

# AN ACT

To amend sections 122.12, 135.143, 148.06, 926.31, 1501.04, 1517.23, 3302.03, 3313.44, 4928.01, 5709.62, 5709.63, 5709.632, 5739.02, 5751.08, 5751.09, 6109.22, and 6111.036, to enact sections 1513.372, 1517.03, 1517.04, and 5709.084 of the Revised Code, to amend Sections 265.30.40 and 265.40.60 of Am. Sub. H.B. 1 of the 128th General Assembly, to amend Section 265.10 of Am. Sub. H.B. 1 of the 128th General Assembly, as subsequently amended, and to repeal Sections 6 and 7 of Sub. H.B. 318 of the 128th General Assembly to provide immunity from liability for eligible landowners who provide access to abandoned mine land located on their land for purposes of acid mine drainage abatement and to provide immunity from liability for nonprofit organizations that provide funding or services for such acid mine drainage abatement, to designate that methane gas emitted from an abandoned coal mine constitutes a renewable energy resource rather than an advanced energy resource for purposes of the law governing the promotion of renewable energy usage, electricity supplied from renewable energy sources, and renewable energy credits, to reestablish the Ohio Natural Areas Council, and to expand the purposes for which the Water Supply Revolving Loan Account in the Drinking Water Assistance Fund and the Water Pollution Control Loan Fund may be used; to revise the performance ratings for school districts and buildings; to require the Director of Budget and Management, upon the request of the

Director of Natural Resources and beginning July 1, 2010, and ending January 1, 2012, to transfer an amount not to exceed \$1.2 million from the Natural Areas and Preserves Fund to the Departmental Projects Fund for the purpose of supporting permanent employees of the Division of Natural Areas and Preserves through January 1, 2012; to require the Administrator of the Bureau of Workers' Compensation, beginning July 1, 2010, and ending December 31, 2010, to transfer a portion of the investment earnings of the Coal-Workers Pneumoconiosis Fund to the Strip Mining Administration Fund; to include NASCAR races, certain Olympic-style boxing competitions, and the Air New Zealand Golden Oldies World Rugby Festival as sporting events for which state grants may be awarded to a county or municipal corporation; to alter the authority of the Treasurer of State to invest in single-issuer debt; to authorize regional water and sewer districts and regional transit authorities to offer additional deferred compensation plans; to modify the law governing which entities are subject to testing of agricultural commodities; to exempt from taxation property leased by a school district for a term of at least fifty years; to exempt convention centers in large-population counties from property taxation and to exempt, for one year, construction materials incorporated into such convention centers from sales and use taxation; to extend enterprise zone authority for one year; to permanently authorize the Tax Commissioner to refund erroneously made commercial activity tax payments made by persons not required to pay the tax; to expressly permit consensual extensions of the four-year time limit on assessments and

refund requests for the commercial activity tax; to reauthorize and make appropriations for the Department of Development's Job Ready Sites Program for fiscal years 2011 and 2012; to reauthorize and make appropriations for the Department of Development's Clean Ohio Revitalization Program for fiscal years 2011 and 2012; to require the Chancellor of the Board of Regents to develop a work force development pilot program for areas of the state with high unemployment; and to provide for adjustments to payments to schools, to provide for adjustments to payments to nonpublic schools, and to make an appropriation.

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

SECTION 1. That sections 122.12, 135.143, 148.06, 926.31, 1501.04, 1517.23, 3302.03, 3313.44, 4928.01, 5709.62, 5709.63, 5709.632, 5739.02, 5751.08, 5751.09, 6109.22, and 6111.036 be amended and sections 1513.372, 1517.03, 1517.04, and 5709.084 of the Revised Code be enacted to read as follows:

Sec. 122.12. As used in this section and in section 122.121 of the Revised Code:

(A) "Endorsing county" means a county that contains a site selected by a site selection organization for one or more games.

(B) "Endorsing municipality" means a municipal corporation that contains a site selected by a site selection organization for one or more games.

(C) "Game support contract" means a joinder undertaking, joinder agreement, or similar contract executed by an endorsing municipality or endorsing county and a site selection organization.

(D) "Game" means a national football league "super bowl," a national collegiate athletic association championship game or match, the national basketball association all-star game, the national hockey league all-star game, the major league baseball all-star game, a national collegiate athletic association bowl championship series game, a world cup soccer game, a national association for stock car auto racing race, the ~~nation~~ national senior

games, the air New Zealand golden oldies world rugby festival, the golden gloves of America, inc., national golden gloves tournament, the USA boxing association national championships, the international boxing association world cup or world championships, or the olympic games.

(E) "Joinder agreement" means an agreement entered into by an endorsing municipality or endorsing county, or more than one endorsing municipality or county acting collectively and a site selection organization setting out representations and assurances by each endorsing municipality or endorsing county in connection with the selection of a site in this state for the location of a game.

(F) "Joinder undertaking" means an agreement entered into by an endorsing municipality or endorsing county, or more than one endorsing municipality or county acting collectively and a site selection organization that each endorsing municipality or endorsing county will execute a joinder agreement in the event that the site selection organization selects a site in this state for a game.

(G) "Local organizing committee" means a nonprofit corporation or its successor in interest that:

(1) Has been authorized by an endorsing municipality, endorsing county, or more than one endorsing municipality or county acting collectively to pursue an application and bid on the applicant's behalf to a site selection organization for selection as the site of one or more games; or

(2) With the authorization of an endorsing municipality, endorsing county, or more than one endorsing municipality or county acting collectively, has executed an agreement with a site selection organization regarding a bid to host one or more games.

(H) "Site selection organization" means the national football league, the national collegiate athletic association, the national basketball association, the national hockey league, major league baseball, the federation internationale de football association, the international world games association, the United States olympic committee, the national association for stock car auto racing, the national senior games association, the air New Zealand golden oldies world rugby secretariat, golden gloves of America, inc., the USA boxing association, the international boxing association, or the national governing body of a sport that is recognized as such by the United States olympic committee.

Sec. 135.143. (A) The treasurer of state may invest or execute transactions for any part or all of the interim funds of the state in the following classifications of obligations:

(1) United States treasury bills, notes, bonds, or any other obligations or

securities issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;

(2) Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality;

(3) Bonds and other direct obligations of the state of Ohio issued by the treasurer of state and of the Ohio public facilities commission, the Ohio building authority, and the Ohio housing finance agency;

(4)(a) Written repurchase agreements with any eligible Ohio financial institution that is a member of the federal reserve system or federal home loan bank or any recognized United States government securities dealer, under the terms of which agreement the treasurer of state purchases and the eligible financial institution or dealer agrees unconditionally to repurchase any of the securities that are listed in division (A)(1), (2), or (6) of this section and that will mature or are redeemable within ten years from the date of purchase. The market value of securities subject to these transactions must exceed the principal value of the repurchase agreement by an amount specified by the treasurer of state, and the securities must be delivered into the custody of the treasurer of state or the qualified trustee or agent designated by the treasurer of state. The agreement shall contain the requirement that for each transaction pursuant to the agreement, the participating institution or dealer shall provide all of the following information:

(i) The par value of the securities;

(ii) The type, rate, and maturity date of the securities;

(iii) A numerical identifier generally accepted in the securities industry that designates the securities.

(b) The treasurer of state also may sell any securities, listed in division (A)(1), (2), or (6) of this section, regardless of maturity or time of redemption of the securities, under the same terms and conditions for repurchase, provided that the securities have been fully paid for and are owned by the treasurer of state at the time of the sale.

(5) Securities lending agreements with any eligible financial institution that is a member of the federal reserve system or federal home loan bank or any recognized United States government securities dealer, under the terms of which agreements the treasurer of state lends securities and the eligible financial institution or dealer agrees to simultaneously exchange similar securities or cash, equal value for equal value.

Securities and cash received as collateral for a securities lending agreement are not interim funds of the state. The investment of cash collateral received pursuant to a securities lending agreement may be

invested only in such instruments specified by the treasurer of state in accordance with a written investment policy.

(6) Various forms of commercial paper issued by any corporation that is incorporated under the laws of the United States or a state, which notes are rated at the time of purchase in the two highest categories by two nationally recognized rating agencies, provided that the total amount invested under this section in any commercial paper at any time shall not exceed twenty-five per cent of the state's total average portfolio, as determined and calculated by the treasurer of state;

(7) Bankers acceptances, maturing in two hundred seventy days or less, which are eligible for purchase by the federal reserve system, provided that the total amount invested in bankers acceptances at any time shall not exceed ten per cent of the state's total average portfolio, as determined and calculated by the treasurer of state;

(8) Certificates of deposit in eligible institutions applying for interim moneys as provided in section 135.08 of the Revised Code, including linked deposits as provided in sections 135.61 to 135.67 of the Revised Code, agricultural linked deposits as provided in sections 135.71 to 135.76 of the Revised Code, and housing linked deposits as provided in sections 135.81 to 135.87 of the Revised Code;

(9) The state treasurer's investment pool authorized under section 135.45 of the Revised Code;

(10) Debt interests, other than commercial paper described in division (A)(6) of this section, rated at the time of purchase in the three highest categories by two nationally recognized rating agencies and issued by corporations that are incorporated under the laws of the United States or a state, or issued by foreign nations diplomatically recognized by the United States government, or any instrument based on, derived from, or related to such interests. ~~All interest and principal shall be denominated and payable in United States funds. The, provided that:~~

(a) The investments made under division (A)(10) of this section in debt interests shall not exceed in the aggregate twenty-five per cent of the state's total average portfolio, as determined and calculated by the treasurer of state. The;

(b) The investments made under division (A)(10) of this section in debt interests issued by foreign nations shall not exceed in the aggregate one per cent of the state's total average portfolio, as determined and calculated by the treasurer of state. The;

(c) The investments made under division (A)(10) of this section in the debt interests of a single issuer shall not exceed in the aggregate one-half of

one per cent of the state's ~~total average~~ portfolio, ~~as determined and calculated by the treasurer of state~~ except that debt interests of a single issuer that is a foreign nation shall not exceed in the aggregate one per cent of the state's portfolio.

The treasurer of state shall invest under division (A)(10) of this section in a debt interest issued by a foreign nation only if the debt interest is backed by the full faith and credit of that foreign nation, and provided that all interest and principal shall be denominated and payable in United States funds. ~~For~~

For purposes of division (A)(10) of this section, a debt interest is rated in the three highest categories by two nationally recognized rating agencies if either the debt interest itself or the issuer of the debt interest is rated, or is implicitly rated, at the time of purchase in the three highest categories by two nationally recognized rating agencies.

For purposes of division (A)(10) of this section, the "state's portfolio" means the state's total average portfolio, as determined and calculated by the treasurer of state.

(11) No-load money market mutual funds consisting exclusively of obligations described in division (A)(1), (2), or (6) of this section and repurchase agreements secured by such obligations.

(12) Obligations of a board of education issued under authority of section 133.10 or 133.301 of the Revised Code.

(B) Whenever, during a period of designation, the treasurer of state classifies public moneys as interim moneys, the treasurer of state shall notify the state board of deposit of such action. The notification shall be given within thirty days after such classification and, in the event the state board of deposit does not concur in such classification or in the investments or deposits made under this section, the board may order the treasurer of state to sell or liquidate any of the investments or deposits, and any such order shall specifically describe the investments or deposits and fix the date upon which they are to be sold or liquidated. Investments or deposits so ordered to be sold or liquidated shall be sold or liquidated for cash by the treasurer of state on the date fixed in such order at the then current market price. Neither the treasurer of state nor the members of the state board of deposit shall be held accountable for any loss occasioned by sales or liquidations of investments or deposits at prices lower than their cost. Any loss or expense incurred in making these sales or liquidations is payable as other expenses of the treasurer's office.

(C) If any securities or obligations invested in by the treasurer of state pursuant to this section are registrable either as to principal or interest, or

both, such securities or obligations shall be registered in the name of the treasurer of state.

(D) The treasurer of state is responsible for the safekeeping of all securities or obligations under this section. Any such securities or obligations may be deposited for safekeeping as provided in section 113.05 of the Revised Code.

(E) Interest earned on any investments or deposits authorized by this section shall be collected by the treasurer of state and credited by the treasurer of state to the proper fund of the state.

(F) Whenever investments or deposits acquired under this section mature and become due and payable, the treasurer of state shall present them for payment according to their tenor, and shall collect the moneys payable thereon. The moneys so collected shall be treated as public moneys subject to sections 135.01 to 135.21 of the Revised Code.

