

**As Reported by the Senate Finance and Financial Institutions  
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, Aslanides, Collier, Domenick,  
Gibbs, Gilb, Hagan, Oelslager, Reidelbach, Walcher  
Senators Amstutz, Harris, Randy Gardner**

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**A B I L L**

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| To amend sections 109.42, 122.18, 122.65, 5709.40, | 1  |
| 5709.42, 5709.62, 5709.63, 5709.631, 5709.632,     | 2  |
| 5709.73, 5709.74, 5709.77, 5709.78, and 5709.79    | 3  |
| and to enact sections 122.95, 122.951, 122.952,    | 4  |
| 1333.32, 1333.33, 1333.34, 5709.91, 5709.911,      | 5  |
| 5709.912, 5709.913, and 5709.914 of the Revised    | 6  |
| Code and to amend Sections 38, 38.18, and 38.20 of | 7  |
| Am. Sub. H.B. 95 of the 125th General Assembly and | 8  |
| to repeal Section 2 of Sub. S.B. 186 of the 123rd  | 9  |
| General Assembly; to increase from 10 to 15 the    | 10 |
| number of years enterprise zones or urban jobs and | 11 |
| enterprise zone agreements may exempt property     | 12 |
| from taxation, subject to school board approval;   | 13 |
| to authorize the Director of Development to grant  | 14 |
| money for the purpose of improving commercial and  | 15 |
| industrial areas within certain economically       | 16 |
| distressed counties; to create the Job Development | 17 |
| Initiatives Fund and transfer up to \$25.8 million | 18 |
| of unclaimed funds to it; to address priority,     | 19 |
| enforcement, reporting, and other issues           | 20 |

concerning tax increment financing and related 21  
programs; to broaden the definition of 22  
"brownfield" for purposes of the Clean Ohio 23  
Brownfield Revitalization Program; to establish a 24  
lien for a moldbuilder in the plastic or metal 25  
forming industries; to establish a minimum 26  
population requirement for a single county to be 27  
considered a local area under the workforce 28  
development system; to authorize the conveyance of 29  
state-owned real estate in Hamilton County to the 30  
Board of County Commissioners of Hamilton County; 31  
to modify the law authorizing payments to 32  
municipalities and counties that attract federal 33  
jobs; to prevent the repeal of the Employee 34  
Ownership Assistance Program that is to take 35  
effect December 31, 2004; to make appropriations; 36  
and to declare an emergency. 37

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

**Section 1.** That sections 109.42, 122.18, 122.65, 5709.40, 38  
5709.42, 5709.62, 5709.63, 5709.631, 5709.632, 5709.73, 5709.74, 39  
5709.77, 5709.78, and 5709.79 be amended and sections 122.95, 40  
122.951, 122.952, 1333.32, 1333.33, 1333.34, 5709.91, 5709.911, 41  
5709.912, 5709.913, and 5709.914 of the Revised Code be enacted to 42  
read as follows: 43

**Sec. 109.42.** (A) The attorney general shall prepare and have 44  
printed a pamphlet that contains a compilation of all statutes 45  
relative to victim's rights in which the attorney general lists 46  
and explains the statutes in the form of a victim's bill of 47  
rights. The attorney general shall distribute the pamphlet to all 48  
sheriffs, marshals, municipal corporation and township police 49

departments, constables, and other law enforcement agencies, to 50  
all prosecuting attorneys, city directors of law, village 51  
solicitors, and other similar chief legal officers of municipal 52  
corporations, and to organizations that represent or provide 53  
services for victims of crime. The victim's bill of rights set 54  
forth in the pamphlet shall contain a description of all of the 55  
rights of victims that are provided for in Chapter 2930. or in any 56  
other section of the Revised Code and shall include, but not be 57  
limited to, all of the following: 58

(1) The right of a victim or a victim's representative to 59  
attend a proceeding before a grand jury, in a juvenile case, or in 60  
a criminal case pursuant to a subpoena without being discharged 61  
from the victim's or representative's employment, having the 62  
victim's or representative's employment terminated, having the 63  
victim's or representative's pay decreased or withheld, or 64  
otherwise being punished, penalized, or threatened as a result of 65  
time lost from regular employment because of the victim's or 66  
representative's attendance at the proceeding pursuant to the 67  
subpoena, as set forth in section 2151.211, 2930.18, 2939.121, or 68  
2945.451 of the Revised Code; 69

(2) The potential availability pursuant to section 2151.359 70  
or 2152.61 of the Revised Code of a forfeited recognizance to pay 71  
damages caused by a child when the delinquency of the child or 72  
child's violation of probation or community control is found to be 73  
proximately caused by the failure of the child's parent or 74  
guardian to subject the child to reasonable parental authority or 75  
to faithfully discharge the conditions of probation or community 76  
control; 77

(3) The availability of awards of reparations pursuant to 78  
sections 2743.51 to 2743.72 of the Revised Code for injuries 79  
caused by criminal offenses; 80

(4) The right of the victim in certain criminal or juvenile cases or a victim's representative to receive, pursuant to section 2930.06 of the Revised Code, notice of the date, time, and place of the trial or delinquency proceeding in the case or, if there will not be a trial or delinquency proceeding, information from the prosecutor, as defined in section 2930.01 of the Revised Code, regarding the disposition of the case;

(5) The right of the victim in certain criminal or juvenile cases or a victim's representative to receive, pursuant to section 2930.04, 2930.05, or 2930.06 of the Revised Code, notice of the name of the person charged with the violation, the case or docket number assigned to the charge, and a telephone number or numbers that can be called to obtain information about the disposition of the case;

(6) The right of the victim in certain criminal or juvenile cases or of the victim's representative pursuant to section 2930.13 or 2930.14 of the Revised Code, subject to any reasonable terms set by the court as authorized under section 2930.14 of the Revised Code, to make a statement about the victimization and, if applicable, a statement relative to the sentencing or disposition of the offender;

(7) The opportunity to obtain a court order, pursuant to section 2945.04 of the Revised Code, to prevent or stop the commission of the offense of intimidation of a crime victim or witness or an offense against the person or property of the complainant, or of the complainant's ward or child;

(8) The right of the victim in certain criminal or juvenile cases or a victim's representative pursuant to sections 2151.38, 2929.20, 2930.10, 2930.16, and 2930.17 of the Revised Code to receive notice of a pending motion for judicial release or early release of the person who committed the offense against the

victim, to make an oral or written statement at the court hearing 112  
on the motion, and to be notified of the court's decision on the 113  
motion; 114

(9) The right of the victim in certain criminal or juvenile 115  
cases or a victim's representative pursuant to section 2930.16, 116  
2967.12, 2967.26, or 5139.56 of the Revised Code to receive notice 117  
of any pending commutation, pardon, parole, transitional control, 118  
discharge, other form of authorized release, post-release control, 119  
or supervised release for the person who committed the offense 120  
against the victim or any application for release of that person 121  
and to send a written statement relative to the victimization and 122  
the pending action to the adult parole authority or the release 123  
authority of the department of youth services; 124

(10) The right of the victim to bring a civil action pursuant 125  
to sections 2969.01 to 2969.06 of the Revised Code to obtain money 126  
from the offender's profit fund; 127

(11) The right, pursuant to section 3109.09 of the Revised 128  
Code, to maintain a civil action to recover compensatory damages 129  
not exceeding ten thousand dollars and costs from the parent of a 130  
minor who willfully damages property through the commission of an 131  
act that would be a theft offense, as defined in section 2913.01 132  
of the Revised Code, if committed by an adult; 133

(12) The right, pursuant to section 3109.10 of the Revised 134  
Code, to maintain a civil action to recover compensatory damages 135  
not exceeding ten thousand dollars and costs from the parent of a 136  
minor who willfully and maliciously assaults a person; 137

(13) The possibility of receiving restitution from an 138  
offender or a delinquent child pursuant to section 2152.20, 139  
2929.18, or 2929.28 of the Revised Code; 140

(14) The right of the victim in certain criminal or juvenile 141  
cases or a victim's representative, pursuant to section 2930.16 of 142

the Revised Code, to receive notice of the escape from confinement 143  
or custody of the person who committed the offense, to receive 144  
that notice from the custodial agency of the person at the 145  
victim's last address or telephone number provided to the 146  
custodial agency, and to receive notice that, if either the 147  
victim's address or telephone number changes, it is in the 148  
victim's interest to provide the new address or telephone number 149  
to the custodial agency; 150

(15) The right of a victim of domestic violence to seek the 151  
issuance of a civil protection order pursuant to section 3113.31 152  
of the Revised Code, the right of a victim of a violation of 153  
section 2903.14, 2909.06, 2909.07, 2911.12, 2911.211, or 2919.22 154  
of the Revised Code, a violation of a substantially similar 155  
municipal ordinance, or an offense of violence who is a family or 156  
household member of the offender at the time of the offense to 157  
seek the issuance of a temporary protection order pursuant to 158  
section 2919.26 of the Revised Code, and the right of both types 159  
of victims to be accompanied by a victim advocate during court 160  
proceedings; 161

(16) The right of a victim of a sexually oriented offense 162  
that is not a registration-exempt sexually oriented offense or of 163  
a child-victim oriented offense that is committed by a person who 164  
is convicted of or pleads guilty to an aggravated sexually 165  
oriented offense, by a person who is adjudicated a sexual predator 166  
or child-victim predator, or, in certain cases, by a person who is 167  
determined to be a habitual sex offender or habitual child-victim 168  
offender to receive, pursuant to section 2950.10 of the Revised 169  
Code, notice that the person has registered with a sheriff under 170  
section 2950.04, 2950.041, or 2950.05 of the Revised Code and 171  
notice of the person's name, the person's residence that is 172  
registered, and the offender's school, institution of higher 173  
education, or place of employment address or addresses that are 174

registered, and a summary of the manner in which the victim must 175  
make a request to receive the notice. As used in this division, 176  
"sexually oriented offense," "adjudicated a sexual predator," 177  
"habitual sex offender," "registration-exempt sexually oriented 178  
offense," "aggravated sexually oriented offense," "child-victim 179  
oriented offense," "adjudicated a child-victim predator," and 180  
"habitual child-victim offender" have the same meanings as in 181  
section 2950.01 of the Revised Code. 182

(17) The right of a victim of certain sexually violent 183  
offenses committed by a sexually violent predator who is sentenced 184  
to a prison term pursuant to division (A)(3) of section 2971.03 of 185  
the Revised Code to receive, pursuant to section 2930.16 of the 186  
Revised Code, notice of a hearing to determine whether to modify 187  
the requirement that the offender serve the entire prison term in 188  
a state correctional facility, whether to continue, revise, or 189  
revoke any existing modification of that requirement, or whether 190  
to terminate the prison term. As used in this division, "sexually 191  
violent offense" and "sexually violent predator" have the same 192  
meanings as in section 2971.01 of the Revised Code. 193

(B)(1)(a) Subject to division (B)(1)(c) of this section, a 194  
prosecuting attorney, assistant prosecuting attorney, city 195  
director of law, assistant city director of law, village 196  
solicitor, assistant village solicitor, or similar chief legal 197  
officer of a municipal corporation or an assistant of any of those 198  
officers who prosecutes an offense committed in this state, upon 199  
first contact with the victim of the offense, the victim's family, 200  
or the victim's dependents, shall give the victim, the victim's 201  
family, or the victim's dependents a copy of the pamphlet prepared 202  
pursuant to division (A) of this section and explain, upon 203  
request, the information in the pamphlet to the victim, the 204  
victim's family, or the victim's dependents. 205

(b) Subject to division (B)(1)(c) of this section, a law 206

enforcement agency that investigates an offense or delinquent act 207  
committed in this state shall give the victim of the offense or 208  
delinquent act, the victim's family, or the victim's dependents a 209  
copy of the pamphlet prepared pursuant to division (A) of this 210  
section at one of the following times: 211

(i) Upon first contact with the victim, the victim's family, 212  
or the victim's dependents; 213

(ii) If the offense or delinquent act is an offense of 214  
violence, if the circumstances of the offense or delinquent act 215  
and the condition of the victim, the victim's family, or the 216  
victim's dependents indicate that the victim, the victim's family, 217  
or the victim's dependents will not be able to understand the 218  
significance of the pamphlet upon first contact with the agency, 219  
and if the agency anticipates that it will have an additional 220  
contact with the victim, the victim's family, or the victim's 221  
dependents, upon the agency's second contact with the victim, the 222  
victim's family, or the victim's dependents. 223

If the agency does not give the victim, the victim's family, 224  
or the victim's dependents a copy of the pamphlet upon first 225  
contact with them and does not have a second contact with the 226  
victim, the victim's family, or the victim's dependents, the 227  
agency shall mail a copy of the pamphlet to the victim, the 228  
victim's family, or the victim's dependents at their last known 229  
address. 230

(c) In complying on and after December 9, 1994, with the 231  
duties imposed by division (B)(1)(a) or (b) of this section, an 232  
official or a law enforcement agency shall use copies of the 233  
pamphlet that are in the official's or agency's possession on 234  
December 9, 1994, until the official or agency has distributed all 235  
of those copies. After the official or agency has distributed all 236  
of those copies, the official or agency shall use only copies of 237  
the pamphlet that contain at least the information described in 238



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| divisions (A)(1) to (17) of this section.                              | 239 |
| (2) The failure of a law enforcement agency or of a                    | 240 |
| prosecuting attorney, assistant prosecuting attorney, city             | 241 |
| director of law, assistant city director of law, village               | 242 |
| solicitor, assistant village solicitor, or similar chief legal         | 243 |
| officer of a municipal corporation or an assistant to any of those     | 244 |
| officers to give, as required by division (B)(1) of this section,      | 245 |
| the victim of an offense or delinquent act, the victim's family,       | 246 |
| or the victim's dependents a copy of the pamphlet prepared             | 247 |
| pursuant to division (A) of this section does not give the victim,     | 248 |
| the victim's family, the victim's dependents, or a victim's            | 249 |
| representative any rights under section <del>122.95</del> , 2743.51 to | 250 |
| 2743.72, 2945.04, 2967.12, 2969.01 to 2969.06, 3109.09, or 3109.10     | 251 |
| of the Revised Code or under any other provision of the Revised        | 252 |
| Code and does not affect any right under those sections.               | 253 |
| (3) A law enforcement agency, a prosecuting attorney or                | 254 |
| assistant prosecuting attorney, or a city director of law,             | 255 |
| assistant city director of law, village solicitor, assistant           | 256 |
| village solicitor, or similar chief legal officer of a municipal       | 257 |
| corporation that distributes a copy of the pamphlet prepared           | 258 |
| pursuant to division (A) of this section shall not be required to      | 259 |
| distribute a copy of an information card or other printed material     | 260 |
| provided by the clerk of the court of claims pursuant to section       | 261 |
| 2743.71 of the Revised Code.   | 262 |
| (C) The cost of printing and distributing the pamphlet                 | 263 |
| prepared pursuant to division (A) of this section shall be paid        | 264 |
| out of the reparations fund, created pursuant to section 2743.191      | 265 |
| of the Revised Code, in accordance with division (D) of that           | 266 |
| section.   | 267 |
| (D) As used in this section:   | 268 |
| (1) "Victim's representative" has the same meaning as in               | 269 |

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|---|---------------------------------|
| section 2930.01 of the Revised Code;  | 270                             |
| (2) "Victim advocate" has the same meaning as in section 2919.26 of the Revised Code.   | 271<br>272                      |
| <b>Sec. 122.18.</b> (A) As used in this section:  | 273                             |
| (1) "Facility" means all real property and interests in real property owned by a landlord and leased to a tenant pursuant to a project that is the subject of an agreement under this section;  | 274<br>275<br>276               |
| (2) "Full-time employee" has the same meaning as under section 122.17 of the Revised Code;  | 277<br>278                      |
| (3) "Landlord" means a county or municipal corporation, or a corporate entity that is an instrumentality of a county or municipal corporation and that is not subject to the tax imposed by section 5733.06 or 5747.02 of the Revised Code;                                 | 279<br>280<br>281<br>282        |
| (4) "New employee" means a full-time employee first employed by, <u>or under or pursuant to a contract with,</u> the tenant in the project that is the subject of the agreement after a landlord enters into an agreement with the tax credit authority under this section; | 283<br>284<br>285<br>286<br>287 |
| (5) "New income tax revenue" means the total amount withheld under section 5747.06 of the Revised Code by the tenant <u>or tenants</u> at a facility during a year from the compensation of new employees for the tax levied under Chapter 5747. of the Revised Code;       | 288<br>289<br>290<br>291        |
| (6) "Tenant" means the United States <del>or,</del> <u>any department, agency, or instrumentality thereof of the United States, or any person under contract with the United States or any department, agency, or instrumentality of the United States.</u>                 | 292<br>293<br>294<br>295        |
| (B) The tax credit authority may enter into an agreement with a landlord under which an annual payment equal to the new income tax revenue or the amount called for under division (D)(3) or (4) of this section shall be made to the landlord from moneys of this          | 296<br>297<br>298<br>299        |

state that were not raised by taxation, and shall be credited by 300  
the landlord to the rental owing from the tenant to the landlord 301  
for a facility. 302

(C) A landlord that proposes a project to create new jobs in 303  
this state may apply to the tax credit authority to enter into an 304  
agreement for annual payments under this section. The director of 305  
development shall prescribe the form of the application. After 306  
receipt of an application, the authority may enter into an 307  
agreement with the landlord for annual payments under this section 308  
if it determines all of the following: 309

(1) The project will create new jobs in this state; 310

(2) The project is economically sound and will benefit the 311  
people of this state by increasing opportunities for employment 312  
and strengthening the economy of this state; 313

(3) Receiving the annual payments will be a major factor in 314  
the decision of the landlord and tenant to go forward with the 315  
project. 316

(D) An agreement with a landlord for annual payments shall 317  
include all of the following: 318

(1) A description of the project that is the subject of the 319  
agreement; 320

(2) The term of the agreement, which shall ~~be the greater of~~ 321  
~~not exceed~~ twenty years ~~or until the date on which the bonds or~~ 322  
~~other forms of financing referred to in division (D)(3) of this~~ 323  
~~section are no longer outstanding;~~ 324

(3) Based on the estimated new income tax revenue to be 325  
derived from the facility at the time the agreement is entered 326  
into, provision for a guaranteed ~~minimum~~ payment to the landlord 327  
commencing with the issuance by the landlord of any bonds or other 328  
forms of financing for the construction of the facility and 329

~~continuing for so long as such bonds or other forms of financing~~ 330  
~~or any bonds or other forms of financing issued to refund such~~ 331  
~~bonds or other forms of financing are outstanding the term~~ 332  
~~approved by the authority;~~ 333

(4) Provision for offsets to this state of the annual payment 334  
in years in which such annual payment is greater than the 335  
guaranteed ~~minimum~~ payment of amounts previously paid by this 336  
state to the landlord in excess of the new income tax revenue by 337  
reason of the guaranteed ~~minimum~~ payment; 338

(5) A specific method for determining how many new employees 339  
are employed during a year; 340

(6) A requirement that the landlord annually shall obtain 341  
from the tenant and report to the director of development the 342  
number of new employees, the new income tax revenue withheld in 343  
connection with the new employees, and any other information the 344  
director needs to perform the director's duties under this 345  
section; 346

(7) A requirement that the director of development annually 347  
shall verify the amounts reported under division (D)(6) of this 348  
section, and after doing so shall issue a certificate to the 349  
landlord stating that the amounts have been verified. 350

(E) The director of development, in accordance with Chapter 351  
119. of the Revised Code, shall adopt rules necessary to implement 352  
this section. 353

**Sec. 122.65.** As used in sections 122.65 to 122.659 of the 354  
Revised Code: 355

(A) "Applicable cleanup standards" means either of the 356  
following: 357

(1) For property to which Chapter 3734. of the Revised Code 358  
and rules adopted under it apply, the requirements for closure or 359

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| corrective action established in rules adopted under section                  | 360 |
| 3734.12 of the Revised Code;  | 361 |
| (2) For property to which Chapter 3746. of the Revised Code                   | 362 |
| and rules adopted under it apply, the cleanup standards that are              | 363 |
| established in rules adopted under section 3746.04 of the Revised             | 364 |
| Code.   | 365 |
| (B) "Applicant" means a county, township, municipal                           | 366 |
| corporation, port authority, or conservancy district or a park                | 367 |
| district, other similar park authority, nonprofit organization, or            | 368 |
| organization for profit that has entered into an agreement with a             | 369 |
| county, township, municipal corporation, port authority, or                   | 370 |
| conservancy district to work in conjunction with that county,                 | 371 |
| township, municipal corporation, port authority, or conservancy               | 372 |
| district for the purposes of sections 122.65 to 122.658 of the                | 373 |
| Revised Code.   | 374 |
| (C) "Assessment" means a phase I and phase II property                        | 375 |
| assessment conducted in accordance with section 3746.04 of the                | 376 |
| Revised Code and rules adopted under that section.                            | 377 |
| (D) "Brownfield" means an abandoned, idled, or under-used                     | 378 |
| industrial <del>or</del> , commercial, <u>or institutional</u> property where | 379 |
| expansion or redevelopment is complicated by known or potential               | 380 |
| releases of hazardous substances or petroleum.                                | 381 |
| (E) "Certified professional," "hazardous substance,"                          | 382 |
| "petroleum," and "release" have the same meanings as in section               | 383 |
| 3746.01 of the Revised Code.  | 384 |
| (F) "Cleanup or remediation" means any action to contain,                     | 385 |
| remove, or dispose of hazardous substances or petroleum at a                  | 386 |
| brownfield. "Cleanup or remediation" includes the acquisition of a            | 387 |
| brownfield, demolition performed at a brownfield, and the                     | 388 |
| installation or upgrade of the minimum amount of infrastructure               | 389 |
| that is necessary to make a brownfield operational for economic               | 390 |

