# As Introduced

126th General Assembly Regular Session 2005-2006

S. B. No. 120

## Senators Grendell, Coughlin, Fingerhut

# A BILL

To amend sections 3704.035, 3704.05, 3704.141,	1
3704.143, 3704.16, 3704.99, 3706.01, 4503.03,	2
4503.10, 4503.102, 4503.103, 4503.51, 5552.01, and	3
5739.02, to enact sections 3704.20, 3704.21,	4
3704.22, 3704.23, and 4503.043, and to repeal	5
sections 3704.14, 3704.142, and 3704.17 of the	б
Revised Code regarding motor vehicle emissions	7
inspections.	8

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

Section 1. That sections 3704.035, 3704.05, 3704.141,93704.143, 3704.16, 3704.99, 3706.01, 4503.03, 4503.10, 4503.102,104503.103, 4503.51, 5552.01, and 5739.02 be amended and sections113704.20, 3704.21, 3704.22, 3704.23, and 4503.043 of the Revised12Code be enacted to read as follows:13

Sec. 3704.035. There is hereby created in the state treasury 14 the clean air fund. Except as otherwise provided in division (K) 15 of section 3745.11 of the Revised Code, all moneys collected under 16 divisions (C), (D), (F), (G), (H), (I), and (J) of that section 17 and under section 3745.111 of the Revised Code, and any gifts, 18 grants, or contributions received by the director of environmental 19 protection for the purposes of the fund, shall be credited to the 20

fund. The director shall expend moneys from the fund exclusively 21 to pay the cost of administering and enforcing the laws of this 22 state pertaining to the prevention, control, and abatement of air 23 pollution and rules adopted and terms and conditions of permits, 24 variances, and orders issued under those laws, except that the 25 director shall not expend moneys credited to the fund for the 26 administration and enforcement of motor vehicle inspection and 27 maintenance programs and requirements under sections 3704.14, 28 3704.141, 3704.16, 3704.161, 3704.162, and <del>3704.17</del> <u>3704.20 to</u> 29 3704.23 of the Revised Code. 30

Specifically, the director shall expend all moneys credited 31 to the fund from fees assessed under section 3745.11 of the 32 Revised Code pursuant to the Title V permit program established 33 under section 3704.036 of the Revised Code, and from any gifts, 34 grants, or contributions received for the purposes of that 35 program, solely to administer and enforce that program pursuant to 36 the federal Clean Air Act, this chapter, and rules adopted under 37 it, except as costs relating to enforcement are limited by the 38 federal Clean Air Act. The director shall establish separate and 39 distinct accounting for all such moneys. 40

The director shall report biennially to the general assembly 41 the amounts of fees and other moneys credited to the fund under 42 this section and the amounts expended from it for each of the 43 various air pollution control programs.

Sec. 3704.05. (A) No person shall cause, permit, or allow 45 emission of an air contaminant in violation of any rule adopted by 46 the director of environmental protection under division (E) of 47 section 3704.03 of the Revised Code unless the person is the 48 holder of a variance that is issued under division (H) of that 49 section and consistent with the federal Clean Air Act permitting 50 the emission of the contaminant in excess of that permitted by the 51

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rule or the person is the holder of an operating permit that 52 includes a compliance schedule issued pursuant to rules adopted 53 under division (G) of section 3704.03 of the Revised Code. 54

(B) No person who is the holder of a variance issued under
division (H) of section 3704.03 of the Revised Code shall cause,
permit, or allow emission of an air contaminant or contaminants
11 to obey an order of the director issued under authority of
fail to obey an order of the director issued under authority of
for that division.

(C) No person who is the holder of a permit issued under division (F) or (G) of section 3704.03 of the Revised Code shall violate any of its terms or conditions.

(D) No person shall fail to install and maintain monitoring
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devices or to submit reports or other information as may be
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required under division (I) of section 3704.03 of the Revised
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Code.
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(E) No person to whom a permit or variance has been issued
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shall refuse entry to an authorized representative of the director
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or the environmental protection agency as provided in division (M)
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of section 3704.03 of the Revised Code or hinder or thwart the
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person in making an investigation.
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(F) No person shall fail to submit plans and specificationsas required by section 3704.03 of the Revised Code.74

(G) No person shall violate any order, rule, or determination75of the director issued, adopted, or made under this chapter.76

(H) No person shall do any of the following:

(1) Falsify any plans, specifications, data, reports,
records, or other information required to be kept or submitted to
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the director by this chapter or rules adopted under it;
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(2) Make any false material statement, representation, or 81

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certification in any form, notice, or report required by the Title	82
V permit program;	83
(3) Render inaccurate any monitoring device required by a	84
Title V permit.	85
Violation of division (H)(1), (2), or (3) of this section is	86
not also falsification under section 2921.13 of the Revised Code.	87
(I) No person shall knowingly falsify an inspection	88
certificate submitted to another under section <del>3704.14</del> <u>3704.20 or</u>	89
3704.21, whichever is applicable, or Chapter 4503. of the Revised	90
Code. Violation of this division is not also falsification under	91
section 2921.13 of the Revised Code.	92
(J) No person shall do either of the following:	93

(1) With regard to the Title V permit program, fail to pay
94 any administrative penalty assessed in accordance with rules
95 adopted under division (S) of section 3704.03 of the Revised Code
96 or any fee assessed under section 3745.11 of the Revised Code;
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(2) Violate any applicable requirement of a Title V permit or
98 any permit condition, except for an emergency as defined in 40
99 C.F.R. 70.6 (g), or filing requirement of the Title V permit
100 program, any duty to allow or carry out inspection, entry, or
101 monitoring activities, or any rule adopted or order issued by the
102 director pursuant to the Title V permit program.

(K) On and after the three hundred sixty-sixth day following 104 the administrator's final approval of the Title V permit program, 105 or on and after the three hundred sixty-sixth day following the 106 commencement of operation of a new major source required to comply 107 with section 112(g) or part C or D of Title I of the federal Clean 108 Air Act, whichever is later, no person shall operate any such 109 source that is required to obtain a Title V permit under section 110 3704.036 of the Revised Code or rules adopted under it unless such 111

a permit has been issued authorizing operation of the source or 112 unless a complete and timely application for the issuance, 113 renewal, or modification of a Title V permit for the source has 114 been submitted to the director under that section. 115

Sec. 3704.141. (A) Each motor bus, as defined in section 116 4501.01 of the Revised Code, that is owned or operated by a 117 transit system, authority, or commission organized under Chapter 118 306. or 747. of the Revised Code or under a municipal or county 119 charter or ordinance and within a county that is subject to either 120 section 3704.14 3704.20 or 3704.21 of the Revised Code shall meet 121 emission standards for hydrocarbons, carbon monoxide, and, in the 122 case of diesel fueled motor buses, particulate opacity established 123 by the director of environmental protection under rules adopted 124 under division (B) of this section. 125

(B) In accordance with Chapter 119. of the Revised Code, the 126
director shall adopt, and may amend and rescind, rules necessary 127
for the implementation, administration, operation, and enforcement 128
of this section. 129

Sec. 3704.143. (A) As used in this section, "contract" means 130 a contract entered into by the state under <u>former</u> section 3704.14 131 of the Revised Code with a private contractor for the purpose of 132 conducting emissions inspections under a motor vehicle inspection 133 and maintenance program. 134

(B) Notwithstanding division (D)(5) of section 3704.14 of the
Revised Code, the The director of administrative services or the
director of environmental protection, as applicable, shall not
renew any contract that is in existence on September 5, 2001.
Further, the director of administrative services or the director
of environmental protection, as applicable, shall not enter into a
new contract upon the expiration or termination of any contract

that is in existence on September 5, 2001, or enter into any new 142 contract for the implementation of a motor vehicle inspection and 143 maintenance program in a county in which such a program is not 144 operating on that date. 145 This division does not apply to the remote sensing motor 146 vehicle emissions inspection program established in section 147 3704.20 of the Revised Code and rules adopted under it or to the 148 enhanced motor vehicle inspection and maintenance program 149 established in section 3704.21 of the Revised Code and rules 150 adopted under it. 151

(C) Notwithstanding section 3704.14 of the Revised Code or 152 any other section of the Revised Code that requires emissions 153 inspections to be conducted or proof of such inspections to be 154 provided, upon the expiration or termination of all contracts that 155 are in existence on September 5, 2001, the director of 156 environmental protection shall terminate all motor vehicle 157 inspection and maintenance programs in this state and shall not 158 implement a new motor vehicle inspection and maintenance program 159 unless this section is repealed and such a program is authorized 160 161 by the general assembly.

(D) Notwithstanding section 3704.14 of the Revised Code or 162 any other section of the Revised Code that requires emissions 163 inspections to be conducted or proof of such inspections to be 164 provided, if If the general assembly authorizes any program for 165 the inspection of motor vehicle emissions under division (C) of 166 this section after all contracts for a motor vehicle inspection 167 and maintenance program that are in existence on September 5, 168 2001, terminate or expire, a motor vehicle, the legal title to 169 which has never been transferred by a manufacturer, distributor, 170 or dealer to an ultimate purchaser as defined in section 4517.01 171 of the Revised Code, shall be exempt from any emissions 172 inspections that are required under such a program for a period of 173

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five six years commencing on the date when the first certificate174of title to the vehicle was issued on behalf of the ultimate175purchaser under Chapter 4503. of the Revised Code. A motor vehicle176that is exempt from any emissions inspections for a period of five177six years under this division shall remain exempt during that178five-year six-year period regardless of whether legal title to the179motor vehicle is transferred during that period.180

**Sec. 3704.16.** (A) As used in sections 3704.16 to 3704.162 of 181 the Revised Code: 182

(1) "Tamper with" means to remove permanently, bypass,
defeat, or render inoperative, in whole or part, any emission
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control system that is installed on or in a motor vehicle.
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(2) "Motor vehicle" has the same meaning as in section4501.01 of the Revised Code.187

(3) "Emission control system" means any system designated by
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the United States environmental protection agency as an emission
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control system under Title II of the "Clean Air Act Amendments."
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"Emission control system" includes any device or element of design
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of the system.

(4) "Clean Air Act Amendments" has the same meaning as in
 section 3704.14 3704.20 of the Revised Code.
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(5) Notwithstanding section 3704.01 of the Revised Code, 195
"person" has the same meaning as in section 1.59 of the Revised 196
Code. 197

(B) No person shall do any of the following:

(1) Sell, offer for sale, possess for sale, advertise,
manufacture, install, or use any part or component intended for
use with or as part of any motor vehicle when the primary effect
is to bypass, defeat, or render inoperative, in whole or part, the
emission control system;

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(2) Introduce a leaded fuel into a motor vehicle that is 204 designed, manufactured, or certified by the United States 205 environmental protection agency to use only unleaded fuels; 206 (3) Tamper with any emission control system installed on or 207 in a motor vehicle prior to its sale and delivery to the ultimate 208 purchaser; 209 (4) Violate any rule or order the director of environmental 210 protection adopts or issues under section 3704.161 of the Revised 211 Code; 212 (5) Refuse to permit the director or his the director's 213 designee to inspect any motor vehicle or documents as provided in 214 division (A) of section 3704.161 of the Revised Code. 215 The sale, offering for sale, possession for sale, 216 advertisement, manufacture, installation, and use of a part or 217 component in violation of division (B)(1) of this section all 218 constitute separate offenses. 219 (C) No person shall knowingly do any of the following: 220 (1) Operate a motor vehicle that has been tampered with if 221 the motor vehicle or motor vehicle engine has been certified by 222 the United States environmental protection agency as meeting 223 federal or California emission control standards; 224 (2) Sell, lease, rent, or offer to sell, lease, or rent, or 225

transfer or offer to transfer title or a right to possession of a 226 motor vehicle that has been tampered with; 227

(3) Tamper with any emission control system installed on or
in a motor vehicle after sale, lease, or rental and delivery of
the vehicle to the ultimate purchaser, lessee, or renter.
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The sale, lease, rental, and offer to sell, lease, or rent, 231 and other transfer or offer to transfer of title or a right to 232 possession of a motor vehicle in violation of division (C)(2) of 233

this section all constitute separate offenses. (D) Division (C)(2) of this section does not apply to either 235 of the following: 236 (1) Any person who sells, leases, rents, or offers to sell, 237 lease, or rent, or transfers or offers to transfer title or a 238 right to possession of a motor vehicle that has been tampered with 239 if the person is acting as a motor vehicle auction owner, a 240 special auctioneer, or a salvage motor vehicle auction and if the 241 person holds a current and appropriate license to engage in those 242

activities issued under Chapter 4517., 4707., or 4738. of the 243 Revised Code; 244

(2) The sale, lease, rental, or offer to sell, lease, or 245 rent, or transfer or offer to transfer title or right to 246 possession of a motor vehicle that has been tampered with if the 247 vehicle is titled with a salvage certificate of title issued under 248 section 4505.11 of the Revised Code. 249

(E) Notwithstanding divisions (B)(1) and (3) and (C)(3) of 250 this section, it is not a violation of those divisions if either of the following conditions is met: 252

(1) The action is taken for the purpose of repair or 253 replacement of the emission control system or is a necessary and 254 temporary procedure to repair or replace any other item on the 255 motor vehicle and the action results in the system's compliance 256 with the "Clean Air Act Amendments";. 257

(2) The action is for the purpose of converting a motor 258 vehicle to use a clean alternative fuel, as defined in Title II of 259 the "Clean Air Act Amendments," the motor vehicle complies with 260 the applicable standard adopted under Section 202 of that act when 261 operating on the fuel, an emission control system is installed or 262 replaced upon completion of the conversion, and the action results 263 in the system's compliance with that act when the motor vehicle 264