(G) The treasurer of state and any board of education issuing obligations referred to in division (A)(12) of this section may enter into an agreement providing for:

(1) The purchase of those obligations by the treasurer of state on terms and subject to conditions set forth in the agreement;

(2) The payment by the board of education to the treasurer of state of a reasonable fee as consideration for the agreement of the treasurer of state to purchase those obligations; provided, however, that the treasurer of state shall not be authorized to enter into any such agreement with the board of education of a school district that has an outstanding obligation with respect to a loan received under authority of section 3313.483 of the Revised Code.

(H) For purposes of division (G) of this section, a fee shall not be considered reasonable unless it is set to recover only the direct costs and a reasonable estimate of the indirect costs associated with the purchasing of obligations of a school board under division (G) of this section and any reselling of the obligations or any interest in the obligations, including interests in a fund comprised of the obligations. No money from the general revenue fund shall be used to subsidize the purchase or resale of these obligations.

(I) All money collected by the treasurer of state from the fee imposed by division (G) of this section shall be deposited to the credit of the state school board obligations fund, which is hereby created in the state treasury. Money credited to the fund shall be used solely to pay the treasurer of state's direct and indirect costs associated with purchasing and reselling obligations of a board of education under division (G) of this section.

Sec. 148.06. As used in this section:



(A) "Government unit" means a county, park district of any kind, conservancy district, sanitary district, regional water and sewer district, regional transit authority, health district, public library district, or county law library.

(B) "Governing board" means, in the case of the county, the board of county commissioners; in the case of a park district, the board of park commissioners; in the case of a conservancy district, the district's board of directors; in the case of a sanitary district, the district's board of directors; in the case of a regional water and sewer district, the district's board of trustees; in the case of a regional transit authority, the authority's board of trustees; in the case of a health district, the board of health; in the case of a public library district, the board of library trustees; and in the case of a county law library, the board of trustees of the law library association.

In addition to the program of deferred compensation that may be offered under this chapter, a governing board may offer to all of the officers and employees of the government unit not to exceed two additional programs for deferral of compensation designed for favorable tax treatment of the compensation so deferred. Any such program shall include a reasonable number of options to the officer or employee for the investment of the deferred funds, including annuities, variable annuities, regulated investment trusts, or other forms of investment approved by the governing board, that will assure the desired tax treatment of the funds.

Any income deferred under such a plan shall continue to be included as regular compensation for the purpose of computing the contributions to and benefits from the officer's or employee's retirement system but shall not be included in the computation of any federal and state income taxes withheld on behalf of any such employee.

Sec. 926.31. (A) Upon receipt of any shipment of an agricultural commodity from a ~~producer depositor~~ depositor or ~~his~~ a depositor's agent, either for sale or for storage under a bailment agreement, the licensed handler shall cause a representative sample to be drawn for testing by an agricultural commodity tester to determine the quality of the commodity. At the request of the ~~producer depositor~~ depositor or ~~his~~ the depositor's agent, the tester shall immediately test the sample and shall notify the ~~producer depositor~~ depositor or ~~his~~ the depositor's agent of the results of the test and of any price discount, premium, or conditioning charge that is applicable to the value of the commodity. Upon notification of the test and the value adjustment to be applied, the ~~producer depositor~~ depositor or ~~his~~ the depositor's agent shall do one of the following:

- (1) Refuse to sell or store the commodity unless ~~he~~ the depositor or

agent has unloaded the commodity prior to testing;

(2) Agree to sell or store the commodity and accept the agricultural commodity tester's results of the testing of the shipment and the applicable value adjustment;

(3) Agree to sell or store the commodity but reject the agricultural commodity tester's results of the testing of the shipment and order the handler to forward the sample to a federally licensed grain inspector immediately for a final testing of the shipment. The ~~producer depositor~~, his the depositor's agent, or the handler may specify in writing which testing factor or factors ~~he the depositor, depositor's agent, or handler~~ wishes the federal inspector to test.

(B) If, either prior to or during the unloading of the shipment, the licensed handler believes that the original sample drawn is not representative of the shipment, or if the ~~producer depositor~~ or his the depositor's agent requests a second sample to be drawn, the handler shall cause a second sample to be drawn and used for the testing of the shipment.

(C) Any determination of a federally licensed grain inspector under this section shall be binding on both the licensed handler and the ~~producer depositor~~ or his the depositor's agent as the basis for determining the premium or discount and settlement price, if the shipment was delivered for sale, or the conditioning charge, if the shipment was received for storage under a bailment agreement. The cost of the federal inspection and the actual cost of forwarding the sample for such inspection shall be borne by the handler, if the test increases the value of the agricultural commodity as originally determined by the agricultural commodity tester, or by the ~~producer depositor~~, if the test does not change or lowers the value of the commodity.

(D) Any licensed handler and any ~~producer depositor~~ or his the agent of a depositor may enter into an agreement whereby representative samples of each of several shipments of the same agricultural commodity that arrive at the handler's warehouse or facility during any one business day shall be combined to obtain a single result of the testing of the combined shipments of the commodity.

(E) No person shall offer for sale or storage any agricultural commodity that is:

(1) Treated with any poisonous material or that contains rodent excreta or any other material in such amounts as to render the commodity unfit for animal or human consumption;

(2) Knowingly or purposely loaded unevenly so as to conceal amounts of the commodity that are inferior.

(F) Nothing in this section shall be construed to relieve any contractual obligations in effect between the licensed handler or the ~~producer~~ depositor.

Sec. 1501.04. There is hereby created in the department of natural resources a recreation and resources commission composed of the chairperson of the wildlife council created under section 1531.03 of the Revised Code, the chairperson of the parks and recreation council created under section 1541.40 of the Revised Code, the chairperson of the waterways safety council created under section 1547.73 of the Revised Code, the chairperson of the technical advisory council on oil and gas created under section 1509.38 of the Revised Code, the chairperson of the forestry advisory council created under section 1503.40 of the Revised Code, the chairperson of the Ohio soil and water conservation commission created under section 1515.02 of the Revised Code, the chairperson of the Ohio natural areas council created under section 1517.03 of the Revised Code, the chairperson of the Ohio water advisory council created under section 1521.031 of the Revised Code, the chairperson of the recycling and litter prevention advisory council created under section 1502.04 of the Revised Code, the chairperson of the Ohio geology advisory council created under section 1505.11 of the Revised Code, and five members appointed by the governor with the advice and consent of the senate, not more than three of whom shall belong to the same political party. The director of natural resources shall be an ex officio member of the commission, with a voice in its deliberations, but without the power to vote.

Terms of office of members of the commission appointed by the governor shall be for five years, commencing on the second day of February and ending on the first day of February. Each member shall hold office from the date of appointment until the end of the term for which the member was appointed.

In the event of the death, removal, resignation, or incapacity of a member of the commission, the governor, with the advice and consent of the senate, shall appoint a successor who shall hold office for the remainder of the term for which the member's predecessor was appointed. 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.

The governor may remove any appointed member of the commission for misfeasance, nonfeasance, or malfeasance in office.

The commission shall exercise no administrative function, but may do any of the following:

(A) Advise with and recommend to the director as to plans and

programs for the management, development, utilization, and conservation of the natural resources of the state;

(B) Advise with and recommend to the director as to methods of coordinating the work of the divisions of the department;

(C) Consider and make recommendations upon any matter that the director may submit to it;

(D) Submit to the governor biennially recommendations for amendments to the conservation laws of the state.

Each member of the commission, before entering upon the discharge of the member's duties, shall take and subscribe to an oath of office, which oath, in writing, shall be filed in the office of the secretary of state.

The members of the commission shall serve without compensation, but shall be entitled to receive their actual and necessary expenses incurred in the performance of their official duties.

The commission, by a majority vote of all its members, shall adopt and amend bylaws.

To be eligible for appointment, a person shall be a citizen of the United States and an elector of the state and shall possess a knowledge of and have an interest in the natural resources of this state.

The commission shall hold at least four regular quarterly meetings each year. Special meetings shall be held at such times as the bylaws of the commission provide. Notices of all meetings shall be given in such manner as the bylaws provide. The commission shall choose annually from among its members a chairperson to preside over its meetings and a secretary to keep a record of its proceedings. A majority of the members of the commission constitutes a quorum. No advice shall be given or recommendation made without a majority of the members of the commission concurring in it.

Sec. 1513.372. (A) As used in this section:

(1) "Abandoned mine land" means land or water resources adversely affected by coal mining practices to which one of the following applies:

(a) The coal mining practices occurred prior to August 3, 1977, and there is no continuing reclamation responsibility under state or federal law.

(b) The coal mining practices occurred prior to April 10, 1972.

(c) The coal mining practices were conducted pursuant to a license that was issued prior to April 10, 1972.

(2) "Eligible landowner" means a landowner who provides access without charge or other consideration to abandoned mine land that is located on the landowner's property for the purpose of allowing the implementation of a reclamation project on the abandoned mine land. "Eligible landowner"

does not include a person that is responsible under state or federal law to reclaim the land or address acid mine drainage existing or emanating from the abandoned mine land.

(3) "Landowner" means a person who holds a fee interest in real property.

(4) "Nonprofit organization" means a corporation, association, group, institution, society, or other organization that is exempt from federal income taxation under section 501(c)(3) of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C. 501(c)(3), as amended, that provides funding or services at no cost or at cost for a reclamation project.

(5) "Reclamation project" means an acid mine drainage abatement project that is conducted in compliance with this chapter and rules adopted under it on abandoned mine land that is located on property owned by an eligible landowner.

(6) "Reclamation project work area" means the portion of a parcel of real property on which a reclamation project is conducted and the roads providing ingress to and egress from the reclamation project.

(B) Except as provided in divisions (C) and (D) of this section, an eligible landowner or nonprofit organization is immune from liability as follows:

(1) For any injury to or damage suffered by a person working under the direct supervision of the division of mineral resources management while the person is within the reclamation project work area;

(2) For any injury to or damage suffered by a third party that arises out of or occurs as a result of an act or omission of the division during the construction, operation, and maintenance of the reclamation project;

(3) For any failure of an acid mine drainage abatement facility constructed or installed during a reclamation project that is supervised by the division;

(4) For the operation, maintenance, or repair of any acid mine drainage abatement facility constructed or installed during a reclamation project unless the eligible landowner negligently damages or destroys the acid mine drainage abatement facility or denies access to the division of mineral resources management that is responsible for the operation, maintenance, or repair of the acid mine drainage abatement facility.

(C) The eligible landowner shall notify the division of a known, latent, dangerous condition located at a reclamation project work area that is not the subject of the reclamation project. The immunity established in division (B) of this section does not apply to any injury, damage, or pollution resulting from the eligible landowner's failure to notify the division of such

a known, latent, dangerous condition.

(D) The immunity established in division (B) of this section does not apply in both of the following circumstances:

(1) An injury to a person within the reclamation project work area that results from an eligible landowner's or nonprofit organization's acts or omissions that are reckless or constitute gross negligence or willful or wanton misconduct;

(2) An eligible landowner or nonprofit organization who engages in any unlawful activities with respect to a reclamation project.

(E) The chief of the division of mineral resources management shall adopt rules in accordance with Chapter 119. of the Revised Code that are necessary to implement this section.

Sec. 1517.03. There is hereby created the Ohio natural areas council to advise the chief of the division of natural areas and preserves on the administration of nature preserves and the preservation of natural areas.

The council shall have no fewer than five members as determined by the director of natural resources. The members shall be appointed by the director.

Not later than thirty days after the effective date of this section, the director shall make initial appointments to the council. The director shall establish the terms of office of the members of the council.

The council annually shall select from among its members a chairperson and a secretary. Members of the council shall receive no compensation and shall not be reimbursed for expenses incurred as members of the council.

The council shall hold at least one regular meeting in each calendar year. Special meetings may be called by the chairperson and shall be called by the chairperson upon written request by two or more members of the council. A written notice of the time and place of each meeting shall be sent to each member and to the director. A majority of the members of the council constitutes a quorum. The council shall keep a record of its proceedings at each meeting and shall send a copy of the record to the director. The record shall be open to the public for inspection.

