

AN ACT

To amend sections 122.151, 125.021, 126.02, 150.07, 173.27, 183.04, 183.05, 183.30, 3318.05, 3318.052, 3318.06, 3318.08, 3318.18, 3318.36, 3702.72, 3702.73, 3702.81, 3702.89, 3702.92, 5707.031, 5725.19, 5725.98, 5727.241, 5729.08, 5729.98, 5733.01, 5733.49, 5733.98, 5747.80, 5747.98, 5751.20, and 5751.21 and to enact sections 107.032, 107.033, 107.034, 107.035, 131.55, 131.56, 131.57, 131.58, 131.59, 131.60, 3318.051, 3318.063, and 3318.121 of the Revised Code, to amend Sections 209.63.39 and 312.27 of Am. Sub. H.B. 66 of the 126th General Assembly, and to amend Sections 203.09 and 209.63.57 of Am. Sub. H.B. 66 of the 126th General Assembly, as subsequently amended, to provide for the distribution of money received by the state pursuant to the Tobacco Master Settlement Agreement by making appropriations for the biennium beginning July 1, 2006, and ending June 30, 2008, and to provide authorization and conditions for the operation of state programs.

Be it enacted by the General Assembly of the State of Ohio:

SECTION 101.01. That sections 122.151, 125.021, 126.02, 150.07, 173.27, 183.04, 183.05, 183.30, 3318.05, 3318.052, 3318.06, 3318.08, 3318.18, 3318.36, 3702.72, 3702.73, 3702.81, 3702.89, 3702.92, 5707.031, 5725.19, 5725.98, 5727.241, 5729.08, 5729.98, 5733.01, 5733.49, 5733.98, 5747.80, 5747.98, 5751.20, and 5751.21 be amended and sections 107.032, 107.033, 107.034, 107.035, 131.55, 131.56, 131.57, 131.58, 131.59, 131.60, 3318.051, 3318.063, and 3318.121 of the Revised Code be enacted to read as follows:

Sec. 107.032. As used in sections 107.033 to 107.035 of the Revised

Code:

(A) "Aggregate general revenue fund appropriations" means all general revenue fund appropriations made by the general assembly except for the following:

(1) Appropriations of money received from the federal government;

(2) Appropriations made for tax relief or refunds of taxes and other overpayments;

(3) Appropriations of money received as gifts.

(B) "Rate of inflation" means the percentage increase or decrease in the consumer price index over a one-year period, based on the most recent consumer price index for all urban consumers, midwest region, all items, as determined by the bureau of labor statistics of the United States department of labor or, if that index is no longer published, a generally available comparable index.

(C) "Rate of population change" means the percentage increase or decrease in the population of this state over a one-year period, based on the most recent population data available for the state published by the bureau of the census of the United States department of commerce, or its successor in responsibility, in the population estimates program, or its successive equivalent.

(D) "Recast fiscal year" means fiscal years 2012, 2016, 2020, and each fourth fiscal year thereafter.

Sec. 107.033. As part of the state budget the governor submits to the general assembly under section 107.03 of the Revised Code, the governor shall include the state appropriation limitations the general assembly shall not exceed when making aggregate general revenue fund appropriations for each respective fiscal year of the biennium covered by that budget. The aggregate general revenue fund appropriations the governor proposes in the state budget also shall not exceed those limitations for each respective fiscal year of the biennium covered by that budget.

(A) For fiscal year 2008, the state appropriation limitation is the sum of the following:

(1) The aggregate general revenue fund appropriations for fiscal year 2007; plus

(2) The aggregate general revenue fund appropriations for fiscal year 2007 multiplied by either three and one-half per cent, or the sum of the rate of inflation plus the rate of population change, whichever is greater.

(B) For each fiscal year thereafter that is not a recast fiscal year, the state appropriation limitation is the sum of the following:

(1) The state appropriation limitation for the previous fiscal year; plus

(2) The state appropriation limitation for the previous fiscal year multiplied by either three and one-half per cent, or the sum of the rate of inflation plus the rate of population change, whichever is greater.

(C) For each recast fiscal year, the state appropriation limitation is the sum of the following:

(1) The aggregate general revenue fund appropriations for the previous fiscal year; plus

(2) The aggregate general revenue fund appropriations for the previous fiscal year multiplied by either three and one-half per cent, or the sum of the rate of inflation plus the rate of population change, whichever is greater.

Sec. 107.034. (A)(1) The governor, in determining the state appropriation limitation for fiscal year 2008, shall use estimates regarding the aggregate general revenue fund appropriations for fiscal year 2007. For the first fiscal year of any biennium, the governor shall use the most recent published data available regarding the rates of inflation and population change. For the second fiscal year of any biennium, the governor shall use estimated rates of inflation and population change.

(2) When determining the state appropriation limitations for each fiscal biennium after the 2008-2009 biennium that does not begin with a recast fiscal year, the governor shall update the rates of inflation and population change used in the determination of the state appropriation limitation for the second fiscal year of the previous biennium to reflect the most recent published data, shall recalculate that second fiscal year's limitation based on the update, and shall use the recalculated limitation for determining the state appropriation limitations for the ensuing biennium to be included in the budget submitted under section 107.03 of the Revised Code.

(3) When determining the state appropriation limitations for each fiscal biennium after the 2008-2009 biennium that begins with a recast fiscal year, the governor shall update the rates of inflation and population change used in the determination of the state appropriation limitation for the second fiscal year of the previous biennium to reflect the most recent published data, and also shall update the aggregate general revenue fund appropriations amount for the second fiscal year of the previous biennium. The governor then shall recalculate that second fiscal year's limitation based on the updates and shall use the recalculated limitation for determining the state appropriation limitations for the ensuing biennium to be included in the budget submitted under section 107.03 of the Revised Code.

(B) The governor may designate the director of budget and management to perform the governor's duties under this section.

Sec. 107.035. Any appropriation that, for fiscal year 2007, was an

aggregate general revenue fund appropriation shall be considered an aggregate general revenue fund appropriation for each succeeding fiscal year with respect to the determination of the state appropriation limitation under section 107.033 of the Revised Code, even if it is made from a different fund. Any new general revenue fund appropriation made in a fiscal year after fiscal year 2007 shall be considered an aggregate general revenue fund appropriation for each succeeding fiscal year after it is first made with respect to the determination of the state appropriation limitation under section 107.033 of the Revised Code, even if it is made from a different fund.

Sec. 131.55. As used in sections 131.55 to 131.58 of the Revised Code, "aggregate general revenue fund appropriations" has the same meaning as under section 107.032 of the Revised Code.

Sec. 131.56. The general assembly shall not make aggregate general revenue fund appropriations for fiscal year 2008 and each fiscal year thereafter that exceed the state appropriation limitation determined for the respective fiscal year under section 107.033 of the Revised Code.

Sec. 131.57. Notwithstanding section 131.56 of the Revised Code, the general assembly may make aggregate general revenue fund appropriations for a fiscal year that exceed the state appropriation limitation for that fiscal year if either of the following apply:

(A) The excess appropriations are made in response to the governor's proclamation of an emergency concerning such things as an act of God, a pandemic disease, an infestation of destructive organisms, repelling invasion, suppressing insurrection, defending the state in time of war, or responding to terrorist attacks, and can be used only for that emergency.

(B) The general assembly passes a bill by an affirmative vote of two-thirds of the members of each house that does both of the following:

(1) Specifically identifies the purpose of each excess appropriation;

(2) States whether the appropriations are to be included as aggregate general revenue fund appropriations with respect to future determinations of the state appropriation limitation under section 107.033 of the Revised Code.

Sec. 131.58. Neither of the following shall be included as aggregate general revenue fund appropriations with respect to the determination of the state appropriation limitation under section 107.033 of the Revised Code:

(A) Appropriations made under division (A) of section 131.57 of the Revised Code;

(B) Appropriations that are not to be included as aggregate general revenue fund appropriations pursuant to a bill passed under division (B) of

section 131.57 of the Revised Code.

Sec. 131.59. Nothing in sections 107.032 to 107.035 or 131.55 to 131.58 of the Revised Code shall be construed to affect in any way the state's obligation to make debt service payments.

Sec. 131.60. Sections 107.032 to 107.035 and 131.55 to 131.58 of the Revised Code do not apply to reappropriations of the unexpended balances of appropriations that a state agency has encumbered prior to the close of a fiscal year.

Sec. 122.151. (A) An investor who proposes to make an investment of money in an Ohio entity may apply to an Edison center for a tax credit under this section. The Edison center shall prescribe the form of the application and any information that the investor must submit with the application. The investor shall include with the application a fee of two hundred dollars. The center, within three weeks after receiving the application, shall review it, determine whether the investor should be recommended for the tax credit, and send written notice of its initial determination to the industrial technology and enterprise advisory council and to the investor. If the center determines the investor should not be recommended for the tax credit, it shall include in the notice the reasons for the determination. Subject to divisions (C) and (D) of this section, an investor is eligible for a tax credit if all of the following requirements are met:

(1) The investor's investment of money is in an Ohio entity engaged in a qualified trade or business.

(2) The Ohio entity had less than two million five hundred thousand dollars of gross revenue during its most recently completed fiscal year or had a net book value of less than two million five hundred thousand dollars at the end of that fiscal year.

(3) The investment takes the form of the purchase of common or preferred stock, a membership interest, a partnership interest, or any other ownership interest.

(4) The amount of the investment for which the credit is being claimed does not exceed three hundred thousand dollars in the case of an investment in an EDGE business enterprise or in an Ohio entity located in a distressed area, or two hundred fifty thousand dollars in the case of an investment in any other Ohio entity.

(5) The money invested is entirely at risk of loss, where repayment depends upon the success of the business operations of the Ohio entity.

(6) No repayment of principal invested will be made for at least three years from the date the investment is made.

(7) The annual combined amount of any dividend and interest payments

to be made to the investor will not exceed ten per cent of the amount of the investment for at least three years from the date the investment is made.

(8) The investor is not an employee with proprietary decision-making authority of the Ohio entity in which the investment of money is proposed, or related to such an individual. The Ohio entity is not an individual related to the investor. For purposes of this division, the industrial technology and enterprise advisory council shall define "an employee with proprietary decision-making authority."

(9) The investor is not an insider.

For the purposes of determining the net book value of an Ohio entity under division (A)(1) or (2) of this section, if the entity is a member of an affiliated group, the combined net book values of all of the members of that affiliated group shall be used.

Nothing in division (A)(6) or (7) of this section limits or disallows the distribution to an investor in a pass-through entity of a portion of the entity's profits equal to the investor's federal, state, and local income tax obligations attributable to the investor's allocable share of the entity's profits. Nothing in division (A)(6) or (7) of this section limits or disallows the sale by an investor of part or all of the investor's interests in an Ohio entity by way of a public offering of shares in the Ohio entity.

(B) A group of two but not more than twenty investors, each of whom proposes to make an investment of money in the same Ohio entity, may submit an application for tax credits under division (A) of this section. The group shall include with the application a fee of eight hundred dollars. The application shall identify each investor in the group and the amount of money each investor proposes to invest in the Ohio entity, and shall name a contact person for the group. The Edison center, within three weeks after receiving the application, shall review it, determine whether each investor of the group should be recommended for a tax credit under the conditions set forth in division (A) of this section, and send written notice of its determination to the industrial technology and enterprise advisory council and to the contact person. The center shall not recommend that a group of investors receive a tax credit unless each investor is eligible under those conditions. The center may disqualify from a group any investor who is not eligible under the conditions and recommend that the remaining group of investors receive the tax credit. If the center determines the group should not be recommended for the tax credit, it shall include in the notice the reasons for the determination.

(C) The industrial technology and enterprise advisory council shall establish from among its members a three-person committee. Within four

weeks after the council receives a notice of recommendation from an Edison center, the committee shall review the recommendation and issue a final determination of whether the investor or group is eligible for a tax credit under the conditions set forth in division (A) of this section. The committee may require the investor or group to submit additional information to support the application. The vote of at least two members of the committee is necessary for the issuance of a final determination or any other action of the committee. Upon making the final determination, the committee shall send written notice of approval or disapproval of the tax credit to the investor or group contact person, the director of development, and the Edison center. If the committee disapproves the tax credit, it shall include in the notice the reasons for the disapproval.

(D)(1) The industrial technology and enterprise advisory council committee shall not approve more than one million five hundred thousand dollars of investments in any one Ohio entity. However, if a proposed investment of money in an Ohio entity has been approved but the investor does not actually make the investment, the committee may reassign the amount of that investment to another investor, as long as the total amount invested in the entity under this section does not exceed one million five hundred thousand dollars.

If the one-million-five-hundred-thousand-dollar limit for an Ohio entity has not yet been reached and an application proposes an investment of money that would exceed the limit for that entity, the committee shall send written notice to the investor, or for a group, the contact person, that the investment cannot be approved as requested. Upon receipt of the notice, the investor or group may amend the application to propose an investment of money that does not exceed the limit.

(2) Not more than ~~twenty~~ thirty million dollars of tax credits shall be issued under sections 122.15 to 122.154 of the Revised Code.

(E) If an investor makes an approved investment of less than two hundred fifty thousand dollars in any Ohio entity other than an EDGE business enterprise or in an Ohio entity located in a distressed area, the investor may apply for approval of another investment of money in that entity, as long as the total amount invested in that entity by the investor under this section does not exceed two hundred fifty thousand dollars. If an investor makes an approved investment of less than three hundred thousand dollars in an EDGE business enterprise or in an Ohio entity located in a distressed area, the investor may apply for approval of another investment of money in that entity, as long as the total amount invested in that entity by the investor under this section does not exceed three hundred thousand

dollars. An investor who receives approval of an investment of money as part of a group may subsequently apply on an individual basis for approval of an additional investment of money in the Ohio entity.

(F) The industrial technology and enterprise advisory council committee shall approve or disapprove tax credit applications under this section in the order in which they are received by the council.

(G) The director of development may disapprove any application recommended by an Edison center and approved by the industrial technology and enterprise advisory council committee, or may disapprove a credit for which a tax credit certificate has been issued under section 122.152 of the Revised Code, if the director determines that the entity in which the applicant proposes to invest or has invested is not an Ohio entity eligible to receive investments that qualify for the credit. If the director disapproves an application, the director shall certify the action to the investor, the Edison center that recommended the application, the industrial technology and enterprise advisory council, and the tax commissioner, together with a written explanation of the reasons for the disapproval. If the director disapproves a tax credit after a tax credit certificate is issued, the investor shall not claim the credit for the taxable year that includes the day the director disapproves the credit, or for any subsequent taxable year.

The director of development, in accordance with section 111.15 of the Revised Code and with the advice of the industrial technology and enterprise advisory council, may adopt, amend, and rescind rules necessary to implement sections 122.15 to 122.154 of the Revised Code.

(H) An Edison center shall use application fees received under this section only for the costs of administering sections 122.15 to 122.154 of the Revised Code.

Sec. 125.021. (A) Except as to the military department, the general assembly, the bureau of workers' compensation, the industrial commission, and institutions administered by boards of trustees, the ~~department of administrative services~~ office of information technology may contract for, operate, and superintend telephone, other telecommunication, and computer services for state agencies. Nothing in this division precludes the bureau or the commission from contracting with the ~~department office~~ department office to authorize the ~~department office~~ department office to contract for, operate, or superintend those services for the bureau or the commission.

(B)(1) As used in this division:

(a) "Active duty" means active duty pursuant to an executive order of the president of the United States, an act of the congress of the United States, or section 5919.29 or 5923.21 of the Revised Code.

(b) "Immediate family" means a person's spouse residing in the person's household, brothers and sisters of the whole or of the half blood, children, including adopted children and stepchildren, parents, and grandparents.

(2) The ~~department of administrative services~~ office of information technology may enter into a contract to purchase bulk long distance telephone services and make them available at cost, or may make bulk long distance telephone services available at cost under any existing contract the ~~department~~ office has entered into, to members of the immediate family of persons deployed on active duty so that those family members can communicate with the persons so deployed. If the ~~department~~ office enters into contracts under division (B)(2) of this section, it shall do so in accordance with sections 125.01 to 125.11 of the Revised Code and in a nondiscriminatory manner that does not place any potential vendor at a competitive disadvantage.

(3) If the ~~department~~ office decides to exercise either option under division (B)(2) of this section, it shall adopt, and may amend, rules under Chapter 119. of the Revised Code to implement that division.

Sec. 126.02. The director of budget and management shall prepare and submit to the governor, biennially, not later than the first day of January preceding the convening of the general assembly, state budget estimates of revenues and expenditures for each state fund and budget estimates for each state agency, except such estimates as are required under section 126.022 of the Revised Code. The budget estimates for each state agency for which direct appropriations are proposed shall include the following details:

(A) Estimates of the operating budget;

(B) Estimates of the subsidy appropriations necessary, delineated by a distinct subsidy program;

(C) Estimates for special purposes, delineated by a distinct special purpose program;

(D) Estimates of appropriations necessary from each fund in reasonable detail to allow for adequate planning and oversight of programs and activities.

In the preparation of state revenue and expenditure estimates, the director of budget and management shall, not later than the fifteenth day of September in the year preceding the first regular session of the general assembly, distribute to all affected state agencies the forms necessary for the preparation of budget requests, which shall be in the form prescribed by the director in consultation with the legislative service commission to procure information concerning the revenues and expenditures for the preceding and current bienniums, an estimate of the revenues and expenditures of the

current fiscal year, and an estimate of the revenues and proposed expenditures for the respective agencies for the two succeeding fiscal years for which appropriations have to be made. Each such agency shall, not later than the first day of November, file with the director its estimate of revenues and proposed expenditures for the succeeding biennium.

Each such agency shall, not later than the first day of December, file with the chairperson of the finance committees of the senate and house of representatives and the legislative service commission a duplicate copy of such budget request.

The budget request shall be accompanied by a statement in writing giving facts and explanation of reasons for the items requested. The director and the legislative service commission may make further inquiry and investigation as to any item desired. The director may approve, disapprove, or alter the requests, excepting those for the legislative and judicial branches of the state. The requests as revised by the director constitute the state budget estimates of revenues and expenditures which the director is required to submit to the governor.

The director shall determine a method to incorporate the principles of zero-based budgeting into the forms prescribed in this section.

Sec. 150.07. (A) For the purpose stated in section 150.01 of the Revised Code, the authority may authorize a lender to claim one of the refundable tax credits allowed under section 5707.031, 5725.19, 5727.241, 5729.08, 5733.49, or 5747.80 of the Revised Code. The credits shall be authorized by a written contract with the lender. The contract shall specify the terms under which the lender may claim the credit, including the amount of loss, if any, the lender must incur before the lender may claim the credit; specify that the credit shall not exceed the amount of the loss; and specify that the lender may claim the credit only for a loss certified by a program administrator to the authority under the procedures prescribed under division (B)(6) of section 150.05 of the Revised Code.

(B) Tax credits may be authorized at any time after the authority establishes the investment policy under section 150.03 of the Revised Code, but a tax credit so authorized may not be claimed until the beginning of the fifth year after the authority establishes the investment policy. A tax credit may not be claimed after June 30, 2026.

(C)(1) Upon receiving certification of a lender's loss from a program administrator pursuant to the procedures in the investment policy, the authority shall issue a tax credit certificate to the lender, except as otherwise provided in division (D) of this section.

(2) If the lender is a pass-through entity, as defined in section 5733.04

of the Revised Code, then each equity investor in the lender pass-through entity shall be entitled to claim one of the tax credits allowed under division (A) of this section for that equity investor's taxable year in which or with which ends the taxable year of the lender pass-through entity in an amount based on the equity investor's distributive or proportionate share of the credit amount set forth in the certificate issued by the authority. If all equity investors of the lender pass-through entity are not eligible to claim a credit against the same tax set forth in division (A) of this section, then each equity investor may elect to claim a credit against the tax to which the equity investor is subject to in an amount based on the equity investor's distributive or proportionate share of the credit amount set forth in the certificate issued by the authority.

~~(3) The authority shall not issue a certificate until the lender, in the manner prescribed by the authority, or in the case of a lender pass-through entity, until each equity investor in that lender pass-through entity, elects to receive a refundable or nonrefundable tax credit. The election, once made, is irrevocable. The certificate shall state the amount of the credit, whether the credit is refundable or nonrefundable, and the calendar year; under section 5707.031, 5725.19, 5727.241, or 5729.08, the tax year; under section 5733.49, or the taxable year under section 5747.80 of the Revised Code; for which the credit may be claimed. The authority, in conjunction with the tax commissioner, shall develop a system for issuing tax credit certificates for the purpose of verifying that any credit claimed is a credit issued under this section and is properly taken in the year specified in the certificate and in compliance with division (B) of this section.~~

(D) The authority shall not, in any fiscal year, issue tax credit certificates in a total amount exceeding twenty million dollars.

Sec. 173.27. (A) As used in this section:

(1) "Applicant" means a person who is under final consideration for employment with the office of the state long-term care ombudsperson program in a full-time, part-time, or temporary position that involves providing ombudsperson services to residents and recipients. "Applicant" includes, but is not limited to, a person who is under final consideration for employment as the state long-term care ombudsperson or the head of a regional long-term care ombudsperson program. "Applicant" does not include a person who provides ombudsperson services to residents and recipients as a volunteer without receiving or expecting to receive any form of remuneration other than reimbursement for actual expenses.

(2) "Criminal records check" has the same meaning as in section 109.572 of the Revised Code.

(B)(1) The state long-term care ombudsperson or the ombudsperson's designee shall request that the superintendent of the bureau of criminal identification and investigation conduct a criminal records check with respect to each applicant. However, if the applicant is under final consideration for employment as the state long-term care ombudsperson, the director of aging shall request that the superintendent conduct the criminal records check. If an applicant for whom a criminal records check request is required under this division does not present proof of having been a resident of this state for the five-year period immediately prior to the date the criminal records check is requested or provide evidence that within that five-year period the superintendent has requested information about the applicant from the federal bureau of investigation in a criminal records check, the ombudsperson, designee, or director shall request that the superintendent obtain information from the federal bureau of investigation as part of the criminal records check of the applicant. Even if an applicant for whom a criminal records check request is required under this division presents proof of having been a resident of this state for the five-year period, the ombudsperson, designee, or director may request that the superintendent include information from the federal bureau of investigation in the criminal records check.

(2) A person required by division (B)(1) of this section to request a criminal records check shall do both of the following:

(a) Provide to each applicant for whom a criminal records check request is required under that division a copy of the form prescribed pursuant to division (C)(1) of section 109.572 of the Revised Code and a standard fingerprint impression sheet prescribed pursuant to division (C)(2) of that section, and obtain the completed form and impression sheet from the applicant;

(b) Forward the completed form and impression sheet to the superintendent of the bureau of criminal identification and investigation.

(3) An applicant provided the form and fingerprint impression sheet under division (B)(2)(a) of this section who fails to complete the form or provide fingerprint impressions shall not be employed in any position for which a criminal records check is required by this section.

(C)(1) Except as provided in rules adopted by the director of aging in accordance with division (F) of this section and subject to division (C)(2) of this section, the office of the state long-term care ombudsperson may not employ a person in a position that involves providing ombudsperson services to residents and recipients if the person has been convicted of or pleaded guilty to any of the following:

(a) A violation of section 2903.01, 2903.02, 2903.03, 2903.04, 2903.11, 2903.12, 2903.13, 2903.16, 2903.21, 2903.34, 2905.01, 2905.02, 2905.11, 2905.12, 2907.02, 2907.03, 2907.05, 2907.06, 2907.07, 2907.08, 2907.09, 2907.12, 2907.25, 2907.31, 2907.32, 2907.321, 2907.322, 2907.323, 2911.01, 2911.02, 2911.11, 2911.12, 2911.13, 2913.02, 2913.03, 2913.04, 2913.11, 2913.21, 2913.31, 2913.40, 2913.43, 2913.47, 2913.51, 2919.25, 2921.36, 2923.12, 2923.13, 2923.161, 2925.02, 2925.03, 2925.11, 2925.13, 2925.22, 2925.23, or 3716.11 of the Revised Code.