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operates on the fuel for which it originally was designed.	265
Sec. 3704.20. (A) As used in this section:	266
(1) "Clean Air Act Amendments" means the "Clean Air Act	267
Amendments of 1990," 91 Stat. 685, 42 U.S.C. 7401, as amended, and	268
regulations adopted under it.	269
(2) "Motor vehicle" and "vehicle" have the same meanings as	270
in section 4501.01 of the Revised Code.	271
(3) "Remote sensing" means the measurement of motor vehicle	272
emissions through electronic or light-sensing equipment from a	273
remote location such as the roadside.	274
(4) "Remote sensing program" means a remote sensing motor	275
vehicle emissions inspection program conducted under this section	276
and rules adopted under it.	277
(B) Unless section 3704.21 of the Revised Code applies, the	278
director of environmental protection shall implement and supervise	279
a remote sensing motor vehicle emissions inspection program in any	280
county in which a motor vehicle inspection and maintenance program	281
is required under the Clean Air Act Amendments. The remote sensing	282
program shall be established so that it begins upon the expiration	283
of all contracts in existence on the effective date of this	284
section that were entered into for the purpose of conducting	285
emissions inspections under an enhanced motor vehicle inspection	286
and maintenance program under former section 3704.14 of the	287
Revised Code. The remote sensing program shall be implemented for	288
a period beginning January 1, 2006, and ending December 31, 2007.	289
No remote sensing program shall be implemented under this section	290
after December 31, 2007.	291
The director shall adopt rules in accordance with Chapter	292
119. of the Revised Code to facilitate the implementation,	293
supervision, administration, operation, and enforcement of the	294

remote sensing program. The rules shall provide for all of the	295
<u>following:</u>	296
(1) Criteria for selecting a contractor to conduct remote	297
sensing motor vehicle inspections and reinspections under the	298
program;	299
(2) Inspection procedures and standards, including, but not	300
limited to, emission standards to be used in remote sensing motor	301
vehicle inspections and emission standards for reinspections	302
conducted under this section, and the use of remote sensing	303
equipment that includes devices to detect and record a vehicle's	304
registration or other identification number;	305
(3) Procedures for the notification by mail of owners of	306
motor vehicles the district of registration of which is or is	307
located in any county that is subject to the remote sensing	308
program;	309
(4) Procedures for providing notification and instructions to	310
the owner of a motor vehicle that is not exempt from the	311
requirements of this section and that has failed a remote sensing	312
motor vehicle inspection conducted under this section. The rules	313
adopted under division (B)(4) of this section shall require the	314
owner of a vehicle that has failed a remote sensing motor vehicle	315
inspection to have the vehicle reinspected and receive an	316
inspection certificate in accordance with this section.	317
(5) Procedures for notifying the registrar of motor vehicles	318
when a vehicle has failed a remote sensing motor vehicle	319
inspection;	320
(6) Procedures for coordinating with the registrar of motor	321
vehicles regarding vehicles that are subject to the requirements	322
of this section and for which multi-year registrations apply, and	323
procedures for providing the notice indicated in division (B) of	324
section 4503.103 of the Revised Code;	325

(7) A system for the maintenance and reporting of remote	326
sensing inspection data and reinspection data;	327
(8) The manner of identifying exempt vehicles;	328
(9) The locations of reinspection stations conducting	329
reinspections of motor vehicles that fail a remote sensing motor	330
vehicle inspection;	331
(10) Standards for engine tune-ups that are required under	332
division (D) of this section and the establishment of a waiver	333
amount for purposes of that division;	334
(11) The establishment of a repair cap for the purposes of	335
division (D)(3)(b) of this section;	336
(12) Any other requirements and procedures that are necessary	337
to implement, supervise, administer, operate, and enforce the	338
remote sensing program.	339
(C) The remote sensing inspections and the reinspections	340
conducted under the remote sensing motor vehicle emissions	341
inspection program shall be conducted by one or more private	342
contractors. The director of administrative services shall issue	343
and award all contracts pursuant to a request for proposal	344
process. The director shall use the director's best efforts to	345
secure as many proposals as possible for each contract, which	346
shall include the division of the state into independent zones for	347
the purpose of submission of the proposals and awarding of the	348
contracts. Each such zone shall consist of a consolidated	349
metropolitan statistical area or, if such an area does not exist,	350
of a metropolitan statistical area as defined by the bureau of the	351
census in the United States department of commerce.	352
Contracts awarded under this division shall include	353
provisions for consequential damages, but shall not include	354
provisions requiring compensation for lost or anticipated profits.	355

A contract entered into under this division shall require a	356
contractor to be in good standing with the laws of this state and	357
with the laws of political subdivisions of this state and shall	358
require a contractor to periodically submit an affidavit attesting	359
to that fact.	360
Contracts succeeded under this division and subject to costion	361
Contracts awarded under this division are subject to section	
153.012 of the Revised Code. For the purpose of that section, the	362
operation of the remote sensing motor vehicle emissions inspection	363
program is hereby deemed to be a public improvement.	364
The department of administrative services may issue to the	365
environmental protection agency a release and permit under section	366
125.06 of the Revised Code pursuant to which that agency may issue	367
and award a contract or contracts under this division. If a	368
release and permit is issued, any reference to the director of	369
administrative services under this division is deemed to be a	370
reference to the director of environmental protection.	371
(D)(1) Except as otherwise provided in this section and rules	372
adopted under it, if a motor vehicle the district of registration	373
of which is or is located in a county that is subject to the	374
remote sensing motor vehicle emissions inspection program fails a	375
remote sensing inspection, the owner of the vehicle shall have the	376
vehicle reinspected by a contractor in accordance with this	377
section and rules adopted under it not later than thirty days	378
after notification of the failure of the remote sensing inspection	379
is provided to the owner in accordance with those rules.	380
(2) If a vehicle that is required to be reinspected passes	381
the reinspection, the contractor shall give the owner an	382
inspection certificate for the vehicle.	383
(3) If a vehicle that is required to be reinspected fails the	384
reinspection, the owner shall have the cost of repairs necessary	385
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to pass the reinspection estimated by a repair facility, which 386

cost shall include the cost of an engine tune-up. The owner then	387
shall proceed as follows:	388
(a) If the cost of the repairs that are necessary for the	389
vehicle to pass the reinspection does not exceed the waiver limit	390
established in rules adopted under this section, the owner shall	391
have the repairs performed on the vehicle. The owner then shall	392
have the vehicle reinspected again by a contractor.	393
If the vehicle passes the second reinspection, the contractor	394
shall give the owner an inspection certificate for the vehicle. If	395
the vehicle fails the second reinspection, and the cost of the	396
repairs already performed on the vehicle is less than the	397
applicable waiver limit, the owner shall have additional repairs	398
costing up to the waiver limit performed on the vehicle in order	399
to enable it to pass a third reinspection.	400
If, after repairs costing at least the applicable waiver	401
limit have been performed on the vehicle, the vehicle passes the	402
third reinspection, the contractor shall give the owner an	403
inspection certificate for the vehicle. However, if, after repairs	404
costing at least the applicable waiver limit have been performed	405
on the vehicle, the vehicle fails the third reinspection, but the	406
third reinspection indicates an improvement in emissions of the	407
pollutant concerning which the vehicle initially failed and if,	408
following the repairs, no emission levels increase above the	409
standards established in rules adopted under this section for any	410
pollutant concerning which the vehicle did not initially fail, the	411
contractor shall give the owner an inspection certificate for the	412
vehicle that includes a waiver indicating that the vehicle did not	413
pass the required reinspection, but that the owner had repairs	414
costing at least the applicable waiver limit performed on the	415
vehicle.	416

(b) If the cost of the repairs that are necessary for the 417

vehicle to pass an emissions reinspection is estimated to be more	418
than the applicable waiver limit, the owner need not have all of	419
those repairs performed on the vehicle, but shall have an engine	420
tune-up performed on the vehicle that meets the standards	421
established in rules adopted under this section as well as any	422
other necessary repairs the cost of which, together with the cost	423
of the engine tune-up, equals at least the applicable waiver	424
limit. Upon the owner's presentation of original repair receipts	425
attesting that repairs costing at least the applicable waiver	426
limit, including, without limitation, the engine tune-up, have	427
been performed on the vehicle, the contractor shall perform a	428
reinspection of the vehicle to determine the effectiveness of the	429
required engine tune-up and other repairs. If the reinspection	430
indicates an improvement in emissions of the pollutant concerning	431
which the vehicle initially failed and if, following the repairs,	432
no emission levels increase above the standards established in	433
rules adopted under this section for any pollutant concerning	434
which the vehicle did not initially fail, the contractor shall	435
give the owner an inspection certificate for the vehicle that	436
includes a waiver indicating that the vehicle did not pass the	437
required reinspection, but that the owner complied with all	438
requirements governing waivers.	439
However, if the reinspection does not show an improvement in	440
emissions of the pollutant concerning which the vehicle initially	441
failed or if emission levels increase above the standards	442
established in rules adopted under this section for any pollutant	443
concerning which the vehicle did not initially fail, the owner of	444
the motor vehicle shall have repairs performed on the vehicle the	445
cost of which, together with repairs already performed on the	446
vehicle, equals at least the amount of the repair cap established	447
in rules adopted under this section. The owner shall present	448

receipts to the contractor indicating that the owner has had 449

repairs performed in an amount at least equal to the repair cap.	450
Upon presentation of the receipts, the contractor shall give the	451
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owner an inspection certificate for the vehicle that includes an	453
indication that the vehicle did not pass the required	454
reinspection, but that repairs costing an amount that is at least	455
equal to the repair cap have been performed on the vehicle.	400
(E) If a motor vehicle that is required to be reinspected	456
under this section is covered by a valid and unexpired emission	457
performance warranty as provided under section 207(b) of the Clean	458
Air Act Amendments, the owner shall have any repairs necessary for	459
the vehicle to pass the reinspection performed on the vehicle	460
under that warranty. The waiver and repair cap requirements	461
established in division (D) of this section and rules adopted	462
under this section do not apply to such a vehicle.	463
(F)(1) The owner of a motor vehicle that is required to be	464
reinspected under this section, but that is leased to another	465
person may require the lessee to have the vehicle reinspected and	466
obtain an inspection certificate on behalf of the owner.	467
(2) The owner or lessee of a motor vehicle that is required	468
to be reinspected under this section and rules adopted under it	469
shall present an inspection certificate issued for that vehicle by	470
a contractor under this section when registering the vehicle under	471
Chapter 4503. of the Revised Code. Proof that an inspection	472
certificate was issued for a motor vehicle, if required by this	473
section, shall be provided before the registrar of motor vehicles	474
may issue license plates for that vehicle under section 4503.40 or	475
4503.42 of the Revised Code.	476
Sec. 3704.21. (A) As used in this section:	477

(1) "Clean Air Act Amendments" has the same meaning as in478section 3704.20 of the Revised Code.479

(2) "Enhanced motor vehicle inspection and maintenance	480
program" or "enhanced program" means a motor vehicle emissions	481
inspection and maintenance program conducted under this section	482
that complies with the requirements governing an enhanced motor	483
vehicle inspection and maintenance program under the Clean Air Act	484
Amendments.	485
(3) "Licensee" means a person issued a license under division	486
(D) of this section.	487
(4) "Motor vehicle" or "vehicle" has the same meaning as in	488
section 4501.01 of the Revised Code.	489
(B) The director of environmental protection shall implement	490
and supervise an enhanced motor vehicle inspection and maintenance	491
program under this section in any county in which a motor vehicle	492
inspection and maintenance program is required under the Clean Air	493
Act Amendments, and shall not implement a remote sensing motor	494
vehicle emissions inspection program under section 3704.20 of the	495
Revised Code in that county, if both of the following apply:	496
(1) Implementation of a remote sensing program in that county	497
does not comply with requirements of the Clean Air Act Amendments	498
and regulations adopted under it by the United States	499
environmental protection agency.	500
(2) In lieu of a remote sensing program, an enhanced motor	501
vehicle inspection and maintenance program is required under the	502
<u>Clean Air Act Amendments for that county.</u>	503
If an enhanced program is required in any county of the	504
state, the director shall implement and supervise the program	505
beginning January 1, 2006, and ending December 31, 2007. No	506
enhanced program shall be implemented under this section after	507
<u>December 31, 2007.</u>	508
(C) For purposes of facilitating the implementation,	509

supervision, administration, operation, and enforcement of the	510
enhanced motor vehicle inspection and maintenance program, and not	511
later than November 1, 2005, the director shall adopt rules in	512
accordance with Chapter 119. of the Revised Code establishing all	513
of the following:	514
(1) Motor vehicle inspection standards and procedures,	515
including, but not limited to, emissions standards and procedures	516
for the issuance of inspection certificates. The standards and	517
procedures shall ensure that motor vehicles required to be	518
inspected under this section are not required to be inspected more	519
than once during any two consecutive annual motor vehicle	520
registration periods.	521
(2) Standards and procedures governing waivers for motor	522
vehicles that are unable to pass an inspection conducted under	523
this section and the issuance of inspection certificates for those	524
vehicles;	525
(3) Requirements and procedures governing the issuance of	526
licenses to inspection stations, including, but not limited to,	527
application requirements. The rules shall authorize the director	528
to include terms and conditions as part of a license in order to	529
ensure compliance with this section and rules adopted under it.	530
The rules shall require a licensee to be in good standing at all	531
times with the laws of this state and with the laws of political	532
subdivisions of this state and shall require a licensee to	533
periodically submit an affidavit attesting to that fact.	534
(4) Procedures for compensating licensees for conducting	535
inspections from money credited to the Clean Air Act automobile	536
emissions compliance fund created in section 3704.23 of the	537
Revised Code. The rules shall require a licensee to submit	
Revised code: The rates shart require a ricensee to submite	538
evidence in the form of an invoice for purposes of verifying the	538 539

541 nineteen dollars and fifty cents for each inspection conducted. (5) Procedures for coordinating with the registrar of motor 542 vehicles regarding vehicles that are subject to the requirements 543 of this section and for which multi-year registrations apply; 544 (6) Any other requirements or procedures that the director 545 determines are necessary for the implementation, supervision, 546 administration, operation, and enforcement of the enhanced motor 547 vehicle inspection and maintenance program, including the 548 <u>maintenance of records</u> by licensees. 549 (D)(1) All inspections conducted under the enhanced motor 550 vehicle inspection and maintenance program shall be performed by 551 licensees who meet the requirements for the issuance of a license 552 established in rules adopted under this section. The director 553 shall issue licenses for inspection stations for the purposes of 554 the enhanced program. The term of a license shall be not more than 555 556 two years. (2) A licensee shall conduct inspections under the enhanced 557 program as required in rules adopted under this section. 558 (3) A licensee shall not charge a fee for conducting 559 inspections under this section, but shall be reimbursed as 560 required in rules adopted under this section. 561 (4) A licensee shall maintain and make available for 562 inspection by the director or the director's authorized 563 representative accurate records as required in rules adopted under 564 this section. 565 (E)(1) The owner of a motor vehicle the district of 566 registration of which is or is located in a county that is subject 567 to the enhanced motor vehicle inspection and maintenance program 568 shall have the vehicle inspected biennially within three hundred 569

sixty-five days prior to the registration deadline for the vehicle

570

established pursuant to rules adopted under section 4503.101 of	571
the Revised Code. The inspection, any required reinspection, and	572
any issuance of a waiver for the motor vehicle shall be conducted	573
by a licensee in accordance with rules adopted under this section.	574
(2) A motor vehicle that fails an inspection shall be	575
reinspected. A licensee shall give the owner of a vehicle an	576
inspection certificate if either of the following applies:	577
(a) The motor vehicle passes an inspection or reinspection.	578
(b) The motor vehicle has met the standards for a waiver	579
established in rules adopted under this section.	580
(3) The owner of a motor vehicle that is required to be	581
inspected under this section, but that is leased to another person	582
may require the lessee to have the vehicle inspected and obtain an	583
inspection certificate on behalf of the owner. In such cases, the	584
references to "owner" in this section include the lessee.	585
(4) The owner of a motor vehicle that is required to be	586
inspected under this section shall present an inspection	587
certificate issued for that vehicle by a licensee when registering	588
the vehicle under Chapter 4503. of the Revised Code.	589
(5) If a motor vehicle that is required to be inspected under	590
this section is covered by a valid and unexpired emission	591
performance warranty as provided under section 207(b) of the Clean	592
Air Act Amendments, the owner shall have any repairs necessary for	593
the vehicle to pass the inspection performed on the vehicle under	594
that warranty. Such a vehicle is not eligible for a waiver under	595
rules adopted under this section.	596
(F) The director shall notify, by mail, the owners of motor	597
vehicles, the district of registration of which is or is located	598
in a county that is subject to the enhanced program, of the	599
applicable requirements of the program.	600