Sec. 1517.04. The Ohio natural areas council shall do all of the following:

(A) Review and make recommendations regarding criteria used by the department of natural resources for acquisition and dedication of nature preserves;

(B) Review and make recommendations regarding inventories and registries of natural areas and preserves;

(C) Review and make recommendations regarding departmental plans

for the selection of particular natural areas for state acquisition:

(D) Advise the chief of the division of natural areas and preserves on policies and rules governing the management, protection, and use of nature preserves;

(E) Recommend the extent and type of visitation and use to be permitted within each nature preserve;

(F) Advise and consult with the chief and with employees of the division of natural areas and preserves on preservation matters;

(G) Advise the chief on the program to identify and protect the state's cave resources that is established under this chapter.

Sec. 1517.23. ~~The~~ With the advice of the Ohio natural areas council created in section 1517.03 of the Revised Code, the chief of the division of natural areas and preserves shall do both of the following:

(A) Formulate policies and plans and establish a program incorporating them for the identification and protection of the state's cave resources and adopt, amend, or rescind rules in accordance with Chapter 119. of the Revised Code to implement that program;

(B) Provide technical assistance and management advice to owners upon request concerning the protection of caves on their land.

Sec. 3302.03. (A) Annually the department of education shall report for each school district and each school building in a district all of the following:

(1) The extent to which the school district or building meets each of the applicable performance indicators created by the state board of education under section 3302.02 of the Revised Code and the number of applicable performance indicators that have been achieved;

(2) The performance index score of the school district or building;

(3) Whether the school district or building has made adequate yearly progress;

(4) Whether the school district or building is excellent, effective, needs continuous improvement, is under an academic watch, or is in a state of academic emergency.

(B) Except as otherwise provided in ~~divisions~~ division (B)(6) ~~and (7)~~ of this section:

(1) A school district or building shall be declared excellent if it ~~fulfills one of the following requirements:~~

~~(a) It makes adequate yearly progress and either meets at least ninety four per cent of the applicable state performance indicators or has a performance index score established by the department.~~

~~(b) It has failed to make adequate yearly progress for not more than two~~

~~consecutive years and either~~ meets at least ninety-four per cent of the applicable state performance indicators or has a performance index score established by the department, except that if it does not make adequate yearly progress for two or more of the same subgroups for three or more consecutive years, it shall be declared effective.

(2) A school district or building shall be declared effective if it ~~fulfills one of the following requirements:~~

~~(a) It makes adequate yearly progress and either~~ meets at least seventy-five per cent but less than ninety-four per cent of the applicable state performance indicators or has a performance index score established by the department:

~~(b) It does not make adequate yearly progress and either meets at least seventy five per cent of the applicable state performance indicators or has a performance index score established by the department,~~ except that if it does not make adequate yearly progress for two or more of the same subgroups for three or more consecutive years, it shall be declared in need of continuous improvement.

(3) A school district or building shall be declared to be in need of continuous improvement if it fulfills one of the following requirements:

(a) It makes adequate yearly progress, meets less than seventy-five per cent of the applicable state performance indicators, and has a performance index score established by the department.

(b) It does not make adequate yearly progress and either meets at least fifty per cent but less than seventy-five per cent of the applicable state performance indicators or has a performance index score established by the department.

(4) A school district or building shall be declared to be under an academic watch if it does not make adequate yearly progress and either meets at least thirty-one per cent but less than fifty per cent of the applicable state performance indicators or has a performance index score established by the department.

(5) A school district or building shall be declared to be in a state of academic emergency if it does not make adequate yearly progress, does not meet at least thirty-one per cent of the applicable state performance indicators, and has a performance index score established by the department.

~~(6) When designating performance ratings for school districts and buildings under divisions (B)(1) to (5) of this section, the department shall not assign a school district or building a lower designation from its previous year's designation based solely on one subgroup not making adequate yearly progress.~~



~~(7)~~ Division (B)~~(7)~~(6) of this section does not apply to any community school established under Chapter 3314. of the Revised Code in which a majority of the students are enrolled in a dropout prevention and recovery program.

A school district or building shall not be assigned a higher performance rating than in need of continuous improvement if at least ten per cent but not more than fifteen per cent of the enrolled students do not take all achievement assessments prescribed for their grade level under division (A)(1) or (B)(1) of section 3301.0710 of the Revised Code from which they are not excused pursuant to division (C)(1) or (3) of section 3301.0711 of the Revised Code. A school district or building shall not be assigned a higher performance rating than under an academic watch if more than fifteen per cent but not more than twenty per cent of the enrolled students do not take all achievement assessments prescribed for their grade level under division (A)(1) or (B)(1) of section 3301.0710 of the Revised Code from which they are not excused pursuant to division (C)(1) or (3) of section 3301.0711 of the Revised Code. A school district or building shall not be assigned a higher performance rating than in a state of academic emergency if more than twenty per cent of the enrolled students do not take all achievement assessments prescribed for their grade level under division (A)(1) or (B)(1) of section 3301.0710 of the Revised Code from which they are not excused pursuant to division (C)(1) or (3) of section 3301.0711 of the Revised Code.

(C)(1) The department shall issue annual report cards for each school district, each building within each district, and for the state as a whole reflecting performance on the indicators created by the state board under section 3302.02 of the Revised Code, the performance index score, and adequate yearly progress.

(2) The department shall include on the report card for each district information pertaining to any change from the previous year made by the school district or school buildings within the district on any performance indicator.

(3) When reporting data on student performance, the department shall disaggregate that data according to the following categories:

- (a) Performance of students by age group;
- (b) Performance of students by race and ethnic group;
- (c) Performance of students by gender;
- (d) Performance of students grouped by those who have been enrolled in a district or school for three or more years;
- (e) Performance of students grouped by those who have been enrolled in

a district or school for more than one year and less than three years;

(f) Performance of students grouped by those who have been enrolled in a district or school for one year or less;

(g) Performance of students grouped by those who are economically disadvantaged;

(h) Performance of students grouped by those who are enrolled in a conversion community school established under Chapter 3314. of the Revised Code;

(i) Performance of students grouped by those who are classified as limited English proficient;

(j) Performance of students grouped by those who have disabilities;

(k) Performance of students grouped by those who are classified as migrants;

(l) Performance of students grouped by those who are identified as gifted pursuant to Chapter 3324. of the Revised Code.

The department may disaggregate data on student performance according to other categories that the department determines are appropriate. To the extent possible, the department shall disaggregate data on student performance according to any combinations of two or more of the categories listed in divisions (C)(3)(a) to (l) of this section that it deems relevant.

In reporting data pursuant to division (C)(3) of this section, the department shall not include in the report cards any data statistical in nature that is statistically unreliable or that could result in the identification of individual students. For this purpose, the department shall not report student performance data for any group identified in division (C)(3) of this section that contains less than ten students.

(4) The department may include with the report cards any additional education and fiscal performance data it deems valuable.

(5) The department shall include on each report card a list of additional information collected by the department that is available regarding the district or building for which the report card is issued. When available, such additional information shall include student mobility data disaggregated by race and socioeconomic status, college enrollment data, and the reports prepared under section 3302.031 of the Revised Code.

The department shall maintain a site on the world wide web. The report card shall include the address of the site and shall specify that such additional information is available to the public at that site. The department shall also provide a copy of each item on the list to the superintendent of each school district. The district superintendent shall provide a copy of any item on the list to anyone who requests it.

(6)(a) This division does not apply to conversion community schools that primarily enroll students between sixteen and twenty-two years of age who dropped out of high school or are at risk of dropping out of high school due to poor attendance, disciplinary problems, or suspensions.

For any district that sponsors a conversion community school under Chapter 3314. of the Revised Code, the department shall combine data regarding the academic performance of students enrolled in the community school with comparable data from the schools of the district for the purpose of calculating the performance of the district as a whole on the report card issued for the district.

(b) Any district that leases a building to a community school located in the district or that enters into an agreement with a community school located in the district whereby the district and the school endorse each other's programs may elect to have data regarding the academic performance of students enrolled in the community school combined with comparable data from the schools of the district for the purpose of calculating the performance of the district as a whole on the district report card. Any district that so elects shall annually file a copy of the lease or agreement with the department.

(7) The department shall include on each report card the percentage of teachers in the district or building who are highly qualified, as defined by the "No Child Left Behind Act of 2001," and a comparison of that percentage with the percentages of such teachers in similar districts and buildings.

(8) The department shall include on the report card the number of lead teachers employed by each district and each building once the data is available from the education management information system established under section 3301.0714 of the Revised Code.

(D)(1) In calculating English language arts, mathematics, social studies, or science assessment passage rates used to determine school district or building performance under this section, the department shall include all students taking an assessment with accommodation or to whom an alternate assessment is administered pursuant to division (C)(1) or (3) of section 3301.0711 of the Revised Code.

(2) In calculating performance index scores, rates of achievement on the performance indicators established by the state board under section 3302.02 of the Revised Code, and adequate yearly progress for school districts and buildings under this section, the department shall do all of the following:

(a) Include for each district or building only those students who are included in the ADM certified for the first full school week of October and

are continuously enrolled in the district or building through the time of the spring administration of any assessment prescribed by division (A)(1) or (B)(1) of section 3301.0710 of the Revised Code that is administered to the student's grade level;

(b) Include cumulative totals from both the fall and spring administrations of the third grade English language arts achievement assessment;

(c) Except as required by the "No Child Left Behind Act of 2001" for the calculation of adequate yearly progress, exclude for each district or building any limited English proficient student who has been enrolled in United States schools for less than one full school year.

Sec. 3313.44. Real or personal property ~~vested in~~ owned by or leased to any board of education for a lease term of at least fifty years shall be exempt from taxation ~~and from sale on execution or other writ or order in the nature of an execution.~~

Sec. 4928.01. (A) As used in this chapter:

(1) "Ancillary service" means any function necessary to the provision of electric transmission or distribution service to a retail customer and includes, but is not limited to, scheduling, system control, and dispatch services; reactive supply from generation resources and voltage control service; reactive supply from transmission resources service; regulation service; frequency response service; energy imbalance service; operating reserve-spinning reserve service; operating reserve-supplemental reserve service; load following; back-up supply service; real-power loss replacement service; dynamic scheduling; system black start capability; and network stability service.

(2) "Billing and collection agent" means a fully independent agent, not affiliated with or otherwise controlled by an electric utility, electric services company, electric cooperative, or governmental aggregator subject to certification under section 4928.08 of the Revised Code, to the extent that the agent is under contract with such utility, company, cooperative, or aggregator solely to provide billing and collection for retail electric service on behalf of the utility company, cooperative, or aggregator.

(3) "Certified territory" means the certified territory established for an electric supplier under sections 4933.81 to 4933.90 of the Revised Code.

(4) "Competitive retail electric service" means a component of retail electric service that is competitive as provided under division (B) of this section.

(5) "Electric cooperative" means a not-for-profit electric light company that both is or has been financed in whole or in part under the "Rural

Electrification Act of 1936," 49 Stat. 1363, 7 U.S.C. 901, and owns or operates facilities in this state to generate, transmit, or distribute electricity, or a not-for-profit successor of such company.

(6) "Electric distribution utility" means an electric utility that supplies at least retail electric distribution service.

(7) "Electric light company" has the same meaning as in section 4905.03 of the Revised Code and includes an electric services company, but excludes any self-generator to the extent that it consumes electricity it so produces, sells that electricity for resale, or obtains electricity from a generating facility it hosts on its premises.

(8) "Electric load center" has the same meaning as in section 4933.81 of the Revised Code.

(9) "Electric services company" means an electric light company that is engaged on a for-profit or not-for-profit basis in the business of supplying or arranging for the supply of only a competitive retail electric service in this state. "Electric services company" includes a power marketer, power broker, aggregator, or independent power producer but excludes an electric cooperative, municipal electric utility, governmental aggregator, or billing and collection agent.

(10) "Electric supplier" has the same meaning as in section 4933.81 of the Revised Code.

(11) "Electric utility" means an electric light company that has a certified territory and is engaged on a for-profit basis either in the business of supplying a noncompetitive retail electric service in this state or in the businesses of supplying both a noncompetitive and a competitive retail electric service in this state. "Electric utility" excludes a municipal electric utility or a billing and collection agent.

(12) "Firm electric service" means electric service other than nonfirm electric service.

(13) "Governmental aggregator" means a legislative authority of a municipal corporation, a board of township trustees, or a board of county commissioners acting as an aggregator for the provision of a competitive retail electric service under authority conferred under section 4928.20 of the Revised Code.