(b) A violation of an existing or former law of this state, any other state, or the United States that is substantially equivalent to any of the offenses listed in division (C)(1)(a) of this section.

(2)(a) The office of the state long-term care ombudsperson program may employ conditionally an applicant for whom a criminal records check request is required under division (B) of this section prior to obtaining the results of a criminal records check regarding the individual, provided that the state long-term care ombudsperson, ombudsperson's designee, or director of aging shall request a criminal records check regarding the individual in accordance with division (B)(1) of this section not later than five business days after the individual begins conditional employment.

(b) The office of the state long-term care ombudsperson program shall terminate the employment of an individual employed conditionally under division (C)(2)(a) of this section if the results of the criminal records check request under division (B) of this section, other than the results of any request for information from the federal bureau of investigation, are not obtained within the period ending sixty days after the date the request is made. Regardless of when the results of the criminal records check are obtained, if the results indicate that the individual has been convicted of or pleaded guilty to any of the offenses listed or described in division (C)(1) of this section, the office shall terminate the individual's employment unless the office chooses to employ the individual pursuant to division (F) of this section. Termination of employment under this division shall be considered just cause for discharge for purposes of division (D)(2) of section 4141.29 of the Revised Code if the individual makes any attempt to deceive the office about the individual's criminal record.

(D)(1) The office of the state long-term care ombudsperson program shall pay to the bureau of criminal identification and investigation the fee prescribed pursuant to division (C)(3) of section 109.572 of the Revised Code for each criminal records check conducted pursuant to a request made under division (B) of this section.

(2) The office of the state long-term care ombudsperson program may

charge an applicant a fee not exceeding the amount the office pays under division (D)(1) of this section. The office may collect a fee only if the office notifies the applicant at the time of initial application for employment of the amount of the fee.

(E) The report of any criminal records check conducted pursuant to a request made under this section is not a public record for the purposes of section 149.43 of the Revised Code and shall not be made available to any person other than the following:

(1) The individual who is the subject of the criminal records check or the individual's representative;

(2) The state long-term care ombudsperson, ombudsperson's designee, director of ~~health~~ aging, or the ombudsperson, designee, or director's representative;

(3) If the state long-term care ombudsperson designates the head or other employee of a regional long-term care ombudsperson program to request a criminal records check under this section, a representative of the office of the state long-term care ombudsperson program who is responsible for monitoring the regional program's compliance with this section;

(4) A court, hearing officer, or other necessary individual involved in a case dealing with a denial of employment of the applicant or dealing with employment or unemployment benefits of the applicant.

(F) The director of aging shall adopt rules in accordance with Chapter 119. of the Revised Code to implement this section. The rules shall specify circumstances under which the office of the state long-term care ombudsperson program may employ a person who has been convicted of or pleaded guilty to an offense listed or described in division (C)(1) of this section but meets personal character standards set by the director.

(G) The office of the state long-term care ombudsperson program shall inform each person, at the time of initial application for a position that involves providing ombudsperson services to residents and recipients, that the person is required to provide a set of fingerprint impressions and that a criminal records check is required to be conducted if the person comes under final consideration for employment.

(H) In a tort or other civil action for damages that is brought as the result of an injury, death, or loss to person or property caused by an individual who the office of the state long-term care ombudsperson program employs in a position that involves providing ombudsperson services to residents and recipients, all of the following shall apply:

(1) If the office employed the individual in good faith and reasonable reliance on the report of a criminal records check requested under this

section, the office shall not be found negligent solely because of its reliance on the report, even if the information in the report is determined later to have been incomplete or inaccurate.

(2) If the office employed the individual in good faith on a conditional basis pursuant to division (C)(2) of this section, the office shall not be found negligent solely because it employed the individual prior to receiving the report of a criminal records check requested under this section.

(3) If the office in good faith employed the individual according to the personal character standards established in rules adopted under division (F) of this section, the office shall not be found negligent solely because the individual prior to being employed had been convicted of or pleaded guilty to an offense listed or described in division (C)(1) of this section.

Sec. 183.04. There is hereby created the tobacco use prevention and control foundation, the general management of which is vested in a board of trustees of ~~twenty-four~~ twenty-three members as follows:

(A) Eight members who are health professionals, health researchers, or representatives of health organizations. Two of these members shall be appointed by the governor, two by the speaker of the house of representatives, one by the minority leader of the house of representatives, two by the president of the senate, and one by the minority leader of the senate.

(B) Two members, one of whom has experience in financial planning and accounting and one of whom has experience in media and mass marketing, who shall be appointed by the governor;

(C) One member, who shall be appointed by the governor from a list of at least three individuals recommended by the American cancer society;

(D) One member, who shall be appointed by the governor from a list of at least three individuals recommended by the American heart association;

(E) One member, who shall be appointed by the governor from a list of at least three individuals recommended by the American lung association;

(F) One member, who shall be appointed by the governor from a list of at least three individuals recommended by the association of hospitals and health systems;

(G) One member, who shall be appointed by the governor from a list of at least three individuals recommended by the Ohio state medical association;

(H) One member, who shall be appointed by the governor from a list of at least three individuals recommended by the association of Ohio health commissioners;

(I) One member, who shall be appointed by the governor from a list of

at least three individuals recommended by the Ohio dental association;

(J) One nonvoting member, who shall be a member of the house of representatives of the political party of which the speaker of the house of representatives is a member and who shall be appointed by the speaker;

(K) One nonvoting member, who shall be a member of the house of representatives of the major political party of which the speaker of the house of representatives is not a member and who shall be appointed by the speaker;

(L) One nonvoting member, who shall be a member of the senate of the political party of which the president of the senate is a member and who shall be appointed by the president;

(M) One nonvoting member, who shall be a member of the senate of the major political party of which the president of the senate is not a member and who shall be appointed by the president;

(N) The director of health; and the executive director of the commission on minority health, or the executive director's designee, ~~and the attorney general~~, who shall serve as ex officio members.

The appointments of the governor shall be with the advice and consent of the senate.

Terms of office for the non-legislative members appointed by the governor, president, speaker, and minority leaders shall be for five years. The terms of legislative members shall be for the biennial session of the general assembly in which they are appointed. Each member shall hold office from the date of appointment until the end of the term for which the member was appointed. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which the member's predecessor was appointed shall hold office for the remainder of that term. Any member shall continue in office subsequent to the expiration date of the member's term until the member's successor takes office, or until a period of sixty days has elapsed, whichever occurs first. A vacancy in an unexpired term shall be filled in the same manner as the original appointment. The governor may remove any non-legislative member for malfeasance, misfeasance, or nonfeasance after a hearing in accordance with Chapter 119. of the Revised Code.

The members of the board shall serve without compensation but shall receive their reasonable and necessary expenses incurred in the conduct of foundation business.

Sections 101.82 to 101.87 of the Revised Code do not apply to the foundation.

Sec. 183.05. The board of trustees of the tobacco use prevention and

control foundation shall select a chairperson from among its members and shall meet once during each quarter or at such other times as the board decides. A majority of the voting members of the board constitutes a quorum, and no action shall be taken without the affirmative vote of a majority of the voting members of the board.

Sec. 183.30. (A) Except as provided in division (D) of this section, no more than five per cent of the total ~~expenditures~~ disbursements, encumbrances, and obligations of the tobacco use prevention and control foundation in a fiscal year shall be for administrative expenses of the foundation in the same fiscal year.

(B) Except as provided in division (D) of this section, no more than five per cent of the total ~~expenditures~~ disbursements, encumbrances, and obligations of the southern Ohio agricultural and community development foundation in a fiscal year shall be for administrative expenses of the foundation in the same fiscal year.

(C) Except as provided in division (D) of this section, no more than five per cent of the total ~~expenditures made from~~ disbursements, encumbrances, and obligations of the biomedical research and technology transfer trust fund ~~by the third frontier commission~~ in a fiscal year shall be for administrative expenses relating to the administration of the commission trust fund by the third frontier commission in the same fiscal year.

(D) This section's five per cent limitation on administrative expenses does not apply to any fiscal year for which the controlling board approves a spending plan that the foundation or commission submits to the board.

Sec. 3318.05. The conditional approval of the Ohio school facilities commission for a project shall lapse and the amount reserved and encumbered for such project shall be released unless the school district board accepts such conditional approval within one hundred twenty days following the date of certification of the conditional approval to the school district board and the electors of the school district vote favorably on both of the propositions described in divisions (A) and (B) of this section within one year of the date of such certification, except that a school district described in division (C) of this section does not need to submit the proposition described in division (B) of this section. The propositions described in divisions (A) and (B) of this section shall be combined in a single proposal. If the district board or the district's electors fail to meet such requirements and the amount reserved and encumbered for the district's project is released, the district shall be given first priority for project funding as such funds become available.

(A) On the question of issuing bonds of the school district board, for the

school district's portion of the basic project cost, in an amount equal to the school district's portion of the basic project cost less the amount of the proceeds of any securities authorized or to be authorized under division (J) of section 133.06 of the Revised Code and dedicated by the school district board to payment of the district's portion of the basic project cost; and

(B) On the question of levying a tax the proceeds of which shall be used to pay the cost of maintaining the classroom facilities included in the project. Such tax shall be at the rate of not less than one-half mill for each dollar of valuation for a period of twenty-three years, subject to any extension approved under section 3318.061 of the Revised Code.

(C) If a school district has in place a tax levied under section 5705.21 of the Revised Code for general permanent improvements for a continuing period of time and the proceeds of such tax can be used for maintenance, or if a district agrees to the transfers described in section 3318.051 of the Revised Code, the school district need not levy the additional tax required under division (B) of this section, provided the school district board includes in the agreement entered into under section 3318.08 of the Revised Code provisions earmarking either:

(1) Earmarking an amount from the proceeds of that permanent improvement tax for maintenance of classroom facilities equivalent to the amount of the additional tax and for the equivalent number of years otherwise required under this section;

(2) Requiring the transfer of money in accordance with section 3318.051 of the Revised Code.

The district board subsequently may rescind the agreement to make the transfers under section 3318.051 of the Revised Code only so long as the electors of the district have approved, in accordance with section 3318.063 of the Revised Code, the levy of a tax for the maintenance of the classroom facilities acquired under the district's project and that levy continues to be collected as approved by the electors.

(D) Proceeds of the tax to be used for maintenance of the classroom facilities under either division (B) or (C)(1) of this section, and transfers of money in accordance with section 3318.051 of the Revised Code shall be deposited into a separate fund established by the school district for such purpose.

Sec. 3318.051. (A) Any city, exempted village, or local school district that commences a project under sections 3318.01 to 3318.20, 3318.36, 3318.37, or 3318.38 of the Revised Code on or after the effective date of this section need not levy the tax otherwise required under division (B) of section 3318.05 of the Revised Code, if the district board of education

adopts a resolution petitioning the Ohio school facilities commission to approve the transfer of money in accordance with this section and the commission approves that transfer. If so approved, the commission and the district board shall enter into an agreement under which the board, in each of twenty-three consecutive years beginning in the year in which the board and the commission enter into the project agreement under section 3318.08 of the Revised Code, shall transfer into the maintenance fund required by division (D) of section 3318.05 of the Revised Code not less than an amount equal to one-half mill for each dollar of the district's valuation unless and until the agreement to make those transfers is rescinded by the district board pursuant to division (F) of this section.

(B) On the first day of July each year, or on an alternative date prescribed by the commission, the district treasurer shall certify to the commission and the auditor of state that the amount required for the year has been transferred. The auditor of state shall include verification of the transfer as part of any audit of the district under section 117.11 of the Revised Code. If the auditor of state finds that less than the required amount has been deposited into a district's maintenance fund, the auditor of state shall notify the district board of education in writing of that fact and require the board to deposit into the fund, within ninety days after the date of the notice, the amount by which the fund is deficient for the year. If the district board fails to demonstrate to the auditor of state's satisfaction that the board has made the deposit required in the notice, the auditor of state shall notify the department of education. At that time, the department shall withhold an amount equal to ten per cent of the district's funds calculated for the current fiscal year under Chapter 3317. of the Revised Code until the auditor of state notifies the department that the auditor of state is satisfied that the board has made the required transfer.

(C) Money transferred to the maintenance fund shall be used for the maintenance of the facilities acquired under the district's project.

(D) The transfers to the maintenance fund under this section does not affect a district's obligation to establish and maintain a capital and maintenance fund under section 3315.18 of the Revised Code.

(E) Any decision by the commission to approve or not approve the transfer of money under this section is final and not subject to appeal. The commission shall not be responsible for errors or miscalculations made in deciding whether to approve a petition to make transfers under this section.

(F) If the district board determines that it no longer can continue making the transfers agreed to under this section, the board may rescind the agreement only so long as the electors of the district have approved, in

accordance with section 3318.063 of the Revised Code, the levy of a tax for the maintenance of the classroom facilities acquired under the district's project and that levy continues to be collected as approved by the electors. That levy shall be for a number of years that is equal to the difference between twenty-three years and the number of years that the district made transfers under this section and shall be at the rate of not less than one-half mill for each dollar of the district's valuation. The district board shall continue to make the transfers agreed to under this section until that levy has been approved by the electors.

Sec. 3318.052. At any time after the electors of a school district have approved either or both a property tax levied under section 5705.21 or 5705.218 of the Revised Code for the purpose of permanent improvements, including general permanent improvements, or a school district income tax levied under Chapter 5748. of the Revised Code, the proceeds of either of which, pursuant to the ballot measures approved by the electors, are not so restricted that they cannot be used to pay the costs of a project or maintaining classroom facilities, the school district board may:

(A) Within one year following the date of the certification of the conditional approval of the school district's classroom facilities project by the Ohio school facilities commission, enter into a written agreement with the commission, which may be part of an agreement entered into under section 3318.08 of the Revised Code, and in which the school district board covenants and agrees to do one or both of the following:

(1) Apply a specified amount of available proceeds of that property tax levy, of that school district income tax, or of securities issued under this section, or of proceeds from any two or more of those sources, to pay all or part of the district's portion of the basic project cost of its classroom facilities project;

(2) Apply available proceeds of either or both a property tax levied under section 5705.21 or 5705.218 of the Revised Code in effect for a continuing period of time, or of a school district income tax levied under Chapter 5748. of the Revised Code in effect for a continuing period of time to the payment of costs of maintaining the classroom facilities.

(B) Receive, as a credit against the amount of bonds required under sections 3318.05 and 3318.06 of the Revised Code, to be approved by the electors of the district and issued by the district board for the district's portion of the basic project cost of its classroom facilities project in order for the district to receive state assistance for the project, an amount equal to the specified amount that the district board covenants and agrees with the commission to apply as set forth in division (A)(1) of this section;

(C) Receive, as a credit against the amount of the tax levy required under sections 3318.05 and 3318.06 of the Revised Code, to be approved by the electors of the district to pay the costs of maintaining the classroom facilities in order to receive state assistance for the classroom facilities project, an amount equivalent to the specified amount of proceeds the school district board covenants and agrees with the commission to apply as referred to in division (A)(2) of this section;

(D) Apply proceeds of either or both a school district income tax levied under Chapter 5748. of the Revised Code that may lawfully be used to pay the costs of a classroom facilities project or of a tax levied under section 5705.21 or 5705.218 of the Revised Code to the payment of debt charges on and financing costs related to securities issued under this section;

(E) Issue securities to provide moneys to pay all or part of the district's portion of the basic project cost of its classroom facilities project in accordance with an agreement entered into under division (A) of this section. Securities issued under this section shall be Chapter 133. securities and may be issued as general obligation securities or issued in anticipation of a school district income tax or as property tax anticipation notes under section 133.24 of the Revised Code. The district board's resolution authorizing the issuance and sale of general obligation securities under this section shall conform to the applicable requirements of section 133.22 or 133.23 of the Revised Code. Securities issued under this section shall have principal payments during each year after the year of issuance over a period of not more than twenty-three years and, if so determined by the district board, during the year of issuance. Securities issued under this section shall not be included in the calculation of net indebtedness of the district under section 133.06 of the Revised Code ~~and shall not count toward~~ including but not limited to the limitations limitation on unvoted indebtedness specified in division (G) of that section ~~and in, or under~~ section 3313.372 of the Revised Code, if the resolution of the district board authorizing their issuance and sale includes covenants to appropriate annually from lawfully available proceeds of a property tax levied under section 5705.21 or 5705.218 of the Revised Code or of a school district income tax levied under Chapter 5748. of the Revised Code and to continue to levy and collect the tax in amounts necessary to pay the debt charges on and financing costs related to the securities as they become due. No property tax levied under section 5705.21 or 5705.218 of the Revised Code and no school district income tax levied under Chapter 5748. of the Revised Code that is pledged, or that the school district board has covenanted to levy, collect, and appropriate annually, to pay the debt charges on and financing costs related

to securities issued under this section shall be repealed while those securities are outstanding. If such a tax is reduced by the electors of the district or by the district board while those securities are outstanding, the school district board shall continue to levy and collect the tax under the authority of the original election authorizing the tax at a rate in each year that the board reasonably estimates will produce an amount in that year equal to the debt charges on the securities in that year, except that in the case of a school district income tax that amount shall be rounded up to the nearest one-fourth of one per cent.

No state moneys shall be released for a project to which this section applies until the proceeds of the tax securities issued under this section that are dedicated for the payment of the district portion of the basic project cost of its classroom facilities project are first deposited into the district's project construction fund.

Sec. 3318.06. (A) After receipt of the conditional approval of the Ohio school facilities commission, the school district board by a majority of all of its members shall, if it desires to proceed with the project, declare all of the following by resolution:

(1) That by issuing bonds in an amount equal to the school district's portion of the basic project cost the district is unable to provide adequate classroom facilities without assistance from the state;

(2) Unless the school district board has resolved to transfer money in accordance with section 3318.051 of the Revised Code or to apply the proceeds of a property tax or the proceeds of an income tax, or a combination of proceeds from such taxes, as authorized under section 3318.052 of the Revised Code, that to qualify for such state assistance it is necessary to do either of the following:

(a) Levy a tax outside the ten-mill limitation the proceeds of which shall be used to pay the cost of maintaining the classroom facilities included in the project;

(b) Earmark for maintenance of classroom facilities from the proceeds of an existing permanent improvement tax levied under section 5705.21 of the Revised Code, if such tax can be used for maintenance, an amount equivalent to the amount of the additional tax otherwise required under this section and sections 3318.05 and 3318.08 of the Revised Code.

(3) That the question of any tax levy specified in a resolution described in division (A)(2)(a) of this section, if required, shall be submitted to the electors of the school district at the next general or primary election, if there be a general or primary election not less than seventy-five and not more than ninety-five days after the day of the adoption of such resolution or, if not, at

a special election to be held at a time specified in the resolution which shall be not less than seventy-five days after the day of the adoption of the resolution and which shall be in accordance with the requirements of section 3501.01 of the Revised Code.

Such resolution shall also state that the question of issuing bonds of the board shall be combined in a single proposal with the question of such tax levy. More than one election under this section may be held in any one calendar year. Such resolution shall specify both of the following:

(a) That the rate which it is necessary to levy shall be at the rate of not less than one-half mill for each one dollar of valuation, and that such tax shall be levied for a period of twenty-three years;

(b) That the proceeds of the tax shall be used to pay the cost of maintaining the classroom facilities included in the project.

(B) A copy of a resolution adopted under division (A) of this section shall after its passage and not less than seventy-five days prior to the date set therein for the election be certified to the county board of elections.

The resolution of the school district board, in addition to meeting other applicable requirements of section 133.18 of the Revised Code, shall state that the amount of bonds to be issued will be an amount equal to the school district's portion of the basic project cost, and state the maximum maturity of the bonds which may be any number of years not exceeding the term calculated under section 133.20 of the Revised Code as determined by the board. In estimating the amount of bonds to be issued, the board shall take into consideration the amount of moneys then in the bond retirement fund and the amount of moneys to be collected for and disbursed from the bond retirement fund during the remainder of the year in which the resolution of necessity is adopted.

If the bonds are to be issued in more than one series, the resolution may state, in addition to the information required to be stated under division (B)(3) of section 133.18 of the Revised Code, the number of series, which shall not exceed five, the principal amount of each series, and the approximate date each series will be issued, and may provide that no series, or any portion thereof, may be issued before such date. Upon such a resolution being certified to the county auditor as required by division (C) of section 133.18 of the Revised Code, the county auditor, in calculating, advising, and confirming the estimated average annual property tax levy under that division, shall also calculate, advise, and confirm by certification the estimated average property tax levy for each series of bonds to be issued.

Notice of the election shall include the fact that the tax levy shall be at the rate of not less than one-half mill for each one dollar of valuation for a

period of twenty-three years, and that the proceeds of the tax shall be used to pay the cost of maintaining the classroom facilities included in the project.

If the bonds are to be issued in more than one series, the board of education, when filing copies of the resolution with the board of elections as required by division (D) of section 133.18 of the Revised Code, may direct the board of elections to include in the notice of election the principal amount and approximate date of each series, the maximum number of years over which the principal of each series may be paid, the estimated additional average property tax levy for each series, and the first calendar year in which the tax is expected to be due for each series, in addition to the information required to be stated in the notice under ~~division~~ divisions (E)(3)(a) to (e) of section 133.18 of the Revised Code.

(C)(1) Except as otherwise provided in division (C)(2) of this section, the form of the ballot to be used at such election shall be:

"A majority affirmative vote is necessary for passage.

Shall bonds be issued by the (here insert name of school district) school district to pay the local share of school construction under the State of Ohio Classroom Facilities Assistance Program in the principal amount of (here insert principal amount of the bond issue), to be repaid annually over a maximum period of (here insert the maximum number of years over which the principal of the bonds may be paid) years, and an annual levy of property taxes be made outside the ten-mill limitation, estimated by the county auditor to average over the repayment period of the bond issue (here insert the number of mills estimated) mills for each one dollar of tax valuation, which amounts to (rate expressed in cents or dollars and cents, such as "thirty-six cents" or "\$0.36") for each one hundred dollars of tax valuation to pay the annual debt charges on the bonds and to pay debt charges on any notes issued in anticipation of the bonds?"

and, unless the additional levy
of taxes is not required pursuant
to division (C) of section
3318.05 of the Revised Code,

"Shall an additional levy of taxes be made for a period of twenty-three years to benefit the (here insert name of school district) school district, the proceeds of which shall be used to pay the cost of maintaining the classroom facilities included in the project at the rate of (here insert the number of mills, which shall not be less than one-half mill) mills for each one dollar of valuation?"

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|--|--|
| | FOR THE BOND ISSUE AND TAX LEVY |
| | AGAINST THE BOND ISSUE AND TAX LEVY |

"

(2) If authority is sought to issue bonds in more than one series and the board of education so elects, the form of the ballot shall be as prescribed in section 3318.062 of the Revised Code. If the board of education elects the form of the ballot prescribed in that section, it shall so state in the resolution adopted under this section.

(D) If it is necessary for the school district to acquire a site for the classroom facilities to be acquired pursuant to sections 3318.01 to 3318.20 of the Revised Code, the district board may propose either to issue bonds of the board or to levy a tax to pay for the acquisition of such site, and may combine the question of doing so with the questions specified in division (B) of this section. Bonds issued under this division for the purpose of acquiring a site are a general obligation of the school district and are Chapter 133. securities.