Sec. 3704.22. The following motor vehicles are exempt from	601
the remote sensing motor vehicle emissions inspection program	602
established in section 3704.20 of the Revised Code and the	603
enhanced motor vehicle inspection and maintenance program	604
established in section 3704.21 of the Revised Code:	605
(A) Vehicles over twenty-five years old, as determined by	606
model year, on the date on which a remote sensing motor vehicle	607
emissions inspection is conducted under section 3704.20 of the	608
Revised Code or on which proof of a biennial inspection otherwise	609
would be required to be submitted with an application for	610
registration of the vehicles under section 3704.21 and Chapter	611
4503. of the Revised Code, as applicable;	612
(B) Vehicles registered to military personnel assigned to	613
military reservations outside this state, the district of	614
registration of which is or is located in a county that is subject	615
to the program;	616
(C) Passenger cars and noncommercial motor vehicles, as	617
defined in section 4501.01 of the Revised Code, that weigh over	618
ten thousand pounds gross vehicle weight;	619
(D) Commercial cars, as defined in section 4501.01 of the	620
<u>Revised Code, having a taxable gross vehicle weight of more than</u>	621
ten thousand pounds as provided in section 4503.042 of the Revised	622
<u>Code;</u>	623
(E) Historical vehicles registered under section 4503.181 of	624
the Revised Code;	625
(F) Licensed collector's vehicles as defined in section	626
4501.01 of the Revised Code;	627
(G) Parade and exhibition vehicles registered under section	628
4503.18 of the Revised Code;	629
(H) Motorcycles as defined in section 4511.01 of the Revised	630

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<u>Code;</u>	631
(I) Electrically powered and alternatively fueled vehicles,	632
including at least those that are equipped to operate using	633
primarily one hundred per cent propane, butane, hydrogen, alcohol,	634
<u>or natural gas as fuel;</u>	635
(J) Recreational vehicles as defined in section 4501.01 of	636
the Revised Code;	637
(K) A motor vehicle, the legal title to which has never been	638
transferred by a manufacturer, distributor, or dealer to an	639
ultimate purchaser as defined in section 4517.01 of the Revised	640
Code, for a period of six years commencing on the date on which	641
the first certificate of title to the vehicle was issued on behalf	642
of the ultimate purchaser under Chapter 4503. of the Revised Code.	643
A motor vehicle is exempt for the six-year period under this	644
division regardless of whether legal title to the motor vehicle is	645
transferred during that period.	646
Sec. 3704.23. There is hereby created in the state treasury	647
the Clean Air Act automobile emissions compliance fund consisting	648
of money credited to the fund under section 4503.105 of the	649
Revised Code. Money in the fund shall be used by the director of	650
environmental protection to compensate a contractor who has	651
entered into a contract under division (C) of section 3704.20 of	652
the Revised Code, if applicable, to compensate licensees under	653
section 3704.21 of the Revised Code, if applicable, and to pay the	654
costs associated with the environmental protection agency's	655
administration, supervision, and enforcement of the program	656
established under either of those sections.	657

 Sec. 3704.99. (A) Whoever recklessly violates division (A),
 658

 (B), (C), (D), (E), (F), (G), or (I) of section 3704.05 or
 659

 division (B)(5) of section 3704.16 of the Revised Code shall be
 660

fined not more than twenty-five thousand dollars or imprisoned not 661 more than one year, or both, for each violation. Each day the 662 violation continues after a conviction for a violation is a 663 separate offense. 664

(B) Whoever knowingly violates division (H), (J), or (K) of 665 section 3704.05 of the Revised Code shall be fined not more than 666 ten thousand dollars for each day of each such violation. 667

(C) Whoever violates section 3704.15 or division (B)(1) or 668 (2) or (C)(1) or (2) of section 3704.17 of the Revised Code is 669 guilty of a misdemeanor of the first degree. 670

(D) Whoever violates division (B)(2) or knowingly violates 671 division (C)(1) of section 3704.16 of the Revised Code is guilty 672 of a minor misdemeanor. 673

(E) Whoever violates division (B)(1) or (3) or knowingly 674 violates division (C)(2) or (3) of section 3704.16 of the Revised 675 Code shall be fined not less than five hundred nor more than 676 twenty-five hundred dollars for each day of each violation. 677

(F) Whoever recklessly violates division (B)(4) of section 678 3704.16 of the Revised Code shall be fined not more than 679 twenty-five thousand dollars or imprisoned not more than one year, 680 or both, for each violation. Each day the violation continues 681 after a conviction for a violation is a separate offense. 682

(G) The sentencing court, in addition to the penalty provided 683 in divisions (D), (E), and (F) of this section, shall order the 684 offender to restore within thirty days any emission control system 685 that was tampered with in connection with the violation or to 686 provide proof that the motor vehicle whose emission control system 687 was tampered with has been dismantled or destroyed. The court may 688 extend that deadline for good cause shown. If the offender does 689 not take the corrective action ordered under this division, each 690

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day that the violation continues is a separate offense. Violation691of a court order entered under this division is punishable as692contempt under Chapter 2705. of the Revised Code.693

### **Sec. 3706.01.** As used in this chapter: 694

(A) "Governmental agency" means a department, division, or
other unit of state government, a municipal corporation, county,
township, and other political subdivision, or any other public
corporation or agency having the power to acquire, construct, or
operate air quality facilities, the United States or any agency
thereof, and any agency, commission, or authority established
pursuant to an interstate compact or agreement.

(B) "Person" means any individual, firm, partnership, 702association, or corporation, or any combination thereof. 703

(C) "Air contaminant" means particulate matter, dust, fumes, 704
gas, mist, smoke, noise, vapor, heat, radioactivity, radiation, or 705
odorous substance, or any combination thereof. 706

(D) "Air pollution" means the presence in the ambient air of 707
one or more air contaminants in sufficient quantity and of such 708
characteristics and duration as to injure human health or welfare, 709
plant or animal life, or property, or that unreasonably interferes 710
with the comfortable enjoyment of life or property. 711

(E) "Ambient air" means that portion of the atmosphere
outside of buildings and other enclosures, stacks, or ducts that
surrounds human, plant, or animal life, or property.
714

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(F) "Emission" means the release into the outdoor atmosphere 715of an air contaminant. 716
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(G) "Air quality facility" means any of the following: 717

(1) Any method, modification or replacement of property,718process, device, structure, or equipment that removes, reduces,719

720 prevents, contains, alters, conveys, stores, disperses, or 721 disposes of air contaminants or substances containing air 722 contaminants, or that renders less noxious or reduces the 723 concentration of air contaminants in the ambient air, including, 724 without limitation, facilities and expenditures that qualify as 725 air pollution control facilities under section 103 (C)(4)(F) of 726 the Internal Revenue Code of 1954, as amended, and regulations 727 adopted thereunder;

(2) Motor vehicle inspection stations operated in accordance
 with, and any equipment used for motor vehicle inspections
 conducted under, section 3704.14 of the Revised Code and rules
 adopted under it;

(3) Ethanol or other biofuel facilities, including any
 732
 equipment used at the ethanol or other biofuel facility for the
 733
 production of ethanol or other biofuels;
 734

(4)(3) Any property or portion thereof used for the 735 collection, storage, treatment, utilization, processing, or final 736 disposal of solid waste resulting from any method, process, 737 device, structure, or equipment that removes, reduces, prevents, 738 contains, alters, conveys, stores, disperses, or disposes of air 739 contaminants, or that renders less noxious or reduces the 740 concentration of air contaminants in the ambient air; 741

(5)(4) Any property, device, or equipment that promotes the 742
reduction of emissions of air contaminants into the ambient air 743
through improvements in the efficiency of energy utilization or 744
energy conservation. 745

"Air quality facility" further includes any property or 746
system to be used in whole or in part for any of the purposes in 747
divisions (G)(1) to (5)(4) of this section, whether another 748
purpose is also served, and any property or system incidental to 749
or that has to do with, or the end purpose of which is, any of the 750

foregoing. Air quality facilities that are defined in this751division for industry, commerce, distribution, or research,752including public utility companies, are hereby determined to be753those that qualify as facilities for the control of air pollution754and thermal pollution related to air under Section 13 of Article755VIII, Ohio Constitution.756

(H) "Project" or "air quality project" means any air quality 757 facility, including undivided or other interests therein, acquired 758 or to be acquired or constructed or to be constructed by the Ohio 759 air quality development authority under this chapter, or acquired 760 or to be acquired or constructed or to be constructed by a 761 governmental agency or person with all or a part of the cost 762 thereof being paid from a loan or grant from the authority under 763 this chapter, including all buildings and facilities that the 764 authority determines necessary for the operation of the project, 765 together with all property, rights, easements, and interests that 766 may be required for the operation of the project. 767

(I) "Cost" as applied to an air quality project means the 768 cost of acquisition and construction, the cost of acquisition of 769 all land, rights-of-way, property rights, easements, franchise 770 rights, and interests required for such acquisition and 771 construction, the cost of demolishing or removing any buildings or 772 structures on land so acquired, including the cost of acquiring 773 any lands to which such buildings or structures may be moved, the 774 cost of acquiring or constructing and equipping a principal office 775 and sub-offices of the authority, the cost of diverting highways, 776 interchange of highways, and access roads to private property, 777 including the cost of land or easements for such access roads, the 778 cost of public utility and common carrier relocation or 779 duplication, the cost of all machinery, furnishings, and 780 equipment, financing charges, interest prior to and during 781 construction and for no more than eighteen months after completion 782

783 of construction, engineering, expenses of research and development 784 with respect to air quality facilities, legal expenses, plans, 785 specifications, surveys, studies, estimates of cost and revenues, 786 working capital, other expenses necessary or incident to 787 determining the feasibility or practicability of acquiring or 788 constructing such project, administrative expense, and such other 789 expense as may be necessary or incident to the acquisition or 790 construction of the project, the financing of such acquisition or 791 construction, including the amount authorized in the resolution of 792 the authority providing for the issuance of air quality revenue 793 bonds to be paid into any special funds from the proceeds of such 794 bonds, and the financing of the placing of such project in 795 operation. Any obligation, cost, or expense incurred by any 796 governmental agency or person for surveys, borings, preparation of 797 plans and specifications, and other engineering services, or any 798 other cost described above, in connection with the acquisition or 799 construction of a project may be regarded as a part of the cost of 800 that project and may be reimbursed out of the proceeds of air 801 quality revenue bonds as authorized by this chapter.

(J) "Owner" includes an individual, copartnership,
 association, or corporation having any title or interest in any
 property, rights, easements, or interests authorized to be
 acquired by this chapter.

(K) "Revenues" means all rentals and other charges received 806 by the authority for the use or services of any air quality 807 project, any gift or grant received with respect to any air 808 quality project, any moneys received with respect to the lease, 809 sublease, sale, including installment sale or conditional sale, or 810 other disposition of an air quality project, moneys received in 811 repayment of and for interest on any loans made by the authority 812 to a person or governmental agency, whether from the United States 813 or any department, administration, or agency thereof, or 814 otherwise, proceeds of such bonds to the extent that use thereof815for payment of principal of, premium, if any, or interest on the816bonds is authorized by the authority, proceeds from any insurance,817condemnation, or guaranty pertaining to a project or property818mortgaged to secure bonds or pertaining to the financing of the819project, and income and profit from the investment of the proceeds820of air quality revenue bonds or of any revenues.821

(L) "Public roads" includes all public highways, roads, and
streets in the state, whether maintained by the state, county,
city, township, or other political subdivision.
824

(M) "Public utility facilities" includes tracks, pipes, 825
 mains, conduits, cables, wires, towers, poles, and other equipment 826
 and appliances of any public utility. 827

(N) "Construction," unless the context indicates a different
 meaning or intent, includes reconstruction, enlargement,
 improvement, or providing furnishings or equipment.
 830

(0) "Air quality revenue bonds," unless the context indicates 831 a different meaning or intent, includes air quality revenue notes, 832 air quality revenue renewal notes, and air quality revenue 833 refunding bonds, except that notes issued in anticipation of the 834 issuance of bonds shall have a maximum maturity of five years as 835 provided in section 3706.05 of the Revised Code and notes or 836 renewal notes issued as the definitive obligation may be issued 837 maturing at such time or times with a maximum maturity of forty 838 years from the date of issuance of the original note. 839

(P) "Solid waste" means any garbage; refuse; sludge from a 840
waste water treatment plant, water supply treatment plant, or air 841
pollution control facility; and other discarded material, 842
including solid, liquid, semisolid, or contained gaseous material 843
resulting from industrial, commercial, mining, and agricultural 844
operations, and from community activities, but not including solid 845

or dissolved material in domestic sewage, or solid or dissolved 846 material in irrigation return flows or industrial discharges that 847 are point sources subject to permits under section 402 of the 848 "Federal Water Pollution Control Act Amendments of 1972," 86 Stat. 849 880, 33 U.S.C.A. 1342, as amended, or source, special nuclear, or 850 byproduct material as defined by the "Atomic Energy Act of 1954," 851 68 Stat. 921, 42 U.S.C.A. 2011, as amended. 852

(Q) "Sludge" means any solid, semisolid, or liquid waste,
other than a recyclable byproduct, generated from a municipal,
commercial, or industrial waste water treatment plant, water
supply plant, or air pollution control facility or any other such
wastes having similar characteristics and effects.

