall accompany or be reflected in the report 3558
or return when filed, or shall accompany or be reflected in an 3559
amended report. The election is revocable at the option of the 3560
person making the election, but no revocation is effective if it 3561

is made after the ninetieth day before the last day of the 3562
applicable period of time described in division (B) of section 3563
5733.12 or division (B) of section 5747.11 of the Revised Code, as 3564
applicable. 3565

(C) Notwithstanding division (A) of section 5747.02 of the 3566
Revised Code, as amended by this act, the adjustment of the income 3567
amounts required to be made by that amendment in 2005 shall be 3568
made by multiplying the percentage increase in the gross domestic 3569
product deflator by each of the income amounts applicable to 3570
taxable years beginning in 2004, adding the resulting product to 3571
the corresponding income amount applicable to taxable years 3572
beginning in 2004, and rounding the resulting sum to the nearest 3573
multiple of fifty dollars. 3574

Section 6. (A) The Committee to Study State and Local Taxes 3575
is hereby created. The committee shall consist of nine members. 3576
The Speaker of the House of Representatives shall appoint three 3577
members of the House of Representatives to the committee, not more 3578
than two of whom shall be from the majority party. The President 3579
of the Senate shall appoint three members of the Senate to the 3580
committee, not more than two of whom shall be from the majority 3581
party. One member shall be the Tax Commissioner, one shall be the 3582
Director of Budget and Management, and one shall be the Director 3583
of Development. Vacancies shall be filled in the same manner as 3584
original appointments. The members of the committee shall be 3585
appointed within thirty days after the effective date of this 3586
section. The members shall select a chairperson of the committee 3587
from among themselves. A majority of the committee constitutes a 3588
quorum for the conduct of official business. 3589

(B) The committee may request staff assistance from the 3590
Legislative Service Commission as well as the participating 3591
agencies. The committee may meet during periods when the General 3592

Assembly has adjourned, and may solicit and take testimony from
experts on public finance and taxation as well as from interested
parties. All state agencies and local governments shall comply
promptly with any requests by the committee for data or other
information the committee requires to properly complete its
research.

(C) The committee shall:

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

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

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

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

(5) Evaluate priorities in the tax structure.

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

Section 7. That Section 8 of Am. Sub. S.B. 172 of the 123rd General Assembly be amended to read as follows:

"Sec. 8. Sections 6 and 7 of this act shall take effect July 1, ~~2002~~ 2003."

Section 8. That existing Section 8 of Am. Sub. S.B. 172 of the 123rd General Assembly is hereby repealed.

Section 9. That 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, be amended to read as follows:

"Sec. 5.02. ENFORCEMENT

State Highway Safety Fund Group				3634	
036 764-033 Minor Capital Projects	\$	2,531,302	\$	1,732,358	3635
036 764-321 Operating Expense - Highway Patrol	\$	185,264,130	\$	195,245,402	3636
036 764-605 Motor Carrier Enforcement Expense	\$	189,309	\$	192,411 <u>2,454,232</u>	3637
83C 764-630 Contraband, Forfeiture, Other	\$	603,296	\$	622,894	3638
83F 764-657 Law Enforcement Auto. Data System	\$	5,050,151	\$	5,277,569	3639
83G 764-633 OMVI Fines	\$	781,051	\$	820,927	3640
831 764-610 Patrol/Federal	\$	2,210,831	\$	2,336,609	3641
831 764-659 Transportation Enforcement - Federal	\$	3,919,153	\$	4,087,361	3642
837 764-602 Turnpike Policing	\$	8,803,786	\$	9,306,325	3643
838 764-606 Patrol Reimbursement	\$	216,690	\$	222,108	3644
840 764-607 State Fair Security	\$	1,306,015	\$	1,384,660	3645
840 764-617 Security and	\$	4,484,313	\$	4,749,103	3646

As Reported by the House Finance and Appropriations Committee

	Investigations				
840 764-626	State Fairgrounds	\$	783,175	\$	829,631
	Police Force				
840 764-667	Security Assessment	\$	152,324	\$	160,982
841 764-603	Salvage and Exchange -	\$	1,243,025	\$	1,274,101
	Highway Patrol				
TOTAL HSF	State Highway Safety				3650
Fund Group		\$	217,538,551	\$	228,242,441
					<u>230,504,262</u>
	General Services Fund Group				3653
4S2 764-660	MARCS Maintenance	\$	241,811	\$	227,222
TOTAL GSF	General Services				3655
Fund Group		\$	241,811	\$	227,222
TOTAL ALL BUDGET FUND GROUPS -					3657
Enforcement		\$	217,780,362	\$	228,469,663
					<u>230,731,484</u>
	COLLECTIVE BARGAINING INCREASES				3660
	Notwithstanding division (D) of section 127.14 and division				3661
	(B) of section 131.35 of the Revised Code, except for the General				3662
	Revenue Fund, the Controlling Board may, upon the request of				3663
	either the Director of Budget and Management, or the Department of				3664
	Public Safety with the approval of the Director of Budget and				3665
	Management, increase appropriations for any fund, as necessary for				3666
	the Department of Public Safety, to assist in paying the costs of				3667
	increases in employee compensation that have occurred pursuant to				3668
	collective bargaining agreements under Chapter 4117. of the				3669
	Revised Code and, for exempt employees, under section 124.152 of				3670
	the Revised Code.				3671
	PATROL REIMBURSEMENT FUND CASH TRANSFER				3672
	On the effective date of this amendment or as soon as				3673
	possible thereafter, the Director of Budget and Management shall				3674
	transfer \$551,150.59 in cash from the Patrol Reimbursement Fund				3675

(Fund 838) to the Turnpike Policing Fund (Fund 837). This transfer 3676
will correct an inaccurate deposit made at the end of fiscal year 3677
2001. 3678

On the effective date of this amendment or as soon as 3679
possible thereafter, the Director of Budget and Management shall 3680
transfer up to \$189,309 in cash in fiscal year 2002 and shall 3681
transfer up to ~~\$192,411~~ \$2,454,232 in cash in fiscal year 2003 3682
from the Financial Responsibility Compliance (Fund 835) to the 3683
State Highway Safety Fund (Fund 036)." 3684

Section 10. That existing Section 5.02 of Sub. H.B. 73 of the 3685
124th General Assembly, as amended by Am. Sub. H.B. 405 of the 3686
124th General Assembly, is hereby repealed. 3687

Section 11. That Sections 16, 16.02, 44, 44.19, 63.07, 63.35, 3688
75.02, 94, 94.02, 94.06, 94.07, and 125 of Am. Sub. H.B. 94 of the 3689
124th General Assembly be amended to read as follows: 3690

"Sec. 16. AGE DEPARTMENT OF AGING 3691

General Revenue Fund 3692

GRF 490-321	Operating Expenses	\$	2,896,946	\$	2,877,346	3693
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GRF 490-403	PASSPORT	\$	60,630,444	\$	62,563,924	3694
					<u>70,363,924</u>	

GRF 490-405	Golden Buckeye Card	\$	377,560	\$	377,560	3695
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GRF 490-406	Senior Olympics	\$	39,862	\$	39,862	3696
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GRF 490-407	Long-Term Care	\$	622,799	\$	622,799	3697
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Consumer Guide

GRF 490-409	Ohio Community Service	\$	311,640	\$	311,640	3698
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Council Operations

GRF 490-410	Long-Term Care	\$	1,412,058	\$	1,412,058	3699
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Ombudsman

GRF 490-411	Senior Community	\$	13,784,750	\$	13,784,750	3700
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As Reported by the House Finance and Appropriations Committee

	Services				
GRF 490-412	Residential State	\$	12,534,591	\$	12,290,915
	Supplement				
GRF 490-414	Alzheimers Respite	\$	4,436,673	\$	4,436,673
GRF 490-416	Transportation For	\$	183,000	\$	183,000
	Elderly				
<u>GRF 490-419</u>	<u>Prescription Drug</u>	<u>\$</u>	<u>0</u>	<u>\$</u>	<u>177,000</u>
	<u>Discount Program</u>				
GRF 490-499	Senior Employment	\$	15,574	\$	15,574
	Program				
GRF 490-504	Senior Facilities	\$	130,000	\$	100,000
GRF 490-506	Senior Volunteers	\$	491,614	\$	496,580
TOTAL GRF	General Revenue Fund	\$	97,867,511	\$	99,512,681
					<u>107,489,681</u>
	General Services Fund Group				3710
480 490-606	Senior Citizens	\$	363,587	\$	372,677
	Services Special				
	Events				
TOTAL GSF	General Services Fund				3712
Group		\$	363,587	\$	372,677
	Federal Special Revenue Fund Group				3714
3C4 490-607	PASSPORT	\$	129,645,833	\$	144,875,065
3M3 490-611	Federal Aging	\$	22,943,588	\$	23,517,178
	Nutrition				
3M4 490-612	Federal Supportive	\$	21,025,940	\$	21,545,338
	Services				
3R7 490-617	Ohio Community Service	\$	7,350,920	\$	7,350,920
	Council Programs				
322 490-618	Older Americans	\$	10,873,661	\$	11,144,778
	Support Services				
TOTAL FED	Federal Special Revenue				3720
Fund Group		\$	191,839,942	\$	208,433,279

As Reported by the House Finance and Appropriations Committee

State Special Revenue Fund Group				3722
4C4 490-609 Regional Long-Term	\$	440,185	\$ 451,190	3723
Care Ombudsman Program				
4J4 490-610 PASSPORT/Residential	\$	24,000,000	\$ 24,000,000	3724
State Supplement				
4U9 490-602 PASSPORT Fund	\$	5,000,000	\$ 5,000,000	3725
5K9 490-613 Nursing Home Consumer	\$	400,000	\$ 400,000	3726
Guide				
624 490-604 OCSC Community Support	\$	2,500	\$ 2,500	3727
TOTAL SSR State Special Revenue				3728
Fund Group	\$	29,842,685	\$ 29,853,690	3729
TOTAL ALL BUDGET FUND GROUPS	\$	319,913,725	\$ 338,172,327	3730
			<u>346,149,327</u>	3731

Sec. 16.02. PASSPORT 3733

Appropriation item 490-403, PASSPORT, and the amounts set 3734
aside for the PASSPORT Waiver Program in appropriation item 3735
490-610, PASSPORT/Residential State Supplement, may be used to 3736
assess clients regardless of Medicaid eligibility. 3737

The Director of Aging shall adopt rules under section 111.15 3738
of the Revised Code governing the nonwaiver funded PASSPORT 3739
program, including client eligibility. 3740

The Department of Aging shall administer the Medicaid Waiver 3741
funded PASSPORT Home Care program as delegated by the Department 3742
of Job and Family Services in an interagency agreement. The 3743
foregoing appropriation item 490-403, PASSPORT, and the amounts 3744
set aside for the PASSPORT Waiver Program in appropriation item 3745
490-610, PASSPORT/Residential State Supplement, shall be used to 3746
provide the required state match for federal Medicaid funds 3747
supporting the Medicaid Waiver funded PASSPORT Home Care program. 3748
Appropriation item 490-403, PASSPORT, and the amounts set aside 3749
for the PASSPORT Waiver Program in appropriation item 490-610, 3750

As Reported by the House Finance and Appropriations Committee

PASSPORT/Residential State Supplement, may also be used to support 3751
 the Department of Aging's administrative costs associated with 3752
 operating the PASSPORT program. 3753

The foregoing appropriation item 490-607, PASSPORT, shall be 3754
 used to provide the federal matching share for all PASSPORT 3755
 program costs determined by the Department of Job and Family 3756
 Services to be eligible for Medicaid reimbursement. 3757

SENIOR COMMUNITY SERVICES 3758

The foregoing appropriation item 490-411, Senior Community 3759
 Services, shall be used for services designated by the Department 3760
 of Aging, including, but not limited to, home-delivered meals, 3761
 transportation services, personal care services, respite services, 3762
 home repair, and care coordination. Service priority shall be 3763
 given to low income, frail, and cognitively impaired persons 60 3764
 years of age and over. The department shall promote cost sharing 3765
 by service recipients for those services funded with block grant 3766
 funds, including, where possible, sliding-fee scale payment 3767
 systems based on the income of service recipients. 3768

ALZHEIMERS RESPITE 3769

The foregoing appropriation item 490-414, Alzheimers Respite, 3770
 shall be used only to fund Alzheimer's disease services under 3771
 section 173.04 of the Revised Code. 3772

TRANSPORTATION FOR ELDERLY 3773

The foregoing appropriation item 490-416, Transportation for 3774
 Elderly, shall be used for non-capital expenses related to 3775
 transportation services for the elderly that provide access to 3776
 such things as healthcare services, congregate meals, 3777
 socialization programs, and grocery shopping. The appropriation 3778
 shall be allocated to the following agencies: 3779

(A) \$45,000 per fiscal year to the Cincinnati Jewish 3780

Vocational Services;	3781
(B) \$45,000 per fiscal year to the Cleveland Jewish Community Center;	3782 3783
(C) \$45,000 per fiscal year to the Columbus Jewish Federation;	3784 3785
(D) \$20,000 per fiscal year to the Dayton Jewish Family Services;	3786 3787
(E) \$10,000 per fiscal year to the Akron Jewish Community Center;	3788 3789
(F) \$5,000 per fiscal year to the Youngstown Jewish Federation;	3790 3791
(G) \$3,000 per fiscal year to the Canton Jewish Federation;	3792
(H) \$10,000 per fiscal year to the Toledo Jewish Federation.	3793
Agencies receiving funding from appropriation item 490-416, Transportation for Elderly, shall coordinate services with other local service agencies.	3794 3795 3796
RESIDENTIAL STATE SUPPLEMENT	3797
Under the Residential State Supplement Program, the amount used to determine whether a resident is eligible for payment and for determining the amount per month the eligible resident will receive shall be as follows:	3798 3799 3800 3801
(A) \$900 for a residential care facility, as defined in section 3721.01 of the Revised Code;	3802 3803
(B) \$900 for an adult group home, as defined in Chapter 3722. of the Revised Code;	3804 3805
(C) \$800 for an adult foster home, as defined in Chapter 173. of the Revised Code;	3806 3807
(D) \$800 for an adult family home, as defined in Chapter	3808

3722. of the Revised Code;	3809
(E) \$800 for an adult community alternative home, as defined in Chapter 3724. of the Revised Code;	3810 3811
(F) \$800 for an adult residential facility, as defined in Chapter 5119. of the Revised Code;	3812 3813
(G) \$600 for adult community mental health housing services, as defined in division (B)(5) of section 173.35 of the Revised Code.	3814 3815 3816
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.	3817 3818 3819
TRANSFER OF RESIDENTIAL STATE SUPPLEMENT APPROPRIATIONS	3820
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.	3821 3822 3823 3824 3825 3826 3827
LONG-TERM CARE OMBUDSMAN	3828
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.	3829 3830 3831 3832
<u>PRESCRIPTION DRUG DISCOUNT PROGRAM</u>	3833
<u>The foregoing appropriation item 490-419, Prescription Drug Discount Program, shall be used to administer a prescription drug discount program.</u>	3834 3835 3836
SENIOR FACILITIES	3837

