

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

**125th General Assembly
Regular Session
2003-2004**

Sub. H. B. No. 427

**Representatives Martin, Calvert, Hoops, C. Evans, D. Evans, Faber, Flowers,
Hughes, T. Patton, Schmidt, Schneider, Trakas**

A B I L L

To amend sections 5709.62, 5709.63, 5709.631, and 1
5709.632 and to enact sections 5709.91, 5709.911, 2
and 5709.912 of the Revised Code and to amend 3
Sections 38 and 38.20 of Am. Sub. H.B. 95 of the 4
125th General Assembly to increase from 10 to 15 5
the number of years enterprise zones or urban jobs 6
and enterprise zone agreements may exempt property 7
from taxation, subject to school board approval; 8
to create the Job Development Initiatives Fund and 9
transfer up to \$25.8 million of unclaimed funds to 10
it; to address priority, enforcement, and other 11
issues concerning tax increment financing and 12
related programs; and to make appropriations. 13

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

Section 1. That sections 5709.62, 5709.63, 5709.631, and 14
5709.632 be amended and sections 5709.91, 5709.911, and 5709.912 15
of the Revised Code be enacted to read as follows: 16

Sec. 5709.62. (A) In any municipal corporation that is 17
defined by the United States office of management and budget as a 18

~~central~~ principal city of a metropolitan statistical area, or in a 19
city designated as an urban cluster in a rural statistical area, 20
the legislative authority of the municipal corporation may 21
designate one or more areas within its municipal corporation as 22
proposed enterprise zones. Upon designating an area, the 23
legislative authority shall petition the director of development 24
for certification of the area as having the characteristics set 25
forth in division (A)(1) of section 5709.61 of the Revised Code as 26
amended by Substitute Senate Bill No. 19 of the 120th general 27
assembly. Except as otherwise provided in division (E) of this 28
section, on and after July 1, 1994, legislative authorities shall 29
not enter into agreements under this section unless the 30
legislative authority has petitioned the director and the director 31
has certified the zone under this section as amended by that act; 32
however, all agreements entered into under this section as it 33
existed prior to July 1, 1994, and the incentives granted under 34
those agreements shall remain in effect for the period agreed to 35
under those agreements. Within sixty days after receiving such a 36
petition, the director shall determine whether the area has the 37
characteristics set forth in division (A)(1) of section 5709.61 of 38
the Revised Code, and shall forward the findings to the 39
legislative authority of the municipal corporation. If the 40
director certifies the area as having those characteristics, and 41
thereby certifies it as a zone, the legislative authority may 42
enter into an agreement with an enterprise under division (C) of 43
this section. 44

(B) Any enterprise that wishes to enter into an agreement 45
with a municipal corporation under division (C) of this section 46
shall submit a proposal to the legislative authority of the 47
municipal corporation on a form prescribed by the director of 48
development, together with the application fee established under 49
section 5709.68 of the Revised Code. The form shall require the 50

following information: 51

(1) An estimate of the number of new employees whom the 52
enterprise intends to hire, or of the number of employees whom the 53
enterprise intends to retain, within the zone at a facility that 54
is a project site, and an estimate of the amount of payroll of the 55
enterprise attributable to these employees; 56

(2) An estimate of the amount to be invested by the 57
enterprise to establish, expand, renovate, or occupy a facility, 58
including investment in new buildings, additions or improvements 59
to existing buildings, machinery, equipment, furniture, fixtures, 60
and inventory; 61

(3) A listing of the enterprise's current investment, if any, 62
in a facility as of the date of the proposal's submission. 63

The enterprise shall review and update the listings required 64
under this division to reflect material changes, and any agreement 65
entered into under division (C) of this section shall set forth 66
final estimates and listings as of the time the agreement is 67
entered into. The legislative authority may, on a separate form 68
and at any time, require any additional information necessary to 69
determine whether an enterprise is in compliance with an agreement 70
and to collect the information required to be reported under 71
section 5709.68 of the Revised Code. 72

(C) Upon receipt and investigation of a proposal under 73
division (B) of this section, if the legislative authority finds 74
that the enterprise submitting the proposal is qualified by 75
financial responsibility and business experience to create and 76
preserve employment opportunities in the zone and improve the 77
economic climate of the municipal corporation, the legislative 78
authority, on or before October 15, 2009, may do one of the 79
following: 80

(1) Enter into an agreement with the enterprise under which 81

the enterprise agrees to establish, expand, renovate, or occupy a 82
facility and hire new employees, or preserve employment 83
opportunities for existing employees, in return for one or more of 84
the following incentives: 85

(a) Exemption for a specified number of years, not to exceed 86
~~ten~~ fifteen, of a specified portion, up to seventy-five per cent, 87
of the assessed value of tangible personal property first used in 88
business at the project site as a result of the agreement. If an 89
exemption for inventory is specifically granted in the agreement 90
pursuant to this division, the exemption applies to inventory 91
required to be listed pursuant to sections 5711.15 and 5711.16 of 92
the Revised Code, except that, in the instance of an expansion or 93
other situations in which an enterprise was in business at the 94
facility prior to the establishment of the zone, the inventory 95
that is exempt is that amount or value of inventory in excess of 96
the amount or value of inventory required to be listed in the 97
personal property tax return of the enterprise in the return for 98
the tax year in which the agreement is entered into. 99

(b) Exemption for a specified number of years, not to exceed 100
~~ten~~ fifteen, of a specified portion, up to seventy-five per cent, 101
of the increase in the assessed valuation of real property 102
constituting the project site subsequent to formal approval of the 103
agreement by the legislative authority; 104

(c) Provision for a specified number of years, not to exceed 105
~~ten~~ fifteen, of any optional services or assistance that the 106
municipal corporation is authorized to provide with regard to the 107
project site. 108

(2) Enter into an agreement under which the enterprise agrees 109
to remediate an environmentally contaminated facility, to spend an 110
amount equal to at least two hundred fifty per cent of the true 111
value in money of the real property of the facility prior to 112
remediation as determined for the purposes of property taxation to 113

establish, expand, renovate, or occupy the remediated facility, 114
and to hire new employees or preserve employment opportunities for 115
existing employees at the remediated facility, in return for one 116
or more of the following incentives: 117

(a) Exemption for a specified number of years, not to exceed 118
~~ten~~ fifteen, of a specified portion, not to exceed fifty per cent, 119
of the assessed valuation of the real property of the facility 120
prior to remediation; 121

(b) Exemption for a specified number of years, not to exceed 122
~~ten~~ fifteen, of a specified portion, not to exceed one hundred per 123
cent, of the increase in the assessed valuation of the real 124
property of the facility during or after remediation; 125

(c) The incentive under division (C)(1)(a) of this section, 126
except that the percentage of the assessed value of such property 127
exempted from taxation shall not exceed one hundred per cent; 128

(d) The incentive under division (C)(1)(c) of this section. 129

(3) Enter into an agreement with an enterprise that plans to 130
purchase and operate a large manufacturing facility that has 131
ceased operation or announced its intention to cease operation, in 132
return for exemption for a specified number of years, not to 133
exceed ~~ten~~ fifteen, of a specified portion, up to one hundred per 134
cent, of the assessed value of tangible personal property used in 135
business at the project site as a result of the agreement, or of 136
the assessed valuation of real property constituting the project 137
site, or both. 138

(D)(1) Notwithstanding divisions (C)(1)(a) and (b) of this 139
section, the portion of the assessed value of tangible personal 140
property or of the increase in the assessed valuation of real 141
property exempted from taxation under those divisions may exceed 142
seventy-five per cent in any year for which that portion is 143
exempted if the average percentage exempted for all years in which 144

the agreement is in effect does not exceed sixty per cent, or if 145
the board of education of the city, local, or exempted village 146
school district within the territory of which the property is or 147
will be located approves a percentage in excess of seventy-five 148
per cent. 149

(2) Notwithstanding any provision of the Revised Code to the 150
contrary, the exemptions described in divisions (C)(1)(a), (b), 151
and (c), (C)(2)(a), (b), and (c), and (C)(3) of this section may 152
be for up to fifteen years if the board of education of the city, 153
local, or exempted village school district within the territory ~~in~~ 154
of which the property is or will be located approves a number of 155
years in excess of ten, ~~but only if the project that is part of~~ 156
~~the agreement includes a fixed asset investment of at least one~~ 157
~~hundred million dollars or the director of development determines~~ 158
~~there are extraordinary circumstances, and only if the project~~ 159
~~involves the enrichment and commercialization of uranium or~~ 160
~~uranium products or the research and development activities~~ 161
~~related to that enrichment or commercialization.~~ 162