(R) "Ethanol or other biofuel facility" means a plant at858which ethanol or other biofuel is produced.859

(S) "Ethanol" means fermentation ethyl alcohol derived from 860 agricultural products, including potatoes, cereal, grains, cheese 861 whey, and sugar beets; forest products; or other renewable or 862 biomass resources, including residue and waste generated from the 863 production, processing, and marketing of agricultural products, 864 forest products, and other renewable or biomass resources, that 865 meets all of the specifications in the American society for 866 testing and materials (ASTM) specification D 4806-88 and is 867 denatured as specified in Parts 20 and 21 of Title 27 of the Code 868 of Federal Regulations. 869

(T) "Biofuel" means any fuel that is made from cellulosic
biomass resources, including renewable organic matter, crop waste
residue, wood, aquatic plants and other crops, animal waste, solid
872
waste, or sludge, and that is used for the production of energy
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for transportation or other purposes.

**Sec. 4503.03.** (A)(1)(a) The registrar of motor vehicles may 875

designate the county auditor in each county a deputy registrar. If 876 the population of a county is forty thousand or less according to 877 the last federal census and if the county auditor is designated by 878 the registrar as a deputy registrar, no other person need be 879 designated in the county to act as a deputy registrar. 880

(b) The registrar may designate a clerk of a court of common 881 pleas as a deputy registrar if the population of the county is 882 forty thousand or less according to the last federal census. All 883 fees collected and retained by a clerk for conducting deputy 884 registrar services shall be paid into the county treasury to the 885 credit of the certificate of title administration fund created 886 under section 325.33 of the Revised Code. 887

(c) In all other instances, the registrar shall contract with 888 one or more other persons in each county to act as deputy 889 registrars. 890

(2) Deputy registrars shall accept applications for the 891 annual license tax for any vehicle not taxed under section 4503.63 892 of the Revised Code and shall assign distinctive numbers in the 893 same manner as the registrar. Such deputies shall be located in 894 such locations in the county as the registrar sees fit. There 895 shall be at least one deputy registrar in each county. 896

Deputy registrar contracts are subject to the provisions of 897 division (B) of section 125.081 of the Revised Code. 898

(B) The registrar shall not contract with any person to act 899 as a deputy registrar if the person or, where applicable, the 900 person's spouse or a member of the person's immediate family has 901 made, within the current calendar year or any one of the previous 902 three calendar years, one or more contributions totaling in excess 903 of one hundred dollars to any person or entity included in 904 division (A)(2) of section 4503.033 of the Revised Code. As used 905 in this division, "immediate family" has the same meaning as in 906

907 division (D) of section 102.01 of the Revised Code, and "entity" 908 includes any political party and any "continuing association" as 909 defined in division (B)(4) of section 3517.01 of the Revised Code 910 or "political action committee" as defined in division (B)(8) of 911 that section that is primarily associated with that political 912 party. For purposes of this division, contributions to any 913 continuing association or any political action committee that is 914 primarily associated with a political party shall be aggregated 915 with contributions to that political party.

The contribution limitations contained in this division do916not apply to any county auditor or clerk of a court of common917pleas.918

The registrar shall not contract with either of the following 919 to act as a deputy registrar: 920

(1) Any elected public official other than a county auditor
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or, as authorized by division (A)(1)(b) of this section, a clerk
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of a court of common pleas, acting in an official capacity;
923

(2) Any person holding a current, valid contract to conduct
 924
 motor vehicle emissions inspections under section 3704.14 3704.20
 925
 of the Revised Code.
 926

(C)(1) Except as provided in division (C)(2) of this section, 927 deputy registrars are independent contractors and neither they nor 928 their employees are employees of this state, except that nothing 929 in this section shall affect the status of county auditors or 930 clerks of courts of common pleas as public officials, nor the 931 status of their employees as employees of any of the counties of 932 this state, which are political subdivisions of this state. Each 933 deputy registrar shall be responsible for the payment of all 934 unemployment compensation premiums, all workers' compensation 935 premiums, social security contributions, and any and all taxes for 936 which the deputy registrar is legally responsible. Each deputy 937

938 registrar shall comply with all applicable federal, state, and 939 local laws requiring the withholding of income taxes or other 940 taxes from the compensation of the deputy registrar's employees. 941 Each deputy registrar shall maintain during the entire term of the 942 deputy registrar's contract a policy of business liability 943 insurance satisfactory to the registrar and shall hold the 944 department of public safety, the director of public safety, the 945 bureau of motor vehicles, and the registrar harmless upon any and 946 all claims for damages arising out of the operation of the deputy 947 registrar agency.

(2) For purposes of Chapter 4141. of the Revised Code,
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determinations concerning the employment of deputy registrars and
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their employees shall be made under Chapter 4141. of the Revised
950
Code.

(D)(1) With the approval of the director, the registrar shall 952 adopt rules governing the terms of the contract between the 953 registrar and each deputy registrar and specifications for the 954 services to be performed. The rules shall include specifications 955 relating to the amount of bond to be given as provided in this 956 section; the size and location of the deputy's office; and the 957 leasing of equipment necessary to conduct the vision screenings 958 required under section 4507.12 of the Revised Code and training in 959 the use of the equipment. The specifications shall permit and 960 encourage every deputy registrar to inform the public of the 961 location of the deputy registrar's office and hours of operation 962 by means of public service announcements and allow any deputy 963 registrar to advertise in regard to the operation of the deputy 964 registrar's office. The rules also shall include specifications 965 for the hours the deputy's office is to be open to the public and 966 shall require as a minimum that one deputy's office in each county 967 be open to the public for at least four hours each weekend, 968 provided that if only one deputy's office is located within the 969

970 boundary of the county seat, that office is the office that shall 971 be open for the four-hour period each weekend, and that every 972 deputy's office in each county shall be open to the public until 973 six-thirty p.m. on at least one weeknight each week. The rules 974 also shall include specifications providing that every deputy in 975 each county, upon request, provide any person with information 976 about the location and office hours of all deputy registrars in 977 the county and that every deputy prominently display within the 978 deputy's office, the toll-free telephone number of the bureau. The 979 rules shall not prohibit the award of a deputy registrar contract 980 to a nonprofit corporation formed under the laws of this state. 981 The rules shall prohibit any deputy registrar from operating more 982 than one such office at any time, except that the rules may permit 983 a nonprofit corporation formed for the purposes of providing 984 automobile-related services to its members or the public and that 985 provides such services from more than one location in this state 986 to operate a deputy registrar office at any such location, 987 provided that the nonprofit corporation operates no more than one 988 deputy registrar office in any one county. The rules may include 989 such other specifications as the registrar and director consider 990 necessary to provide a high level of service.

(2) With the prior approval of the registrar, each deputy 991 registrar may conduct at the location of the deputy registrar's 992 office any business that is consistent with the functions of a 993 deputy registrar and that is not specifically mandated or 994 authorized by this or another chapter of the Revised Code or by 995 implementing rules of the registrar. 996

(3) As used in this section and in section 4507.01 of the
PRevised Code, "nonprofit corporation" has the same meaning as in
section 1702.01 of the Revised Code.
999

(E) Unless otherwise terminated and except for interim 1000 contracts of less than one year, contracts with deputy registrars 1001

1002 shall be for a term of at least two years, but no more than three 1003 years, and all contracts effective on or after July 1, 1996, shall 1004 be for a term of more than two years, but not more than three 1005 years. All contracts with deputy registrars shall expire on the 1006 last Saturday of June in the year of their expiration. The auditor 1007 of state may examine the accounts, reports, systems, and other 1008 data of each deputy registrar at least every two years. The 1009 registrar, with the approval of the director, shall immediately 1010 remove a deputy who violates any provision of the Revised Code 1011 related to the duties as a deputy, any rule adopted by the 1012 registrar, or a term of the deputy's contract with the registrar. 1013 The registrar also may remove a deputy who, in the opinion of the 1014 registrar, has engaged in any conduct that is either unbecoming to 1015 one representing this state or is inconsistent with the efficient 1016 operation of the deputy's office.

If the registrar, with the approval of the director, 1017 determines that there is good cause to believe that a deputy 1018 registrar or a person proposing for a deputy registrar contract 1019 has engaged in any conduct that would require the denial or 1020 termination of the deputy registrar contract, the registrar may 1021 require the production of books, records, and papers as the 1022 registrar determines are necessary, and may take the depositions 1023 of witnesses residing within or outside the state in the same 1024 manner as is prescribed by law for the taking of depositions in 1025 civil actions in the court of common pleas, and for that purpose 1026 the registrar may issue a subpoena for any witness or a subpoena 1027 duces tecum to compel the production of any books, records, or 1028 papers, directed to the sheriff of the county where the witness 1029 resides or is found. Such a subpoena shall be served and returned 1030 in the same manner as a subpoena in a criminal case is served and 1031 returned. The fees and mileage of the sheriff and witnesses shall 1032 be the same as that allowed in the court of common pleas in 1033

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criminal cases and shall be paid from the fund in the state 1034 treasury for the use of the agency in the same manner as other 1035 expenses of the agency are paid. 1036

In any case of disobedience or neglect of any subpoena served 1037 on any person or the refusal of any witness to testify to any 1038 matter regarding which the witness lawfully may be interrogated, 1039 the court of common pleas of any county where the disobedience, 1040 neglect, or refusal occurs or any judge of that court, on 1041 application by the registrar, shall compel obedience by attachment 1042 proceedings for contempt, as in the case of disobedience of the 1043 requirements of a subpoena issued from that court, or a refusal to 1044 testify in that court. 1045

Nothing in this division shall be construed to require a 1046 hearing of any nature prior to the termination of any deputy 1047 registrar contract by the registrar, with the approval of the 1048 director, for cause. 1049

(F) Except as provided in section 2743.03 of the Revised 1050 Code, no court, other than the court of common pleas of Franklin 1051 county, has jurisdiction of any action against the department of 1052 public safety, the director, the bureau, or the registrar to 1053 restrain the exercise of any power or authority, or to entertain 1054 any action for declaratory judgment, in the selection and 1055 appointment of, or contracting with, deputy registrars. Neither 1056 the department, the director, the bureau, nor the registrar is 1057 liable in any action at law for damages sustained by any person 1058 because of any acts of the department, the director, the bureau, 1059 or the registrar, or of any employee of the department or bureau, 1060 in the performance of official duties in the selection and 1061 appointment of, and contracting with, deputy registrars. 1062

(G) The registrar shall assign to each deputy registrar a 1063series of numbers sufficient to supply the demand at all times in 1064

1065 the area the deputy registrar serves, and the registrar shall keep 1066 a record in the registrar's office of the numbers within the 1067 series assigned. Each deputy shall be required to give bond in the 1068 amount of at least twenty-five thousand dollars, or in such higher 1069 amount as the registrar determines necessary, based on a uniform 1070 schedule of bond amounts established by the registrar and 1071 determined by the volume of registrations handled by the deputy. 1072 The form of the bond shall be prescribed by the registrar. The 1073 bonds required of deputy registrars, in the discretion of the 1074 registrar, may be individual or schedule bonds or may be included 1075 in any blanket bond coverage carried by the department.

(H) Each deputy registrar shall keep a file of eachapplication received by the deputy and shall register that motorvehicle with the name and address of its owner.

(I) Upon request, a deputy registrar shall make the physical 1079
 inspection of a motor vehicle and issue the physical inspection 1080
 certificate required in section 4505.061 of the Revised Code. 1081

(J) Each deputy registrar shall file a report semi-annually
 1082
 with the registrar of motor vehicles listing the number of
 applicants for licenses the deputy has served, the number of voter
 1084
 registration applications the deputy has completed and transmitted
 1085
 to the board of elections, and the number of voter registration
 1086
 applications declined.

Sec. 4503.043. Beginning January 1, 2006, and in addition to 1088 the annual license tax levied on the operation of motor vehicles 1089 by section 4503.02 of the Revised Code, a clean air compliance fee 1090 of three dollars is hereby levied on motor vehicles that weigh ten 1091 thousand pounds gross vehicle weight or less. The clean air 1092 compliance fee shall be paid to the registrar of motor vehicles or 1093 a deputy registrar at the time that application is made for the 1094 registration of a motor vehicle as provided in sections 4503.10 1095

and 4503.102 of the Revised Code. The registrar shall deposit the	1096
proceeds from the fee into the state treasury to the credit of the	1097
<u>Clean Air Act automobile emissions compliance fund created in</u>	1098
section 3704.23 of the Revised Code.	1099

No certificate of registration, numbered license plates, and 1100 validation stickers, or validation stickers alone, shall be issued 1101 for a motor vehicle that is subject to this section unless the 1102 owner has paid the clean air compliance fee levied under this 1103 section. The fee shall terminate at such time as emissions 1104 inspections are no longer required in any area of the state under 1105 the Clean Air Act Amendments, as defined in section 3704.20 of the 1106 Revised Code, or on December 31, 2007, whichever is earlier. 1107

**sec. 4503.10.** (A) The owner of every snowmobile, off-highway 1108 motorcycle, and all-purpose vehicle required to be registered 1109 under section 4519.02 of the Revised Code shall file an 1110 application for registration under section 4519.03 of the Revised 1111 Code. The owner of a motor vehicle, other than a snowmobile, 1112 off-highway motorcycle, or all-purpose vehicle, that is not 1113 designed and constructed by the manufacturer for operation on a 1114 street or highway may not register it under this chapter except 1115 upon certification of inspection pursuant to section 4513.02 of 1116 the Revised Code by the sheriff, or the chief of police of the 1117 municipal corporation or township, with jurisdiction over the 1118 political subdivision in which the owner of the motor vehicle 1119 resides. Except as provided in section 4503.103 of the Revised 1120 Code, every owner of every other motor vehicle not previously 1121 described in this section and every person mentioned as owner in 1122 the last certificate of title of a motor vehicle that is operated 1123 or driven upon the public roads or highways shall cause to be 1124 filed each year, by mail or otherwise, in the office of the 1125 registrar of motor vehicles or a deputy registrar, a written or 1126 electronic application or a preprinted registration renewal notice 1127 issued under section 4503.102 of the Revised Code, the form of 1128 which shall be prescribed by the registrar, for registration for 1129 the following registration year, which shall begin on the first 1130 day of January of every calendar year and end on the thirty-first 1131 day of December in the same year. Applications for registration 1132 and registration renewal notices shall be filed at the times 1133 established by the registrar pursuant to section 4503.101 of the 1134 Revised Code. A motor vehicle owner also may elect to apply for or 1135 renew a motor vehicle registration by electronic means using 1136 electronic signature in accordance with rules adopted by the 1137 registrar. Except as provided in division (J) of this section, 1138 applications for registration shall be made on blanks furnished by 1139 the registrar for that purpose, containing the following 1140 information: 1141

(1) A brief description of the motor vehicle to be
registered, including the year, make, model, and vehicle
identification number, and, in the case of commercial cars, the
gross weight of the vehicle fully equipped computed in the manner
prescribed in section 4503.08 of the Revised Code;

(2) The name and residence address of the owner, and thetownship and municipal corporation in which the owner resides;1148

(3) The district of registration, which shall be determined 1149as follows: 1150

(a) In case the motor vehicle to be registered is used for
hire or principally in connection with any established business or
branch business, conducted at a particular place, the district of
registration is the municipal corporation in which that place is
located or, if not located in any municipal corporation, the
county and township in which that place is located.