The form of that portion of the ballot to include the question of either issuing bonds or levying a tax for site acquisition purposes shall be one of the following:

(1) "Shall bonds be issued by the (here insert name of the school district) school district to pay costs of acquiring a site for classroom facilities under the State of Ohio Classroom Facilities Assistance Program in the principal amount of (here insert principal amount of the bond issue), to be repaid annually over a maximum period of (here insert maximum number of years over which the principal of the bonds may be paid) years, and an annual levy of property taxes be made outside the ten-mill limitation, estimated by the county auditor to average over the repayment period of the bond issue (here insert number of mills) mills for each one dollar of tax valuation, which amount to (here insert rate expressed in cents or dollars and cents, such as "thirty-six cents" or "\$0.36") for each one hundred dollars of valuation to pay the annual debt charges on the bonds and to pay debt charges on any notes issued in anticipation of the bonds?"

(2) "Shall an additional levy of taxes outside the ten-mill limitation be made for the benefit of the (here insert name of the school district) school district for the purpose of acquiring a site for classroom facilities in the sum of (here insert annual amount the levy is to produce) estimated by the county auditor to average (here insert number of

mills) mills for each one hundred dollars of valuation, for a period of
(here insert number of years the millage is to be imposed) years?"

Where it is necessary to combine the question of issuing bonds of the school district and levying a tax as described in division (B) of this section with the question of issuing bonds of the school district for acquisition of a site, the question specified in that division to be voted on shall be "For the Bond Issues and the Tax Levy" and "Against the Bond Issues and the Tax Levy."

Where it is necessary to combine the question of issuing bonds of the school district and levying a tax as described in division (B) of this section with the question of levying a tax for the acquisition of a site, the question specified in that division to be voted on shall be "For the Bond Issue and the Tax Levies" and "Against the Bond Issue and the Tax Levies."

Where the school district board chooses to combine the question in division (B) of this section with any of the additional questions described in divisions (A) to (D) of section 3318.056 of the Revised Code, the question specified in division (B) of this section to be voted on shall be "For the Bond Issues and the Tax Levies" and "Against the Bond Issues and the Tax Levies."

If a majority of those voting upon a proposition hereunder which includes the question of issuing bonds vote in favor thereof, and if the agreement provided for by section 3318.08 of the Revised Code has been entered into, the school district board may proceed under Chapter 133. of the Revised Code, with the issuance of bonds or bond anticipation notes in accordance with the terms of the agreement.

Sec. 3318.063. If the board of education of a city, exempted village, or local school district that has entered into an agreement under section 3318.051 of the Revised Code to make transfers of money in lieu of levying the tax for maintenance of the classroom facilities included in the district's project determines that it no longer can continue making the transfers so agreed to and desires to rescind that agreement, the board shall adopt the resolution to submit the question of the tax levy prescribed in this section.

The resolution shall declare that the question of a tax levy specified in division (F) of section 3318.051 of the Revised Code shall be submitted to the electors of the school district at the next general or primary election, if there be a general or primary election not less than seventy-five and not more than ninety-five days after the day of the adoption of such resolution or, if not, at a special election to be held at a time specified in the resolution which shall be not less than seventy-five days after the day of the adoption of the resolution and which shall be in accordance with the requirements of

section 3501.01 of the Revised Code. Such resolution shall specify both of the following:

(A) That the rate which it is necessary to levy shall be at the rate of not less than one-half mill for each one dollar of valuation, and that such tax shall be levied for the number of years required by division (F) of section 3318.051 of the Revised Code;

(B) That the proceeds of the tax shall be used to pay the cost of maintaining the classroom facilities included in the project.

A copy of such resolution shall after its passage and not less than seventy-five days prior to the date set therein for the election be certified to the county board of elections.

Notice of the election shall include the fact that the tax levy shall be at the rate of not less than one-half mill for each one dollar of valuation for the number of years required by division (F) of section 3318.051 of the Revised Code, and that the proceeds of the tax shall be used to pay the cost of maintaining the classroom facilities included in the project.

The form of the ballot to be used at such election shall be:

"Shall a levy of taxes be made for a period of (here insert the number of years, which shall not be less than the number required by division (F) of section 3318.051 of the Revised Code) years to benefit the (here insert name of school district) school district, the proceeds of which shall be used to pay the cost of maintaining the classroom facilities included in the project at the rate of (here insert the number of mills, which shall not be less than one-half mill) mills for each one dollar of valuation?"

| | | |
|--|-------------------------|---|
| | <u>FOR THE TAX LEVY</u> | " |
| | <u>AGAINST THE TAX</u> | |
| | <u>LEVY</u> | |

Sec. 3318.08. Except in the case of a joint vocational school district that receives assistance under sections 3318.40 to 3318.45 of the Revised Code, if the requisite favorable vote on the election is obtained, or if the school district board has resolved to apply the proceeds of a property tax levy or the proceeds of an income tax, or a combination of proceeds from such taxes, as authorized in section 3318.052 of the Revised Code, the Ohio school facilities commission, upon certification to it of either the results of the election or the resolution under section 3318.052 of the Revised Code, shall enter into a written agreement with the school district board for the construction and sale of the project. In the case of a joint vocational school

district that receives assistance under sections 3318.40 to 3318.45 of the Revised Code, if the school district board of education and the school district electors have satisfied the conditions prescribed in division (D)(1) of section 3318.41 of the Revised Code, the commission shall enter into an agreement with the school district board for the construction and sale of the project. In either case, the agreement shall include, but need not be limited to, the following provisions:

(A) The sale and issuance of bonds or notes in anticipation thereof, as soon as practicable after the execution of the agreement, in an amount equal to the school district's portion of the basic project cost, including any securities authorized under division (J) of section 133.06 of the Revised Code and dedicated by the school district board to payment of the district's portion of the basic project cost of the project; provided, that if at that time the county treasurer of each county in which the school district is located has not commenced the collection of taxes on the general duplicate of real and public utility property for the year in which the controlling board approved the project, the school district board shall authorize the issuance of a first installment of bond anticipation notes in an amount specified by the agreement, which amount shall not exceed an amount necessary to raise the net bonded indebtedness of the school district as of the date of the controlling board's approval to within five thousand dollars of the required level of indebtedness for the preceding year. In the event that a first installment of bond anticipation notes is issued, the school district board shall, as soon as practicable after the county treasurer of each county in which the school district is located has commenced the collection of taxes on the general duplicate of real and public utility property for the year in which the controlling board approved the project, authorize the issuance of a second and final installment of bond anticipation notes or a first and final issue of bonds.

The combined value of the first and second installment of bond anticipation notes or the value of the first and final issue of bonds shall be equal to the school district's portion of the basic project cost. The proceeds of any such bonds shall be used first to retire any bond anticipation notes. Otherwise, the proceeds of such bonds and of any bond anticipation notes, except the premium and accrued interest thereon, shall be deposited in the school district's project construction fund. In determining the amount of net bonded indebtedness for the purpose of fixing the amount of an issue of either bonds or bond anticipation notes, gross indebtedness shall be reduced by moneys in the bond retirement fund only to the extent of the moneys therein on the first day of the year preceding the year in which the

controlling board approved the project. Should there be a decrease in the tax valuation of the school district so that the amount of indebtedness that can be incurred on the tax duplicates for the year in which the controlling board approved the project is less than the amount of the first installment of bond anticipation notes, there shall be paid from the school district's project construction fund to the school district's bond retirement fund to be applied against such notes an amount sufficient to cause the net bonded indebtedness of the school district, as of the first day of the year following the year in which the controlling board approved the project, to be within five thousand dollars of the required level of indebtedness for the year in which the controlling board approved the project. The maximum amount of indebtedness to be incurred by any school district board as its share of the cost of the project is either an amount that will cause its net bonded indebtedness, as of the first day of the year following the year in which the controlling board approved the project, to be within five thousand dollars of the required level of indebtedness, or an amount equal to the required percentage of the basic project costs, whichever is greater. All bonds and bond anticipation notes shall be issued in accordance with Chapter 133. of the Revised Code, and notes may be renewed as provided in section 133.22 of the Revised Code.

(B) The transfer of such funds of the school district board available for the project, together with the proceeds of the sale of the bonds or notes, except premium, accrued interest, and interest included in the amount of the issue, to the school district's project construction fund;

(C) For all school districts except joint vocational school districts that receive assistance under sections 3318.40 to 3318.45 of the Revised Code, the following provisions as applicable:

(1) If section 3318.052 of the Revised Code applies, the earmarking of the proceeds of a tax levied under section 5705.21 of the Revised Code for general permanent improvements or under section 5705.218 of the Revised Code for the purpose of permanent improvements, or the proceeds of a school district income tax levied under Chapter 5748. of the Revised Code, or the proceeds from a combination of those two taxes, in an amount to pay all or part of the service charges on bonds issued to pay the school district portion of the project and an amount equivalent to all or part of the tax required under division (B) of section 3318.05 of the Revised Code;

(2) If section 3318.052 of the Revised Code does not apply, ~~either~~ one of the following:

(a) The levy of the tax authorized at the election for the payment of maintenance costs, as specified in division (B) of section 3318.05 of the

Revised Code;

(b) If the school district electors have approved a continuing tax for general permanent improvements under section 5705.21 of the Revised Code and that tax can be used for maintenance, the earmarking of an amount of the proceeds from such tax for maintenance of classroom facilities as specified in division (B) of section 3318.05 of the Revised Code;

(c) If, in lieu of the tax otherwise required under division (B) of section 3318.05 of the Revised Code, the commission has approved the transfer of money to the maintenance fund in accordance with section 3318.051 of the Revised Code, a requirement that the district board comply with the provisions that section. The district board may rescind the provision prescribed under division (C)(2)(c) of this section only so long as the electors of the district have approved, in accordance with section 3318.063 of the Revised Code, the levy of a tax for the maintenance of the classroom facilities acquired under the district's project and that levy continues to be collected as approved by the electors.

(D) For joint vocational school districts that receive assistance under sections 3318.40 to 3318.45 of the Revised Code, provision for deposit of school district moneys dedicated to maintenance of the classroom facilities acquired under those sections as prescribed in section 3318.43 of the Revised Code;

(E) Dedication of any local donated contribution as provided for under section 3318.084 of the Revised Code, including a schedule for depositing such moneys applied as an offset of the district's obligation to levy the tax described in division (B) of section 3318.05 of the Revised Code as required under division (D)(2) of section 3318.084 of the Revised Code;

(F) Ownership of or interest in the project during the period of construction, which shall be divided between the commission and the school district board in proportion to their respective contributions to the school district's project construction fund;

(G) Maintenance of the state's interest in the project until any obligations issued for the project under section 3318.26 of the Revised Code are no longer outstanding;

(H) The insurance of the project by the school district from the time there is an insurable interest therein and so long as the state retains any ownership or interest in the project pursuant to division (F) of this section, in such amounts and against such risks as the commission shall require; provided, that the cost of any required insurance until the project is completed shall be a part of the basic project cost;

(I) The certification by the director of budget and management that

funds are available and have been set aside to meet the state's share of the basic project cost as approved by the controlling board pursuant to either section 3318.04 or division (B)(1) of section 3318.41 of the Revised Code;

(J) Authorization of the school district board to advertise for and receive construction bids for the project, for and on behalf of the commission, and to award contracts in the name of the state subject to approval by the commission;

(K) Provisions for the disbursement of moneys from the school district's project account upon issuance by the commission or the commission's designated representative of vouchers for work done to be certified to the commission by the treasurer of the school district board;

(L) Disposal of any balance left in the school district's project construction fund upon completion of the project;

(M) Limitations upon use of the project or any part of it so long as any obligations issued to finance the project under section 3318.26 of the Revised Code are outstanding;

(N) Provision for vesting the state's interest in the project to the school district board when the obligations issued to finance the project under section 3318.26 of the Revised Code are outstanding;

(O) Provision for deposit of an executed copy of the agreement in the office of the commission;

(P) Provision for termination of the contract and release of the funds encumbered at the time of the conditional approval, if the proceeds of the sale of the bonds of the school district board are not paid into the school district's project construction fund and if bids for the construction of the project have not been taken within such period after the execution of the agreement as may be fixed by the commission;

(Q) Provision for the school district to maintain the project in accordance with a plan approved by the commission;

(R)(1) For all school districts except a district undertaking a project under section 3318.38 of the Revised Code or a joint vocational school district undertaking a project under sections 3318.40 to 3318.45 of the Revised Code, provision that all state funds reserved and encumbered to pay the state share of the cost of the project pursuant to section 3318.03 of the Revised Code be spent on the construction or acquisition of the project prior to the expenditure of any funds provided by the school district to pay for its share of the project cost, unless the school district certifies to the commission that expenditure by the school district is necessary to maintain the tax-exempt status of notes or bonds issued by the school district to pay for its share of the project cost or to comply with applicable temporary

investment periods or spending exceptions to rebate as provided for under federal law in regard to those notes or bonds, in which cases, the school district may commit to spend, or spend, a portion of the funds it provides;

(2) For a school district undertaking a project under section 3318.38 of the Revised Code or a joint vocational school district undertaking a project under sections 3318.40 to 3318.45 of the Revised Code, provision that the state funds reserved and encumbered and the funds provided by the school district to pay the basic project cost of any segment of the project, or of the entire project if it is not divided into segments, be spent on the construction and acquisition of the project simultaneously in proportion to the state's and the school district's respective shares of that basic project cost as determined under section 3318.032 of the Revised Code or, if the district is a joint vocational school district, under section 3318.42 of the Revised Code.

(S) A provision stipulating that the commission may prohibit the district from proceeding with any project if the commission determines that the site is not suitable for construction purposes. The commission may perform soil tests in its determination of whether a site is appropriate for construction purposes.

(T) A provision stipulating that, unless otherwise authorized by the commission, any contingency reserve portion of the construction budget prescribed by the commission shall be used only to pay costs resulting from unforeseen job conditions, to comply with rulings regarding building and other codes, to pay costs related to design clarifications or corrections to contract documents, and to pay the costs of settlements or judgments related to the project as provided under section 3318.086 of the Revised Code;

(U) Provision stipulating that for continued release of project funds the school district board shall comply with section 3313.41 of the Revised Code throughout the project and shall notify the department of education and the Ohio community school association when the board plans to dispose of facilities by sale under that section;

(V) Provision that the commission shall not approve a contract for demolition of a facility until the school district board has complied with section 3313.41 of the Revised Code relative to that facility, unless demolition of that facility is to clear a site for construction of a replacement facility included in the district's project.

Sec. 3318.121. As used in this section, "big-eight school district" has the same meaning as in section 3314.02 of the Revised Code.

Notwithstanding any provision to the contrary in section 3318.12 or Chapter 5705. of the Revised Code, a big-eight school district receiving assistance for a project under this chapter, that has opted with the approval

of the Ohio school facilities commission to divide the project into discrete segments to be completed sequentially, or otherwise, may, with the approval of the commission or the commission's designated representative, and pursuant to a resolution adopted by the school district board, transfer to a special construction fund investment earnings credited to the project construction fund that are attributable to the district's contribution to that fund, if the school district board and the commission, or its designated representative, determine that the unspent amount of the district's contribution to the project construction fund, including any investment earnings on that contribution that are not to be transferred to the special construction fund, together with the principal amount of any additional securities authorized by the voters of the district to be issued to pay the local share of the basic project cost of the entire project that have not yet been issued by the district, are projected at the time of the transfer to be not less than one hundred ten per cent of the amount required to provide for the entire remaining local share of the basic project cost because of reductions in the scope and estimated cost of the project that have been incorporated in the district's approved master facilities plan. The money in that special construction fund, including investment earnings attributable to money in that fund, shall be used by the district solely to pay costs of classroom facilities (A) in later segments of the project that are consistent with the specifications for plans and materials for classroom facilities adopted by the commission and those specifications used by the district for classroom facilities included in one or more prior segments, but which would cause the cost of the facilities in one or more later segments to be in excess of the approved budgeted basic project cost for the segment to be shared by the state and the district in proportion to the state's and the school district's respective shares of the basic project cost as determined under section 3318.032 of the Revised Code, or (B) that were included in the master facilities plan prior to the reduction in scope. All investment earnings on a district's special construction fund shall be credited to the fund. After the entire project has been completed, any investment earnings remaining in the special construction fund shall be transferred to the district's maintenance fund required by division (B) of section 3318.05 of the Revised Code, and used solely for maintaining the classroom facilities included in the project.

Sec. 3318.18. (A) As used in this section:

(1) "Valuation" of a school district means the sum of the amounts described in divisions (A)(1) and (2) of section 3317.021 of the Revised Code as most recently certified for the district before the annual computation is made under division (B) of this section.

(2) "Valuation per pupil" of a school district means the district's valuation divided by the district's formula ADM as most recently reported for October under section 3317.03 of the Revised Code before the annual computation is made under division (B) of this section.

(3) "Statewide average valuation per pupil" means the total of the valuations of all school districts divided by the total of the formula ADMs of all school districts as most recently reported for October under section 3317.03 of the Revised Code before the annual computation is made under division (C) of this section.

(4) "Maintenance levy requirement" means the tax required to be levied pursuant to division (C)(2)(a) of section 3318.08 and division (B) of section 3318.05 of the Revised Code or the application of proceeds of another levy to paying the costs of maintaining classroom facilities pursuant to division (A)(2) of section 3318.052, division (C)(1) or (C)(2)(b) of section 3318.08, or division (D)(2) of section 3318.36 of the Revised Code, or a combination thereof.

(5) "Project agreement" means an agreement between a school district and the Ohio school facilities commission under section 3318.08 or division (B)(1) of section 3318.36 of the Revised Code.

(B) On or before July 1, 2006, the department of education shall compute the statewide average valuation per pupil and the valuation per pupil of each school district, and provide them to the Ohio school facilities commission. On or before the first day of July each year beginning in 2007, the department of education shall compute the statewide average valuation per pupil and the valuation per pupil of each school district that has not already entered into a project agreement, and provide the results of those computations to the commission.

(C)(1) At the time the Ohio school facilities commission enters into a project agreement with a school district, the commission shall compute the difference between the district's valuation per pupil and the statewide average valuation per pupil as most recently provided to the commission under division (B) of this section. If the school district's valuation per pupil is less than the average statewide valuation per pupil, the commission shall multiply the difference between those amounts by one-half mill times the formula ADM of the district as most recently reported to the department of education for October under division (A) of section 3317.03 of the Revised Code. The commission shall certify the resulting product to the department of education, along with the date on which the maintenance levy requirement terminates as provided in the project agreement between the school district board and the commission.

(2) In the case of a school district that entered into a project agreement after July 1, 1997, but before July 1, 2006, the commission shall make the computation described in division (C)(1) of this section on the basis of the district's valuation per pupil and the statewide average valuation per pupil computed as of September 1, 2006, and the district's formula ADM reported for October 2005.

(3) The amount computed for a school district under division (C)(1) or (2) of this section shall not change for the period during which payments are made to the district under division (D) of this section.

(4) A computation need not be made under division (C)(1) or (2) of this section for a school district that certified a resolution to the commission under division (D)(3) of section 3318.36 of the Revised Code until the district becomes eligible for state assistance as provided in that division.

(D) In the fourth quarter of each fiscal year, for each school district for which a computation has been made under division (C) of this section, the department of education shall pay the amount computed to each such school district. Payments shall be made to a school district each year until and including the tax year in which the district's maintenance levy requirement terminates. Payments shall be paid from the half-mill equalization fund, subject to appropriation by the general assembly. However, the department shall make no payments under this section to any district that elects the procedure authorized by section 3318.051 of the Revised Code.

(E) Payments made to a school district under this section shall be credited to the district's classroom facilities maintenance fund and shall be used only for the purpose of maintaining facilities constructed or renovated under the project agreement.

(F) There is hereby created in the state treasury the half-mill equalization fund. The fund shall receive transfers pursuant to section 5727.85 of the Revised Code. The fund shall be used first to make annual payments under division (D) of this section. If a balance remains in the fund after such payments are made in full for a year, the Ohio school facilities commission may request the controlling board to transfer a reasonable amount from such remaining balance to the public school building fund created under section 3318.15 of the Revised Code for the purposes of this chapter.

All investment earnings arising from investment of money in the half-mill equalization fund shall be credited to the fund.

Sec. 3318.36. (A)(1) As used in this section:

(a) "Ohio school facilities commission," "classroom facilities," "school district," "school district board," "net bonded indebtedness," "required

percentage of the basic project costs," "basic project cost," "valuation," and "percentile" have the same meanings as in section 3318.01 of the Revised Code.

(b) "Required level of indebtedness" means five per cent of the school district's valuation for the year preceding the year in which the commission and school district enter into an agreement under division (B) of this section, plus [two one-hundredths of one per cent multiplied by (the percentile in which the district ranks minus one)].

(c) "Local resources" means any moneys generated in any manner permitted for a school district board to raise the school district portion of a project undertaken with assistance under sections 3318.01 to 3318.20 of the Revised Code.

(2) For purposes of determining either the required level of indebtedness, as defined in division (A)(1)(b) of this section, or the required percentage of the basic project costs, under division (C)(1) of this section, the percentile ranking of a school district with which the commission has entered into an agreement under this section between the first day of July and the thirty-first day of August in each fiscal year is the percentile ranking calculated for that district for the immediately preceding fiscal year, and the percentile ranking of a school district with which the commission has entered into such agreement between the first day of September and the thirtieth day of June in each fiscal year is the percentile ranking calculated for that district for the current fiscal year.

(B)(1) There is hereby established the school building assistance expedited local partnership program. Under the program, the Ohio school facilities commission may enter into an agreement with the school district board of any school district under which the school district board may proceed with the new construction or major repairs of a part of the school district's classroom facilities needs, as determined under sections 3318.01 to 3318.20 of the Revised Code, through the expenditure of local resources prior to the school district's eligibility for state assistance under sections 3318.01 to 3318.20 of the Revised Code and may apply that expenditure toward meeting the school district's portion of the basic project cost of the total of the school district's classroom facilities needs, as determined under sections 3318.01 to 3318.20 of the Revised Code and as recalculated under division (E) of this section, that are eligible for state assistance under sections 3318.01 to 3318.20 of the Revised Code when the school district becomes eligible for such state assistance. Any school district that is reasonably expected to receive assistance under sections 3318.01 to 3318.20 of the Revised Code within two fiscal years from the date the school district

adopts its resolution under division (B) of this section shall not be eligible to participate in the program.

(2) To participate in the program, a school district board shall first adopt a resolution certifying to the commission the board's intent to participate in the program.

The resolution shall specify the approximate date that the board intends to seek elector approval of any bond or tax measures or to apply other local resources to use to pay the cost of classroom facilities to be constructed under this section. The resolution may specify the application of local resources or elector-approved bond or tax measures after the resolution is adopted by the board, and in such case the board may proceed with a discrete portion of its project under this section as soon as the commission and the controlling board have approved the basic project cost of the district's classroom facilities needs as specified in division (D) of this section. The board shall submit its resolution to the commission not later than ten days after the date the resolution is adopted by the board.

The commission shall not consider any resolution that is submitted pursuant to division (B)(2) of this section, as amended by this amendment, sooner than September 14, 2000.

(3) Any project under this section shall comply with section 3318.03 of the Revised Code and with any specifications for plans and materials for classroom facilities adopted by the commission under section 3318.04 of the Revised Code.

(4) If a school district that enters into an agreement under this section has not begun a project applying local resources as provided for under that agreement at the time the district is notified by the commission that it is eligible to receive state assistance under sections 3318.01 to 3318.20 of the Revised Code, all assessment and agreement documents entered into under this section are void.

(5) Only construction of or repairs to classroom facilities that have been approved by the commission and have been therefore included as part of a district's basic project cost qualify for application of local resources under this section.