(3) For the purpose of obtaining the approval of a city, 163
local, or exempted village school district under division (D)(1) 164
or (2) of this section, the legislative authority shall deliver to 165
the board of education a notice not later than forty-five days 166
prior to approving the agreement, excluding Saturdays, Sundays, 167
and legal holidays as defined in section 1.14 of the Revised Code. 168
The notice shall state the percentage to be exempted, an estimate 169
of the true value of the property to be exempted, and the number 170
of years the property is to be exempted. The board of education, 171
by resolution adopted by a majority of the board, shall approve or 172
disapprove the agreement and certify a copy of the resolution to 173
the legislative authority not later than fourteen days prior to 174
the date stipulated by the legislative authority as the date upon 175
which approval of the agreement is to be formally considered by 176

the legislative authority. The board of education may include in 177
the resolution conditions under which the board would approve the 178
agreement, including the execution of an agreement to compensate 179
the school district under division (B) of section 5709.82 of the 180
Revised Code. The legislative authority may approve the agreement 181
at any time after the board of education certifies its resolution 182
approving the agreement to the legislative authority, or, if the 183
board approves the agreement conditionally, at any time after the 184
conditions are agreed to by the board and the legislative 185
authority. 186

If a board of education has adopted a resolution waiving its 187
right to approve agreements and the resolution remains in effect, 188
approval of an agreement by the board is not required under this 189
division. If a board of education has adopted a resolution 190
allowing a legislative authority to deliver the notice required 191
under this division fewer than forty-five business days prior to 192
the legislative authority's approval of the agreement, the 193
legislative authority shall deliver the notice to the board not 194
later than the number of days prior to such approval as prescribed 195
by the board in its resolution. If a board of education adopts a 196
resolution waiving its right to approve agreements or shortening 197
the notification period, the board shall certify a copy of the 198
resolution to the legislative authority. If the board of education 199
rescinds such a resolution, it shall certify notice of the 200
rescission to the legislative authority. 201

(4) The legislative authority shall comply with section 202
5709.83 of the Revised Code unless the board of education has 203
adopted a resolution under that section waiving its right to 204
receive such notice. 205

(E) This division applies to zones certified by the director 206
of development under this section prior to July 22, 1994. 207

On or before October 15, 2009, the legislative authority that 208

designated a zone to which this division applies may enter into an 209
agreement with an enterprise if the legislative authority ~~makes~~ 210
~~the finding required under that division and determines~~ finds that 211
the enterprise satisfies one of the criteria described in 212
divisions (E)(1) to (5) of this section: 213

(1) The enterprise currently has no operations in this state 214
and, subject to approval of the agreement, intends to establish 215
operations in the zone; 216

(2) The enterprise currently has operations in this state 217
and, subject to approval of the agreement, intends to establish 218
operations at a new location in the zone that would not result in 219
a reduction in the number of employee positions at any of the 220
enterprise's other locations in this state; 221

(3) The enterprise, subject to approval of the agreement, 222
intends to relocate operations, currently located in another 223
state, to the zone; 224

(4) The enterprise, subject to approval of the agreement, 225
intends to expand operations at an existing site in the zone that 226
the enterprise currently operates; 227

(5) The enterprise, subject to approval of the agreement, 228
intends to relocate operations, currently located in this state, 229
to the zone, and the director of development has issued a waiver 230
for the enterprise under division (B) of section 5709.633 of the 231
Revised Code. 232

The agreement shall require the enterprise to agree to 233
establish, expand, renovate, or occupy a facility in the zone and 234
hire new employees, or preserve employment opportunities for 235
existing employees, in return for one or more of the incentives 236
described in division (C) of this section. 237

(F) All agreements entered into under this section shall be 238
in the form prescribed under section 5709.631 of the Revised Code. 239

After an agreement is entered into under this ~~division~~ section, if 240
the legislative authority revokes its designation of a zone, or if 241
the director of development revokes ~~the~~ a zone's certification, 242
any entitlements granted under the agreement shall continue for 243
the number of years specified in the agreement. 244

(G) Except as otherwise provided in this division, an 245
agreement entered into under this section shall require that the 246
enterprise pay an annual fee equal to the greater of one per cent 247
of the dollar value of incentives offered under the agreement or 248
five hundred dollars; provided, however, that if the value of the 249
incentives exceeds two hundred fifty thousand dollars, the fee 250
shall not exceed two thousand five hundred dollars. The fee shall 251
be payable to the legislative authority once per year for each 252
year the agreement is effective on the days and in the form 253
specified in the agreement. Fees paid shall be deposited in a 254
special fund created for such purpose by the legislative authority 255
and shall be used by the legislative authority exclusively for the 256
purpose of complying with section 5709.68 of the Revised Code and 257
by the tax incentive review council created under section 5709.85 258
of the Revised Code exclusively for the purposes of performing the 259
duties prescribed under that section. The legislative authority 260
may waive or reduce the amount of the fee charged against an 261
enterprise, but such a waiver or reduction does not affect the 262
obligations of the legislative authority or the tax incentive 263
review council to comply with section 5709.68 or 5709.85 of the 264
Revised Code. 265

(H) When an agreement is entered into pursuant to this 266
section, the legislative authority authorizing the agreement shall 267
forward a copy of the agreement to the director of development and 268
to the tax commissioner within fifteen days after the agreement is 269
entered into. If any agreement includes terms not provided for in 270
section 5709.631 of the Revised Code affecting the revenue of a 271

city, local, or exempted village school district or causing 272
revenue to be foregone by the district, including any compensation 273
to be paid to the school district pursuant to section 5709.82 of 274
the Revised Code, those terms also shall be forwarded in writing 275
to the director of development along with the copy of the 276
agreement forwarded under this division. 277

(I) After an agreement is entered into, the enterprise shall 278
file with each personal property tax return required to be filed, 279
or annual report required to be filed under section 5727.08 of the 280
Revised Code, while the agreement is in effect, an informational 281
return, on a form prescribed by the tax commissioner for that 282
purpose, setting forth separately the property, and related costs 283
and values, exempted from taxation under the agreement. 284

(J) Enterprises may agree to give preference to residents of 285
the zone within which the agreement applies relative to residents 286
of this state who do not reside in the zone when hiring new 287
employees under the agreement. 288

(K) An agreement entered into under this section may include 289
a provision requiring the enterprise to create one or more 290
temporary internship positions for students enrolled in a course 291
of study at a school or other educational institution in the 292
vicinity, and to create a scholarship or provide another form of 293
educational financial assistance for students holding such a 294
position in exchange for the student's commitment to work for the 295
enterprise at the completion of the internship. 296

(L) The tax commissioner's authority in determining the 297
accuracy of any exemption granted by an agreement entered into 298
under this section is limited to divisions (C)(1)(a) and (b), 299
(C)(2)(a), (b), and (c), (C)(3), (D), and (I) of this section and 300
divisions (B)(1) to (10) of section 5709.631 of the Revised Code 301
and, as authorized by law, to enforcing any modification to, or 302
revocation of, that agreement by the legislative authority of a 303

municipal corporation or the director of development. 304

Sec. 5709.63. (A) With the consent of the legislative 305
authority of each affected municipal corporation or of a board of 306
township trustees, a board of county commissioners may, in the 307
manner set forth in section 5709.62 of the Revised Code, designate 308
one or more areas in one or more municipal corporations or in 309
unincorporated areas of the county as proposed enterprise zones. A 310
board of county commissioners may designate no more than one area 311
within a township, or within adjacent townships, as a proposed 312
enterprise zone. The board shall petition the director of 313
development for certification of the area as having the 314
characteristics set forth in division (A)(1) or (2) of section 315
5709.61 of the Revised Code as amended by Substitute Senate Bill 316
No. 19 of the 120th general assembly. Except as otherwise provided 317
in division (D) of this section, on and after July 1, 1994, boards 318
of county commissioners shall not enter into agreements under this 319
section unless the board has petitioned the director and the 320
director has certified the zone under this section as amended by 321
that act; however, all agreements entered into under this section 322
as it existed prior to July 1, 1994, and the incentives granted 323
under those agreements shall remain in effect for the period 324
agreed to under those agreements. The director shall make the 325
determination in the manner provided under section 5709.62 of the 326
Revised Code. ~~Any~~ 327

Any enterprise wishing to enter into an agreement with the 328
board under division (B) or (D) of this section shall submit a 329
proposal to the board on the form and accompanied by the 330
application fee prescribed under division (B) of section 5709.62 331
of the Revised Code. The enterprise shall review and update the 332
estimates and listings required by the form in the manner required 333
under that division. The board may, on a separate form and at any 334
time, require any additional information necessary to determine 335

whether an enterprise is in compliance with an agreement and to 336
collect the information required to be reported under section 337
5709.68 of the Revised Code. 338