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| development activity.  | 391 |
| (G) "Distressed area" means either a municipal corporation         | 392 |
| with a population of at least fifty thousand or a county that      | 393 |
| meets any two of the following criteria:                           | 394 |
| (1) Its average rate of unemployment, during the most recent       | 395 |
| five-year period for which data are available, is equal to at      | 396 |
| least one hundred twenty-five per cent of the average rate of      | 397 |
| unemployment for the United States for the same period.            | 398 |
| (2) It has a per capita income equal to or below eighty per        | 399 |
| cent of the median county per capita income of the United States   | 400 |
| as determined by the most recently available figures from the      | 401 |
| United States census bureau.                                       | 402 |
| (3)(a) In the case of a municipal corporation, at least            | 403 |
| twenty per cent of the residents have a total income for the most  | 404 |
| recent census year that is below the official poverty line.        | 405 |
| (b) In the case of a county, in intercensal years, the county      | 406 |
| has a ratio of transfer payment income to total county income      | 407 |
| equal to or greater than twenty-five per cent.                     | 408 |
| "Distressed area" includes a municipal corporation the             | 409 |
| majority of the population of which is situated in a county that   | 410 |
| is a distressed area.  | 411 |
| (H) "Eligible area" means a distressed area, an inner city         | 412 |
| area, a labor surplus area, or a situational distress area.        | 413 |
| (I) "Inner city area" means an area in a municipal                 | 414 |
| corporation that has a population of at least one hundred          | 415 |
| thousand, is not a labor surplus area, and is a targeted           | 416 |
| investment area established by the municipal corporation that is   | 417 |
| comprised of block tracts identified in the most recently          | 418 |
| available figures from the United States census bureau in which at | 419 |
| least twenty per cent of the population in the area is at or below | 420 |

the official poverty line or of contiguous block tracts meeting 421  
those criteria. 422

(J) "Institutional property" means property currently or 423  
formerly owned or controlled by the state that is or was used for 424  
a public or charitable purpose. However, "institutional property" 425  
does not mean property that is or was used for educational 426  
purposes. 427

(K) "Integrating committee" means a district public works 428  
integrating committee established under section 164.04 of the 429  
Revised Code. 430

~~(K)~~(L) "Labor surplus area" means an area designated as a 431  
labor surplus area by the United States department of labor. 432

~~(L)~~(M) "Loan" includes credit enhancement. 433

~~(M)~~(N) "No further action letter" means a letter that is 434  
prepared by a certified professional when, on the basis of the 435  
best knowledge, information, and belief of the certified 436  
professional, the certified professional concludes that the 437  
cleanup or remediation of a brownfield meets the applicable 438  
cleanup standards and that contains all of the information 439  
specified in rules adopted under division (B)(7) of section 440  
3746.04 of the Revised Code. 441

~~(N)~~(O) "Nonprofit organization" means a corporation, 442  
association, group, institution, society, or other organization 443  
that is exempt from federal income taxation under section 444  
501(c)(3) of the "Internal Revenue Code of 1986," 100 Stat. 2085, 445  
26 U.S.C. 501(c)(3), as amended. 446

~~(O)~~(P) "Property" means any parcel of real property, or 447  
portion of such a parcel, and any improvements to it. 448

~~(P)~~(Q) "Public health project" means the cleanup or 449  
remediation of a release or threatened release of hazardous 450

substances or petroleum at a property where little or no economic 451  
redevelopment potential exists. 452

~~(Q)~~(R) "Official poverty line" has the same meaning as in 453  
section 3923.51 of the Revised Code. 454

~~(R)~~(S) "Situational distress area" means a county or a 455  
municipal corporation that has experienced or is experiencing a 456  
closing or downsizing of a major employer that will adversely 457  
affect the county or municipal corporation's economy and that has 458  
applied to the director of development to be designated as a 459  
situational distress area for not more than thirty months by 460  
demonstrating all of the following: 461

(1) The number of jobs lost by the closing or downsizing; 462

(2) The impact that the job loss has on the county or 463  
municipal corporation's unemployment rate as measured by the 464  
director of job and family services; 465

(3) The annual payroll associated with the job loss; 466

(4) The amount of state and local taxes associated with the 467  
job loss; 468

(5) The impact that the closing or downsizing has on 469  
suppliers located in the county or municipal corporation. 470

**Sec. 122.95.** As used in sections 122.95 to 122.952 of the 471  
Revised Code: 472

(A) "Commercial or industrial areas" means areas established 473  
by a state, county, municipal, or other local zoning authority as 474  
being most appropriate for business, commerce, industry, or trade 475  
or an area not zoned by state or local law, regulation, or 476  
ordinance, but in which there is located one or more commercial or 477  
industrial activities. 478

(B) "Eligible county" means any of the following: 479



(1) A county designated as being in the "Appalachian region" under the "Appalachian Regional Development Act of 1965," 79 Stat. 5, 40 U.S.C. App. 403; 480  
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(2) A county that is a "distressed area" as defined in section 122.16 of the Revised Code; 483  
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(3) A county that has a population of less than one hundred thousand according to the most recent federal decennial census and in which three hundred fifty or more residents of the county were, during the most recently completed calendar year, permanently or temporarily terminated from a private sector employment position for any reason not reflecting discredit on the employee; 485  
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(4) A county that has a population of one hundred thousand or more according to the most recent federal decennial census and in which one thousand or more residents of the county were, during the most recently completed calendar year, permanently or temporarily terminated from a private sector employment position for any reason not reflecting discredit on the employee. 491  
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**Sec. 122.951.** (A) If the director of development determines that a grant from the industrial site improvement fund will create new jobs or preserve existing jobs and employment opportunities in an eligible county, the director may grant up to one million dollars from the fund to the eligible county for the purpose of making improvements to commercial or industrial areas within the eligible county, including, but not limited to: 497  
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(1) Expanding, remodeling, renovating, and modernizing buildings, structures, and other improvements; 504  
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(2) Remediating environmentally contaminated property on which hazardous substances exist under conditions that have caused or would cause the property to be identified as contaminated by the Ohio or United States environmental protection agency; and 506  
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(3) Infrastructure improvements, including, but not limited to, site preparation, including building demolition and removal; streets, roads, bridges, and traffic control devices; parking lots and facilities; water and sewer lines and treatment plants; gas, electric, and telecommunications, including broadband, hook-ups; and water and railway access improvements. 510  
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(B) An eligible county may apply to the director for a grant under this section in the form and manner prescribed by the director. The eligible county shall include on the application all information required by the director. The application shall require the eligible county to provide a detailed description of how the eligible county would use a grant to improve commercial or industrial areas within the eligible county, and to specify how a grant will lead to the creation of new jobs or the preservation of existing jobs and employment opportunities in the eligible county. The eligible county shall specify in the application the amount of the grant for which the eligible county is applying. 516  
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(C) An eligible county that receives a grant under this section is not eligible for any additional grants from the industrial site improvement fund. 527  
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**Sec. 122.952.** There is hereby created in the state treasury the industrial site improvement fund, which shall consist of money appropriated to the fund by the general assembly. Money in the fund shall be used exclusively for the purpose of making grants to eligible counties under section 122.951 of the Revised Code. 530  
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The director of development shall prescribe the form and manner in which applications for grants are to be made. 535  
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**Sec. 1333.32.** For purposes of sections 1333.32 to 1333.34 of the Revised Code, all of the following apply: 537  
538

(A) "Customer" means a person that causes a moldbuilder to 539

fabricate, cut, cast, or design molds. 540

(B) "Mold" means molds, dies, forms, tools, and parts, for 541  
the plastic industry or for the metal forming industry. 542

(C) "Moldbuilder" means a person, including but not limited 543  
to, a model maker, patternmaker, die maker, jig and fixture 544  
builder, die sinker, mold designer, mold programmer, and mold 545  
engineer, that fabricates, cuts, casts, or designs molds for the 546  
plastic industry or for the metal forming industry. "Moldbuilder" 547  
does not include a person described in division (A)(2) of section 548  
1333.29 of the Revised Code, unless the person also engages in the 549  
activities described in this division. 550

(D) "Molder" has the same definition as in division (A) of 551  
section 1333.29 of the Revised Code, but does not include a 552  
moldbuilder. 553

(E) "Person" means an individual, firm, partnership, 554  
association, corporation, limited liability company, or other 555  
legal entity. 556

**Sec. 1333.33.** (A)(1) A moldbuilder has a lien on all molds 557  
produced by it and on all proceeds from the assignment, sale, 558  
transfer, exchange, or other disposition of the molds produced by 559  
it until the moldbuilder is paid in full all amounts due the 560  
moldbuilder for the production of the mold or these proceeds. The 561  
lien described in this division attaches when the mold is 562  
delivered from the moldbuilder to the customer. 563

(2) The amount of the lien described in division (A)(1) of 564  
this section is the amount that a customer or molder owes the 565  
moldbuilder for the fabrication, repair, or modification of the 566  
mold. 567

(3) The moldbuilder retains the lien described in division 568  
(A)(1) of this section even if the moldbuilder is not in 569

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|---|-----|
| <u>possession of the mold for which the lien is claimed.</u>              | 570 |
| <u>(B) A moldbuilder perfects a lien described in division (A)</u>        | 571 |
| <u>of this section by filing a financing statement in accordance with</u> | 572 |
| <u>the requirements of section 1309.502 of the Revised Code, which</u>    | 573 |
| <u>filing constitutes constructive notice of the lien described in</u>    | 574 |
| <u>division (A) of this section.</u>                                      | 575 |
| <u>(C) The perfected lien described in division (B) of this</u>           | 576 |
| <u>section remains valid until all of the following occur:</u>            | 577 |
| <u>(1) The moldbuilder receives the full amount due it for the</u>        | 578 |
| <u>mold.</u>  | 579 |
| <u>(2) The customer receives a verified statement from the</u>            | 580 |
| <u>molder that the molder has paid the amount for which the lien is</u>   | 581 |
| <u>claimed.</u>   | 582 |
| <u>(3) The financing statement is terminated.</u>                         | 583 |
| <u>(D) The priority of a perfected lien described in division</u>         | 584 |
| <u>(B) of this section on the same mold shall be determined based on</u>  | 585 |
| <u>the time that the lien attaches. The first lien that attaches</u>      | 586 |
| <u>pursuant to division (A)(1) of this section has priority over</u>      | 587 |
| <u>liens that attach subsequent to the first lien.</u>                    | 588 |
| <u>(E)(1) Any provision of a contract that waives a</u>                   | 589 |
| <u>moldbuilder's right or an obligation of a person established by</u>    | 590 |
| <u>sections 1333.32 to 1333.34 of the Revised Code is void and</u>        | 591 |
| <u>unenforceable as against public policy. Division (E)(1) of this</u>    | 592 |
| <u>section does not affect the validity of other provisions of the</u>    | 593 |
| <u>contract or of a related document, policy, or agreement that can</u>   | 594 |
| <u>be given effect without the voided provision.</u>                      | 595 |
| <u>(2) Any provision of a contract requiring the application of</u>       | 596 |
| <u>the law of another state rather than sections 1333.32 to 1333.34</u>   | 597 |
| <u>of the Revised Code is void and unenforceable as against public</u>    | 598 |
| <u>policy.</u>  | 599 |

Sec. 1333.34. (A) To enforce a moldbuilder's lien attached pursuant to section 1333.33 of the Revised Code, the moldbuilder shall give written notice to the customer and molder stating that a lien is claimed; the amount that the moldbuilder claims is owed for fabrication, repair, or modification of the mold; and a demand for payment. The written notice described in this division shall be given by hand delivery or certified mail, return receipt requested, to the last known address of the customer and to the last known address of the molder. 600  
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(B) If the moldbuilder has not been paid the amount claimed in the notice described in division (A) of this section within ninety days after that notice is received by the customer and by the molder, the moldbuilder has a right to possession of the mold and may do the following: 609  
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(1) Enforce the right to possession of the mold by judgment, foreclosure, or any available judicial procedure; 614  
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(2) Commence a civil action described in division (D) of this section in a court of common pleas to enforce the lien, including by obtaining a judgment for the amounts owed that are described in division (A) of this section and a judgment permitting the mold to be sold at an execution sale; 616  
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(3) One or more of the following: 621

(a) Take possession of the mold, if possession without judicial process can be done without breach of the peace; 622  
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(b) Sell the mold in a public auction. 624

(C) A sale pursuant to this section shall not be made or possession shall not be obtained pursuant to division (B) of this section, if it violates a right of the customer or molder under federal patent, bankruptcy, or copyright laws. 625  
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(D) A moldbuilder that suffers damages because of a violation 629

of sections 1333.32 to 1333.34 of the Revised Code may obtain 630  
appropriate legal and equitable relief, including damages, in a 631  
civil action. 632

(E) In any action by a moldbuilder to enforce a perfected 633  
lien described in section 1333.33 of the Revised Code, the court 634  
shall award the moldbuilder that is the prevailing party 635  
reasonable attorney fees, court costs, and expenses related to 636  
enforcement of the lien. 637

**Sec. 5709.40.** (A) As used in this section: 638

(1) "Blighted area" and "impacted city" have the same 639  
meanings as in section 1728.01 of the Revised Code. 640

(2) "Business day" means a day of the week excluding 641  
Saturday, Sunday, and a legal holiday as defined under section 642  
1.14 of the Revised Code. 643

(3) "Housing renovation" means a project carried out for 644  
residential purposes. 645

(4) "Improvement" means the increase in the assessed value of 646  
~~a parcel of~~ any real property that would first appear on the tax 647  
list and duplicate of real and public utility property after the 648  
effective date of an ordinance adopted under this section were it 649  
not for the exemption granted by that ordinance. "Improvement" 650  
does not include a public infrastructure improvement. 651

(5) "Incentive district" means an area not more than three 652  
hundred acres in size enclosed by a continuous boundary and having 653  
one or more of the following distress characteristics: 654

(a) At least fifty-one per cent of the residents of the 655  
district have incomes of less than eighty per cent of the median 656  
income of residents of the political subdivision in which the 657  
district is located, as determined in the same manner specified 658  
under section 119(b) of the "Housing and Community Development Act 659

of 1974," 88 Stat. 633, 42 U.S.C. 5318, as amended; 660

(b) The average rate of unemployment in the district during 661  
the most recent twelve-month period for which data are available 662  
is equal to at least one hundred fifty per cent of the average 663  
rate of unemployment for this state for the same period. 664

(c) At least twenty per cent of the people residing in the 665  
district live at or below the poverty level as defined in the 666  
federal Housing and Community Development Act of 1974, 42 U.S.C. 667  
5301, as amended, and regulations adopted pursuant to that act. 668

(d) The district is a blighted area. 669

(e) The district is in a situational distress area as 670  
designated by the director of development under division (F) of 671  
section 122.23 of the Revised Code. 672

(f) As certified by the engineer for the political 673  
subdivision, the public infrastructure serving the district is 674  
inadequate to meet the development needs of the district as 675  
evidenced by a written economic development plan or urban renewal 676  
plan for the district that has been adopted by the legislative 677  
authority of the subdivision. 678

(g) The district is comprised entirely of unimproved land 679  
that is located in a distressed area as defined in section 122.23 680  
of the Revised Code. 681

(6) "Project" means development activities undertaken on one 682  
or more parcels, including, but not limited to, construction, 683  
expansion, and alteration of buildings or structures, demolition, 684  
remediation, and site development, and any building or structure 685  
that results from those activities. 686

(7) "Public infrastructure improvement" includes, but is not 687  
limited to, public roads and highways; water and sewer lines; 688  
environmental remediation; land acquisition, including acquisition 689

in aid of industry, commerce, distribution, or research; 690  
demolition, including demolition on private property when 691  
determined to be necessary for economic development purposes; 692  
stormwater and flood remediation projects, including such projects 693  
on private property when determined to be necessary for public 694  
health, safety, and welfare; the provision of gas, electric, and 695  
communications service facilities; and the enhancement of public 696  
waterways through improvements that allow for greater public 697  
access. 698

(B) The legislative authority of a municipal corporation, by 699  
ordinance, may declare improvements to certain parcels of real 700  
property located in the municipal corporation to be a public 701  
purpose. Improvements with respect to a parcel that is used or to 702  
be used for residential purposes may be declared a public purpose 703  
under this division only if the parcel is located in a blighted 704  
area of an impacted city. Except as otherwise provided in division 705  
(D) of this section, not more than seventy-five per cent of an 706  
improvement thus declared to be a public purpose may be exempted 707  
from real property taxation; the percentage exempted shall not, 708  
except as otherwise provided in that division, exceed the 709  
estimated percentage of the incremental demand placed on the 710  
public infrastructure improvements that is directly attributable 711  
to the exempted improvement. The ordinance shall specify the 712  
percentage of the improvement to be exempted from taxation. 713

An ordinance adopted or amended under this division shall 714  
designate the specific public infrastructure improvements made, to 715  
be made, or in the process of being made by the municipal 716  
corporation that directly benefit, or that once made will directly 717  
benefit, the parcels for which improvements are declared to be a 718  
public purpose. For the purposes of this division, a public 719  
infrastructure improvement directly benefits such a parcel only if 720  
a project on the parcel places direct, additional demand on the 721



public infrastructure improvement or, if the public infrastructure 722  
improvement has not yet been completed, will place direct, 723  
additional demand on the public infrastructure improvement once it 724  
is completed. The service payments provided for in section 5709.42 725  
of the Revised Code shall be used to finance the public 726  
infrastructure improvements designated in the ordinance or for the 727  
purpose described in division (D)(1) of this section. 728

(C) The legislative authority of a municipal corporation may 729  
adopt an ordinance creating an incentive district and declaring 730  
improvements to parcels within the district to be a public purpose 731  
and exempt from taxation as provided in this section. The 732  
ordinance shall delineate the boundary of the district and 733  
specifically identify each parcel within the district. A district 734  
may not include any parcel that is or has been exempted from 735  
taxation under division (B) of this section or that is or has been 736  
within another district created under this division. An ordinance 737  
may create more than one such district, and more than one 738  
ordinance may be adopted under this division. 739

Not later than thirty days prior to adopting an ordinance 740  
under this division, if the municipal corporation intends to apply 741  
for exemptions from taxation under section 5709.911 of the Revised 742  
Code on behalf of owners of real property located within the 743  
proposed incentive district, the legislative authority of a 744  
municipal corporation shall conduct a public hearing on the 745  
proposed ordinance. Not later than thirty days prior to the public 746  
hearing, the legislative authority shall give notice of the public 747  
hearing and the proposed ordinance by first class mail to every 748  
real property owner whose property is located within the 749  
boundaries of the proposed incentive district that is the subject 750  
of the proposed ordinance. 751

An ordinance adopted under this division shall specify the 752  
life of the district and the percentage of the improvements to be 753

exempted and shall designate the public infrastructure 754  
improvements made or to be made that benefit or serve parcels in 755  
the district. The service payments provided for in section 5709.42 756  
of the Revised Code shall be used to finance the designated public 757  
infrastructure improvements or for the purpose described in 758  
division (D)(1) of this section. 759

An ordinance adopted under this division may authorize the 760  
use of service payments provided for in section 5709.42 of the 761  
Revised Code for the purpose of housing renovations within the 762  
district, provided that the ordinance also designates public 763  
infrastructure improvements that benefit or serve the district, 764  
and that a project within the district places real property in use 765  
for commercial or industrial purposes. Service payments may be 766  
used to finance or support loans, deferred loans, and grants to 767  
persons for the purpose of housing renovations within the 768  
district. The ordinance shall designate the parcels within the 769  
district that are eligible for housing renovation. The ordinance 770  
shall state separately the amounts or the percentages of the 771  
expected aggregate service payments that are designated for each 772  
public infrastructure improvement and for the general purpose of 773  
housing renovations. 774

Except with the approval of the board of education of each 775  
city, local, or exempted village school district within the 776  
territory of which the district is or will be located, the life of 777  
a district shall not exceed ten years, and the percentage of 778  
improvements to be exempted shall not exceed seventy-five per 779  
cent. With such approval, the life of a district may be not more 780  
than thirty years, and the percentage of improvements to be 781  
exempted may be not more than one hundred per cent. 782

Approval of a board of education shall be obtained in the 783  
manner provided in division (D) of this section for exemptions 784  
under division (B) of this section, except that the notice to the 785

board of education shall delineate the boundaries of the district, 786  
specifically identify each parcel within the district, identify 787  
each anticipated improvement in the district, provide an estimate 788  
of the true value in money of each such improvement, specify the 789  
life of the district and the percentage of improvements that would 790  
be exempted, and indicate the date on which the legislative 791  
authority intends to adopt the ordinance. 792