As Reported by the House Finance and Appropriations Committee

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 3846

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 3850

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 3856

General Revenue Fund 3857

GRF 200-100 Personal Services \$ 11,819,828 \$ 12,113,828 3858

GRF 200-320 Maintenance and Equipment \$ 5,052,866 \$ 5,185,051 3859

GRF 200-406 Head Start \$ 98,843,825 \$ 98,843,825 3860

GRF 200-408 Public Preschool \$ 19,506,206 \$ 19,506,206 3861

GRF 200-410 Professional Development \$ 23,463,829 \$ 34,810,579 3862

GRF 200-411 Family and Children First \$ 3,550,000 \$ 3,550,000 3863

GRF 200-416 Vocational Education \$ 2,381,738 \$ 2,381,738 3864

As Reported by the House Finance and Appropriations Committee

		Match				
GRF	200-420	Technical Systems	\$	6,000,000	\$	6,500,000 3865
		Development				
GRF	200-421	Alternative Education	\$	18,000,000	\$	18,000,000 3866
		Programs				
GRF	200-422	School Management	\$	2,185,675	\$	1,971,219 3867
		Assistance				
GRF	200-424	Policy Analysis	\$	642,756	\$	674,894 3868
GRF	200-425	Tech Prep	\$	2,431,012	\$	2,431,012 3869
		Administration				
GRF	200-426	Ohio Educational	\$	39,871,927	\$	39,871,927 3870
		Computer Network				
GRF	200-427	Academic Standards	\$	8,474,999	\$	8,862,500 3871
GRF	200-431	School Improvement	\$	15,850,000	\$	14,625,000 3872
		Initiatives				
GRF	200-432	School Conflict	\$	626,496	\$	657,821 3873
		Management				
GRF	200-433	Reading/Writing	\$	18,962,948	\$	19,276,694 3874
		Improvement				
GRF	200-437	Student Assessment	\$	23,692,045	\$	25,942,045 3875
GRF	200-438	Safe Schools	\$	2,050,000	\$	2,050,000 3876
GRF	200-441	American Sign Language	\$	232,073	\$	236,715 3877
GRF	200-442	Child Care Licensing	\$	1,517,751	\$	1,548,107 3878
GRF	200-444	Professional	\$	1,917,000	\$	1,705,800 3879
		Recruitment				
GRF	200-445	OhioReads	\$	5,485,440	\$	5,485,440 3880
		Admin/Volunteer				
		Support				
GRF	200-446	Education Management	\$	16,479,636	\$	17,573,430 3881
		Information System				
GRF	200-447	GED Testing/Adult High	\$	2,038,678	\$	2,079,451 3882
		School				
GRF	200-455	Community Schools	\$	4,728,935	\$	4,824,517 3883

As Reported by the House Finance and Appropriations Committee

GRF 200-500	School Finance Equity	\$ 23,560,125	\$ 19,975,864	3884
GRF 200-501	Base Cost Funding	\$ 4,273,654,781	\$ 4,441,014,505	3885
GRF 200-502	Pupil Transportation	\$ 334,183,786	\$ 377,305,465	3886
GRF 200-503	Bus Purchase Allowance	\$ 36,735,279	\$ 36,799,984	3887
GRF 200-505	School Lunch Match	\$ 9,639,000	\$ 9,831,780	3888
GRF 200-509	Adult Literacy	\$ 8,628,000	\$ 8,628,000	3889
	Education			
GRF 200-511	Auxiliary Services	\$ 122,782,475	\$ 127,650,709	3890
GRF 200-513	Student Intervention	\$ 31,900,000	\$ 38,280,000	3891
	Services			
GRF 200-514	Post-Secondary/Adult	\$ 23,240,243	\$ 23,240,243	3892
	Career-Technical			
	Education			
GRF 200-520	Disadvantaged Pupil	\$ 360,149,743	\$ 360,149,743	3893
	Impact Aid			
GRF 200-521	Gifted Pupil Program	\$ 45,930,131	\$ 47,983,321	3894
GRF 200-525	Parity Aid	\$ 99,813,832	\$ 210,305,911	3895
GRF 200-532	Nonpublic	\$ 53,533,703	\$ 55,675,051	3896
	Administrative Cost			
	Reimbursement			
GRF 200-534	Desegregation Costs	\$ 500,000	\$ 500,000	3897
GRF 200-540	Special Education	\$ 139,006,701	\$ 141,950,428	3898
	Enhancements			
GRF 200-545	Career-Technical	\$ 21,673,574	\$ 22,406,349	3899
	Education Enhancements			
GRF 200-546	Charge-Off Supplement	\$ 39,191,433	\$ 28,684,104	3900
GRF 200-552	County MR/DD Boards	\$ 1,666,204	\$ 1,666,204	3901
	Vehicle Purchases			
GRF 200-553	County MR/DD Boards	\$ 9,575,910	\$ 9,575,910	3902
	Transportation			
	Operating			
GRF 200-558	Emergency Loan	\$ 4,500,000	\$ 3,300,000	3903
	Interest Subsidy			

As Reported by the House Finance and Appropriations Committee

GRF 200-566	OhioReads Grants	\$	27,148,000	\$	27,148,000	3904
GRF 200-570	School Improvement	\$	837,500	\$	987,500	3905
	Incentive Grants					
GRF 200-574	Substance Abuse	\$	1,948,200	\$	1,948,200	3906
	Prevention					
GRF 200-580	Bethel School Cleanup	\$	65,000	\$	65,000	3907
GRF 200-901	Property Tax	\$	707,700,000	\$	743,000,000	3908
	Allocation - Education					
GRF 200-906	Tangible Tax Exemption	\$	73,500,000	\$	75,700,000	3909
	- Education					
TOTAL GRF	General Revenue Fund	\$	6,786,869,283	\$	7,164,480,070	3910
	General Services Fund Group					3911
138 200-606	Information Technology	\$	6,629,469	\$	6,761,034	3912
4D1 200-602	Ohio	\$	345,000	\$	345,000	3913
	Prevention/Education					
	Resource Center					
4L2 200-681	Teacher Certification	\$	4,684,143	\$	4,856,290	3914
	and Licensure					
452 200-638	Miscellaneous Revenue	\$	1,045,000	\$	1,045,000	3915
5H3 200-687	School District	\$	24,000,000	\$	24,000,000	3916
	Solvency Assistance					
596 200-656	Ohio Career	\$	743,217	\$	769,230	3917
	Information System					
TOTAL GSF	General Services					3918
Fund Group		\$	37,446,829	\$	37,776,554	3919
	Federal Special Revenue Fund Group					3920
3C5 200-661	Federal Dependent Care	\$	18,189,907	\$	18,233,488	3921
	Programs					
3D1 200-664	Drug Free Schools	\$	20,621,375	\$	20,660,570	3922
3D2 200-667	Honors Scholarship	\$	2,454,688	\$	2,540,602	3923
	Program					
3H9 200-605	Head Start	\$	250,000	\$	250,000	3924

As Reported by the House Finance and Appropriations Committee

		Collaboration Project				
3M0	200-623	ESEA Chapter One	\$	320,505,063	\$	330,172,277 3925
3M1	200-678	ESEA Chapter Two	\$	13,595,978	\$	14,059,555 3926
3M2	200-680	Ind W/Disab Education	\$	186,000,000	\$	206,000,000 3927
		Act				
3L6	200-617	Federal School Lunch	\$	175,274,000	\$	180,181,672 3928
3L7	200-618	Federal School	\$	45,746,000	\$	47,026,888 3929
		Breakfast				
3L8	200-619	Child and Adult Care	\$	60,257,639	\$	61,966,125 3930
		Programs				
3L9	200-621	Vocational Education	\$	43,613,582	\$	45,142,330 3931
		Basic Grant				
3S2	200-641	Tech Literacy Transfer	\$	15,183,430	\$	15,183,430 3932
3T4	200-613	Public Charter Schools	\$	4,887,260	\$	5,055,185 3933
3T6	200-611	Class Size Reduction	\$	63,000,000	\$	65,000,000 3934
3U2	200-662	Teacher Quality	\$	1,300,501	\$	1,352,000 3935
		Enhancement Grants				
3U3	200-665	Reading Excellence	\$	10,018,756	\$	0 3936
		Grant Program				
3U6	200-675	Provision 2 & 3 Grant	\$	191,050	\$	0 3937
309	200-601	Educationally	\$	20,759,222	\$	21,425,345 3938
		Disadvantaged				
366	200-604	Adult Basic Education	\$	17,527,286	\$	18,140,740 3939
367	200-607	School Food Services	\$	10,089,884	\$	10,408,199 3940
368	200-614	Veterans' Training	\$	648,514	\$	671,212 3941
369	200-616	Vocational Education	\$	8,000,000	\$	8,000,000 3942
370	200-624	Education of All	\$	1,364,246	\$	1,410,908 3943
		Handicapped Children				
371	200-631	EEO Title IV	\$	1,155,361	\$	1,213,894 3944
374	200-647	E.S.E.A. Consolidated	\$	110,094	\$	110,094 3945
378	200-660	Math/Science	\$	12,696,055	\$	13,036,530 3946
		Technology Investments				
TOTAL FED		Federal Special				3947

As Reported by the House Finance and Appropriations Committee

Revenue Fund Group		\$ 1,053,439,891	\$ 1,087,241,044	3948
State Special Revenue Fund Group				3949
4R7 200-695 Indirect Cost Recovery	\$	3,942,779	\$ 4,168,947	3950
4V7 200-633 Interagency Vocational Support	\$	695,197	\$ 731,674	3951
053 200-900 School District Property Tax Replacement	\$	102,000,000	\$ 115,911,593	3952
454 200-610 Guidance and Testing	\$	940,636	\$ 956,761	3953
455 200-608 Commodity Foods	\$	10,000,000	\$ 11,000,000	3954
598 200-659 Auxiliary Services Mobile Units	\$	1,328,910	\$ 1,328,910	3955
620 200-615 Educational Grants	\$	1,525,000	\$ 1,525,000	3956
TOTAL SSR State Special Revenue Fund Group	\$	120,432,522	\$ 135,622,885	3957 3958
Lottery Profits Education Fund Group				3959
017 200-612 Base Cost Funding	\$	604,000,000	\$ 596,000,000	3960
017 200-682 Lease Rental Payment Reimbursement	\$	29,722,100	25,722,600 <u>35,722,600</u>	3961
TOTAL LPE Lottery Profits Education Fund Group	\$	633,722,100	621,722,600 <u>631,722,600</u>	3962 3963 3964
TOTAL ALL BUDGET FUND GROUPS	\$	8,631,910,625	9,046,843,153 <u>9,056,843,153</u>	3965 3966

Sec. 44.19. LOTTERY PROFITS EDUCATION FUND 3968

Appropriation item 200-612, Base Cost Funding (Fund 017), 3969
shall be used in conjunction with appropriation item 200-501, Base 3970
Cost Funding (GRF), to provide payments to school districts 3971
pursuant to Chapter 3317. of the Revised Code. 3972

Of the foregoing appropriation item 200-612, Base Cost 3973
Funding (Fund 017), \$25,000,000 in each fiscal year shall be used 3974

from the funds transferred from the Unclaimed Prizes Trust Fund 3975
pursuant to the section entitled "Transfers from the Unclaimed 3976
Prizes Fund" of ~~this act~~ Am. Sub. H.B. 94 of the 124th General 3977
Assembly. 3978

The Department of Education, with the approval of the 3979
Director of Budget and Management, shall determine the monthly 3980
distribution schedules of appropriation item 200-501, Base Cost 3981
Funding (GRF), and appropriation item 200-612, Base Cost Funding 3982
(Fund 017). If adjustments to the monthly distribution schedule 3983
are necessary, the Department of Education shall make such 3984
adjustments with the approval of the Director of Budget and 3985
Management. 3986

Of the foregoing appropriation item 200-682, Lease Rental 3987
Payment Reimbursement (Fund 017), \$10,000,000 in fiscal year 2003 3988
shall be used from the funds transferred from the Unclaimed Prizes 3989
Trust Fund pursuant to the paragraph with the heading "Transfers 3990
from the Unclaimed Prizes Fund" in Am. Sub. H.B. 94 of the 124th 3991
General Assembly. 3992

The Director of Budget and Management shall transfer via 3993
intrastate transfer voucher the amount appropriated under the 3994
Lottery Profits Education Fund for appropriation item 200-682, 3995
Lease Rental Payment Reimbursement, to the General Revenue Fund on 3996
a schedule determined by the director. These funds shall support 3997
the appropriation item 230-428, Lease Rental Payments (GRF), of 3998
the School Facilities Commission. 3999

LOTTERY PROFITS TRANSFERS* 4000

On the fifteenth day of May of each fiscal year, the Director 4001
of Budget and Management shall determine if lottery profits 4002
transfers will meet the appropriation amounts from the Lottery 4003
Profits Education Fund. 4004

On or after the date specified in each fiscal year, if the 4005

As Reported by the House Finance and Appropriations Committee

director determines that lottery profits will not meet 4006
 appropriations and if other funds are not available to meet the 4007
 shortfall, the Superintendent of Public Instruction shall take the 4008
 actions specified under the "Reallocation of Funds" section of 4009
~~this act~~ Am. Sub. H.B. 94 of the 124th General Assembly. 4010

TRANSFERS FROM THE UNCLAIMED PRIZES FUND 4011

By the fifteenth day of January of fiscal year 2002 and 4012
 fiscal year 2003, the Director of Budget and Management shall 4013
respectively transfer \$25,000,000 for fiscal year 2002 and 4014
\$35,000,000 for fiscal year 2003 from the State Lottery 4015
 Commission's Unclaimed Prizes Fund to the Lottery Profits 4016
 Education Fund, to be used solely for purposes specified in the 4017
 Department of Education's budget. Transfers of unclaimed prizes 4018
 under this provision shall not count as lottery profits in the 4019
 determination made concerning excess profits titled "Lottery 4020
 Profits" under the Department of Education in ~~this act~~ Am. Sub. 4021
H.B. 94 of the 124th General Assembly. 4022

TEACHER CERTIFICATION AND LICENSURE 4023

The foregoing appropriation item 200-681, Teacher 4024
 Certification and Licensure, shall be used by the Department of 4025
 Education in each year of the biennium to administer teacher 4026
 certification and licensure functions pursuant to sections 4027
 3301.071, 3301.074, 3301.50, 3301.51, 3319.088, 3319.22, 3319.24 4028
 to 3319.28, 3319.281, 3319.282, 3319.29, 3319.301, 3319.31, and 4029
 3319.51 of the Revised Code. 4030

Sec. 63.07. MEDICAID PROGRAM SUPPORT FUND - STATE 4031

The foregoing appropriation item 600-671, Medicaid Program 4032
 Support, shall be used by the Department of Job and Family 4033
 Services to pay for Medicaid services and contracts. 4034

HEALTH CARE SERVICES ADMINISTRATION 4035

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

HEALTH CARE SERVICES ADMINISTRATION FUND

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

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

Sec. 63.35. (A) As used in this section:

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

(2) "Nursing facility" has the same meaning as in section 5111.20 of the Revised Code.