(B) If the board of county commissioners finds that an 339
enterprise submitting a proposal is qualified by financial 340
responsibility and business experience to create and preserve 341
employment opportunities in the zone and to improve the economic 342
climate of the municipal corporation or municipal corporations or 343
the unincorporated areas in which the zone is located and to which 344
the proposal applies, the board, on or before October 15, 2009, 345
and with the consent of the legislative authority of each affected 346
municipal corporation or of the board of township trustees may do 347
either of the following: 348

(1) Enter into an agreement with the enterprise under which 349
the enterprise agrees to establish, expand, renovate, or occupy a 350
facility in the zone and hire new employees, or preserve 351
employment opportunities for existing employees, in return for the 352
following incentives: 353

(a) When the facility is located in a municipal corporation, 354
the board may enter into an agreement for one or more of the 355
incentives provided in division (C) of section 5709.62 of the 356
Revised Code, subject to division (D) of that section; 357

(b) When the facility is located in an unincorporated area, 358
the board may enter into an agreement for one or more of the 359
following incentives: 360

(i) Exemption for a specified number of years, not to exceed 361
~~ten~~ fifteen, of a specified portion, up to sixty per cent, of the 362
assessed value of tangible personal property first used in 363
business at a project site as a result of the agreement. If an 364
exemption for inventory is specifically granted in the agreement 365
pursuant to this division, the exemption applies to inventory 366

required to be listed pursuant to sections 5711.15 and 5711.16 of 367
the Revised Code, except, in the instance of an expansion or other 368
situations in which an enterprise was in business at the facility 369
prior to the establishment of the zone, the inventory that is 370
exempt is that amount or value of inventory in excess of the 371
amount or value of inventory required to be listed in the personal 372
property tax return of the enterprise in the return for the tax 373
year in which the agreement is entered into. 374

(ii) Exemption for a specified number of years, not to exceed 375
~~ten~~ fifteen, of a specified portion, up to sixty per cent, of the 376
increase in the assessed valuation of real property constituting 377
the project site subsequent to formal approval of the agreement by 378
the board; 379

(iii) Provision for a specified number of years, not to 380
exceed ~~ten~~ fifteen, of any optional services or assistance the 381
board is authorized to provide with regard to the project site; 382

(iv) The incentive described in division (C)(2) of section 383
5709.62 of the Revised Code. 384

(2) Enter into an agreement with an enterprise that plans to 385
purchase and operate a large manufacturing facility that has 386
ceased operation or has announced its intention to cease 387
operation, in return for exemption for a specified number of 388
years, not to exceed ~~ten~~ fifteen, of a specified portion, up to 389
one hundred per cent, of tangible personal property used in 390
business at the project site as a result of the agreement, or of 391
real property constituting the project site, or both. 392

(C)(1)(a) Notwithstanding divisions (B)(1)(b)(i) and (ii) of 393
this section, the portion of the assessed value of tangible 394
personal property or of the increase in the assessed valuation of 395
real property exempted from taxation under those divisions may 396
exceed sixty per cent in any year for which that portion is 397

exempted if the average percentage exempted for all years in which 398
the agreement is in effect does not exceed fifty per cent, or if 399
the board of education of the city, local, or exempted village 400
school district within the territory of which the property is or 401
will be located approves a percentage in excess of sixty per cent. 402

(b) Notwithstanding any provision of the Revised Code to the 403
contrary, the exemptions described in divisions (B)(1)(b)(i), 404
(ii), (iii), and (iv) and (B)(2) of this section may be for up to 405
fifteen years if the board of education of the city, local, or 406
exempted village school district within the territory ~~in~~ of which 407
the property is or will be located approves a number of years in 408
excess of ten, ~~but only if the project that is part of the~~ 409
~~agreement includes a fixed asset investment of at least one~~ 410
~~hundred million dollars or the director of development determines~~ 411
~~there are extraordinary circumstances, and only if the project~~ 412
~~involves the enrichment and commercialization of uranium or~~ 413
~~uranium products or the research and development activities~~ 414
~~related to that enrichment or commercialization.~~ 415

(c) For the purpose of obtaining the approval of a city, 416
local, or exempted village school district under division 417
(C)(1)(a) or (b) of this section, the board of county 418
commissioners shall deliver to the board of education a notice not 419
later than forty-five days prior to approving the agreement, 420
excluding Saturdays, Sundays, and legal holidays as defined in 421
section 1.14 of the Revised Code. The notice shall state the 422
percentage to be exempted, an estimate of the true value of the 423
property to be exempted, and the number of years the property is 424
to be exempted. The board of education, by resolution adopted by a 425
majority of the board, shall approve or disapprove the agreement 426
and certify a copy of the resolution to the board of county 427
commissioners not later than fourteen days prior to the date 428
stipulated by the board of county commissioners as the date upon 429

which approval of the agreement is to be formally considered by 430
the board of county commissioners. The board of education may 431
include in the resolution conditions under which the board would 432
approve the agreement, including the execution of an agreement to 433
compensate the school district under division (B) of section 434
5709.82 of the Revised Code. The board of county commissioners may 435
approve the agreement at any time after the board of education 436
certifies its resolution approving the agreement to the board of 437
county commissioners, or, if the board of education approves the 438
agreement conditionally, at any time after the conditions are 439
agreed to by the board of education and the board of county 440
commissioners. 441

If a board of education has adopted a resolution waiving its 442
right to approve agreements and the resolution remains in effect, 443
approval of an agreement by the board of education is not required 444
under division (C) of this section. If a board of education has 445
adopted a resolution allowing a board of county commissioners to 446
deliver the notice required under this division fewer than 447
forty-five business days prior to approval of the agreement by the 448
board of county commissioners, the board of county commissioners 449
shall deliver the notice to the board of education not later than 450
the number of days prior to such approval as prescribed by the 451
board of education in its resolution. If a board of education 452
adopts a resolution waiving its right to approve agreements or 453
shortening the notification period, the board of education shall 454
certify a copy of the resolution to the board of county 455
commissioners. If the board of education rescinds such a 456
resolution, it shall certify notice of the rescission to the board 457
of county commissioners. 458

(2) The board of county commissioners shall comply with 459
section 5709.83 of the Revised Code unless the board of education 460
has adopted a resolution under that section waiving its right to 461

receive such notice. 462

(D) This division applies to zones certified by the director 463
of development under this section prior to July 22, 1994. 464

On or before October 15, 2009, and with the consent of the 465
legislative authority of each affected municipal corporation or 466
board of township trustees of each affected township, the board of 467
county commissioners that designated a zone to which this division 468
applies may enter into an agreement with an enterprise if the 469
board ~~makes the finding required under that division and~~ 470
~~determines~~ finds that the enterprise satisfies one of the criteria 471
described in divisions (D)(1) to (5) of this section: 472

(1) The enterprise currently has no operations in this state 473
and, subject to approval of the agreement, intends to establish 474
operations in the zone; 475

(2) The enterprise currently has operations in this state 476
and, subject to approval of the agreement, intends to establish 477
operations at a new location in the zone that would not result in 478
a reduction in the number of employee positions at any of the 479
enterprise's other locations in this state; 480

(3) The enterprise, subject to approval of the agreement, 481
intends to relocate operations, currently located in another 482
state, to the zone; 483

(4) The enterprise, subject to approval of the agreement, 484
intends to expand operations at an existing site in the zone that 485
the enterprise currently operates; 486

(5) The enterprise, subject to approval of the agreement, 487
intends to relocate operations, currently located in this state, 488
to the zone, and the director of development has issued a waiver 489
for the enterprise under division (B) of section 5709.633 of the 490
Revised Code. 491

The agreement shall require the enterprise to agree to 492
establish, expand, renovate, or occupy a facility in the zone and 493
hire new employees, or preserve employment opportunities for 494
existing employees, in return for one or more of the incentives 495
described in division (B) of this section. 496

(E) All agreements entered into under this section shall be 497
in the form prescribed under section 5709.631 of the Revised Code. 498
After an agreement under this section is entered into, if the 499
board of county commissioners revokes its designation of ~~the a~~ 500
zone, or if the director of development revokes ~~the a~~ zone's 501
certification, any entitlements granted under the agreement shall 502
continue for the number of years specified in the agreement. 503