A municipal corporation shall not adopt an ordinance under 793  
this division after June 30, 2007. 794

(D)(1) If the ordinance declaring improvements to a parcel to 795  
be a public purpose or creating an incentive district specifies 796  
that payments in lieu of taxes provided for in section 5709.42 of 797  
the Revised Code shall be paid to the city, local, or exempted 798  
village school district in which the parcel is located in the 799  
amount of the taxes that would have been payable to the school 800  
district if the improvements had not been exempted from taxation, 801  
the percentage of the improvement that may be exempted from 802  
taxation may exceed seventy-five per cent, and the exemption may 803  
be granted for up to thirty years, without the approval of the 804  
board of education as otherwise required under division (D)(2) of 805  
this section. 806

(2) Improvements with respect to a parcel may be exempted 807  
from taxation under division (B) of this section for up to ten 808  
years or, with the approval under this paragraph of the board of 809  
education of the city, local, or exempted village school district 810  
within which the parcel is located, for up to thirty years. The 811  
percentage of the improvement exempted from taxation may, with 812  
such approval, exceed seventy-five per cent, but shall not exceed 813  
one hundred per cent. Not later than forty-five business days 814  
prior to adopting an ordinance under this section declaring 815  
improvements to be a public purpose, the legislative authority 816  
shall deliver to the board of education a notice stating its 817

intent to adopt an ordinance making that declaration. The notice 818  
shall identify the parcels for which improvements are to be 819  
exempted from taxation, provide an estimate of the true value in 820  
money of the improvements, specify the period for which the 821  
improvements would be exempted from taxation and the percentage of 822  
the improvement that would be exempted, and indicate the date on 823  
which the legislative authority intends to adopt the ordinance. 824  
The board of education, by resolution adopted by a majority of the 825  
board, may approve the exemption for the period or for the 826  
exemption percentage specified in the notice, may disapprove the 827  
exemption for the number of years in excess of ten, may disapprove 828  
the exemption for the percentage of the improvement to be exempted 829  
in excess of seventy-five per cent, or both, or may approve the 830  
exemption on the condition that the legislative authority and the 831  
board negotiate an agreement providing for compensation to the 832  
school district equal in value to a percentage of the amount of 833  
taxes exempted in the eleventh and subsequent years of the 834  
exemption period or, in the case of exemption percentages in 835  
excess of seventy-five per cent, compensation equal in value to a 836  
percentage of the taxes that would be payable on the portion of 837  
the improvement in excess of seventy-five per cent were that 838  
portion to be subject to taxation. The board of education shall 839  
certify its resolution to the legislative authority not later than 840  
fourteen days prior to the date the legislative authority intends 841  
to adopt the ordinance as indicated in the notice. If the board of 842  
education approves the exemption on the condition that a 843  
compensation agreement be negotiated, the board in its resolution 844  
shall propose a compensation percentage. If the board of education 845  
and the legislative authority negotiate a mutually acceptable 846  
compensation agreement, the ordinance may declare the improvements 847  
a public purpose for the number of years specified in the 848  
ordinance or, in the case of exemption percentages in excess of 849  
seventy-five per cent, for the exemption percentage specified in 850

the ordinance. In either case, if the board and the legislative authority fail to negotiate a mutually acceptable compensation agreement, the ordinance may declare the improvements a public purpose for not more than ten years, but shall not exempt more than seventy-five per cent of the improvements from taxation, or, in the case of an ordinance adopted under division (B) of this section, not more than the estimated percentage of the incremental demand as otherwise prescribed by division (B) of this section if that percentage is less than seventy-five per cent. If the board fails to certify a resolution to the legislative authority within the time prescribed by this division, the legislative authority thereupon may adopt the ordinance and may declare the improvements a public purpose for up to thirty years, or, in the case of exemption percentages proposed in excess of seventy-five per cent, for the exemption percentage specified in the ordinance. The legislative authority may adopt the ordinance at any time after the board of education certifies its resolution approving the exemption to the legislative authority, or, if the board approves the exemption on the condition that a mutually acceptable compensation agreement be negotiated, at any time after the compensation agreement is agreed to by the board and the legislative authority.

(3) If a board of education has adopted a resolution waiving its right to approve exemptions from taxation and the resolution remains in effect, approval of exemptions by the board is not required under this division. If a board of education has adopted a resolution allowing a legislative authority to deliver the notice required under this division fewer than forty-five business days prior to the legislative authority's adoption of the ordinance, the legislative authority shall deliver the notice to the board not later than the number of days prior to such adoption as prescribed by the board in its resolution. If a board of education adopts a resolution waiving its right to approve

agreements or shortening the notification period, the board shall 884  
certify a copy of the resolution to the legislative authority. If 885  
the board of education rescinds such a resolution, it shall 886  
certify notice of the rescission to the legislative authority. 887

(4) If the legislative authority is not required by division 888  
(D)(1), (2), or (3) of this section to notify the board of 889  
education of the legislative authority's intent to declare 890  
improvements to be a public purpose, the legislative authority 891  
shall comply with the notice requirements imposed under section 892  
5709.83 of the Revised Code, unless the board has adopted a 893  
resolution under that section waiving its right to receive such a 894  
notice. 895

(E) An exemption from taxation granted under this section 896  
commences with the tax year in which an improvement first appears 897  
on the tax list and duplicate of real and public utility property 898  
and that begins after the effective date of the ordinance. Except 899  
as otherwise provided in this division, the exemption ends on the 900  
date specified in the ordinance as the date the improvement ceases 901  
to be a public purpose or the incentive district expires, or ends 902  
on the date on which the public infrastructure improvements and 903  
housing renovations are paid in full from the municipal public 904  
improvement tax increment equivalent fund established under 905  
division (A) of section 5709.43 of the Revised Code, whichever 906  
occurs first. The exemption of an improvement with respect to a 907  
parcel may end on a later date, as specified in the ordinance, if 908  
the legislative authority and the board of education of the city, 909  
local, or exempted village school district within which the parcel 910  
is located have entered into a compensation agreement under 911  
section 5709.82 of the Revised Code with respect to the 912  
improvement or district and the board of education has approved 913  
the term of the exemption under division (D)(2) of this section, 914  
but in no case shall the improvement be exempted from taxation for 915

more than thirty years. Exemptions shall be claimed and allowed in 916  
the same manner as in the case of other real property exemptions. 917  
If an exemption status changes during a year, the procedure for 918  
the apportionment of the taxes for that year is the same as in the 919  
case of other changes in tax exemption status during the year. 920

(F) Additional municipal financing of public infrastructure 921  
improvements and housing renovations may be provided by any 922  
methods that the municipal corporation may otherwise use for 923  
financing such improvements. If the municipal corporation issues 924  
bonds or notes to finance the public infrastructure improvements 925  
and housing renovations and pledges money from the municipal 926  
public improvement tax increment equivalent fund to pay the 927  
interest on and principal of the bonds or notes, the bonds or 928  
notes are not subject to Chapter 133. of the Revised Code. 929

(G) The municipal corporation, not later than fifteen days 930  
after the adoption of an ordinance under this section, shall 931  
submit to the director of development a copy of the ordinance. On 932  
or before the thirty-first day of March of each year, the 933  
municipal corporation shall submit a status report to the director 934  
of development. The report shall indicate, in the manner 935  
prescribed by the director, the progress of the project during 936  
each year that an exemption remains in effect, including a summary 937  
of the receipts from service payments in lieu of taxes; 938  
expenditures of money from the funds created under section 5709.43 939  
of the Revised Code; a description of the public infrastructure 940  
improvements and housing renovations financed with such 941  
expenditures; and a quantitative summary of changes in employment 942  
and private investment resulting from each project. 943

(H) Nothing in this section shall be construed to prohibit a 944  
legislative authority from declaring to be a public purpose 945  
improvements with respect to more than one parcel. 946

**Sec. 5709.42.** A municipal corporation that has declared an improvement to be a public purpose under section 5709.40 or 5709.41 of the Revised Code may require the owner of any structure located on the parcel to make annual service payments in lieu of taxes to the county treasurer on or before the final dates for payment of real property taxes. Each such payment shall be charged and collected in the same manner and in the same amount as the real property taxes that would have been charged and payable against the improvement if it were not exempt from taxation. If any reduction in the levies otherwise applicable to such exempt property is made by the county budget commission under section 5705.31 of the Revised Code, the amount of the service payment in lieu of taxes shall be calculated as if such reduction in levies had not been made.

Moneys collected as service payments in lieu of taxes shall be distributed at the same time and in the same manner as real property tax payments ~~except that.~~ However, subject to section 5709.913 of the Revised Code, the entire amount so collected shall be distributed to the municipal corporation in which the improvement is located. If an ordinance adopted under section 5709.40 or 5709.41 of the Revised Code specifies that service payments shall be paid to the city, local, or exempted village school district in which the improvements are located, the county treasurer shall distribute the portion of the service payments to that school district in an amount equal to the property tax payments the school district would have received from the portion of the improvements exempted from taxation had the improvements not been exempted, as directed in the ordinance. The treasurer shall maintain a record of the service payments in lieu of taxes made from property in each municipal corporation.

Nothing in this section or section 5709.40 or 5709.41 of the



Revised Code affects the taxes levied against that portion of the 978  
value of any parcel of property that is not exempt from taxation. 979

**Sec. 5709.62.** (A) In any municipal corporation that is 980  
defined by the United States office of management and budget as a 981  
~~central~~ principal city of a metropolitan statistical area, or in a 982  
city designated as an urban cluster in a rural statistical area, 983  
the legislative authority of the municipal corporation may 984  
designate one or more areas within its municipal corporation as 985  
proposed enterprise zones. Upon designating an area, the 986  
legislative authority shall petition the director of development 987  
for certification of the area as having the characteristics set 988  
forth in division (A)(1) of section 5709.61 of the Revised Code as 989  
amended by Substitute Senate Bill No. 19 of the 120th general 990  
assembly. Except as otherwise provided in division (E) of this 991  
section, on and after July 1, 1994, legislative authorities shall 992  
not enter into agreements under this section unless the 993  
legislative authority has petitioned the director and the director 994  
has certified the zone under this section as amended by that act; 995  
however, all agreements entered into under this section as it 996  
existed prior to July 1, 1994, and the incentives granted under 997  
those agreements shall remain in effect for the period agreed to 998  
under those agreements. Within sixty days after receiving such a 999  
petition, the director shall determine whether the area has the 1000  
characteristics set forth in division (A)(1) of section 5709.61 of 1001  
the Revised Code, and shall forward the findings to the 1002  
legislative authority of the municipal corporation. If the 1003  
director certifies the area as having those characteristics, and 1004  
thereby certifies it as a zone, the legislative authority may 1005  
enter into an agreement with an enterprise under division (C) of 1006  
this section. 1007

(B) Any enterprise that wishes to enter into an agreement 1008  
with a municipal corporation under division (C) of this section 1009

shall submit a proposal to the legislative authority of the 1010  
municipal corporation on a form prescribed by the director of 1011  
development, together with the application fee established under 1012  
section 5709.68 of the Revised Code. The form shall require the 1013  
following information: 1014

(1) An estimate of the number of new employees whom the 1015  
enterprise intends to hire, or of the number of employees whom the 1016  
enterprise intends to retain, within the zone at a facility that 1017  
is a project site, and an estimate of the amount of payroll of the 1018  
enterprise attributable to these employees; 1019

(2) An estimate of the amount to be invested by the 1020  
enterprise to establish, expand, renovate, or occupy a facility, 1021  
including investment in new buildings, additions or improvements 1022  
to existing buildings, machinery, equipment, furniture, fixtures, 1023  
and inventory; 1024

(3) A listing of the enterprise's current investment, if any, 1025  
in a facility as of the date of the proposal's submission. 1026

The enterprise shall review and update the listings required 1027  
under this division to reflect material changes, and any agreement 1028  
entered into under division (C) of this section shall set forth 1029  
final estimates and listings as of the time the agreement is 1030  
entered into. The legislative authority may, on a separate form 1031  
and at any time, require any additional information necessary to 1032  
determine whether an enterprise is in compliance with an agreement 1033  
and to collect the information required to be reported under 1034  
section 5709.68 of the Revised Code. 1035

(C) Upon receipt and investigation of a proposal under 1036  
division (B) of this section, if the legislative authority finds 1037  
that the enterprise submitting the proposal is qualified by 1038  
financial responsibility and business experience to create and 1039  
preserve employment opportunities in the zone and improve the 1040

economic climate of the municipal corporation, the legislative 1041  
authority, on or before October 15, 2009, may do one of the 1042  
following: 1043

(1) Enter into an agreement with the enterprise under which 1044  
the enterprise agrees to establish, expand, renovate, or occupy a 1045  
facility and hire new employees, or preserve employment 1046  
opportunities for existing employees, in return for one or more of 1047  
the following incentives: 1048

(a) Exemption for a specified number of years, not to exceed 1049  
~~ten~~ fifteen, of a specified portion, up to seventy-five per cent, 1050  
of the assessed value of tangible personal property first used in 1051  
business at the project site as a result of the agreement. If an 1052  
exemption for inventory is specifically granted in the agreement 1053  
pursuant to this division, the exemption applies to inventory 1054  
required to be listed pursuant to sections 5711.15 and 5711.16 of 1055  
the Revised Code, except that, in the instance of an expansion or 1056  
other situations in which an enterprise was in business at the 1057  
facility prior to the establishment of the zone, the inventory 1058  
that is exempt is that amount or value of inventory in excess of 1059  
the amount or value of inventory required to be listed in the 1060  
personal property tax return of the enterprise in the return for 1061  
the tax year in which the agreement is entered into. 1062

(b) Exemption for a specified number of years, not to exceed 1063  
~~ten~~ fifteen, of a specified portion, up to seventy-five per cent, 1064  
of the increase in the assessed valuation of real property 1065  
constituting the project site subsequent to formal approval of the 1066  
agreement by the legislative authority; 1067

(c) Provision for a specified number of years, not to exceed 1068  
~~ten~~ fifteen, of any optional services or assistance that the 1069  
municipal corporation is authorized to provide with regard to the 1070  
project site. 1071

(2) Enter into an agreement under which the enterprise agrees 1072  
to remediate an environmentally contaminated facility, to spend an 1073  
amount equal to at least two hundred fifty per cent of the true 1074  
value in money of the real property of the facility prior to 1075  
remediation as determined for the purposes of property taxation to 1076  
establish, expand, renovate, or occupy the remediated facility, 1077  
and to hire new employees or preserve employment opportunities for 1078  
existing employees at the remediated facility, in return for one 1079  
or more of the following incentives: 1080

(a) Exemption for a specified number of years, not to exceed 1081  
~~ten~~ fifteen, of a specified portion, not to exceed fifty per cent, 1082  
of the assessed valuation of the real property of the facility 1083  
prior to remediation; 1084

(b) Exemption for a specified number of years, not to exceed 1085  
~~ten~~ fifteen, of a specified portion, not to exceed one hundred per 1086  
cent, of the increase in the assessed valuation of the real 1087  
property of the facility during or after remediation; 1088

(c) The incentive under division (C)(1)(a) of this section, 1089  
except that the percentage of the assessed value of such property 1090  
exempted from taxation shall not exceed one hundred per cent; 1091

(d) The incentive under division (C)(1)(c) of this section. 1092

(3) Enter into an agreement with an enterprise that plans to 1093  
purchase and operate a large manufacturing facility that has 1094  
ceased operation or announced its intention to cease operation, in 1095  
return for exemption for a specified number of years, not to 1096  
exceed ~~ten~~ fifteen, of a specified portion, up to one hundred per 1097  
cent, of the assessed value of tangible personal property used in 1098  
business at the project site as a result of the agreement, or of 1099  
the assessed valuation of real property constituting the project 1100  
site, or both. 1101

(D)(1) Notwithstanding divisions (C)(1)(a) and (b) of this 1102

section, the portion of the assessed value of tangible personal 1103  
property or of the increase in the assessed valuation of real 1104  
property exempted from taxation under those divisions may exceed 1105  
seventy-five per cent in any year for which that portion is 1106  
exempted if the average percentage exempted for all years in which 1107  
the agreement is in effect does not exceed sixty per cent, or if 1108  
the board of education of the city, local, or exempted village 1109  
school district within the territory of which the property is or 1110  
will be located approves a percentage in excess of seventy-five 1111  
per cent. 1112

(2) Notwithstanding any provision of the Revised Code to the 1113  
contrary, the exemptions described in divisions (C)(1)(a), (b), 1114  
and (c), (C)(2)(a), (b), and (c), and (C)(3) of this section may 1115  
be for up to fifteen years if the board of education of the city, 1116  
local, or exempted village school district within the territory ~~in~~ 1117  
of which the property is or will be located approves a number of 1118  
years in excess of ten, ~~but only if the project that is part of~~ 1119  
~~the agreement includes a fixed asset investment of at least one~~ 1120  
~~hundred million dollars or the director of development determines~~ 1121  
~~there are extraordinary circumstances, and only if the project~~ 1122  
~~involves the enrichment and commercialization of uranium or~~ 1123  
~~uranium products or the research and development activities~~ 1124  
~~related to that enrichment or commercialization.~~ 1125

(3) For the purpose of obtaining the approval of a city, 1126  
local, or exempted village school district under division (D)(1) 1127  
or (2) of this section, the legislative authority shall deliver to 1128  
the board of education a notice not later than forty-five days 1129  
prior to approving the agreement, excluding Saturdays, Sundays, 1130  
and legal holidays as defined in section 1.14 of the Revised Code. 1131  
The notice shall state the percentage to be exempted, an estimate 1132  
of the true value of the property to be exempted, and the number 1133  
of years the property is to be exempted. The board of education, 1134

by resolution adopted by a majority of the board, shall approve or 1135  
disapprove the agreement and certify a copy of the resolution to 1136  
the legislative authority not later than fourteen days prior to 1137  
the date stipulated by the legislative authority as the date upon 1138  
which approval of the agreement is to be formally considered by 1139  
the legislative authority. The board of education may include in 1140  
the resolution conditions under which the board would approve the 1141  
agreement, including the execution of an agreement to compensate 1142  
the school district under division (B) of section 5709.82 of the 1143  
Revised Code. The legislative authority may approve the agreement 1144  
at any time after the board of education certifies its resolution 1145  
approving the agreement to the legislative authority, or, if the 1146  
board approves the agreement conditionally, at any time after the 1147  
conditions are agreed to by the board and the legislative 1148  
authority. 1149

If a board of education has adopted a resolution waiving its 1150  
right to approve agreements and the resolution remains in effect, 1151  
approval of an agreement by the board is not required under this 1152  
division. If a board of education has adopted a resolution 1153  
allowing a legislative authority to deliver the notice required 1154  
under this division fewer than forty-five business days prior to 1155  
the legislative authority's approval of the agreement, the 1156  
legislative authority shall deliver the notice to the board not 1157  
later than the number of days prior to such approval as prescribed 1158  
by the board in its resolution. If a board of education adopts a 1159  
resolution waiving its right to approve agreements or shortening 1160  
the notification period, the board shall certify a copy of the 1161  
resolution to the legislative authority. If the board of education 1162  
rescinds such a resolution, it shall certify notice of the 1163  
rescission to the legislative authority. 1164

(4) The legislative authority shall comply with section 1165  
5709.83 of the Revised Code unless the board of education has 1166

adopted a resolution under that section waiving its right to 1167  
receive such notice. 1168

(E) This division applies to zones certified by the director 1169  
of development under this section prior to July 22, 1994. 1170

On or before October 15, 2009, the legislative authority that 1171  
designated a zone to which this division applies may enter into an 1172  
agreement with an enterprise if the legislative authority ~~makes~~ 1173  
~~the finding required under that division and determines~~ finds that 1174  
the enterprise satisfies one of the criteria described in 1175  
divisions (E)(1) to (5) of this section: 1176

(1) The enterprise currently has no operations in this state 1177  
and, subject to approval of the agreement, intends to establish 1178  
operations in the zone; 1179

(2) The enterprise currently has operations in this state 1180  
and, subject to approval of the agreement, intends to establish 1181  
operations at a new location in the zone that would not result in 1182  
a reduction in the number of employee positions at any of the 1183  
enterprise's other locations in this state; 1184

(3) The enterprise, subject to approval of the agreement, 1185  
intends to relocate operations, currently located in another 1186  
state, to the zone; 1187

(4) The enterprise, subject to approval of the agreement, 1188  
intends to expand operations at an existing site in the zone that 1189  
the enterprise currently operates; 1190

(5) The enterprise, subject to approval of the agreement, 1191  
intends to relocate operations, currently located in this state, 1192  
to the zone, and the director of development has issued a waiver 1193  
for the enterprise under division (B) of section 5709.633 of the 1194  
Revised Code. 1195

The agreement shall require the enterprise to agree to 1196

establish, expand, renovate, or occupy a facility in the zone and 1197  
hire new employees, or preserve employment opportunities for 1198  
existing employees, in return for one or more of the incentives 1199  
described in division (C) of this section. 1200