(C) Based on the results of the on-site visits and assessment conducted under division (B)(2) of this section, the commission shall determine the basic project cost of the school district's classroom facilities needs. The commission shall determine the school district's portion of such basic project cost, which shall be the greater of:

(1) The required percentage of the basic project costs, determined based on the school district's percentile ranking;

(2) An amount necessary to raise the school district's net bonded indebtedness, as of the fiscal year the commission and the school district enter into the agreement under division (B) of this section, to within five thousand dollars of the required level of indebtedness.

(D)(1) When the commission determines the basic project cost of the classroom facilities needs of a school district and the school district's portion of that basic project cost under division (C) of this section, the project shall be conditionally approved. Such conditional approval shall be submitted to the controlling board for approval thereof. The controlling board shall forthwith approve or reject the commission's determination, conditional approval, and the amount of the state's portion of the basic project cost; however, no state funds shall be encumbered under this section. Upon approval by the controlling board, the school district board may identify a discrete part of its classroom facilities needs, which shall include only new construction of or additions or major repairs to a particular building, to address with local resources. Upon identifying a part of the school district's basic project cost to address with local resources, the school district board may allocate any available school district moneys to pay the cost of that identified part, including the proceeds of an issuance of bonds if approved by the electors of the school district.

All local resources utilized under this division shall first be deposited in the project construction account required under section 3318.08 of the Revised Code.

(2) Unless the school district board exercises its option under division (D)(3) of this section, for a school district to qualify for participation in the program authorized under this section, one of the following conditions shall be satisfied:

(a) The electors of the school district by a majority vote shall approve the levy of taxes outside the ten-mill limitation for a period of twenty-three years at the rate of not less than one-half mill for each dollar of valuation to be used to pay the cost of maintaining the classroom facilities included in the basic project cost as determined by the commission. The form of the ballot to be used to submit the question whether to approve the tax required under this division to the electors of the school district shall be the form for an additional levy of taxes prescribed in section 3318.361 of the Revised Code, which may be combined in a single ballot question with the questions prescribed under section 5705.218 of the Revised Code.

(b) As authorized under division (C) of section 3318.05 of the Revised Code, the school district board shall earmark from the proceeds of a permanent improvement tax levied under section 5705.21 of the Revised

Code, an amount equivalent to the additional tax otherwise required under division (D)(2)(a) of this section for the maintenance of the classroom facilities included in the basic project cost as determined by the commission.

(c) As authorized under section 3318.051 of the Revised Code, the school district board shall, if approved by the commission, annually transfer into the maintenance fund required under section 3318.05 of the Revised Code the amount prescribed in section 3318.051 of the Revised Code in lieu of the tax otherwise required under division (D)(2)(a) of this section for the maintenance of the classroom facilities included in the basic project cost as determined by the commission.

(d) If the school district board has rescinded the agreement to make transfers under section 3318.051 of the Revised Code, as provided under division (F) of that section, the electors of the school district, in accordance with section 3318.063 of the Revised Code, first shall approve the levy of taxes outside the ten-mill limitation for the period specified in that section at a rate of not less than one-half mill for each dollar of valuation.

(e) The school district board shall apply the proceeds of a tax to leverage bonds as authorized under section 3318.052 of the Revised Code or dedicate a local donated contribution in the manner described in division (B) of section 3318.084 of the Revised Code in an amount equivalent to the additional tax otherwise required under division (D)(2)(a) of this section for the maintenance of the classroom facilities included in the basic project cost as determined by the commission.

(3) ~~A school district board may opt to delay levying the additional tax required under division (D)(2)(a) of this section or earmarking of the proceeds of a permanent improvement tax alternatively required under taking any of the actions described in~~ division (D)(2)(~~b~~) of this section until such time as the school district becomes eligible for state assistance under sections 3318.01 to 3318.20 of the Revised Code. In order to exercise ~~its~~ this option ~~under this division~~, the board shall certify to the commission a resolution indicating the board's intent to do so prior to entering into an agreement under division (B) of this section.

(4) If pursuant to division (D)(3) of this section a district board opts to delay levying an additional tax until the district becomes eligible for state assistance, it shall submit the question of levying that tax to the district electors as follows:

(a) In accordance with section 3318.06 of the Revised Code if it will also be necessary pursuant to division (E) of this section to submit a proposal for approval of a bond issue;

(b) In accordance with section 3318.361 of the Revised Code if it is not

necessary to also submit a proposal for approval of a bond issue pursuant to division (E) of this section.

(5) No state assistance under sections 3318.01 to 3318.20 of the Revised Code shall be released until a school district board that adopts and certifies a resolution under this division ~~either has levied the additional tax or has earmarked the proceeds of a tax as specified in division (D) of this section~~ (D) of this section also demonstrates to the satisfaction of the commission compliance with the provisions of division (D)(2) of this section.

Any amount required for maintenance under division (D)(2) of this section shall be deposited into a separate fund as specified in division (B) of section 3318.05 of the Revised Code.

(E)(1) If the school district becomes eligible for state assistance under sections 3318.01 to 3318.20 of the Revised Code based on its percentile ranking as determined under division (B) of this section, the commission shall conduct a new assessment of the school district's classroom facilities needs and shall recalculate the basic project cost based on this new assessment. The basic project cost recalculated under this division shall include the amount of expenditures made by the school district board under division (D)(1) of this section. The commission shall then recalculate the school district's portion of the new basic project cost, which shall be the percentage of the original basic project cost assigned to the school district as its portion under division (C) of this section. The commission shall deduct the expenditure of school district moneys made under division (D)(1) of this section from the school district's portion of the basic project cost as recalculated under this division. If the amount of school district resources applied by the school district board to the school district's portion of the basic project cost under this section is less than the total amount of such portion as recalculated under this division, the school district board by a majority vote of all of its members shall, if it desires to seek state assistance under sections 3318.01 to 3318.20 of the Revised Code, adopt a resolution as specified in section 3318.06 of the Revised Code to submit to the electors of the school district the question of approval of a bond issue in order to pay any additional amount of school district portion required for state assistance. Any tax levy approved under division (D) of this section satisfies the requirements to levy the additional tax under section 3318.06 of the Revised Code.

(2) If the amount of school district resources applied by the school district board to the school district's portion of the basic project cost under this section is more than the total amount of such portion as recalculated under this division, within one year after the school district's portion is

recalculated under division (E)(1) of this section the commission may grant to the school district the difference between the two calculated portions, but at no time shall the commission expend any state funds on a project in an amount greater than the state's portion of the basic project cost as recalculated under this division.

Any reimbursement under this division shall be only for local resources the school district has applied toward construction cost expenditures for the classroom facilities approved by the commission, which shall not include any financing costs associated with that construction.

The school district board shall use any moneys reimbursed to the district under this division to pay off any debt service the district owes for classroom facilities constructed under its project under this section before such moneys are applied to any other purpose. However, the district board first may deposit moneys reimbursed under this division into the district's general fund or a permanent improvement fund to replace local resources the district withdrew from those funds, as long as, and to the extent that, those local resources were used by the district for constructing classroom facilities included in the district's basic project cost.

Sec. 3702.72. (A) A primary care physician who ~~has not received national health service corps tuition or student loan repayment assistance will not have an outstanding obligation for medical service to the federal government, a state, or other entity at the time of participation in the physician loan repayment program~~ and meets one of the following requirements may apply for participation in the physician loan repayment program:

(1) The primary care physician is enrolled in the final year of an accredited program required for board certification in a primary care specialty.

(2) The primary care physician is enrolled in the final year of a fellowship program in a primary care specialty.

(3) The primary care physician ~~has been engaged in the practice of medicine and surgery or osteopathic medicine and surgery in this state for not more than three years prior to submitting the application~~ holds a valid certificate to practice medicine and surgery or osteopathic medicine and surgery issued under Chapter 4731. of the Revised Code.

(B) An application for participation in the physician loan repayment program shall be submitted to the director of health on a form that the director shall prescribe. The information required to be submitted with an application includes the following:

(1) The applicant's name, permanent address or address at which the

applicant is currently residing if different from the permanent address, and telephone number;

(2) The applicant's primary care specialty;

(3) The medical school or osteopathic medical school the applicant attended, the dates of attendance, and verification of attendance;

(4) The facility or institution where the applicant's medical residency program was completed or is being performed, and, if completed, the date of completion;

(5) A summary and verification of the educational expenses for which the applicant seeks reimbursement under the program; and

(6) Verification of the applicant's authorization under Chapter 4731. of the Revised Code to practice medicine and surgery or osteopathic medicine and surgery;

(7) Verification of the applicant's United States citizenship or status as a legal alien.

Sec. 3702.73. If the general assembly has appropriated funds for the physician loan repayment program, the director of health shall approve an applicant for participation in the program if the director finds that, in accordance with the priorities established under section 3702.77 of the Revised Code, the applicant is eligible for participation in the program and the applicant's primary care specialty is needed in a health resource shortage area.

Upon approval, the director shall notify and enter into discussions with the applicant. The object of the discussions is to facilitate the recruitment of the applicant to a site within a health resource shortage area at which, according to the priorities established under section 3702.77 of the Revised Code, the applicant's primary care specialty is most needed. ~~The director may pay the costs incurred by the applicant and the applicant's spouse for travel, meals, and lodging in making one visit to one health resource shortage area. The director may also refer an applicant to the Ohio primary care association, inc., for assistance in being recruited to a site within a health resource shortage area at which the applicant will agree to be placed.~~

If the director and applicant agree on the applicant's placement at a particular site within a health resource shortage area, the applicant shall prepare, sign, and deliver to the director a letter of intent agreeing to that placement.

Sec. 3702.81. There is hereby created the physician loan repayment advisory board. The board shall consist of eleven members as follows:

(A) The following six members appointed by the governor: a representative of the department of health, a representative of the Ohio

academy of family practice, a representative of the board of regents, a representative of the Ohio ~~primary-care~~ association of community health centers, inc., a representative of the Ohio state medical association, and a representative of the Ohio osteopathic association;

(B) Two members of the house of representatives, one from each political party, appointed by the speaker of the house of representatives;

(C) Two members of the senate, one from each political party, appointed by the president of the senate.

Of the initial appointments made by the governor, three shall be for terms ending June 30, 1994, and four shall be for terms ending June 30, 1995. Of the initial appointments made by the speaker of the house of representatives, one shall be for a term ending June 30, 1994, and one shall be for a term ending June 30, 1995. Of the initial appointments made by the president of the senate, one shall be for a term ending June 30, 1994, and one shall be for a term ending June 30, 1995. Thereafter, terms of office shall be two years, commencing on the first day of July and ending on the thirtieth day of June. Each member shall hold office from the date of appointment until the end of the term for which the member was appointed, except that a legislative member ceases to be a member of the board upon ceasing to be a member of the general assembly.

Vacancies shall be filled in the manner prescribed for the original appointment. A member appointed to fill a vacancy occurring prior to the expiration of the term for which the member's predecessor was appointed shall hold office for the remainder of that term. A member shall continue in office subsequent to the expiration of the member's term until a successor takes office or until sixty days have elapsed, whichever occurs first. No person shall be appointed to the board for more than two consecutive terms.

The governor, speaker, or president may remove a member for whom the governor, speaker, or president was the appointing authority, for misfeasance, malfeasance, or willful neglect of duty.

The governor shall designate a member of the board to serve as chairperson of the board.

The board shall meet at least once annually. The chairperson shall call special meetings as needed or upon the request of six members.

Six members of the board constitute a quorum to transact and vote on all business coming before the board.

Members of the board shall serve without compensation, ~~but shall be reimbursed for reasonable and necessary expenses incurred in the discharge of their duties.~~

The department of health shall provide the board with staff assistance as

requested by the board.

Sec. 3702.89. (A) An individual who ~~has~~ is not ~~received~~ receiving national health service corps tuition or student loan repayment assistance and meets one of the following requirements may apply for participation in the dentist loan repayment program:

(1) The applicant is a dental student enrolled in the final year of dental college.

(2) The applicant is a dental resident in the final year of residency.

(3) The applicant has been engaged in the practice of dentistry ~~in this state~~ for not more than three years prior to submitting the application.

(B) An application for participation in the dentist loan repayment program shall be submitted to the director of health on a form the director shall prescribe. The following information shall be included or supplied:

(1) The applicant's name, permanent address or address at which the applicant is currently residing if different from the permanent address, and telephone number;

(2) The dental college the applicant is attending or attended, dates of attendance, and verification of attendance;

(3) If the applicant is a dental resident, the facility or institution at which the dental residency is being performed;

(4) A summary and verification of the educational expenses for which the applicant seeks reimbursement under the program;

(5) If the applicant is a dentist, verification of the applicant's license issued under Chapter 4715. of the Revised Code to practice dentistry and proof of good standing;

(6) Verification of the applicant's United States citizenship or status as a legal alien.

Sec. 3702.92. There is hereby created the dentist loan repayment advisory board. The board shall consist of the following members:

(A) One member of the house of representatives, appointed by the speaker of the house of representatives;

(B) One member of the senate, appointed by the president of the senate;

(C) A representative of the board of regents, appointed by the chancellor;

(D) The director of health or an employee of the department of health designated by the director;

(E) Three representatives of the dental profession, appointed by the governor from persons nominated by the Ohio dental association.

The governor shall appoint the dental profession representatives not later than ninety days after ~~the effective date of this section~~ October 29,

~~2003~~. The terms of all members shall commence ninety-one days after ~~the effective date of this section~~ October 29, 2003. Of the initial appointments made by the governor, two shall serve a term of one year and one shall serve a term of two years. The initial appointment made by the speaker of the house of representatives shall be for a term of one year. The initial appointment made by the president of the senate shall be for a term of two years.

Vacancies shall be filled in the manner prescribed for the original appointment. A member appointed to fill a vacancy occurring prior to the expiration of the term for which the member's predecessor was appointed shall hold office for the remainder of that term. A member shall continue in office subsequent to the expiration of the member's term until a successor takes office or until sixty days have elapsed, whichever occurs first. No person shall be appointed to the board for more than two consecutive terms. Thereafter, terms of office shall be two years. Each member shall hold office from the date of appointment until the end of the term for which the member was appointed, except that a legislative member ceases to be a member of the board on ceasing to be a member of the general assembly.

The governor, speaker, or president may remove a member for whom the governor, speaker, or president was the appointing authority, for misfeasance, malfeasance, or willful neglect of duty.

The board shall designate a member to serve as chairperson of the board.

The board shall meet at least once annually. The chairperson shall call special meetings as needed or upon the request of ~~six~~ four members.

~~Six~~ Four members of the board constitute a quorum to transact and vote on all business coming before the board.

Members of the board shall serve without compensation, but may be reimbursed for reasonable and necessary expenses incurred in the discharge of their duties.

The department of health shall provide the board with staff assistance as requested by the board.

Sec. 5707.031. ~~(A)~~ As used in this section:

~~(1)~~ "Qualifying, "qualifying dealer in intangibles" has the same meaning as "qualifying dealer" in section 5725.24 of the Revised Code;

~~(2)~~ "Tax otherwise due" means the tax imposed on a qualifying dealer in intangibles under section 5707.03 and Chapter 5725. of the Revised Code reduced by the total amount of all other nonrefundable credits, if any, that the qualifying dealer in intangibles is entitled to claim.

~~(B)~~ Upon the issuance of a tax credit certificate by the Ohio venture

capital authority under section 150.07 of the Revised Code, a refundable credit may be claimed against the tax imposed on a qualifying dealer in intangibles under section 5707.03 and Chapter 5725. of the Revised Code. The credit shall be claimed on a return due under section 5725.14 of the Revised Code after the certificate is issued by the authority.

~~(C) If the qualifying dealer in intangibles elected a refundable credit under section 150.07 of the Revised Code and if the amount of the credit shown on the certificate does not exceed the tax otherwise due, then for the calendar year the qualifying dealer in intangibles shall claim a refundable credit equal to the amount of the credit shown on the certificate.~~

~~(D) If the qualifying dealer in intangibles elected a refundable credit under section 150.07 of the Revised Code, and if the amount of the refundable credit shown on the certificate exceeds the tax otherwise due, then for the calendar year the qualifying dealer in intangibles shall claim a refundable credit equal to the sum of the following:~~

~~(1) The amount, if any, of the tax otherwise due;~~

~~(2) Seventy five per cent of the difference between the amount of the refundable credit shown on the certificate and the tax otherwise due.~~

~~(E) If the qualifying dealer in intangibles elected a nonrefundable credit under section 150.07 of the Revised Code and if the nonrefundable credit to which the qualifying dealer in intangibles would otherwise be entitled under this section for any calendar year is greater than the tax otherwise due, the excess shall be allowed as a nonrefundable credit in each of the ensuing ten calendar years, but the amount of any excess nonrefundable credit allowed in the ensuing calendar year shall be deducted from the balance carried forward to the next calendar year.~~

Sec. 5725.19. (A) As used in this section, "tax otherwise due" means the tax imposed on a domestic insurance company under section 5725.18 of the Revised Code reduced by the total amount of all other nonrefundable credits, if any, that the domestic insurance company is entitled to claim.

~~(B) Upon the issuance of a tax credit certificate by the Ohio venture capital authority under section 150.07 of the Revised Code, a refundable credit may be claimed against the tax imposed on a domestic insurance company under section 5725.18 of the Revised Code. The credit shall be claimed in the calendar year specified in the certificate issued by the authority.~~

~~(C) If the company elected a refundable credit under section 150.07 of the Revised Code and if the amount of the credit shown on the certificate does not exceed the tax otherwise due, then for the calendar year the company shall claim a refundable credit equal to the amount of the credit~~

~~shown on the certificate.~~

~~(D) If the company elected a refundable credit under section 150.07 of the Revised Code, and the amount of the credit shown on the certificate exceeds the tax otherwise due, then for the calendar year the company shall claim a refundable credit equal to the sum of the following:~~

~~(1) The amount, if any, of the tax otherwise due;~~

~~(2) Seventy five per cent of the difference between the amount of the refundable credit shown on the certificate and the tax otherwise due.~~

~~(E) If the company elected a nonrefundable credit, the amount of the credit shown on the certificate shall not exceed the amount of tax otherwise due. If the company elected a nonrefundable credit and the credit to which the company would otherwise be entitled under this section for any calendar year is greater than the tax otherwise due, the excess shall be allowed as a nonrefundable credit in each of the ensuing ten calendar years, but the amount of any excess credit allowed in the ensuing calendar year shall be deducted from the balance carried forward to the next calendar year.~~

Sec. 5725.98. (A) To provide a uniform procedure for calculating the amount of tax imposed by section 5725.18 of the Revised Code that is due under this chapter, a taxpayer shall claim any credits and offsets against tax liability to which it is entitled in the following order:

(1) The credit for an insurance company or insurance company group under section 5729.031 of the Revised Code.

(2) The credit for eligible employee training costs under section 5725.31 of the Revised Code.

~~(3) The credit under section 5725.19 of the Revised Code for losses on loans made under the Ohio venture capital authority program under sections 150.01 to 150.10 of the Revised Code if the taxpayer elected a nonrefundable credit under section 150.07 of the Revised Code.~~

(4) The offset of assessments by the Ohio life and health insurance guaranty association permitted by section 3956.20 of the Revised Code.

~~(5)~~(4) The refundable credit for Ohio job creation under section 5725.32 of the Revised Code.

~~(6)~~(5) The refundable credit under section 5729.08 of the Revised Code for losses on loans made under the Ohio venture capital program under sections 150.01 to 150.10 of the Revised Code ~~if the taxpayer elected a refundable credit under section 150.07 of the Revised Code.~~

(B) For any credit except the credits enumerated in divisions (A)~~(5)~~(4) and ~~(6)~~(5) of this section, the amount of the credit for a taxable year shall not exceed the tax due after allowing for any other credit that precedes it in the order required under this section. Any excess amount of a particular

credit may be carried forward if authorized under the section creating that credit. Nothing in this chapter shall be construed to allow a taxpayer to claim, directly or indirectly, a credit more than once for a taxable year.

Sec. 5727.241. ~~(A)~~ As used in this section:

~~(1) "Tax otherwise due" means the tax imposed on a taxpayer under section 5727.24 of the Revised Code reduced by the total amount of all other nonrefundable credits, if any, that the taxpayer is entitled to claim.~~

~~(2) "Taxpayer", "taxpayer" means any person subject to the tax imposed by section 5727.24 of the Revised Code.~~

~~(B)~~ Upon the issuance of a tax credit certificate by the Ohio venture capital authority under section 150.07 of the Revised Code, a refundable credit may be claimed against the tax imposed on a taxpayer under section 5727.24 of the Revised Code. The credit shall be claimed on a return due under section 5727.25 of the Revised Code after the certificate is issued by the authority.

~~(C) If the taxpayer elected a refundable credit under section 150.07 of the Revised Code and if the amount of the credit shown on the certificate does not exceed the tax otherwise due, then for the calendar year the taxpayer shall claim a refundable credit equal to the amount of the credit shown on the certificate.~~

~~(D) If the taxpayer elected a refundable credit under section 150.07 of the Revised Code, and if the amount of the refundable credit shown on the certificate exceeds the tax otherwise due, then for the calendar year the taxpayer shall claim a refundable credit equal to the sum of the following:~~

~~(1) The amount, if any, of the tax otherwise due;~~

~~(2) Seventy five per cent of the difference between the amount of the refundable credit shown on the certificate and the tax otherwise due.~~

~~(E) If the taxpayer elected a nonrefundable credit under section 150.07 of the Revised Code and if the nonrefundable credit to which the taxpayer would otherwise be entitled under this section for any calendar year is greater than the tax otherwise due, the excess shall be allowed as a nonrefundable credit in each of the ensuing ten calendar years, but the amount of any excess nonrefundable credit allowed in the ensuing calendar year shall be deducted from the balance carried forward to the next calendar year.~~

Sec. 5729.08. ~~(A)~~ As used in this section, "tax otherwise due" means the tax imposed on a foreign insurance company under section 5729.03 of the Revised Code reduced by the total amount of all other nonrefundable credits, if any, that the foreign insurance company is entitled to claim.

~~(B)~~ Upon the issuance of a tax credit certificate by the Ohio venture

capital authority under section 150.07 of the Revised Code, a refundable credit may be claimed against the tax imposed on a foreign insurance company under section 5729.03 of the Revised Code. The credit shall be claimed in the calendar year specified in the certificate issued by the authority.

~~(C) If the company elected a refundable credit under section 150.07 of the Revised Code and if the amount of the credit shown on the certificate does not exceed the tax otherwise due, then for the calendar year the company shall claim a refundable credit equal to the amount of the credit shown on the certificate.~~

~~(D) If the company elected a refundable credit under section 150.07 of the Revised Code, and the amount of the credit shown on the certificate exceeds the tax otherwise due, then for the calendar year the company shall claim a refundable credit equal to the sum of the following:~~

~~(1) The amount, if any, of the tax otherwise due;~~

~~(2) Seventy five per cent of the difference between the amount of the refundable credit shown on the certificate and the tax otherwise due.~~

~~(E) If the company elected a nonrefundable credit, the amount of the credit shown on the certificate shall not exceed the amount of tax otherwise due. If the company elected a nonrefundable credit and the credit to which the company would otherwise be entitled under this section for any calendar year is greater than the tax otherwise due, the excess shall be allowed as a nonrefundable credit in each of the ensuing ten calendar years, but the amount of any excess credit allowed in the ensuing calendar year shall be deducted from the balance carried forward to the next calendar year.~~

Sec. 5729.98. (A) To provide a uniform procedure for calculating the amount of tax due under this chapter, a taxpayer shall claim any credits and offsets against tax liability to which it is entitled in the following order:

(1) The credit for an insurance company or insurance company group under section 5729.031 of the Revised Code.