(3) "Total per diem rate" includes the payments made to nursing facilities under division (B) of the section of ~~this act~~

Am. Sub. H.B. 94 of the 124th General Assembly titled "Nursing 4066
Facility Stabilization Fund." 4067

(B) Notwithstanding sections 5111.20 to 5111.32 of the 4068
Revised Code, rates paid to nursing facilities under the Medicaid 4069
program shall be subject to the following limitations: 4070

(1) For fiscal year 2002, the mean total per diem rate for 4071
all nursing facilities in the state, weighted by Medicaid days and 4072
calculated as of July 1, 2001, under sections 5111.20 to 5111.32 4073
of the Revised Code, shall not exceed \$143.92. 4074

(2) For fiscal year 2003, the mean total per diem rate for 4075
all nursing facilities in the state, weighted by Medicaid days and 4076
calculated as of July 1, 2002, under sections 5111.20 to 5111.32 4077
of the Revised Code, shall not exceed ~~\$152.66~~ \$153.41, plus any 4078
difference between \$143.92 and the mean total per diem rate for 4079
all nursing facilities in the state for fiscal year 2002, weighted 4080
by Medicaid days and calculated as of July 1, 2001, under sections 4081
5111.20 to 5111.32 of the Revised Code. 4082

(3) If the mean total per diem rate for all nursing 4083
facilities in the state for fiscal year 2002 or 2003, weighted by 4084
Medicaid days and calculated under sections 5111.20 to 5111.32 of 4085
the Revised Code as of the first day of July of the calendar year 4086
in which the fiscal year begins, exceeds the amount specified for 4087
that fiscal year in division (B)(1) or (2) of this section, the 4088
Department of Job and Family Services shall reduce the total per 4089
diem rate for each nursing facility in the state by a percentage 4090
that is equal to the percentage by which the mean total per diem 4091
rate exceeds the amount specified in division (B)(1) or (2) of 4092
this section for that fiscal year. 4093

(4) Subsequent to any reduction required by division (B)(1), 4094
(2), or (3) of this section, a nursing facility's rate shall be 4095
subject to any adjustments required or authorized by sections 4096
5111.20 to 5111.32 of the Revised Code during the remainder of the 4097

fiscal year.	4098
(C) Except as follows, the Department of Job and Family Services shall continue to implement rules adopted under sections 5111.02 and 5111.20 to 5111.32 of the Revised Code regarding Medicaid payments to nursing facilities that are in effect on the effective date of this section:	4099 4100 4101 4102 4103
(1) The Department shall not continue to implement a rule that is inconsistent with this act <u>Am. Sub. H.B. 94 of the 124th General Assembly</u> , but shall instead implement this act.	4104 4105 4106
(2) The Department may adopt, amend, or rescind rules under sections 5111.02 and 5111.20 to 5111.32 of the Revised Code as provided by those sections to the extent those sections are consistent with this act <u>Am. Sub. H.B. 94 of the 124th General Assembly</u> .	4107 4108 4109 4110 4111
Sec. 75.02. COMMUNITY SERVICES	4112
General Revenue Fund	4113
GRF 322-405 State Use Program \$ 264,685 \$ 264,685	4114
GRF 322-413 Residential and Support Services \$ 154,418,317 \$ 164,539,811	4115 4116
GRF 322-451 Family Support Services \$ 7,975,870 \$ 7,975,870	4117
GRF 322-452 Case Management \$ 8,984,491 \$ 9,874,628	4118
GRF 322-501 County Boards Subsidies \$ 45,366,297 \$ 46,817,644	4119
TOTAL GRF General Revenue Fund \$ 217,009,660 \$ 229,722,638	4120
General Services Fund Group	4121
4J6 322-645 Intersystem Services for Children \$ 5,000,000 \$ 5,000,000	4122 4123

As Reported by the House Finance and Appropriations Committee

4U4	322-606	Community MR and DD Trust	\$	125,000	\$	131,250	4124
4V1	322-611	Program Support	\$	2,000,000	\$	2,000,000	4125
488	322-603	Residential Services Refund	\$	2,499,188	\$	2,499,188	4126 4127
TOTAL GSF General Services							4128
Fund Group			\$	9,624,188	\$	9,630,438	4129
Federal Special Revenue Fund Group							4130
3A4	322-605	Community Program Support	\$	3,024,047	\$	3,326,452	4131
3A4	322-610	Community Residential Support	\$	5,924,858	\$	5,924,858	4132 4133
3A5	322-613	DD Council Grants	\$	3,358,290	\$	3,358,290	4134
3G6	322-639	Medicaid Waiver	\$	148,304,949	\$	151,754,169	4135
3M7	322-650	CAFS Medicaid	\$	163,747,903	\$	172,568,939	4136
325	322-608	Federal Grants - Operating Expenses	\$	1,360,000	\$	1,360,000	4137 4138
325	322-612	Social Service Block Grant	\$	11,500,000	\$	11,500,000	4139 4140
325	322-617	Education Grants - Operating	\$	115,000	\$	115,000	4141 4142
TOTAL FED Federal Special Revenue							4143
Fund Group			\$	337,335,047	\$	349,907,708	4144
State Special Revenue Fund Group							4145
4K8	322-604	Waiver - Match	\$	13,783,463	\$	14,039,133	4146
5H0	322-619	Medicaid Repayment	\$	562,080	\$	576,132	4147
TOTAL SSR State Special Revenue							4148
Fund Group			\$	14,345,543	\$	14,615,265	4149
TOTAL ALL COMMUNITY SERVICES							4150
BUDGET FUND GROUPS			\$	578,314,438	\$	603,626,049	4151
RESIDENTIAL AND SUPPORT SERVICES							4152
The foregoing appropriation item 322-413, Residential and							4153

Support Services, shall be used for any of the following: 4154

(A) Home and community-based waiver services pursuant to 4155
Title XIX of the "Social Security Act," 49 Stat. 620 (1935), 42 4156
U.S.C. 301, as amended; 4157

(B) Services contracted by county boards of mental 4158
retardation and developmental disabilities; 4159

(C) Supported living services contracted by county boards of 4160
mental retardation and developmental disabilities in accordance 4161
with sections 5126.40 to 5126.47 of the Revised Code; 4162

(D) Sermak Class Services used to implement the requirements 4163
of the consent decree in *Sermak v. Manuel*, Case No. c-2-80-220, 4164
United States District Court for the Southern District of Ohio, 4165
Eastern Division; 4166

(E) Other Medicaid-reimbursed programs, in an amount not to 4167
exceed \$1,000,000 in each fiscal year, that enable persons with 4168
mental retardation and developmental disabilities to live in the 4169
community. 4170

Notwithstanding Chapters 5123. and 5126. of the Revised Code, 4171
the Department of Mental Retardation and Developmental 4172
Disabilities may develop residential and support service programs 4173
that enable persons with mental retardation and developmental 4174
disabilities to live in the community. Notwithstanding Chapter 4175
5121. and section 5123.122 of the Revised Code, the department may 4176
waive the support collection requirements of those statutes for 4177
persons in community programs developed by the department under 4178
this section. The department shall adopt rules under Chapter 119. 4179
of the Revised Code or may use existing rules for the 4180
implementation of these programs. 4181

The Department of Mental Retardation and Developmental 4182
Disabilities may designate a portion of appropriation item 4183
332-413, Residential and Support Services, to county boards of 4184

mental retardation and developmental disabilities that have 4185
greater need for various residential and support services due to a 4186
low percentage of residential and support services development in 4187
comparison to the number of individuals with mental retardation or 4188
developmental disabilities in the county. 4189

Not later than 30 days after the effective date of this 4190
section, the Director of Budget and Management shall transfer up 4191
to \$5,000,000 from appropriation item 322-413, Residential and 4192
Support Services, to appropriation item 322-501, County Boards 4193
Subsidies. The total amount that is transferred from appropriation 4194
item 322-413 to appropriation item 322-501 shall be used for the 4195
tax equalization program ~~created under sections 5126.16 to section~~ 4196
5126.18 of the Revised Code, as amended and renumbered by S.B. 261 4197
of the 124th General Assembly, and is subject to all statutes and 4198
rules established for the tax equalization program. 4199

Not later than July 30, 2002, the Director of Budget and 4200
Management shall transfer up to \$11,500,000 from appropriation 4201
item 322-413, Residential and Support Services, to appropriation 4202
item 322-501, County Boards Subsidies. The total amount that is 4203
transferred from appropriation item 322-413 to appropriation item 4204
322-501 shall be used for the tax equalization program ~~created~~ 4205
under sections 5126.16 to section 5126.18 of the Revised Code, as 4206
amended and renumbered by S.B. 261 of the 124th General Assembly, 4207
and is subject to all statutes and rules established for the tax 4208
equalization program. 4209

Of the foregoing appropriation item 322-413, Residential and 4210
Support Services, \$9,700,000 in fiscal year 2002 and \$9,850,000 in 4211
fiscal year 2003 shall be distributed by the Department to county 4212
boards of mental retardation and developmental disabilities to 4213
support existing residential facilities waiver and individual 4214
options waiver related Medicaid activities provided for in the 4215
component of a county board's plan developed under division (A)(2) 4216

of section 5126.054 of the Revised Code and approved under section 4217
5123.046 of the Revised Code. Up to \$3,000,000 of these funds in 4218
each fiscal year may be used to implement day-to-day program 4219
management services under division (A)(2) of section 5126.054 of 4220
the Revised Code. Up to \$4,200,000 in each fiscal year may be used 4221
to implement the program and health and welfare requirements of 4222
division (A)(2) of section 5126.054 of the Revised Code. 4223

In fiscal years 2002 and 2003, not less than \$2,500,000 and 4224
\$2,650,000, respectively, of these funds shall be used to recruit 4225
and retain, under division (A)(2) of section 5126.054 of the 4226
Revised Code, the direct care staff necessary to implement the 4227
services included in an individualized service plan in a manner 4228
that ensures the health and welfare of the individuals being 4229
served. 4230

FAMILY SUPPORT SERVICES 4231

Notwithstanding sections 5123.171, 5123.19, 5123.20, and 4232
5126.11 of the Revised Code, the Department of Mental Retardation 4233
and Developmental Disabilities may implement programs funded by 4234
appropriation item 322-451, Family Support Services, to provide 4235
assistance to persons with mental retardation or developmental 4236
disabilities and their families who are living in the community. 4237
The department shall adopt rules to implement these programs. 4238

CASE MANAGEMENT 4239

The foregoing appropriation item 322-452, Case Management, 4240
shall be allocated to county boards of mental retardation and 4241
developmental disabilities for the purpose of providing case 4242
management services and to assist in bringing state funding for 4243
all department-approved case managers within county boards of 4244
mental retardation and developmental disabilities to the level 4245
authorized in division (C) of section 5126.15 of the Revised Code. 4246
The department may request approval from the Controlling Board to 4247

transfer any unobligated appropriation authority from other state 4248
General Revenue Fund appropriation items within the department's 4249
budget to appropriation item 322-452, Case Management, to be used 4250
to meet the statutory funding level in division (C) of section 4251
5126.15 of the Revised Code. 4252

Notwithstanding division (C) of section 5126.15 of the 4253
Revised Code and subject to funding in appropriation item 322-452, 4254
Case Management, no county may receive less than its allocation in 4255
fiscal year 1995. 4256

STATE SUBSIDIES TO MR/DD BOARDS 4257

Of the foregoing appropriation item 322-501, County Boards 4258
Subsidies, \$6,500,000 in fiscal year 2002 and \$13,000,000 in 4259
fiscal year 2003 shall be used to fund the tax equalization 4260
program ~~created under sections 5126.16 to~~ section 5126.18 of the 4261
Revised Code, as amended and renumbered by S.B. 261 of the 124th 4262
General Assembly, for county boards of mental retardation and 4263
developmental disabilities. ~~The tax equalization program shall~~ 4264
~~utilize the average daily membership of adults 22 years of age and~~ 4265
~~older in habilitation, vocational, and community employment~~ 4266
~~services only for the yield on 1/2 mills.~~ 4267

After funding the tax equalization program, the Department of 4268
Mental Retardation and Developmental Disabilities shall distribute 4269
~~the~~ any remaining appropriation authority in appropriation item 4270
322-501, County Boards Subsidies, to county boards of mental 4271
retardation and developmental disabilities for subsidies 4272
distributed pursuant to section 5126.12 of the Revised Code to the 4273
limit of the lesser of the amount required by that section or the 4274
remaining balance of the appropriation authority in appropriation 4275
item 322-501 prorated to all county boards of mental retardation 4276
and developmental disabilities. 4277

INTERSYSTEM SERVICES FOR CHILDREN 4278

The foregoing appropriation item 322-645, Intersystem 4279
 Services for Children, shall be used to support direct grants to 4280
 county family and children first councils created under section 4281
 121.37 of the Revised Code. The funds shall be used as partial 4282
 support payment and reimbursement for locally coordinated 4283
 treatment plans for multi-needs children that come to the 4284
 attention of the Family and Children First Cabinet Council 4285
 pursuant to section 121.37 of the Revised Code. The Department of 4286
 Mental Retardation and Developmental Disabilities may use up to 4287
 five per cent of this amount for administrative expenses 4288
 associated with the distribution of funds to the county councils. 4289

WAIVER - MATCH 4290

The foregoing appropriation item 322-604, Waiver-Match (Fund 4291
 4K8), shall be used as state matching funds for the home and 4292
 community-based waivers. 4293

The Department of Job and Family Services may enter into an 4294
 interagency agreement with the Department of Mental Retardation 4295
 and Developmental Disabilities providing for the Department of 4296
 Mental Retardation and Developmental Disabilities to operate the 4297
 program. 4298