(F) All agreements entered into under this section shall be 1201  
in the form prescribed under section 5709.631 of the Revised Code. 1202  
After an agreement is entered into under this ~~division~~ section, if 1203  
the legislative authority revokes its designation of a zone, or if 1204  
the director of development revokes ~~the~~ a zone's certification, 1205  
any entitlements granted under the agreement shall continue for 1206  
the number of years specified in the agreement. 1207

(G) Except as otherwise provided in this division, an 1208  
agreement entered into under this section shall require that the 1209  
enterprise pay an annual fee equal to the greater of one per cent 1210  
of the dollar value of incentives offered under the agreement or 1211  
five hundred dollars; provided, however, that if the value of the 1212  
incentives exceeds two hundred fifty thousand dollars, the fee 1213  
shall not exceed two thousand five hundred dollars. The fee shall 1214  
be payable to the legislative authority once per year for each 1215  
year the agreement is effective on the days and in the form 1216  
specified in the agreement. Fees paid shall be deposited in a 1217  
special fund created for such purpose by the legislative authority 1218  
and shall be used by the legislative authority exclusively for the 1219  
purpose of complying with section 5709.68 of the Revised Code and 1220  
by the tax incentive review council created under section 5709.85 1221  
of the Revised Code exclusively for the purposes of performing the 1222  
duties prescribed under that section. The legislative authority 1223  
may waive or reduce the amount of the fee charged against an 1224  
enterprise, but such a waiver or reduction does not affect the 1225  
obligations of the legislative authority or the tax incentive 1226  
review council to comply with section 5709.68 or 5709.85 of the 1227  
Revised Code. 1228



(H) When an agreement is entered into pursuant to this 1229  
section, the legislative authority authorizing the agreement shall 1230  
forward a copy of the agreement to the director of development and 1231  
to the tax commissioner within fifteen days after the agreement is 1232  
entered into. If any agreement includes terms not provided for in 1233  
section 5709.631 of the Revised Code affecting the revenue of a 1234  
city, local, or exempted village school district or causing 1235  
revenue to be foregone by the district, including any compensation 1236  
to be paid to the school district pursuant to section 5709.82 of 1237  
the Revised Code, those terms also shall be forwarded in writing 1238  
to the director of development along with the copy of the 1239  
agreement forwarded under this division. 1240

(I) After an agreement is entered into, the enterprise shall 1241  
file with each personal property tax return required to be filed, 1242  
or annual report required to be filed under section 5727.08 of the 1243  
Revised Code, while the agreement is in effect, an informational 1244  
return, on a form prescribed by the tax commissioner for that 1245  
purpose, setting forth separately the property, and related costs 1246  
and values, exempted from taxation under the agreement. 1247

(J) Enterprises may agree to give preference to residents of 1248  
the zone within which the agreement applies relative to residents 1249  
of this state who do not reside in the zone when hiring new 1250  
employees under the agreement. 1251

(K) An agreement entered into under this section may include 1252  
a provision requiring the enterprise to create one or more 1253  
temporary internship positions for students enrolled in a course 1254  
of study at a school or other educational institution in the 1255  
vicinity, and to create a scholarship or provide another form of 1256  
educational financial assistance for students holding such a 1257  
position in exchange for the student's commitment to work for the 1258  
enterprise at the completion of the internship. 1259

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

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

Any enterprise wishing to enter into an agreement with the board under division (B) or (D) of this section shall submit a proposal to the board on the form and accompanied by the application fee prescribed under division (B) of section 5709.62 of the Revised Code. The enterprise shall review and update the estimates and listings required by the form in the manner required under that division. The board may, on a separate form and at any time, require any additional information necessary to determine whether an enterprise is in compliance with an agreement and to collect the information required to be reported under section 5709.68 of the Revised Code.

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

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

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

(b) When the facility is located in an unincorporated area,

the board may enter into an agreement for one or more of the 1322  
following incentives: 1323

(i) Exemption for a specified number of years, not to exceed 1324  
~~ten~~ fifteen, of a specified portion, up to sixty per cent, of the 1325  
assessed value of tangible personal property first used in 1326  
business at a project site as a result of the agreement. If an 1327  
exemption for inventory is specifically granted in the agreement 1328  
pursuant to this division, the exemption applies to inventory 1329  
required to be listed pursuant to sections 5711.15 and 5711.16 of 1330  
the Revised Code, except, in the instance of an expansion or other 1331  
situations in which an enterprise was in business at the facility 1332  
prior to the establishment of the zone, the inventory that is 1333  
exempt is that amount or value of inventory in excess of the 1334  
amount or value of inventory required to be listed in the personal 1335  
property tax return of the enterprise in the return for the tax 1336  
year in which the agreement is entered into. 1337

(ii) Exemption for a specified number of years, not to exceed 1338  
~~ten~~ fifteen, of a specified portion, up to sixty per cent, of the 1339  
increase in the assessed valuation of real property constituting 1340  
the project site subsequent to formal approval of the agreement by 1341  
the board; 1342

(iii) Provision for a specified number of years, not to 1343  
exceed ~~ten~~ fifteen, of any optional services or assistance the 1344  
board is authorized to provide with regard to the project site; 1345

(iv) The incentive described in division (C)(2) of section 1346  
5709.62 of the Revised Code. 1347

(2) Enter into an agreement with an enterprise that plans to 1348  
purchase and operate a large manufacturing facility that has 1349  
ceased operation or has announced its intention to cease 1350  
operation, in return for exemption for a specified number of 1351  
years, not to exceed ~~ten~~ fifteen, of a specified portion, up to 1352

one hundred per cent, of tangible personal property used in 1353  
business at the project site as a result of the agreement, or of 1354  
real property constituting the project site, or both. 1355

(C)(1)(a) Notwithstanding divisions (B)(1)(b)(i) and (ii) of 1356  
this section, the portion of the assessed value of tangible 1357  
personal property or of the increase in the assessed valuation of 1358  
real property exempted from taxation under those divisions may 1359  
exceed sixty per cent in any year for which that portion is 1360  
exempted if the average percentage exempted for all years in which 1361  
the agreement is in effect does not exceed fifty per cent, or if 1362  
the board of education of the city, local, or exempted village 1363  
school district within the territory of which the property is or 1364  
will be located approves a percentage in excess of sixty per cent. 1365

(b) Notwithstanding any provision of the Revised Code to the 1366  
contrary, the exemptions described in divisions (B)(1)(b)(i), 1367  
(ii), (iii), and (iv) and (B)(2) of this section may be for up to 1368  
fifteen years if the board of education of the city, local, or 1369  
exempted village school district within the territory ~~in~~ of which 1370  
the property is or will be located approves a number of years in 1371  
excess of ten, ~~but only if the project that is part of the~~ 1372  
~~agreement includes a fixed asset investment of at least one~~ 1373  
~~hundred million dollars or the director of development determines~~ 1374  
~~there are extraordinary circumstances, and only if the project~~ 1375  
~~involves the enrichment and commercialization of uranium or~~ 1376  
~~uranium products or the research and development activities~~ 1377  
~~related to that enrichment or commercialization.~~ 1378

(c) For the purpose of obtaining the approval of a city, 1379  
local, or exempted village school district under division 1380  
(C)(1)(a) or (b) of this section, the board of county 1381  
commissioners shall deliver to the board of education a notice not 1382  
later than forty-five days prior to approving the agreement, 1383  
excluding Saturdays, Sundays, and legal holidays as defined in 1384

section 1.14 of the Revised Code. The notice shall state the 1385  
percentage to be exempted, an estimate of the true value of the 1386  
property to be exempted, and the number of years the property is 1387  
to be exempted. The board of education, by resolution adopted by a 1388  
majority of the board, shall approve or disapprove the agreement 1389  
and certify a copy of the resolution to the board of county 1390  
commissioners not later than fourteen days prior to the date 1391  
stipulated by the board of county commissioners as the date upon 1392  
which approval of the agreement is to be formally considered by 1393  
the board of county commissioners. The board of education may 1394  
include in the resolution conditions under which the board would 1395  
approve the agreement, including the execution of an agreement to 1396  
compensate the school district under division (B) of section 1397  
5709.82 of the Revised Code. The board of county commissioners may 1398  
approve the agreement at any time after the board of education 1399  
certifies its resolution approving the agreement to the board of 1400  
county commissioners, or, if the board of education approves the 1401  
agreement conditionally, at any time after the conditions are 1402  
agreed to by the board of education and the board of county 1403  
commissioners. 1404

If a board of education has adopted a resolution waiving its 1405  
right to approve agreements and the resolution remains in effect, 1406  
approval of an agreement by the board of education is not required 1407  
under division (C) of this section. If a board of education has 1408  
adopted a resolution allowing a board of county commissioners to 1409  
deliver the notice required under this division fewer than 1410  
forty-five business days prior to approval of the agreement by the 1411  
board of county commissioners, the board of county commissioners 1412  
shall deliver the notice to the board of education not later than 1413  
the number of days prior to such approval as prescribed by the 1414  
board of education in its resolution. If a board of education 1415  
adopts a resolution waiving its right to approve agreements or 1416  
shortening the notification period, the board of education shall 1417

certify a copy of the resolution to the board of county 1418  
commissioners. If the board of education rescinds such a 1419  
resolution, it shall certify notice of the rescission to the board 1420  
of county commissioners. 1421

(2) The board of county commissioners shall comply with 1422  
section 5709.83 of the Revised Code unless the board of education 1423  
has adopted a resolution under that section waiving its right to 1424  
receive such notice. 1425

(D) This division applies to zones certified by the director 1426  
of development under this section prior to July 22, 1994. 1427

On or before October 15, 2009, and with the consent of the 1428  
legislative authority of each affected municipal corporation or 1429  
board of township trustees of each affected township, the board of 1430  
county commissioners that designated a zone to which this division 1431  
applies may enter into an agreement with an enterprise if the 1432  
board ~~makes the finding required under that division and~~ 1433  
~~determines~~ finds that the enterprise satisfies one of the criteria 1434  
described in divisions (D)(1) to (5) of this section: 1435

(1) The enterprise currently has no operations in this state 1436  
and, subject to approval of the agreement, intends to establish 1437  
operations in the zone; 1438

(2) The enterprise currently has operations in this state 1439  
and, subject to approval of the agreement, intends to establish 1440  
operations at a new location in the zone that would not result in 1441  
a reduction in the number of employee positions at any of the 1442  
enterprise's other locations in this state; 1443

(3) The enterprise, subject to approval of the agreement, 1444  
intends to relocate operations, currently located in another 1445  
state, to the zone; 1446

(4) The enterprise, subject to approval of the agreement, 1447  
intends to expand operations at an existing site in the zone that 1448

the enterprise currently operates; 1449

(5) The enterprise, subject to approval of the agreement, 1450  
intends to relocate operations, currently located in this state, 1451  
to the zone, and the director of development has issued a waiver 1452  
for the enterprise under division (B) of section 5709.633 of the 1453  
Revised Code. 1454

The agreement shall require the enterprise to agree to 1455  
establish, expand, renovate, or occupy a facility in the zone and 1456  
hire new employees, or preserve employment opportunities for 1457  
existing employees, in return for one or more of the incentives 1458  
described in division (B) of this section. 1459

(E) All agreements entered into under this section shall be 1460  
in the form prescribed under section 5709.631 of the Revised Code. 1461  
After an agreement under this section is entered into, if the 1462  
board of county commissioners revokes its designation of ~~the a~~ 1463  
zone, or if the director of development revokes ~~the a~~ zone's 1464  
certification, any entitlements granted under the agreement shall 1465  
continue for the number of years specified in the agreement. 1466

(F) Except as otherwise provided in this ~~paragraph~~ division, 1467  
an agreement entered into under this section shall require that 1468  
the enterprise pay an annual fee equal to the greater of one per 1469  
cent of the dollar value of incentives offered under the agreement 1470  
or five hundred dollars; provided, however, that if the value of 1471  
the incentives exceeds two hundred fifty thousand dollars, the fee 1472  
shall not exceed two thousand five hundred dollars. The fee shall 1473  
be payable to the board of county commissioners once per year for 1474  
each year the agreement is effective on the days and in the form 1475  
specified in the agreement. Fees paid shall be deposited in a 1476  
special fund created for such purpose by the board and shall be 1477  
used by the board exclusively for the purpose of complying with 1478  
section 5709.68 of the Revised Code and by the tax incentive 1479  
review council created under section 5709.85 of the Revised Code 1480



exclusively for the purposes of performing the duties prescribed 1481  
under that section. The board may waive or reduce the amount of 1482  
the fee charged against an enterprise, but such waiver or 1483  
reduction does not affect the obligations of the board or the tax 1484  
incentive review council to comply with section 5709.68 or 5709.85 1485  
of the Revised Code, respectively. 1486

(G) With the approval of the legislative authority of a 1487  
municipal corporation or the board of township trustees of a 1488  
township in which a zone is designated under division (A) of this 1489  
section, the board of county commissioners may delegate to that 1490  
legislative authority or board any powers and duties of the board 1491  
of county commissioners to negotiate and administer agreements 1492  
with regard to that zone under this section. 1493

(H) When an agreement is entered into pursuant to this 1494  
section, the ~~legislative authority~~ board of county commissioners 1495  
authorizing the agreement or the legislative authority or board of 1496  
township trustees that negotiates and administers the agreement 1497  
shall forward a copy of the agreement to the director of 1498  
development and to the tax commissioner within fifteen days after 1499  
the agreement is entered into. If any agreement includes terms not 1500  
provided for in section 5709.631 of the Revised Code affecting the 1501  
revenue of a city, local, or exempted village school district or 1502  
causing revenue to be foregone by the district, including any 1503  
compensation to be paid to the school district pursuant to section 1504  
5709.82 of the Revised Code, those terms also shall be forwarded 1505  
in writing to the director of development along with the copy of 1506  
the agreement forwarded under this division. 1507

(I) After an agreement is entered into, the enterprise shall 1508  
file with each personal property tax return required to be filed, 1509  
or annual report that is required to be filed under section 1510  
5727.08 of the Revised Code, while the agreement is in effect, an 1511  
informational return, on a form prescribed by the tax commissioner 1512

for that purpose, setting forth separately the property, and 1513  
related costs and values, exempted from taxation under the 1514  
agreement. 1515

(J) Enterprises may agree to give preference to residents of 1516  
the zone within which the agreement applies relative to residents 1517  
of this state who do not reside in the zone when hiring new 1518  
employees under the agreement. 1519

(K) An agreement entered into under this section may include 1520  
a provision requiring the enterprise to create one or more 1521  
temporary internship positions for students enrolled in a course 1522  
of study at a school or other educational institution in the 1523  
vicinity, and to create a scholarship or provide another form of 1524  
educational financial assistance for students holding such a 1525  
position in exchange for the student's commitment to work for the 1526  
enterprise at the completion of the internship. 1527

(L) The tax commissioner's authority in determining the 1528  
accuracy of any exemption granted by an agreement entered into 1529  
under this section is limited to divisions (B)(1)(b)(i) and (ii), 1530  
(B)(2), (C), and (I) of this section, division (B)(1)(b)(iv) of 1531  
this section as it pertains to divisions (C)(2)(a), (b), and (c) 1532  
of section 5709.62 of the Revised Code, and divisions (B)(1) to 1533  
(10) of section 5709.631 of the Revised Code and, as authorized by 1534  
law, to enforcing any modification to, or revocation of, that 1535  
agreement by the board of county commissioners or the director of 1536  
development or, if the board's powers and duties are delegated 1537  
under division (G) of this section, by the legislative authority 1538  
of a municipal corporation or board of township trustees. 1539

**Sec. 5709.631.** Each agreement entered into under sections 1540  
5709.62, 5709.63, and 5709.632 of the Revised Code on or after 1541  
April 1, 1994, shall be in writing and shall include all of the 1542  
information and statements prescribed by this section. Agreements 1543

may include terms not prescribed by this section, but such terms 1544  
shall in no way derogate from the information and statements 1545  
prescribed by this section. 1546

(A) Each agreement shall include the following information: 1547

(1) The names of all parties to the agreement; 1548

(2) A description of the investments to be made by the 1549  
applicant enterprise or by another party at the facility whether 1550  
or not the investments are exempted from taxation, including 1551  
existing or new building size and cost thereof; the value of 1552  
machinery, equipment, furniture, and fixtures, including an 1553  
itemization of the value of machinery, equipment, furniture, and 1554  
fixtures used at another location in this state prior to the 1555  
agreement and relocated or to be relocated from that location to 1556  
the facility and the value of machinery, equipment, furniture, and 1557  
fixtures at the facility prior to the execution of the agreement 1558  
that will not be exempted from taxation; the value of inventory at 1559  
the facility, including an itemization of the value of inventory 1560  
held at another location in this state prior to the agreement and 1561  
relocated or to be relocated from that location to the facility, 1562  
and the value of inventory held at the facility prior to the 1563  
execution of the agreement that will not be exempted from 1564  
taxation; 1565

(3) The scheduled starting and completion dates of 1566  
investments made in building, machinery, equipment, furniture, 1567  
fixtures, and inventory; 1568

(4) Estimates of the number of employee positions to be 1569  
created each year of the agreement and of the number of employee 1570  
positions retained by the applicant enterprise due to the project, 1571  
itemized as to the number of full-time, part-time, permanent, and 1572  
temporary positions; 1573

(5) Estimates of the dollar amount of payroll attributable to 1574  
the positions set forth in division (A)(4) of this section, 1575  
similarly itemized; 1576

(6) The number of employee positions, if any, at the project 1577  
site and at any other location in the state at the time the 1578  
agreement is executed, itemized as to the number of full-time, 1579  
part-time, permanent, and temporary positions. 1580

(B) Each agreement shall set forth the following information 1581  
and incorporate the following statements: 1582

(1) A description of real property to be exempted from 1583  
taxation under the agreement, the percentage of the assessed 1584  
valuation of the real property exempted from taxation, and the 1585  
period for which the exemption is granted, accompanied by the 1586  
statement: "The exemption commences the first year for which the 1587  
real property would first be taxable were that property not 1588  
exempted from taxation. No exemption shall commence after 1589  
..... (insert date) nor extend beyond ..... (insert 1590  
date)." The tax commissioner shall adopt rules prescribing the 1591  
form the description of such property shall assume to ensure that 1592  
the property to be exempted from taxation under the agreement is 1593  
distinguishable from property that is not to be exempted under 1594  
that agreement. 1595

(2) A description of tangible personal property to be 1596  
exempted from taxation under the agreement, the percentage of the 1597  
assessed value of the tangible personal property exempted from 1598  
taxation, and the period for which the exemption is granted, 1599  
accompanied by the statement: "The minimum investment for tangible 1600  
personal property to qualify for the exemption is \$..... 1601  
(insert dollar amount) to purchase machinery and equipment first 1602  
used in business at the facility as a result of the project, 1603  
\$..... (insert dollar amount) for furniture and fixtures and 1604

other noninventory personal property first used in business at the 1605  
facility as a result of the project, and \$..... (insert 1606  
dollar amount) for new inventory. The maximum investment for 1607  
tangible personal property to qualify for the exemption is 1608  
\$..... (insert dollar amount) to purchase machinery and 1609  
equipment first used in business at the facility as a result of 1610  
the project, \$..... (insert dollar amount) for furniture and 1611  
fixtures and other noninventory personal property first used in 1612  
business at the facility as a result of the project, and 1613  
\$..... (insert dollar amount) for new inventory. The 1614  
exemption commences the first year for which the tangible personal 1615  
property would first be taxable were that property not exempted 1616  
from taxation. No exemption shall commence after tax return year 1617  
..... (insert year) nor extend beyond tax return year 1618  
..... (insert year). In no instance shall any tangible 1619  
personal property be exempted from taxation for more than ten 1620  
return years unless ~~the project that is part of the agreement~~ 1621  
~~involves the enrichment and commercialization of uranium or~~ 1622  
~~uranium products or the research and development activities~~ 1623  
~~related to that enrichment or commercialization, under division~~ 1624  
(D)(2) of section 5709.62 or under division (C)(1)(b) of section 1625  
5709.63 of the Revised Code, the board of education approves 1626  
exemption for a number of years in excess of ten, in which case 1627  
the tangible personal property may be exempted from taxation for 1628  
~~up to that number of years, not to exceed~~ fifteen return years." 1629  
No exemption shall be allowed for any type of tangible personal 1630  
property if the total investment is less than the minimum dollar 1631  
amount specified for that type of property. If, for a type of 1632  
tangible personal property, there are no minimum or maximum 1633  
investment dollar amounts specified in the statement or the dollar 1634  
amounts are designated in the statement as not applicable, the 1635  
exemption shall apply to the total cost of that type of tangible 1636  
personal property first used in business at the facility as a 1637

result of the project. The tax commissioner shall adopt rules 1638  
prescribing the form the description of such property shall assume 1639  
to ensure that the property to be exempted from taxation under the 1640  
agreement is distinguishable from property that is not to be 1641  
exempted under that agreement. 1642