(2) The credit for eligible employee training costs under section 5729.07 of the Revised Code.

~~(3) The credit under section 5729.08 of the Revised Code for losses on loans made under the Ohio venture capital program under sections 150.01 to 150.10 of the Revised Code if the taxpayer elected a nonrefundable credit under section 150.07 of the Revised Code.~~

(4) The offset of assessments by the Ohio life and health insurance guaranty association against tax liability permitted by section 3956.20 of the Revised Code.

~~(5)~~(4) The refundable credit for Ohio job creation under section

5729.032 of the Revised Code.

~~(6)(5)~~ The refundable credit under section 5729.08 of the Revised Code for losses on loans made under the Ohio venture capital program under sections 150.01 to 150.10 of the Revised Code ~~if the taxpayer elected a refundable credit under section 150.07 of the Revised Code.~~

(B) For any credit except the credits enumerated in divisions (A)~~(5)(4)~~ and ~~(6)(5)~~ of this section, the amount of the credit for a taxable year shall not exceed the tax due after allowing for any other credit that precedes it in the order required under this section. Any excess amount of a particular credit may be carried forward if authorized under the section creating that credit. Nothing in this chapter shall be construed to allow a taxpayer to claim, directly or indirectly, a credit more than once for a taxable year.

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

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

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

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

(E) For purposes of this chapter, any person, as defined in section 5701.01 of the Revised Code, shall be treated as a corporation if the person is classified for federal income tax purposes as an association taxable as a corporation, and an equity interest in the person shall be treated as capital stock of the person.

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

(1) A person's interest in a disregarded entity, whether held directly or indirectly, shall be treated as the person's ownership of the assets and liabilities of the disregarded entity, and the income, including gain or loss, shall be included in the person's net income under this chapter.

(2) Any sale, exchange, or other disposition of the person's interest in the disregarded entity, whether held directly or indirectly, shall be treated as a sale, exchange, or other disposition of the person's share of the disregarded entity's underlying assets or liabilities, and the gain or loss from such sale, exchange, or disposition shall be included in the person's net income under this chapter.

(3) The disregarded entity's payroll, property, and sales factors shall be included in the person's factors.

(G) The tax a corporation is required to pay under this chapter shall be as follows:

(1)(a) For financial institutions, the greater of the minimum payment required under division (E) of section 5733.06 of the Revised Code or the difference between all taxes charged the financial institution under this chapter, without regard to division (G)(2) of this section, less any credits allowable against such tax.

(b) A corporation satisfying the description in division (E)(5), (6), (7), (8), or (10) of section 5751.01 of the Revised Code that is not a financial institution, insurance company, or dealer in intangibles is subject to the taxes imposed under this chapter as a corporation and not subject to tax as a financial institution, and shall pay the greater of the minimum payment required under division (E) of section 5733.06 of the Revised Code or the difference between all the taxes charged under this chapter, without regard to division (G)(2) of this section, less any credits allowable against such tax.

(2) For all corporations other than those persons described in division (G)(1)(a) or (b) of this section, the amount under division (G)(2)(a) of this section applicable to the tax year specified less the amount under division

(G)(2)(b) of this section:

(a)(i) For tax year 2005, the greater of the minimum payment required under division (E) of section 5733.06 of the Revised Code or the difference between all taxes charged the corporation under this chapter and any credits allowable against such tax;

(ii) For tax year 2006, the greater of the minimum payment required under division (E) of section 5733.06 of the Revised Code or four-fifths of the difference between all taxes charged the corporation under this chapter and any credits allowable against such tax except the qualifying pass-through entity tax credit described in division (A)~~(30)(29)~~ and the refundable credits described in divisions (A)~~(31)(30)~~, ~~(32)(31)~~, ~~(33)(32)~~, and ~~(34)(33)~~ of section 5733.98 of the Revised Code;

(iii) For tax year 2007, the greater of the minimum payment required under division (E) of section 5733.06 of the Revised Code or three-fifths of the difference between all taxes charged the corporation under this chapter and any credits allowable against such tax except the qualifying pass-through entity tax credit described in division (A)~~(30)(29)~~ and the refundable credits described in divisions (A)~~(31)(30)~~, ~~(32)(31)~~, ~~(33)(32)~~, and ~~(34)(33)~~ of section 5733.98 of the Revised Code;

(iv) For tax year 2008, the greater of the minimum payment required under division (E) of section 5733.06 of the Revised Code or two-fifths of the difference between all taxes charged the corporation under this chapter and any credits allowable against such tax except the qualifying pass-through entity tax credit described in division (A)~~(30)(29)~~ and the refundable credits described in divisions (A)~~(31)(30)~~, ~~(32)(31)~~, ~~(33)(32)~~, and ~~(34)(33)~~ of section 5733.98 of the Revised Code;

(v) For tax year 2009, the greater of the minimum payment required under division (E) of section 5733.06 of the Revised Code or one-fifth of the difference between all taxes charged the corporation under this chapter and any credits allowable against such tax except the qualifying pass-through entity tax credit described in division (A)~~(30)(29)~~ and the refundable credits described in divisions (A)~~(31)(30)~~, ~~(32)(31)~~, and ~~(33)(32)~~ of section 5733.98 of the Revised Code;

(vi) For tax year 2010 and each tax year thereafter, no tax.

(b) A corporation shall subtract from the amount calculated under division (G)(2)(a)(ii), (iii), (iv), or (v) of this section any qualifying pass-through entity tax credit described in division (A)~~(30)(29)~~ and any refundable credits described in divisions (A)~~(31)(30)~~, ~~(32)(31)~~, ~~(33)(32)~~, and ~~(34)(33)~~ of section 5733.98 of the Revised Code to which the corporation is entitled. Any unused qualifying pass-through entity tax credit is not

refundable.

(c) For the purposes of computing the amount of a credit that may be carried forward to a subsequent tax year under division (G)(2) of this section, a credit is utilized against the tax for a tax year to the extent the credit applies against the tax for that tax year, even if the difference is then multiplied by the applicable fraction under division (G)(2)(a) of this section.

(3) Nothing in division (G) of this section eliminates or reduces the tax imposed by section 5733.41 of the Revised Code on a qualifying pass-through entity.

Sec. 5733.49. ~~(A)~~ Upon the issuance of a tax credit certificate by the Ohio venture capital authority under section 150.07 of the Revised Code, a refundable credit may be claimed against the tax imposed by section 5733.06 of the Revised Code. The credit shall be claimed for the tax year specified in the certificate issued by the authority and in the order required under section 5733.98 of the Revised Code.

~~(B) If the taxpayer elected a refundable credit under section 150.07 of the Revised Code and the amount of the credit shown on the certificate does not exceed the tax otherwise due under sections 5733.06, 5733.065, and 5733.066 of the Revised Code after all nonrefundable credits are deducted, then the taxpayer shall claim a refundable credit equal to the amount of the credit shown on the certificate.~~

~~(C) If the taxpayer elected a refundable credit under section 150.07 of the Revised Code, and the amount of the credit shown on the certificate exceeds the tax otherwise due under sections 5733.06, 5733.065, and 5733.066 of the Revised Code after all nonrefundable credits are deducted, the taxpayer shall claim a refundable credit equal to the sum of the following:~~

~~(1) The amount, if any, of the tax otherwise due under sections 5733.06, 5733.065, and 5733.066 of the Revised Code after all nonrefundable credits are deducted;~~

~~(2) Seventy five per cent of the difference between the amount of the refundable credit shown on the certificate and the tax otherwise due under sections 5733.06, 5733.065, and 5733.066 of the Revised Code after all nonrefundable credits are deducted.~~

~~(D) If the taxpayer elected a nonrefundable credit and the credit to which the taxpayer would otherwise be entitled under this section for any tax year is greater than the tax otherwise due under sections 5733.06, 5733.065, and 5733.066 of the Revised Code, after allowing for any other credits that, under section 5733.98 of the Revised Code, precede the credit allowed under this section, the excess shall be allowed as a nonrefundable~~

~~credit in each of the ensuing ten tax years, but the amount of any excess credit allowed in the ensuing tax year shall be deducted from the balance carried forward to the next tax year.~~

Sec. 5733.98. (A) To provide a uniform procedure for calculating the amount of tax imposed by section 5733.06 of the Revised Code that is due under this chapter, a taxpayer shall claim any credits to which it is entitled in the following order, except as otherwise provided in section 5733.058 of the Revised Code:

(1) For tax year 2005, the credit for taxes paid by a qualifying pass-through entity allowed under section 5733.0611 of the Revised Code;

(2) The credit allowed for financial institutions under section 5733.45 of the Revised Code;

(3) The credit for qualifying affiliated groups under section 5733.068 of the Revised Code;

(4) The subsidiary corporation credit under section 5733.067 of the Revised Code;

(5) The savings and loan assessment credit under section 5733.063 of the Revised Code;

(6) The credit for recycling and litter prevention donations under section 5733.064 of the Revised Code;

(7) The credit for employers that enter into agreements with child day-care centers under section 5733.36 of the Revised Code;

(8) The credit for employers that reimburse employee child care expenses under section 5733.38 of the Revised Code;

(9) The credit for maintaining railroad active grade crossing warning devices under section 5733.43 of the Revised Code;

(10) The credit for purchases of lights and reflectors under section 5733.44 of the Revised Code;

(11) The job retention credit under division (B) of section 5733.0610 of the Revised Code;

~~(12) The credit for losses on loans made under the Ohio venture capital program under sections 150.01 to 150.10 of the Revised Code if the taxpayer elected a nonrefundable credit under section 150.07 of the Revised Code;~~

~~(13)~~ The credit for purchases of new manufacturing machinery and equipment under section 5733.31 or section 5733.311 of the Revised Code;

~~(14)~~(13) The second credit for purchases of new manufacturing machinery and equipment under section 5733.33 of the Revised Code;

~~(15)~~(14) The job training credit under section 5733.42 of the Revised Code;

~~(16)~~(15) The credit for qualified research expenses under section 5733.351 of the Revised Code;

~~(17)~~(16) The enterprise zone credit under section 5709.66 of the Revised Code;

~~(18)~~(17) The credit for the eligible costs associated with a voluntary action under section 5733.34 of the Revised Code;

~~(19)~~(18) The credit for employers that establish on-site child day-care centers under section 5733.37 of the Revised Code;

~~(20)~~(19) The ethanol plant investment credit under section 5733.46 of the Revised Code;

~~(21)~~(20) The credit for purchases of qualifying grape production property under section 5733.32 of the Revised Code;

~~(22)~~(21) The export sales credit under section 5733.069 of the Revised Code;

~~(23)~~(22) The credit for research and development and technology transfer investors under section 5733.35 of the Revised Code;

~~(24)~~(23) The enterprise zone credits under section 5709.65 of the Revised Code;

~~(25)~~(24) The credit for using Ohio coal under section 5733.39 of the Revised Code;

~~(26)~~(25) The credit for small telephone companies under section 5733.57 of the Revised Code;

~~(27)~~(26) The credit for eligible nonrecurring 9-1-1 charges under section 5733.55 of the Revised Code;

~~(28)~~(27) For tax year 2005, the credit for providing programs to aid the communicatively impaired under division (A) of section 5733.56 of the Revised Code;

~~(29)~~(28) The research and development credit under section 5733.352 of the Revised Code;

~~(30)~~(29) For tax years 2006 and subsequent tax years, the credit for taxes paid by a qualifying pass-through entity allowed under section 5733.0611 of the Revised Code;

~~(31)~~(30) The refundable jobs creation credit under division (A) of section 5733.0610 of the Revised Code;

~~(32)~~(31) The refundable credit for tax withheld under division (B)(2) of section 5747.062 of the Revised Code;

~~(33)~~(32) The refundable credit under section 5733.49 of the Revised Code for losses on loans made to the Ohio venture capital program under sections 150.01 to 150.10 of the Revised Code ~~if the taxpayer elected a refundable credit under section 150.07 of the Revised Code;~~

~~(34)~~(33) For tax years 2006, 2007, and 2008, the refundable credit allowable under division (B) of section 5733.56 of the Revised Code.

(B) For any credit except the credits enumerated in divisions (A)~~(31)~~(30), ~~(32)~~(31), ~~(33)~~(32), and ~~(34)~~(33) of this section, the amount of the credit for a tax year shall not exceed the tax due after allowing for any other credit that precedes it in the order required under this section. Any excess amount of a particular credit may be carried forward if authorized under the section creating that credit.

Sec. 5747.80. ~~(A)~~ Upon the issuance of a tax credit certificate by the Ohio venture capital authority under section 150.07 of the Revised Code, a refundable credit may be claimed against the tax imposed by section 5747.02 of the Revised Code. The credit shall be claimed for the taxable year specified in the certificate issued by the authority and in the order required under section 5747.98 of the Revised Code.

~~(B) If the taxpayer elected a refundable credit under section 150.07 of the Revised Code and the amount of the credit shown on the certificate does not exceed the tax otherwise due under section 5747.02 of the Revised Code after all nonrefundable credits are deducted, then the taxpayer shall claim a refundable credit equal to the amount of the credit shown on the certificate.~~

~~(C) If the taxpayer elected a refundable credit under section 150.07 of the Revised Code, and the amount of the credit shown on the certificate exceeds the tax otherwise due under section 5747.02 of the Revised Code after all nonrefundable credits are deducted, the taxpayer shall claim a refundable credit equal to the sum of the following:~~

~~(1) The amount, if any, of the tax otherwise due under section 5747.02 of the Revised Code after all nonrefundable credits are deducted;~~

~~(2) Seventy five per cent of the difference between the amount of the refundable credit shown on the certificate and the tax otherwise due under section 5747.02 of the Revised Code after all nonrefundable credits are deducted.~~

~~(D) If the taxpayer elected a nonrefundable credit and the credit to which the taxpayer would otherwise be entitled under this section for any taxable year is greater than the tax otherwise due under section 5747.02 of the Revised Code, after allowing for any other credits that, under section 5747.98 of the Revised Code, precede the credit allowed under this section, the excess shall be allowed as a nonrefundable credit in each of the ensuing ten taxable years, but the amount of any excess credit allowed in the ensuing taxable year shall be deducted from the balance carried forward to the next taxable year.~~

Sec. 5747.98. (A) To provide a uniform procedure for calculating the

amount of tax due under section 5747.02 of the Revised Code, a taxpayer shall claim any credits to which the taxpayer is entitled in the following order:

- (1) The retirement income credit under division (B) of section 5747.055 of the Revised Code;
- (2) The senior citizen credit under division (C) of section 5747.05 of the Revised Code;
- (3) The lump sum distribution credit under division (D) of section 5747.05 of the Revised Code;
- (4) The dependent care credit under section 5747.054 of the Revised Code;
- (5) The lump sum retirement income credit under division (C) of section 5747.055 of the Revised Code;
- (6) The lump sum retirement income credit under division (D) of section 5747.055 of the Revised Code;
- (7) The lump sum retirement income credit under division (E) of section 5747.055 of the Revised Code;
- (8) The low-income credit under section 5747.056 of the Revised Code;
- (9) The credit for displaced workers who pay for job training under section 5747.27 of the Revised Code;
- (10) The campaign contribution credit under section 5747.29 of the Revised Code;
- (11) The twenty-dollar personal exemption credit under section 5747.022 of the Revised Code;
- (12) The joint filing credit under division (G) of section 5747.05 of the Revised Code;
- (13) The nonresident credit under division (A) of section 5747.05 of the Revised Code;
- (14) The credit for a resident's out-of-state income under division (B) of section 5747.05 of the Revised Code;
- (15) The credit for employers that enter into agreements with child day-care centers under section 5747.34 of the Revised Code;
- (16) The credit for employers that reimburse employee child care expenses under section 5747.36 of the Revised Code;
- (17) The credit for adoption of a minor child under section 5747.37 of the Revised Code;
- (18) The credit for purchases of lights and reflectors under section 5747.38 of the Revised Code;
- (19) The job retention credit under division (B) of section 5747.058 of the Revised Code;

~~(20) The credit for losses on loans made under the Ohio venture capital program under sections 150.01 to 150.10 of the Revised Code if the taxpayer elected a nonrefundable credit under section 150.07 of the Revised Code;~~

~~(21)~~ The credit for purchases of new manufacturing machinery and equipment under section 5747.26 or section 5747.261 of the Revised Code;

~~(22)~~(21) The second credit for purchases of new manufacturing machinery and equipment and the credit for using Ohio coal under section 5747.31 of the Revised Code;

~~(23)~~(22) The job training credit under section 5747.39 of the Revised Code;

~~(24)~~(23) The enterprise zone credit under section 5709.66 of the Revised Code;

~~(25)~~(24) The credit for the eligible costs associated with a voluntary action under section 5747.32 of the Revised Code;

~~(26)~~(25) The credit for employers that establish on-site child day-care centers under section 5747.35 of the Revised Code;

~~(27)~~(26) The ethanol plant investment credit under section 5747.75 of the Revised Code;

~~(28)~~(27) The credit for purchases of qualifying grape production property under section 5747.28 of the Revised Code;

~~(29)~~(28) The export sales credit under section 5747.057 of the Revised Code;

~~(30)~~(29) The credit for research and development and technology transfer investors under section 5747.33 of the Revised Code;

~~(31)~~(30) The enterprise zone credits under section 5709.65 of the Revised Code;

~~(32)~~(31) The research and development credit under section 5747.331 of the Revised Code;

~~(33)~~(32) The refundable jobs creation credit under division (A) of section 5747.058 of the Revised Code;

~~(34)~~(33) The refundable credit for taxes paid by a qualifying entity granted under section 5747.059 of the Revised Code;

~~(35)~~(34) The refundable credits for taxes paid by a qualifying pass-through entity granted under division (J) of section 5747.08 of the Revised Code;

~~(36)~~(35) The refundable credit for tax withheld under division (B)(1) of section 5747.062 of the Revised Code;

~~(37)~~(36) The refundable credit under section 5747.80 of the Revised Code for losses on loans made to the Ohio venture capital program under

sections 150.01 to 150.10 of the Revised Code ~~if the taxpayer elected a refundable credit under section 150.07 of the Revised Code.~~

(B) For any credit, except the credits enumerated in divisions (A)~~(33)~~(32) to ~~(37)~~(36) of this section and the credit granted under division (I) of section 5747.08 of the Revised Code, the amount of the credit for a taxable year shall not exceed the tax due after allowing for any other credit that precedes it in the order required under this section. Any excess amount of a particular credit may be carried forward if authorized under the section creating that credit. Nothing in this chapter shall be construed to allow a taxpayer to claim, directly or indirectly, a credit more than once for a taxable year.

Sec. 5751.20. (A) As used in sections 5751.20 to 5751.22 of the Revised Code:

(1) "School district," "joint vocational school district," "local taxing unit," "state education aid," "recognized valuation," "fixed-rate levy," and "fixed-sum levy" have the same meanings as used in section 5727.84 of the Revised Code.

(2) "State education aid offset" means the amount determined for each school district or joint vocational school district under division (A)(1) of section 5751.21 of the Revised Code.

(3) "Machinery and equipment property tax value loss" means the amount determined under division (C)(1) of this section.

(4) "Inventory property tax value loss" means the amount determined under division (C)(2) of this section.

(5) "Furniture and fixtures property tax value loss" means the amount determined under division (C)(3) of this section.

(6) "Machinery and equipment fixed-rate levy loss" means the amount determined under division (D)(1) of this section.

(7) "Inventory fixed-rate levy loss" means the amount determined under division (D)(2) of this section.

(8) "Furniture and fixtures fixed-rate levy loss" means the amount determined under division (D)(3) of this section.

(9) "Total fixed-rate levy loss" means the sum of the machinery and equipment fixed-rate levy loss, the inventory fixed-rate levy loss, the furniture and fixtures fixed-rate levy loss, and the telephone company fixed-rate levy loss.

(10) "Fixed-sum levy loss" means the amount determined under division (E) of this section.

(11) "Machinery and equipment" means personal property subject to the assessment rate specified in division (F) of section 5711.22 of the Revised

Code.

(12) "Inventory" means personal property subject to the assessment rate specified in division (E) of section 5711.22 of the Revised Code.

(13) "Furniture and fixtures" means personal property subject to the assessment rate specified in division (G) of section 5711.22 of the Revised Code.

(14) "Qualifying levies" are levies in effect for tax year 2004 or applicable to tax year 2005 or approved at an election conducted before September 1, 2005. For the purpose of determining the rate of a qualifying levy authorized by section 5705.212 or 5705.213 of the Revised Code, the rate shall be the rate that would be in effect for tax year 2010.

(15) "Telephone property" means tangible personal property of a telephone, telegraph, or interexchange telecommunications company subject to an assessment rate specified in section 5727.111 of the Revised Code in tax year 2004.

(16) "Telephone property tax value loss" means the amount determined under division (C)(4) of this section.

(17) "Telephone property fixed-rate levy loss" means the amount determined under division (D)(4) of this section.

(B) The commercial activities tax receipts fund is hereby created in the state treasury and shall consist of money arising from the tax imposed under this chapter. All money in that fund shall be credited for each fiscal year in the following percentages to the general revenue fund, to the school district tangible property tax replacement fund, which is hereby created in the state treasury for the purpose of making the payments described in section 5751.21 of the Revised Code, and to the local government tangible property tax replacement fund, which is hereby created in the state treasury for the purpose of making the payments described in section 5751.22 of the Revised Code, in the following percentages:

| Fiscal year | General Revenue Fund | School District Tangible Property Tax Replacement Fund | Local Government Tangible Property Tax Replacement Fund |
|-------------|----------------------|--|---|
| 2006 | 67.7% | 22.6% | 9.7% |
| 2007 | 0% | 70.0% | 30.0% |
| 2008 | 0% | 70.0% | 30.0% |
| 2009 | 0% | 70.0% | 30.0% |
| 2010 | 0% | 70.0% | 30.0% |

| | | | |
|---------------------|-------|-------|-------|
| 2011 | 0% | 70.0% | 30.0% |
| 2012 | 5.3% | 70.0% | 24.7% |
| 2013 | 19.4% | 70.0% | 10.6% |
| 2014 | 14.1% | 70.0% | 15.9% |
| 2015 | 17.6% | 70.0% | 12.4% |
| 2016 | 21.1% | 70.0% | 8.9% |
| 2017 | 24.6% | 70.0% | 5.4% |
| 2018 | 28.1% | 70.0% | 1.9% |
| 2019 and thereafter | 100% | 0% | 0% |

(C) Not later than September 15, 2005, the tax commissioner shall determine for each school district, joint vocational school district, and local taxing unit its machinery and equipment, inventory property, furniture and fixtures property, and telephone property tax value losses, which are the applicable amounts described in divisions (C)(1), (2), (3), and (4) of this section, except as provided in division (C)(5) of this section:

(1) Machinery and equipment property tax value loss is the taxable value of machinery and equipment property as reported by taxpayers for tax year 2004 multiplied by:

- (a) For tax year 2006, thirty-three and eight-tenths per cent;
- (b) For tax year 2007, sixty-one and three-tenths per cent;
- (c) For tax year 2008, eighty-three per cent;
- (d) For tax year 2009 and thereafter, one hundred per cent.

(2) Inventory property tax value loss is the taxable value of inventory property as reported by taxpayers for tax year 2004 multiplied by:

- (a) For tax year 2006, a fraction, the numerator of which is five and three-fourths and the denominator of which is twenty-three;
- (b) For tax year 2007, a fraction, the numerator of which is nine and one-half and the denominator of which is twenty-three;
- (c) For tax year 2008, a fraction, the numerator of which is thirteen and one-fourth and the denominator of which is twenty-three;
- (d) For tax year 2009 and thereafter a fraction, the numerator of which is seventeen and the denominator of which is twenty-three.