Sec. 94. BOR BOARD OF REGENTS 4299

General Revenue Fund 4300

GRF 235-321 Operating Expenses \$ 3,137,394 \$ 3,137,394 4301

GRF 235-401 Lease-Rental Payments \$ 295,058,500 \$ 268,910,500 4302

GRF 235-402 Sea Grants \$ 299,940 \$ 299,940 4303

GRF 235-403 Math/Science Teaching \$ 1,984,000 \$ 2,018,680 4304

Improvement

GRF 235-404 College Readiness \$ 2,500,000 \$ 2,500,000 4305

Initiatives

GRF 235-406 Articulation and \$ 800,000 \$ 800,000 4306

Transfer

As Reported by the House Finance and Appropriations Committee

GRF 235-408	Midwest Higher Education Compact	\$	75,000	\$	75,000	4307
GRF 235-409	Information System	\$	1,362,023	\$	1,362,023	4308
GRF 235-414	State Grants and Scholarship Administration	\$	1,373,420	\$	1,373,420	4309
GRF 235-415	Jobs Challenge	\$	10,100,000	\$	10,200,000	4310
GRF 235-417	Ohio Learning Network	\$	3,920,000	\$	3,920,000	4311
GRF 235-418	Access Challenge	\$	62,268,000	\$	62,268,000	4312
GRF 235-420	Success Challenge	\$	47,041,000	\$	47,041,000	4313
GRF 235-428	Appalachian New Economy Partnership	\$	1,000,000	\$	1,500,000	4314
<u>GRF 235-451</u>	<u>Eminent Scholars</u>	\$	<u>0</u>	\$	<u>3,000,000</u>	4315
GRF 235-454	Research Challenge	\$	20,000,000	\$	20,000,000	4316
GRF 235-455	Productivity Improvement Challenge	\$	1,694,947	\$	1,728,845	4317
GRF 235-474	Area Health Education Centers Program Support	\$	2,093,727	\$	2,135,601	4318
GRF 235-477	Access Improvement Projects	\$	1,110,879	\$	1,110,879	4319
GRF 235-501	State Share of Instruction	\$	1,659,011,727	\$	1,668,611,581	4320
GRF 235-502	Student Support Services	\$	1,000,000	\$	1,000,000	4321
GRF 235-503	Ohio Instructional Grants	\$	98,000,000	\$	111,500,000	4322
GRF 235-504	War Orphans Scholarships	\$	4,652,548	\$	4,792,124	4323
GRF 235-507	OhioLINK	\$	7,668,731	\$	7,668,731	4324
GRF 235-508	Air Force Institute of Technology	\$	2,000,000	\$	2,000,000	4325
GRF 235-509	Displaced Homemakers	\$	240,096	\$	240,096	4326

As Reported by the House Finance and Appropriations Committee

GRF 235-510	Ohio Supercomputer Center	\$	4,833,574	\$	4,833,574	4327
GRF 235-511	Cooperative Extension Service	\$	27,708,525	\$	27,708,525	4328
GRF 235-513	OU Voinovich Center	\$	367,500	\$	367,500	4329
GRF 235-514	Central State Supplement	\$	12,044,956	\$	12,044,956	4330
GRF 235-515	Case Western Reserve University School of Medicine	\$	4,280,224	\$	4,281,936	4331
GRF 235-519	Family Practice	\$	6,538,471	\$	6,541,087	4332
GRF 235-520	Shawnee State Supplement	\$	2,272,000	\$	2,272,000	4333
GRF 235-521	OSU Glenn Institute	\$	367,500	\$	367,500	4334
GRF 235-524	Police and Fire Protection	\$	240,096	\$	240,096	4335
GRF 235-525	Geriatric Medicine	\$	1,087,195	\$	1,108,939	4336
GRF 235-526	Primary Care Residencies	\$	3,166,168	\$	3,229,491	4337
GRF 235-527	Ohio Aerospace Institute	\$	2,383,334	\$	2,383,334	4338
GRF 235-530	Academic Scholarships	\$	8,000,000	\$	8,000,000	4339
GRF 235-531	Student Choice Grants	\$	52,428,000	\$	53,476,560	4340
GRF 235-534	Student Workforce Development Grants	\$	1,200,000	\$	1,200,000	4341
GRF 235-535	Ohio Agricultural Research and Development Center	\$	38,730,884	\$	38,730,884	4342
GRF 235-536	Ohio State University Clinical Teaching	\$	15,989,883	\$	15,996,281	4343
GRF 235-537	University of Cincinnati Clinical Teaching	\$	13,151,461	\$	13,156,724	4344

As Reported by the House Finance and Appropriations Committee

GRF 235-538	Medical College of Ohio at Toledo Clinical Teaching	\$	10,250,851	\$	10,254,953	4345
GRF 235-539	Wright State University Clinical Teaching	\$	4,980,064	\$	4,982,057	4346
GRF 235-540	Ohio University Clinical Teaching	\$	4,814,378	\$	4,816,305	4347
GRF 235-541	Northeastern Ohio Universities College of Medicine Clinical Teaching	\$	4,951,583	\$	4,953,565	4348
GRF 235-543	Ohio College of Podiatric Medicine Clinical Subsidy	\$	499,800	\$	500,000	4349
GRF 235-547	School of International Business	\$	1,708,764	\$	1,708,764	4350
GRF 235-549	Part-time Student Instructional Grants	\$	13,311,638	\$	13,977,219	4351
GRF 235-552	Capital Component	\$	14,537,639	\$	14,537,639	4352
GRF 235-553	Dayton Area Graduate Studies Institute	\$	3,779,088	\$	3,779,088	4353
GRF 235-554	Computer Science Graduate Education	\$	3,482,368	\$	3,482,368	4354
GRF 235-555	Library Depositories	\$	1,999,200	\$	2,039,184	4355
GRF 235-556	Ohio Academic Resources Network	\$	3,510,777	\$	3,580,993	4356
GRF 235-558	Long-term Care Research	\$	312,004	\$	312,004	4357
GRF 235-561	Bowling Green State University Canadian Studies Center	\$	164,289	\$	164,289	4358
GRF 235-572	Ohio State University	\$	2,061,138	\$	2,061,138	4359

As Reported by the House Finance and Appropriations Committee

	Clinic Support			
GRF 235-583	Urban University	\$ 6,503,559	\$ 6,503,559	4360
	Programs			
GRF 235-585	Ohio University	\$ 48,750	\$ 48,750	4361
	Innovation Center			
GRF 235-587	Rural University	\$ 1,375,552	\$ 1,375,552	4362
	Projects			
GRF 235-588	Ohio Resource Center for Mathematics, Science, and Reading	\$ 980,000	\$ 980,000	4363
GRF 235-595	International Center for Water Resources Development	\$ 185,593	\$ 185,593	4364
GRF 235-596	Hazardous Materials Program	\$ 390,096	\$ 390,096	4365
GRF 235-599	National Guard Scholarship Program	\$ 12,048,106	\$ 12,048,106	4366
GRF 235-909	Higher Education General Obligation Debt Service	\$ 50,055,100	\$ 74,344,100	4367
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>	4368
	General Services Fund Group			4369
456 235-603	Publications	\$ 43,050	\$ 44,342	4370
456 235-613	Job Preparation Initiative	\$ 144,383	\$ 144,383	4371
TOTAL GSF General Services Fund Group		\$ 187,433	\$ 188,725	4372 4373
	Federal Special Revenue Fund Group			4374
3H2 235-608	Human Services Project	\$ 1,500,000	\$ 1,500,000	4375
3N6 235-605	State Student Incentive Grants	\$ 2,000,000	\$ 2,000,000	4376

As Reported by the House Finance and Appropriations Committee

3T0	235-610	NHSC Ohio Loan	\$	100,000	\$	100,000	4377
		Repayment					
312	235-609	Tech Prep	\$	183,852	\$	183,852	4378
312	235-611	Gear-up Grant	\$	1,590,986	\$	1,690,434	4379
312	235-612	Carl D. Perkins	\$	112,960	\$	112,960	4380
		Grant/Plan					
		Administration					
312	235-631	Federal Grants	\$	2,055,511	\$	0	4381
TOTAL FED Federal Special Revenue							4382
Fund Group			\$	7,543,309	\$	5,587,246	4383
State Special Revenue Fund Group							4384
4E8	235-602	HEFC Administration	\$	13,080	\$	13,900	4385
4P4	235-604	Physician Loan	\$	416,067	\$	436,870	4386
		Repayment					
649	235-607	Ohio State University	\$	855,021	\$	760,000	4387
		Highway/Transportation					
		Research					
682	235-606	Nursing Loan Program	\$	870,000	\$	893,000	4388
TOTAL SSR State Special Revenue							4389
Fund Group			\$	2,154,168	\$	2,103,770	4390
TOTAL ALL BUDGET FUND GROUPS							4391
			\$	2,575,016,950	\$	2,597,038,264	
						<u>2,600,038,264</u>	

Sec. 94.02. MISSION-BASED CORE FUNDING FOR HIGHER EDUCATION 4393

JOBS CHALLENGE 4394

Funds appropriated to appropriation item 235-415, Jobs 4395
 Challenge, shall be distributed to state-assisted community and 4396
 technical colleges, regional campuses of state-assisted 4397
 universities, and other organizationally distinct and identifiable 4398
 member campuses of the EnterpriseOhio Network in support of 4399
 noncredit job-related training. In fiscal years 2002 and 2003, 4400
 \$2,114,673 and \$1,981,841, respectively, shall be distributed as 4401

performance grants to EnterpriseOhio Network campuses based upon 4402
each campus's documented performance according to criteria 4403
established by the Board of Regents for increasing training and 4404
related services to businesses, industries, and public sector 4405
organizations. 4406

Of the foregoing appropriation item 235-415, Jobs Challenge, 4407
\$3,130,087 in fiscal year 2002 and \$2,875,953 in fiscal year 2003 4408
shall be allocated to the Targeted Industries Training Grant 4409
Program to attract, develop, and retain business and industry 4410
strategically important to the state's economy. 4411

Also, in fiscal years 2002 and 2003, \$2,991,513 and 4412
\$3,629,797, respectively, shall be allocated to the Non-credit 4413
Incentives Grant Program to reward two-year campuses for 4414
increasing the amount of non-credit skill upgrading services 4415
provided to Ohio employers and employees. The funds shall be 4416
distributed to campuses in proportion to each campus's share of 4417
noncredit job-related training revenues received by all campuses 4418
for the previous fiscal year. It is the intent of the General 4419
Assembly that this workforce development incentive component of 4420
the Jobs Challenge Program reward campus noncredit job-related 4421
training efforts in the same manner that the Research Challenge 4422
Program rewards campuses for their ability to obtain sponsored 4423
research revenues. 4424

Of the foregoing appropriation item 235-415, Jobs Challenge, 4425
\$1,863,726 in fiscal year 2002 and \$1,712,409 in fiscal year 2003 4426
shall be allocated as an incentive to support local EnterpriseOhio 4427
Network Campus/Adult Workforce Education Center Partnerships. The 4428
purpose of the partnerships is to promote and deliver coordinated, 4429
comprehensive training to local employers. Each partnership shall 4430
include a formal agreement between one or more EnterpriseOhio 4431
Network campus and one or more adult workforce education center 4432
for the delivery of training services. 4433

ACCESS CHALLENGE 4434

In each fiscal year, the foregoing appropriation item 4435
235-418, Access Challenge, shall be distributed to Ohio's 4436
state-assisted access colleges and universities. For the purposes 4437
of this allocation, "access campuses" includes state-assisted 4438
community colleges, state community colleges, technical colleges, 4439
Shawnee State University, Central State University, Cleveland 4440
State University, the regional campuses of state-assisted 4441
universities, and, where they are organizationally distinct and 4442
identifiable, the community-technical colleges located at the 4443
University of Cincinnati, Youngstown State University, and the 4444
University of Akron. 4445

In fiscal years 2002 and 2003, Access Challenge subsidies 4446
shall be distributed by the Board of Regents to eligible access 4447
campuses on the basis of each campus's share of fiscal year 1999 4448
all-terms subsidy eligible General Studies FTEs. For the purpose 4449
of these calculations, the average all-terms subsidy eligible 4450
General Studies FTEs for Youngstown State University's eligible 4451
Comm-Tech enrollments shall equal 348. 4452

For the purposes of this calculation, Cleveland State 4453
University's enrollments shall be adjusted by the ratio of the sum 4454
of subsidy-eligible lower-division FTE student enrollments 4455
eligible for access funding to the sum of subsidy-eligible General 4456
Studies FTE student enrollments at Central State University and 4457
Shawnee State University, and for the following universities and 4458
their regional campuses: Ohio State University, Ohio University, 4459
Kent State University, Bowling Green State University, Miami 4460
University, the University of Cincinnati, the University of Akron, 4461
and Wright State University. 4462

SUCCESS CHALLENGE 4463

The foregoing appropriation item 235-420, Success Challenge, 4464

shall be used by the Board of Regents to promote degree completion 4465
by students enrolled at a main campus of a state-assisted 4466
university. 4467

In each fiscal year, two-thirds of the appropriations shall 4468
be distributed to state-assisted university main campuses in 4469
proportion to each campus's share of the total statewide 4470
bachelor's degrees granted by university main campuses to 4471
"at-risk" students. In fiscal years 2002 and 2003, an "at-risk" 4472
student means any undergraduate student who has received an Ohio 4473
Instructional Grant during the past ten years. An eligible 4474
institution shall not receive its share of this distribution until 4475
it has submitted a plan that addresses how the subsidy will be 4476
used to better serve at-risk students and increase their 4477
likelihood of successful completion of a bachelor's degree 4478
program. The Board of Regents shall disseminate to all 4479
state-supported institutions of higher education all such plans 4480
submitted by institutions that received Success Challenge funds. 4481

In each fiscal year, one-third of the appropriations shall be 4482
distributed to university main campuses in proportion to each 4483
campus's share of the total bachelor's degrees granted by 4484
university main campuses to undergraduate students who completed 4485
their bachelor's degrees in a "timely manner" in the previous 4486
fiscal year. For the purposes of this section, "timely manner" 4487
means the normal time it would take for a full-time degree-seeking 4488
undergraduate student to complete the student's degree. Generally, 4489
for such students pursuing a bachelor's degree, "timely manner" 4490
means four years. Exceptions to this general rule shall be 4491
permitted for students enrolled in programs specifically designed 4492
to be completed in a longer time period. The Board of Regents 4493
shall collect base-line data beginning with the 1998-99 academic 4494
year to assess the timely completion statistics by university main 4495
campuses. 4496