(3) "..... (insert name of enterprise) shall pay such 1643  
real and tangible personal property taxes as are not exempted 1644  
under this agreement and are charged against such property and 1645  
shall file all tax reports and returns as required by law. If 1646  
..... (insert name of enterprise) fails to pay such taxes or 1647  
file such returns and reports, all incentives granted under this 1648  
agreement are rescinded beginning with the year for which such 1649  
taxes are charged or such reports or returns are required to be 1650  
filed and thereafter." 1651

(4) "..... (insert name of enterprise) hereby certifies 1652  
that at the time this agreement is executed, ..... (insert 1653  
name of enterprise) does not owe any delinquent real or tangible 1654  
personal property taxes to any taxing authority of the State of 1655  
Ohio, and does not owe delinquent taxes for which ..... 1656  
(insert name of enterprise) is liable under Chapter 5727., 5733., 1657  
5735., 5739., 5741., 5743., 5747., or 5753. of the Revised Code, 1658  
or, if such delinquent taxes are owed, ..... (insert name of 1659  
enterprise) currently is paying the delinquent taxes pursuant to a 1660  
delinquent tax contract enforceable by the State of Ohio or an 1661  
agent or instrumentality thereof, has filed a petition in 1662  
bankruptcy under 11 U.S.C.A. 101, et seq., or such a petition has 1663  
been filed against ..... (insert name of enterprise). For the 1664  
purposes of the certification, delinquent taxes are taxes that 1665  
remain unpaid on the latest day prescribed for payment without 1666  
penalty under the chapter of the Revised Code governing payment of 1667  
those taxes." 1668

(5) "..... (insert name of municipal corporation or 1669

county) shall perform such acts as are reasonably necessary or 1670  
appropriate to effect, claim, reserve, and maintain exemptions 1671  
from taxation granted under this agreement including, without 1672  
limitation, joining in the execution of all documentation and 1673  
providing any necessary certificates required in connection with 1674  
such exemptions." 1675

(6) "If for any reason the enterprise zone designation 1676  
expires, the Director of the Ohio Department of Development 1677  
revokes certification of the zone, or ..... (insert name of 1678  
municipal corporation or county) revokes the designation of the 1679  
zone, entitlements granted under this agreement shall continue for 1680  
the number of years specified under this agreement, unless 1681  
..... (insert name of enterprise) materially fails to fulfill 1682  
its obligations under this agreement and ..... (insert name 1683  
of municipal corporation or county) terminates or modifies the 1684  
exemptions from taxation granted under this agreement." 1685

(7) "If ..... (insert name of enterprise) materially 1686  
fails to fulfill its obligations under this agreement, other than 1687  
with respect to the number of employee positions estimated to be 1688  
created or retained under this agreement, or if ..... (insert 1689  
name of municipal corporation or county) determines that the 1690  
certification as to delinquent taxes required by this agreement is 1691  
fraudulent, ..... (insert name of municipal corporation or 1692  
county) may terminate or modify the exemptions from taxation 1693  
granted under this agreement." 1694

(8) "..... (insert name of enterprise) shall provide to 1695  
the proper tax incentive review council any information reasonably 1696  
required by the council to evaluate the enterprise's compliance 1697  
with the agreement, including returns or annual reports filed 1698  
pursuant to section 5711.02 or 5727.08 of the Ohio Revised Code if 1699  
requested by the council." 1700

(9) "..... (insert name of enterprise) and ..... 1701

(insert name of municipal corporation or county) acknowledge that 1702  
this agreement must be approved by formal action of the 1703  
legislative authority of ..... (insert name of municipal 1704  
corporation or county) as a condition for the agreement to take 1705  
effect. This agreement takes effect upon such approval." 1706

(10) "This agreement is not transferable or assignable 1707  
without the express, written approval of ..... (insert name 1708  
of municipal corporation or county)." 1709

(11) "Exemptions from taxation granted under this agreement 1710  
shall be revoked if it is determined that ..... (insert 1711  
name of enterprise), any successor enterprise, or any related 1712  
member (as those terms are defined in section 5709.61 of the Ohio 1713  
Revised Code) has violated the prohibition against entering into 1714  
this agreement under division (E) of section 3735.671 or section 1715  
5709.62, 5709.63, or 5709.632 of the Ohio Revised Code prior to 1716  
the time prescribed by that division or either of those sections." 1717

(12) "In any three-year period during which this agreement is 1718  
in effect, if the actual number of employee positions created or 1719  
retained by . . . . . (insert name of enterprise) is not 1720  
equal to or greater than seventy-five per cent of the number of 1721  
employee positions estimated to be created or retained under this 1722  
agreement during that three-year period, . . . . . (insert 1723  
name of enterprise) shall repay the amount of taxes on property 1724  
that would have been payable had the property not been exempted 1725  
from taxation under this agreement during that three-year period. 1726  
In addition, the . . . . . (insert name of municipal corporation 1727  
or county) may terminate or modify the exemptions from taxation 1728  
granted under this agreement." 1729

The statement described in division (B)(7) of this section 1730  
may include the following statement, appended at the end of the 1731  
statement: "and may require the repayment of the amount of taxes 1732  
that would have been payable had the property not been exempted 1733



from taxation under this agreement." 1734

(C) If the director of development had to issue a waiver 1735  
under section 5709.633 of the Revised Code as a condition for the 1736  
agreement to be executed, the agreement shall include the 1737  
following statement: 1738

"Continuation of this agreement is subject to the validity of 1739  
the circumstance upon which ..... (insert name of enterprise) 1740  
applied for, and the Director of the Ohio Department of 1741  
Development issued, the waiver pursuant to section 5709.633 of the 1742  
Ohio Revised Code. If, after formal approval of this agreement by 1743  
..... (insert name of municipal corporation or county), the 1744  
Director or ..... (insert name of municipal corporation or 1745  
county) discovers that such a circumstance did not exist, 1746  
..... (insert name of enterprise) shall be deemed to have 1747  
materially failed to comply with this agreement." 1748

If the director issued a waiver on the basis of the 1749  
circumstance described in division (B)(3) of section 5709.633 of 1750  
the Ohio Revised Code, the conditions enumerated in divisions 1751  
(B)(3)(a)(i) and (ii) or divisions (B)(3)(b)(i) and (ii) of that 1752  
section shall be incorporated in the information described in 1753  
divisions (A)(2), (3), and (4) of this section. 1754

**Sec. 5709.632.** (A)(1) The legislative authority of a 1755  
municipal corporation defined by the United States office of 1756  
management and budget as a ~~central~~ principal city of a 1757  
metropolitan statistical area or designated as an urban cluster in 1758  
a rural statistical area may, in the manner set forth in section 1759  
5709.62 of the Revised Code, designate one or more areas in the 1760  
municipal corporation as a proposed enterprise zone. 1761

(2) With the consent of the legislative authority of each 1762  
affected municipal corporation or of a board of township trustees, 1763  
a board of county commissioners may, in the manner set forth in 1764

section 5709.62 of the Revised Code, designate one or more areas 1765  
in one or more municipal corporations or in unincorporated areas 1766  
of the county as proposed urban jobs and enterprise zones, except 1767  
that a board of county commissioners may designate no more than 1768  
one area within a township, or within adjacent townships, as a 1769  
proposed urban jobs and enterprise zone. 1770

(3)(a) The legislative authority or board of county 1771  
commissioners may petition the director of development for 1772  
certification of the area as having the characteristics set forth 1773  
in division (A)(3) of section 5709.61 of the Revised Code. Within 1774  
sixty days after receiving such a petition, the director shall 1775  
determine whether the area has the characteristics set forth in 1776  
that division and forward the findings to the legislative 1777  
authority or board of county commissioners. If the director 1778  
certifies the area as having those characteristics and thereby 1779  
certifies it as a zone, the legislative authority or board may 1780  
enter into agreements with enterprises under division (B) of this 1781  
section. Any enterprise wishing to enter into an agreement with a 1782  
legislative authority or board of commissioners under this section 1783  
and satisfying one of the criteria described in divisions (B)(1) 1784  
to (5) of this section shall submit a proposal to the legislative 1785  
authority or board on the form prescribed under division (B) of 1786  
section 5709.62 of the Revised Code and shall review and update 1787  
the estimates and listings required by the form in the manner 1788  
required under that division. The legislative authority or board 1789  
may, on a separate form and at any time, require any additional 1790  
information necessary to determine whether an enterprise is in 1791  
compliance with an agreement and to collect the information 1792  
required to be reported under section 5709.68 of the Revised Code. 1793

(b) The legislative authority of a city designated as an 1794  
urban cluster in a rural statistical area that has, pursuant to 1795  
this section, as amended by Am. Sub. H.B. 95 of the 125th general 1796

assembly, designated one or more areas in the city as a proposed 1797  
enterprise zone, shall not enter into an agreement under this 1798  
section unless it has petitioned the director and the director has 1799  
certified the proposed enterprise zone under division (A)(3)(a) of 1800  
this section. 1801

(B) Prior to entering into an agreement with an enterprise, 1802  
the legislative authority or board of county commissioners shall 1803  
determine whether the enterprise submitting the proposal is 1804  
qualified by financial responsibility and business experience to 1805  
create and preserve employment opportunities in the zone and to 1806  
improve the economic climate of the municipal corporation or 1807  
municipal corporations or the unincorporated areas in which the 1808  
zone is located and to which the proposal applies, and whether the 1809  
enterprise satisfies one of the following criteria: 1810

(1) The enterprise currently has no operations in this state 1811  
and, subject to approval of the agreement, intends to establish 1812  
operations in the zone; 1813

(2) The enterprise currently has operations in this state 1814  
and, subject to approval of the agreement, intends to establish 1815  
operations at a new location in the zone that would not result in 1816  
a reduction in the number of employee positions at any of the 1817  
enterprise's other locations in this state; 1818

(3) The enterprise, subject to approval of the agreement, 1819  
intends to relocate operations, currently located in another 1820  
state, to the zone; 1821

(4) The enterprise, subject to approval of the agreement, 1822  
intends to expand operations at an existing site in the zone that 1823  
the enterprise currently operates; 1824

(5) The enterprise, subject to approval of the agreement, 1825  
intends to relocate operations, currently located in this state, 1826  
to the zone, and the director of development has issued a waiver 1827

for the enterprise under division (B) of section 5709.633 of the Revised Code. 1828  
1829

(C) If the legislative authority or board determines that the enterprise is so qualified and satisfies one of the criteria described in divisions (B)(1) to (5) of this section, the legislative authority or board may, after complying with section 5709.83 of the Revised Code and on or before October 15, 2009, and, in the case of a board of commissioners, with the consent of the legislative authority of each affected municipal corporation or of the board of township trustees, enter into an agreement with the enterprise under which the enterprise agrees to establish, expand, renovate, or occupy a facility in the zone and hire new employees, or preserve employment opportunities for existing employees, in return for the following incentives: 1830  
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(1) When the facility is located in a municipal corporation, a legislative authority or board of commissioners may enter into an agreement for one or more of the incentives provided in division (C) of section 5709.62 of the Revised Code, subject to division (D) of that section; 1842  
1843  
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1846

(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. 1847  
1848  
1849  
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1851

(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. 1852  
1853  
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(E) Except as otherwise provided in this division, an 1860  
agreement entered into under this section shall require that the 1861  
enterprise pay an annual fee equal to the greater of one per cent 1862  
of the dollar value of incentives offered under the agreement or 1863  
five hundred dollars; provided, however, that if the value of the 1864  
incentives exceeds two hundred fifty thousand dollars, the fee 1865  
shall not exceed two thousand five hundred dollars. The fee shall 1866  
be payable to the legislative authority or board of commissioners 1867  
once per year for each year the agreement is effective on the days 1868  
and in the form specified in the agreement. Fees paid shall be 1869  
deposited in a special fund created for such purpose by the 1870  
legislative authority or board and shall be used by the 1871  
legislative authority or board exclusively for the purpose of 1872  
complying with section 5709.68 of the Revised Code and by the tax 1873  
incentive review council created under section 5709.85 of the 1874  
Revised Code exclusively for the purposes of performing the duties 1875  
prescribed under that section. The legislative authority or board 1876  
may waive or reduce the amount of the fee charged against an 1877  
enterprise, but such waiver or reduction does not affect the 1878  
obligations of the legislative authority or board or the tax 1879  
incentive review council to comply with section 5709.68 or 5709.85 1880  
of the Revised Code, respectively. 1881

(F) With the approval of the legislative authority of a 1882  
municipal corporation or the board of township trustees of a 1883  
township in which a zone is designated under division (A)(2) of 1884  
this section, the board of county commissioners may delegate to 1885  
that legislative authority or board any powers and duties of the 1886  
board to negotiate and administer agreements with regard to that 1887  
zone under this section. 1888

(G) When an agreement is entered into pursuant to this 1889  
section, the legislative authority or board of commissioners 1890  
authorizing the agreement shall forward a copy of the agreement to 1891

the director of development and to the tax commissioner within 1892  
fifteen days after the agreement is entered into. If any agreement 1893  
includes terms not provided for in section 5709.631 of the Revised 1894  
Code affecting the revenue of a city, local, or exempted village 1895  
school district or causing revenue to be foregone by the district, 1896  
including any compensation to be paid to the school district 1897  
pursuant to section 5709.82 of the Revised Code, those terms also 1898  
shall be forwarded in writing to the director of development along 1899  
with the copy of the agreement forwarded under this division. 1900

(H) After an agreement is entered into, the enterprise shall 1901  
file with each personal property tax return required to be filed 1902  
while the agreement is in effect, an informational return, on a 1903  
form prescribed by the tax commissioner for that purpose, setting 1904  
forth separately the property, and related costs and values, 1905  
exempted from taxation under the agreement. 1906

(I) An agreement entered into under this section may include 1907  
a provision requiring the enterprise to create one or more 1908  
temporary internship positions for students enrolled in a course 1909  
of study at a school or other educational institution in the 1910  
vicinity, and to create a scholarship or provide another form of 1911  
educational financial assistance for students holding such a 1912  
position in exchange for the student's commitment to work for the 1913  
enterprise at the completion of the internship. 1914

**Sec. 5709.73.** (A) As used in this section and section 5709.74 1915  
of the Revised Code: 1916

(1) "Business day" means a day of the week excluding 1917  
Saturday, Sunday, and a legal holiday as defined in section 1.14 1918  
of the Revised Code. 1919

(2) "Further improvements" or "improvements" means the 1920  
increase in the true value of ~~a parcel of~~ real property that would 1921  
first appear on the tax list and duplicate of real and public 1922

utility property after the effective date of a resolution adopted 1923  
under this section were it not for the exemption granted by that 1924  
resolution. For purposes of division (B) of this section, 1925  
"improvements" do not include any property used or to be used for 1926  
residential purposes. 1927

(3) "Housing renovation" means a project carried out for 1928  
residential purposes. 1929

(4) "Incentive district" has the same meaning as in section 1930  
5709.40 of the Revised Code, except that a blighted area is in the 1931  
unincorporated area of a township. 1932

(5) "Project" and "public infrastructure improvement" have 1933  
the same meanings as in section 5709.40 of the Revised Code. 1934

(B) A board of township trustees may, by unanimous vote, 1935  
adopt a resolution that declares to be a public purpose any public 1936  
infrastructure improvements made that are necessary for the 1937  
development of certain parcels of land located in the 1938  
unincorporated area of the township. Except as otherwise provided 1939  
in division (D) of this section, the resolution may exempt from 1940  
real property taxation not more than seventy-five per cent of 1941  
further improvements to a parcel of land which directly benefits 1942  
from such public infrastructure improvements; the percentage 1943  
exempted shall not, except as otherwise provided in division (D) 1944  
of this section, exceed the estimated percentage of the 1945  
incremental demand placed on the public infrastructure 1946  
improvements that is directly attributable to the exempted 1947  
improvement. For the purposes of this division, a public 1948  
infrastructure improvement directly benefits a parcel of land only 1949  
if a project on the parcel places direct, additional demand on the 1950  
public infrastructure improvement, or, if the public 1951  
infrastructure improvement has not yet been constructed, will 1952  
place direct, additional demand on the public infrastructure 1953  
improvement when completed. The resolution shall specify the 1954

percentage of the further improvements to be exempted. 1955

(C) A board of township trustees may adopt, by unanimous 1956  
vote, a resolution creating an incentive district and declaring 1957  
improvements to parcels within the district to be a public purpose 1958  
and exempt from taxation as provided in this section. The district 1959  
shall be located within the unincorporated area of the township 1960  
and shall not include any territory that is included within a 1961  
district created under division (B) of section 5709.78 of the 1962  
Revised Code. The resolution shall delineate the boundary of the 1963  
district and specifically identify each parcel within the 1964  
district. A district may not include any parcel that is or has 1965  
been exempted from taxation under division (B) of this section or 1966  
that is or has been within another district created under this 1967  
division. A resolution may create more than one such district, and 1968  
more than one resolution may be adopted under this division. 1969

Not later than thirty days prior to adopting a resolution 1970  
under this division, if the township intends to apply for 1971  
exemptions from taxation under section 5709.911 of the Revised 1972  
Code on behalf of owners of real property located within the 1973  
proposed incentive district, the board shall conduct a public 1974  
hearing on the proposed resolution. Not later than thirty days 1975  
prior to the public hearing, the board shall give notice of the 1976  
public hearing and the proposed resolution by first class mail to 1977  
every real property owner whose property is located within the 1978  
boundaries of the proposed incentive district that is the subject 1979  
of the proposed resolution. 1980

A resolution under this division shall specify the life of 1981  
the district and the percentage of the improvements to be exempted 1982  
and shall designate the public infrastructure improvements made or 1983  
to be made that benefit or serve parcels in the district. 1984

A resolution adopted under this division may authorize the 1985  
use of service payments provided for in section 5709.74 of the 1986



Revised Code for the purpose of housing renovations within the 1987  
district, provided that the resolution also designates public 1988  
infrastructure improvements that benefit or serve the district, 1989  
and that a project within the district places real property in use 1990  
for commercial or industrial purposes. Service payments may be 1991  
used to finance or support loans, deferred loans, and grants to 1992  
persons for the purpose of housing renovations within the 1993  
district. The resolution shall designate the parcels within the 1994  
district that are eligible for housing renovations. The resolution 1995  
shall state separately the amount or the percentages of the 1996  
expected aggregate service payments that are designated for each 1997  
public infrastructure improvement and for the purpose of housing 1998  
renovations. 1999

Except with the approval of the board of education of each 2000  
city, local, or exempted village school district within the 2001  
territory of which the district is or will be located, the life of 2002  
a district shall not exceed ten years, and the percentage of 2003  
improvements to be exempted shall not exceed seventy-five per 2004  
cent. With such approval, the life of a district may be not more 2005  
than thirty years, and the percentage of improvements to be 2006  
exempted may be not more than one hundred per cent. 2007

Approval of a board of education shall be obtained in the 2008  
manner provided in division (D) of this section for exemptions 2009  
under division (B) of this section, except that the notice to the 2010  
board of education shall delineate the boundaries of the district, 2011  
specifically identify each parcel within the district, identify 2012  
each anticipated improvement in the district, provide an estimate 2013  
of the true value in money of each such improvement, specify the 2014  
life of the district and the percentage of improvements that would 2015  
be exempted, and indicate the date on which the board of township 2016  
trustees intends to adopt the resolution. 2017

A board of township trustees shall not adopt a resolution 2018

under this division after June 30, 2007. 2019

(D) Improvements with respect to a parcel may be exempted 2020  
from taxation under division (B) of this section for up to ten 2021  
years or, with the approval of the board of education of the city, 2022  
local, or exempted village school district within which the parcel 2023  
is located, for up to thirty years. The percentage of the 2024  
improvements exempted from taxation may, with such approval, 2025  
exceed seventy-five per cent, but shall not exceed one hundred per 2026  
cent. Not later than forty-five business days prior to adopting a 2027  
resolution under this section declaring improvements to be a 2028  
public purpose, the board of trustees shall deliver to the board 2029  
of education a notice stating its intent to adopt a resolution 2030  
making that declaration. The notice shall identify the parcels for 2031  
which improvements are to be exempted from taxation, provide an 2032  
estimate of the true value in money of the improvements, specify 2033  
the period for which the improvements would be exempted from 2034  
taxation and the percentage of the improvements that would be 2035  
exempted, and indicate the date on which the board of trustees 2036  
intends to adopt the resolution. The board of education, by 2037  
resolution adopted by a majority of the board, may approve the 2038  
exemption for the period or for the exemption percentage specified 2039  
in the notice, may disapprove the exemption for the number of 2040  
years in excess of ten, may disapprove the exemption for the 2041  
percentage of the improvements to be exempted in excess of 2042  
seventy-five per cent, or both, or may approve the exemption on 2043  
the condition that the board of trustees and the board of 2044  
education negotiate an agreement providing for compensation to the 2045  
school district equal in value to a percentage of the amount of 2046  
taxes exempted in the eleventh and subsequent years of the 2047  
exemption period or, in the case of exemption percentages in 2048  
excess of seventy-five per cent, compensation equal in value to a 2049  
percentage of the taxes that would be payable on the portion of 2050  
the improvements in excess of seventy-five per cent were that 2051

portion to be subject to taxation. The board of education shall 2052  
certify its resolution to the board of trustees not later than 2053  
fourteen days prior to the date the board of trustees intends to 2054  
adopt the resolution as indicated in the notice. If the board of 2055  
education approves the exemption on the condition that a 2056  
compensation agreement be negotiated, the board of education in 2057  
its resolution shall propose a compensation percentage. If the 2058  
board of education and the board of trustees negotiate a mutually 2059  
acceptable compensation agreement, the resolution may declare the 2060  
improvements a public purpose for the number of years specified in 2061  
the resolution or, in the case of exemption percentages in excess 2062  
of seventy-five per cent, for the exemption percentage specified 2063  
in the resolution. In either case, if the board of education and 2064  
the board of trustees fail to negotiate a mutually acceptable 2065  
compensation agreement, the resolution may declare the 2066  
improvements a public purpose for not more than ten years, but 2067  
shall not exempt more than seventy-five per cent of the 2068  
improvements from taxation, or, in the case of a resolution 2069  
adopted under division (B) of this section, not more than the 2070  
estimated percentage of the incremental demand as otherwise 2071  
prescribed by division (B) of this section if that percentage is 2072  
less than seventy-five per cent. If the board of education fails 2073  
to certify a resolution to the board of trustees within the time 2074  
prescribed by this section, the board of trustees thereupon may 2075  
adopt the resolution and may declare the improvements a public 2076  
purpose for up to thirty years or, in the case of exemption 2077  
percentages proposed in excess of seventy-five per cent, for the 2078  
exemption percentage specified in the resolution. The board of 2079  
township trustees may adopt the resolution at any time after the 2080  
board of education certifies its resolution approving the 2081  
exemption to the board of township trustees, or, if the board of 2082  
education approves the exemption on the condition that a mutually 2083  
acceptable compensation agreement be negotiated, at any time after 2084

the compensation agreement is agreed to by the board of education 2085  
and the board of township trustees. 2086