(F) Except as otherwise provided in this ~~paragraph~~ division, 504
an agreement entered into under this section shall require that 505
the enterprise pay an annual fee equal to the greater of one per 506
cent of the dollar value of incentives offered under the agreement 507
or five hundred dollars; provided, however, that if the value of 508
the incentives exceeds two hundred fifty thousand dollars, the fee 509
shall not exceed two thousand five hundred dollars. The fee shall 510
be payable to the board of county commissioners once per year for 511
each year the agreement is effective on the days and in the form 512
specified in the agreement. Fees paid shall be deposited in a 513
special fund created for such purpose by the board and shall be 514
used by the board exclusively for the purpose of complying with 515
section 5709.68 of the Revised Code and by the tax incentive 516
review council created under section 5709.85 of the Revised Code 517
exclusively for the purposes of performing the duties prescribed 518
under that section. The board may waive or reduce the amount of 519
the fee charged against an enterprise, but such waiver or 520
reduction does not affect the obligations of the board or the tax 521
incentive review council to comply with section 5709.68 or 5709.85 522
of the Revised Code, respectively. 523

(G) With the approval of the legislative authority of a 524
municipal corporation or the board of township trustees of a 525
township in which a zone is designated under division (A) of this 526
section, the board of county commissioners may delegate to that 527
legislative authority or board any powers and duties of the board 528
of county commissioners to negotiate and administer agreements 529
with regard to that zone under this section. 530

(H) When an agreement is entered into pursuant to this 531
section, the ~~legislative authority~~ board of county commissioners 532
authorizing the agreement or the legislative authority or board of 533
township trustees that negotiates and administers the agreement 534
shall forward a copy of the agreement to the director of 535
development and to the tax commissioner within fifteen days after 536
the agreement is entered into. If any agreement includes terms not 537
provided for in section 5709.631 of the Revised Code affecting the 538
revenue of a city, local, or exempted village school district or 539
causing revenue to be foregone by the district, including any 540
compensation to be paid to the school district pursuant to section 541
5709.82 of the Revised Code, those terms also shall be forwarded 542
in writing to the director of development along with the copy of 543
the agreement forwarded under this division. 544

(I) After an agreement is entered into, the enterprise shall 545
file with each personal property tax return required to be filed, 546
or annual report that is required to be filed under section 547
5727.08 of the Revised Code, while the agreement is in effect, an 548
informational return, on a form prescribed by the tax commissioner 549
for that purpose, setting forth separately the property, and 550
related costs and values, exempted from taxation under the 551
agreement. 552

(J) Enterprises may agree to give preference to residents of 553
the zone within which the agreement applies relative to residents 554
of this state who do not reside in the zone when hiring new 555

employees under the agreement. 556

(K) An agreement entered into under this section may include 557
a provision requiring the enterprise to create one or more 558
temporary internship positions for students enrolled in a course 559
of study at a school or other educational institution in the 560
vicinity, and to create a scholarship or provide another form of 561
educational financial assistance for students holding such a 562
position in exchange for the student's commitment to work for the 563
enterprise at the completion of the internship. 564

(L) The tax commissioner's authority in determining the 565
accuracy of any exemption granted by an agreement entered into 566
under this section is limited to divisions (B)(1)(b)(i) and (ii), 567
(B)(2), (C), and (I) of this section, division (B)(1)(b)(iv) of 568
this section as it pertains to divisions (C)(2)(a), (b), and (c) 569
of section 5709.62 of the Revised Code, and divisions (B)(1) to 570
(10) of section 5709.631 of the Revised Code and, as authorized by 571
law, to enforcing any modification to, or revocation of, that 572
agreement by the board of county commissioners or the director of 573
development or, if the board's powers and duties are delegated 574
under division (G) of this section, by the legislative authority 575
of a municipal corporation or board of township trustees. 576

Sec. 5709.631. Each agreement entered into under sections 577
5709.62, 5709.63, and 5709.632 of the Revised Code on or after 578
April 1, 1994, shall be in writing and shall include all of the 579
information and statements prescribed by this section. Agreements 580
may include terms not prescribed by this section, but such terms 581
shall in no way derogate from the information and statements 582
prescribed by this section. 583

(A) Each agreement shall include the following information: 584

(1) The names of all parties to the agreement; 585

(2) A description of the investments to be made by the applicant enterprise or by another party at the facility whether or not the investments are exempted from taxation, including existing or new building size and cost thereof; the value of machinery, equipment, furniture, and fixtures, including an itemization of the value of machinery, equipment, furniture, and fixtures used at another location in this state prior to the agreement and relocated or to be relocated from that location to the facility and the value of machinery, equipment, furniture, and fixtures at the facility prior to the execution of the agreement that will not be exempted from taxation; the value of inventory at the facility, including an itemization of the value of inventory held at another location in this state prior to the agreement and relocated or to be relocated from that location to the facility, and the value of inventory held at the facility prior to the execution of the agreement that will not be exempted from taxation;

(3) The scheduled starting and completion dates of investments made in building, machinery, equipment, furniture, fixtures, and inventory;

(4) Estimates of the number of employee positions to be created each year of the agreement and of the number of employee positions retained by the applicant enterprise due to the project, itemized as to the number of full-time, part-time, permanent, and temporary positions;

(5) Estimates of the dollar amount of payroll attributable to the positions set forth in division (A)(4) of this section, similarly itemized;

(6) The number of employee positions, if any, at the project site and at any other location in the state at the time the agreement is executed, itemized as to the number of full-time,

part-time, permanent, and temporary positions. 617

(B) Each agreement shall set forth the following information 618
and incorporate the following statements: 619

(1) A description of real property to be exempted from 620
taxation under the agreement, the percentage of the assessed 621
valuation of the real property exempted from taxation, and the 622
period for which the exemption is granted, accompanied by the 623
statement: "The exemption commences the first year for which the 624
real property would first be taxable were that property not 625
exempted from taxation. No exemption shall commence after 626
..... (insert date) nor extend beyond (insert 627
date)." The tax commissioner shall adopt rules prescribing the 628
form the description of such property shall assume to ensure that 629
the property to be exempted from taxation under the agreement is 630
distinguishable from property that is not to be exempted under 631
that agreement. 632

(2) A description of tangible personal property to be 633
exempted from taxation under the agreement, the percentage of the 634
assessed value of the tangible personal property exempted from 635
taxation, and the period for which the exemption is granted, 636
accompanied by the statement: "The minimum investment for tangible 637
personal property to qualify for the exemption is \$..... 638
(insert dollar amount) to purchase machinery and equipment first 639
used in business at the facility as a result of the project, 640
\$..... (insert dollar amount) for furniture and fixtures and 641
other noninventory personal property first used in business at the 642
facility as a result of the project, and \$..... (insert 643
dollar amount) for new inventory. The maximum investment for 644
tangible personal property to qualify for the exemption is 645
\$..... (insert dollar amount) to purchase machinery and 646
equipment first used in business at the facility as a result of 647
the project, \$..... (insert dollar amount) for furniture and 648

fixtures and other noninventory personal property first used in 649
business at the facility as a result of the project, and 650
\$..... (insert dollar amount) for new inventory. The 651
exemption commences the first year for which the tangible personal 652
property would first be taxable were that property not exempted 653
from taxation. No exemption shall commence after tax return year 654
..... (insert year) nor extend beyond tax return year 655
..... (insert year). In no instance shall any tangible 656
personal property be exempted from taxation for more than ten 657
return years unless ~~the project that is part of the agreement~~ 658
~~involves the enrichment and commercialization of uranium or~~ 659
~~uranium products or the research and development activities~~ 660
~~related to that enrichment or commercialization, under division~~ 661
(D)(2) of section 5709.62 or under division (C)(1)(b) of section 662
5709.63 of the Revised Code, the board of education approves 663
exemption for a number of years in excess of ten, in which case 664
the tangible personal property may be exempted from taxation for 665
up to that number of years, not to exceed fifteen return years." 666
No exemption shall be allowed for any type of tangible personal 667
property if the total investment is less than the minimum dollar 668
amount specified for that type of property. If, for a type of 669
tangible personal property, there are no minimum or maximum 670
investment dollar amounts specified in the statement or the dollar 671
amounts are designated in the statement as not applicable, the 672
exemption shall apply to the total cost of that type of tangible 673
personal property first used in business at the facility as a 674
result of the project. The tax commissioner shall adopt rules 675
prescribing the form the description of such property shall assume 676
to ensure that the property to be exempted from taxation under the 677
agreement is distinguishable from property that is not to be 678
exempted under that agreement. 679