(14) A person acts "knowingly," regardless of the person's purpose, when the person is aware that the person's conduct will probably cause a certain result or will probably be of a certain nature. A person has knowledge of circumstances when the person is aware that such circumstances probably exist.

(15) "Level of funding for low-income customer energy efficiency

programs provided through electric utility rates" means the level of funds specifically included in an electric utility's rates on October 5, 1999, pursuant to an order of the public utilities commission issued under Chapter 4905. or 4909. of the Revised Code and in effect on October 4, 1999, for the purpose of improving the energy efficiency of housing for the utility's low-income customers. The term excludes the level of any such funds committed to a specific nonprofit organization or organizations pursuant to a stipulation or contract.

(16) "Low-income customer assistance programs" means the percentage of income payment plan program, the home energy assistance program, the home weatherization assistance program, and the targeted energy efficiency and weatherization program.

(17) "Market development period" for an electric utility means the period of time beginning on the starting date of competitive retail electric service and ending on the applicable date for that utility as specified in section 4928.40 of the Revised Code, irrespective of whether the utility applies to receive transition revenues under this chapter.

(18) "Market power" means the ability to impose on customers a sustained price for a product or service above the price that would prevail in a competitive market.

(19) "Mercantile customer" means a commercial or industrial customer if the electricity consumed is for nonresidential use and the customer consumes more than seven hundred thousand kilowatt hours per year or is part of a national account involving multiple facilities in one or more states.

(20) "Municipal electric utility" means a municipal corporation that owns or operates facilities to generate, transmit, or distribute electricity.

(21) "Noncompetitive retail electric service" means a component of retail electric service that is noncompetitive as provided under division (B) of this section.

(22) "Nonfirm electric service" means electric service provided pursuant to a schedule filed under section 4905.30 of the Revised Code or pursuant to an arrangement under section 4905.31 of the Revised Code, which schedule or arrangement includes conditions that may require the customer to curtail or interrupt electric usage during nonemergency circumstances upon notification by an electric utility.

(23) "Percentage of income payment plan arrears" means funds eligible for collection through the percentage of income payment plan rider, but uncollected as of July 1, 2000.

(24) "Person" has the same meaning as in section 1.59 of the Revised Code.

(25) "Advanced energy project" means any technologies, products, activities, or management practices or strategies that facilitate the generation or use of electricity or energy and that reduce or support the reduction of energy consumption or support the production of clean, renewable energy for industrial, distribution, commercial, institutional, governmental, research, not-for-profit, or residential energy users, including, but not limited to, advanced energy resources and renewable energy resources. "Advanced energy project" also includes any project described in division (A), (B), or (C) of section 4928.621 of the Revised Code.

(26) "Regulatory assets" means the unamortized net regulatory assets that are capitalized or deferred on the regulatory books of the electric utility, pursuant to an order or practice of the public utilities commission or pursuant to generally accepted accounting principles as a result of a prior commission rate-making decision, and that would otherwise have been charged to expense as incurred or would not have been capitalized or otherwise deferred for future regulatory consideration absent commission action. "Regulatory assets" includes, but is not limited to, all deferred demand-side management costs; all deferred percentage of income payment plan arrears; post-in-service capitalized charges and assets recognized in connection with statement of financial accounting standards no. 109 (receivables from customers for income taxes); future nuclear decommissioning costs and fuel disposal costs as those costs have been determined by the commission in the electric utility's most recent rate or accounting application proceeding addressing such costs; the undepreciated costs of safety and radiation control equipment on nuclear generating plants owned or leased by an electric utility; and fuel costs currently deferred pursuant to the terms of one or more settlement agreements approved by the commission.

(27) "Retail electric service" means any service involved in supplying or arranging for the supply of electricity to ultimate consumers in this state, from the point of generation to the point of consumption. For the purposes of this chapter, retail electric service includes one or more of the following "service components": generation service, aggregation service, power marketing service, power brokerage service, transmission service, distribution service, ancillary service, metering service, and billing and collection service.

(28) "Starting date of competitive retail electric service" means January 1, 2001.

(29) "Customer-generator" means a user of a net metering system.

(30) "Net metering" means measuring the difference in an applicable

billing period between the electricity supplied by an electric service provider and the electricity generated by a customer-generator that is fed back to the electric service provider.

(31) "Net metering system" means a facility for the production of electrical energy that does all of the following:

(a) Uses as its fuel either solar, wind, biomass, landfill gas, or hydropower, or uses a microturbine or a fuel cell;

(b) Is located on a customer-generator's premises;

(c) Operates in parallel with the electric utility's transmission and distribution facilities;

(d) Is intended primarily to offset part or all of the customer-generator's requirements for electricity.

(32) "Self-generator" means an entity in this state that owns or hosts on its premises an electric generation facility that produces electricity primarily for the owner's consumption and that may provide any such excess electricity to another entity, whether the facility is installed or operated by the owner or by an agent under a contract.

(33) "Rate plan" means the standard service offer in effect on the effective date of the amendment of this section by S.B. 221 of the 127th general assembly, July 31, 2008.

(34) "Advanced energy resource" means any of the following:

(a) Any method or any modification or replacement of any property, process, device, structure, or equipment that increases the generation output of an electric generating facility to the extent such efficiency is achieved without additional carbon dioxide emissions by that facility;

(b) Any distributed generation system consisting of customer cogeneration of electricity and thermal output simultaneously, primarily to meet the energy needs of the customer's facilities;

(c) Clean coal technology that includes a carbon-based product that is chemically altered before combustion to demonstrate a reduction, as expressed as ash, in emissions of nitrous oxide, mercury, arsenic, chlorine, sulfur dioxide, or sulfur trioxide in accordance with the American society of testing and materials standard D1757A or a reduction of metal oxide emissions in accordance with standard D5142 of that society, or clean coal technology that includes the design capability to control or prevent the emission of carbon dioxide, which design capability the commission shall adopt by rule and shall be based on economically feasible best available technology or, in the absence of a determined best available technology, shall be of the highest level of economically feasible design capability for which there exists generally accepted scientific opinion;



(d) Advanced nuclear energy technology consisting of generation III technology as defined by the nuclear regulatory commission; other, later technology; or significant improvements to existing facilities;

(e) Any fuel cell used in the generation of electricity, including, but not limited to, a proton exchange membrane fuel cell, phosphoric acid fuel cell, molten carbonate fuel cell, or solid oxide fuel cell;

(f) Advanced solid waste or construction and demolition debris conversion technology, including, but not limited to, advanced stoker technology, and advanced fluidized bed gasification technology, that results in measurable greenhouse gas emissions reductions as calculated pursuant to the United States environmental protection agency's waste reduction model (WARM).

(g) Demand-side management and any energy efficiency improvement;

~~(h) Methane gas emitted from an operating or abandoned coal mine.~~

(35) "Renewable energy resource" means solar photovoltaic or solar thermal energy, wind energy, power produced by a hydroelectric facility, geothermal energy, fuel derived from solid wastes, as defined in section 3734.01 of the Revised Code, through fractionation, biological decomposition, or other process that does not principally involve combustion, biomass energy, biologically derived methane gas, or energy derived from nontreated by-products of the pulping process or wood manufacturing process, including bark, wood chips, sawdust, and lignin in spent pulping liquors. "Renewable energy resource" includes, but is not limited to, any fuel cell used in the generation of electricity, including, but not limited to, a proton exchange membrane fuel cell, phosphoric acid fuel cell, molten carbonate fuel cell, or solid oxide fuel cell; wind turbine located in the state's territorial waters of Lake Erie; methane gas emitted from an abandoned coal mine; storage facility that will promote the better utilization of a renewable energy resource that primarily generates off peak; or distributed generation system used by a customer to generate electricity from any such energy. As used in division (A)(35) of this section, "hydroelectric facility" means a hydroelectric generating facility that is located at a dam on a river, or on any water discharged to a river, that is within or bordering this state or within or bordering an adjoining state and meets all of the following standards:

(a) The facility provides for river flows that are not detrimental for fish, wildlife, and water quality, including seasonal flow fluctuations as defined by the applicable licensing agency for the facility.

(b) The facility demonstrates that it complies with the water quality standards of this state, which compliance may consist of certification under

Section 401 of the "Clean Water Act of 1977," 91 Stat. 1598, 1599, 33 U.S.C. 1341, and demonstrates that it has not contributed to a finding by this state that the river has impaired water quality under Section 303(d) of the "Clean Water Act of 1977," 114 Stat. 870, 33 U.S.C. 1313.

(c) The facility complies with mandatory prescriptions regarding fish passage as required by the federal energy regulatory commission license issued for the project, regarding fish protection for riverine, anadromous, and ~~catadromous~~ catadromous fish.

(d) The facility complies with the recommendations of the Ohio environmental protection agency and with the terms of its federal energy regulatory commission license regarding watershed protection, mitigation, or enhancement, to the extent of each agency's respective jurisdiction over the facility.

(e) The facility complies with provisions of the "Endangered Species Act of 1973," 87 Stat. 884, 16 U.S.C. 1531 to 1544, as amended.

(f) The facility does not harm cultural resources of the area. This can be shown through compliance with the terms of its federal energy regulatory commission license or, if the facility is not regulated by that commission, through development of a plan approved by the Ohio historic preservation office, to the extent it has jurisdiction over the facility.

(g) The facility complies with the terms of its federal energy regulatory commission license or exemption that are related to recreational access, accommodation, and facilities or, if the facility is not regulated by that commission, the facility complies with similar requirements as are recommended by resource agencies, to the extent they have jurisdiction over the facility; and the facility provides access to water to the public without fee or charge.

(h) The facility is not recommended for removal by any federal agency or agency of any state, to the extent the particular agency has jurisdiction over the facility.

(B) For the purposes of this chapter, a retail electric service component shall be deemed a competitive retail electric service if the service component is competitive pursuant to a declaration by a provision of the Revised Code or pursuant to an order of the public utilities commission authorized under division (A) of section 4928.04 of the Revised Code. Otherwise, the service component shall be deemed a noncompetitive retail electric service.

Sec. 5709.084. Real and personal property comprising a convention center that is constructed or, in the case of personal property, acquired after January 1, 2010, are exempt from taxation if the convention center is located

in a county having a population, when construction of the convention center commences, of more than one million two hundred thousand according to the most recent federal decennial census, and if the convention center, or the land upon which the convention center is situated, is owned or leased by the county. For the purposes of this section, construction of the convention center commences upon the earlier of issuance of debt to finance all or a portion of the convention center, demolition of existing structures on the site, or grading of the site in preparation for construction.

As used in this section, "convention center" has the same meaning as in section 307.695 of the Revised Code.

Sec. 5709.62. (A) In any municipal corporation that is defined by the United States office of management and budget as a principal city of a metropolitan statistical area, the legislative authority of the municipal corporation may designate one or more areas within its municipal corporation as proposed enterprise zones. Upon designating an area, the legislative authority shall petition the director of development for certification of the area as having the characteristics set forth in division (A)(1) of section 5709.61 of the Revised Code as amended by Substitute Senate Bill No. 19 of the 120th general assembly. Except as otherwise provided in division (E) of this section, on and after July 1, 1994, legislative authorities shall not enter into agreements under this section unless the legislative authority has petitioned the director and the director has certified the zone under this section as amended by that act; however, all agreements entered into under this section as it existed prior to July 1, 1994, and the incentives granted under those agreements shall remain in effect for the period agreed to under those agreements. Within sixty days after receiving such a petition, the director shall determine whether the area has the characteristics set forth in division (A)(1) of section 5709.61 of the Revised Code, and shall forward the findings to the legislative authority of the municipal corporation. If the director certifies the area as having those characteristics, and thereby certifies it as a zone, the legislative authority may enter into an agreement with an enterprise under division (C) of this section.