If a board of education has adopted a resolution waiving its 2087  
right to approve exemptions from taxation and the resolution 2088  
remains in effect, approval of such exemptions by the board of 2089  
education is not required under this division. If a board of 2090  
education has adopted a resolution allowing a board of township 2091  
trustees to deliver the notice required under this division fewer 2092  
than forty-five business days prior to adoption of the resolution 2093  
by the board of township trustees, the board of township trustees 2094  
shall deliver the notice to the board of education not later than 2095  
the number of days prior to such adoption as prescribed by the 2096  
board of education in its resolution. If a board of education 2097  
adopts a resolution waiving its right to approve exemptions or 2098  
shortening the notification period, the board of education shall 2099  
certify a copy of the resolution to the board of township 2100  
trustees. If the board of education rescinds such a resolution, it 2101  
shall certify notice of the rescission to the board of township 2102  
trustees. 2103

If the board of trustees is not required by this division to 2104  
notify the board of education of the board of trustees' intent to 2105  
declare improvements to be a public purpose, the board of trustees 2106  
shall comply with the notice requirements imposed under section 2107  
5709.83 of the Revised Code before taking formal action to adopt 2108  
the resolution making that declaration, unless the board of 2109  
education has adopted a resolution under that section waiving its 2110  
right to receive such a notice. 2111

(E) An exemption from taxation granted under this section 2112  
commences with the tax year in which an improvement first appears 2113  
on the tax list and duplicate of real and public utility property 2114  
and that begins after the effective date of the resolution. Except 2115  
as otherwise provided in this division, the exemption ends on the 2116

date specified in the resolution as the date the improvement 2117  
ceases to be a public purpose or the incentive district expires, 2118  
or ends on the date on which the public infrastructure 2119  
improvements and housing renovations are paid in full from the 2120  
township public improvement tax increment equivalent fund 2121  
established under section 5709.75 of the Revised Code, whichever 2122  
occurs first. The exemption of an improvement with respect to a 2123  
parcel may end on a later date, as specified in the resolution, if 2124  
the board of township trustees and the board of education of the 2125  
city, local, or exempted village school district within which the 2126  
parcel is located have entered into a compensation agreement under 2127  
section 5709.82 of the Revised Code with respect to the 2128  
improvement or district and the board of education has approved 2129  
the term of the exemption under division (D) of this section, but 2130  
in no case shall the improvement be exempted from taxation for 2131  
more than thirty years. The board of township trustees may, by 2132  
majority vote, adopt a resolution permitting the township to enter 2133  
into such agreements as the board finds necessary or appropriate 2134  
to provide for the construction or undertaking of public 2135  
infrastructure improvements and housing renovations. Any exemption 2136  
shall be claimed and allowed in the same or a similar manner as in 2137  
the case of other real property exemptions. If an exemption status 2138  
changes during a tax year, the procedure for the apportionment of 2139  
the taxes for that year is the same as in the case of other 2140  
changes in tax exemption status during the year. 2141

(F) The board of township trustees may issue the notes of the 2142  
township to finance all costs pertaining to the construction or 2143  
undertaking of public infrastructure improvements and housing 2144  
renovations made pursuant to this section. The notes shall be 2145  
signed by the board and attested by the signature of the township 2146  
clerk, shall bear interest not to exceed the rate provided in 2147  
section 9.95 of the Revised Code, and are not subject to Chapter 2148  
133. of the Revised Code. The resolution authorizing the issuance 2149

of the notes shall pledge the funds of the township public 2150  
improvement tax increment equivalent fund established pursuant to 2151  
section 5709.75 of the Revised Code to pay the interest on and 2152  
principal of the notes. The notes, which may contain a clause 2153  
permitting prepayment at the option of the board, shall be offered 2154  
for sale on the open market or given to the vendor or contractor 2155  
if no sale is made. 2156

(G) The township, not later than fifteen days after the 2157  
adoption of a resolution under this section, shall submit to the 2158  
director of development a copy of the resolution. On or before the 2159  
thirty-first day of March of each year, the township shall submit 2160  
a status report to the director of development. The report shall 2161  
indicate, in the manner prescribed by the director, the progress 2162  
of the project during each year that the exemption remains in 2163  
effect, including a summary of the receipts from service payments 2164  
in lieu of taxes; expenditures of money from funds created under 2165  
section 5709.75 of the Revised Code; a description of the public 2166  
infrastructure improvements and housing renovations financed with 2167  
such expenditures; and a quantitative summary of changes in 2168  
~~employment and~~ private investment resulting from each project. 2169

(H) Nothing in this section shall be construed to prohibit a 2170  
board of township trustees from declaring to be a public purpose 2171  
improvements with respect to more than one parcel. 2172

(I) A board of township trustees that adopted a resolution 2173  
under this section prior to July 21, 1994, may amend that 2174  
resolution to include any additional public infrastructure 2175  
improvement. A board of township trustees that seeks by such an 2176  
amendment to utilize money from its township public improvement 2177  
tax increment equivalent fund for land acquisition in aid of 2178  
industry, commerce, distribution, or research, demolition on 2179  
private property, or stormwater and flood remediation projects may 2180  
do so provided that the board currently is a party to a 2181

hold-harmless agreement with the board of education of the city, 2182  
local, or exempted village school district within the territory of 2183  
which are located the parcels that are subject to an exemption. 2184  
For the purposes of this division, a "hold-harmless agreement" 2185  
means an agreement under which the board of township trustees 2186  
agrees to compensate the school district for one hundred per cent 2187  
of the tax revenue that the school district would have received 2188  
from further improvements to parcels designated in the resolution 2189  
were it not for the exemption granted by the resolution. 2190

**Sec. 5709.74.** A township that has declared an improvement to 2191  
be a public purpose under section 5709.73 of the Revised Code may 2192  
require the owner of the parcel to make annual service payments in 2193  
lieu of taxes to the county treasurer on or before the final dates 2194  
for payment of real property taxes. Each payment shall be charged 2195  
and collected in the same manner and in the same amount as the 2196  
real property taxes that would have been charged and payable 2197  
against any improvement made on the parcel if it were not exempt 2198  
from taxation. If any reduction in the levies otherwise applicable 2199  
to the exempt property is made by the county budget commission 2200  
under section 5705.31 of the Revised Code, the amount of the 2201  
service payment in lieu of taxes shall be calculated as if a 2202  
reduction in levies had not been made. A township shall not 2203  
require an owner to make annual service payments in lieu of taxes 2204  
pursuant to this section after the date on which the township has 2205  
been paid back in full for the public infrastructure improvements 2206  
made pursuant to sections 5709.73 to 5709.75 of the Revised Code. 2207

Moneys collected as service payments in lieu of taxes shall 2208  
be distributed at the same time and in the same manner as real 2209  
property tax payments ~~except that~~. However, subject to section 2210  
5709.913 of the Revised Code, the entire amount so collected shall 2211  
be distributed to the township in which the improvement is 2212  
located. If a parcel upon which moneys are collected as service 2213

payments in lieu of taxes is annexed to a municipal corporation, 2214  
the service payments shall continue to be collected and 2215  
distributed to the township in which the parcel was located before 2216  
its annexation until the township is paid back in full for the 2217  
cost of any public infrastructure improvements it made on the 2218  
parcel. The treasurer shall maintain a record of the service 2219  
payments in lieu of taxes made from property in each township. 2220

Nothing in this section or section 5709.73 of the Revised 2221  
Code affects the taxes levied against that portion of the value of 2222  
any parcel of property that is not exempt from taxation. 2223

**Sec. 5709.77.** As used in sections 5709.77 to 5709.81 of the 2224  
Revised Code: 2225

(A) "Business day" means a day of the week excluding 2226  
Saturday, Sunday, and a legal holiday as defined in section 1.14 2227  
of the Revised Code. 2228

(B) "Fund" means to provide for the payment of the debt 2229  
service on and the expenses relating to an outstanding obligation 2230  
of the county. 2231

(C) "Housing renovation" means a project carried out for 2232  
residential purposes. 2233

(D) "Improvement" means the increase in the true value of a 2234  
~~parcel of~~ real property that would first appear on the tax list 2235  
and duplicate of real and public utility property after the 2236  
effective date of a resolution adopted under section 5709.78 of 2237  
the Revised Code were it not for the exemption granted by that 2238  
resolution. "Improvement" does not include a public infrastructure 2239  
improvement. For purposes of division (A) of section 5709.78 of 2240  
the Revised Code, "improvement" does not include any property used 2241  
or to be used for residential purposes. 2242

(E) "Incentive district" has the same meaning as in section 2243



5709.40 of the Revised Code, except that a blighted area is in the 2244  
unincorporated territory of a county. 2245

(F) "Refund" means to fund and retire an outstanding 2246  
obligation of the county. 2247

(G) "Project" and "public infrastructure improvement" have 2248  
the same meanings as in section 5709.40 of the Revised Code. 2249

**Sec. 5709.78.** (A) A board of county commissioners may, by 2250  
resolution, declare improvements to certain parcels of real 2251  
property located in the unincorporated territory of the county to 2252  
be a public purpose. Except as otherwise provided in division (C) 2253  
of this section, not more than seventy-five per cent of an 2254  
improvement thus declared to be a public purpose may be exempted 2255  
from real property taxation; the percentage exempted shall not, 2256  
except as otherwise provided in those divisions, exceed the 2257  
estimated percentage of the incremental demand placed on the 2258  
public infrastructure improvements that is directly attributable 2259  
to the exempted improvement. The resolution shall specify the 2260  
percentage of the improvement to be exempted. 2261

A resolution adopted under this division shall designate the 2262  
specific public infrastructure improvements made, to be made, or 2263  
in the process of being made by the county that directly benefit, 2264  
or that once made will directly benefit, the parcels for which 2265  
improvements are declared to be a public purpose. For the purposes 2266  
of this division, a public infrastructure improvement directly 2267  
benefits such a parcel only if a project on the parcel places 2268  
direct, additional demand on the public infrastructure improvement 2269  
or, if the public infrastructure improvement has not yet been 2270  
completed, will place direct, additional demand on the public 2271  
infrastructure improvement once it is completed. The service 2272  
payments provided for in section 5709.79 of the Revised Code shall 2273  
be used to finance the public infrastructure improvements 2274

designated in the resolution. 2275

(B) A board of county commissioners may adopt a resolution 2276  
creating an incentive district and declaring improvements to 2277  
parcels within the district to be a public purpose and exempt from 2278  
taxation as provided in this section. The district shall be 2279  
located within the unincorporated territory of the county and 2280  
shall not include any territory that is included within a district 2281  
created under division (C) of section 5709.73 of the Revised Code. 2282  
The resolution shall delineate the boundary of the district and 2283  
specifically identify each parcel within the district. A district 2284  
may not include any parcel that is or has been exempted from 2285  
taxation under division (A) of this section or that is or has been 2286  
within another district created under this division. A resolution 2287  
may create more than one such district, and more than one 2288  
resolution may be adopted under this division. 2289

Not later than thirty days prior to adopting a resolution 2290  
under this division, if the county intends to apply for exemptions 2291  
from taxation under section 5709.911 of the Revised Code on behalf 2292  
of owners of real property located within the proposed incentive 2293  
district, the board of county commissioners shall conduct a public 2294  
hearing on the proposed resolution. Not later than thirty days 2295  
prior to the public hearing, the board shall give notice of the 2296  
public hearing and the proposed resolution by first class mail to 2297  
every real property owner whose property is located within the 2298  
boundaries of the proposed incentive district that is the subject 2299  
of the proposed resolution. The board also shall provide the 2300  
notice by first class mail to the clerk of each township in which 2301  
the proposed incentive district will be located. 2302

A resolution under this division shall specify the life of 2303  
the district and the percentage of the improvements to be exempted 2304  
and shall designate the public infrastructure improvements made or 2305  
to be made that benefit or serve parcels in the district. 2306

A resolution adopted under this division may authorize the use of service payments provided for in section 5709.79 of the Revised Code for the purpose of housing renovations within the district, provided that the resolution also designates public infrastructure improvements that benefit or serve the district, and that a project within the district places real property in use for commercial or industrial purposes. Service payments may be used to finance or support loans, deferred loans, and grants to persons for the purpose of housing renovations within the district. The resolution shall designate the parcels within the district that are eligible for housing renovations. The resolution shall state separately the amount or the percentages of the expected aggregate service payments that are designated for each public infrastructure improvement and for the purpose of housing renovations.

Except with the approval of the board of education of each city, local, or exempted village school district within the territory of which the district is or will be located, the life of a district shall not exceed ten years, and the percentage of improvements to be exempted shall not exceed seventy-five per cent. With such approval, the life of a district may be not more than thirty years, and the percentage of improvements to be exempted may be not more than one hundred per cent.

Approval of a board of education shall be obtained in the manner provided in division (C) of this section for exemptions under division (A) of this section, except that the notice to the board of education shall delineate the boundaries of the district, specifically identify each parcel within the district, identify each anticipated improvement in the district, provide an estimate of the true value in money of each such improvement, specify the life of the district and the percentage of improvements that would be exempted, and indicate the date on which the board of county

commissioners intends to adopt the resolution. 2339

A board of county commissioners shall not adopt a resolution 2340  
under this division after June 30, 2007. 2341

(C)(1) Improvements with respect to a parcel may be exempted 2342  
from taxation under division (A) of this section for up to ten 2343  
years or, with the approval of the board of education of the city, 2344  
local, or exempted village school district within which the parcel 2345  
is located, for up to thirty years. The percentage of the 2346  
improvements exempted from taxation may, with such approval, 2347  
exceed seventy-five per cent, but shall not exceed one hundred per 2348  
cent. Not later than forty-five business days prior to adopting a 2349  
resolution under this section declaring improvements to be a 2350  
public purpose, the board of county commissioners shall deliver to 2351  
the board of education a notice stating its intent to adopt a 2352  
resolution making that declaration. The notice shall identify the 2353  
parcels for which improvements are to be exempted from taxation, 2354  
provide an estimate of the true value in money of the 2355  
improvements, specify the period for which the improvements would 2356  
be exempted from taxation and the percentage of the improvements 2357  
that would be exempted, and indicate the date on which the board 2358  
of county commissioners intends to adopt the resolution. The board 2359  
of education, by resolution adopted by a majority of the board, 2360  
may approve the exemption for the period or for the exemption 2361  
percentage specified in the notice, may disapprove the exemption 2362  
for the number of years in excess of ten, may disapprove the 2363  
exemption for the percentage of the improvements to be exempted in 2364  
excess of seventy-five per cent, or both, or may approve the 2365  
exemption on the condition that the board of county commissioners 2366  
and the board of education negotiate an agreement providing for 2367  
compensation to the school district equal in value to a percentage 2368  
of the amount of taxes exempted in the eleventh and subsequent 2369  
years of the exemption period or, in the case of exemption 2370

percentages in excess of seventy-five per cent, compensation equal 2371  
in value to a percentage of the taxes that would be payable on the 2372  
portion of the improvements in excess of seventy-five per cent 2373  
were that portion to be subject to taxation. The board of 2374  
education shall certify its resolution to the board of county 2375  
commissioners not later than fourteen days prior to the date the 2376  
board of county commissioners intends to adopt its resolution as 2377  
indicated in the notice. If the board of education approves the 2378  
exemption on the condition that a compensation agreement be 2379  
negotiated, the board of education in its resolution shall propose 2380  
a compensation percentage. If the board of education and the board 2381  
of county commissioners negotiate a mutually acceptable 2382  
compensation agreement, the resolution of the board of county 2383  
commissioners may declare the improvements a public purpose for 2384  
the number of years specified in that resolution or, in the case 2385  
of exemption percentages in excess of seventy-five per cent, for 2386  
the exemption percentage specified in the resolution. In either 2387  
case, if the board of education and the board of county 2388  
commissioners fail to negotiate a mutually acceptable compensation 2389  
agreement, the resolution may declare the improvements a public 2390  
purpose for not more than ten years, but shall not exempt more 2391  
than seventy-five per cent of the improvements from taxation, or, 2392  
in the case of a resolution adopted under division (A) of this 2393  
section, not more than the estimated percentage of the incremental 2394  
demand as otherwise prescribed by division (A) of this section if 2395  
that percentage is less than seventy-five per cent. If the board 2396  
of education fails to certify a resolution to the board of county 2397  
commissioners within the time prescribed by this section, the 2398  
board of county commissioners thereupon may adopt the resolution 2399  
and may declare the improvements a public purpose for up to thirty 2400  
years or, in the case of exemption percentages proposed in excess 2401  
of seventy-five per cent, for the exemption percentage specified 2402  
in the resolution. The board of county commissioners may adopt the 2403

resolution at any time after the board of education certifies its 2404  
resolution approving the exemption to the board of county 2405  
commissioners, or, if the board of education approves the 2406  
exemption on the condition that a mutually acceptable compensation 2407  
agreement be negotiated, at any time after the compensation 2408  
agreement is agreed to by the board of education and the board of 2409  
county commissioners. 2410

(2) If a board of education has adopted a resolution waiving 2411  
its right to approve exemptions from taxation and the resolution 2412  
remains in effect, approval of such exemptions by the board of 2413  
education is not required under division (C)(1) of this section. 2414  
If a board of education has adopted a resolution allowing a board 2415  
of county commissioners to deliver the notice required under 2416  
division (C)(1) of this section fewer than forty-five business 2417  
days prior to approval of the resolution by the board of county 2418  
commissioners, the board of county commissioners shall deliver the 2419  
notice to the board of education not later than the number of days 2420  
prior to such approval as prescribed by the board of education in 2421  
its resolution. If a board of education adopts a resolution 2422  
waiving its right to approve exemptions or shortening the 2423  
notification period, the board of education shall certify a copy 2424  
of the resolution to the board of county commissioners. If the 2425  
board of education rescinds such a resolution, it shall certify 2426  
notice of the rescission to the board of county commissioners. 2427

(D) An exemption from taxation granted under this section 2428  
commences with the tax year in which an improvement first appears 2429  
on the tax list and duplicate of real and public utility property 2430  
and that begins after the effective date of the resolution. Except 2431  
as otherwise provided in this division, the exemption ends on the 2432  
date specified in the resolution as the date the improvement 2433  
ceases to be a public purpose or the incentive district expires, 2434  
or ends on the date on which the county can no longer require 2435

annual service payments in lieu of taxes under section 5709.79 of 2436  
the Revised Code, whichever occurs first. The exemption of an 2437  
improvement with respect to a parcel may end on a later date, as 2438  
specified in the resolution, if the board of commissioners and the 2439  
board of education of the city, local, or exempted village school 2440  
district within which the parcel is located have entered into a 2441  
compensation agreement under section 5709.82 of the Revised Code 2442  
with respect to the improvement or district and the board of 2443  
education has approved the term of the exemption under division 2444  
(C)(1) of this section, but in no case shall the improvement be 2445  
exempted from taxation for more than thirty years. Exemptions 2446  
shall be claimed and allowed in the same or a similar manner as in 2447  
the case of other real property exemptions. If an exemption status 2448  
changes during a tax year, the procedure for the apportionment of 2449  
the taxes for that year is the same as in the case of other 2450  
changes in tax exemption status during the year. 2451