(3) "..... (insert name of enterprise) shall pay such 680
real and tangible personal property taxes as are not exempted 681

under this agreement and are charged against such property and 682
shall file all tax reports and returns as required by law. If 683
..... (insert name of enterprise) fails to pay such taxes or 684
file such returns and reports, all incentives granted under this 685
agreement are rescinded beginning with the year for which such 686
taxes are charged or such reports or returns are required to be 687
filed and thereafter." 688

(4) "..... (insert name of enterprise) hereby certifies 689
that at the time this agreement is executed, (insert 690
name of enterprise) does not owe any delinquent real or tangible 691
personal property taxes to any taxing authority of the State of 692
Ohio, and does not owe delinquent taxes for which..... 693
(insert name of enterprise) is liable under Chapter 5727., 5733., 694
5735., 5739., 5741., 5743., 5747., or 5753. of the Revised Code, 695
or, if such delinquent taxes are owed, (insert name of 696
enterprise) currently is paying the delinquent taxes pursuant to a 697
delinquent tax contract enforceable by the State of Ohio or an 698
agent or instrumentality thereof, has filed a petition in 699
bankruptcy under 11 U.S.C.A. 101, et seq., or such a petition has 700
been filed against (insert name of enterprise). For the 701
purposes of the certification, delinquent taxes are taxes that 702
remain unpaid on the latest day prescribed for payment without 703
penalty under the chapter of the Revised Code governing payment of 704
those taxes." 705

(5) "..... (insert name of municipal corporation or 706
county) shall perform such acts as are reasonably necessary or 707
appropriate to effect, claim, reserve, and maintain exemptions 708
from taxation granted under this agreement including, without 709
limitation, joining in the execution of all documentation and 710
providing any necessary certificates required in connection with 711
such exemptions." 712

(6) "If for any reason the enterprise zone designation 713

expires, the Director of the Ohio Department of Development 714
revokes certification of the zone, or (insert name of 715
municipal corporation or county) revokes the designation of the 716
zone, entitlements granted under this agreement shall continue for 717
the number of years specified under this agreement, unless 718
..... (insert name of enterprise) materially fails to fulfill 719
its obligations under this agreement and (insert name 720
of municipal corporation or county) terminates or modifies the 721
exemptions from taxation granted under this agreement." 722

(7) "If (insert name of enterprise) materially 723
fails to fulfill its obligations under this agreement, or if 724
..... (insert name of municipal corporation or county) 725
determines that the certification as to delinquent taxes required 726
by this agreement is fraudulent, (insert name of 727
municipal corporation or county) may terminate or modify the 728
exemptions from taxation granted under this agreement." 729

(8) "..... (insert name of enterprise) shall provide to 730
the proper tax incentive review council any information reasonably 731
required by the council to evaluate the enterprise's compliance 732
with the agreement, including returns or annual reports filed 733
pursuant to section 5711.02 or 5727.08 of the Ohio Revised Code if 734
requested by the council." 735

(9) "..... (insert name of enterprise) and 736
(insert name of municipal corporation or county) acknowledge that 737
this agreement must be approved by formal action of the 738
legislative authority of (insert name of municipal 739
corporation or county) as a condition for the agreement to take 740
effect. This agreement takes effect upon such approval." 741

(10) "This agreement is not transferable or assignable 742
without the express, written approval of (insert name 743
of municipal corporation or county)." 744

(11) "Exemptions from taxation granted under this agreement 745
shall be revoked if it is determined that (insert 746
name of enterprise), any successor enterprise, or any related 747
member (as those terms are defined in section 5709.61 of the Ohio 748
Revised Code) has violated the prohibition against entering into 749
this agreement under division (E) of section 3735.671 or section 750
5709.62, 5709.63, or 5709.632 of the Ohio Revised Code prior to 751
the time prescribed by that division or either of those sections." 752

The statement described in division (B)(7) of this section 753
may include the following statement, appended at the end of the 754
statement: "and may require the repayment of the amount of taxes 755
that would have been payable had the property not been exempted 756
from taxation under this agreement." 757

(C) If the director of development had to issue a waiver 758
under section 5709.633 of the Revised Code as a condition for the 759
agreement to be executed, the agreement shall include the 760
following statement: 761

"Continuation of this agreement is subject to the validity of 762
the circumstance upon which (insert name of enterprise) 763
applied for, and the Director of the Ohio Department of 764
Development issued, the waiver pursuant to section 5709.633 of the 765
Ohio Revised Code. If, after formal approval of this agreement by 766
..... (insert name of municipal corporation or county), the 767
Director or (insert name of municipal corporation or 768
county) discovers that such a circumstance did not exist, 769
..... (insert name of enterprise) shall be deemed to have 770
materially failed to comply with this agreement." 771

If the director issued a waiver on the basis of the 772
circumstance described in division (B)(3) of section 5709.633 of 773
the Ohio Revised Code, the conditions enumerated in divisions 774
(B)(3)(a)(i) and (ii) or divisions (B)(3)(b)(i) and (ii) of that 775

section shall be incorporated in the information described in 776
divisions (A)(2), (3), and (4) of this section. 777

Sec. 5709.632. (A)(1) The legislative authority of a 778
municipal corporation defined by the United States office of 779
management and budget as a ~~central~~ principal city of a 780
metropolitan statistical area or designated as an urban cluster in 781
a rural statistical area may, in the manner set forth in section 782
5709.62 of the Revised Code, designate one or more areas in the 783
municipal corporation as a proposed enterprise zone. 784

(2) With the consent of the legislative authority of each 785
affected municipal corporation or of a board of township trustees, 786
a board of county commissioners may, in the manner set forth in 787
section 5709.62 of the Revised Code, designate one or more areas 788
in one or more municipal corporations or in unincorporated areas 789
of the county as proposed urban jobs and enterprise zones, except 790
that a board of county commissioners may designate no more than 791
one area within a township, or within adjacent townships, as a 792
proposed urban jobs and enterprise zone. 793

(3)(a) The legislative authority or board of county 794
commissioners may petition the director of development for 795
certification of the area as having the characteristics set forth 796
in division (A)(3) of section 5709.61 of the Revised Code. Within 797
sixty days after receiving such a petition, the director shall 798
determine whether the area has the characteristics set forth in 799
that division and forward the findings to the legislative 800
authority or board of county commissioners. If the director 801
certifies the area as having those characteristics and thereby 802
certifies it as a zone, the legislative authority or board may 803
enter into agreements with enterprises under division (B) of this 804
section. Any enterprise wishing to enter into an agreement with a 805
legislative authority or board of commissioners under this section 806

and satisfying one of the criteria described in divisions (B)(1) 807
to (5) of this section shall submit a proposal to the legislative 808
authority or board on the form prescribed under division (B) of 809
section 5709.62 of the Revised Code and shall review and update 810
the estimates and listings required by the form in the manner 811
required under that division. The legislative authority or board 812
may, on a separate form and at any time, require any additional 813
information necessary to determine whether an enterprise is in 814
compliance with an agreement and to collect the information 815
required to be reported under section 5709.68 of the Revised Code. 816

(b) The legislative authority of a city designated as an 817
urban cluster in a rural statistical area that has, pursuant to 818
this section, as amended by Am. Sub. H.B. 95 of the 125th general 819
assembly, designated one or more areas in the city as a proposed 820
enterprise zone, shall not enter into an agreement under this 821
section unless it has petitioned the director and the director has 822
certified the proposed enterprise zone under division (A)(3)(a) of 823
this section. 824

(B) Prior to entering into an agreement with an enterprise, 825
the legislative authority or board of county commissioners shall 826
determine whether the enterprise submitting the proposal is 827
qualified by financial responsibility and business experience to 828
create and preserve employment opportunities in the zone and to 829
improve the economic climate of the municipal corporation or 830
municipal corporations or the unincorporated areas in which the 831
zone is located and to which the proposal applies, and whether the 832
enterprise satisfies one of the following criteria: 833

(1) The enterprise currently has no operations in this state 834
and, subject to approval of the agreement, intends to establish 835
operations in the zone; 836

(2) The enterprise currently has operations in this state 837
and, subject to approval of the agreement, intends to establish 838

operations at a new location in the zone that would not result in 839
a reduction in the number of employee positions at any of the 840
enterprise's other locations in this state; 841

(3) The enterprise, subject to approval of the agreement, 842
intends to relocate operations, currently located in another 843
state, to the zone; 844

(4) The enterprise, subject to approval of the agreement, 845
intends to expand operations at an existing site in the zone that 846
the enterprise currently operates; 847

(5) The enterprise, subject to approval of the agreement, 848
intends to relocate operations, currently located in this state, 849
to the zone, and the director of development has issued a waiver 850
for the enterprise under division (B) of section 5709.633 of the 851
Revised Code. 852

(C) If the legislative authority or board determines that the 853
enterprise is so qualified and satisfies one of the criteria 854
described in divisions (B)(1) to (5) of this section, the 855
legislative authority or board may, after complying with section 856
5709.83 of the Revised Code and on or before October 15, 2009, 857
and, in the case of a board of commissioners, with the consent of 858
the legislative authority of each affected municipal corporation 859
or of the board of township trustees, enter into an agreement with 860
the enterprise under which the enterprise agrees to establish, 861
expand, renovate, or occupy a facility in the zone and hire new 862
employees, or preserve employment opportunities for existing 863
employees, in return for the following incentives: 864

(1) When the facility is located in a municipal corporation, 865
a legislative authority or board of commissioners may enter into 866
an agreement for one or more of the incentives provided in 867
division (C) of section 5709.62 of the Revised Code, subject to 868
division (D) of that section; 869

(2) When the facility is located in an unincorporated area, a board of commissioners may enter into an agreement for one or more of the incentives provided in divisions (B)(1)(b), (B)(2), and (B)(3) of section 5709.63 of the Revised Code, subject to division (C) of that section.