(3) Furniture and fixtures property tax value loss is the taxable value of furniture and fixture property as reported by taxpayers for tax year 2004 multiplied by:

- (a) For tax year 2006, twenty-five per cent;
- (b) For tax year 2007, fifty per cent;
- (c) For tax year 2008, seventy-five per cent;
- (d) For tax year 2009 and thereafter, one hundred per cent.

The taxable value of property reported by taxpayers used in divisions (C)(1), (2), and (3) of this section shall be such values as determined to be final by the tax commissioner as of August 31, 2005. Such determinations shall be final except for any correction of a clerical error that was made prior to August 31, 2005, by the tax commissioner.

(4) Telephone property tax value loss is the taxable value of telephone property as taxpayers would have reported that property for tax year 2004 if the assessment rate for all telephone property for that year were twenty-five per cent, multiplied by:

- (a) For tax year 2006, zero per cent;
- (b) For tax year 2007, zero per cent;
- (c) For tax year 2008, zero per cent;
- (d) For tax year 2009, sixty per cent;
- (e) For tax year 2010, eighty per cent;
- (f) For tax year 2011 and thereafter, one hundred per cent.

(5) Division (C)(5) of this section applies to any school district, joint vocational school district, or local taxing unit in a county in which is located a facility currently or formerly devoted to the enrichment or commercialization of uranium or uranium products, and for which the total taxable value of property listed on the general tax list of personal property for any tax year from tax year 2001 to tax year 2004 was fifty per cent or less of the taxable value of such property listed on the general tax list of personal property for the next preceding tax year.

In computing the ~~property tax value~~ fixed-rate levy losses under divisions ~~(C)(D)~~(1), (2), and (3) of this section for any school district, joint vocational school district, or local taxing unit to which division (C)(5) of this section applies, the taxable value of such property as listed on the general tax list of personal property for tax year 2000 shall be substituted for the taxable value of such property as reported by taxpayers for tax year 2004, in the taxing district containing the uranium facility, if the taxable value listed for tax year 2000 is greater than the taxable value reported by taxpayers for tax year 2004. For the purpose of making the computations under divisions ~~(C)(D)~~(1), (2), and (3) of this section, the tax year 2000 valuation is to be allocated to machinery and equipment, inventory, and furniture and fixtures property in the same proportions as the tax year 2004 values. For the purpose of the calculations in division (A) of section 5751.21 of the Revised Code, the tax year 2004 taxable values shall be used.

To facilitate the calculations required under division (C) of this section, the county auditor, upon request from the tax commissioner, shall provide by August 1, 2005, the values of machinery and equipment, inventory, and

furniture and fixtures for all single-county personal property taxpayers for tax year 2004.

(D) Not later than September 15, 2005, the tax commissioner shall determine for each tax year from 2006 through 2009 for each school district, joint vocational school district, and local taxing unit its machinery and equipment, inventory, and furniture and fixtures fixed-rate levy losses, and for each tax year from 2006 through 2011 its telephone property fixed-rate levy loss, which are the applicable amounts described in divisions (D)(1), (2), (3), and (4) of this section:

(1) The machinery and equipment fixed-rate levy loss is the machinery and equipment property tax value loss multiplied by the sum of the tax rates of fixed-rate qualifying levies.

(2) The inventory fixed-rate loss is the inventory property tax value loss multiplied by the sum of the tax rates of fixed-rate qualifying levies.

(3) The furniture and fixtures fixed-rate levy loss is the furniture and fixture property tax value loss multiplied by the sum of the tax rates of fixed-rate qualifying levies.

(4) The telephone property fixed-rate levy loss is the telephone property tax value loss multiplied by the sum of the tax rates of fixed-rate qualifying levies.

(E) Not later than September 15, 2005, the tax commissioner shall determine for each school district, joint vocational school district, and local taxing unit its fixed-sum levy loss. The fixed-sum levy loss is the amount obtained by subtracting the amount described in division (E)(2) of this section from the amount described in division (E)(1) of this section:

(1) The sum of the machinery and equipment property tax value loss, the inventory property tax value loss, and the furniture and fixtures property tax value loss, and, for 2008 through 2017 the telephone property tax value loss of the district or unit multiplied by the sum of the fixed-sum tax rates of qualifying levies. For 2006 through 2010, this computation shall include all qualifying levies remaining in effect for the current tax year and any school district emergency levies that are qualifying levies not remaining in effect for the current year. For 2011 through 2017, this computation shall include only qualifying levies remaining in effect for the current year. For purposes of this computation, a qualifying school district emergency levy remains in effect in a year after 2010 only if, for that year, the board of education levies a school district emergency levy for an annual sum at least equal to the annual sum levied by the board in tax year 2004 less the amount of the payment certified under this division for 2006.

(2) The total taxable value in tax year 2004 less the sum of the

machinery and equipment, inventory, furniture and fixtures, and telephone property tax value losses in each school district, joint vocational school district, and local taxing unit multiplied by one-half of one mill per dollar.

(3) For the calculations in divisions (E)(1) and (2) of this section, the tax value losses are those that would be calculated for tax year 2009 under divisions (C)(1), (2), and (3) of this section and for tax year 2011 under division (C)(4) of this section.

(4) To facilitate the calculation under divisions (D) and (E) of this section, not later than September 1, 2005, any school district, joint vocational school district, or local taxing unit that has a qualifying levy that was approved at an election conducted during 2005 before September 1, 2005, shall certify to the tax commissioner a copy of the county auditor's certificate of estimated property tax millage for such levy as required under division (B) of section 5705.03 of the Revised Code, which is the rate that shall be used in the calculations under such divisions.

If the amount determined under division (E) of this section for any school district, joint vocational school district, or local taxing unit is greater than zero, that amount shall equal the reimbursement to be paid pursuant to division (D) of section 5751.21 or division (A)(3) of section 5751.22 of the Revised Code, and the one-half of one mill that is subtracted under division (E)(2) of this section shall be apportioned among all contributing fixed-sum levies in the proportion that each levy bears to the sum of all fixed-sum levies within each school district, joint vocational school district, or local taxing unit.

(F) Not later than October 1, 2005, the tax commissioner shall certify to the department of education for every school district and joint vocational school district the machinery and equipment, inventory, furniture and fixtures, and telephone property tax value losses determined under division (C) of this section, the machinery and equipment, inventory, furniture and fixtures, and telephone fixed-rate levy losses determined under division (D) of this section, and the fixed-sum levy losses calculated under division (E) of this section. The calculations under divisions (D) and (E) of this section shall separately display the levy loss for each levy eligible for reimbursement.

(G) Not later than October 1, 2005, the tax commissioner shall certify the amount of the fixed-sum levy losses to the county auditor of each county in which a school district, joint vocational school district, or local taxing unit with a fixed-sum levy loss reimbursement has territory.

Sec. 5751.21. (A) Not later than the thirty-first day of July of 2007 through 2017, the department of education shall determine the following for

each school district and each joint vocational school district eligible for payment under division (B) of this section:

(1) The state education aid offset, which is the difference obtained by subtracting the amount described in division (A)(1)(b) of this section from the amount described in division (A)(1)(a) of this section:

(a) The state education aid computed for the school district or joint vocational school district for the current fiscal year as of the thirty-first day of July;

(b) The state education aid that would be computed for the school district or joint vocational school district for the current fiscal year as of the thirty-first day of July if the recognized valuation included the machinery and equipment, inventory, furniture and fixtures, and telephone property tax value losses for the school district or joint vocational school district for the second preceding tax year.

(2) The greater of zero or the difference obtained by subtracting the state education aid offset determined under division (A)(1) of this section from the sum of the machinery and equipment fixed-rate levy loss, the inventory fixed-rate levy loss, furniture and fixtures fixed-rate levy loss, and telephone property fixed-rate levy loss certified under division (F) of section 5751.20 of the Revised Code for all taxing districts in each school district and joint vocational school district for the second preceding tax year.

By the fifth day of August of each such year, the department of education shall certify the amount so determined under division (A)(1) of this section to the director of budget and management.

(B) The department of education shall pay from the school district tangible property tax replacement fund to each school district and joint vocational school district all of the following for fixed-rate levy losses certified under division (F) of section 5751.20 of the Revised Code:

(1) On or before May 31, 2006, one-seventh of the total fixed-rate levy loss for tax year 2006;

(2) On or before August 31, 2006, and October 31, 2006, one-half of six-sevenths of the total fixed-rate levy loss for tax year 2006;

(3) On or before May 31, 2007, one-seventh of the total fixed-rate levy loss for tax year 2007;

(4) On or before August 31, 2007, and October 31, 2007, forty-three per cent of the amount determined under division (A)(2) of this section for fiscal year 2008, but not less than zero, plus one-half of six-sevenths of the difference between the total fixed-rate levy loss for tax year 2007 and the total fixed-rate levy loss for tax year 2006.

(5) On or before May 31, 2008, fourteen per cent of the amount

determined under division (A)(2) of this section for fiscal year 2008, but not less than zero, plus one-seventh of the difference between the total fixed-rate levy loss for tax year 2008 and the total fixed-rate levy loss for tax year 2006.

(6) On or before August 31, 2008, and October 31, 2008, forty-three per cent of the amount determined under division (A)(2) of this section for fiscal year 2009, but not less than zero, plus one-half of six-sevenths of the difference between the total fixed-rate levy loss in tax year 2008 and the total fixed-rate levy loss in tax year 2007.

(7) On or before May 31, 2009, fourteen per cent of the amount determined under division (A)(2) of this section for fiscal year 2009, but not less than zero, plus one-seventh of the difference between the total fixed-rate levy loss for tax year 2009 and the total fixed-rate levy loss for tax year 2007.

(8) On or before August 31, 2009, and October 31, 2009, forty-three per cent of the amount determined under division (A)(2) of this section for fiscal year 2010, but not less than zero, plus one-half of six-sevenths of the difference between the total fixed-rate levy loss in tax year 2009 and the total fixed-rate levy loss in tax year 2008.

(9) On or before May 31, 2010, fourteen per cent of the amount determined under division (A)(2) of this section for fiscal year 2010, but not less than zero, plus one-seventh of the difference between the total fixed-rate levy loss in tax year 2010 and the total fixed-rate levy loss in tax year 2008.

(10) On or before August 31, 2010, and October 31, 2010, one-third of the amount determined under division (A)(2) of this section for fiscal year 2011, but not less than zero, plus one-half of six-sevenths of the difference between the telephone property fixed-rate levy loss for tax year 2010 and the telephone property fixed-rate levy loss for tax year 2009.

(11) On or before May 31, 2011, fourteen per cent of the amount determined under division (A)(2) of this section for fiscal year 2011, but not less than zero, plus one-seventh of the difference between the telephone property fixed-rate levy loss for tax year 2011 and the telephone property fixed-rate levy loss for tax year 2009.

(12) On or before August 31, 2011, October 31, 2011, and May 31, 2012, the amount determined under division (A)(2) of this section multiplied by a fraction, the numerator of which is fourteen and the denominator of which is seventeen, but not less than zero, multiplied by one-third, plus one-half of six-sevenths of the difference between the telephone property fixed-rate levy loss for tax year 2011 and the telephone property fixed-rate

levy loss for tax year 2010.

(13) On or before May 31, 2012, fourteen per cent of the amount determined under division (A)(2) of this section for fiscal year 2012, multiplied by a fraction, the numerator of which is fourteen and the denominator of which is seventeen, plus one-seventh of the difference between the telephone property fixed-rate levy loss for tax year 2011 and the telephone property fixed-rate levy loss for tax year 2010.

(14) On or before August 31, 2012, October 31, 2012, and May 31, 2013, the amount determined under division (A)(2) of this section multiplied by a fraction, the numerator of which is eleven and the denominator of which is seventeen, but not less than zero, multiplied by one-third.

(15) On or before August 31, 2013, October 31, 2013, and May 31, 2014, the amount determined under division (A)(2) of this section multiplied by a fraction, the numerator of which is nine and the denominator of which is seventeen, but not less than zero, multiplied by one-third.

(16) On or before August 31, 2014, October 31, 2014, and May 31, 2015, the amount determined under division (A)(2) of this section multiplied by a fraction, the numerator of which is seven and the denominator of which is seventeen, but not less than zero, multiplied by one-third.

(17) On or before August 31, 2015, October 31, 2015, and May 31, 2016, the amount determined under division (A)(2) of this section multiplied by a fraction, the numerator of which is five and the denominator of which is seventeen, but not less than zero, multiplied by one-third.

(18) On or before August 31, 2016, October 31, 2016, and May 31, 2017, the amount determined under division (A)(2) of this section multiplied by a fraction, the numerator of which is three and the denominator of which is seventeen, but not less than zero, multiplied by one-third.

(19) On or before August 31, 2017, October 31, 2017, and May 31, 2018, the amount determined under division (A)(2) of this section multiplied by a fraction, the numerator of which is one and the denominator of which is seventeen, but not less than zero, multiplied by one-third.

(20) After May 31, 2018, no payments shall be made under this section.

The department of education shall report to each school district and joint vocational school district the apportionment of the payments among the school district's or joint vocational school district's funds based on the certifications under division (F) of section 5751.20 of the Revised Code.

Any qualifying levy that is a fixed-rate levy that is not applicable to a tax year after 2010 does not qualify for any reimbursement after the tax year to which it is last applicable.

(C) For taxes levied within the ten-mill limitation for debt purposes in

tax year 2005, payments shall be made equal to one hundred per cent of the loss computed as if the tax were a fixed-rate levy, but those payments shall extend from fiscal year 2006 through fiscal year 2018, as long as the qualifying levy continues to be used for debt purposes. If the purpose of such a qualifying levy is changed, that levy becomes subject to the payments determined in division (B) of this section.

(D)(1) Not later than January 1, 2006, for each fixed-sum levy of each school district or joint vocational school district and for each year for which a determination is made under division (F) of section 5751.20 of the Revised Code that a fixed-sum levy loss is to be reimbursed, the tax commissioner shall certify to the department of education the fixed-sum levy loss determined under that division. The certification shall cover a time period sufficient to include all fixed-sum levies for which the commissioner made such a determination. The department shall pay from the school district property tax replacement fund to the school district or joint vocational school district one-third of the fixed-sum levy loss so certified for each year on or before the last day of May, August, and October of the current year.

(2) Beginning in 2006, by the first day of January of each year, the tax commissioner shall review the certification originally made under division (D)(1) of this section. If the commissioner determines that a debt levy that had been scheduled to be reimbursed in the current year has expired, a revised certification for that and all subsequent years shall be made to the department of education.

(E) Beginning in September 2007 and through June 2018, the director of budget and management shall transfer from the school district tangible property tax replacement fund to the general revenue fund each of the following:

(1) On the first day of September, the lesser of one-fourth of the amount certified for that fiscal year under division (A)(1) of this section or the balance in the school district tangible property tax replacement fund;

(2) On the first day of December, the lesser of one-fourth of the amount certified for that fiscal year under division (A)(1) of this section or the balance in the school district tangible property tax replacement fund;

(3) On the first day of March, the lesser of one-fourth of the amount certified for that fiscal year under division (A)(1) of this section or the balance in the school district tangible property tax replacement fund;

(4) On the first day of June, the lesser of one-fourth of the amount certified for that fiscal year under division (A)(1) of this section or the balance in the school district tangible property tax replacement fund.

(F) For each of the fiscal years 2006 through 2018, if the total amount in

the school district tangible property tax replacement fund is insufficient to make all payments under divisions (B), (C), and (D) of this section at the times the payments are to be made, the director of budget and management shall transfer from the general revenue fund to the school district tangible property tax replacement fund the difference between the total amount to be paid and the amount in the school district tangible property tax replacement fund. For each fiscal year after 2018, at the time payments under division (D) of this section are to be made, the director of budget and management shall transfer from the general revenue fund to the school district property tax replacement fund the amount necessary to make such payments.

(G) On the fifteenth day of June of 2006 through 2011, the director of budget and management may transfer any balance in the school district tangible property tax replacement fund to the general revenue fund. At the end of fiscal years 2012 through 2018, any balance in the school district tangible property tax replacement fund shall remain in the fund to be used in future fiscal years for school purposes.

(H) If all of the territory of a school district or joint vocational school district is merged with another district, or if a part of the territory of a school district or joint vocational school district is transferred to an existing or newly created district, the department of education, in consultation with the tax commissioner, shall adjust the payments made under this section as follows:

(1) For a merger of two or more districts, the machinery and equipment, inventory, furniture and fixtures, and telephone property fixed-rate levy losses and the fixed-sum levy losses of the successor district shall be equal to the sum of the machinery and equipment, inventory, furniture and fixtures, and telephone property fixed-rate levy losses and debt levy losses as determined in section 5751.20 of the Revised Code, for each of the districts involved in the merger.

(2) If property is transferred from one district to a previously existing district, the amount of machinery and equipment, inventory, furniture and fixtures, and telephone property tax value losses and fixed-rate levy losses that shall be transferred to the recipient district shall be an amount equal to the total machinery and equipment, inventory, furniture and fixtures, and telephone property fixed-rate levy losses times a fraction, the numerator of which is the value of business tangible personal property on the land being transferred in the most recent year for which data are available, and the denominator of which is the total value of business tangible personal property in the district from which the land is being transferred in the most recent year for which data are available. For each of the first five years after

the property is transferred, but not after fiscal year 2012, if the tax rate in the recipient district is less than the tax rate of the district from which the land was transferred, one-half of the payments arising from the amount of fixed-rate levy losses so transferred to the recipient district shall be paid to the recipient district and one-half of the payments arising from the fixed-rate levy losses so transferred shall be paid to the district from which the land was transferred. Fixed-rate levy losses so transferred shall be computed on the basis of the sum of the rates of fixed-rate qualifying levies of the district from which the land was transferred, notwithstanding division (D) of this section.

(3) After December 31, 2004, if property is transferred from one or more districts to a district that is newly created out of the transferred property, the newly created district shall be deemed not to have any machinery and equipment, inventory, furniture and fixtures, or telephone property fixed-rate levy losses and the districts from which the property was transferred shall have no reduction in their machinery and equipment, inventory, furniture and fixtures, and telephone property fixed-rate levy losses.

(4) If the recipient district under division (H)(2) of this section or the newly created district under divisions (H)(3) of this section is assuming debt from one or more of the districts from which the property was transferred and any of the districts losing the property had fixed-sum levy losses, the department of education, in consultation with the tax commissioner, shall make an equitable division of the fixed-sum levy loss reimbursements.

SECTION 101.02. That existing sections 122.151, 125.021, 126.02, 150.07, 173.27, 183.04, 183.05, 183.30, 3318.05, 3318.052, 3318.06, 3318.08, 3318.18, 3318.36, 3702.72, 3702.73, 3702.81, 3702.89, 3702.92, 5707.031, 5725.19, 5725.98, 5727.241, 5729.08, 5729.98, 5733.01, 5733.49, 5733.98, 5747.80, 5747.98, 5751.20, and 5751.21 of the Revised Code are hereby repealed.

SECTION 201.10. All items in Sections 203.10 to 205.10 of this act are hereby appropriated as designated out of any moneys in the state treasury to the credit of the designated fund that are not otherwise appropriated. For all appropriations made in these sections, those in the first column are for fiscal year 2007 and those in the second column are for fiscal year 2008.

SECTION 203.10. ADA DEPARTMENT OF ALCOHOL AND DRUG ADDICTION SERVICES

| | | | |
|--|---------|--|---------------------------|
| Tobacco Master Settlement Agreement Fund Group | | | |
| L87 | 038-403 | Urban Minority Alcoholism and Drug Abuse Outreach Programs | \$ 500,000 \$ 500,000 |
| L87 | 038-405 | Juvenile Offender Aftercare Program | \$ 3,000,000 \$ 3,000,000 |
| TOTAL TSF Tobacco Master Settlement Agreement Fund Group | | | \$ 3,500,000 \$ 3,500,000 |
| TOTAL ALL BUDGET FUND GROUPS | | | \$ 3,500,000 \$ 3,500,000 |

SECTION 203.20. AGO ATTORNEY GENERAL

| | | | |
|--|---------|---|-------------------------|
| Tobacco Master Settlement Agreement Fund Group | | | |
| J87 | 055-635 | Law Enforcement Technology, Training, and Facility Enhancements | \$ 620,000 \$ 0 |
| U87 | 055-402 | Tobacco Settlement Oversight, Administration, and Enforcement | \$ 673,797 \$ 723,797 |
| TOTAL TSF Tobacco Master Settlement Agreement Fund Group | | | \$ 1,293,797 \$ 723,797 |
| TOTAL ALL BUDGET FUND GROUPS | | | \$ 1,293,797 \$ 723,797 |

SECTION 203.30. DEV DEPARTMENT OF DEVELOPMENT

| | | | |
|--|---------|---|-----------------------------|
| Tobacco Master Settlement Agreement Fund Group | | | |
| M87 | 195-435 | Biomedical Research and Technology Transfer | \$ 27,502,244 \$ 21,416,437 |
| TOTAL TSF Tobacco Master Settlement Agreement Fund Group | | | \$ 27,502,244 \$ 21,416,437 |
| TOTAL ALL BUDGET FUND GROUPS | | | \$ 27,502,244 \$ 21,416,437 |

SECTION 203.40. ETC ETECH OHIO

| | | | |
|--|---------|---------------------------------|---------------------------|
| Tobacco Master Settlement Agreement Fund Group | | | |
| S87 | 935-602 | Education Technology Trust Fund | \$ 4,350,000 \$ 4,350,000 |
| TOTAL TSF Tobacco Master Settlement Agreement Fund Group | | | \$ 4,350,000 \$ 4,350,000 |
| TOTAL ALL BUDGET FUND GROUPS | | | \$ 4,350,000 \$ 4,350,000 |

SCHOOLNET PLUS

The eTech Ohio Commission shall distribute SchoolNet Plus Grants to qualifying school districts in fiscal year 2007 and fiscal year 2008 to establish and equip at least one interactive computer workstation for each

five children enrolled in the eighth grade as reported by the school district pursuant to division (A) of section 3317.03 of the Revised Code.

Districts in the first two quartiles of wealth will receive up to \$128 per pupil for students in the targeted grade to purchase classroom computers. Districts in the third and fourth quartiles will receive up to \$82 per pupil in the targeted grade. If a district has met the state's goal of one computer to every five students in the targeted grade, the district may use the funds provided through SchoolNet Plus to purchase computers for successive grades or to fulfill educational technology needs in other grades as specified in the district's technology plan.

SECTION 203.50. DOH DEPARTMENT OF HEALTH

Tobacco Master Settlement Agreement Fund Group

| | | | | | | |
|--|---------|--|----|------------|----|------------|
| L87 | 440-404 | Minority Health Care Data Development | \$ | 350,000 | \$ | 350,000 |
| L87 | 440-409 | Tuberculosis Prevention and Treatment | \$ | 450,000 | \$ | 450,000 |
| L87 | 440-410 | Hepatitis C Prevention and Intervention | \$ | 425,000 | \$ | 425,000 |
| L87 | 440-411 | Dental Care Programs for Minority and Low-Income Populations | \$ | 420,000 | \$ | 420,000 |
| L87 | 440-412 | Emergency Medications and Oxygen for Low-Income Seniors | \$ | 850,000 | \$ | 850,000 |
| L87 | 440-414 | Uncompensated Care | \$ | 3,855,050 | \$ | 3,855,050 |
| L87 | 440-420 | Childhood Lead WIC | \$ | 500,000 | \$ | 500,000 |
| L87 | 440-421 | Infant Mortality Reduction Initiative | \$ | 266,000 | \$ | 266,000 |
| L87 | 440-432 | Pneumococcal Vaccines for Children | \$ | 4,700,000 | \$ | 4,700,000 |
| S87 | 440-428 | Automated External Defibrillators | \$ | 2,500,000 | \$ | 0 |
| TOTAL TSF Tobacco Master Settlement Agreement Fund Group | | | \$ | 14,316,050 | \$ | 11,816,050 |
| TOTAL ALL BUDGET FUND GROUPS | | | \$ | 14,316,050 | \$ | 11,816,050 |

AUTOMATED EXTERNAL DEFIBRILLATORS

Notwithstanding section 183.28 of the Revised Code, the foregoing appropriation item 440-428, Automated External Defibrillators, shall be used by the Department of Health for the acquisition and placement of automated external defibrillators in Ohio primary and secondary schools.