(E) If the board of county commissioners is not required by 2452  
this section to notify the board of education of the board of 2453  
county commissioners' intent to declare improvements to be a 2454  
public purpose, the board of county commissioners shall comply 2455  
with the notice requirements imposed under section 5709.83 of the 2456  
Revised Code before taking formal action to adopt the resolution 2457  
making that declaration, unless the board of education has adopted 2458  
a resolution under that section waiving its right to receive such 2459  
a notice. 2460

(F) The county, not later than fifteen days after the 2461  
adoption of a resolution under this section, shall submit to the 2462  
director of development a copy of the resolution. On or before the 2463  
thirty-first day of March of each year, the county shall submit a 2464  
status report to the director of development. The report shall 2465  
indicate, in the manner prescribed by the director, the progress 2466  
of the project during each year that an exemption remains in 2467

effect, including a summary of the receipts from service payments 2468  
in lieu of taxes; expenditures of money from funds created under 2469  
section 5709.75 of the Revised Code; a description of the public 2470  
infrastructure improvements and housing renovations financed with 2471  
such expenditures; and a quantitative summary of changes in 2472  
employment and private investment resulting from each project. 2473

(G) Nothing in this section shall be construed to prohibit a 2474  
board of county commissioners from declaring to be a public 2475  
purpose improvements with respect to more than one parcel. 2476

**Sec. 5709.79.** A board of county commissioners that adopts a 2477  
resolution under section 5709.78 of the Revised Code shall in the 2478  
resolution require that the owner of the improvement make annual 2479  
service payments in lieu of taxes to the county treasurer on or 2480  
before the final dates for payment of real property taxes. Each 2481  
such payment shall be charged and collected in the same manner and 2482  
in the same amount as the real property taxes that would have been 2483  
charged and payable against the improvement if its value were not 2484  
exempt from taxation. If any reduction in the levies otherwise 2485  
applicable to the improvement is made by the county budget 2486  
commission under section 5705.31 of the Revised Code, the amount 2487  
of the service payment in lieu of taxes shall be calculated as if 2488  
the reduction in levies had not been made. 2489

The county shall not require the owner to make annual service 2490  
payments in lieu of taxes pursuant to this section after the date 2491  
on which one of the following occurs: 2492

(A) If bonds or notes were not issued under section 307.082 2493  
or 5709.81 of the Revised Code for any public infrastructure 2494  
improvements benefiting the parcel on which the improvement is 2495  
located, or for any housing renovations within an incentive 2496  
district, and if service payments were not pledged pursuant to 2497  
division (B) of section 5709.81 of the Revised Code, the date the 2498



county has collected sufficient money in the applicable account of 2499  
the redevelopment tax equivalent fund to pay the cost of 2500  
constructing or repairing the public infrastructure improvements 2501  
designated in, or the housing renovations authorized by, the 2502  
resolution adopted under section 5709.78 of the Revised Code; 2503

(B) If service payments were pledged under division (B) of 2504  
section 5709.81 of the Revised Code to secure payment of any 2505  
obligation issued to finance the public infrastructure improvement 2506  
and housing renovations, the date the purposes for which the 2507  
payments were pledged are paid in full; 2508

(C) If bonds or notes were issued under section 307.082 or 2509  
5709.81 of the Revised Code, the date the interest on and 2510  
principal of such bonds and notes have been paid in full. 2511

Money collected as service payments in lieu of taxes shall be 2512  
distributed at the same time and in the same manner as real 2513  
property tax payments ~~except that.~~ However, subject to section 2514  
5709.914 of the Revised Code, the entire amount so collected shall 2515  
be distributed to the county in which the parcel is located. The 2516  
county treasurer shall maintain a record of the service payments 2517  
in lieu of taxes made for each parcel. If a parcel upon which 2518  
moneys are collected as service payments in lieu of taxes is 2519  
annexed to a municipal corporation, the service payments shall 2520  
continue to be collected and distributed to the county until the 2521  
date described in division (A), (B), or (C) of this section. 2522

Nothing in this section or section 5709.78 of the Revised 2523  
Code affects the taxes levied against that portion of the value of 2524  
any parcel that is not exempt from taxation. 2525

Sec. 5709.91. Service payments in lieu of taxes required 2526  
under sections 725.04, 5709.42, 5709.74, and 5709.79 of the 2527  
Revised Code, and service charges in lieu of taxes required under 2528  
sections 1728.11 and 1728.111 of the Revised Code, shall be 2529

treated in the same manner as taxes for all purposes of the lien 2530  
described in section 323.11 of the Revised Code, including but not 2531  
limited to, the priority and enforcement of the lien and the 2532  
collection of the service payments or service charges secured by 2533  
the lien. 2534

**Sec. 5709.911.** (A)(1) A municipal corporation, township, or 2535  
county that has enacted an ordinance or resolution under section 2536  
5709.40, 5709.41, 5709.73, or 5709.78 of the Revised Code or that 2537  
has entered into an agreement referred to in section 725.02 or 2538  
1728.07 of the Revised Code may file an application for exemption 2539  
under those sections in the same manner as other real property tax 2540  
exemptions, notwithstanding the indication in division (A) of 2541  
section 5715.27 of the Revised Code that the owner of the property 2542  
may file the application. 2543

(2) Except as provided in division (B) of this section, if 2544  
the application for exemption under section 725.02, 1728.10, 2545  
5709.40, 5709.41, 5709.73, or 5709.78 of the Revised Code is filed 2546  
by a municipal corporation, township, or county and more than one 2547  
real property tax exemption applies by law to the property or a 2548  
portion of the property, both of the following apply: 2549

(a) An exemption granted under section 725.02, 1728.10, 2550  
5709.40, 5709.41, 5709.73, or 5709.78 of the Revised Code shall be 2551  
subordinate to an exemption with respect to the property or 2552  
portion of the property granted under any other provision of the 2553  
Revised Code. 2554

(b) Neither service payments in lieu of taxes under section 2555  
725.04, 5709.42, 5709.74, or 5709.79 of the Revised Code, nor 2556  
service charges in lieu of taxes under section 1728.11 or 1728.111 2557  
of the Revised Code, shall be required with respect to the 2558  
property or portion of the property that is exempt from real 2559

property taxes under that other provision of the Revised Code 2560  
during the effective period of the exemption. 2561

(B)(1) If the application for exemption under section 725.02, 2562  
1728.10, 5709.40, 5709.41, 5709.73, or 5709.78 of the Revised Code 2563  
is filed by the owner of the property or by a municipal 2564  
corporation, township, or county with the owner's written consent 2565  
attached to the application, and if more than one real property 2566  
tax exemption applies by law to the property or a portion of the 2567  
property, no other exemption shall be granted for the portion of 2568  
the property already exempt under section 725.02, 1728.10, 2569  
5709.40, 5709.41, 5709.73, or 5709.78 of the Revised Code unless 2570  
the municipal corporation, township, or county that enacted the 2571  
authorizing ordinance or resolution for the earlier exemption 2572  
provides its duly authorized written consent to the subsequent 2573  
exemption by means of a duly enacted ordinance or resolution. 2574

(2) If the application for exemption under section 725.02, 2575  
1728.10, 5709.40, 5709.41, 5709.73, or 5709.78 of the Revised Code 2576  
is filed by a municipal corporation, township, or county and 2577  
approved by the tax commissioner, if the owner of the property 2578  
subsequently provides written consent to the exemption and the 2579  
consent is filed with the tax commissioner, and if more than one 2580  
real property tax exemption applies by law to the property or a 2581  
portion of the property, no other exemption shall be granted for 2582  
the portion of the property already exempt under section 725.02, 2583  
1728.10, 5709.40, 5709.41, 5709.73, or 5709.78 of the Revised Code 2584  
unless the municipal corporation, township, or county that enacted 2585  
the authorizing ordinance or resolution for the earlier exemption 2586  
provides its duly authorized written consent to the subsequent 2587  
exemption by means of a duly enacted ordinance or resolution. 2588

(C)(1) After the tax commissioner has approved or partially 2589  
approved an application for exemption filed by or with the consent 2590  
of a property owner under the circumstances described in division 2591

(B)(1) of this section, the municipal corporation, township, county, or property owner shall file a notice with the county recorder for the county in which the property is located that clearly identifies the property and the owner of the property and states that the property, regardless of future use or ownership, remains liable for any service payments or service charges required by the exemption until the terms of the exemption have been satisfied, unless the municipal corporation, township, or county consents to the subsequent exemption and relinquishes its right to collect the service payments or service charges as provided in division (B)(1) of this section. The county recorder's office shall charge a fee of fourteen dollars to record the notice, the proceeds of which shall be retained by the county.

(2) If a property owner subsequently provides written consent to an exemption under the circumstances described in division (B)(2) of this section, the municipal corporation, township, county, or property owner shall file notice with the county recorder for the county in which the property is located that clearly identifies the property and the owner of the property and states that the property, regardless of future use or ownership, remains liable for any service payments or service charges required by the exemption until the terms of the exemption have been satisfied, unless the municipal corporation, township, or county consents to the subsequent exemption and relinquishes its right to collect the service payments or service charges as provided in division (B)(2) of this section. The county recorder's office shall charge a fee of fourteen dollars to record the notice, the proceeds of which shall be retained by the county.

(D) Upon filing of the notice with the county recorder, the provisions of division (B) of this section are binding on all future owners of the property or portion of the property, regardless of how the property is used. Failure to file the notice

with the county recorder relieves future owners of the property 2624  
from the obligation to make service payments in lieu of taxes 2625  
under section 725.04, 5709.42, 5709.74, or 5709.79 of the Revised 2626  
Code or service charges in lieu of taxes under section 1728.11 or 2627  
1728.111 of the Revised Code, if the property or a portion of the 2628  
property later qualifies for exemption under any other provision 2629  
of the Revised Code. Failure to file the notice does not, however, 2630  
relieve the owner of the property, at the time the application for 2631  
exemption is filed, from making those payments or charges. 2632

Sec. 5709.912. The tax commissioner may, in accordance with 2633  
section 5703.14 of the Revised Code, adopt rules to implement 2634  
sections 5709.91 and 5709.911 of the Revised Code. 2635

Sec. 5709.913. (A) As used in this section: 2636

(1) "Base real property" means the land, structures and 2637  
buildings, or portions of structures and buildings, that existed, 2638  
and in the condition in which they existed, for the tax year in 2639  
which the ordinance or resolution creating the incentive district 2640  
referred to in division (B) of this section was enacted or 2641  
adopted, as reflected in the exempt tax list or the general tax 2642  
list and duplicate of real and public utility property. 2643

(2) "Sexennial reappraisal and triennial update" means the 2644  
reappraisal and update referred to in section 5715.24 of the 2645  
Revised Code. 2646

(B) This section applies to any parcel of real property that 2647  
is located within an incentive district created by a municipal 2648  
corporation or township under section 5709.40 or 5709.73 of the 2649  
Revised Code and concerning which the municipal corporation or 2650  
township applied for an exemption from taxation on behalf of the 2651  
property owner under section 5709.911 of the Revised Code. 2652

(C) Each time a county auditor's sexennial reappraisal or 2653

triennial update of the assessed value of a parcel of real 2654  
property to which this section applies results in an increase in 2655  
such assessed value, the county auditor shall determine the 2656  
following amounts: 2657

(1) The amount of the increase in assessed value that is 2658  
attributable to the base real property; 2659

(2) The amount determined under division (C)(1) of this 2660  
section multiplied by the percentage of improvements in the 2661  
incentive district to be exempted from taxation under section 2662  
5709.40 or 5709.73 of the Revised Code, as applicable; 2663

(3) The product of the amount calculated under division 2664  
(C)(2) of this section multiplied by the rate of the taxes levied 2665  
by the county within the ten-mill limitation the proceeds of which 2666  
are deposited in the county general fund; 2667

(4) The product of the amount calculated under division 2668  
(C)(3) of this section multiplied by one-half. 2669

(D) For any tax year that the owner of a parcel of real 2670  
property referred to in division (B) of this section is required 2671  
to make service payments in lieu of taxes under section 5709.42 or 2672  
5709.74 of the Revised Code, a portion of the total amount of 2673  
payments made for the year equal to the amount calculated under 2674  
division (C)(4) of this section shall be distributed to the county 2675  
treasury to the credit of the county general fund in lieu of 2676  
distribution to the municipal public improvement tax increment 2677  
equivalent fund or the township public improvement tax increment 2678  
equivalent fund, as applicable. If the service payments for the 2679  
year are paid in two installments, the required distribution to 2680  
the county treasury also shall be made in two installments. 2681

(E)(1) Division (D) of this section does not apply if the 2682  
municipal corporation or township enters into an agreement with 2683  
the county that provides that such division does not apply. The 2684

agreement may provide for payments to the county by the municipal corporation or township. 2685  
2686

(2) Upon entering into an agreement under division (E)(1) of this section, the municipal corporation or township shall provide written notice of it to the county auditor of the county that is a party to the agreement and the tax commissioner. 2687  
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(F) With respect to a parcel of real property to which this section applies, the tax commissioner shall notify the county auditor of the county in which the parcel is located when a municipal corporation or township has applied for an exemption from taxation on behalf of the property owner and the exemption has been granted under section 5715.27 of the Revised Code. 2691  
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**Sec. 5709.914.** (A) As used in this section: 2697

(1) "Base real property" means the land, structures and buildings, or portions of structures and buildings, that existed, and in the condition in which they existed, for the tax year in which the resolution creating the incentive district referred to in division (B) of this section was adopted, as reflected in the exempt tax list or the general tax list and duplicate of real and public utility property. 2698  
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2700  
2701  
2702  
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2704

(2) "Sexennial reappraisal and triennial update" means the reappraisal and update referred to in section 5715.24 of the Revised Code. 2705  
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(B) This section applies to any parcel of real property that is located within an incentive district created by a county under section 5709.78 of the Revised Code and concerning which the county applied for an exemption from taxation on behalf of the property owner under section 5709.911 of the Revised Code. 2708  
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(C) Each time a county auditor's sexennial reappraisal or triennial update of the assessed value of a parcel of real 2713  
2714

property to which this section applies results in an increase in 2715  
such assessed value, the county auditor shall determine the 2716  
following amounts: 2717

(1) The amount of the increase in assessed value that is 2718  
attributable to the base real property; 2719

(2) The amount determined under division (C)(1) of this 2720  
section multiplied by the percentage of improvements in the 2721  
incentive district to be exempted from taxation under section 2722  
5709.78 of the Revised Code; 2723

(3) The product of the amount calculated under division 2724  
(C)(2) of this section multiplied by the rate of the taxes levied 2725  
within the ten-mill limitation by the township in which the parcel 2726  
is located the proceeds of which are deposited in the general fund 2727  
of the township; 2728

(4) The product of the amount calculated under division 2729  
(C)(3) of this section multiplied by one-half. 2730

(D) For any tax year that the owner of a parcel of real 2731  
property referred to in division (B) of this section is required 2732  
to make service payments in lieu of taxes under section 5709.79 of 2733  
the Revised Code, a portion of the total amount of payments made 2734  
for the year equal to the amount calculated under division (C)(4) 2735  
of this section shall be distributed to the general fund of the 2736  
township in which the parcel is located in lieu of distribution to 2737  
the county redevelopment tax equivalent fund. If the service 2738  
payments for the year are paid in two installments, the required 2739  
distribution to the general fund of the township also shall be 2740  
made in two installments. 2741

(E)(1) Division (D) of this section does not apply if the 2742  
county enters into an agreement with the township that provides 2743  
that such division does not apply. The agreement may provide for 2744  
payments to the township by the county. 2745



(2) Upon entering into an agreement under division (E)(1) of this section, the board of county commissioners of the county shall provide written notice of it to the county auditor and the tax commissioner. 2746  
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(F) With respect to a parcel of real property to which this section applies, the tax commissioner shall notify the county auditor of the county in which the parcel is located when the county has applied for an exemption from taxation on behalf of the property owner and the exemption has been granted under section 5715.27 of the Revised Code. 2750  
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**Section 2.** That existing sections 109.42, 122.18, 122.65, 2756  
5709.40, 5709.42, 5709.62, 5709.63, 5709.631, 5709.632, 5709.73, 2757  
5709.74, 5709.77, 5709.78, and 5709.79 of the Revised Code are 2758  
hereby repealed. 2759

**Section 3.** That Section 2 of Sub. S.B. 186 of the 123rd 2760  
General Assembly is hereby repealed. 2761

**Section 4.** It is the intent of Section 3 of this act to 2762  
prevent the repeal of sections 122.13, 122.131, 122.132, 122.133, 2763  
122.134, 122.135, and 122.136 of the Revised Code that was to have 2764  
taken effect December 31, 2004, and thereby to remove the 2765  
limitation imposed by such repeal upon the continued existence of 2766  
those sections. This intent is not affected by the rule of 2767  
statutory interpretation contained in section 1.57 of the Revised 2768  
Code. 2769

**Section 5.** That Sections 38, 38.18, and 38.20 of Am. Sub. 2770  
H.B. 95 of the 125th General Assembly be amended to read as 2771  
follows: 2772

**Sec. 38.** DEV DEPARTMENT OF DEVELOPMENT 2773

|                      |  |               |               |      |
|----------------------|--|---------------|---------------|------|
| General Revenue Fund |  |               |               | 2774 |
| GRF 195-321          | Operating Expenses                                       | \$ 2,695,236  | \$ 3,020,115  | 2775 |
| GRF 195-401          | Thomas Edison Program                                    | \$ 16,634,934 | \$ 16,334,934 | 2776 |
| GRF 195-404          | Small Business<br>Development                            | \$ 1,740,722  | \$ 1,740,722  | 2777 |
| GRF 195-405          | Minority Business<br>Development Division                | \$ 1,620,755  | \$ 1,669,378  | 2778 |
| GRF 195-407          | Travel and Tourism                                       | \$ 6,049,345  | \$ 7,049,345  | 2779 |
| GRF 195-410          | Defense Conversion<br>Assistance                         | \$ 1,500,000  | \$ 0          | 2780 |
| GRF 195-412          | Business Development<br>Grants                           | \$ 8,905,530  | \$ 8,905,530  | 2781 |
| GRF 195-414          | First Frontier Match                                     | \$ 389,987    | \$ 389,987    | 2782 |
| GRF 195-415          | Economic Development<br>Division and Regional<br>Offices | \$ 5,594,975  | \$ 5,594,975  | 2783 |
| GRF 195-416          | Governor's Office of<br>Appalachia                       | \$ 4,372,324  | \$ 4,372,324  | 2784 |
| GRF 195-417          | Urban/Rural Initiative                                   | \$ 589,390    | \$ 589,390    | 2785 |
| GRF 195-422          | Third Frontier Action<br>Fund                            | \$ 16,790,000 | \$ 16,790,000 | 2786 |
| GRF 195-426          | Clean Ohio<br>Administration                             | \$ 518,730    | \$ 518,730    | 2787 |
| GRF 195-432          | International Trade                                      | \$ 4,492,713  | \$ 4,492,713  | 2788 |
| GRF 195-434          | Investment in Training<br>Grants                         | \$ 12,227,500 | \$ 12,227,500 | 2789 |
| GRF 195-436          | Labor/Management<br>Cooperation                          | \$ 811,869    | \$ 811,869    | 2790 |
| GRF 195-497          | CDBG Operating Match                                     | \$ 1,107,400  | \$ 1,107,400  | 2791 |
| GRF 195-498          | State Energy Match                                       | \$ 100,000    | \$ 100,000    | 2792 |
| GRF 195-501          | Appalachian Local<br>Development Districts               | \$ 380,080    | \$ 380,080    | 2793 |
| GRF 195-502          | Appalachian Regional                                     | \$ 238,274    | \$ 246,803    | 2794 |

|           |         |                                    |    |             |    |             |      |
|-----------|---------|------------------------------------|----|-------------|----|-------------|------|
|           |         | Commission Dues                    |    |             |    |             |      |
| GRF       | 195-507 | Travel and Tourism                 | \$ | 1,025,000   | \$ | 1,025,000   | 2795 |
|           |         | Grants                             |    |             |    |             |      |
| GRF       | 195-515 | Economic Development               | \$ | 10,000,000  | \$ | 10,000,000  | 2796 |
|           |         | Contingency                        |    |             |    |             |      |
| GRF       | 195-516 | Shovel Ready Sites                 | \$ | 2,500,000   | \$ | 2,500,000   | 2797 |
| GRF       | 195-905 | Third Frontier                     | \$ | 0           | \$ | 7,360,000   | 2798 |
|           |         | Research &<br>Commercialization    |    |             |    |             |      |
|           |         | General Obligation<br>Debt Service |    |             |    |             |      |
| TOTAL GRF |         | General Revenue Fund               | \$ | 100,284,764 | \$ | 107,226,795 | 2799 |
|           |         | General Services Fund Group        |    |             |    |             | 2800 |
| 135       | 195-605 | Supportive Services                | \$ | 7,417,068   | \$ | 7,539,686   | 2801 |
| 136       | 195-621 | International Trade                | \$ | 24,915      | \$ | 24,915      | 2802 |
| 685       | 195-636 | General Reimbursements             | \$ | 1,316,012   | \$ | 1,232,530   | 2803 |
| TOTAL GSF |         | General Services Fund              |    |             |    |             | 2804 |
| Group     |         |                                    | \$ | 8,757,995   | \$ | 8,797,131   | 2805 |
|           |         | Federal Special Revenue Fund Group |    |             |    |             | 2806 |
| 3K8       | 195-613 | Community Development              | \$ | 65,000,000  | \$ | 65,000,000  | 2807 |
|           |         | Block Grant                        |    |             |    |             |      |
| 3K9       | 195-611 | Home Energy Assistance             | \$ | 85,036,000  | \$ | 85,036,000  | 2808 |
|           |         | Block Grant                        |    |             |    |             |      |
| 3K9       | 195-614 | HEAP Weatherization                | \$ | 16,219,479  | \$ | 16,219,479  | 2809 |
| 3L0       | 195-612 | Community Services                 | \$ | 25,235,000  | \$ | 25,235,000  | 2810 |
|           |         | Block Grant                        |    |             |    |             |      |
| 3V1       | 195-601 | HOME Program                       | \$ | 40,000,000  | \$ | 40,000,000  | 2811 |
| 308       | 195-602 | Appalachian Regional               | \$ | 350,200     | \$ | 350,200     | 2812 |
|           |         | Commission                         |    |             |    |             |      |
| 308       | 195-603 | Housing and Urban                  | \$ | 5,000,000   | \$ | 5,000,000   | 2813 |
|           |         | Development                        |    |             |    |             |      |
| 308       | 195-605 | Federal Projects                   | \$ | 15,300,248  | \$ | 15,300,248  | 2814 |