(D) All agreements entered into under this section shall be in the form prescribed under section 5709.631 of the Revised Code. After an agreement under this section is entered into, if the legislative authority or board of county commissioners revokes its designation of the zone, or if the director of development revokes the zone's certification, any entitlements granted under the agreement shall continue for the number of years specified in the agreement.

(E) Except as otherwise provided in this division, an agreement entered into under this section shall require that the enterprise pay an annual fee equal to the greater of one per cent of the dollar value of incentives offered under the agreement or five hundred dollars; provided, however, that if the value of the incentives exceeds two hundred fifty thousand dollars, the fee shall not exceed two thousand five hundred dollars. The fee shall be payable to the legislative authority or board of commissioners once per year for each year the agreement is effective on the days and in the form specified in the agreement. Fees paid shall be deposited in a special fund created for such purpose by the legislative authority or board and shall be used by the legislative authority or board exclusively for the purpose of complying with section 5709.68 of the Revised Code and by the tax incentive review council created under section 5709.85 of the Revised Code exclusively for the purposes of performing the duties prescribed under that section. The legislative authority or board may waive or reduce the amount of the fee charged against an enterprise, but such waiver or reduction does not affect the

obligations of the legislative authority or board or the tax 902
incentive review council to comply with section 5709.68 or 5709.85 903
of the Revised Code, respectively. 904

(F) With the approval of the legislative authority of a 905
municipal corporation or the board of township trustees of a 906
township in which a zone is designated under division (A)(2) of 907
this section, the board of county commissioners may delegate to 908
that legislative authority or board any powers and duties of the 909
board to negotiate and administer agreements with regard to that 910
zone under this section. 911

(G) When an agreement is entered into pursuant to this 912
section, the legislative authority or board of commissioners 913
authorizing the agreement shall forward a copy of the agreement to 914
the director of development and to the tax commissioner within 915
fifteen days after the agreement is entered into. If any agreement 916
includes terms not provided for in section 5709.631 of the Revised 917
Code affecting the revenue of a city, local, or exempted village 918
school district or causing revenue to be foregone by the district, 919
including any compensation to be paid to the school district 920
pursuant to section 5709.82 of the Revised Code, those terms also 921
shall be forwarded in writing to the director of development along 922
with the copy of the agreement forwarded under this division. 923

(H) After an agreement is entered into, the enterprise shall 924
file with each personal property tax return required to be filed 925
while the agreement is in effect, an informational return, on a 926
form prescribed by the tax commissioner for that purpose, setting 927
forth separately the property, and related costs and values, 928
exempted from taxation under the agreement. 929

(I) An agreement entered into under this section may include 930
a provision requiring the enterprise to create one or more 931
temporary internship positions for students enrolled in a course 932
of study at a school or other educational institution in the 933

vicinity, and to create a scholarship or provide another form of 934
educational financial assistance for students holding such a 935
position in exchange for the student's commitment to work for the 936
enterprise at the completion of the internship. 937

Sec. 5709.91. Service payments in lieu of taxes required 938
under sections 725.04, 5709.42, 5709.74, and 5709.79 of the 939
Revised Code, and service charges in lieu of taxes required under 940
sections 1728.11 and 1728.111 of the Revised Code, shall be 941
treated in the same manner as taxes for all purposes of the lien 942
described in section 323.11 of the Revised Code, including but not 943
limited to, the priority and enforcement of the lien and the 944
collection of the service payments or service charges secured by 945
the lien. 946

Sec. 5709.911. (A)(1) A municipal corporation, township, or 947
county that has enacted an ordinance or resolution under section 948
5709.40, 5709.41, 5709.73, or 5709.78 of the Revised Code or that 949
has entered into an agreement referred to in section 725.02 or 950
1728.07 of the Revised Code may file an application for exemption 951
under those sections in the same manner as other real property tax 952
exemptions, notwithstanding the indication in division (A) of 953
section 5715.27 of the Revised Code that the owner of the property 954
may file the application. 955

(2) Except as provided in division (B) of this section, if 956
the application for exemption under section 725.02, 1728.10, 957
5709.40, 5709.41, 5709.73, or 5709.78 of the Revised Code is filed 958
by a municipal corporation, township, or county and more than one 959
real property tax exemption applies by law to the property or a 960
portion of the property, both of the following apply: 961

(a) An exemption granted under section 725.02, 1728.10, 962
5709.40, 5709.41, 5709.73, or 5709.78 of the Revised Code shall be 963

subordinate to an exemption with respect to the property or 964
portion of the property granted under any other provision of the 965
Revised Code. 966

(b) Neither service payments in lieu of taxes under section 967
725.04, 5709.42, 5709.74, or 5709.79 of the Revised Code, nor 968
service charges in lieu of taxes under section 1728.11 or 1728.111 969
of the Revised Code, shall be required with respect to the 970
property or portion of the property that is exempt from real 971
property taxes under that other provision of the Revised Code 972
during the effective period of the exemption. 973

(B)(1) If the application for exemption under section 725.02, 974
1728.10, 5709.40, 5709.41, 5709.73, or 5709.78 of the Revised Code 975
is filed by the owner of the property or by a municipal 976
corporation, township, or county with the owner's written consent 977
attached to the application, and if more than one real property 978
tax exemption applies by law to the property or a portion of the 979
property, no other exemption shall be granted for the portion of 980
the property already exempt under section 725.02, 1728.10, 981
5709.40, 5709.41, 5709.73, or 5709.78 of the Revised Code unless 982
the municipal corporation, township, or county that enacted the 983
authorizing ordinance or resolution for the earlier exemption 984
provides its duly authorized written consent to the subsequent 985
exemption by means of a duly enacted ordinance or resolution. 986

(2) If the application for exemption under section 725.02, 987
1728.10, 5709.40, 5709.41, 5709.73, or 5709.78 of the Revised Code 988
is filed by a municipal corporation, township, or county and 989
approved by the tax commissioner, if the owner of the property 990
subsequently provides written consent to the exemption and the 991
consent is filed with the tax commissioner, and if more than one 992
real property tax exemption applies by law to the property or a 993
portion of the property, no other exemption shall be granted for 994
the portion of the property already exempt under section 725.02, 995

1728.10, 5709.40, 5709.41, 5709.73, or 5709.78 of the Revised Code 996
unless the municipal corporation, township, or county that enacted 997
the authorizing ordinance or resolution for the earlier exemption 998
provides its duly authorized written consent to the subsequent 999
exemption by means of a duly enacted ordinance or resolution. 1000

(C)(1) After the tax commissioner has approved or partially 1001
approved an application for exemption filed by or with the consent 1002
of a property owner under the circumstances described in division 1003
(B)(1) of this section, the municipal corporation, township, 1004
county, or property owner shall file a notice with the county 1005
recorder for the county in which the property is located that 1006
clearly identifies the property and states that the property, 1007
regardless of future use or ownership, remains liable for any 1008
service payments or service charges required by the exemption 1009
until the terms of the exemption have been satisfied, unless the 1010
municipal corporation, township, or county consents to the 1011
subsequent exemption and relinquishes its right to collect the 1012
service payments or service charges as provided in division (B)(1) 1013
of this section. The county recorder's office shall charge a fee 1014
of fourteen dollars to record the notice. 1015