The Department of Health shall, through a request for proposal process in accordance with rule 123:5-1-08 of the Administrative Code, use these funds to place automated external defibrillators in primary and secondary schools. The grant recipient shall not charge any school for the equipment

costs associated with the initial placement of an automated external defibrillator.

SECTION 203.60. MIH COMMISSION ON MINORITY HEALTH

| | | | |
|--|---------|---|---------------------------|
| Tobacco Master Settlement Agreement Fund Group | | | |
| L87 | 149-402 | Minority Health and Academic Partnership Grants | \$ 1,090,000 \$ 1,090,000 |
| L87 | 149-403 | Training and Capacity Building | \$ 100,000 \$ 100,000 |
| TOTAL TSF Tobacco Master Settlement Agreement Fund Group | | | \$ 1,190,000 \$ 1,190,000 |
| TOTAL ALL BUDGET FUND GROUPS | | | \$ 1,190,000 \$ 1,190,000 |

SECTION 203.70. DHS DEPARTMENT OF PUBLIC SAFETY

| | | | |
|--|---------|-----------------------------------|-----------------------|
| Tobacco Master Settlement Agreement Fund Group | | | |
| L87 | 767-406 | Under-Age Tobacco Use Enforcement | \$ 610,560 \$ 610,560 |
| TOTAL TSF Tobacco Master Settlement Agreement Fund Group | | | \$ 610,560 \$ 610,560 |
| TOTAL ALL BUDGET FUND GROUPS | | | \$ 610,560 \$ 610,560 |

SECTION 203.80. SOA SOUTHERN OHIO AGRICULTURAL AND COMMUNITY DEVELOPMENT FOUNDATION

| | | | |
|--|---------|---|----------------------------|
| Tobacco Master Settlement Agreement Fund Group | | | |
| 5M9 | 945-601 | Operating Expenses | \$ 456,942 \$ 475,220 |
| K87 | 945-602 | Southern Ohio Agricultural and Community Development Foundation | \$ 13,150,375 \$ 7,513,251 |
| TOTAL TSF Tobacco Master Settlement Agreement Fund Group | | | \$ 13,607,317 \$ 7,988,471 |
| TOTAL ALL BUDGET FUND GROUPS | | | \$ 13,607,317 \$ 7,988,471 |

SECTION 203.90. TAX DEPARTMENT OF TAXATION

| | | | |
|--|---------|--------------------------------|-----------------------|
| Tobacco Master Settlement Agreement Fund Group | | | |
| T87 | 110-402 | Tobacco Settlement Enforcement | \$ 328,034 \$ 328,034 |
| TOTAL TSF Tobacco Master Settlement Agreement Fund Group | | | \$ 328,034 \$ 328,034 |
| TOTAL ALL BUDGET FUND GROUPS | | | \$ 328,034 \$ 328,034 |

SECTION 205.10. TUP TOBACCO USE PREVENTION AND CONTROL FOUNDATION

| | | | |
|--|---------|--------------------|---------------------------|
| Tobacco Master Settlement Agreement Fund Group | | | |
| 5M8 | 940-601 | Operating Expenses | \$ 1,659,091 \$ 1,717,159 |

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| | | | | |
|--|----|-----------|----|-----------|
| TOTAL TSF Tobacco Master Settlement Agreement Fund Group | \$ | 1,659,091 | \$ | 1,717,159 |
| TOTAL ALL BUDGET FUND GROUPS | \$ | 1,659,091 | \$ | 1,717,159 |

SECTION 207.10. All items set forth in this section are hereby appropriated out of any moneys in the state treasury to the credit of the Education Facilities Trust Fund (Fund N87) that are not otherwise appropriated.

Appropriations

SFC SCHOOL FACILITIES COMMISSION

| | | |
|---|----|-------------|
| CAP-780 Classroom Facilities Assistance Program | \$ | 648,500,000 |
| Total School Facilities Commission | \$ | 648,500,000 |
| TOTAL Education Facilities Trust Fund | \$ | 648,500,000 |

SECTION 207.13. Section 207.10 of this act shall remain in full force and effect commencing on July 1, 2006, and terminating on June 30, 2008, for the purpose of drawing money from the state treasury in payment of liabilities lawfully incurred thereunder, and on June 30, 2008, and not before, the moneys appropriated thereby shall lapse into the funds from which they are severally appropriated.

The appropriations made in Section 207.10 of this act are subject to all provisions of the capital appropriations act governing the 2006-2008 biennium that are generally applicable to such appropriations. Expenditures from appropriations contained in Section 207.10 of this act shall be accounted for as though made in the capital appropriations act governing the 2006-2008 biennium.

SECTION 209.10. All items set forth in this section are hereby appropriated in fiscal year 2007 for emergency repairs to Ohio Historical Society sites out of any moneys in the state treasury to the credit of the Cultural and Sports Facilities Building Fund (Fund 030) that are not otherwise appropriated:

AFC CULTURAL FACILITIES COMMISSION

| | | |
|--|----|---------|
| CAP-745 Historic Sites and Museums | \$ | 400,000 |
| Total Cultural Facilities Commission | \$ | 400,000 |
| Total Cultural and Sports Facilities Building Fund | \$ | 400,000 |

SECTION 209.11. The Treasurer of State is hereby authorized to issue and sell, in accordance with Section 2o of Article VII, Ohio Constitution, and pursuant to sections 151.01 and 151.40 of the Revised Code, original

obligations in an aggregate principal amount not to exceed \$400,000, in addition to the original issuance of obligations heretofore authorized by prior acts of the General Assembly. These authorized obligations shall be issued and sold from time to time, subject to applicable constitutional and statutory limitations, as needed to ensure sufficient moneys to the credit of the Cultural and Sports Facilities Building Fund (Fund 030) to pay costs associated with emergency repairs to Ohio Historical Society sites.

SECTION 303.03. PERSONAL SERVICE EXPENSES

Unless otherwise prohibited by law, each appropriation in this act from which personal service expenses are paid shall bear the employer's share of public employees' retirement, workers' compensation, disabled workers' relief, and all group insurance programs; the costs of centralized accounting, centralized payroll processing, and related personnel reports and services; the cost of the Office of Collective Bargaining; the cost of the Personnel Board of Review; the cost of the Employee Assistance Program; the cost of the Equal Opportunity Center; the costs of interagency information management infrastructure; and the cost of administering the state employee merit system as required by section 124.07 of the Revised Code. Such costs shall be determined in conformity with appropriate sections of law and paid in accordance with procedures specified by the Office of Budget and Management.

SECTION 303.06. REISSUANCE OF VOIDED WARRANTS

In order to provide funds for the reissuance of voided warrants pursuant to section 117.47 of the Revised Code, there is hereby appropriated, out of moneys in the state treasury from the fund credited as provided in section 117.47 of the Revised Code, that amount sufficient to pay such warrants when approved by the Office of Budget and Management.

SECTION 303.09. REAPPROPRIATION OF UNEXPENDED ENCUMBERED BALANCES OF OPERATING APPROPRIATIONS

An unexpended balance of an operating appropriation or reappropriation that a state agency lawfully encumbered prior to the close of a fiscal year is reappropriated on the first day of July of the following fiscal year from the fund from which it was originally appropriated or reappropriated for the following period and shall remain available only for the purpose of

discharging the encumbrance.

(A) For an encumbrance for personal services, maintenance, equipment, or items for resale, other than an encumbrance for an item of special order manufacture not available on term contract or in the open market or for reclamation of land or oil and gas wells, for a period of not more than five months from the end of the fiscal year;

(B) For an encumbrance for an item of special order manufacture not available on term contract or in the open market, for a period of not more than five months from the end of the fiscal year or, with the written approval of the Director of Budget and Management, for a period of not more than twelve months from the end of the fiscal year;

(C) For an encumbrance for reclamation of land or oil and gas wells, for a period ending when the encumbered appropriation is expended or for a period of two years, whichever is less;

(D) For an encumbrance for any other expense, for such period as the Director of Budget and Management approves, provided such period does not exceed two years.

Any operating appropriations for which unexpended balances are reappropriated beyond a five-month period from the end of the fiscal year pursuant to division (B) of this section shall be reported to the Controlling Board by the Director of Budget and Management by the thirty-first day of December of each year. The report on each such item shall include the item, the cost of the item, and the name of the vendor. This report to the Controlling Board shall be updated on a quarterly basis for encumbrances remaining open.

Upon the expiration of the reappropriation period set out in division (A), (B), (C), or (D) of this section, a reappropriation made pursuant to this section lapses, and the Director of Budget and Management shall cancel the encumbrance of the unexpended reappropriation not later than the end of the weekend following the expiration of the reappropriation period.

Notwithstanding the preceding paragraph, with the approval of the Director of Budget and Management, an unexpended balance of an encumbrance that was reappropriated on the first day of July pursuant to this section for a period specified in division (C) or (D) of this section and that remains encumbered at the close of the fiscal biennium is hereby reappropriated pursuant to this section on the first day of July of the following fiscal biennium from the fund from which it was originally appropriated or reappropriated for the applicable period specified in division (C) or (D) of this section and shall remain available only for the purpose of discharging the encumbrance.

If the Controlling Board approved a purchase, that approval remains in effect as long as the appropriation used to make that purchase remains encumbered.

SECTION 403.05. That Sections 209.63.39 and 312.27 of Am. Sub. H.B. 66 of the 126th General Assembly be amended to read as follows:

Sec. 209.63.39. ECONOMIC GROWTH CHALLENGE

The foregoing appropriation item 235-433, Economic Growth Challenge, shall be used to enhance the basic research capabilities of Ohio's public and private institutions of higher education, support improved graduate programs throughout the state, and promote the transfer of technology developed by colleges and universities to private industry to further the economic goals of the state.

Of the foregoing appropriation item 235-433, Economic Growth Challenge, \$18,000,000 in each fiscal year shall be used for the Research Incentive Program to enhance the basic research capabilities of public colleges and universities and accredited Ohio institutions of higher education holding certificates of authorization issued under section 1713.02 of the Revised Code, in order to strengthen academic research for pursuing Ohio's economic development goals. The Board of Regents, in consultation with the colleges and universities, shall administer the Research Incentive Program and utilize a means of matching, on a fractional basis, external funds attracted in the previous year by institutions for basic research. The program may include incentives for increasing the amount of external research funds coming to eligible institutions and for focusing research efforts upon critical state needs. Colleges and universities shall submit for review and approval to the Board of Regents plans for the institutional allocation of state dollars received through the program. The institutional plans shall provide the rationale for the allocation in terms of the strategic targeting of funds for academic and state purposes, for strengthening research programs, for increasing the amount of external research funds, and shall include an evaluation process to provide results of the increased support. Institutional plans for the use of Research Incentive funding must demonstrate a significant investment in Third Frontier activities funded at the institution. For a college or university with multiple Third Frontier grants, as much as ten per cent of that institution's Research Incentive funding may be invested in Third Frontier Project-related activities. Each institutional plan for the investment of Research Incentive moneys shall report on existing, planned, or possible relationships with other state science and technology programs and funding recipients in order to further ongoing

statewide science and technology collaboration objectives. The Board of Regents shall submit a biennial report of progress to the General Assembly.

In fiscal year 2006, ~~both those~~ all state-assisted ~~doctoral~~ doctor of philosophy degree-granting universities and those accredited Ohio institutions of higher education holding certificates of authorization under section 1713.02 of the Revised Code ~~electing to participate in the Innovation Incentive Program~~ shall initiate a comprehensive Innovation Incentive Plan designed to enhance doctoral programs and areas of research that have the greatest potential to attract preeminent researchers and build research capacity; enhance regional or state economic growth by creating new products and services to be commercialized; and complement Ohio's Third Frontier Project.

Funding for the Innovation Incentive Program shall be generated from those state-assisted doctor of philosophy degree-granting universities ~~electing to set aside~~ reallocating a portion of their allocation of the current doctoral reserve as provided in appropriation item 235-501, State Share of Instruction, and state matching funds provided in appropriation item 235-433, Economic Growth Challenge. Additionally, those accredited Ohio institutions of higher education holding certificates of authorization under section 1713.02 of the Revised Code ~~electing to participate in the Innovation Incentive Program~~ shall be required to set aside an amount comparable to the state-assisted doctor of philosophy degree-granting universities. The criteria for the determination of this amount shall be developed by the Board of Regents.

Of the foregoing appropriation item 235-433, Economic Growth Challenge, \$2,343,097 in fiscal year 2006 and \$4,686,194 in fiscal year 2007 shall ~~match funds set aside by the state-assisted universities for the Innovation Incentive Program. The set aside begins in fiscal year 2006 and is intended to increase incrementally over a period of ten years with the goal of setting aside a total of fifteen per cent of the doctoral reserve from appropriation item 235-501, State Share of Instruction, by 2016.~~

~~The be used by the~~ Board of Regents shall use the combined amount of each participating state-assisted university's set aside of the doctoral reserve that has been withheld, the state matching funds earmarked under appropriation item 235-433, Economic Growth Challenge, and the amount set aside by each accredited Ohio institution of higher education holding a certificate of authorization under section 1713.02 of the Revised Code ~~electing to participate in the Innovation Incentive Program~~ to make awards through a competitive process under the Innovation Incentive Program. ~~Only universities electing to set aside the prescribed amount shall be eligible~~

~~to compete for and receive Innovation Incentive awards.~~ The participating universities shall use their internally reallocated funds and these competitive state-funded awards to restructure their array of ~~doctoral~~ doctor of philosophy degree-granting programs.

After completion of a transition period during implementation of the Innovation Incentive Program, the Board of Regents may withhold up to 0.75 per cent in fiscal year 2006 and 1.5 per cent in fiscal year 2007 of a state-assisted doctor of philosophy degree-granting university's allocation of the current doctoral reserve if that university is not internally reallocating its allocation of the doctoral reserve or is not competing at an acceptable level with other participating universities according to the Innovation Incentive Program. The Board of Regents, in consultation with the participating universities and the Office of Budget and Management, shall develop guidelines for the length of the transition period and criteria for determining the acceptable level of competing in the Innovation Incentive Program.

Of the foregoing appropriation item 235-433, Economic Growth Challenge, \$500,000 in fiscal year 2007 shall be distributed for the Technology Commercialization Incentive. The purpose of the Technology Commercialization Incentive is to reward public and private colleges and universities for successful technology transfer to Ohio-based business and industry resulting in the commercialization of new products, processes, and services and the establishment of new business start-ups within the state. The Third Frontier Commission, with counsel from the Third Frontier Advisory Board, shall establish the eligibility criteria for public and private colleges and universities interested in applying for Technology Commercialization Incentive funding. To qualify for the funds, public and private colleges and universities must maintain a significant investment in their own technology-transfer and commercialization operation and capabilities, and possess a significant history of successful research partnerships with Ohio-based business and industry.

Sec. 312.27. TRANSFERS TO THE EDUCATION FACILITIES TRUST FUND

Notwithstanding section 183.02 of the Revised Code, after all transfers from the Tobacco Master Settlement Agreement Fund (Fund 087) to various other funds of cash that would have otherwise been transferred to the Tobacco Use Prevention and Cessation Trust Fund (Fund H87) in fiscal year 2006 have been made, the Director of Budget and Management shall transfer the remaining balance of the funds that would otherwise be transferred to the Tobacco Use Prevention and Cessation Trust Fund in fiscal year 2006 to the Education Facilities Trust Fund (Fund N87).

Notwithstanding section 183.02 of the Revised Code and division (B)(3) of Section 206.27 of Am. Sub. H.B. 66 of the 126th General Assembly, after all transfers from the Tobacco Master Settlement Agreement Fund (Fund 087) to various other funds of cash that would have otherwise been transferred to the Tobacco Use Prevention and Cessation Trust Fund (Fund H87) in fiscal year 2007 have been made, the Director of Budget and Management shall transfer the remaining balance of the funds that would otherwise be transferred to the Tobacco Use Prevention and Cessation Trust Fund in fiscal year 2007 to the Education Facilities Trust Fund (Fund N87).

SECTION 403.06. That existing Sections 209.63.39 and 312.27 of Am. Sub. H.B. 66 of the 126th General Assembly are hereby repealed.

SECTION 403.07. That Section 209.63.57 of Am. Sub. H.B. 66 of the 126th General Assembly, as amended by Sub. H.B. 478 of the 126th General Assembly, be amended to read as follows:

Sec. 209.63.57. STATE SHARE OF INSTRUCTION

As soon as practicable during each fiscal year of the biennium ending June 30, 2007, in accordance with instructions of the Board of Regents, each state-assisted institution of higher education shall report its actual enrollment to the Board of Regents.

The Board of Regents shall establish procedures required by the system of formulas set out below and for the assignment of individual institutions to categories described in the formulas. The system of formulas establishes the manner in which aggregate expenditure requirements shall be determined for each of the three components of institutional operations. In addition to other adjustments and calculations described below, the subsidy entitlement of an institution shall be determined by subtracting from the institution's aggregate expenditure requirements income to be derived from the local contributions assumed in calculating the subsidy entitlements. The local contributions for purposes of determining subsidy support shall not limit the authority of the individual boards of trustees to establish fee levels.

The General Studies and Technical models shall be adjusted by the Board of Regents so that the share of state subsidy earned by those models is not altered by changes in the overall local share. A lower-division fee differential shall be used to maintain the relationship that would have occurred between these models and the baccalaureate models had an assumed share of 37.5 per cent been funded.

In defining the number of full-time equivalent (FTE) students for state

subsidy purposes, the Board of Regents shall exclude all undergraduate students who are not residents of Ohio, except those charged in-state fees in accordance with reciprocity agreements made under section 3333.17 of the Revised Code or employer contracts entered into under section 3333.32 of the Revised Code.

(A) AGGREGATE EXPENDITURE PER FULL-TIME EQUIVALENT STUDENT

(1) INSTRUCTION AND SUPPORT SERVICES

| MODEL | FY 2006 | FY 2007 |
|------------------------------|----------|----------|
| General Studies I | \$ 4,655 | \$ 4,655 |
| General Studies II | \$ 5,135 | \$ 5,135 |
| General Studies III | \$ 6,365 | \$ 6,365 |
| Technical I | \$ 5,926 | \$ 5,926 |
| Technical III | \$ 9,107 | \$ 9,107 |
| Baccalaureate I | \$ 7,160 | \$ 7,160 |
| Baccalaureate II | \$ 8,235 | \$ 8,235 |
| Baccalaureate III | \$11,841 | \$11,841 |
| Masters and Professional I | \$19,088 | \$19,088 |
| Masters and Professional II | \$20,984 | \$20,984 |
| Masters and Professional III | \$27,234 | \$27,234 |
| Medical I | \$29,143 | \$29,143 |
| Medical II | \$37,172 | \$37,172 |
| MPD I | \$13,645 | \$13,645 |

(2) STUDENT SERVICES

For this purpose, FTE counts shall be weighted to reflect differences among institutions in the numbers of students enrolled on a part-time basis. The student services subsidy per FTE shall be \$890 in each fiscal year for all models.

(B) PLANT OPERATION AND MAINTENANCE (POM)

(1) DETERMINATION OF THE SQUARE-FOOT-BASED POM SUBSIDY

Space undergoing renovation shall be funded at the rate allowed for storage space.

In the calculation of square footage for each campus, square footage shall be weighted to reflect differences in space utilization.

The space inventories for each campus shall be those determined in the fiscal year 2003 state share of instruction calculation, adjusted for changes attributable to the construction or renovation of facilities for which state appropriations were made or local commitments were made prior to January 1, 1995.

Only 50 per cent of the space permanently taken out of operation in fiscal year 2006 or fiscal year 2007 that is not otherwise replaced by a campus shall be deleted from the plant operation and maintenance space inventory.

The square-foot-based plant operation and maintenance subsidy for each campus shall be determined as follows:

(a) For each standard room type category shown below, the subsidy-eligible net assignable square feet (NASF) for each campus shall be multiplied by the following rates, and the amounts summed for each campus to determine the total gross square-foot-based POM expenditure requirement:

| | FY 2006 | FY 2007 |
|------------------------------|---------|---------|
| Classrooms | \$5.86 | \$5.86 |
| Laboratories | \$7.31 | \$7.31 |
| Offices | \$5.86 | \$5.86 |
| Audio Visual Data Processing | \$7.31 | \$7.31 |
| Storage | \$2.59 | \$2.59 |
| Circulation | \$7.39 | \$7.39 |
| Other | \$5.86 | \$5.86 |

(b) The total gross square-foot POM expenditure requirement shall be allocated to models in proportion to each campus's activity-based POM weight multiplied by the two- or five-year average subsidy-eligible FTEs for all models.

(c) The amounts allocated to models in division (B)(1)(b) of this section shall be multiplied by the ratio of subsidy-eligible FTE students to total FTE students reported in each model, and the amounts summed for all models. To this total amount shall be added an amount to support roads and grounds expenditures, which shall also be multiplied by the ratio of subsidy-eligible FTE students to total FTEs reported for each model. From this total amount, the amounts for Doctoral I and Doctoral II shall be subtracted to produce the square-foot-based POM subsidy.

(2) DETERMINATION OF THE ACTIVITY-BASED POM SUBSIDY

(a) The number of subsidy-eligible FTE students in each model shall be multiplied by the following rates for each campus for each fiscal year.

| | FY 2006 | FY 2007 |
|---------------------|---------|---------|
| General Studies I | \$ 512 | \$ 512 |
| General Studies II | \$ 662 | \$ 662 |
| General Studies III | \$1,464 | \$1,464 |
| Technical I | \$ 752 | \$ 752 |
| Technical III | \$1,343 | \$1,343 |

| | | |
|------------------------------|---------|---------|
| Baccalaureate I | \$ 639 | \$ 639 |
| Baccalaureate II | \$1,149 | \$1,149 |
| Baccalaureate III | \$1,262 | \$1,262 |
| Masters and Professional I | \$1,258 | \$1,258 |
| Masters and Professional II | \$2,446 | \$2,446 |
| Masters and Professional III | \$3,276 | \$3,276 |
| Medical I | \$1,967 | \$1,967 |
| Medical II | \$3,908 | \$3,908 |
| MPD I | \$1,081 | \$1,081 |

(b) The sum of the products for each campus determined in division (B)(2)(a) of this section for all models except Doctoral I and Doctoral II for each fiscal year shall be weighted by a factor to reflect sponsored research activity and job training-related public services expenditures to determine the total activity-based POM subsidy.

(C) CALCULATION OF CORE SUBSIDY ENTITLEMENTS AND ADJUSTMENTS

(1) CALCULATION OF CORE SUBSIDY ENTITLEMENTS

The calculation of the core subsidy entitlement shall consist of the following components:

(a) For each campus in each fiscal year, the core subsidy entitlement shall be determined by multiplying the amounts listed above in divisions (A)(1) and (2) and (B)(2) of this section less assumed local contributions, by (i) average subsidy-eligible FTEs for the two-year period ending in the prior year for all models except Doctoral I and Doctoral II; and (ii) average subsidy-eligible FTEs for the five-year period ending in the prior year for all models except Doctoral I and Doctoral II.