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

(1) An estimate of the number of new employees whom the enterprise

intends to hire, or of the number of employees whom the enterprise intends to retain, within the zone at a facility that is a project site, and an estimate of the amount of payroll of the enterprise attributable to these employees;

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

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

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

(C) Upon receipt and investigation of a proposal under division (B) of this section, if the legislative authority finds that the enterprise submitting the proposal is qualified by financial responsibility and business experience to create and preserve employment opportunities in the zone and improve the economic climate of the municipal corporation, the legislative authority, on or before October 15, ~~2010~~ 2011, may do one of the following:

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

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

(b) Exemption for a specified number of years, not to exceed fifteen, of

a specified portion, up to seventy-five per cent, of the increase in the assessed valuation of real property constituting the project site subsequent to formal approval of the agreement by the legislative authority;

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

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

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

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

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

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

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

(D)(1) Notwithstanding divisions (C)(1)(a) and (b) of this section, the portion of the assessed value of tangible personal property or of the increase in the assessed valuation of real property exempted from taxation under those divisions may exceed seventy-five per cent in any year for which that portion is exempted if the average percentage exempted for all years in which the agreement is in effect does not exceed sixty per cent, or if the board of education of the city, local, or exempted village school district within the territory of which the property is or will be located approves a

percentage in excess of seventy-five per cent.

(2) Notwithstanding any provision of the Revised Code to the contrary, the exemptions described in divisions (C)(1)(a), (b), and (c), (C)(2)(a), (b), and (c), and (C)(3) of this section may be for up to fifteen years if the board of education of the city, local, or exempted village school district within the territory of which the property is or will be located approves a number of years in excess of ten.

(3) For the purpose of obtaining the approval of a city, local, or exempted village school district under division (D)(1) or (2) of this section, the legislative authority shall deliver to the board of education a notice not later than forty-five days prior to approving the agreement, excluding Saturdays, Sundays, and legal holidays as defined in section 1.14 of the Revised Code. The notice shall state the percentage to be exempted, an estimate of the true value of the property to be exempted, and the number of years the property is to be exempted. The board of education, by resolution adopted by a majority of the board, shall approve or disapprove the agreement and certify a copy of the resolution to the legislative authority not later than fourteen days prior to the date stipulated by the legislative authority as the date upon which approval of the agreement is to be formally considered by the legislative authority. The board of education may include in the resolution conditions under which the board would approve the agreement, including the execution of an agreement to compensate the school district under division (B) of section 5709.82 of the Revised Code. The legislative authority may approve the agreement at any time after the board of education certifies its resolution approving the agreement to the legislative authority, or, if the board approves the agreement conditionally, at any time after the conditions are agreed to by the board and the legislative authority.

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

legislative authority.

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

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

On or before October 15, ~~2010~~ 2011, the legislative authority that designated a zone to which this division applies may enter into an agreement with an enterprise if the legislative authority finds that the enterprise satisfies one of the criteria described in divisions (E)(1) to (5) of this section:

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

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

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

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

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

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

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

(G) Except as otherwise provided in this division, an agreement entered into under this section shall require that the enterprise pay an annual fee equal to the greater of one per cent of the dollar value of incentives offered under the agreement or five hundred dollars; provided, however, that if the

value of the incentives exceeds two hundred fifty thousand dollars, the fee shall not exceed two thousand five hundred dollars. The fee shall be payable to the legislative authority once per year for each year the agreement is effective on the days and in the form specified in the agreement. Fees paid shall be deposited in a special fund created for such purpose by the legislative authority and shall be used by the legislative authority exclusively for the purpose of complying with section 5709.68 of the Revised Code and by the tax incentive review council created under section 5709.85 of the Revised Code exclusively for the purposes of performing the duties prescribed under that section. The legislative authority may waive or reduce the amount of the fee charged against an enterprise, but such a waiver or reduction does not affect the obligations of the legislative authority or the tax incentive review council to comply with section 5709.68 or 5709.85 of the Revised Code.

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

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

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

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



at the completion of the internship.

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

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

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

(B) If the board of county commissioners finds that an enterprise submitting a proposal is qualified by financial responsibility and business experience to create and preserve employment opportunities in the zone and

to improve the economic climate of the municipal corporation or municipal corporations or the unincorporated areas in which the zone is located and to which the proposal applies, the board, on or before October 15, ~~2010~~ 2011, and with the consent of the legislative authority of each affected municipal corporation or of the board of township trustees may do either of the following:

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

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

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

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

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

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

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

(2) Enter into an agreement with an enterprise that plans to purchase and operate a large manufacturing facility that has ceased operation or has announced its intention to cease operation, in return for exemption for a

specified number of years, not to exceed fifteen, of a specified portion, up to one hundred per cent, of tangible personal property used in business at the project site as a result of the agreement, or of real property constituting the project site, or both.

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

(b) Notwithstanding any provision of the Revised Code to the contrary, the exemptions described in divisions (B)(1)(b)(i), (ii), (iii), and (iv) and (B)(2) of this section may be for up to fifteen years if the board of education of the city, local, or exempted village school district within the territory of which the property is or will be located approves a number of years in excess of ten.

(c) For the purpose of obtaining the approval of a city, local, or exempted village school district under division (C)(1)(a) or (b) of this section, the board of county commissioners shall deliver to the board of education a notice not later than forty-five days prior to approving the agreement, excluding Saturdays, Sundays, and legal holidays as defined in section 1.14 of the Revised Code. The notice shall state the percentage to be exempted, an estimate of the true value of the property to be exempted, and the number of years the property is to be exempted. The board of education, by resolution adopted by a majority of the board, shall approve or disapprove the agreement and certify a copy of the resolution to the board of county commissioners not later than fourteen days prior to the date stipulated by the board of county commissioners as the date upon which approval of the agreement is to be formally considered by the board of county commissioners. The board of education may include in the resolution conditions under which the board would approve the agreement, including the execution of an agreement to compensate the school district under division (B) of section 5709.82 of the Revised Code. The board of county commissioners may approve the agreement at any time after the board of education certifies its resolution approving the agreement to the board of county commissioners, or, if the board of education approves the agreement conditionally, at any time after the conditions are agreed to by the board of

education and the board of county commissioners.

If a board of education has adopted a resolution waiving its right to approve agreements and the resolution remains in effect, approval of an agreement by the board of education is not required under division (C) of this section. If a board of education has adopted a resolution allowing a board of county commissioners to deliver the notice required under this division fewer than forty-five business days prior to approval of the agreement by the board of county commissioners, the board of county commissioners shall deliver the notice to the board of education not later than the number of days prior to such approval as prescribed by the board of education in its resolution. If a board of education adopts a resolution waiving its right to approve agreements or shortening the notification period, the board of education shall certify a copy of the resolution to the board of county commissioners. If the board of education rescinds such a resolution, it shall certify notice of the rescission to the board of county commissioners.

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

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

On or before October 15, ~~2010~~ 2011, and with the consent of the legislative authority of each affected municipal corporation or board of township trustees of each affected township, the board of county commissioners that designated a zone to which this division applies may enter into an agreement with an enterprise if the board finds that the enterprise satisfies one of the criteria described in divisions (D)(1) to (5) of this section:

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

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

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

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

(5) The enterprise, subject to approval of the agreement, intends to

relocate operations, currently located in this state, to the zone, and the director of development has issued a waiver for the enterprise under division (B) of section 5709.633 of the Revised Code.

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

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

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

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

(H) When an agreement is entered into pursuant to this section, the board of county commissioners authorizing the agreement or the legislative authority or board of township trustees that negotiates and administers the agreement shall forward a copy of the agreement to the director of

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

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

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

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

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

Sec. 5709.632. (A)(1) The legislative authority of a municipal corporation defined by the United States office of management and budget as a principal city of a metropolitan statistical area may, in the manner set forth in section 5709.62 of the Revised Code, designate one or more areas in the municipal corporation as a proposed enterprise zone.

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

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

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

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

(2) The enterprise currently has operations in this state and, subject to approval of the agreement, intends to establish operations at a new location

in the zone that would not result in a reduction in the number of employee positions at any of the enterprise's other locations in this state;

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

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

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

(C) If the legislative authority or board determines that the enterprise is so qualified and satisfies one of the criteria described in divisions (B)(1) to (5) of this section, the legislative authority or board may, after complying with section 5709.83 of the Revised Code and on or before October 15, ~~2010~~ 2011, and, in the case of a board of commissioners, with the consent of the legislative authority of each affected municipal corporation or of the board of township trustees, enter into an agreement with the enterprise under which the enterprise agrees to establish, expand, renovate, or occupy a facility in the zone and hire new employees, or preserve employment opportunities for existing employees, in return for the following incentives:

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

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

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

(E) Except as otherwise provided in this division, an agreement entered into under this section shall require that the enterprise pay an annual fee equal to the greater of one per cent of the dollar value of incentives offered under the agreement or five hundred dollars; provided, however, that if the



value of the incentives exceeds two hundred fifty thousand dollars, the fee shall not exceed two thousand five hundred dollars. The fee shall be payable to the legislative authority or board of commissioners once per year for each year the agreement is effective on the days and in the form specified in the agreement. Fees paid shall be deposited in a special fund created for such purpose by the legislative authority or board and shall be used by the legislative authority or board exclusively for the purpose of complying with section 5709.68 of the Revised Code and by the tax incentive review council created under section 5709.85 of the Revised Code exclusively for the purposes of performing the duties prescribed under that section. The legislative authority or board may waive or reduce the amount of the fee charged against an enterprise, but such waiver or reduction does not affect the obligations of the legislative authority or board or the tax incentive review council to comply with section 5709.68 or 5709.85 of the Revised Code, respectively.

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

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

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

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

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

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

(A)(1) The tax shall be collected as provided in section 5739.025 of the Revised Code. The rate of the tax shall be five and one-half per cent. The tax applies and is collectible when the sale is made, regardless of the time when the price is paid or delivered.

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

A lease with a renewal clause and a termination penalty or similar provision that applies if the renewal clause is not exercised is presumed to be a sham transaction. In such a case, the tax shall be calculated and paid on the basis of the entire length of the lease period, including any renewal

periods, until the termination penalty or similar provision no longer applies. The taxpayer shall bear the burden, by a preponderance of the evidence, that the transaction or series of transactions is not a sham transaction.

(3) Except as provided in division (A)(2) of this section, in the case of a sale, the price of which consists in whole or in part of the lease or rental of tangible personal property, the tax shall be measured by the installments of that lease or rental.

(4) In the case of a sale of a physical fitness facility service or recreation and sports club service, the price of which consists in whole or in part of a membership for the receipt of the benefit of the service, the tax applicable to the sale shall be measured by the installments thereof.

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

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

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

(3) Sales of food sold to students only in a cafeteria, dormitory, fraternity, or sorority maintained in a private, public, or parochial school, college, or university;

(4) Sales of newspapers and of magazine subscriptions and sales or transfers of magazines distributed as controlled circulation publications;

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

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

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

(8) Casual sales by a person, or auctioneer employed directly by the

person to conduct such sales, except as to such sales of motor vehicles, watercraft or outboard motors required to be titled under section 1548.06 of the Revised Code, watercraft documented with the United States coast guard, snowmobiles, and all-purpose vehicles as defined in section 4519.01 of the Revised Code;

(9)(a) Sales of services or tangible personal property, other than motor vehicles, mobile homes, and manufactured homes, by churches, organizations exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986, or nonprofit organizations operated exclusively for charitable purposes as defined in division (B)(12) of this section, provided that the number of days on which such tangible personal property or services, other than items never subject to the tax, are sold does not exceed six in any calendar year, except as otherwise provided in division (B)(9)(b) of this section. If the number of days on which such sales are made exceeds six in any calendar year, the church or organization shall be considered to be engaged in business and all subsequent sales by it shall be subject to the tax. In counting the number of days, all sales by groups within a church or within an organization shall be considered to be sales of that church or organization.

(b) The limitation on the number of days on which tax-exempt sales may be made by a church or organization under division (B)(9)(a) of this section does not apply to sales made by student clubs and other groups of students of a primary or secondary school, or a parent-teacher association, booster group, or similar organization that raises money to support or fund curricular or extracurricular activities of a primary or secondary school.

(c) Divisions (B)(9)(a) and (b) of this section do not apply to sales by a noncommercial educational radio or television broadcasting station.

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

(11) Except for transactions that are sales under division (B)(3)(r) of section 5739.01 of the Revised Code, the transportation of persons or property, unless the transportation is by a private investigation and security service;

(12) Sales of tangible personal property or services to churches, to organizations exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986, and to any other nonprofit organizations operated exclusively for charitable purposes in this state, no part of the net income of which inures to the benefit of any private shareholder or individual, and no substantial part of the activities of which consists of carrying on propaganda or otherwise attempting to influence legislation; sales to offices

administering one or more homes for the aged or one or more hospital facilities exempt under section 140.08 of the Revised Code; and sales to organizations described in division (D) of section 5709.12 of the Revised Code.