(2) If a property owner subsequently provides written consent 1016
to an exemption under the circumstances described in division 1017
(B)(2) of this section, the municipal corporation, township, 1018
county, or property owner shall file notice with the county 1019
recorder for the county in which the property is located that 1020
clearly identifies the property and states that the property, 1021
regardless of future use or ownership, remains liable for any 1022
service payments or service charges required by the exemption 1023
until the terms of the exemption have been satisfied, unless the 1024
municipal corporation, township, or county consents to the 1025
subsequent exemption and relinquishes its right to collect the 1026
service payments or service charges as provided in division (B)(2) 1027

of this section. The county recorder's office shall charge a fee 1028
of fourteen dollars to record the notice. 1029

(D) Upon filing of the notice with the county recorder, the 1030
provisions of division (B) of this section are binding on all 1031
future owners of the property or portion of the property, 1032
regardless of how the property is used. Failure to file the notice 1033
with the county recorder relieves future owners of the property 1034
from the obligation to make service payments in lieu of taxes 1035
under section 725.04, 5709.42, 5709.74, or 5709.79 of the Revised 1036
Code or service charges in lieu of taxes under section 1728.11 or 1037
1728.111 of the Revised Code, if the property or a portion of the 1038
property later qualifies for exemption under any other provision 1039
of the Revised Code. Failure to file the notice does not, however, 1040
relieve the owner of the property, at the time the application for 1041
exemption is filed, from making those payments or charges. 1042

Sec. 5709.912. The tax commissioner may, in accordance with 1043
section 5703.14 of the Revised Code, adopt rules to implement 1044
sections 5709.91 and 5709.911 of the Revised Code. 1045

Section 2. That existing sections 5709.62, 5709.63, 5709.631, 1046
and 5709.632 of the Revised Code are hereby repealed. 1047

Section 3. That Sections 38 and 38.20 of Am. Sub. H.B. 95 of 1048
the 125th General Assembly be amended to read as follows: 1049

Sec. 38. DEV DEPARTMENT OF DEVELOPMENT 1050

General Revenue Fund 1051

GRF 195-321 Operating Expenses \$ 2,695,236 \$ 3,020,115 1052

GRF 195-401 Thomas Edison Program \$ 16,634,934 \$ 16,334,934 1053

GRF 195-404 Small Business \$ 1,740,722 \$ 1,740,722 1054

Development

GRF 195-405	Minority Business Development Division	\$ 1,620,755	\$ 1,669,378	1055
GRF 195-407	Travel and Tourism	\$ 6,049,345	\$ 7,049,345	1056
GRF 195-410	Defense Conversion Assistance	\$ 1,500,000	\$ 0	1057
GRF 195-412	Business Development Grants	\$ 8,905,530	\$ 8,905,530	1058
GRF 195-414	First Frontier Match	\$ 389,987	\$ 389,987	1059
GRF 195-415	Economic Development Division and Regional Offices	\$ 5,594,975	\$ 5,594,975	1060
GRF 195-416	Governor's Office of Appalachia	\$ 4,372,324	\$ 4,372,324	1061
GRF 195-417	Urban/Rural Initiative	\$ 589,390	\$ 589,390	1062
GRF 195-422	Third Frontier Action Fund	\$ 16,790,000	\$ 16,790,000	1063
GRF 195-426	Clean Ohio Administration	\$ 518,730	\$ 518,730	1064
GRF 195-432	International Trade	\$ 4,492,713	\$ 4,492,713	1065
GRF 195-434	Investment in Training Grants	\$ 12,227,500	\$ 12,227,500	1066
GRF 195-436	Labor/Management Cooperation	\$ 811,869	\$ 811,869	1067
GRF 195-497	CDBG Operating Match	\$ 1,107,400	\$ 1,107,400	1068
GRF 195-498	State Energy Match	\$ 100,000	\$ 100,000	1069
GRF 195-501	Appalachian Local Development Districts	\$ 380,080	\$ 380,080	1070
GRF 195-502	Appalachian Regional Commission Dues	\$ 238,274	\$ 246,803	1071
GRF 195-507	Travel and Tourism Grants	\$ 1,025,000	\$ 1,025,000	1072
GRF 195-515	Economic Development Contingency	\$ 10,000,000	\$ 10,000,000	1073

GRF 195-516	Shovel Ready Sites	\$	2,500,000	\$	2,500,000	1074
GRF 195-905	Third Frontier	\$	0	\$	7,360,000	1075
	Research &					
	Commercialization					
	General Obligation					
	Debt Service					
TOTAL GRF	General Revenue Fund	\$	100,284,764	\$	107,226,795	1076
	General Services Fund Group					1077
135 195-605	Supportive Services	\$	7,417,068	\$	7,539,686	1078
136 195-621	International Trade	\$	24,915	\$	24,915	1079
685 195-636	General Reimbursements	\$	1,316,012	\$	1,232,530	1080
TOTAL GSF	General Services Fund					1081
Group		\$	8,757,995	\$	8,797,131	1082
	Federal Special Revenue Fund Group					1083
3K8 195-613	Community Development	\$	65,000,000	\$	65,000,000	1084
	Block Grant					
3K9 195-611	Home Energy Assistance	\$	85,036,000	\$	85,036,000	1085
	Block Grant					
3K9 195-614	HEAP Weatherization	\$	16,219,479	\$	16,219,479	1086
3L0 195-612	Community Services	\$	25,235,000	\$	25,235,000	1087
	Block Grant					
3V1 195-601	HOME Program	\$	40,000,000	\$	40,000,000	1088
308 195-602	Appalachian Regional	\$	350,200	\$	350,200	1089
	Commission					
308 195-603	Housing and Urban	\$	5,000,000	\$	5,000,000	1090
	Development					
308 195-605	Federal Projects	\$	15,300,248	\$	15,300,248	1091
308 195-609	Small Business	\$	4,196,381	\$	4,296,381	1092
	Administration					
308 195-618	Energy Federal Grants	\$	3,397,659	\$	3,397,659	1093
335 195-610	Oil Overcharge	\$	8,500,000	\$	8,500,000	1094
380 195-622	Housing Development	\$	5,606,080	\$	5,667,627	1095

Operating			
TOTAL FED Federal Special Revenue			1096
Fund Group	\$ 273,841,047	\$ 274,002,594	1097
State Special Revenue Fund Group			1098
4F2 195-639 State Special Projects	\$ 540,183	\$ 290,183	1099
4H4 195-641 First Frontier	\$ 500,000	\$ 500,000	1100
4S0 195-630 Enterprise Zone	\$ 211,900	\$ 211,900	1101
Operating			
4S1 195-634 Job Creation Tax	\$ 375,800	\$ 375,800	1102
Credit Operating			
4W1 195-646 Minority Business	\$ 2,580,597	\$ 2,580,597	1103
Enterprise Loan			
444 195-607 Water and Sewer	\$ 523,775	\$ 523,775	1104
Commission Loans			
445 195-617 Housing Finance	\$ 5,040,843	\$ 4,983,738	1105
Operating			
450 195-624 Minority Business	\$ 13,563	\$ 13,563	1106
Bonding Program			
Administration			
451 195-625 Economic Development	\$ 2,358,310	\$ 2,358,310	1107
Financing Operating			
5M4 195-659 Universal Service	\$ 170,000,000	\$ 170,000,000	1108
5M5 195-660 Energy Efficiency	\$ 12,000,000	\$ 12,000,000	1109
Revolving Loan			
611 195-631 Water and Sewer	\$ 15,713	\$ 15,713	1110
Administration			
617 195-654 Volume Cap	\$ 200,000	\$ 200,000	1111
Administration			
646 195-638 Low and Moderate	\$ 40,000,000	\$ 40,000,000	1112
Income Housing Trust			
Fund			
TOTAL SSR State Special Revenue			1113
Fund Group	\$ 234,360,684	\$ 234,053,579	1114