(b) In case the vehicle is not so used, the district of 1157

1158 registration is the municipal corporation or county in which the 1159 owner resides at the time of making the application. (4) Whether the motor vehicle is a new or used motor vehicle; 1160 (5) The date of purchase of the motor vehicle; 1161 (6) Whether the fees required to be paid for the registration 1162 or transfer of the motor vehicle, during the preceding 1163 registration year and during the preceding period of the current 1164 registration year, have been paid. Each application for 1165 registration shall be signed by the owner, either manually or by 1166 electronic signature, or pursuant to obtaining a limited power of 1167 attorney authorized by the registrar for registration, or other 1168 document authorizing such signature. If the owner elects to apply 1169 for or renew the motor vehicle registration with the registrar by 1170 electronic means, the owner's manual signature is not required. 1171

(7) The owner's social security number, if assigned, or, 1172 where a motor vehicle to be registered is used for hire or 1173 principally in connection with any established business, the 1174 owner's federal taxpayer identification number. The bureau of 1175 motor vehicles shall retain in its records all social security 1176 numbers provided under this section, but the bureau shall not 1177 place social security numbers on motor vehicle certificates of 1178 registration. 1179

(B) Except as otherwise provided in this division, each time 1180 an applicant first registers a motor vehicle in the applicant's 1181 name, the applicant shall present for inspection a physical 1182 certificate of title or memorandum certificate showing title to 1183 the motor vehicle to be registered in the name of the applicant if 1184 a physical certificate of title or memorandum certificate has been 1185 issued by a clerk of a court of common pleas. If, under sections 1186 4505.021, 4505.06, and 4505.08 of the Revised Code, a clerk 1187 instead has issued an electronic certificate of title for the 1188

1189 applicant's motor vehicle, that certificate may be presented for 1190 inspection at the time of first registration in a manner 1191 prescribed by rules adopted by the registrar. An applicant is not 1192 required to present a certificate of title to an electronic motor 1193 vehicle dealer acting as a limited authority deputy registrar in 1194 accordance with rules adopted by the registrar. When a motor 1195 vehicle <u>emissions</u> inspection and <u>maintenance</u> program is in effect 1196 under section 3704.14 either section 3704.20 or 3704.21 of the 1197 Revised Code and rules adopted under it, each the application for 1198 registration for a the vehicle required to be inspected under that 1199 section and those rules shall be accompanied by an inspection 1200 certificate for the motor vehicle issued in accordance with that 1201 section if required under either of those sections. The 1202 application shall be refused if any of the following applies:

(1) The application is not in proper form. 1203

(2) The application is prohibited from being accepted by
division (D) of section 2935.27, division (A) of section 2937.221,
division (A) of section 4503.13, division (B) of section 4510.22,
or division (B)(1) of section 4521.10 of the Revised Code.
1204

(3) A certificate of title or memorandum certificate of title
is required but does not accompany the application or, in the case
of an electronic certificate of title, is required but is not
presented in a manner prescribed by the registrar's rules.

(4) All registration and transfer fees for the motor vehicle, 1212
for the preceding year or the preceding period of the current 1213
registration year, have not been paid. 1214

(5) The owner or lessee does not have an inspection
certificate for the motor vehicle as provided in if required by
section 3704.14 3704.20 or 3704.21 of the Revised Code, and rules
adopted under it, if that section is applicable.
1218

This section does not require the payment of license or 1219

1220 registration taxes on a motor vehicle for any preceding year, or 1221 for any preceding period of a year, if the motor vehicle was not 1222 taxable for that preceding year or period under sections 4503.02, 1223 4503.04, 4503.11, 4503.12, and 4503.16 or Chapter 4504. of the 1224 Revised Code. When a certificate of registration is issued upon 1225 the first registration of a motor vehicle by or on behalf of the 1226 owner, the official issuing the certificate shall indicate the 1227 issuance with a stamp on the certificate of title or memorandum 1228 certificate or, in the case of an electronic certificate of title, 1229 an electronic stamp or other notation as specified in rules 1230 adopted by the registrar, and with a stamp on the inspection 1231 certificate for the motor vehicle, if any. The official also shall 1232 indicate, by a stamp or by other means the registrar prescribes, 1233 on the registration certificate issued upon the first registration 1234 of a motor vehicle by or on behalf of the owner the odometer 1235 reading of the motor vehicle as shown in the odometer statement 1236 included in or attached to the certificate of title. Upon each 1237 subsequent registration of the motor vehicle by or on behalf of 1238 the same owner, the official also shall so indicate the odometer 1239 reading of the motor vehicle as shown on the immediately preceding 1240 certificate of registration.

The registrar shall include in the permanent registration1241record of any vehicle required to be inspected under section12423704.14 of the Revised Code the inspection certificate number from1243the inspection certificate issued under section 3704.20 or 3704.211244of the Revised Code, if applicable, that is presented at the time1245of registration of the vehicle as required under this division.1246

(C)(1) Commencing with each registration renewal with an 1247 expiration date on or after October 1, 2003, and for each initial 1248 application for registration received on and after that date, the 1249 registrar and each deputy registrar shall collect an additional 1250 fee of eleven dollars for each application for registration and 1251

1252 registration renewal received. The additional fee is for the 1253 purpose of defraying the department of public safety's costs 1254 associated with the administration and enforcement of the motor 1255 vehicle and traffic laws of Ohio. Each deputy registrar shall 1256 transmit the fees collected under division (C)(1) of this section 1257 in the time and manner provided in this section. The registrar 1258 shall deposit all moneys received under division (C)(1) of this 1259 section into the state highway safety fund established in section 1260 4501.06 of the Revised Code.

(2) In addition, a charge of twenty-five cents shall be made 1261 for each reflectorized safety license plate issued, and a single 1262 charge of twenty-five cents shall be made for each county 1263 identification sticker or each set of county identification 1264 stickers issued, as the case may be, to cover the cost of 1265 producing the license plates and stickers, including material, 1266 manufacturing, and administrative costs. Those fees shall be in 1267 addition to the license tax. If the total cost of producing the 1268 plates is less than twenty-five cents per plate, or if the total 1269 cost of producing the stickers is less than twenty-five cents per 1270 sticker or per set issued, any excess moneys accruing from the 1271 fees shall be distributed in the same manner as provided by 1272 section 4501.04 of the Revised Code for the distribution of 1273 license tax moneys. If the total cost of producing the plates 1274 exceeds twenty-five cents per plate, or if the total cost of 1275 producing the stickers exceeds twenty-five cents per sticker or 1276 per set issued, the difference shall be paid from the license tax 1277 moneys collected pursuant to section 4503.02 of the Revised Code. 1278

(D) Each deputy registrar shall be allowed a fee of two
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dollars and seventy-five cents commencing on July 1, 2001, three
dollars and twenty-five cents commencing on January 1, 2003, and
three dollars and fifty cents commencing on January 1, 2004, for
each application for registration and registration renewal notice
1283

the deputy registrar receives, which shall be for the purpose of 1284 compensating the deputy registrar for the deputy registrar's 1285 services, and such office and rental expenses, as may be necessary 1286 for the proper discharge of the deputy registrar's duties in the 1287 receiving of applications and renewal notices and the issuing of 1288 registrations. 1289

(E) Upon the certification of the registrar, the county
 1290
 sheriff or local police officials shall recover license plates
 1291
 erroneously or fraudulently issued.
 1292

(F) Each deputy registrar, upon receipt of any application 1293 for registration or registration renewal notice, together with the 1294 license fee and any local motor vehicle license tax levied 1295 pursuant to Chapter 4504. of the Revised Code, shall transmit that 1296 fee and tax, if any, in the manner provided in this section, 1297 together with the original and duplicate copy of the application, 1298 to the registrar. The registrar, subject to the approval of the 1299 director of public safety, may deposit the funds collected by 1300 those deputies in a local bank or depository to the credit of the 1301 "state of Ohio, bureau of motor vehicles." Where a local bank or 1302 depository has been designated by the registrar, each deputy 1303 registrar shall deposit all moneys collected by the deputy 1304 registrar into that bank or depository not more than one business 1305 day after their collection and shall make reports to the registrar 1306 1307 of the amounts so deposited, together with any other information, some of which may be prescribed by the treasurer of state, as the 1308 registrar may require and as prescribed by the registrar by rule. 1309 The registrar, within three days after receipt of notification of 1310 the deposit of funds by a deputy registrar in a local bank or 1311 depository, shall draw on that account in favor of the treasurer 1312 of state. The registrar, subject to the approval of the director 1313 and the treasurer of state, may make reasonable rules necessary 1314 for the prompt transmittal of fees and for safeguarding the 1315

1316 interests of the state and of counties, townships, municipal 1317 corporations, and transportation improvement districts levying 1318 local motor vehicle license taxes. The registrar may pay service 1319 charges usually collected by banks and depositories for such 1320 service. If deputy registrars are located in communities where 1321 banking facilities are not available, they shall transmit the fees 1322 forthwith, by money order or otherwise, as the registrar, by rule 1323 approved by the director and the treasurer of state, may 1324 prescribe. The registrar may pay the usual and customary fees for 1325 such service.

(G) This section does not prevent any person from making an 1326 application for a motor vehicle license directly to the registrar 1327 by mail, by electronic means, or in person at any of the 1328 registrar's offices, upon payment of a service fee of two dollars 1329 and seventy-five cents commencing on July 1, 2001, three dollars 1330 and twenty-five cents commencing on January 1, 2003, and three 1331 dollars and fifty cents commencing on January 1, 2004, for each 1332 application. 1333

(H) No person shall make a false statement as to the district 1334 of registration in an application required by division (A) of this 1335 section. Violation of this division is falsification under section 1336 2921.13 of the Revised Code and punishable as specified in that 1337 section. 1338

(I)(1) Where applicable, the requirements of division (B) of 1339 this section relating to the presentation of an inspection 1340 certificate issued under section 3704.14 of the Revised Code and 1341 rules adopted under it for a motor vehicle under section 3704.20 1342 or 3704.21 of the Revised Code, the refusal of a license for 1343 failure to present an inspection certificate, and the stamping of 1344 the inspection certificate by the official issuing the certificate 1345 of registration apply to the registration of and issuance of 1346 license plates for a motor vehicle under sections 4503.102, 1347

4503.12, 4503.14, 4503.15, 4503.16, 4503.171, 4503.172, 4503.19,13484503.40, 4503.41, 4503.42, 4503.43, 4503.44, 4503.46, 4503.47, and13494503.51 of the Revised Code.1350

(2)(a) The registrar shall adopt rules ensuring that each 1351 owner registering a motor vehicle in a county where a motor 1352 vehicle emissions inspection and maintenance program is in effect 1353 under section 3704.14 3704.20 or 3704.21 of the Revised Code and 1354 rules adopted under it receives information about the requirements 1355 established in that section and those rules and about the need in 1356 those counties when it is necessary to present an inspection 1357 certificate with an application for registration or 1358 preregistration. 1359

(b) Upon request, the registrar shall provide the director of 1360 environmental protection, or any person that has been awarded a 1361 contract under division (D) of section 3704.14 3704.20 of the 1362 Revised Code or any person issued a license under section 3704.21 1363 of the Revised Code, an on-line computer data link to registration 1364 information for all passenger cars, noncommercial motor vehicles, 1365 and commercial cars that are subject to that section. The 1366 registrar also shall provide to the director of environmental 1367 protection a magnetic data tape containing registration 1368 information regarding passenger cars, noncommercial motor 1369 vehicles, and commercial cars for which a multi-year registration 1370 is in effect under section 4503.103 of the Revised Code or rules 1371 adopted under it, including, without limitation, the date of 1372 issuance of the multi-year registration, the registration deadline 1373 established under rules adopted under section 4503.101 of the 1374 Revised Code that was applicable in the year in which the 1375 multi-year registration was issued, and the registration deadline 1376 for renewal of the multi-year registration. 1377

(J) Application for registration under the international 1378 registration plan, as set forth in sections 4503.60 to 4503.66 of 1379

1380 the Revised Code, shall be made to the registrar on forms 1381 furnished by the registrar. In accordance with international 1382 registration plan guidelines and pursuant to rules adopted by the 1383 registrar, the forms shall include the following:

(1) A uniform mileage schedule;

(2) The gross vehicle weight of the vehicle or combined gross 1385 vehicle weight of the combination vehicle as declared by the 1386 registrant; 1387

(3) Any other information the registrar requires by rule. 1388

**Sec. 4503.102.** (A) The registrar of motor vehicles shall 1389 adopt rules to establish a centralized system of motor vehicle 1390 registration renewal by mail or by electronic means. Any person 1391 owning a motor vehicle that was registered in the person's name 1392 during the preceding registration year shall renew the 1393 registration of the motor vehicle not more than ninety days prior 1394 to the expiration date of the registration either by mail or by 1395 electronic means through the centralized system of registration 1396 established under this section, or in person at any office of the 1397 registrar or at a deputy registrar's office. 1398

(B)(1) No less than forty-five days prior to the expiration 1399 date of any motor vehicle registration, the registrar shall mail a 1400 renewal notice to the person in whose name the motor vehicle is 1401 registered. The renewal notice shall clearly state that the 1402 registration of the motor vehicle may be renewed by mail or 1403 electronic means through the centralized system of registration or 1404 in person at any office of the registrar or at a deputy 1405 registrar's office and shall be preprinted with information 1406 including, but not limited to, the owner's name and residence 1407 address as shown in the records of the bureau of motor vehicles, a 1408 brief description of the motor vehicle to be registered, notice of 1409

1384

the license taxes and fees due on the motor vehicle, the toll-free 1410 telephone number of the registrar as required under division 1411 (D)(1) of section 4503.031 of the Revised Code, and any additional 1412 information the registrar may require by rule. The renewal notice 1413 shall be sent by regular mail to the owner's last known address as 1414 shown in the records of the bureau of motor vehicles. 1410

(2) If the application for renewal of the registration of a 1416
motor vehicle is prohibited from being accepted by the registrar 1417
or a deputy registrar by division (D) of section 2935.27, division 1418
(A) of section 2937.221, division (A) of section 4503.13, division 1419
(B) of section 4507.168, or division (B)(1) of section 4521.10 of 1420
the Revised Code, the registrar is not required to send a renewal 1421
notice to the vehicle owner or vehicle lessee. 1422

(C) The owner of the motor vehicle shall verify the 1423 information contained in the notice, sign it either manually or by 1424 electronic means, and return it, either by mail or electronic 1425 means, or the owner may take it in person to any office of the 1426 registrar or of a deputy registrar, together with a financial 1427 transaction device number, when permitted by rule of the 1428 registrar, check, or money order in the amount of the registration 1429 taxes and fees payable on the motor vehicle and a mail fee of two 1430 dollars and seventy-five cents commencing on July 1, 2001, three 1431 dollars and twenty-five cents commencing on January 1, 2003, and 1432 three dollars and fifty cents commencing on January 1, 2004, plus 1433 postage as indicated on the notice, if the registration is renewed 1434 by mail, and an inspection certificate for the motor vehicle as 1435 provided in if required by section 3704.14 3704.20 or 3704.21 of 1436 the Revised Code. If the motor vehicle owner chooses to renew the 1437 motor vehicle registration by electronic means, the owner shall 1438 proceed in accordance with the rules the registrar adopts. 1439

(D) If all registration and transfer fees for the motor 1440 vehicle for the preceding year or the preceding period of the 1441

1442 current registration year have not been paid, if division (D) of 1443 section 2935.27, division (A) of section 2937.221, division (A) of 1444 section 4503.13, division (B) of section 4507.168, or division 1445 (B)(1) of section 4521.10 of the Revised Code prohibits acceptance 1446 of the renewal notice, or if the owner or lessee does not have an 1447 inspection certificate for the motor vehicle as provided in if 1448 <u>required by</u> section 3704.14 3704.20 or 3704.21 of the Revised 1449 Code, if that section is applicable, the license shall be refused, 1450 and the registrar or deputy registrar shall so notify the owner. 1451 This section does not require the payment of license or 1452 registration taxes on a motor vehicle for any preceding year, or 1453 for any preceding period of a year, if the motor vehicle was not 1454 taxable for that preceding year or period under section 4503.02, 1455 4503.04, 4503.11, 4503.12, or 4503.16 or Chapter 4504. of the 1456 Revised Code.