EMINENT SCHOLARS

4497

The foregoing appropriation item 235-451, Eminent Scholars, 4498
shall be used by the Ohio Board of Regents to establish an Ohio 4499
Eminent Scholars Program, the purpose of which is to invest 4500
educational resources to address problems that are of vital 4501
statewide significance while fostering the growth in eminence of 4502
Ohio's academic programs. Endowment grants of \$750,000 to state 4503
colleges and universities and nonprofit Ohio institutions of 4504
higher education holding certificates of authorization issued 4505
under section 1713.02 of the Revised Code to match endowment gifts 4506
from nonstate sources may be made in accordance with a plan 4507
established by the Ohio Board of Regents. Matching gifts in 4508
science and technology programs shall be \$750,000, and in all 4509
other program areas, \$500,000. The grants shall have as their 4510
purpose attracting and sustaining in Ohio scholar-leaders of 4511
national or international prominence, each of whom will assist the 4512
state in one of the following three areas: (1) improving the 4513
state's economic development; (2) strengthening the state's system 4514
of K-12 education; or (3) improving public health and safety. Such 4515
scholar-leaders shall, among their duties, share broadly the 4516
benefits and knowledge unique to their fields of scholarship to 4517
the betterment of Ohio and its people. 4518

RESEARCH CHALLENGE

4519

The foregoing appropriation item 235-454, Research Challenge, 4520
shall be used to enhance the basic research capabilities of public 4521
colleges and universities and accredited Ohio institutions of 4522
higher education holding certificates of authorization issued 4523
pursuant to section 1713.02 of the Revised Code, in order to 4524
strengthen academic research for pursuing Ohio's economic 4525
redevelopment goals. The Board of Regents, in consultation with 4526
the colleges and universities, shall administer the Research 4527
Challenge Program and utilize a means of matching, on a fractional 4528

As Reported by the House Finance and Appropriations Committee

basis, external funds attracted in the previous year by 4529
institutions for basic research. The program may include 4530
incentives for increasing the amount of external research funds 4531
coming to eligible institutions and for focusing research efforts 4532
upon critical state needs. Colleges and universities shall submit 4533
for review and approval to the Board of Regents plans for the 4534
institutional allocation of state dollars received through the 4535
program. The institutional plans shall provide the rationale for 4536
the allocation in terms of the strategic targeting of funds for 4537
academic and state purposes, for strengthening research programs, 4538
and for increasing the amount of external research funds, and 4539
shall include an evaluation process to provide results of the 4540
increased support. 4541

The Board of Regents shall submit a biennial report of 4542
progress to the General Assembly. 4543

COMPUTER SCIENCE GRADUATE EDUCATION 4544

The foregoing appropriation item 235-554, Computer Science 4545
Graduate Education, shall be used by the Board of Regents to 4546
support improvements in graduate programs in computer science at 4547
state-assisted universities. In each fiscal year, up to \$200,000 4548
may be used to support collaborative efforts in graduate education 4549
in this program area. 4550

Sec. 94.06. PLEDGE OF FEES* 4551

Any new pledge of fees, or new agreement for adjustment of 4552
fees, made in the 2001-2003 biennium to secure bonds or notes of a 4553
state-assisted institution of higher education for a project for 4554
which bonds or notes were not outstanding on the effective date of 4555
this section shall be effective only after approval by the Board 4556
of Regents, unless approved in a previous biennium. 4557

HIGHER EDUCATION GENERAL OBLIGATION DEBT SERVICE 4558

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

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

LEASE RENTAL PAYMENTS 4572

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

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

Sec. 94.07. OHIO INSTRUCTIONAL GRANTS 4588

Notwithstanding section 3333.12 of the Revised Code, in lieu 4589
of the tables in that section, instructional grants for all 4590
full-time students shall be made for fiscal year 2002 using the 4591
tables under this heading. 4592

The tables under this heading prescribe the maximum grant 4593
amounts covering two semesters, three quarters, or a comparable 4594
portion of one academic year. The grant amount for a full-time 4595
student enrolled in an eligible institution for a semester or 4596
quarter in addition to the portion of the academic year covered by 4597
a grant determined under these tables shall be a percentage of the 4598
maximum prescribed in the applicable table. The maximum grant for 4599
a fourth quarter shall be one-third of the maximum amount 4600
prescribed under the table. The maximum grant for a third semester 4601
shall be one-half of the maximum amount prescribed under the 4602
table. 4603

For a full-time student who is a dependent and enrolled in a 4604
nonprofit educational institution that is not a state-assisted 4605
institution and that has a certificate of authorization issued 4606
pursuant to Chapter 1713. of the Revised Code, the amount of the 4607
instructional grant for two semesters, three quarters, or a 4608
comparable portion of the academic year shall be determined in 4609
accordance with the following table: 4610

	Private Institution					4611
	Table of Grants					4612
	Maximum Grant \$5,160					4613
Gross Income	Number of Dependents					4614
	1	2	3	4	5 or more	4615
Under \$14,000	\$5,160	\$5,160	\$5,160	\$5,160	\$5,160	4616
\$14,001 - \$15,000	4,644	5,160	5,160	5,160	5,160	4617
\$15,001 - \$16,000	4,116	4,644	5,160	5,160	5,160	4618
\$16,001 - \$17,000	3,612	4,116	4,644	5,160	5,160	4619

As Reported by the House Finance and Appropriations Committee

\$17,001 - \$18,000	3,102	3,612	4,116	4,644	5,160	4620
\$18,001 - \$21,000	2,586	3,102	3,612	4,116	4,644	4621
\$21,001 - \$24,000	2,058	2,586	3,102	3,612	4,116	4622
\$24,001 - \$27,000	1,536	2,058	2,586	3,102	3,612	4623
\$27,001 - \$30,000	1,272	1,536	2,058	2,586	3,102	4624
\$30,001 - \$31,000	1,020	1,272	1,536	2,058	2,586	4625
\$31,001 - \$32,000	930	1,020	1,272	1,536	2,058	4626
\$32,001 - \$33,000	840	930	1,020	1,272	1,536	4627
\$33,001 - \$34,000	420	840	930	1,020	1,272	4628
\$34,001 - \$35,000	--	420	840	930	1,020	4629
\$35,001 - \$36,000	--	--	420	840	930	4630
\$36,001 - \$37,000	--	--	--	420	840	4631
\$37,001 - \$38,000	--	--	--	--	420	4632

For a full-time student who is financially independent and enrolled in a nonprofit educational institution that is not a state-assisted institution and that has a certificate of authorization issued pursuant to Chapter 1713. of the Revised Code, 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:

Private Institution							4633
Table of Grants							4634
Gross Income	Maximum Grant \$5,160						4635
	Number of Dependents						4636
	0	1	2	3	4	5 or more	4637
Under \$4,500	\$5,160	\$5,160	\$5,160	\$5,160	\$5,160	\$5,160	4638
\$4,501 - \$5,000	4,644	5,160	5,160	5,160	5,160	5,160	4639
\$5,001 - \$5,500	4,116	4,644	5,160	5,160	5,160	5,160	4640
\$5,501 - \$6,000	3,612	4,116	4,644	5,160	5,160	5,160	4641
\$6,001 - \$6,500	3,102	3,612	4,116	4,644	5,160	5,160	4642
\$6,501 - \$7,000	2,586	3,102	3,612	4,116	4,644	5,160	4643
\$7,001 - \$8,000	2,058	2,586	3,102	3,612	4,116	4,644	4644

As Reported by the House Finance and Appropriations Committee

\$8,001 - \$9,000	1,536	2,058	2,586	3,102	3,612	4,116	4652
\$9,001 - \$10,000	1,272	1,536	2,058	2,586	3,102	3,612	4653
\$10,001 - \$11,500	1,020	1,272	1,536	2,058	2,586	3,102	4654
\$11,501 - \$13,000	930	1,020	1,272	1,536	2,058	2,586	4655
\$13,001 - \$14,500	840	930	1,020	1,272	1,536	2,058	4656
\$14,501 - \$16,000	420	840	930	1,020	1,272	1,536	4657
\$16,001 - \$19,000	--	420	840	930	1,020	1,272	4658
\$19,001 - \$22,000	--	--	420	840	930	1,020	4659
\$22,001 - \$25,000	--	--	--	420	840	930	4660
\$25,001 - \$30,000	--	--	--	--	420	840	4661
\$30,001 - \$35,000	--	--	--	--	--	420	4662

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

Gross Income	Maximum Grant \$4,374					5 or more
	Number of Dependents					
	1	2	3	4		
Under \$14,000	\$4,374	\$4,374	\$4,374	\$4,374	\$4,374	4674
\$14,001 - \$15,000	3,948	4,374	4,374	4,374	4,374	4675
\$15,001 - \$16,000	3,480	3,948	4,374	4,374	4,374	4676
\$16,001 - \$17,000	3,042	3,480	3,948	4,374	4,374	4677
\$17,001 - \$18,000	2,634	3,042	3,480	3,948	4,374	4678
\$18,001 - \$21,000	2,166	2,634	3,042	3,480	3,948	4679
\$21,001 - \$24,000	1,752	2,166	2,634	3,042	3,480	4680
\$24,001 - \$27,000	1,338	1,752	2,166	2,634	3,042	4681
\$27,001 - \$30,000	1,074	1,338	1,752	2,166	2,634	4682
\$30,001 - \$31,000	858	1,074	1,338	1,752	2,166	4683

As Reported by the House Finance and Appropriations Committee

\$31,001 - \$32,000	804	858	1,074	1,338	1,752	4684
\$32,001 - \$33,000	708	804	858	1,074	1,338	4685
\$33,001 - \$34,000	354	708	804	858	1,074	4686
\$34,001 - \$35,000	--	354	708	804	858	4687
\$35,001 - \$36,000	--	--	354	708	804	4688
\$36,001 - \$37,000	--	--	--	354	708	4689
\$37,001 - \$38,000	--	--	--	--	354	4690

For a full-time student who is financially independent 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						
	0	1	2	3	4	5 or more	
Under \$4,500	\$4,374	\$4,374	\$4,374	\$4,374	\$4,374	\$4,374	4702
\$4,501 - \$5,000	3,948	4,374	4,374	4,374	4,374	4,374	4703
\$5,001 - \$5,500	3,480	3,948	4,374	4,374	4,374	4,374	4704
\$5,501 - \$6,000	3,042	3,480	3,948	4,374	4,374	4,374	4705
\$6,001 - \$6,500	2,634	3,042	3,480	3,948	4,374	4,374	4706
\$6,501 - \$7,000	2,166	2,634	3,042	3,480	3,948	4,374	4707
\$7,001 - \$8,000	1,752	2,166	2,634	3,042	3,480	3,948	4708
\$8,001 - \$9,000	1,338	1,752	2,166	2,634	3,042	3,480	4709
\$9,001 - \$10,000	1,074	1,338	1,752	2,166	2,634	3,042	4710
\$10,001 - \$11,500	858	1,074	1,338	1,752	2,166	2,634	4711
\$11,501 - \$13,000	804	858	1,074	1,338	1,752	2,166	4712
\$13,001 - \$14,500	708	804	858	1,074	1,338	1,752	4713
\$14,501 - \$16,000	354	708	804	858	1,074	1,338	4714
\$16,001 - \$19,000	--	354	708	804	858	1,074	4715

As Reported by the House Finance and Appropriations Committee

\$19,001 - \$22,000	--	--	354	708	804	858	4716
\$22,001 - \$25,000	--	--	--	354	708	804	4717
\$25,001 - \$30,000	--	--	--	--	354	708	4718
\$30,001 - \$35,000	--	--	--	--	--	354	4719

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

Gross Income	Maximum Grant \$2,070					5 or more	
	Number of Dependents						
	1	2	3	4			
Under \$14,000	\$2,070	\$2,070	\$2,070	\$2,070	\$2,070	\$2,070	4730
\$14,001 - \$15,000	1,866	2,070	2,070	2,070	2,070	2,070	4731
\$15,001 - \$16,000	1,644	1,866	2,070	2,070	2,070	2,070	4732
\$16,001 - \$17,000	1,458	1,644	1,866	2,070	2,070	2,070	4733
\$17,001 - \$18,000	1,248	1,458	1,644	1,866	2,070	2,070	4734
\$18,001 - \$21,000	1,020	1,248	1,458	1,644	1,866	1,866	4735
\$21,001 - \$24,000	816	1,020	1,248	1,458	1,644	1,644	4736
\$24,001 - \$27,000	612	816	1,020	1,248	1,458	1,458	4737
\$27,001 - \$30,000	492	612	816	1,020	1,248	1,248	4738
\$30,001 - \$31,000	396	492	612	816	1,020	1,020	4739
\$31,001 - \$32,000	366	396	492	612	816	816	4740
\$32,001 - \$33,000	336	366	396	492	612	612	4741
\$33,001 - \$34,000	168	336	366	396	492	492	4742
\$34,001 - \$35,000	--	168	336	366	396	396	4743
\$35,001 - \$36,000	--	--	168	336	366	366	4744
\$36,001 - \$37,000	--	--	--	168	336	336	4745
\$37,001 - \$38,000	--	--	--	--	168	168	4746

As Reported by the House Finance and Appropriations Committee

For a full-time student who is financially independent and 4747
 enrolled in a state-assisted educational institution, the amount 4748
 of the instructional grant for two semesters, three quarters, or a 4749
 comparable portion of the academic year shall be determined in 4750
 accordance with the following table: 4751

Public Institution 4752

Table of Grants 4753

Maximum Grant \$2,070 4754

Gross Income

Number of Dependents 4755

	0	1	2	3	4	5 or more	
Under \$4,500	\$2,070	\$2,070	\$2,070	\$2,070	\$2,070	\$2,070	4757
\$4,501 - \$5,000	1,866	2,070	2,070	2,070	2,070	2,070	4758
\$5,001 - \$5,500	1,644	1,866	2,070	2,070	2,070	2,070	4759
\$5,501 - \$6,000	1,458	1,644	1,866	2,070	2,070	2,070	4760
\$6,001 - \$6,500	1,248	1,458	1,644	1,866	2,070	2,070	4761
\$6,501 - \$7,000	1,020	1,248	1,458	1,644	1,866	2,070	4762
\$7,001 - \$8,000	816	1,020	1,248	1,458	1,644	1,866	4763
\$8,001 - \$9,000	612	816	1,020	1,248	1,458	1,644	4764
\$9,001 - \$10,000	492	612	816	1,020	1,248	1,458	4765
\$10,001 - \$11,500	396	492	612	816	1,020	1,248	4766
\$11,501 - \$13,000	366	396	492	612	816	1,020	4767
\$13,001 - \$14,500	336	366	396	492	612	816	4768
\$14,501 - \$16,000	168	336	366	396	492	612	4769
\$16,001 - \$19,000	--	168	336	366	396	492	4770
\$19,001 - \$22,000	--	--	168	336	366	396	4771
\$22,001 - \$25,000	--	--	--	168	336	366	4772
\$25,001 - \$30,000	--	--	--	--	168	336	4773
\$30,001 - \$35,000	--	--	--	--	--	168	4774

The foregoing appropriation item 235-503, Ohio Instructional 4775
 Grants, shall be used to make the payments authorized by division 4776
 (C) of section 3333.26 of the Revised Code to the institutions 4777

described in that division. In addition, this appropriation shall 4778
be used to reimburse the institutions described in division (B) of 4779
section 3333.26 of the Revised Code for the cost of the waivers 4780
required by that division. 4781