Facilities Establishment Fund Group				1115
009 195-664 Innovation Ohio	\$	50,000,000	\$ 55,000,000	1116
037 195-615 Facilities	\$	63,931,149	\$ 63,931,149	1117
Establishment				
4Z6 195-647 Rural Industrial Park	\$	5,000,000	\$ 5,000,000	1118
Loan				
5D2 195-650 Urban Redevelopment	\$	10,475,000	\$ 10,475,000	1119
Loans				
5H1 195-652 Family Farm Loan	\$	1,500,000	\$ 1,500,000	1120
Guarantee				
5S8 195-627 Rural Development	\$	5,000,000	\$ 5,000,000	1121
Initiative				
5S9 195-628 Capital Access Loan	\$	3,000,000	\$ 3,000,000	1122
Program				
TOTAL 037 Facilities				1123
Establishment Fund Group	\$	138,906,149	\$ 143,906,149	1124
Clean Ohio Revitalization Fund				1125
003 195-663 Clean Ohio Operating	\$	150,000	\$ 150,000	1126
TOTAL 003 Clean Ohio Revitalization	\$	150,000	\$ 150,000	1127
Fund				
<u>Job Development Initiatives Fund</u>				1128
<u>5AD 195-667 Investment in Training</u>	\$	<u>0</u>	\$ <u>12,800,000</u>	1129
<u>Expansion</u>				
<u>5AD 195-668 Worker Guarantee</u>	\$	<u>0</u>	\$ <u>3,000,000</u>	1130
<u>Program</u>				
<u>5AD 195-669 Wright Operating</u>	\$	<u>0</u>	\$ <u>10,000,000</u>	1131
<u>Grants</u>				
<u>TOTAL 5AD Job Development</u>	\$	<u>0</u>	\$ <u>25,800,000</u>	1132
<u>Initiatives Fund</u>				
TOTAL ALL BUDGET FUND GROUPS	\$	756,300,639	\$ 768,136,248	1133
			<u>793,936,248</u>	1134

Sec. 38.20. CLEAN OHIO OPERATING EXPENSES 1136

The foregoing appropriation item 195-663, Clean Ohio 1137
Operating, shall be used by the Department of Development in 1138
administering sections 122.65 to 122.658 of the Revised Code. 1139

INVESTMENT IN TRAINING EXPANSION 1140

The foregoing appropriation item 195-667, Investment in 1141
Training Expansion, shall be used for the same purposes and in the 1142
same manner as specified in Section 38.09 of Am. Sub. H.B. 95 of 1143
the 125th General Assembly. 1144

WORKER GUARANTEE PROGRAM 1145

The foregoing appropriation item 195-668, Worker Guarantee 1146
Program, shall be used for the Worker Guarantee Program. 1147

Benefited employers must create at least 100 high-paying, 1148
full-time jobs over a three-year period and must demonstrate prior 1149
to the commitment of state funds that the availability of those 1150
skilled workers is a major factor in the employer's decision to 1151
locate or expand in Ohio. Activities eligible for funding through 1152
the Worker Guarantee Program include job assessment services, 1153
screening and testing of potential employees, customized training 1154
activities, and any other training or related service determined 1155
by the Director. 1156

A local workforce development service provider may include, 1157
but is not limited to, a community college, technical or 1158
vocational school, one-stop center, or any other entity designated 1159
by the Director of Development, to provide services under the 1160
program. 1161

State matching funds totaling one-third of a project's cost 1162
shall be provided for each approved project when an employer and 1163
any local workforce development service provider, in conjunction 1164
with the local community, contracts with the Department of 1165

Development to provide services under the program. The employer 1166
and the local community each shall provide matching funds totaling 1167
one-third of a project's cost, and each portion of the matching 1168
funds shall be equal to state funding, which also shall be 1169
one-third of a project's cost. 1170

The state shall count in-kind contributions when determining 1171
a contribution from entities associated with the local community. 1172

The Director of Development, in accordance with Chapter 119. 1173
of the Revised Code, shall adopt, and may amend or rescind, rules 1174
the Director finds necessary for the implementation and successful 1175
operation of the Worker Guarantee Program. 1176

WRIGHT OPERATING GRANTS 1177

The foregoing appropriation item 195-669, Wright Operating 1178
Grants, shall be used to provide support to the 1179
nonbioscience-oriented Wright Centers and Wright Capital Projects 1180
funded by the Board of Regents appropriation item CAP-068, Third 1181
Frontier, created by Am. Sub. S.B. 261 of the 124th General 1182
Assembly. Funding shall be awarded based on criteria established 1183
by the Department of Development consistent with the intent of the 1184
program. Prior to release of funds from appropriation item 1185
195-669, Wright Operating Grants, each grant award shall have been 1186
recommended for funding by the Third Frontier Commission and shall 1187
have obtained approval from the Controlling Board. 1188

Section 4. That existing Sections 38 and 38.20 of Am. Sub. 1189
H.B. 95 of the 125th General Assembly are hereby repealed. 1190

Section 5. Notwithstanding division (A) of section 169.05 of 1191
the Revised Code, upon the request of the Director of Budget and 1192
Management, the Director of Commerce, prior to June 30, 2005, 1193
shall transfer to the Job Development Initiatives Fund (Fund 5AD) 1194
up to \$25,800,000 of the unclaimed funds that have been reported 1195

by the holders of unclaimed funds as provided by section 169.05 of 1196
the Revised Code, irrespective of the allocation of the unclaimed 1197
funds under that section. 1198

Section 6. (A) Sections 5709.91, 5709.911, and 5709.912 of 1199
the Revised Code, as enacted by this act, apply to applications 1200
for exemption that are pending on, or are filed on or after, the 1201
effective date of this section. 1202

(B) Any application for exemption under section 725.02, 1203
1728.10, 5709.40, 5709.41, 5709.73, or 5709.78 of the Revised Code 1204
that was approved prior to the effective date of this section 1205
shall be considered to have been granted subject to the 1206
limitations set forth in division (A) of section 5709.911 of the 1207
Revised Code, as enacted by this act. These applications may, but 1208
are not required to, be re-filed with the tax commissioner within 1209
ninety days after the effective date of this section, although the 1210
failure to re-file an application does not affect the continuing 1211
validity of the exemption. Upon receipt of any such application, 1212
the tax commissioner shall expeditiously approve the application 1213
in accordance with sections 5709.91, 5709.911, and 5709.912 of the 1214
Revised Code, as enacted by this act. The tax commissioner's 1215
review of these applications shall be ministerial and shall have 1216
the same effect and effective date as the original approval, 1217
subject to divisions (A)(2), (B), (C), and (D) of section 5709.911 1218
of the Revised Code, as enacted by this act. 1219

If an application for exemption under section 725.02, 1220
1728.10, 5709.40, 5709.41, 5709.73, or 5709.78 of the Revised Code 1221
was filed by the owner of the property and approved prior to the 1222
effective date of this section, the municipal corporation, 1223
township, county, or current owner of the property may file the 1224
notice described in division (C) of section 5709.911 of the 1225
Revised Code, as enacted by this act. Upon filing of the notice 1226

with the county recorder, the property remains liable for any 1227
service payments or service charges required by the exemption 1228
until the terms of the exemption have been satisfied, unless the 1229
municipal corporation, township, or county consents to a 1230
subsequent exemption and relinquishes its right to collect the 1231
service payments or service charges as provided in division (B)(1) 1232
of section 5709.911 of the Revised Code, as enacted by this act. 1233

Section 7. Sections 5709.62, 5709.63, 5709.631, 5709.632, 1234
5709.91, 5709.911, and 5709.912 of the Revised Code, as amended or 1235
enacted by this act, and the items of law of which such sections 1236
as amended or enacted by this act are composed, are subject to the 1237
referendum. Therefore, under Ohio Constitution, Article II, 1238
Section 1c and section 1.471 of the Revised Code, such sections as 1239
amended or enacted by this act, and the items of law of which such 1240
sections as amended or enacted by this act are composed, take 1241
effect on the ninety-first day after this act is filed with the 1242
Secretary of State. If, however, a referendum petition is filed 1243
against any such section as amended or enacted by this act, or 1244
against any item of law of which any such section as amended or 1245
enacted by this act is composed, the section as amended or enacted 1246
by this act, or item of law, unless rejected at the referendum, 1247
takes effect at the earliest time permitted by law. 1248

Section 8. The uncodified sections of law amended or enacted 1249
in this act, and the items of law of which the uncodified sections 1250
of law amended or enacted in this act are composed, are not 1251
subject to the referendum. Therefore, under Ohio Constitution, 1252
Article II, Section 1d and section 1.471 of the Revised Code, the 1253
uncodified sections of law amended or enacted in this act, and the 1254
items of law of which the uncodified sections of law amended or 1255
enacted in this act are composed, go into immediate effect when 1256
this act becomes law. 1257

This section does not apply to Sections 1, 2, 6, and 9 of 1258
this act. 1259

Section 9. Sections 5709.62 and 5709.63 of the Revised Code 1260
are presented in this act as a composite of those sections as 1261
amended by both Sub. H.B. 127 and Am. Sub. S.B. 82 of the 125th 1262
General Assembly. The General Assembly, applying the principle 1263
stated in division (B) of section 1.52 of the Revised Code that 1264
amendments are to be harmonized if reasonably capable of 1265
simultaneous operation, finds that the composites are the 1266
resulting versions of the sections in effect prior to the 1267
effective date of the sections as presented in this act. 1268