"Charitable purposes" means the relief of poverty; the improvement of health through the alleviation of illness, disease, or injury; the operation of an organization exclusively for the provision of professional, laundry, printing, and purchasing services to hospitals or charitable institutions; the operation of a home for the aged, as defined in section 5701.13 of the Revised Code; the operation of a radio or television broadcasting station that is licensed by the federal communications commission as a noncommercial educational radio or television station; the operation of a nonprofit animal adoption service or a county humane society; the promotion of education by an institution of learning that maintains a faculty of qualified instructors, teaches regular continuous courses of study, and confers a recognized diploma upon completion of a specific curriculum; the operation of a parent-teacher association, booster group, or similar organization primarily engaged in the promotion and support of the curricular or extracurricular activities of a primary or secondary school; the operation of a community or area center in which presentations in music, dramatics, the arts, and related fields are made in order to foster public interest and education therein; the production of performances in music, dramatics, and the arts; or the promotion of education by an organization engaged in carrying on research in, or the dissemination of, scientific and technological knowledge and information primarily for the public.

Nothing in this division shall be deemed to exempt sales to any organization for use in the operation or carrying on of a trade or business, or sales to a home for the aged for use in the operation of independent living facilities as defined in division (A) of section 5709.12 of the Revised Code.

(13) Building and construction materials and services sold to construction contractors for incorporation into a structure or improvement to real property under a construction contract with this state or a political subdivision of this state, or with the United States government or any of its agencies; building and construction materials and services sold to construction contractors for incorporation into a structure or improvement to real property that are accepted for ownership by this state or any of its political subdivisions, or by the United States government or any of its agencies at the time of completion of the structures or improvements; building and construction materials sold to construction contractors for incorporation into a horticulture structure or livestock structure for a person

engaged in the business of horticulture or producing livestock; building materials and services sold to a construction contractor for incorporation into a house of public worship or religious education, or a building used exclusively for charitable purposes under a construction contract with an organization whose purpose is as described in division (B)(12) of this section; building materials and services sold to a construction contractor for incorporation into a building under a construction contract with an organization exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986 when the building is to be used exclusively for the organization's exempt purposes; building and construction materials sold for incorporation into the original construction of a sports facility under section 307.696 of the Revised Code; ~~and~~ building and construction materials and services sold to a construction contractor for incorporation into real property outside this state if such materials and services, when sold to a construction contractor in the state in which the real property is located for incorporation into real property in that state, would be exempt from a tax on sales levied by that state; and, until one calendar year after the construction of a convention center that qualifies for property tax exemption under section 5709.084 of the Revised Code is completed, building and construction materials and services sold to a construction contractor for incorporation into the real property comprising that convention center;

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

(15) Sales to persons primarily engaged in any of the activities mentioned in division (B)(42)(a) or (g) of this section, to persons engaged in making retail sales, or to persons who purchase for sale from a manufacturer tangible personal property that was produced by the manufacturer in accordance with specific designs provided by the purchaser, of packages, including material, labels, and parts for packages, and of machinery, equipment, and material for use primarily in packaging tangible personal property produced for sale, including any machinery, equipment, and supplies used to make labels or packages, to prepare packages or products for labeling, or to label packages or products, by or on the order of the person doing the packaging, or sold at retail. "Packages" includes bags, baskets, cartons, crates, boxes, cans, bottles, bindings, wrappings, and other similar devices and containers, but does not include motor vehicles or bulk tanks, trailers, or similar devices attached to motor vehicles. "Packaging" means placing in a package. Division (B)(15) of this section does not apply to persons engaged in highway transportation for hire.

(16) Sales of food to persons using supplemental nutrition assistance program benefits to purchase the food. As used in this division, "food" has the same meaning as in 7 U.S.C. 2012 and federal regulations adopted pursuant to the Food and Nutrition Act of 2008.

(17) Sales to persons engaged in farming, agriculture, horticulture, or floriculture, of tangible personal property for use or consumption directly in the production by farming, agriculture, horticulture, or floriculture of other tangible personal property for use or consumption directly in the production of tangible personal property for sale by farming, agriculture, horticulture, or floriculture; or material and parts for incorporation into any such tangible personal property for use or consumption in production; and of tangible personal property for such use or consumption in the conditioning or holding of products produced by and for such use, consumption, or sale by persons engaged in farming, agriculture, horticulture, or floriculture, except where such property is incorporated into real property;

(18) Sales of drugs for a human being that may be dispensed only pursuant to a prescription; insulin as recognized in the official United States pharmacopoeia; urine and blood testing materials when used by diabetics or persons with hypoglycemia to test for glucose or acetone; hypodermic syringes and needles when used by diabetics for insulin injections; epoetin alfa when purchased for use in the treatment of persons with medical disease; hospital beds when purchased by hospitals, nursing homes, or other medical facilities; and medical oxygen and medical oxygen-dispensing equipment when purchased by hospitals, nursing homes, or other medical facilities;

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

(20) Sales of emergency and fire protection vehicles and equipment to nonprofit organizations for use solely in providing fire protection and emergency services, including trauma care and emergency medical services, for political subdivisions of the state;

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

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

governmental entities of the state or any of its political subdivisions, agencies, instrumentalities, institutions, or authorities;

(23) Sales of motor vehicles to nonresidents of this state under the circumstances described in division (B) of section 5739.029 of the Revised Code;

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

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

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

(26) Fees charged for inspection or reinspection of motor vehicles under section 3704.14 of the Revised Code;

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

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

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

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

(28) Sales of animals by nonprofit animal adoption services or county humane societies;

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



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

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

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

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

(34) Sales to a telecommunications service vendor, mobile telecommunications service vendor, or satellite broadcasting service vendor of tangible personal property and services used directly and primarily in transmitting, receiving, switching, or recording any interactive, one- or two-way electromagnetic communications, including voice, image, data, and information, through the use of any medium, including, but not limited to, poles, wires, cables, switching equipment, computers, and record storage devices and media, and component parts for the tangible personal property. The exemption provided in this division shall be in lieu of all other exemptions under division (B)(42)(a) of this section to which the vendor may otherwise be entitled, based upon the use of the thing purchased in providing the telecommunications, mobile telecommunications, or satellite broadcasting service.

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

(b) Sales to direct marketing vendors of preliminary materials such as photographs, artwork, and typesetting that will be used in printing advertising material; of printed matter that offers free merchandise or chances to win sweepstake prizes and that is mailed to potential customers with advertising material described in division (B)(35)(a) of this section; and of equipment such as telephones, computers, facsimile machines, and similar tangible personal property primarily used to accept orders for direct marketing retail sales.

(c) Sales of automatic food vending machines that preserve food with a

shelf life of forty-five days or less by refrigeration and dispense it to the consumer.

For purposes of division (B)(35) of this section, "direct marketing" means the method of selling where consumers order tangible personal property by United States mail, delivery service, or telecommunication and the vendor delivers or ships the tangible personal property sold to the consumer from a warehouse, catalogue distribution center, or similar fulfillment facility by means of the United States mail, delivery service, or common carrier.

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

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

(38) Sales to a professional racing team of any of the following:

(a) Motor racing vehicles;

(b) Repair services for motor racing vehicles;

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

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

(40) Sales of tangible personal property and services to a provider of electricity used or consumed directly and primarily in generating, transmitting, or distributing electricity for use by others, including property that is or is to be incorporated into and will become a part of the consumer's production, transmission, or distribution system and that retains its classification as tangible personal property after incorporation; fuel or power used in the production, transmission, or distribution of electricity; and tangible personal property and services used in the repair and maintenance of the production, transmission, or distribution system, including only those motor vehicles as are specially designed and equipped for such use. The

exemption provided in this division shall be in lieu of all other exemptions in division (B)(42)(a) of this section to which a provider of electricity may otherwise be entitled based on the use of the tangible personal property or service purchased in generating, transmitting, or distributing electricity.

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

(42) Sales where the purpose of the purchaser is to do any of the following:

(a) To incorporate the thing transferred as a material or a part into tangible personal property to be produced for sale by manufacturing, assembling, processing, or refining; or to use or consume the thing transferred directly in producing tangible personal property for sale by mining, including, without limitation, the extraction from the earth of all substances that are classed geologically as minerals, production of crude oil and natural gas, farming, agriculture, horticulture, or floriculture, or directly in the rendition of a public utility service, except that the sales tax levied by this section shall be collected upon all meals, drinks, and food for human consumption sold when transporting persons. Persons engaged in rendering farming, agricultural, horticultural, or floricultural services, and services in the exploration for, and production of, crude oil and natural gas, for others are deemed engaged directly in farming, agriculture, horticulture, and floriculture, or exploration for, and production of, crude oil and natural gas. This paragraph does not exempt from "retail sale" or "sales at retail" the sale of tangible personal property that is to be incorporated into a structure or improvement to real property.

(b) To hold the thing transferred as security for the performance of an obligation of the vendor;

(c) To resell, hold, use, or consume the thing transferred as evidence of a contract of insurance;

(d) To use or consume the thing directly in commercial fishing;

(e) To incorporate the thing transferred as a material or a part into, or to use or consume the thing transferred directly in the production of, magazines distributed as controlled circulation publications;

(f) To use or consume the thing transferred in the production and preparation in suitable condition for market and sale of printed, imprinted, overprinted, lithographic, multilithic, blueprinted, photostatic, or other productions or reproductions of written or graphic matter;

(g) To use the thing transferred, as described in section 5739.011 of the

Revised Code, primarily in a manufacturing operation to produce tangible personal property for sale;

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

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

(j) To use or consume the thing transferred primarily in storing, transporting, mailing, or otherwise handling purchased sales inventory in a warehouse, distribution center, or similar facility when the inventory is primarily distributed outside this state to retail stores of the person who owns or controls the warehouse, distribution center, or similar facility, to retail stores of an affiliated group of which that person is a member, or by means of direct marketing. This division does not apply to motor vehicles registered for operation on the public highways. As used in this division, "affiliated group" has the same meaning as in division (B)(3)(e) of section 5739.01 of the Revised Code and "direct marketing" has the same meaning as in division (B)(35) of this section.

(k) To use or consume the thing transferred to fulfill a contractual obligation incurred by a warrantor pursuant to a warranty provided as a part of the price of the tangible personal property sold or by a vendor of a warranty, maintenance or service contract, or similar agreement the provision of which is defined as a sale under division (B)(7) of section 5739.01 of the Revised Code;

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

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

(n) To use or consume the thing transferred in acquiring, formatting, editing, storing, and disseminating data or information by electronic publishing.

As used in division (B)(42) of this section, "thing" includes all transactions included in divisions (B)(3)(a), (b), and (e) of section 5739.01 of the Revised Code.

(43) Sales conducted through a coin operated device that activates vacuum equipment or equipment that dispenses water, whether or not in

combination with soap or other cleaning agents or wax, to the consumer for the consumer's use on the premises in washing, cleaning, or waxing a motor vehicle, provided no other personal property or personal service is provided as part of the transaction.

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

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

(46) Sales by a telecommunications service vendor of 900 service to a subscriber. This division does not apply to information services, as defined in division (FF) of section 5739.01 of the Revised Code.

(47) Sales of value-added non-voice data service. This division does not apply to any similar service that is not otherwise a telecommunications service.

(48)(a) Sales of machinery, equipment, and software to a qualified direct selling entity for use in a warehouse or distribution center primarily for storing, transporting, or otherwise handling inventory that is held for sale to independent salespersons who operate as direct sellers and that is held primarily for distribution outside this state;

(b) As used in division (B)(48)(a) of this section:

(i) "Direct seller" means a person selling consumer products to individuals for personal or household use and not from a fixed retail location, including selling such product at in-home product demonstrations, parties, and other one-on-one selling.

(ii) "Qualified direct selling entity" means an entity selling to direct sellers at the time the entity enters into a tax credit agreement with the tax credit authority pursuant to section 122.17 of the Revised Code, provided that the agreement was entered into on or after January 1, 2007. Neither contingencies relevant to the granting of, nor later developments with respect to, the tax credit shall impair the status of the qualified direct selling entity under division (B)(48) of this section after execution of the tax credit

agreement by the tax credit authority.

(c) Division (B)(48) of this section is limited to machinery, equipment, and software first stored, used, or consumed in this state within the period commencing June 24, 2008, and ending on the date that is five years after that date.