Of the appropriation item 235-503, Ohio Instructional Grants, 4782
up to \$3,800,000 of surplus funds net of encumbrances from the 4783
appropriation for fiscal year 2002 shall be reappropriated to 4784
appropriation item 235-534, Student Workforce Development Grants, 4785
for fiscal year 2003. 4786

WAR ORPHANS SCHOLARSHIPS 4787

The foregoing appropriation item 235-504, War Orphans 4788
Scholarships, shall be used to reimburse state-assisted 4789
institutions of higher education for waivers of instructional fees 4790
and general fees provided by them, to provide grants to 4791
institutions that have received a certificate of authorization 4792
from the Ohio Board of Regents under Chapter 1713. of the Revised 4793
Code, in accordance with the provisions of section 5910.04 of the 4794
Revised Code, and to fund additional scholarship benefits provided 4795
by section 5910.032 of the Revised Code. 4796

PART-TIME STUDENT INSTRUCTIONAL GRANTS 4797

The foregoing appropriation item 235-549, Part-time Student 4798
Instructional Grants, shall be used to support a grant program for 4799
part-time undergraduate students who are Ohio residents and who 4800
are enrolled in degree granting programs. 4801

Eligibility for participation in the program shall include 4802
degree granting educational institutions that hold a certificate 4803
of registration from the State Board of Proprietary School 4804
Registration, and nonprofit institutions that have a certificate 4805
of authorization issued pursuant to Chapter 1713. of the Revised 4806
Code, as well as state-assisted colleges and universities. Grants 4807
shall be given to students on the basis of need, as determined by 4808

the college, which, in making these determinations, shall give 4809
special consideration to single-parent heads-of-household and 4810
displaced homemakers who enroll in an educational degree program 4811
that prepares the individual for a career. In determining need, 4812
the college also shall consider the availability of educational 4813
assistance from a student's employer. It is the intent of the 4814
General Assembly that these grants not supplant such assistance. 4815

Sec. 125. UNCLAIMED FUNDS ~~TRANSER~~ TRANSFER 4816

Notwithstanding division (A) of section 169.05 of the Revised 4817
Code, prior to June 30, 2003, upon the request of the Director of 4818
Budget and Management, the Director of Commerce shall transfer to 4819
the General Revenue Fund up to ~~\$30,000,000~~ \$80,800,000 of the 4820
unclaimed funds that have been reported by the holder of unclaimed 4821
funds as provided by section 169.05 of the Revised Code, 4822
irrespective of the allocation of the unclaimed funds under that 4823
section." 4824

Section 12. That existing Sections 16, 16.02, 44, 44.19, 4825
63.07, 63.35, 75.02, 94, 94.02, 94.06, 94.07, and 125 of Am. Sub. 4826
H.B. 94 of the 124th General Assembly are hereby repealed. 4827

Section 13. That Section 13 of Am. Sub. H.B. 94 of the 124th 4828
General Assembly, as amended by Am. Sub. H.B. 524 of the 124th 4829
General Assembly, be amended to read as follows: 4830

"Sec. 13. DAS DEPARTMENT OF ADMINISTRATIVE SERVICES 4831

General Revenue Fund 4832

GRF 100-402	Unemployment	\$	107,713	\$	109,114	4833
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Compensation

GRF 100-405	Agency Audit Expenses	\$	662,147	\$	614,704	4834
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GRF 100-406	County & University	\$	850,133	\$	838,777	4835
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As Reported by the House Finance and Appropriations Committee

	Human Resources				
	Services				
GRF 100-409	Departmental	\$	948,332	\$	975,481
	Information Services				4836
GRF 100-414	Ohio Geographically	\$	512,410	\$	510,807
	Referenced Information				4837
	Program				
GRF 100-416	Strategic Technology	\$	3,470,440	\$	5,000,000
	Development Programs				4838
GRF 100-417	MARCS	\$	5,350,344	\$	6,176,160
					<u>4,676,915</u>
					4839
GRF 100-418	E-Government	\$	2,000,000	\$	4,000,000
	Development				4841
GRF 100-419	Ohio SONET	\$	4,527,924	\$	1,785,270
					4842
GRF 100-420	Innovation Ohio	\$	144,000	\$	144,000
					4843
GRF 100-421	ERP Project	\$	600,000	\$	624,000
	Implementation				4844
GRF 100-433	State of Ohio Computer	\$	5,003,580	\$	5,027,234
	Center				4845
GRF 100-439	Equal Opportunity	\$	817,894	\$	861,093
	Certification Programs				4846
GRF 100-447	OBA - Building Rent	\$	96,106,300	\$	110,268,500
	Payments				4847
GRF 100-448	OBA - Building	\$	26,098,000	\$	26,098,000
	Operating Payments				4848
GRF 100-449	DAS - Building	\$	5,126,955	\$	5,126,968
	Operating Payments				4849
GRF 100-451	Minority Affairs	\$	119,706	\$	118,043
					4850
GRF 100-734	Major Maintenance	\$	70,224	\$	68,376
					4851
GRF 102-321	Construction	\$	1,392,590	\$	1,396,506
	Compliance				4852
GRF 130-321	State Agency Support	\$	3,632,427	\$	3,740,888
	Services				4853

As Reported by the House Finance and Appropriations Committee

TOTAL GRF General Revenue Fund	\$	157,541,119	\$	173,483,921	4854
				<u>171,984,676</u>	4855
General Services Fund Group					4856
112 100-616 DAS Administration	\$	5,243,105	\$	5,503,547	4857
115 100-632 Central Service Agency	\$	1,259,438	\$	376,844	4858
117 100-644 General Services	\$	5,790,000	\$	7,091,000	4859
Division - Operating					
122 100-637 Fleet Management	\$	1,600,913	\$	1,652,189	4860
125 100-622 Human Resources	\$	23,895,125	\$	24,640,311	4861
Division - Operating					
127 100-627 Vehicle Liability	\$	3,373,835	\$	3,487,366	4862
Insurance					
128 100-620 Collective Bargaining	\$	3,292,859	\$	3,410,952	4863
130 100-606 Risk Management	\$	185,900	\$	197,904	4864
Reserve					
131 100-639 State Architect's	\$	7,504,787	\$	7,772,789	4865
Office					
132 100-631 DAS Building	\$	10,887,913	\$	11,362,872	4866
Management					
188 100-649 Equal Opportunity	\$	1,214,691	\$	1,253,311	4867
Programs					
201 100-653 General Services	\$	1,779,000	\$	1,833,000	4868
Resale Merchandise					
210 100-612 State Printing	\$	6,648,503	\$	6,928,823	4869
4H2 100-604 Governor's Residence	\$	22,628	\$	23,194	4870
Gift					
4P3 100-603 Departmental MIS	\$	7,447,713	\$	7,761,365	4871
Services					
427 100-602 Investment Recovery	\$	4,204,735	\$	4,179,184	4872
5C2 100-605 MARCS Development	\$	3,429,947	\$	4,475,190	4873
5C3 100-608 Skilled Trades	\$	2,237,200	\$	2,332,464	4874
5D7 100-621 Workforce Development	\$	12,000,000	\$	12,000,000	4875
5L7 100-610 Professional	\$	2,700,000	\$	2,700,000	4876

As Reported by the House Finance and Appropriations Committee

Development			
TOTAL GSF General Services Fund			4877
Group	\$ 104,718,292	\$ 108,982,305	4878
Intragovernmental Service Fund Group			4879
133 100-607 Information Technology	\$ 104,482,097	\$ 111,387,436	4880
Fund			
4N6 100-617 Major Computer	\$ 12,000,000	\$ 4,500,000	4881
Purchases			
TOTAL ISF Intragovernmental			4882
Service Fund Group	\$ 116,482,097	\$ 115,887,436	4883
Agency Fund Group			4884
113 100-628 Unemployment	\$ 3,500,000	\$ 3,577,000	4885
Compensation			
124 100-629 Payroll Deductions	\$ 1,877,100,000	\$ 1,999,100,000	4886
TOTAL AGY Agency Fund Group	\$ 1,880,600,000	\$ 2,002,677,000	4887
Holding Account Redistribution Fund Group			4888
R08 100-646 General Services	\$ 20,000	\$ 20,000	4889
Refunds			
TOTAL 090 Holding Account			4890
Redistribution Fund Group	\$ 20,000	\$ 20,000	4891
TOTAL ALL BUDGET FUND GROUPS	\$ 2,259,361,508	\$ 2,401,050,662	4892
		<u>2,399,551,417"</u>	4893

Section 14. That existing Section 13 of Am. Sub. H.B. 94 of the 124th General Assembly, as amended by Am. Sub. H.B. 524 of the 124th General Assembly, is hereby repealed. 4895
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Section 15. That 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, be amended to read as follows: 4898
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4900

"Sec. 63. JFS DEPARTMENT OF JOB AND FAMILY SERVICES 4901

As Reported by the House Finance and Appropriations Committee

General Revenue Fund				4902	
GRF 600-100 Personal Services				4903	
State	\$	56,614,143	\$	58,715,838	4904
Federal	\$	18,645,558	\$	19,317,882	4905
Personal Services	\$	75,259,701	\$	78,033,720	4906
Total					
GRF 600-200 Maintenance				4907	
State	\$	30,439,164	\$	24,320,541	4908
Federal	\$	7,295,237	\$	5,828,810	4909
Maintenance Total	\$	37,734,401	\$	30,149,351	4910
GRF 600-300 Equipment				4911	
State	\$	5,469,830	\$	979,504	4912
Federal	\$	179,026	\$	32,059	4913
Equipment Total	\$	5,648,856	\$	1,011,563	4914
GRF 600-402 Electronic Benefits Transfer (EBT)				4915	
State	\$	7,551,305	\$	7,715,079	4916
Federal	\$	7,551,305	\$	7,715,079	4917
EBT Total	\$	15,102,610	\$	15,430,158	4918
GRF 600-410 TANF State	\$	268,636,561	\$	268,619,061	4919
GRF 600-413 Day Care	\$	84,120,606	\$	84,120,606	4920
Match/Maintenance of Effort					
GRF 600-416 Computer Projects				4921	
State	\$	137,583,171	\$	142,908,736	4922
Federal	\$	32,665,206	\$	34,770,353	4923
Computer Projects	\$	170,248,377	\$	177,679,089	4924
Total					
GRF 600-420 Child Support Administration	\$	7,919,511	\$	7,885,309	4925
GRF 600-426 Children's Health Insurance Plan (CHIP)				4926	
State	\$	13,571,338	\$	15,770,373	4927

As Reported by the House Finance and Appropriations Committee

	Federal	\$	33,535,007	\$	38,968,860	4928
	CHIP Total	\$	47,106,345	\$	54,739,233	4929
GRF 600-427	Child and Family Services Activities	\$	7,189,086	\$	7,000,427	4930
GRF 600-435	Unemployment Compensation Review Commission	\$	3,759,151	\$	3,785,380	4931
GRF 600-436	Medicaid Systems Enhancements	\$	4,445,384	\$	1,853,611	4932
GRF 600-502	Child Support Match	\$	17,383,992	\$	16,814,103	4933
GRF 600-504	Non-TANF County Administration	\$	70,554,373	\$	68,697,679	4934
GRF 600-511	Disability Assistance/Other Assistance	\$	84,662,017	\$	98,152,408	4935
GRF 600-512	Non-TANF Emergency Assistance	\$	1,079,000	\$	1,079,000	4936
GRF 600-525	Health Care/Medicaid					4937
	State	\$	2,908,181,745	\$	3,112,834,875	4938
	Federal	\$	4,174,579,446	\$	4,460,972,607	4939
	Health Care Total	\$	7,082,761,191	\$	7,573,807,482	4940
GRF 600-527	Child Protective Services	\$	59,592,059	\$	64,047,479	4941
GRF 600-528	Adoption Services					4942
	State	\$	33,085,023	\$	37,697,562	4943
	Federal	\$	32,158,564	\$	36,641,941	4944
	Adoption Services Total	\$	65,243,587	\$	74,339,503	4945
GRF 600-534	Adult Protective Services	\$	2,850,975	\$	2,775,950	4946
GRF 600-552	County Social Services	\$	11,354,550	\$	11,055,746	4947
TOTAL GRF	General Revenue Fund					4948
	State	\$	3,816,042,984	\$	4,036,829,267	4949

As Reported by the House Finance and Appropriations Committee

	Federal		\$ 4,306,609,349	\$ 4,604,247,591	4950
	GRF Total		\$ 8,122,652,333	\$ 8,641,076,858	4951
General Services Fund Group					4952
4A8	600-658	Child Support	\$ 42,389,027	\$ 42,389,027	4953
		Collections			
4R4	600-665	BCII Service Fees	\$ 124,522	\$ 136,974	4954
5C9	600-671	Medicaid Program	\$ 50,846,239	\$ 59,226,893	4955
		Support			
5R1	600-677	County Computers	\$ 5,000,000	\$ 5,000,000	4956
613	600-645	Training Activities	\$ 1,462,626	\$ 1,157,525	4957
TOTAL GSF General Services					4958
Fund Group					4959
			\$ 99,822,414	\$ 107,910,419	
Federal Special Revenue Fund Group					4960
3A2	600-641	Emergency Food	\$ 2,018,844	\$ 2,018,844	4961
		Distribution			
3D3	600-648	Children's Trust Fund	\$ 2,040,524	\$ 2,040,524	4962
		Federal			
3F0	600-623	Health Care Federal	\$ 260,504,926	\$ 281,562,040	4963
				\$ <u>321,924,490</u>	4964
3F0	600-650	Hospital Care	\$ 320,551,643	\$ 332,807,785	4965
		Assurance Match			
3G5	600-655	Interagency	\$ 852,461,818	\$ 860,986,436	4966
		Reimbursement			
3G9	600-657	Special Activities	\$ 522,500	\$ 190,000	4967
		Self Sufficiency			
3H7	600-617	Day Care Federal	\$ 299,156,430	\$ 337,848,130	4968
3N0	600-628	IV-E Foster Care	\$ 152,981,760	\$ 173,963,142	4969
		Maintenance			
3S5	600-622	Child Support Projects	\$ 534,050	\$ 534,050	4970
3V0	600-688	Workforce Investment	\$ 128,476,093	\$ 128,476,093	4971
		Act			
3V4	600-678	Federal Unemployment	\$ 74,025,525	\$ 74,025,525	4972