(E)(1) Failure to receive a renewal notice does not relieve a 1457 motor vehicle owner from the responsibility to renew the 1458 registration for the motor vehicle. Any person who has a motor 1459 vehicle registered in this state and who does not receive a 1460 renewal notice as provided in division (B) of this section prior 1461 to the expiration date of the registration shall request an 1462 application for registration from the registrar or a deputy 1463 registrar and sign the application manually or by electronic means 1464 and submit the application and pay any applicable license taxes 1465 and fees to the registrar or deputy registrar. 1466

(2) If the owner of a motor vehicle submits an application 1467 for registration and the registrar is prohibited by division (D) 1468 of section 2935.27, division (A) of section 2937.221, division (A) 1469 of section 4503.13, division (B) of section 4507.168, or division 1470 (B)(1) of section 4521.10 of the Revised Code from accepting the 1471 application, the registrar shall return the application and the 1472 payment to the owner. If the owner of a motor vehicle submits a 1473 registration renewal application to the registrar by electronic 1474 means and the registrar is prohibited from accepting the 1475 application as provided in this division, the registrar shall 1476 notify the owner of this fact and deny the application and return 1477 the payment or give a credit on the financial transaction device 1478 account of the owner in the manner the registrar prescribes by 1480

(F) Every deputy registrar shall post in a prominent place at 1481 the deputy's office a notice informing the public of the mail 1482 registration system required by this section and also shall post a 1483 notice that every owner of a motor vehicle and every chauffeur 1484 holding a certificate of registration is required to notify the 1485 registrar in writing of any change of residence within ten days 1486 after the change occurs. The notice shall be in such form as the 1487 registrar prescribes by rule. 1488

(G) The two dollars and seventy-five cents fee collected from 1489 July 1, 2001, through December 31, 2002, the three dollars and 1490 twenty-five cents fee collected from January 1, 2003, through 1491 December 31, 2003, and the three dollars and fifty cents fee 1492 collected after January 1, 2004, plus postage and any financial 1493 transaction device surcharge collected by the registrar for 1494 registration by mail, shall be paid to the credit of the state 1495 bureau of motor vehicles fund established by section 4501.25 of 1496 the Revised Code. 1497

(H) Pursuant to section 113.40 of the Revised Code, the
registrar may implement a program permitting payment of motor
vehicle registration taxes and fees, driver's license and
commercial driver's license fees, and any other taxes, fees,
penalties, or charges imposed or levied by the state by means of a
financial transaction device. The registrar may adopt rules as
necessary for this purpose.

## S. B. No. 120 As Introduced

(I) For persons who reside in counties where tailpipe	1505
emissions inspections are required under the motor vehicle	1506
inspection and maintenance program, the notice required by	1507
division (B) of this section shall also include the toll-free	1508
telephone number maintained by the Ohio environmental protection	1509
agency to provide information concerning the locations of	1510
emissions testing centers.	1511

**Sec. 4503.103.** (A)(1)(a) The registrar of motor vehicles may 1512 adopt rules to permit any person or lessee, other than a person 1513 receiving an apportioned license plate under the international 1514 registration plan, who owns or leases one or more motor vehicles 1515 to file a written application for registration for no more than 1516 five succeeding registration years. The rules adopted by the 1517 registrar may designate the classes of motor vehicles that are 1518 eligible for such registration. At the time of application, all 1519 annual taxes and fees shall be paid for each year for which the 1520 person is registering. 1521

(b)(i) Except as provided in division (A)(1)(b)(ii) of this 1522 section, the registrar shall adopt rules to permit any person who 1523 owns a motor vehicle to file an application for registration for 1524 the next two succeeding registration years. At the time of 1525 application, the person shall pay the annual taxes and fees for 1526 each registration year, calculated in accordance with division (C) 1527 of section 4503.11 of the Revised Code. A person who is 1528 registering a vehicle under division (A)(1)(b) of this section 1529 shall pay for each year of registration the additional fee 1530 established under division (C)(1) of section 4503.10 of the 1531 Revised Code. The person shall also pay one and one-half times the 1532 amount of the deputy registrar service fee specified in division 1533 (D) of section 4503.10 of the Revised Code or the bureau of motor 1534 vehicles service fee specified in division (G) of that section, as 1535 (ii) Division (A)(1)(b)(i) of this section does not apply to
a person receiving an apportioned license plate under the
international registration plan, or the owner of a commercial car
used solely in intrastate commerce, or the owner of a bus as
defined in section 4513.50 of the Revised Code.

(2) No person applying for a multi-year registration under
 division (A)(1) of this section is entitled to a refund of any
 taxes or fees paid.

(3) The registrar shall not issue to any applicant who has 1545 been issued a final, nonappealable order under division (B) of 1546 this section a multi-year registration or renewal thereof under 1547 this division or rules adopted under it for any motor vehicle that 1548 is required to be inspected or reinspected under section 3704.14 1549 3704.20 or 3704.21 of the Revised Code the district of 1550 registration of which, as determined under section 4503.10 of the 1551 Revised Code, is or is located in the county named in the order. 1552

(B) Upon receipt from the director of environmental 1553 protection of a notice issued under division (J) of section 1554 3704.14 3704.20 or 3704.21 of the Revised Code indicating that an 1555 owner of a motor vehicle that is required to be inspected under 1556 that section or reinspected who obtained a multi-year registration 1557 for the vehicle under division (A) of this section or rules 1558 adopted under that division has not obtained an inspection 1559 certificate for the vehicle in accordance with that section either 1560 of those sections, as applicable, in a year intervening between 1561 the years of issuance and expiration of the multi-year 1562 registration in which the owner is required to have the vehicle 1563 inspected or reinspected and obtain an inspection certificate for 1564 it under division (F)(1)(a) of that section, the registrar in 1565 accordance with Chapter 119. of the Revised Code shall issue an 1566

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order to the owner impounding the certificate of registration and 1567 identification license plates for the vehicle. The order also 1568 shall prohibit the owner from obtaining or renewing a multi-year 1569 registration for any vehicle that is required to be inspected 1570 under that section or reinspected, the district of registration of 1571 which is or is located in the same county as the county named in 1572 the order during the number of years after expiration of the 1573 current multi-year registration that equals the number of years 1574 for which the current multi-year registration was issued. 1575

An order issued under this division shall require the owner 1576 to surrender to the registrar the certificate of registration and 1577 license plates for the vehicle named in the order within five days 1578 after its issuance. If the owner fails to do so within that time, 1579 the registrar shall certify that fact to the county sheriff or 1580 local police officials who shall recover the certificate of 1581 registration and license plates for the vehicle. 1582

(C) Upon the occurrence of either of the following 1583 circumstances, the registrar in accordance with Chapter 119. of 1584 the Revised Code shall issue to the owner a modified order 1585 rescinding the provisions of the order issued under division (B) 1586 of this section impounding the certificate of registration and 1587 license plates for the vehicle named in that original order: 1588

(1) Receipt from the director of environmental protection of 1589
a subsequent notice under division (J) of section 3704.14 3704.20 1590
or 3704.21 of the Revised Code that the owner has obtained the 1591
required inspection certificate for the vehicle as required under 1592
division (F)(1)(a) of that section; 1593

(2) Presentation to the registrar by the owner of therequired inspection certificate for the vehicle.1595

(D) The owner of a motor vehicle for which the certificate of 1596 registration and license plates have been impounded pursuant to an 1597

order issued under division (B) of this section, upon issuance of1598a modified order under division (C) of this section, may apply to1599the registrar for their return. A fee of two dollars and fifty1600cents shall be charged for the return of the certificate of1601registration and license plates for each vehicle named in the1602application.1603

sec. 4503.51. (A) The owner or lessee of any passenger car, 1604 noncommercial motor vehicle, recreational vehicle, or vehicle of a 1605 class approved by the registrar of motor vehicles may voluntarily 1606 choose to submit an application to the registrar for registration 1607 of such motor vehicle and for issuance of collegiate license 1608 plates. The request for a collegiate license plate may be combined 1609 with a request for a special reserved license plate under section 1610 4503.40 or 4503.42 of the Revised Code. 1611

Upon receipt of the completed application for registration of 1612 a vehicle in accordance with any rules adopted under this section 1613 and upon compliance with division (B) of this section, the 1614 registrar shall issue to the applicant appropriate vehicle 1615 registration and a set of collegiate license plates with a 1616 validation sticker, or a validation sticker alone when required by 1617 section 4503.191 of the Revised Code. 1618

In addition to the letters and numbers ordinarily inscribed 1619 thereon, collegiate license plates shall be inscribed with the 1620 name of a university or college that is participating with the 1621 registrar in the issuance of collegiate license plates, or any 1622 other identifying marking or design selected by such a university 1623 or college and approved by the registrar. Collegiate license 1624 plates shall bear county identification stickers that identify the 1625 county of registration by name or number. 1626

(B) The collegiate license plates and validation sticker1627shall be issued upon receipt of a contribution as provided in1628

1629 division (C) of this section and payment of the regular license 1630 fees as prescribed under section 4503.04 of the Revised Code, any 1631 applicable motor vehicle tax levied under Chapter 4504. of the 1632 Revised Code, a fee not to exceed ten dollars for the purpose of 1633 compensating the bureau of motor vehicles for additional services 1634 required in the issuing of collegiate license plates, and 1635 compliance with all other applicable laws relating to the 1636 registration of motor vehicles, including presentation of any 1637 inspection certificate required to be obtained for the motor 1638 vehicle under section 3704.14 3704.20 or 3704.21 of the Revised 1639 Code. If the application for a collegiate license plate is 1640 combined with a request for a special reserved license plate under 1641 section 4503.40 or 4503.42 of the Revised Code, the license plate 1642 and validation sticker shall be issued upon payment of the 1643 contribution, fees, and taxes referred to in this division, the 1644 additional fee prescribed under section 4503.40 or 4503.42 of the 1645 Revised Code, and compliance with all other laws relating to the 1646 registration of motor vehicles, including presentation of any 1647 required inspection certificate required to be obtained for the 1648 motor vehicle under section 3704.14 of the Revised Code.

(C) The registrar shall collect a contribution of twenty-five 1649
dollars for each application for registration and registration 1650
renewal notice under this section. 1651

The registrar shall transmit this contribution to the 1652 treasurer of state for deposit into the license plate contribution 1653 fund created by section 4501.21 of the Revised Code. The 1654 additional fee not to exceed ten dollars that the applicant for 1655 registration voluntarily pays for the purpose of compensating the 1656 bureau for the additional services required in the issuing of the 1657 applicant's collegiate license plates shall be transmitted into 1658 the state treasury to the credit of the state bureau of motor 1659 vehicles fund created in section 4501.25 of the Revised Code. 1660

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(D) The registrar, in accordance with Chapter 119. of the
Revised Code, shall adopt rules necessary for the efficient
administration of the collegiate license plate program.

(E) As used in this section, "university or college" means a 1664 state university or college or a private university or college 1665 located in this state that possesses a certificate of 1666 authorization issued by the Ohio board of regents pursuant to 1667 Chapter 1713. of the Revised Code. "University or college" also 1668 includes community colleges created pursuant to Chapter 3354. of 1669 the Revised Code, university branches created pursuant to Chapter 1670 3355. of the Revised Code, technical colleges created pursuant to 1671 Chapter 3357. of the Revised Code, and state community colleges 1672 created pursuant to Chapter 3358. of the Revised Code. 1673

**Sec. 5552.01.** As used in this chapter: 1674

(A) "Metropolitan planning organization" has the same meaning
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as in division (A)(7) of section 3704.14 of the Revised Code means
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a metropolitan planning organization designated under section 9(a)
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of the "Federal-Aid Highway Act of 1962," 76 Stat. 1148, 23
U.S.C.A. 134, as amended.

(B) "Urban township" means a township that has a population
 in the unincorporated area of the township of fifteen thousand or
 1681
 more and that has adopted a limited home rule government under
 1682
 section 504.02 of the Revised Code.