(49) Sales of materials, parts, equipment, or engines used in the repair or maintenance of aircraft or avionics systems of such aircraft, and sales of repair, remodeling, replacement, or maintenance services in this state performed on aircraft or on an aircraft's avionics, engine, or component materials or parts. As used in division (B)(49) of this section, "aircraft" means aircraft of more than six thousand pounds maximum certified takeoff weight or used exclusively in general aviation.

(50) Sales of full flight simulators that are used for pilot or flight-crew training, sales of repair or replacement parts or components, and sales of repair or maintenance services for such full flight simulators. "Full flight simulator" means a replica of a specific type, or make, model, and series of aircraft cockpit. It includes the assemblage of equipment and computer programs necessary to represent aircraft operations in ground and flight conditions, a visual system providing an out-of-the-cockpit view, and a system that provides cues at least equivalent to those of a three-degree-of-freedom motion system, and has the full range of capabilities of the systems installed in the device as described in appendices A and B of part 60 of chapter 1 of title 14 of the Code of Federal Regulations.

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

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

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

levied by this section or section 5739.021, 5739.023, or 5739.026 of the Revised Code.

Sec. 5751.08. (A) An application for refund to the taxpayer of the amount of taxes imposed under this chapter that are overpaid, paid illegally or erroneously, or paid on any illegal or erroneous assessment shall be filed by the reporting person with the tax commissioner, on the form prescribed by the commissioner, within four years after the date of the illegal or erroneous payment of the tax, or within any additional period allowed under division (F) of section 5751.09 of the Revised Code. The applicant shall provide the amount of the requested refund along with the claimed reasons for, and documentation to support, the issuance of a refund.

(B) On the filing of the refund application, the tax commissioner shall determine the amount of refund to which the applicant is entitled. If the amount is not less than that claimed, the commissioner shall certify the amount to the director of budget and management and treasurer of state for payment from the tax refund fund created under section 5703.052 of the Revised Code. If the amount is less than that claimed, the commissioner shall proceed in accordance with section 5703.70 of the Revised Code.

(C) Interest on a refund applied for under this section, computed at the rate provided for in section 5703.47 of the Revised Code, shall be allowed from the later of the date the tax was paid or when the tax payment was due.

(D) A calendar quarter taxpayer with more than one million dollars in taxable gross receipts in a calendar year other than calendar year 2005 and that is not able to exclude one million dollars in taxable gross receipts because of the operation of the taxpayer's business in that calendar year may file for a refund under this section to obtain the full exclusion of one million dollars in taxable gross receipts for that calendar year.

~~(E) No person with an active registration as a taxpayer under this chapter may claim a refund under this section for the tax imposed under division (B) of section 5751.03 of the Revised Code unless the person cancelled the registration before the tenth day of May of the current calendar year pursuant to division (D) of section 5751.04 of the Revised Code.~~

~~(F)~~ Except as provided in section ~~5751.091~~ 5751.081 of the Revised Code, the tax commissioner may, with the consent of the taxpayer, provide for the crediting against tax due for a tax year the amount of any refund due the taxpayer under this chapter for a preceding tax year.

Sec. 5751.09. (A) The tax commissioner may make an assessment, based on any information in the commissioner's possession, against any person that fails to file a return or pay any tax as required by this chapter. The commissioner shall give the person assessed written notice of the

assessment as provided in section 5703.37 of the Revised Code. With the notice, the commissioner shall provide instructions on the manner in which to petition for reassessment and request a hearing with respect to the petition. The commissioner shall send any assessments against consolidated elected taxpayer and combined taxpayer groups under section 5751.011 or 5751.012 of the Revised Code to the taxpayer's "reporting person" as defined under division (R) of section 5751.01 of the Revised Code. The reporting person shall notify all members of the group of the assessment and all outstanding taxes, interest, and penalties for which the assessment is issued.

(B) Unless the person assessed, within sixty days after service of the notice of assessment, files with the tax commissioner, either personally or by certified mail, a written petition signed by the person or the person's authorized agent having knowledge of the facts, the assessment becomes final, and the amount of the assessment is due and payable from the person assessed to the treasurer of state. The petition shall indicate the objections of the person assessed, but additional objections may be raised in writing if received by the commissioner prior to the date shown on the final determination.

If a petition for reassessment has been properly filed, the commissioner shall proceed under section 5703.60 of the Revised Code.

(C)(1) After an assessment becomes final, if any portion of the assessment, including accrued interest, remains unpaid, a certified copy of the tax commissioner's entry making the assessment final may be filed in the office of the clerk of the court of common pleas in the county in which the person resides or has its principal place of business in this state, or in the office of the clerk of court of common pleas of Franklin county.

(2) Immediately upon the filing of the entry, the clerk shall enter judgment for the state against the person assessed in the amount shown on the entry. The judgment may be filed by the clerk in a loose-leaf book entitled, "special judgments for the commercial activity tax" and shall have the same effect as other judgments. Execution shall issue upon the judgment at the request of the tax commissioner, and all laws applicable to sales on execution shall apply to sales made under the judgment.

(3) The portion of the assessment not paid within sixty days after the day the assessment was issued shall bear interest at the rate per annum prescribed by section 5703.47 of the Revised Code from the day the tax commissioner issues the assessment until it is paid. Interest shall be paid in the same manner as the tax and may be collected by the issuance of an assessment under this section.



(D) If the tax commissioner believes that collection of the tax will be jeopardized unless proceedings to collect or secure collection of the tax are instituted without delay, the commissioner may issue a jeopardy assessment against the person liable for the tax. Immediately upon the issuance of the jeopardy assessment, the commissioner shall file an entry with the clerk of the court of common pleas in the manner prescribed by division (C) of this section. Notice of the jeopardy assessment shall be served on the person assessed or the person's authorized agent in the manner provided in section 5703.37 of the Revised Code within five days of the filing of the entry with the clerk. The total amount assessed is immediately due and payable, unless the person assessed files a petition for reassessment in accordance with division (B) of this section and provides security in a form satisfactory to the commissioner and in an amount sufficient to satisfy the unpaid balance of the assessment. Full or partial payment of the assessment does not prejudice the commissioner's consideration of the petition for reassessment.

(E) The tax commissioner shall immediately forward to the treasurer of state all amounts the commissioner receives under this section, and such amounts shall be considered as revenue arising from the tax imposed under this chapter.

(F) Except as otherwise provided in this division, no assessment shall be made or issued against a taxpayer for the tax imposed under this chapter more than four years after the due date for the filing of the return for the tax period for which the tax was reported, or more than four years after the return for the tax period was filed, whichever is later. The time limit may be extended if both the taxpayer and the commissioner consent in writing to the extension or enter into an agreement waiving or extending the time limit. Any such extension shall extend the four-year time limit in division (B) of section 5751.08 of the Revised Code for the same period of time. Nothing in this division bars an assessment against a taxpayer that fails to file a return required by this chapter or that files a fraudulent return.

(G) If the tax commissioner possesses information that indicates that the amount of tax a taxpayer is required to pay under this chapter exceeds the amount the taxpayer paid, the tax commissioner may audit a sample of the taxpayer's gross receipts over a representative period of time to ascertain the amount of tax due, and may issue an assessment based on the audit. The tax commissioner shall make a good faith effort to reach agreement with the taxpayer in selecting a representative sample. The tax commissioner may apply a sampling method only if the commissioner has prescribed the method by rule.

(H) If the whereabouts of a person subject to this chapter is not known

to the tax commissioner, the commissioner shall follow the procedures under section 5703.37 of the Revised Code.

Sec. 6109.22. (A) There is hereby created the drinking water assistance fund to provide financial and technical assistance for the purposes of protecting public health and achieving and maintaining compliance with the Safe Drinking Water Act and this chapter. In addition to the accounts created under divisions (G) and (H) of this section, the drinking water assistance fund may include any other accounts established by the director of environmental protection. The fund shall be administered by the director consistent with the Safe Drinking Water Act, this section, and rules adopted under division (M) of this section.

(B) The drinking water assistance fund shall consist of the moneys credited to it from all capitalization grants received under the Safe Drinking Water Act except for moneys reserved by the governor pursuant to ~~title~~ Title III, section 302 of that act, all moneys credited to the fund from nonfederal sources, including, without limitation, the proceeds of state bonds or notes issued for the benefit of the fund, all payments of principal and interest on loans made from the fund, and all investment earnings on moneys held in the fund. On or before the date that a capitalization grant payment made under the authority of the Safe Drinking Water Act is credited to the fund, required matching moneys shall be credited to the fund. Any moneys transferred to or reserved from the drinking water assistance fund pursuant to ~~title~~ Title III, section 302 of the Safe Drinking Water Act shall be accounted for separately.

(C) In a manner consistent with the Safe Drinking Water Act and the applicable drinking water assistance management plan prepared in accordance with this section, the director may reserve and award for assistance moneys allotted to the state under section 1452 of the Safe Drinking Water Act, provided that the director makes a determination that the use of the moneys will accomplish the state's objectives and the objectives established for capitalization grants under the Safe Drinking Water Act. The director may use a portion of the reserved moneys to enter into contracts with qualified organizations, including private nonprofit organizations, to provide statewide on-site technical assistance to small public water systems.

(D) Subject to the terms of the agreements provided for in division (E) of this section, moneys in the drinking water assistance fund shall be held in trust by the Ohio water development authority for the purposes of this section, shall be kept in the same manner that funds of the authority are kept under section 6121.11 of the Revised Code, and may be invested in the same

manner that funds of the authority are invested under section 6121.12 of the Revised Code. Moneys in the drinking water assistance fund shall be separate and apart from and not a part of the state treasury or of the other funds of the authority. No withdrawals or disbursements shall be made from the drinking water assistance fund without the written authorization of the director.

(E) The director shall adopt written criteria to ensure that fiscal controls are established for prudent administration of the drinking water assistance fund. For that purpose, the director and the authority shall enter into any necessary and appropriate agreements under which the authority may perform or provide any of the following:

- (1) Fiscal controls and accounting procedures governing fund balances, receipts, and disbursements;
- (2) Administration of loan accounts;
- (3) Maintenance, management, and investment of moneys in the fund.

Any agreement entered into under division (E) of this section shall provide for the payment of reasonable fees to the authority for any services it performs under the agreement and may provide for reasonable fees for the assistance of financial or accounting advisors. Payment of any of the fees to the authority may be made from the drinking water assistance administrative account established under division (G) of this section.

(F) The authority may make moneys available to the director for the purpose of providing matching moneys required to be credited to the drinking water assistance fund under division (B) of this section, subject to any terms that the director and the authority consider appropriate, and may pledge moneys that are held by the authority to secure the payment of bonds or notes issued by the authority to provide those matching moneys.

The director and the authority may enter into trust agreements to enable the authority to issue and refund bonds or notes for the sole benefit of the drinking water assistance fund, including, without limitation, the raising of matching moneys required to be credited to the fund in accordance with division (B) of this section. The agreements may authorize the pledge of moneys accruing to the fund from payments of principal or interest or both on loans made from the fund to secure bonds or notes, the proceeds of which bonds or notes shall be for the sole benefit of the drinking water assistance fund. The agreements may contain any terms that the director and the authority consider reasonable and proper for the payment and security of the bondholders or noteholders.

(G) There is hereby established within the drinking water assistance fund the drinking water assistance administrative account. No state

matching moneys deposited into the fund under this section shall be used for the purpose of paying for or defraying the costs of administering this section. The director may establish and collect fees from applicants for assistance provided under this section. The total fees charged to an applicant under this division for assistance under this section shall not exceed the following:

(1) For the environmental protection agency, one per cent of the principal amount of the assistance awarded to the applicant;

(2) For the authority, thirty-five one-hundredths of one per cent of the principal amount of the assistance awarded to the applicant.

All moneys from the fees shall be credited to the drinking water assistance administrative account in the fund. The moneys shall be used solely to defray the costs of administering this section.

(H) There is hereby established within the drinking water assistance fund the water supply revolving loan account. The director may provide financial assistance from the water supply revolving loan account for improvements to community water systems and to nonprofit noncommunity public water systems.

(I) All moneys from the fund credited to the water supply revolving loan account, all interest earned on moneys credited to the account, and all payments of principal and interest on loans made from the account shall be dedicated in perpetuity and used and reused solely for the following purposes, except as otherwise provided in this section:

(1) To make loans to community water systems and nonprofit noncommunity public water systems, subject to all of the following conditions:

(a) The loans are made at or below market rates of interest, including, without limitation, interest-free loans;

(b) Each recipient of a loan shall establish a dedicated source of security or revenue for repayment of the loan;

(c) All payments of principal and interest on the loans shall be credited to the water supply revolving loan account.