As Reported by the House Finance and Appropriations Committee

		Programs					
					<u>125,025,525</u>	4973	
3V4	600-679	Unemployment	\$	2,286,421	\$	2,286,421	4974
		Compensation Review					
		Commission - Federal					
3V6	600-689	TANF Block Grant	\$	654,410,661	\$	677,098,311	4975
3V6	600-690	Wellness	\$	14,337,515	\$	14,337,515	4976
316	600-602	State and Local	\$	10,166,587	\$	10,325,460	4977
		Training					
327	600-606	Child Welfare	\$	34,594,191	\$	34,592,977	4978
331	600-686	Federal Operating	\$	41,600,896	\$	41,640,897	4979
365	600-681	JOB Training Program	\$	25,000,000	\$	5,469,259	4980
384	600-610	Food Stamps and State	\$	160,371,358	\$	161,716,857	4981
		Administration					
385	600-614	Refugee Services	\$	4,388,503	\$	4,559,632	4982
395	600-616	Special	\$	9,491,000	\$	9,491,000	4983
		Activities/Child and					
		Family Services					
396	600-620	Social Services Block	\$	51,195,100	\$	51,297,478	4984
		Grant					
397	600-626	Child Support	\$	248,001,590	\$	247,353,041	4985
398	600-627	Adoption Maintenance/	\$	277,806,175	\$	341,298,661	4986
		Administration					
TOTAL FED Federal Special Revenue							4987
Fund Group			\$	3,626,924,110	\$	3,795,920,078	4988
						<u>3,887,282,528</u>	4989
State Special Revenue Fund Group							4990
198	600-647	Children's Trust Fund	\$	4,368,785	\$	4,379,333	4991
3W3	600-695	Adult Protective	\$	120,227	\$		4992
		Services					
3W3	600-696	Non-TANF Adult	\$	1,000,000	\$		4993
		Assistance					
3W8	600-638	Hippy Program	\$	62,500	\$		4994

As Reported by the House Finance and Appropriations Committee

3W9	600-640	Adoption Connection	\$	50,000	\$		4995
4A9	600-607	Unemployment Compensation Admin Fund	\$	9,420,000	\$	9,420,000	4996
4E3	600-605	Nursing Home Assessments	\$	95,511	\$	95,511	4997
4E7	600-604	Child and Family Services Collections	\$	145,805	\$	149,450	4998
4F1	600-609	Foundation Grants/Child and Family Services	\$	116,400	\$	119,310	4999
4J5	600-613	Nursing Facility Bed Assessments	\$	31,179,798	\$	31,279,798	5000
4J5	600-618	Residential State Supplement Payments	\$	15,700,000	\$	15,700,000	5001
4K1	600-621	ICF/MR Bed Assessments	\$	21,604,331	\$	22,036,418	5002
4R3	600-687	Banking Fees	\$	592,937	\$	592,937	5003
4V2	600-612	Child Support Activities	\$	124,993	\$	124,993	5004
4Z1	600-625	HealthCare Compliance	\$	10,000,000	\$	10,000,000	5005
5A5	600-685	Unemployment Benefit Automation	\$	19,607,027	\$	13,555,667	5006
5E6	600-634	State Option Food Stamps	\$	6,000,000	\$	6,000,000	5007
5P4	600-691	TANF Child Welfare	\$	7,500,000	\$	7,500,000	5008
5P5	600-692	Health Care Services	\$	223,847,498	\$	255,386,713	5009
5R2	600-608	Medicaid-Nursing Facilities	\$	59,462,415	\$	79,283,220	5010
						<u>105,136,444</u>	5011
<u>5U3</u>	<u>600-654</u>	<u>Health Care Services Administration</u>	<u>\$</u>	<u>0</u>	<u>\$</u>	<u>3,419,405</u>	5012
651	600-649	Hospital Care Assurance Program Fund	\$	222,480,109	\$	233,384,431	5013

As Reported by the House Finance and Appropriations Committee

TOTAL SSR State Special Revenue				5014
Fund Group	\$	633,478,336	\$	690,240,508
				5015
				<u>719,513,137</u>
				5016
Agency Fund Group				5017
192 600-646 Support Intercept -	\$	80,000,000	\$	82,000,000
Federal				5018
5B6 600-601 Food Stamp Intercept	\$	5,283,920	\$	5,283,920
				5019
583 600-642 Support Intercept -	\$	20,162,335	\$	20,565,582
State				5020
TOTAL AGY Agency Fund Group	\$	105,446,255	\$	107,849,502
				5021
Holding Account Redistribution Fund Group				5022
R12 600-643 Refunds and Audit	\$	200,000	\$	200,000
Settlements				5023
R13 600-644 Forgery Collections		700,000		700,000
				5024
TOTAL 090 Holding Account	\$	900,000	\$	900,000
				5025
Redistribution Fund Group				
TOTAL ALL BUDGET FUND GROUPS	\$	12,589,223,448	\$	13,343,897,365
				<u>13,464,532,444</u>
				5026
				5027

Sec. 63.37. NURSING FACILITY STABILIZATION FUND 5029

(A) As used in this section: 5030

(1) "Inpatient days" and "nursing facility" have the same 5031
meanings as in section 5111.20 of the Revised Code. 5032

(2) "Medicaid day" means all days during which a resident who 5033
is a Medicaid recipient occupies a bed in a nursing facility that 5034
is included in the facility's certified capacity under Title XIX 5035
of the "Social Security Act," 79 Stat. 286 (1965), 42 U.S.C.A. 5036
1396, as amended. Therapeutic or hospital leave days for which 5037
payment is made under section 5111.33 of the Revised Code are 5038
considered Medicaid days proportionate to the percentage of the 5039
nursing facility's per resident per day rate paid for those days. 5040

As Reported by the House Finance and Appropriations Committee

- (B) The Department of Job and Family Services shall use money 5041
in the Nursing Facility Stabilization Fund created under section 5042
3721.56 of the Revised Code to do all of the following: 5043
- (1) Make payments to nursing facilities under sections 5044
5111.20 to 5111.32 of the Revised Code; 5045
- (2) Beginning with payments made to nursing facilities in 5046
August 2001, make payments to each nursing facility for each 5047
Medicaid day in fiscal ~~years~~ year 2002 ~~and 2003~~ in an amount equal 5048
to sixty-nine and seven-tenths per cent of the franchise permit 5049
fee the nursing facility pays under section 3721.53 of the Revised 5050
Code for the fiscal year the department makes the payment divided 5051
by the nursing facility's inpatient days for the calendar year 5052
preceding the calendar year in which that fiscal year begins; 5053
- (3) Beginning with payments made to nursing facilities in 5054
August 2002, make payments to each nursing facility for each 5055
Medicaid day in fiscal years 2003, 2004, and 2005 in an amount 5056
equal to seventy-six and seventy-four-hundredths per cent of the 5057
franchise permit fee the nursing facility pays under section 5058
3721.53 of the Revised Code for the fiscal year the department 5059
makes the payment divided by the nursing facility's inpatient days 5060
for the calendar year preceding the calendar year in which that 5061
fiscal year begins; 5062
- (4) Beginning with payments made to nursing facilities in 5063
August 2001, make payments to each nursing facility for fiscal 5064
~~years~~ year 2002 ~~and 2003~~ in an amount equal to one dollar and 5065
fifty cents per Medicaid day for the purpose of enhancing quality 5066
of care; 5067
- (5) Beginning with payments made to nursing facilities in 5068
August 2002, make payments to each nursing facility for fiscal 5069
years 2003, 2004, and 2005 in an amount equal to two dollars and 5070
twenty-five cents per Medicaid day for the purpose of enhancing 5071

quality of care.

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(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, 2004, and 2005~~ 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.

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(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:

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(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;

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(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 years 2003, 2004, and 2005 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.

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(E) The limitation of Section 230 of Am. Sub. H.B. 94 of the 124th General Assembly is not applicable to the amendments made by this act to this section."

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Section 16. That existing Sections 63 and 63.37 of Am. Sub. 5102
H.B. 94 of the 124th General Assembly, as amended by Am. Sub. H.B. 5103
299 of the 124th General Assembly, are hereby repealed. 5104

Section 17. That Section 29 of Am. Sub. H.B. 405 of the 124th 5105
General Assembly be amended to read as follows: 5106

"Sec. 29. BUDGET STABILIZATION FUND TRANSFERS 5107

(A) Notwithstanding section 131.43 and division (D) of 5108
section 127.14 of the Revised Code, the Director of Budget and 5109
Management may, with Controlling Board approval, transfer up to 5110
\$248 million from the Budget Stabilization Fund to the General 5111
Revenue Fund during the 2002-2003 biennium to help ensure that the 5112
available revenue receipts and balances in the General Revenue 5113
Fund are not less than the appropriations for each fiscal year. 5114

(B) Notwithstanding section 131.43 and division (D) of 5115
section 127.14 of the Revised Code, the Director of Budget and 5116
Management shall transfer, not later than 30 days after the 5117
effective date of this section, \$8.0 million from the Budget 5118
Stabilization Fund to the General Revenue Fund. ~~These funds~~ Of the 5119
amount transferred, \$2.0 million shall be used for emergency 5120
purposes, to include, but not be limited to, the Department of 5121
Health and Department of Agriculture for anthrax and bioterrorism 5122
testing, the Adjutant General for costs associated with the 5123
deployment of troops, armory maintenance, equipment costs and 5124
capital needs, the Department of Public Safety, security, and 5125
other emergency purpose expenses. These amounts are hereby 5126
appropriated for General Revenue Fund appropriation line items 5127
established by the Director of Budget and Management. 5128

Prior to utilizing these funds, the appropriate agency must 5129
receive the approval of the Controlling Board. Any of these funds 5130

unspent in fiscal year 2002 shall be transferred to fiscal year 5131
2003 by the Director of Budget and Management for the same purpose 5132
as in fiscal year 2002. 5133

The Of the \$2.0 million transferred for emergency purposes as 5134
specified in this division, the unobligated and unencumbered 5135
balance of these funds as of June 30, 2003, shall be transferred 5136
back to the Budget Stabilization Fund." 5137

Section 18. That existing Section 29 of Am. Sub. H.B. 405 of 5138
the 124th General Assembly is hereby repealed. 5139

Section 19. That Section 31 of Am. Sub. H.B. 405 of the 124th 5140
General Assembly is hereby repealed. This repeal is not subject to 5141
the referendum. Therefore, under Ohio Constitution, Article II, 5142
Section 1d, the repeal goes into immediate effect. 5143

Section 20. In addition to any amounts that have been 5144
authorized for transfer from the Budget Stabilization Fund to the 5145
General Revenue Fund in fiscal year 2002, there is hereby 5146
appropriated in fiscal year 2002 an amount deemed necessary by the 5147
Director of Budget and Management, from the Budget Stabilization 5148
Fund (Fund 013), to appropriation item 001-601, GRF Shortfall 5149
Contingency, for the purpose of overcoming the current shortfall 5150
of revenues to the General Revenue Fund. The Director shall make 5151
disbursements, using an intrastate transfer voucher, from the 5152
foregoing appropriation to the General Revenue Fund, of such 5153
amounts as are necessary to ensure that the unobligated and 5154
unencumbered balance in the General Revenue Fund at the end of 5155
fiscal year 2002 is not more than \$100,000,000. 5156

In addition to any amounts that have been authorized for 5157
transfer from the Budget Stabilization Fund to the General Revenue 5158
Fund in fiscal year 2003, there is hereby appropriated in fiscal 5159

year 2003 an amount deemed necessary by the Director of Budget and Management, from the Budget Stabilization Fund (Fund 013) to appropriation item 001-601, GRF Shortfall Contingency. The Director shall make disbursements, using an intrastate transfer 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 21. ADDITIONAL 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 both of the 124th General Assembly, as subsequently amended, during fiscal years 2002 and 2003, the Director of Budget and Management is hereby authorized to make such transfers of cash to the General Revenue Fund from funds created in uncodified law or in Title 1, 3, 5, 7, 9, 11, 13, 15, 17, 19, 21, 23, 25, 27, 29, 31, 33, 35, 37, 39, 41, 43, 45, 47, 49, 51, 53, or 55, Chapter 5701., 5703., 5705., 5707., 5709., 5711., 5713., 5715., 5717., 5719., 5721., 5723., 5725., 5727., 5729., 5731., 5733., 5735., 5737., 5739., 5741., 5743., 5745., 5749., 5751., or 5753., or Title 59, 61, or 63 of the Revised Code that do not consist of federal funds or of funds from which transfers for general purposes are constitutionally restricted, 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.

Section 22. 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

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the reduction: 200-406, Head Start; 200-500, School Finance 5191
 Equity; 200-501, Base Cost Funding; 200-502, Pupil Transportation; 5192
 200-511, Auxillary Services; 200-520, Disadvantaged Pupil Impact 5193
 Aid; 200-521, Gifted Pupil Program; 200-525, Parity Aid; 200-532, 5194
 Nonpublic Administration Cost Reimbursement; 200-534, 5195
 Desegregation Costs; 200-540, Special Education Enhancements; 5196
 200-545, Career-Technical Education Enhancements; 200-546, 5197
 Charge-Off Supplement; 200-553, County MR/DD Boards Transportation 5198
 Operating; 200-901, Property Tax Allocation - Education; and 5199
 200-906, Tangible Tax Exemption - Education. 5200

Section 23. Not later than July 10, 2002, the Director of 5201
 Budget and Management shall reduce fiscal year 2003 General 5202
 Revenue Fund appropriations made to the Department of 5203
 Rehabilitation and Correction appropriation item 501-321, 5204
 Institutional Operations, by \$10,000,000. This appropriations 5205
 reduction is in addition to any other General Revenue Fund 5206
 appropriations reductions made to the Department of Rehabilitation 5207
 and Correction appropriations in fiscal year 2003, including but 5208
 not limited to any General Revenue Fund appropriations reductions 5209
 imposed by executive order. 5210

Section 24. There is hereby appropriated out of funds made 5211
 available to the state under Section 903(d) of the Social Security 5212
 Act, as amended, the sum of \$51,000,000 to be used under the 5213
 direction of the Department of Job and Family Services to pay for 5214
 administrative activities for the Unemployment Insurance Program, 5215
 employment services, and other allowable expenditures under 5216
 Section 903(d) of the Social Security Act, as amended. 5217

The amounts obligated pursuant to this section shall not 5218
 exceed at any time the amount by which the aggregate of the 5219
 amounts transferred to the account of the state pursuant to 5220

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Section 903(d) of the Social Security Act, as amended, exceeds the 5221
aggregate of the amounts obligated for administration and paid out 5222
for benefits and required by law to be charged against the amounts 5223
transferred to the account of the state. 5224

Of the appropriation item 600-678, Federal Unemployment 5225
Programs, in Section 63 of Am. Sub. H.B. 94 of the 124th General 5226
Assembly, as amended, up to \$18,000,000 in fiscal year 2003 shall 5227
be used by the Department of Job and Family Services to reimburse 5228
the General Revenue Fund, through state intrastate transfer 5229
vouchers, for expenses incurred on or after the date of enactment 5230
of this section from the General Revenue Fund for the 5231
aforementioned programs as reported to the federal government as 5232
allowable expenditures. 5233