Sec. 5739.02. For the purpose of providing revenue with which 1684 to meet the needs of the state, for the use of the general revenue 1685 fund of the state, for the purpose of securing a thorough and 1686 efficient system of common schools throughout the state, for the 1687 purpose of affording revenues, in addition to those from general 1688 property taxes, permitted under constitutional limitations, and 1689 from other sources, for the support of local governmental 1690 functions, and for the purpose of reimbursing the state for the1691expense of administering this chapter, an excise tax is hereby1692levied on each retail sale made in this state.1693

(A)(1) The tax shall be collected as provided in section 1694
5739.025 of the Revised Code, provided that on and after July 1, 1695
2003, and on or before June 30, 2005, the rate of tax shall be six 1696
per cent. On and after July 1, 2005, the rate of the tax shall be 1697
five per cent. The tax applies and is collectible when the sale is 1698
made, regardless of the time when the price is paid or delivered. 1699

(2) In the case of the lease or rental, with a fixed term of 1700 more than thirty days or an indefinite term with a minimum period 1701 of more than thirty days, of any motor vehicles designed by the 1702 manufacturer to carry a load of not more than one ton, watercraft, 1703 outboard motor, or aircraft, or of any tangible personal property, 1704 other than motor vehicles designed by the manufacturer to carry a 1705 load of more than one ton, to be used by the lessee or renter 1706 primarily for business purposes, the tax shall be collected by the 1707 vendor at the time the lease or rental is consummated and shall be 1708 calculated by the vendor on the basis of the total amount to be 1709 paid by the lessee or renter under the lease agreement. If the 1710 total amount of the consideration for the lease or rental includes 1711 amounts that are not calculated at the time the lease or rental is 1712 executed, the tax shall be calculated and collected by the vendor 1713 at the time such amounts are billed to the lessee or renter. In 1714 the case of an open-end lease or rental, the tax shall be 1715 calculated by the vendor on the basis of the total amount to be 1716 paid during the initial fixed term of the lease or rental, and for 1717 each subsequent renewal period as it comes due. As used in this 1718 division, "motor vehicle" has the same meaning as in section 1719 4501.01 of the Revised Code, and "watercraft" includes an outdrive 1720 unit attached to the watercraft. 1721

A lease with a renewal clause and a termination penalty or 1722

1723 similar provision that applies if the renewal clause is not 1724 exercised is presumed to be a sham transaction. In such a case, 1725 the tax shall be calculated and paid on the basis of the entire 1726 length of the lease period, including any renewal periods, until 1727 the termination penalty or similar provision no longer applies. 1728 The taxpayer shall bear the burden, by a preponderance of the 1729 evidence, that the transaction or series of transactions is not a 1730 sham transaction.

(3) Except as provided in division (A)(2) of this section, in
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the case of a sale, the price of which consists in whole or in
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part of the lease or rental of tangible personal property, the tax
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shall be measured by the installments of that lease or rental.
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(4) In the case of a sale of a physical fitness facility
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service or recreation and sports club service, the price of which
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consists in whole or in part of a membership for the receipt of
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the benefit of the service, the tax applicable to the sale shall
be measured by the installments thereof.

(B) The tax does not apply to the following:

(1) Sales to the state or any of its political subdivisions,
 1741
 or to any other state or its political subdivisions if the laws of
 1742
 that state exempt from taxation sales made to this state and its
 1743
 political subdivisions;

(2) Sales of food for human consumption off the premises 1745 where sold; 1746

(3) Sales of food sold to students only in a cafeteria,
dormitory, fraternity, or sorority maintained in a private,
public, or parochial school, college, or university;
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(4) Sales of newspapers and of magazine subscriptions and
 sales or transfers of magazines distributed as controlled
 circulation publications;
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1740

(5) The furnishing, preparing, or serving of meals without 1753 charge by an employer to an employee provided the employer records 1754 the meals as part compensation for services performed or work 1755 done; 1756

(6) Sales of motor fuel upon receipt, use, distribution, or 1757 sale of which in this state a tax is imposed by the law of this 1758 state, but this exemption shall not apply to the sale of motor 1759 fuel on which a refund of the tax is allowable under division (A) 1760 of section 5735.14 of the Revised Code; and the tax commissioner 1761 may deduct the amount of tax levied by this section applicable to 1762 the price of motor fuel when granting a refund of motor fuel tax 1763 pursuant to division (A) of section 5735.14 of the Revised Code 1764 and shall cause the amount deducted to be paid into the general 1765 revenue fund of this state; 1766

(7) Sales of natural gas by a natural gas company, of water 1767 by a water-works company, or of steam by a heating company, if in 1768 each case the thing sold is delivered to consumers through pipes 1769 or conduits, and all sales of communications services by a 1770 telegraph company, all terms as defined in section 5727.01 of the 1771 Revised Code, and sales of electricity delivered through wires; 1772

(8) Casual sales by a person, or auctioneer employed directly 1773 by the person to conduct such sales, except as to such sales of 1774 motor vehicles, watercraft or outboard motors required to be 1775 titled under section 1548.06 of the Revised Code, watercraft 1776 documented with the United States coast guard, snowmobiles, and 1777 all-purpose vehicles as defined in section 4519.01 of the Revised 1778 Code; 1779

(9) Sales of services or tangible personal property, other 1780 than motor vehicles, mobile homes, and manufactured homes, by 1781 churches, organizations exempt from taxation under section 1782 501(c)(3) of the Internal Revenue Code of 1986, or nonprofit 1783

1784 organizations operated exclusively for charitable purposes as 1785 defined in division (B)(12) of this section, provided that the 1786 number of days on which such tangible personal property or 1787 services, other than items never subject to the tax, are sold does 1788 not exceed six in any calendar year. If the number of days on 1789 which such sales are made exceeds six in any calendar year, the 1790 church or organization shall be considered to be engaged in 1791 business and all subsequent sales by it shall be subject to the 1792 tax. In counting the number of days, all sales by groups within a 1793 church or within an organization shall be considered to be sales 1794 of that church or organization, except that sales made by separate 1795 student clubs and other groups of students of a primary or 1796 secondary school, and sales made by a parent-teacher association,

1797 booster group, or similar organization that raises money to 1798 support or fund curricular or extracurricular activities of a 1799 primary or secondary school, shall not be considered to be sales 1800 of such school, and sales by each such club, group, association, 1801 or organization shall be counted separately for purposes of the 1802 six-day limitation. This division does not apply to sales by a 1803 noncommercial educational radio or television broadcasting 1804 station.

(10) Sales not within the taxing power of this state underthe Constitution of the United States;1806

(11) Except for transactions that are sales under division
(B)(3)(s) of section 5739.01 of the Revised Code, the
transportation of persons or property, unless the transportation
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is by a private investigation and security service;
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(12) Sales of tangible personal property or services to
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churches, to organizations exempt from taxation under section
501(c)(3) of the Internal Revenue Code of 1986, and to any other
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nonprofit organizations operated exclusively for charitable
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purposes in this state, no part of the net income of which inures
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to the benefit of any private shareholder or individual, and no1816substantial part of the activities of which consists of carrying1817on propaganda or otherwise attempting to influence legislation;1818sales to offices administering one or more homes for the aged or1819one or more hospital facilities exempt under section 140.08 of the1820Revised Code; and sales to organizations described in division (D)1821of section 5709.12 of the Revised Code.1822

"Charitable purposes" means the relief of poverty; the 1823 improvement of health through the alleviation of illness, disease, 1824 or injury; the operation of an organization exclusively for the 1825 provision of professional, laundry, printing, and purchasing 1826 services to hospitals or charitable institutions; the operation of 1827 a home for the aged, as defined in section 5701.13 of the Revised 1828 Code; the operation of a radio or television broadcasting station 1829 that is licensed by the federal communications commission as a 1830 noncommercial educational radio or television station; the 1831 operation of a nonprofit animal adoption service or a county 1832 humane society; the promotion of education by an institution of 1833 learning that maintains a faculty of qualified instructors, 1834 teaches regular continuous courses of study, and confers a 1835 recognized diploma upon completion of a specific curriculum; the 1836 operation of a parent-teacher association, booster group, or 1837 similar organization primarily engaged in the promotion and 1838 support of the curricular or extracurricular activities of a 1839 primary or secondary school; the operation of a community or area 1840 center in which presentations in music, dramatics, the arts, and 1841 related fields are made in order to foster public interest and 1842 education therein; the production of performances in music, 1843 dramatics, and the arts; or the promotion of education by an 1844 organization engaged in carrying on research in, or the 1845 dissemination of, scientific and technological knowledge and 1846 information primarily for the public. 1847 Nothing in this division shall be deemed to exempt sales to1848any organization for use in the operation or carrying on of a1849trade or business, or sales to a home for the aged for use in the1850operation of independent living facilities as defined in division1851(A) of section 5709.12 of the Revised Code.1852

(13) Building and construction materials and services sold to 1853 construction contractors for incorporation into a structure or 1854 improvement to real property under a construction contract with 1855 this state or a political subdivision of this state, or with the 1856 United States government or any of its agencies; building and 1857 construction materials and services sold to construction 1858 contractors for incorporation into a structure or improvement to 1859 real property that are accepted for ownership by this state or any 1860 of its political subdivisions, or by the United States government 1861 or any of its agencies at the time of completion of the structures 1862 or improvements; building and construction materials sold to 1863 construction contractors for incorporation into a horticulture 1864 structure or livestock structure for a person engaged in the 1865 business of horticulture or producing livestock; building 1866 materials and services sold to a construction contractor for 1867 incorporation into a house of public worship or religious 1868 education, or a building used exclusively for charitable purposes 1869 under a construction contract with an organization whose purpose 1870 is as described in division (B)(12) of this section; building 1871 materials and services sold to a construction contractor for 1872 incorporation into a building under a construction contract with 1873 an organization exempt from taxation under section 501(c)(3) of 1874 the Internal Revenue Code of 1986 when the building is to be used 1875 exclusively for the organization's exempt purposes; building and 1876 construction materials sold for incorporation into the original 1877 construction of a sports facility under section 307.696 of the 1878 Revised Code; and building and construction materials and services 1879 sold to a construction contractor for incorporation into real1880property outside this state if such materials and services, when1881sold to a construction contractor in the state in which the real1882property is located for incorporation into real property in that1883state, would be exempt from a tax on sales levied by that state;1884

(14) Sales of ships or vessels or rail rolling stock used or
to be used principally in interstate or foreign commerce, and
repairs, alterations, fuel, and lubricants for such ships or
vessels or rail rolling stock;

(15) Sales to persons primarily engaged in any of the 1889 activities mentioned in division (B)(43)(a) or (g) of this 1890 section, to persons engaged in making retail sales, or to persons 1891 who purchase for sale from a manufacturer tangible personal 1892 property that was produced by the manufacturer in accordance with 1893 specific designs provided by the purchaser, of packages, including 1894 material, labels, and parts for packages, and of machinery, 1895 equipment, and material for use primarily in packaging tangible 1896 personal property produced for sale, including any machinery, 1897 equipment, and supplies used to make labels or packages, to 1898 prepare packages or products for labeling, or to label packages or 1899 products, by or on the order of the person doing the packaging, or 1900 sold at retail. "Packages" includes bags, baskets, cartons, 1901 crates, boxes, cans, bottles, bindings, wrappings, and other 1902 similar devices and containers, but does not include motor 1903 vehicles or bulk tanks, trailers, or similar devices attached to 1904 motor vehicles. "Packaging" means placing in a package. Division 1905 (B) (14) (15) of this section does not apply to persons engaged in 1906 highway transportation for hire. 1907

(16) Sales of food to persons using food stamp benefits to 1908 purchase the food. As used in this division, "food" has the same 1909 meaning as in the "Food Stamp Act of 1977," 91 Stat. 958, 7 U.S.C. 1910 2012, as amended, and federal regulations adopted pursuant to that 1911 act.

(17) Sales to persons engaged in farming, agriculture, 1913 horticulture, or floriculture, of tangible personal property for 1914 use or consumption directly in the production by farming, 1915 agriculture, horticulture, or floriculture of other tangible 1916 personal property for use or consumption directly in the 1917 production of tangible personal property for sale by farming, 1918 agriculture, horticulture, or floriculture; or material and parts 1919 for incorporation into any such tangible personal property for use 1920 or consumption in production; and of tangible personal property 1921 for such use or consumption in the conditioning or holding of 1922 products produced by and for such use, consumption, or sale by 1923 persons engaged in farming, agriculture, horticulture, or 1924 floriculture, except where such property is incorporated into real 1925 1926 property;

(18) Sales of drugs for a human being, dispensed pursuant to 1927 a prescription; insulin as recognized in the official United 1928 States pharmacopoeia; urine and blood testing materials when used 1929 by diabetics or persons with hypoglycemia to test for glucose or 1930 acetone; hypodermic syringes and needles when used by diabetics 1931 for insulin injections; epoetin alfa when purchased for use in the 1932 treatment of persons with medical disease; hospital beds when 1933 purchased for use by persons with medical problems for medical 1934 purposes; and medical oxygen and medical oxygen-dispensing 1935 equipment when purchased for use by persons with medical problems 1936 for medical purposes; 1937

(19) Sales of prosthetic devices, durable medical equipment 1938 for home use, or mobility enhancing equipment, when made pursuant 1939 to a prescription and when such devices or equipment are for use 1940 by a human being. 1941

(20) Sales of emergency and fire protection vehicles and 1942

1912

equipment to nonprofit organizations for use solely in providing 1943 fire protection and emergency services, including trauma care and 1944 emergency medical services, for political subdivisions of the 1945 state; 1946

(21) Sales of tangible personal property manufactured in this 1947 state, if sold by the manufacturer in this state to a retailer for 1948 use in the retail business of the retailer outside of this state 1949 and if possession is taken from the manufacturer by the purchaser 1950 within this state for the sole purpose of immediately removing the 1951 same from this state in a vehicle owned by the purchaser; 1952

(22) Sales of services provided by the state or any of its
political subdivisions, agencies, instrumentalities, institutions,
or authorities, or by governmental entities of the state or any of
its political subdivisions, agencies, instrumentalities,
institutions, or authorities;

(23) Sales of motor vehicles to nonresidents of this state 1958 upon the presentation of an affidavit executed in this state by 1959 the nonresident purchaser affirming that the purchaser is a 1960 nonresident of this state, that possession of the motor vehicle is 1961 taken in this state for the sole purpose of immediately removing 1962 it from this state, that the motor vehicle will be permanently 1963 titled and registered in another state, and that the motor vehicle 1964 will not be used in this state; 1965

(24) Sales to persons engaged in the preparation of eggs for 1966 sale of tangible personal property used or consumed directly in 1967 such preparation, including such tangible personal property used 1968 for cleaning, sanitizing, preserving, grading, sorting, and 1969 classifying by size; packages, including material and parts for 1970 packages, and machinery, equipment, and material for use in 1971 packaging eggs for sale; and handling and transportation equipment 1972 and parts therefor, except motor vehicles licensed to operate on 1973 public highways, used in intraplant or interplant transfers or1974shipment of eggs in the process of preparation for sale, when the1975plant or plants within or between which such transfers or1976shipments occur are operated by the same person. "Packages"1977includes containers, cases, baskets, flats, fillers, filler flats,1978cartons, closure materials, labels, and labeling materials, and1979"packaging" means placing therein.1980

(25)(a) Sales of water to a consumer for residential use, 1981
except the sale of bottled water, distilled water, mineral water, 1982
carbonated water, or ice; 1983

(b) Sales of water by a nonprofit corporation engaged
 1984
 exclusively in the treatment, distribution, and sale of water to
 consumers, if such water is delivered to consumers through pipes
 1986
 or tubing.