|                                   |                |  |           |             |           |                  |      |
|-----------------------------------|----------------|--|-----------|-------------|-----------|------------------|------|
| 308                               | 195-609        | Small Business Administration                    | \$        | 4,196,381   | \$        | 4,296,381        | 2815 |
| 308                               | 195-618        | Energy Federal Grants                            | \$        | 3,397,659   | \$        | 3,397,659        | 2816 |
| 335                               | 195-610        | Oil Overcharge                                   | \$        | 8,500,000   | \$        | 8,500,000        | 2817 |
| 380                               | 195-622        | Housing Development Operating                    | \$        | 5,606,080   | \$        | 5,667,627        | 2818 |
| TOTAL FED Federal Special Revenue |                |  |           |             |           |                  | 2819 |
| Fund Group                        |                |  | \$        | 273,841,047 | \$        | 274,002,594      | 2820 |
| State Special Revenue Fund Group  |                |  |           |             |           |                  | 2821 |
| 4F2                               | 195-639        | State Special Projects                           | \$        | 540,183     | \$        | 290,183          | 2822 |
| 4H4                               | 195-641        | First Frontier                                   | \$        | 500,000     | \$        | 500,000          | 2823 |
| 4S0                               | 195-630        | Enterprise Zone Operating                        | \$        | 211,900     | \$        | 211,900          | 2824 |
| 4S1                               | 195-634        | Job Creation Tax Credit Operating                | \$        | 375,800     | \$        | 375,800          | 2825 |
| 4W1                               | 195-646        | Minority Business Enterprise Loan                | \$        | 2,580,597   | \$        | 2,580,597        | 2826 |
| 444                               | 195-607        | Water and Sewer Commission Loans                 | \$        | 523,775     | \$        | 523,775          | 2827 |
| 445                               | 195-617        | Housing Finance Operating                        | \$        | 5,040,843   | \$        | 4,983,738        | 2828 |
| 450                               | 195-624        | Minority Business Bonding Program Administration | \$        | 13,563      | \$        | 13,563           | 2829 |
| 451                               | 195-625        | Economic Development Financing Operating         | \$        | 2,358,310   | \$        | 2,358,310        | 2830 |
| <u>5AR</u>                        | <u>195-674</u> | <u>Industrial Site Improvements</u>              | <u>\$</u> | <u>0</u>    | <u>\$</u> | <u>5,000,000</u> | 2831 |
| 5M4                               | 195-659        | Universal Service                                | \$        | 170,000,000 | \$        | 170,000,000      | 2832 |
| 5M5                               | 195-660        | Energy Efficiency Revolving Loan                 | \$        | 12,000,000  | \$        | 12,000,000       | 2833 |
| 611                               | 195-631        | Water and Sewer Administration                   | \$        | 15,713      | \$        | 15,713           | 2834 |

|   |                |                               |           |             |           |                        |      |
|---|----------------|-------------------------------|-----------|-------------|-----------|------------------------|------|
| 617                                     | 195-654        | Volume Cap                    | \$        | 200,000     | \$        | 200,000                | 2835 |
|   |                | Administration                |           |             |           |                        |      |
| 646                                     | 195-638        | Low and Moderate              | \$        | 40,000,000  | \$        | 40,000,000             | 2836 |
|   |                | Income Housing Trust          |           |             |           |                        |      |
|   |                | Fund                          |           |             |           |                        |      |
| TOTAL SSR State Special Revenue         |                |                               |           |             |           |                        | 2837 |
| Fund Group                              |                |                               | \$        | 234,360,684 | \$        | <del>234,053,579</del> | 2838 |
|   |                |                               |           |             |           | <u>239,053,579</u>     |      |
| Facilities Establishment Fund Group     |                |                               |           |             |           |                        | 2839 |
| 009                                     | 195-664        | Innovation Ohio               | \$        | 50,000,000  | \$        | 55,000,000             | 2840 |
| 037                                     | 195-615        | Facilities                    | \$        | 63,931,149  | \$        | 63,931,149             | 2841 |
|   |                | Establishment                 |           |             |           |                        |      |
| 4Z6                                     | 195-647        | Rural Industrial Park         | \$        | 5,000,000   | \$        | 5,000,000              | 2842 |
|   |                | Loan                          |           |             |           |                        |      |
| 5D2                                     | 195-650        | Urban Redevelopment           | \$        | 10,475,000  | \$        | 10,475,000             | 2843 |
|   |                | Loans                         |           |             |           |                        |      |
| 5H1                                     | 195-652        | Family Farm Loan              | \$        | 1,500,000   | \$        | 1,500,000              | 2844 |
|   |                | Guarantee                     |           |             |           |                        |      |
| 5S8                                     | 195-627        | Rural Development             | \$        | 5,000,000   | \$        | 5,000,000              | 2845 |
|   |                | Initiative                    |           |             |           |                        |      |
| 5S9                                     | 195-628        | Capital Access Loan           | \$        | 3,000,000   | \$        | 3,000,000              | 2846 |
|   |                | Program                       |           |             |           |                        |      |
| TOTAL 037 Facilities                    |                |                               |           |             |           |                        | 2847 |
| Establishment Fund Group                |                |                               | \$        | 138,906,149 | \$        | 143,906,149            | 2848 |
| Clean Ohio Revitalization Fund          |                |                               |           |             |           |                        | 2849 |
| 003                                     | 195-663        | Clean Ohio Operating          | \$        | 150,000     | \$        | 150,000                | 2850 |
| TOTAL 003 Clean Ohio Revitalization     |                |                               |           |             |           |                        | 2851 |
| Fund                                    |                |                               | \$        | 150,000     | \$        | 150,000                |      |
| <u>Job Development Initiatives Fund</u> |                |                               |           |             |           |                        | 2852 |
| <u>5AD</u>                              | <u>195-667</u> | <u>Investment in Training</u> | <u>\$</u> | <u>0</u>    | <u>\$</u> | <u>12,800,000</u>      | 2853 |
|   |                | <u>Expansion</u>              |           |             |           |                        |      |
| <u>5AD</u>                              | <u>195-668</u> | <u>Worker Guarantee</u>       | <u>\$</u> | <u>0</u>    | <u>\$</u> | <u>3,000,000</u>       | 2854 |

|                              |                         |                |                           |      |
|------------------------------|-------------------------|----------------|---------------------------|------|
| <u>Program</u>               |                         |                |                           |      |
| 5AD 195-669                  | <u>Wright Operating</u> | \$ 0           | \$ <u>10,000,000</u>      | 2855 |
| <u>Grants</u>                |                         |                |                           |      |
| TOTAL 5AD                    | <u>Job Development</u>  | \$ 0           | \$ <u>25,800,000</u>      | 2856 |
| <u>Initiatives Fund</u>      |                         |                |                           |      |
| TOTAL ALL BUDGET FUND GROUPS |                         | \$ 756,300,639 | \$ <del>768,136,248</del> | 2857 |
|                              |                         |                | <u>798,936,248</u>        | 2858 |

**Sec. 38.18. ECONOMIC DEVELOPMENT FINANCING OPERATING** 2860

The foregoing appropriation item 195-625, Economic 2861  
Development Financing Operating, shall be used for the operating 2862  
expenses of financial assistance programs authorized under Chapter 2863  
166. of the Revised Code and under sections 122.43 and 122.45 of 2864  
the Revised Code. 2865

**VOLUME CAP ADMINISTRATION** 2866

The foregoing appropriation item 195-654, Volume Cap 2867  
Administration, shall be used for expenses related to the 2868  
administration of the Volume Cap Program. Revenues received by the 2869  
Volume Cap Administration Fund (Fund 617) shall consist of 2870  
application fees, forfeited deposits, and interest earned from the 2871  
custodial account held by the Treasurer of State. 2872

**UNIVERSAL SERVICE FUND** 2873

The foregoing appropriation item 195-659, Universal Service, 2874  
shall be used to provide payments to regulated electric utility 2875  
companies for low-income customers enrolled in Percentage of 2876  
Income Payment Plan (PIPP) electric accounts, to fund targeted 2877  
energy efficiency and customer education services to PIPP 2878  
customers, and to cover the department's administrative costs 2879  
related to the Universal Service Fund Programs. 2880

**ENERGY EFFICIENCY REVOLVING LOAN FUND** 2881

The foregoing appropriation item 195-660, Energy Efficiency 2882

Revolving Loan, shall be used to provide financial assistance to 2883  
customers for eligible energy efficiency projects for residential, 2884  
commercial and industrial business, local government, educational 2885  
institution, nonprofit, and agriculture customers, and to pay for 2886  
the program's administrative costs as provided in the Revised Code 2887  
and rules adopted by the Director of Development. 2888

INDUSTRIAL SITE IMPROVEMENTS 2889

Notwithstanding Chapter 122. of the Revised Code, \$5,000,000 2890  
in cash shall be transferred in fiscal year 2005 from the Liquor 2891  
Control Fund (Fund 043) to the Industrial Site Improvement Fund 2892  
(Fund 5AR). Moneys in appropriation item 195-674, Industrial Site 2893  
Improvements, shall be used to make grants to eligible counties 2894  
for the improvement of commercial or industrial areas within those 2895  
counties under section 122.951 of the Revised Code. 2896

The Department of Development's use of the profits from the 2897  
sale of spirituous liquor for the Industrial Site Improvements 2898  
appropriation item is in addition to the Department's use of up to 2899  
\$45 million of those moneys pursuant to section 166.11 of the 2900  
Revised Code. 2901

GLOBAL ANALYST SETTLEMENT AGREEMENTS PAYMENTS 2902

All payments received by the state pursuant to a series of 2903  
settlements with ten brokerage firms reached with the United 2904  
States Securities and Exchange Commission, the National 2905  
Association of Securities Dealers, the New York Stock Exchange, 2906  
the New York Attorney General, and other state regulators, 2907  
(henceforth referred to as the "Global Analysts Settlement 2908  
Agreements"), shall be deposited into the state treasury to the 2909  
credit of the Economic Development Contingency Fund (Fund 5Y6), 2910  
which is hereby created in the state treasury. The fund shall be 2911  
used by the Director of Development to support economic 2912  
development projects for which appropriations would not otherwise 2913

be available, and shall be subject to the submission of a request 2914  
to the Controlling Board by the Director outlining the planned use 2915  
of the funds, and the subsequent approval of the request by the 2916  
Controlling Board. 2917

**Sec. 38.20. CLEAN OHIO OPERATING EXPENSES** 2918

The foregoing appropriation item 195-663, Clean Ohio 2919  
Operating, shall be used by the Department of Development in 2920  
administering sections 122.65 to 122.658 of the Revised Code. 2921

INVESTMENT IN TRAINING EXPANSION 2922

The foregoing appropriation item 195-667, Investment in 2923  
Training Expansion, shall be used for the same purposes and in the 2924  
same manner as specified in Section 38.09 of Am. Sub. H.B. 95 of 2925  
the 125th General Assembly. 2926

WORKER GUARANTEE PROGRAM 2927

The foregoing appropriation item 195-668, Worker Guarantee 2928  
Program, shall be used for the Worker Guarantee Program. 2929

Benefited employers must create at least 100 high-paying, 2930  
full-time jobs over a three-year period and must demonstrate prior 2931  
to the commitment of state funds that the availability of those 2932  
skilled workers is a major factor in the employer's decision to 2933  
locate or expand in Ohio. Activities eligible for funding through 2934  
the Worker Guarantee Program include job assessment services, 2935  
screening and testing of potential employees, customized training 2936  
activities, and any other training or related service determined 2937  
by the Director. 2938

A local workforce development service provider may include, 2939  
but is not limited to, a community college, technical or 2940  
vocational school, one-stop center, or any other entity designated 2941  
by the Director of Development, to provide services under the 2942  
program. 2943



State matching funds totaling one-third of a project's cost shall be provided for each approved project when an employer and any local workforce development service provider, in conjunction with the local community, contracts with the Department of Development to provide services under the program. The employer and the local community each shall provide matching funds totaling one-third of a project's cost, and each portion of the matching funds shall be equal to state funding, which also shall be one-third of a project's cost.

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

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

WRIGHT OPERATING GRANTS

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

**Section 6.** That existing Sections 38, 38.18, and 38.20 of Am. Sub. H.B. 95 of the 125th General Assembly are hereby repealed.

**Section 7.** (A) Notwithstanding division (A) of section 169.05

of the Revised Code, upon the request of the Director of Budget 2974  
and Management, the Director of Commerce, prior to June 30, 2005, 2975  
shall transfer to the Job Development Initiatives Fund (Fund 5AD) 2976  
up to \$25,800,000 of the unclaimed funds that have been reported 2977  
by the holders of unclaimed funds as provided by section 169.05 of 2978  
the Revised Code, irrespective of the allocation of the unclaimed 2979  
funds under that section. 2980

(B) On July 1, 2004, or as soon thereafter as possible, upon 2981  
the request of the Director of Budget and Management, the Director 2982  
of Commerce shall transfer \$5,000,000 from the Liquor Control Fund 2983  
(Fund 043) to the Industrial Site Improvement Fund (Fund 5AR). 2984  
These transfers are to be made in addition to the specified 2985  
allocations of the liquor profits under Chapter 4301. of the 2986  
Revised Code. 2987

**Section 8.** (A) The Governor is hereby authorized to execute a 2988  
deed in the name of the state, conveying to the Board of County 2989  
Commissioners of Hamilton County and its successors and assigns 2990  
all of the state's right, title, and interest in the following 2991  
described real estate: 2992

1916 Central Parkway, Cincinnati, Ohio. 2993

(B) Consideration for the conveyance of the real estate 2994  
described in division (A) of this section is the purchase price of 2995  
three hundred thousand dollars. 2996

(C) Upon payment of the purchase price, the Auditor of State, 2997  
with the assistance of the Attorney General, shall prepare a deed 2998  
to the real estate described in division (A) of this section. The 2999  
deed shall state the consideration. The deed shall be executed by 3000  
the Governor in the name of the state, countersigned by the 3001  
Secretary of State, sealed with the Great Seal of the State, 3002  
presented in the Office of the Auditor of State for recording, and 3003

delivered to the Board of County Commissioners of Hamilton County. 3004  
The Board of Commissioners of Hamilton County shall present the 3005  
deed for recording in the office of the Hamilton County Recorder. 3006

(D) Notwithstanding sections 4141.11 and 4141.31 of the 3007  
Revised Code, the net proceeds of the conveyance of the real 3008  
estate described in division (A) of this section shall be 3009  
deposited to the credit of the Unemployment Compensation Fund 3010  
created by division (A) of section 4141.09 of the Revised Code. 3011

(E) The Hamilton County Board of County Commissioners shall 3012  
pay the costs of the conveyance of the real estate described in 3013  
division (A) of this section. 3014

(F) This section shall expire one year after its effective 3015  
date. 3016

**Section 9.** The amendment made to section 122.18 of the 3017  
Revised Code by this act is in support of Ohio's effort to attract 3018  
the NASA Shared Services Facility to this state. It is expected 3019  
that appropriations in support of the payments to be made under 3020  
division (D)(3) of section 122.18 of the Revised Code, as amended 3021  
by this act, with respect to that facility will be necessary 3022  
commencing in state fiscal year 2006 and will be made from moneys 3023  
of this state that were not raised by taxation, including profits 3024  
on the sale of spirituous liquor. 3025

**Section 10.** (A) Sections 5709.91, 5709.911, and 5709.912 of 3026  
the Revised Code, as enacted by this act, apply to applications 3027  
for exemption that are pending on, or are filed on or after, the 3028  
effective date of this section. 3029

(B) Any application for exemption under section 725.02, 3030  
1728.10, 5709.40, 5709.41, 5709.73, or 5709.78 of the Revised Code 3031  
that was approved prior to the effective date of this section 3032  
shall be considered to have been granted subject to the 3033

limitations set forth in division (A) of section 5709.911 of the Revised Code, as enacted by this act. These applications may, but are not required to, be re-filed with the tax commissioner within ninety days after the effective date of this section, although the failure to re-file an application does not affect the continuing validity of the exemption. Upon receipt of any such application, the tax commissioner shall expeditiously approve the application in accordance with sections 5709.91, 5709.911, and 5709.912 of the Revised Code, as enacted by this act. The tax commissioner's review of these applications shall be ministerial and shall have the same effect and effective date as the original approval, subject to divisions (A)(2), (B), (C), and (D) of section 5709.911 of the Revised Code, as enacted by this act.

If an application for exemption under section 725.02, 1728.10, 5709.40, 5709.41, 5709.73, or 5709.78 of the Revised Code was filed by the owner of the property and approved prior to the effective date of this section, the municipal corporation, township, county, or current owner of the property may file the notice described in division (C) of section 5709.911 of the Revised Code, as enacted by this act. Upon filing of the notice with the county recorder, the property remains liable for any service payments or service charges required by the exemption until the terms of the exemption have been satisfied, unless the municipal corporation, township, or county consents to a subsequent exemption and relinquishes its right to collect the service payments or service charges as provided in division (B)(1) of section 5709.911 of the Revised Code, as enacted by this act.

**Section 11.** (A) Until June 30, 2005, a single county shall be designated a local area for purposes of Chapter 6301. of the Revised Code if the county satisfies all of the following criteria:

(1) The board of county commissioners requests designation as a local area under Chapter 6301. of the Revised Code. 3065  
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(2) The county has a minimum population of one hundred seventy-five thousand, based on the most recent decennial census. 3067  
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(3) Prior to the effective date of this section, the county had not entered into partnership with another political subdivision for the purpose of being designated a local area under Chapter 6301. of the Revised Code. 3069  
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(B) The Department of Job and Family Services and the State Workforce Policy Board shall make adjustments as necessary in order to effectuate the provisions of this section. 3073  
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**Section 12.** Section 5709.913 of the Revised Code does not apply with respect to a parcel of real property to which all of the following apply: 3076  
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(A) The parcel is located in an incentive district created by a municipal corporation under section 5709.40 of the Revised Code before the effective date of this section; 3079  
3080  
3081

(B) Not less than ninety per cent of the area comprising the incentive district is or will be devoted exclusively for residential use; 3082  
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(C) Prior to the creation of the incentive district in which the parcel is located but not earlier than 1999, the land comprising the incentive district was valued for real property tax purposes at its current agricultural use valuation under section 5713.31 of the Revised Code. 3085  
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**Section 13.** The notification and hearing requirements with respect to incentive districts established in sections 5709.40, 5709.73, and 5709.78 of the Revised Code by this act do not apply to any ordinance or resolution establishing an incentive district 3090  
3091  
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that was enacted or adopted prior to the effective date of this 3094  
act. 3095

**Section 14.** Section 109.42 of the Revised Code is presented 3096  
in this act as a composite of the section as amended by Am. Sub. 3097  
H.B. 490 of the 124th General Assembly and Section 3 of Am. Sub. 3098  
S.B. 5 and Section 1 of Sub. S.B. 50, both of the 125th General 3099  
Assembly. Sections 5709.62 and 5709.63 of the Revised Code are 3100  
presented in this act as a composite of those sections as amended 3101  
by both Sub. H.B. 127 and Am. Sub. S.B. 82 of the 125th General 3102  
Assembly. The General Assembly, applying the principle stated in 3103  
division (B) of section 1.52 of the Revised Code that amendments 3104  
are to be harmonized if reasonably capable of simultaneous 3105  
operation, finds that the composites are the resulting versions of 3106  
the sections in effect prior to the effective date of the sections 3107  
as presented in this act. 3108

**Section 15.** This act is hereby declared to be an emergency 3109  
measure necessary for the immediate preservation of the public 3110  
peace, health, and safety. The reason for such necessity is that 3111  
immediate action is required to promote and ensure a positive 3112  
economy for the citizens of this state. Therefore this act shall 3113  
go into immediate effect. 3114