Section 25. There is hereby created the Economic Development 5234
Study Committee consisting of four members appointed by the 5235
President of the Senate and three members appointed by the Speaker 5236
of the House of Representatives. Of the members appointed by the 5237
President, one shall represent retail merchants, one the Ohio 5238
Chamber of Commerce, one the Ohio Manufacturers Association, and 5239
one the Interuniversity Council. Of the members appointed by the 5240
Speaker, one shall represent the Ohio Farm Bureau Federation, one 5241
the labor unions of the state, and one the National Federation of 5242
Independent Businesses. At the first meeting of the committee, the 5243
members shall elect a chairperson and vice chairperson. Members 5244
shall serve without compensation. The committee shall study the 5245
needs of the economy of the state and shall submit a written 5246
report to the President, the Speaker, and the minority leaders of 5247
the House and Senate not later than January 31, 2003. The report 5248
shall address the challenges of the ongoing revenue shortfall of 5249
the state and recommend measures to increase investment in high 5250
technology in the state, encourage economic growth and the 5251
creation of jobs, improve primary, secondary, and higher 5252

education, and achieve other goals important to the vitality of 5253
the state's economy. Upon submitting its report, the committee 5254
shall cease to exist. 5255

Section 26. (A) The aggregate amount of appropriations from 5256
the General Revenue Fund for fiscal years 2004 and 2005 shall not 5257
exceed the aggregate amount of spending from the General Revenue 5258
Fund for fiscal years 2002 and 2003, other than appropriations and 5259
spending for the following purposes: 5260

- (1) Higher education; 5261
- (2) Primary and secondary education; 5262
- (3) Medicaid; 5263
- (4) Debt service; 5264
- (5) Property tax relief. 5265

(B) There is hereby created the Budget Study Committee 5266
consisting of five members appointed from the House of 5267
Representatives and five members appointed from the Senate. The 5268
members of the House of Representatives shall be appointed by the 5269
Speaker of the House of Representatives and the members of the 5270
Senate shall be appointed by the President of the Senate. Of the 5271
five members from each house, two shall be of the minority party. 5272
All appointments shall be made by November 6, 2002. The Committee 5273
shall conduct its first meeting not later than November 15, 2002. 5274
At the first meeting, the Committee shall select a chairperson and 5275
vice chairperson. 5276

The Committee shall conduct a comprehensive study of the five 5277
areas of state spending set forth in divisions (A)(1) to (5) of 5278
this section for the purpose of making recommendations that, if 5279
implemented, will improve efficiency and maintain or exceed 5280
current levels of service in those areas. The Committee shall 5281

issue a report to the General Assembly with its recommendations 5282
not later than March 31, 2003. 5283

Section 27. Notwithstanding section 3702.68 of the Revised 5284
Code, the Director of Health may accept for review under section 5285
3702.52 of the Revised Code an application for a certificate of 5286
need approving the relocation of up to twenty-four existing 5287
nursing home beds in Jackson County to Gallia County. 5288

Section 28. The Director of Job and Family Services, on or 5289
before October 1, 2002, shall establish the Mahoning Valley 5290
Education and Training Institute at Youngstown State University. 5291
The purpose of the program shall be for retraining of existing 5292
workers and providing the education and training for new entrants 5293
into the regional labor market. 5294

Section 29. For any federal funds that are received under 5295
"The No Child Left Behind Act (PL107-110)" that the Department of 5296
Education has discretionary authority to spend, the Department 5297
shall submit a spending plan to the Controlling Board. The 5298
Department shall not expend any of these funds before obtaining 5299
approval of the spending plan by the Controlling Board. 5300

Section 30. The Ohio Public Facilities Commission, upon 5301
request by the Board of Regents, is hereby authorized to issue and 5302
sell, in accordance with Section 2n of Article VIII, Ohio 5303
Constitution, and sections 151.01 and 151.04 of the Revised Code, 5304
original obligations of the State of Ohio, in an aggregate 5305
principal amount not to exceed \$50,000,000. These obligations, in 5306
addition to the original issuance of obligations heretofore 5307
authorized by prior acts of the General Assembly, shall be issued 5308
and sold from time to time and in amounts necessary to ensure 5309
sufficient moneys to the credit of the Higher Education 5310

Improvement Fund (Fund 034) to pay costs charged to that fund 5311
associated with previously authorized capital facilities and the 5312
capital facilities in Section 34 of this act for state-supported 5313
and state-assisted institutions of higher education, as estimated 5314
by the Director of Budget and Management. 5315

Section 31. All items in this section are hereby appropriated 5316
as designated out of moneys in the state treasury to the credit of 5317
the Higher Education Improvement Fund (Fund 034). All 5318
appropriations made in this section are for fiscal years 2003 and 5319
2004. The appropriations made in this section are in addition to 5320
any other capital appropriations made for fiscal years 2003 and 5321
2004. 5322

Appropriations 5323

BOR BOARD OF REGENTS 5324

Higher Education Improvement Fund 5325

034 CAP-068 Third Frontier Project \$ 50,000,000 5326

Total 034 Higher Education Improvement Fund \$ 50,000,000 5327

TOTAL ALL BUDGET FUND GROUPS THIRD FRONTIER \$ 50,000,000 5328

PROJECT

THIRD FRONTIER PROJECT 5329

The foregoing appropriation item CAP-068, Third Frontier 5330
Project, shall be used to acquire, renovate, or construct 5331
facilities and purchase equipment for research programs technology 5332
development, product development, and commercialization programs 5333
at or involving state-supported and state-assisted institutions of 5334
higher education. The funds shall be used to make grants, awarded 5335
on a competitive basis, and shall be administered by the 5336
Department of Development. Expenditure of these funds shall comply 5337
with Section 2n of Article VIII, Ohio Constitution, and sections 5338
151.01 and 151.04 of the Revised Code for the period beginning 5339
July 1, 2002, and ending June 30, 2004. 5340

The Department of Development shall develop guidelines 5341
relative to the application for and selection of projects funded 5342
from appropriation item CAP-068, Third Frontier Project. The 5343
guidelines shall be developed in consultation with the Board of 5344
Regents, the Governor's Science and Technology Advisor, and other 5345
interested parties at the discretion of the Department of 5346
Development. The Board of Regents and all state-assisted and 5347
state-supported institutions of higher education shall take all 5348
actions necessary to implement grants awarded by the Department of 5349
Development. 5350

The foregoing capital appropriation item, CAP-068, Third 5351
Frontier Project, for which an appropriation is made from the 5352
Higher Education Improvement Fund (Fund 034) is determined to 5353
consist of capital improvements and capital facilities for 5354
state-supported and state-assisted institutions of higher 5355
education, and is designated for the capital facilities to which 5356
proceeds of obligations in the Higher Education Improvement Fund 5357
(Fund 034) are to be applied. 5358

Within the limits set forth in this section, the Director of 5359
Budget and Management shall establish accounts indicating the 5360
source and amount of funds for each appropriation made in this 5361
section, and shall determine the form and manner in which 5362
appropriation accounts shall be maintained. Expenditures from 5363
appropriations contained in this section shall be accounted for as 5364
though made in the 2002-2004 biennial capital appropriations act 5365
of the 124th General Assembly. 5366

The appropriations made in this section are subject to all 5367
provisions of the 2002-2004 biennial capital appropriations act of 5368
the 124th General Assembly that are generally applicable to such 5369
appropriations. 5370

Section 32. (A) Notwithstanding section 183.02 of the Revised 5371

Code and in addition to any amounts that have been authorized for 5372
transfer from the Tobacco Master Settlement Agreement Fund (Fund 5373
087) to the General Revenue Fund in fiscal year 2002, there is 5374
hereby appropriated in fiscal year 2002, \$180,000,000 from the 5375
Tobacco Master Settlement Agreement Fund (Fund 087) to 5376
appropriation item 001-602, GRF Revenue Supplement, for the 5377
purpose of overcoming the current shortfall of revenues to the 5378
General Revenue Fund. The Director shall make disbursements, using 5379
an intrastate transfer voucher, from the foregoing appropriation 5380
to the General Revenue Fund. 5381

Of the tobacco revenue that is credited to the Tobacco Master 5382
Settlement Agreement Fund in fiscal year 2002, the share that is 5383
determined pursuant to section 183.02 of the Revised Code to be 5384
the amount transferred by the Director of Budget and Management 5385
from the Tobacco Master Settlement Agreement Fund to the Education 5386
Facilities Trust Fund (Fund N87) shall be reduced by the amount 5387
that is appropriated from the Tobacco Master Settlement Agreement 5388
Fund to appropriation item 001-602, GRF Revenue Supplement, in 5389
accordance with this section. 5390

(B) Notwithstanding section 183.02 of the Revised Code and in 5391
addition to any amounts that have been authorized for transfer 5392
from the Tobacco Master Settlement Agreement Fund (Fund 087) to 5393
the General Revenue Fund in fiscal year 2003, there is hereby 5394
appropriated in fiscal year 2003, \$165,000,000 from the Tobacco 5395
Master Settlement Agreement Fund (Fund 087) to appropriation item 5396
001-602, GRF Revenue Supplement, for the purpose of overcoming the 5397
current shortfall of revenues to the General Revenue Fund. The 5398
Director shall make disbursements, using an intrastate transfer 5399
voucher, from the foregoing appropriation to the General Revenue 5400
Fund. 5401

Of the tobacco revenue that is credited to the Tobacco Master 5402
Settlement Agreement Fund in fiscal year 2003, the share that is 5403

determined pursuant to section 183.02 of the Revised Code to be 5404
the amount transferred by the Director of Budget and Management 5405
from the Tobacco Master Settlement Agreement Fund to the Education 5406
Facilities Trust Fund (Fund N87) shall be reduced by the amount 5407
that is appropriated from the Tobacco Master Settlement Agreement 5408
Fund to appropriation item 001-602, GRF Revenue Supplement, in 5409
accordance with this section. 5410

Section 33. All items set forth in this section are hereby 5411
appropriated out of any moneys in the state treasury to the credit 5412
of the School Building Program Assistance Fund (Fund 032), created 5413
under section 3318.25 of the Revised Code, derived from the 5414
proceeds of obligations heretofore and herein authorized to pay 5415
the cost of facilities for a system of common schools throughout 5416
the state for the period beginning July 1, 2002, and ending June 5417
30, 2004. The appropriation shall be in addition to any other 5418
appropriation for this purpose. 5419

SCHOOL FACILITIES COMMISSION 5420

CAP-770 School Building Program Assistance	\$	345,000,000	5421
Total School Facilities Commission	\$	345,000,000	5422
Total School Building Program Assistance Fund	\$	345,000,000	5423

SCHOOL BUILDING PROGRAM ASSISTANCE 5424

The foregoing appropriation item CAP-770, School Building 5425
Program Assistance, shall be used by the School Facilities 5426
Commission to provide funding to school districts that receive 5427
conditional approval from the Commission pursuant to Chapter 3318. 5428
of the Revised Code. 5429

Expenditures from appropriations contained in this section 5430
may be accounted for as though made in the main capital 5431
appropriations act for the fiscal year 2003-2004 biennium enacted 5432
by the 124th General Assembly. The School Facilities Commission 5433
shall not commit any of the appropriations made in this section 5434

until after July 1, 2002. 5435

Section 34. The Ohio Public Facilities Commission is hereby 5436
authorized to issue and sell, in accordance with the provisions of 5437
Section 2n of Article VIII, Ohio Constitution, and Chapter 151. 5438
and particularly sections 151.01 and 151.03 of the Revised Code, 5439
original obligations in an aggregate principal amount not to 5440
exceed \$345,000,000 to pay the costs associated with previously 5441
authorized capital facilities and the capital facilities 5442
authorized in the immediately preceding section of this act for 5443
the School Building Assistance Program for the School Facilities 5444
Commission to distribute in accordance with their rules and 5445
guidelines pursuant to Chapter 3318. of the Revised Code. 5446

Section 35. The amendment or enactment by this act of 5447
sections 5901.02, 5901.021, and 5901.03 of the Revised Code first 5448
applies to veterans service commission budget requests for the 5449
fiscal year beginning January 1, 2003. Notwithstanding section 5450
5901.11 of the Revised Code to the contrary, if a budget request 5451
for that fiscal year exceeds either of the amounts set forth in 5452
section 5901.021 of the Revised Code as enacted by this act, the 5453
board of county commissioners may exercise the authority granted 5454
under that section with respect to such request regardless of when 5455
the budget request was submitted to the board. 5456

Section 36. Sections 30, 31, 33, 34, and 35 of this act are 5457
subject to the referendum. Therefore, under Ohio Constitution, 5458
Article II, Section 1c and section 1.471 of the Revised Code, the 5459
sections take effect on the ninety-first day after this act is 5460
filed with the Secretary of State. If, however, a referendum 5461
petition is filed against the sections, the sections, unless 5462
rejected at the referendum, take effect at the earliest time 5463
permitted by law. 5464

Section 37. Except as otherwise specifically provided in this act, the codified and uncodified sections of law amended or enacted in this act, and the items of law of which the codified and uncodified sections of law amended or enacted in this act are composed, are not subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1d, the codified and uncodified sections of law amended or enacted in this act, and the items of law of which the codified and uncodified sections of law amended or enacted in this act are composed, except as otherwise specifically provided in this act, go into immediate effect when this act becomes law.

Section 38. The repeals by this act of sections 5126.16 and 5126.18 of the Revised Code are not subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1d and section 1.471 of the Revised Code, the repeals go into immediate effect when this act becomes law.

Section 39. The repeals by this act of sections 5743.023 and 5743.322 of the Revised Code are not subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1d, the repeals go into effect as prescribed in Section 3 of this act.

Section 40. Sections 173.06, 173.061, 173.062, 173.07, 173.071, 173.072, 5901.02, 5901.021, and 5901.03 of the Revised Code as amended or enacted by this act, and the items of law of which such sections as amended or enacted by this act are composed, are subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1c and section 1.471 of the Revised Code, such sections as amended or enacted by this act, and the items of law of which such sections as amended or enacted by this act are composed, take effect on the ninety-first day after

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this act is filed with the Secretary of State. If, however, a 5494
referendum petition is filed against any such section as amended 5495
or enacted by this act, or against any item of law of which any 5496
such section as amended or enacted by this act is composed, the 5497
section as amended or enacted, or item of law, unless rejected at 5498
the referendum, takes effect at the earliest time permitted by 5499
law. 5500

Section 41. The amendment of sections 5112.01, 5112.06, 5501
5112.07, and 5112.11 of the Revised Code is not intended to 5502
supersede the earlier repeal, with delayed effective date, of 5503
those sections. 5504