(26) Fees, if any, charged for inspection or reinspection of
motor vehicles remote sensing motor vehicle inspections or
reinspections under section 3704.14 3704.20 of the Revised Code
and rules adopted under it;

(27) Sales to persons licensed to conduct a food service 1992 operation pursuant to section 3717.43 of the Revised Code, of 1993 tangible personal property primarily used directly for the 1994 following: 1995

(a) To prepare food for human consumption for sale;

(b) To preserve food that has been or will be prepared for
human consumption for sale by the food service operator, not
including tangible personal property used to display food for
selection by the consumer;

(c) To clean tangible personal property used to prepare or 2001serve food for human consumption for sale. 2002

(28) Sales of animals by nonprofit animal adoption services 2003

1996

or county humane societies;

(29) Sales of services to a corporation described in division 2005
(A) of section 5709.72 of the Revised Code, and sales of tangible 2006
personal property that qualifies for exemption from taxation under 2007
section 5709.72 of the Revised Code; 2008

(30) Sales and installation of agricultural land tile, as 2009
defined in division (B)(5)(a) of section 5739.01 of the Revised 2010
Code; 2011

(31) Sales and erection or installation of portable grain 2012 bins, as defined in division (B)(5)(b) of section 5739.01 of the 2013 Revised Code; 2014

(32) The sale, lease, repair, and maintenance of, parts for, 2015 or items attached to or incorporated in, motor vehicles that are 2016 primarily used for transporting tangible personal property 2017 belonging to others by a person engaged in highway transportation 2018 for hire, except for packages and packaging used for the 2019 transportation of tangible personal property; 2020

(33) Sales to the state headquarters of any veterans' 2021 organization in this state that is either incorporated and issued 2022 a charter by the congress of the United States or is recognized by 2023 the United States veterans administration, for use by the 2024 headquarters; 2021

(34) Sales to a telecommunications service vendor, mobile 2026 telecommunications service vendor, or satellite broadcasting 2027 service vendor of tangible personal property and services used 2028 directly and primarily in transmitting, receiving, switching, or 2029 recording any interactive, one- or two-way electromagnetic 2030 communications, including voice, image, data, and information, 2031 through the use of any medium, including, but not limited to, 2032 poles, wires, cables, switching equipment, computers, and record 2033 storage devices and media, and component parts for the tangible 2034 personal property. The exemption provided in this division shall be in lieu of all other exemptions under division (B)(43)(a) of this section to which the vendor may otherwise be entitled, based upon the use of the thing purchased in providing the telecommunications, mobile telecommunications, or satellite broadcasting service.

(35) Sales of investment metal bullion and investment coins. 2041 "Investment metal bullion" means any elementary precious metal 2042 that has been put through a process of smelting or refining, 2043 including, but not limited to, gold, silver, platinum, and 2044 palladium, and which is in such state or condition that its value 2045 depends upon its content and not upon its form. "Investment metal 2046 bullion" does not include fabricated precious metal that has been 2047 processed or manufactured for one or more specific and customary 2048 industrial, professional, or artistic uses. "Investment coins" 2049 means numismatic coins or other forms of money and legal tender 2050 manufactured of gold, silver, platinum, palladium, or other metal 2051 under the laws of the United States or any foreign nation with a 2052 fair market value greater than any statutory or nominal value of 2053 such coins. 2054

(36)(a) Sales where the purpose of the consumer is to use or 2055 consume the things transferred in making retail sales and 2056 consisting of newspaper inserts, catalogues, coupons, flyers, gift 2057 certificates, or other advertising material that prices and 2058 describes tangible personal property offered for retail sale. 2059

(b) Sales to direct marketing vendors of preliminary
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materials such as photographs, artwork, and typesetting that will
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be used in printing advertising material; of printed matter that
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offers free merchandise or chances to win sweepstake prizes and
2063
that is mailed to potential customers with advertising material
2064
described in division (B)(36)(a) of this section; and of equipment
2065
such as telephones, computers, facsimile machines, and similar

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tangible personal property primarily used to accept orders for 2067 direct marketing retail sales. 2068

(c) Sales of automatic food vending machines that preserve 2069
food with a shelf life of forty-five days or less by refrigeration 2070
and dispense it to the consumer. 2071

For purposes of division (B)(36) of this section, "direct 2072 marketing" means the method of selling where consumers order 2073 tangible personal property by United States mail, delivery 2074 service, or telecommunication and the vendor delivers or ships the 2075 tangible personal property sold to the consumer from a warehouse, 2076 catalogue distribution center, or similar fulfillment facility by 2077 means of the United States mail, delivery service, or common 2078 carrier. 2079

(37) Sales to a person engaged in the business of 2080horticulture or producing livestock of materials to be 2081incorporated into a horticulture structure or livestock structure; 2082

(38) Sales of personal computers, computer monitors, computer 2083 keyboards, modems, and other peripheral computer equipment to an 2084 individual who is licensed or certified to teach in an elementary 2085 or a secondary school in this state for use by that individual in 2086 preparation for teaching elementary or secondary school students; 2087

(39) Sales to a professional racing team of any of the 2088
following: 2089

(a) Motor racing vehicles; 2090

(b) Repair services for motor racing vehicles; 2091

(c) Items of property that are attached to or incorporated in 2092 motor racing vehicles, including engines, chassis, and all other 2093 components of the vehicles, and all spare, replacement, and 2094 rebuilt parts or components of the vehicles; except not including 2095 tires, consumable fluids, paint, and accessories consisting of 2096 instrumentation sensors and related items added to the vehicle to collect and transmit data by means of telemetry and other forms of communication.

(40) Sales of used manufactured homes and used mobile homes, 2100 as defined in section 5739.0210 of the Revised Code, made on or 2101 after January 1, 2000; 2102

(41) Sales of tangible personal property and services to a 2103 provider of electricity used or consumed directly and primarily in 2104 generating, transmitting, or distributing electricity for use by 2105 others, including property that is or is to be incorporated into 2106 and will become a part of the consumer's production, transmission, 2107 or distribution system and that retains its classification as 2108 tangible personal property after incorporation; fuel or power used 2109 in the production, transmission, or distribution of electricity; 2110 and tangible personal property and services used in the repair and 2111 maintenance of the production, transmission, or distribution 2112 system, including only those motor vehicles as are specially 2113 designed and equipped for such use. The exemption provided in this 2114 division shall be in lieu of all other exemptions in division 2115 (B)(43)(a) of this section to which a provider of electricity may 2116 otherwise be entitled based on the use of the tangible personal 2117 property or service purchased in generating, transmitting, or 2118 distributing electricity. 2119

(42) Sales to a person providing services under division
(B)(3)(s) of section 5739.01 of the Revised Code of tangible
personal property and services used directly and primarily in
2122
providing taxable services under that section.

(43) Sales where the purpose of the purchaser is to do any of 2124
the following: 2125

(a) To incorporate the thing transferred as a material or a 2126part into tangible personal property to be produced for sale by 2127

2128 manufacturing, assembling, processing, or refining; or to use or 2129 consume the thing transferred directly in producing tangible 2130 personal property for sale by mining, including, without 2131 limitation, the extraction from the earth of all substances that 2132 are classed geologically as minerals, production of crude oil and 2133 natural gas, farming, agriculture, horticulture, or floriculture, 2134 or directly in the rendition of a public utility service, except 2135 that the sales tax levied by this section shall be collected upon 2136 all meals, drinks, and food for human consumption sold when 2137 transporting persons. Persons engaged in rendering farming, 2138 agricultural, horticultural, or floricultural services, and 2139 services in the exploration for, and production of, crude oil and 2140 natural gas, for others are deemed engaged directly in farming, 2141 agriculture, horticulture, and floriculture, or exploration for, 2142 and production of, crude oil and natural gas. This paragraph does 2143 not exempt from "retail sale" or "sales at retail" the sale of 2144 tangible personal property that is to be incorporated into a 2145 structure or improvement to real property. (b) To hold the thing transferred as security for the 2146 performance of an obligation of the vendor; 2147 (c) To resell, hold, use, or consume the thing transferred as 2148 evidence of a contract of insurance; 2149 (d) To use or consume the thing directly in commercial 2150 fishing; 2151 (e) To incorporate the thing transferred as a material or a 2152 part into, or to use or consume the thing transferred directly in 2153 the production of, magazines distributed as controlled circulation 2154 publications; 2155 (f) To use or consume the thing transferred in the production 2156 and preparation in suitable condition for market and sale of 2157

printed, imprinted, overprinted, lithographic, multilithic, 2158

blueprinted, photostatic, or other productions or reproductions of 2159 written or graphic matter; 2160

(g) To use the thing transferred, as described in section
5739.011 of the Revised Code, primarily in a manufacturing
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operation to produce tangible personal property for sale;
2163

(h) To use the benefit of a warranty, maintenance or service 2164
contract, or similar agreement, as described in division (B)(7) of 2165
section 5739.01 of the Revised Code, to repair or maintain 2166
tangible personal property, if all of the property that is the 2167
subject of the warranty, contract, or agreement would not be 2168
subject to the tax imposed by this section; 2164

(i) To use the thing transferred as qualified research and 2170development equipment; 2171

(j) To use or consume the thing transferred primarily in 2172 storing, transporting, mailing, or otherwise handling purchased 2173 sales inventory in a warehouse, distribution center, or similar 2174 facility when the inventory is primarily distributed outside this 2175 state to retail stores of the person who owns or controls the 2176 warehouse, distribution center, or similar facility, to retail 2177 stores of an affiliated group of which that person is a member, or 2178 by means of direct marketing. This division does not apply to 2179 motor vehicles registered for operation on the public highways. As 2180 used in this division, "affiliated group" has the same meaning as 2181 in division (B)(3)(e) of section 5739.01 of the Revised Code and 2182 "direct marketing" has the same meaning as in division (B)(36) of 2183 this section. 2184

(k) To use or consume the thing transferred to fulfill a
contractual obligation incurred by a warrantor pursuant to a
warranty provided as a part of the price of the tangible personal
property sold or by a vendor of a warranty, maintenance or service
contract, or similar agreement the provision of which is defined
2185

as a sale under division (B)(7) of section 5739.01 of the Revised 2190 Code; 2191

(1) To use or consume the thing transferred in the production 2192of a newspaper for distribution to the public; 2193

(m) To use tangible personal property to perform a service 2194
listed in division (B)(3) of section 5739.01 of the Revised Code, 2195
if the property is or is to be permanently transferred to the 2196
consumer of the service as an integral part of the performance of 2197
the service. 2198

As used in division (B)(43) of this section, "thing" includes 2199 all transactions included in divisions (B)(3)(a), (b), and (e) of 2200 section 5739.01 of the Revised Code. 2201

(44) Sales conducted through a coin operated device that 2202 activates vacuum equipment or equipment that dispenses water, 2203 whether or not in combination with soap or other cleaning agents 2204 or wax, to the consumer for the consumer's use on the premises in 2205 washing, cleaning, or waxing a motor vehicle, provided no other 2206 personal property or personal service is provided as part of the 2207 transaction. 2208

(45) Sales of replacement and modification parts for engines, 2209 airframes, instruments, and interiors in, and paint for, aircraft 2210 used primarily in a fractional aircraft ownership program, and 2211 sales of services for the repair, modification, and maintenance of 2212 such aircraft, and machinery, equipment, and supplies primarily 2213 used to provide those services. 2214

(46) Sales of telecommunications service that is used 2215 directly and primarily to perform the functions of a call center. 2216 As used in this division, "call center" means any physical 2217 location where telephone calls are placed or received in high 2218 volume for the purpose of making sales, marketing, customer 2219 service, technical support, or other specialized business 2220 activity, and that employs at least fifty individuals that engage2221in call center activities on a full-time basis, or sufficient2222individuals to fill fifty full-time equivalent positions.2223

(C) For the purpose of the proper administration of this
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chapter, and to prevent the evasion of the tax, it is presumed
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that all sales made in this state are subject to the tax until the
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contrary is established.

(D)(E)(D) The levy of this tax on retail sales of recreation 2228 and sports club service shall not prevent a municipal corporation 2229 from levying any tax on recreation and sports club dues or on any 2230 income generated by recreation and sports club dues. 2231

(E) The tax collected by the vendor from the consumer under 2232 this chapter is not part of the price, but is a tax collection for 2233 the benefit of the state, and of counties levying an additional 2234 sales tax pursuant to section 5739.021 or 5739.026 of the Revised 2235 Code and of transit authorities levying an additional sales tax 2236 pursuant to section 5739.023 of the Revised Code. Except for the 2237 discount authorized under section 5739.12 of the Revised Code and 2238 the effects of any rounding pursuant to section 5703.055 of the 2239 Revised Code, no person other than the state or such a county or 2240 transit authority shall derive any benefit from the collection or 2241 payment of the tax levied by this section or section 5739.021, 2242 5739.023, or 5739.026 of the Revised Code. 2243

Section 2. That existing sections 3704.035, 3704.05,22443704.141, 3704.143, 3704.16, 3704.99, 3706.01, 4503.03, 4503.10,22454503.102, 4503.103, 4503.51, 5552.01, and 5739.02 and sections22463704.14, 3704.142, and 3704.17 of the Revised Code are hereby2247repealed.2248

**Section 3.** With respect to each county in this state that has 2249 met the requirements for attainment of the one-hour standard for 2250

ozone under the Clean Air Act Amendments on the effective date of 2251 this act, but that is designated as nonattainment for that 2252 one-hour standard, the Director of Environmental Protection shall 2253 seek to have the county redesignated as attainment by preparing 2254 and submitting to the Administrator of the United States 2255 Environmental Protection Agency a demonstration that such 2256 attainment has been achieved and maintained in that county. The 2257 Director shall take whatever actions are necessary to prepare and 2258 submit such a demonstration not later than thirty days after the 2259 effective date of this act. 2260

As used in this section, "Clean Air Act Amendments" has the 2261 same meaning as in section 3704.20 of the Revised Code, as enacted 2262 by this act. 2263

Section 4. Section 3704.035 of the Revised Code is presented 2264 in this act as a composite of the section as amended by both Am. 2265 Sub. S.B. 18 and Am. Sub. S.B. 153 of the 120th General Assembly. 2266 Section 5739.02 of the Revised Code is presented in this act as a 2267 composite of the section as amended by both Am. Sub. H.B. 95 and 2268 Am. Sub. S.B. 37 of the 125th General Assembly. The General 2269 Assembly, applying the principle stated in division (B) of section 2270 1.52 of the Revised Code that amendments are to be harmonized if 2271 reasonably capable of simultaneous operation, finds that the 2272 composites of each section are the resulting versions of the 2273 sections in effect prior to the effective dates of the sections as 2274 presented in this act. 2275