(b) In calculating the core subsidy entitlements for Medical II models only, the Board of Regents shall use the following count of FTE students:

(i) For those medical schools whose current year enrollment, including students repeating terms, is below the base enrollment, the Medical II FTE enrollment shall equal: 65 per cent of the base enrollment plus 35 per cent of the current year enrollment including students repeating terms, where the base enrollment is:

| | |
|--|------|
| The Ohio State University | 1010 |
| University of Cincinnati | 833 |
| University of Toledo | 650 |
| Wright State University | 433 |
| Ohio University | 433 |
| Northeastern Ohio Universities College of Medicine | 433 |

(ii) For those medical schools whose current year enrollment, excluding students repeating terms, is equal to or greater than the base enrollment, the Medical II FTE enrollment shall equal the base enrollment plus the FTE for repeating students.

(iii) Students repeating terms may be no more than five per cent of current year enrollment.

(c) The Board of Regents shall compute the sum of the two calculations listed in division (C)(1)(a) of this section and use the greater sum as the core subsidy entitlement.

The POM subsidy for each campus shall equal the greater of the square-foot-based subsidy or the activity-based POM subsidy component of the core subsidy entitlement.

(d) The state share of instruction provided for doctoral students shall be based on a fixed percentage of the total appropriation. In each fiscal year of the biennium not more than 10.34 per cent of the total state share of instruction shall be reserved to implement the recommendations of the Graduate Funding Commission. It is the intent of the General Assembly that the doctoral reserve not exceed 10.34 per cent of the total state share of instruction to implement the recommendations of the Graduate Funding Commission. The Board of Regents may reallocate up to two per cent in each fiscal year of the reserve among the state-assisted universities on the basis of a quality review as specified in the recommendations of the Graduate Funding Commission. No such reallocation shall occur unless the Board of Regents, in consultation with representatives of state-assisted universities, determines that sufficient funds are available for this purpose.

The amount so reserved shall be allocated to universities in proportion to their share of the total number of Doctoral I equivalent FTEs as calculated on an institutional basis using the greater of the two-year or five-year FTEs for the period fiscal year 1994 through fiscal year 1998 with annualized FTEs for fiscal years 1994 through 1997 and all-term FTEs for fiscal year 1998 as adjusted to reflect the effects of doctoral review and subsequent changes in Doctoral I equivalent enrollments. For the purposes of this calculation, Doctoral I equivalent FTEs shall equal the sum of Doctoral I FTEs plus 1.5 times the sum of Doctoral II FTEs.

~~If a Each doctor of philosophy degree-granting university participates in the Innovation Incentive Program outlined in appropriation item 235-433, Economic Growth Challenge, then the Board of Regents shall withhold internally reallocate 1.5 per cent in fiscal year 2006 and three per cent in fiscal year 2007 of the participating university's its allocation of the doctoral reserve for the Innovation Incentive Program outlined in Section 209.63.39~~

of Am. Sub. H.B. 66 of the 126th General Assembly. This ~~withholding internal reallocation~~ is intended to increase incrementally with a goal of ~~setting aside internally reallocating~~ 15 per cent of the total doctoral reserve by fiscal year 2016.

~~The Board of Regents shall use the combined amount of each participating state-assisted university's set aside of the doctoral reserve that has been withheld, the state matching funds earmarked under appropriation item 235-433, Economic Growth Challenge, and the amount set aside by each accredited Ohio institution of higher education holding a certificate of authorization under section 1713.02 of the Revised Code electing to participate in the Innovation Incentive Program to make awards through a competitive process under the Innovation Incentive Program. Only universities electing to set aside the prescribed amount shall be eligible to compete for and receive Innovation Incentive awards. The participating universities shall use these awards to restructure their array of doctoral programs.~~

(2) ANNUAL STATE SHARE OF INSTRUCTION FUNDING STOP LOSS

In addition to and after the other adjustment noted above, in each fiscal year, no campus shall receive a state share of instruction allocation that is less than 97 per cent of the prior year's state share of instruction amount.

(3) REDUCTIONS IN EARNINGS

If the total state share of instruction earnings in any fiscal year exceeds the total appropriations available for such purposes, the Board of Regents shall proportionately reduce the state share of instruction earnings for all campuses by a uniform percentage so that the system wide sum equals available appropriations.

(4) CAPITAL COMPONENT DEDUCTION

After all other adjustments have been made, state share of instruction earnings shall be reduced for each campus by the amount, if any, by which debt service charged in Am. H.B. 748 of the 121st General Assembly, Am. Sub. H.B. 850 of the 122nd General Assembly, Am. Sub. H.B. 640 of the 123rd General Assembly, H.B. 675 of the 124th General Assembly, and Am. Sub. H.B. 16 of the 126th General Assembly for that campus exceeds that campus's capital component earnings. The sum of the amounts deducted shall be transferred to appropriation item 235-552, Capital Component, in each fiscal year.

(D) EXCEPTIONAL CIRCUMSTANCES

Adjustments may be made to the state share of instruction payments and other subsidies distributed by the Board of Regents to state-assisted colleges

and universities for exceptional circumstances. No adjustments for exceptional circumstances may be made without the recommendation of the Chancellor and the approval of the Controlling Board.

(E) MID-YEAR APPROPRIATION REDUCTIONS TO THE STATE SHARE OF INSTRUCTION

The standard provisions of the state share of instruction calculation as described in the preceding sections of temporary law shall apply to any reductions made to appropriation item 235-501, State Share of Instruction, before the Board of Regents has formally approved the final allocation of the state share of instruction funds for any fiscal year.

Any reductions made to appropriation item 235-501, State Share of Instruction, after the Board of Regents has formally approved the final allocation of the state share of instruction funds for any fiscal year, shall be uniformly applied to each campus in proportion to its share of the final allocation.

(F) DISTRIBUTION OF STATE SHARE OF INSTRUCTION

The state share of instruction payments to the institutions shall be in substantially equal monthly amounts during the fiscal year, unless otherwise determined by the Director of Budget and Management pursuant to section 126.09 of the Revised Code. Payments during the first six months of the fiscal year shall be based upon the state share of instruction appropriation estimates made for the various institutions of higher education according to Board of Regents enrollment estimates. Payments during the last six months of the fiscal year shall be distributed after approval of the Controlling Board upon the request of the Board of Regents.

(G) LAW SCHOOL SUBSIDY

The state share of instruction to state-supported universities for students enrolled in law schools in fiscal year 2006 and fiscal year 2007 shall be calculated by using the number of subsidy-eligible FTE law school students funded by state subsidy in fiscal year 1995 or the actual number of subsidy-eligible FTE law school students at the institution in the fiscal year, whichever is less.

(H) FUNDS REQUIRING CONTROLLING BOARD APPROVAL

Of the foregoing appropriation item 235-501, State Share of Instruction, \$30,000,000 in fiscal year 2007 shall not be disbursed without approval of the Controlling Board. Within ten days after the issuance of the report of the Higher Education Funding Study Council required by Section 209.63.58 of Am. Sub. H.B. 66 of the 126th General Assembly, the Board of Regents shall seek the Controlling Board's approval to disburse the \$30,000,000 appropriation.

SECTION 403.08. That existing Section 209.63.57 of Am. Sub. H.B. 66 of the 126th General Assembly, as amended by Sub. H.B. 478 of the 126th General Assembly, is hereby repealed.

SECTION 403.11. That Section 203.09 of Am. Sub. H.B. 66 of the 126th General Assembly, as amended by Am. Sub. H.B. 530 of the 126th General Assembly, be amended to read as follows:

Sec. 203.09. ADJ ADJUTANT GENERAL

General Revenue Fund

| | | | | | |
|--------------------------------|-------------------------------|----|------------|----|-----------------------|
| GRF 745-401 | Ohio Military Reserve | \$ | 15,188 | \$ | 15,188 |
| GRF 745-404 | Air National Guard | \$ | 1,939,762 | \$ | 1,939,762 |
| | | | | | <u>2,107,749</u> |
| GRF 745-407 | National Guard Benefits | \$ | 1,400,000 | \$ | 1,400,000 |
| GRF 745-409 | Central Administration | \$ | 3,949,590 | \$ | 3,949,590 |
| | | | | | <u>4,317,660</u> |
| GRF 745-499 | Army National Guard | \$ | 4,086,222 | \$ | 4,086,222 |
| | | | | | <u>4,820,165</u> |
| GRF 745-502 | Ohio National Guard Unit Fund | \$ | 102,973 | \$ | 102,973 |
| TOTAL GRF General Revenue Fund | | \$ | 11,493,735 | \$ | 11,493,735 |
| | | | | | <u>12,763,735</u> |

General Services Fund Group

| | | | | | |
|---------------------------------------|--|----|-----------|----|-----------|
| 534 745-612 | Armory Improvements | \$ | 534,304 | \$ | 534,304 |
| 536 745-620 | Camp Perry/Buckeye Inn Operations | \$ | 1,094,970 | \$ | 1,094,970 |
| 537 745-604 | Ohio National Guard Facility Maintenance | \$ | 219,826 | \$ | 219,826 |
| TOTAL GSF General Services Fund Group | | \$ | 1,849,100 | \$ | 1,849,100 |

Federal Special Revenue Fund Group

| | | | | | |
|--|----------------------------------|----|------------|----|------------|
| 3E8 745-628 | Air National Guard Agreement | \$ | 12,174,760 | \$ | 12,174,760 |
| 3R8 745-603 | Counter Drug Operations | \$ | 25,000 | \$ | 25,000 |
| 341 745-615 | Air National Guard Base Security | \$ | 2,424,740 | \$ | 2,424,740 |
| 342 745-616 | Army National Guard Agreement | \$ | 8,686,893 | \$ | 8,686,893 |
| TOTAL FED Federal Special Revenue Fund Group | | \$ | 23,311,393 | \$ | 23,311,393 |

State Special Revenue Fund Group

| | | | | | |
|--|--------------------------|----|------------|----|-----------------------|
| 5DN 745-618 | Service Medal Production | \$ | 1,500 | \$ | 0 |
| 5U8 745-613 | Community Match Armories | \$ | 90,000 | \$ | 91,800 |
| 528 745-605 | Marksmanship Activities | \$ | 126,078 | \$ | 128,600 |
| TOTAL SSR State Special Revenue Fund Group | | \$ | 217,578 | \$ | 220,400 |
| TOTAL ALL BUDGET FUND GROUPS | | \$ | 36,871,806 | \$ | 36,874,628 |
| | | | | | <u>38,144,628</u> |

NATIONAL GUARD BENEFITS

The foregoing appropriation item 745-407, National Guard Benefits, shall be used for purposes of sections 5919.31 and 5919.33 of the Revised Code, and for administrative costs of the associated programs.

For active duty members of the Ohio National Guard who died after October 7, 2001, while performing active duty, the death benefit, pursuant to section 5919.33 of the Revised Code, shall be paid to the beneficiary or beneficiaries designated on the member's Servicemembers' Group Life Insurance Policy.

STATE ACTIVE DUTY COSTS

Of the foregoing appropriation item 745-409, Central Administration, \$50,000 in each fiscal year shall be used for the purpose of paying expenses related to state active duty of members of the Ohio organized militia, in accordance with a proclamation of the Governor. Expenses include, but are not limited to, the cost of equipment, supplies, and services, as determined by the Adjutant General's Department.

NATIONAL GUARD SERVICE MEDAL PRODUCTION

The foregoing appropriation item 745-618, Service Medal Production, shall be used to cover costs of production of the Commemorative National Guard Service Medal pursuant to section 5919.19 of the Revised Code.

CASH TRANSFER TO NATIONAL GUARD SERVICE MEDAL FUND

At the request of the Adjutant General, the Director of Budget and Management may transfer up to \$1,500 cash from the General Revenue Fund to the National Guard Service Medal Fund (Fund 5DN) in fiscal year 2006.

SECTION 403.12. That existing Section 203.09 of Am. Sub. H.B. 66 of the 126th General Assembly, as amended by Am. Sub. H.B. 530 of the 126th General Assembly, is hereby repealed.

SECTION 483.03. (A) Pursuant to section 5911.10 of the Revised Code, the Governor is hereby authorized to execute a deed in the name of the state conveying to a buyer or buyers to be determined in the manner provided in division (C) of this section, and the buyer's or buyers' successors and assigns or heirs and assigns, all of the state's right, title, and interest in the following described parcel of real estate that the Adjutant General has determined is no longer required for armory or military purposes:
Situated in Section 36, Township 2, Range 1, in the Township of

Steubenville, County of Jefferson and State of Ohio, and more particularly described as follows. Beginning at a stake 54.37 feet eastwardly from the southeast corner of the intersection of Franklin Avenue with Jacksonville Road now known as Brady Avenue. Thence with the south line of Franklin Avenue N. 69 degrees 52' west 29.37 feet to the P.C. of a curve having a central angle of 64 degrees 37'; thence in an arc of a circle a distance of 44.52 feet to the P.T. of said curve; thence south 45 degrees 31' west with the east line of Brady Avenue 356.99 feet to the P.C. of a curve having a central angle of 129 degrees 14'; thence in an arc of a circle a distance of 42.73 feet to the P.T. of said curve; thence south 83 degrees 43' east with north line of Pershing Avenue 280.17 feet to a 15 foot alley; thence with the west line of said alley north 6 degrees 17' east 303.03 feet to the place of beginning. Containing 1.678 Acres more or less, but subject to all legal highways, and saving, excepting and reserving from the above described real estate, all the coal underlying the same, with the right to mine and remove the same by means of approaches from other lands.

(B) At the request of the Adjutant General, the Director of Administrative Services, pursuant to the procedures described in division (C) of this section, shall assist in the sale of the parcel described in division (A) of this section.

(C) The Adjutant General shall appraise the parcel described in division (A) of this section or have it appraised by one or more disinterested persons for a fee to be determined by the Adjutant General, and shall offer the parcel for sale as follows:

(1) The Adjutant General first shall offer the parcel for sale at its appraised value to the township in which it is located.

(2) If, after sixty days, the township has not accepted the offer to purchase the parcel at its appraised value or has accepted the offer but has failed to complete the purchase, the Adjutant General shall offer the parcel for sale at its appraised value to the county in which it is located.

(3) If, after sixty days, the county has not accepted the offer to purchase the parcel at its appraised value or has accepted the offer but has failed to complete the purchase, a public auction shall be held, and the parcel shall be sold to the highest bidder at a price acceptable to the Adjutant General. The Adjutant General may reject any and all bids for any reason whatsoever.

The Adjutant General shall advertise each public auction in a newspaper of general circulation within the county in which the parcel is located once a week for two consecutive weeks before the date of the auction.

The terms of sale of a parcel at a public auction shall be payment of ten per cent of the purchase price, as bid by the highest bidder, in cash, bank

draft, or certified check on the date of sale, with the balance payable within sixty days after the date of sale. A purchaser who does not timely complete the conditions of the sale as prescribed in this section shall forfeit to the state the ten per cent of the purchase price paid on the date of the sale as liquidated damages.

If the purchase is not completed and the sale is voided, the Adjutant General may sell the parcel to the second highest bidder at the public auction held pursuant to this section.

(D) Advertising costs, appraisal fees, and other costs of the sale of the parcels described in division (A) of this section shall be paid by the Adjutant General's Department.

(E) Upon the payment of ten per cent of the purchase price of the parcel described in division (A) of this section in accordance with division (C)(3) of this section, or upon notice from the Adjutant General's Department that the parcel of real estate described in division (A) of this section has been sold to a township or county in accordance with division (C) of this section, a deed shall be prepared for that parcel by the Auditor of State, with the assistance of the Attorney General, be executed by the Governor, countersigned by the Secretary of State, sealed with the Great Seal of the State, and presented for recording in the Office of the Auditor of State. Upon the grantee's payment of the balance of the purchase price, the deed shall be delivered to the grantee. The grantee shall present the deed for recording in the office of the Jefferson County Recorder.

(F) The net proceeds of the sale of the parcel described in division (A) of this section shall be deposited in the State Treasury to the credit of the Armory Improvements Fund pursuant to section 5911.10 of the Revised Code.

(G) If the parcel of real estate described in division (A) of this section is sold to a township or county and that political subdivision sells that parcel within two years after its purchase, the political subdivision shall pay to the state, for deposit in the state treasury to the credit of the Armory Improvements Fund pursuant to section 5911.10 of the Revised Code, an amount representing one-half of any net profit derived from that subsequent sale. The net profit shall be computed by first subtracting the price at which the political subdivision bought the parcel from the price at which the political subdivision sold the parcel, and then subtracting from that remainder the amount of any expenditures the political subdivision made for improvements to the parcel.

(H) This section shall expire five years after its effective date.

SECTION 483.04. (A) Pursuant to section 5911.10 of the Revised Code, the Governor is hereby authorized to execute a deed in the name of the state conveying to The Ohio State University, and its successors and assigns, all of the state's right, title, and interest in the following described real estate that the Adjutant General has determined is no longer required for armory or military purposes:

Situated in the County of Franklin, Township of Perry, State of Ohio: and being part of Section #4, Township #2, Range #19, United States Military lands, more particularly bounded and described as follows: Beginning at an iron pin; said iron pin being S. 86 degrees 44 minutes E., a distance of 60.10 feet from the southeast corner of a 25 Acre Tract of land deeded to Frank C. and Marguerite H. Norris by Warranty Deed, filed for record in Deed Book #1336, Page #376, Recorder's Office, Franklin County, Ohio; thence N. 2 degrees 46 minutes E., a distance of 1179.80 feet to an iron pin; thence S. 86 degrees 49 minutes E., a distance of 295.96 feet to an iron pin; thence S. 2 degrees 47 minutes W., a distance of 1180.24 feet to an iron pin; thence N. 86 degrees 44 minutes W., a distance of 295.74 feet (passing an iron pin at 34.58 feet) to the place of beginning containing 8.017 acres, more or less, but subject to all legal highways or easements of previous records.

(B) Consideration for the conveyance of the real estate described in division (A) of this section is a purchase price, acceptable to the Adjutant General, based on the real estate's fair market value.

(C) Upon payment of the purchase price, the Auditor of State, with the assistance of the Attorney General, shall prepare a deed to the real estate described in division (A) of this section. The deed shall state the consideration. The deed shall be executed by the Governor in the name of the state, countersigned by the Secretary of State, sealed with the Great Seal of the State, and presented for recording in the Office of the Auditor of State. The Ohio State University shall present the deed for recording in the office of the Franklin County Recorder.

(D) The net proceeds of the sale of the real estate described in division (A) of this section shall be deposited in the State Treasury to the credit of the Armory Improvements Fund pursuant to section 5911.10 of the Revised Code.

(E) The Ohio State University shall pay the costs of the conveyance described in division (A) of this section.

(F) This section shall expire two years after its effective date.

SECTION 483.05. (A) The sale provisions specified in Section 2 of Am. Sub. S.B. 234 of the 125th General Assembly do not apply to Parcel No. 10, Chillicothe Armory; instead, pursuant to section 5911.10 of the Revised Code, the Governor is hereby authorized to execute a deed in the name of the state, conveying to the City of Chillicothe, and its successors and assigns, all of the state's right, title, and interest in the following described real estate:

Chillicothe Armory – Volume 201, Page 177, Ross County Deed Records

Situate in the City Park in the City of Chillicothe, County of Ross, and State of Ohio, be, and the same is hereby donated to the State of Ohio: - Beginning at a point 628.88' on the center line of Paint Street extended, (which has a bearing of N. 11 degrees 8 minutes W.) from the intersection of the North property line of Riverside Street with the centerline of Paint Street; thence N. 28 degrees 46 minutes E. 102.73' to a stake; thence N. 14 degrees 20 minutes W. 300' to a stake in the south side of a cinder path; thence with the path S. 82 degrees 40 minutes W. 201.50' to a stake; thence S. 14 degrees 20 minutes E. 324.56' to a stake near the north side of the Park roadway; thence S. 47 degrees 43 minutes E. 150.20' to a steel flag pole in the concrete foundation of the Park cannon; thence N. 28 degrees 46 minutes E. 69.02' to the beginning, containing 1.67 acres of land more or less.

(B) Consideration for the conveyance of the real estate described in division (A) of this section is the complete and usable sewer system connecting to the National Guard Readiness Center at Camp Sherman, including any tap in-fees or other fees to access the sewer line, and the purchase price of one dollar.

(C) Upon payment of the purchase price, the Auditor of State, with the assistance of the Attorney General, shall prepare a deed to the real estate described in division (A) of this section. The deed shall state the consideration. The deed shall be executed by the Governor in the name of the state, countersigned by the Secretary of State, sealed with the Great Seal of the State, and presented for recording in the Office of the Auditor of State. The City of Chillicothe shall present the deed for recording in the office of the Ross County Recorder.

(D) The City of Chillicothe shall pay the costs of the conveyance described in division (A) of this section.

(E) This section shall expire one year after its effective date.

SECTION 503.03. The items of law of which the sections of law contained in this act are composed, and their applications, are independent and severable. If any item of law that constitutes the whole or part of a section of law contained in this act, or if any application of any item of law that constitutes the whole or part of a section of law contained in this act, is held invalid, the invalidity does not affect other items of law or applications of items of law that can be given effect without the invalid item of law or application.

SECTION 506.03. An item of law that composes the whole or part of a section of law contained in this act that makes, or that provides for funding of, an appropriation or reappropriation of money has no effect after June 30, 2008, unless its context clearly indicates otherwise.

SECTION 509.03. Except as otherwise specifically provided in this act, the amendment or enactment of the sections of law contained in this act, and the items of law of which the amendments or enactments are composed, are not subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1d and section 1.471 of the Revised Code, the amendments or enactments, and the items of law of which the amendments or enactments are composed, go into immediate effect when this act becomes law.

SECTION 512.03. The amendment or enactment by this act of the sections of law listed in this section, and the items of law of which the amendments or enactments are composed, are subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1c and section 1.471 of the Revised Code, the amendments or enactments, and the items of law of which the amendments or enactments are composed, take effect on the ninety-first day after this act is filed with the Secretary of State. If, however, a referendum petition is filed against any such amendment or enactment, or against any item of law of which any such amendment or enactment is composed, the amendment or enactment, or item, unless rejected at the referendum, takes effect at the earliest time permitted by law.

Sections 107.032, 107.033, 107.034, 107.035, 125.021, 131.55, 131.56, 131.57, 131.58, 131.59, 131.60, 183.04, 183.05, 183.30, 3318.05, 3318.051, 3318.06, 3318.063, 3318.08, 3318.121, 3318.18, 3318.36, 3702.72, 3702.73, 3702.81, 3702.89, 3702.92, 5751.20, and 5751.21 of the Revised Code.

SECTION 515.03. Section 125.021 of the Revised Code is presented in this act as a composite of the section as amended by Am. Sub. H.B. 426 of the 125th General Assembly and H.B. 65 of the 126th General Assembly. The General Assembly, applying the principle stated in division (B) of section 1.52 of the Revised Code that amendments are to be harmonized if reasonably capable of simultaneous operation, finds that the composite is the resulting version of the section in effect prior to the effective date of the section as presented in this act.

Speaker _____ of the House of Representatives.

President _____ of the Senate.

Passed _____, 20____

Approved _____, 20____

Governor.

The section numbering of law of a general and permanent nature is complete and in conformity with the Revised Code.

Director, Legislative Service Commission.

Filed in the office of the Secretary of State at Columbus, Ohio, on the
____ day of _____, A. D. 20____.

Secretary of State.

File No. _____ Effective Date _____