(2) To purchase or refinance at or below market rates interest debt obligations incurred after July 1, 1993, by municipal corporations, other political subdivisions, and interstate agencies having territory in the state;

(3) To guarantee or purchase insurance for debt obligations when the guarantee or insurance would improve the borrower's access to credit markets or would reduce the interest paid on those obligations;

(4) As a source of revenue or security for the payment of principal and interest on general obligation or revenue bonds or notes issued by this state

if the proceeds of the sale of the bonds or notes are or will be deposited into the account;

(5) To provide subsidies in addition to any other financial assistance afforded disadvantaged communities under this section;

(6) To earn interest on moneys credited to the account;

(7) To provide any other assistance authorized by the Safe Drinking Water Act or any other federal law related to the use of federal funds administered under the Safe Drinking Water Act.

(J) The director may provide financial assistance from the water supply revolving loan account after determining all of the following:

(1) The applicant for financial assistance has the legal, institutional, managerial, and financial capability to construct, operate, and maintain its public water system and the proposed improvements to it;

(2) The applicant will implement a financial management plan that includes, without limitation, provisions for satisfactory repayment of the financial assistance;

(3) The public water system of which the project for which assistance is proposed is a part is economically and nonmonetarily cost-effective, based on an evaluation of feasible alternatives that meet the drinking water treatment needs of the planning area in which the proposed project is located;

(4) Based on a comprehensive environmental review approved by the director, there are no significant adverse environmental effects resulting from all necessary improvements to the public water system of which the project proposed for assistance is a part;

(5) Public participation has occurred during the process of planning the project in compliance with applicable requirements under the Safe Drinking Water Act;

(6) The application meets the requirements of this section and rules adopted under division (M) of this section and is consistent with section 1452 of the Safe Drinking Water Act and regulations adopted under it;

(7) If the applicant for assistance is a water district formed under Chapter 6119. of the Revised Code that operates a public water system and that water district seeks to extend the distribution facilities, increase the number of service connections to its system, or provide for any other expansion of its system, the water district has consulted with the board of county commissioners from each county in which is located the proposed extension of distribution facilities, increase in the number of service connections, or other expansion of the public water system;

(8) The application meets any other requirements that the director

considers necessary or appropriate to protect public health and the environment and to ensure the financial integrity of the water supply revolving loan account.

Upon approval by the director of an application for financial assistance, the Ohio water development authority shall disburse the appropriate financial assistance from the water supply revolving loan account. If the proposed financial assistance is a loan, and if the payments of the principal or interest on the loan are or are expected to be pledged to secure payment of bonds issued or expected to be issued by the authority, the director shall submit the application for the loan to the authority for review and approval with respect to any matters pertaining to security for and the marketability of authority bonds. Review and approval by the authority shall be required prior to the making of such a loan.

(K) In accordance with rules adopted under division (M) of this section, the director periodically shall prepare a drinking water assistance management plan establishing the short-term and long-term goals for the assistance provided under this section, the allocation of available resources for the purposes of this section, the environmental, financial, and administrative terms, conditions, and criteria for the award of financial and technical assistance under this section, and the intended uses of capitalization grants and available moneys from the drinking water assistance fund. Criteria for awarding financial or technical assistance under this section shall not favor or disfavor any otherwise qualified nonprofit noncommunity public water system because it is owned by, operated by, or services a religious organization or a facility used for religious purposes. Prior to its adoption, the director shall make the drinking water assistance management plan available for public review and comment at a minimum of two public meetings and shall take adequate steps to ensure that reasonable public notice of each public meeting is given at least thirty days prior to the meeting.

The plan shall include, without limitation, a system that prioritizes projects funded by the water supply revolving loan account based on the relative risk to human health being addressed, their necessity for ensuring compliance with requirements of the Safe Drinking Water Act, and their affordability to the applicants, as determined by the director. Financial assistance for projects from the water supply revolving loan account shall be limited to projects that are included in that prioritization and shall be awarded based upon their priority position and the applicants' readiness to proceed with their proposed activities as determined by the director. The drinking water assistance management plan shall include terms, conditions,

amounts of moneys, and qualifying criteria, in addition to any other criteria established under this section, governing the financial assistance to be awarded to applicants from the water supply revolving loan account. The director shall determine the most effective use of the moneys in that account to achieve the state's drinking water assistance goals and objectives.

(L) The director, consistent with this section and applicable rules adopted under division (M) of this section, may enter into an agreement with an applicant for assistance from the drinking water assistance fund. Based on the director's review and approval of the project plans submitted under section 6109.07 of the Revised Code, any determinations made under division (J) of this section if an applicant seeks funding from the water supply revolving loan account, and any other requirements of this section and rules adopted under it, the director may establish in the agreement environmental and financial terms and conditions of the financial assistance to be offered to the applicant. If the recipient of financial assistance under this section defaults on any payment required in the agreement for financial assistance or otherwise violates a term or condition of the agreement or of the plan approval for the project under section 6109.07 of the Revised Code, the director, in addition to any other available remedies, may terminate, suspend, or require immediate repayment of the financial assistance. The director also may take any enforcement action available under this chapter.

(M) The director may adopt rules in accordance with Chapter 119. of the Revised Code for the implementation and administration of this section. The rules shall be consistent with section 1452 of the Safe Drinking Water Act.

(N)(1) For the purposes of this section, appealable actions of the director pursuant to section 3745.04 of the Revised Code are limited to the following:

(a) Adoption of the drinking water assistance management plan prepared under division (K) of this section;

(b) Approval of priority systems, priority lists, and written program administration policies;

(c) Approval or disapproval under this section of applicants' project plans submitted under section 6109.07 of the Revised Code;

(d) Approval or disapproval of an application for assistance.

(2) Notwithstanding section 119.06 of the Revised Code, the director may take the final actions described in divisions (N)(1)(a) to (d) of this section without holding an adjudication hearing in connection with the action and without first issuing a proposed action under section 3745.07 of the Revised Code.

(3) Each action described in divisions (N)(1)(a) to (d) of this section and each approval of a plan under section 6109.07 of the Revised Code is a separate and discrete action of the director. Appeals are limited to the issues concerning the specific action appealed. Any appeal shall not include issues determined under the scope of any prior action.

(O) The failure or inability of a public water system to obtain assistance under this section does not alter the obligation of the public water system to comply with all applicable requirements of this chapter and rules adopted under it.

Sec. 6111.036. (A) There is hereby created the water pollution control loan fund to provide financial, technical, and administrative assistance for the following purposes:

(1) Construction of publicly owned wastewater treatment works, as "construction" and "treatment works" are defined in section 212 of the "Federal Water Pollution Control Act," by municipal corporations, other political subdivisions, and interstate agencies having territory in this state;

(2) Implementation of nonpoint source pollution management programs under section 319 of that act;

(3) Development and implementation of estuary conservation and management programs under section 320 of that act.

To the extent they are otherwise allowable as determined by the director of environmental protection, the purposes identified under division (A) of this section are intended to include activities benefiting the waters of the state that are authorized under Chapter 3746. of the Revised Code.

The fund shall be administered by the director consistent with the "Federal Water Pollution Control Act"; regulations adopted under it, including, without limitation, regulations establishing public participation requirements applicable to the providing of financial assistance; this section; and rules adopted under division (O) of this section.

Moneys in the water pollution control loan fund shall be separate and apart from and not a part of the state treasury or of the other funds of the Ohio water development authority. Subject to the terms of the agreements provided for in divisions (B), (C), (D), and (F) of this section, moneys in the fund shall be held in trust by the Ohio water development authority for the purposes of this section, shall be kept in the same manner that funds of the authority are kept under section 6121.11 of the Revised Code, and may be invested in the same manner that funds of the authority are invested under section 6121.12 of the Revised Code. No withdrawals or disbursements shall be made from the water pollution control loan fund without the written authorization of the director or ~~his~~ the director's designated representative.



The manner of authorization for any withdrawals or disbursements from the fund to be made by the authority shall be established in the agreements authorized under division (C) of this section.

(B) The director may enter into agreements to receive and assign moneys credited or to be credited to the water pollution control loan fund. The director may reserve capitalization grant moneys allotted to the state under sections 601 and 604(c)(2) of the "Federal Water Pollution Control Act" for the other purposes authorized for the use of capitalization grant moneys under sections 603(d)(7) and 604(b) of that act.

(C) The director shall ensure that fiscal controls are established for prudent administration of the water pollution control loan fund. For that purpose, the director and the Ohio water development authority shall enter into any necessary and appropriate agreements under which the authority may perform or provide any of the following:

(1) Fiscal controls and accounting procedures governing fund balances, receipts, and disbursements;

(2) Administration of loan accounts;

(3) Maintaining, managing, and investing moneys in the fund.

Any agreement entered into under this division shall provide for the payment of reasonable fees to the Ohio water development authority for any services it performs under the agreement and may provide for reasonable fees for the assistance of financial or accounting advisors. Payments of any such fees to the authority may be made from the water pollution control loan fund to the extent authorized by division (H)(7) of this section or from the water pollution control loan administrative fund created in division (E) of this section. The authority may enter into loan agreements with the director and recipients of financial assistance from the fund as provided in this section.

(D) The water pollution control loan fund shall consist of the moneys credited to it from all capitalization grants received under sections 601 and 604(c)(2) of the "Federal Water Pollution Control Act," all moneys received as capitalization grants under section 205(m) of that act, all matching moneys credited to the fund arising from nonfederal sources, all payments of principal and interest for loans made from the fund, and all investment earnings on moneys held in the fund. On or before the date on which a quarterly capitalization grant payment will be received under that act, matching moneys equal to at least twenty per cent of the quarterly capitalization grant payment shall be credited to the fund. The Ohio water development authority may make moneys available to the director for the purpose of providing the matching moneys required by this division, subject

to such terms as the director and the authority consider appropriate, and may pledge moneys that are held by the authority to secure the payment of bonds or notes issued by the authority to provide those matching moneys. The authority may make moneys available to the director for that purpose from any funds now or hereafter available to the authority from any source, including, without limitation, the proceeds of bonds or notes heretofore or hereafter issued by the authority under Chapter 6121. of the Revised Code. Matching moneys made available to the director by the authority from the proceeds of any such bonds or notes shall be made available subject to the terms of the trust agreements relating to the bonds or notes. Any such matching moneys shall be made available to the director pursuant to a written agreement between the director and the authority that contains such terms as the director and the authority consider appropriate, including, without limitation, a provision providing for repayment to the authority of those matching moneys from moneys deposited in the water pollution control loan fund, including, without limitation, the proceeds of bonds or notes issued by the authority for the benefit of the fund and payments of principal and interest on loans made from the fund, or from any other sources now or hereafter available to the director for the repayment of those matching moneys.

(E) All moneys credited to the water pollution control loan fund, all interest earned on moneys in the fund, and all payments of principal and interest for loans made from the fund shall be dedicated in perpetuity and used and reused solely for the purposes set forth in division (A) of this section, except as otherwise provided in division (D) or (F) of this section. The director may establish and collect fees to be paid by recipients of financial assistance under this section, and all moneys arising from the fees shall be credited to the water pollution control loan administrative fund, which is hereby created in the state treasury, and shall be used to defray the costs of administering this section.

(F) The director and the Ohio water development authority shall enter into trust agreements to enable the authority to issue and refund bonds or notes for the sole benefit of the water pollution control loan fund, including, without limitation, the raising of the matching moneys required by division (D) of this section. These agreements may authorize the pledge of moneys accruing to the fund from payments of principal and interest on loans made from the fund adequate to secure bonds or notes, the proceeds of which bonds or notes shall be for the sole benefit of the water pollution control loan fund. The agreements may contain such terms as the director and the authority consider reasonable and proper for the security of the bondholders

or noteholders.

(G) The director shall enter into binding commitments to provide financial assistance from the water pollution control loan fund in an amount equal to one hundred twenty per cent of the amount of each capitalization grant payment received, within one year after receiving each such grant payment. The director shall provide the financial assistance in compliance with this section and rules adopted under division (O) of this section. The director shall ensure that all moneys credited to the fund are disbursed in an expeditious and timely manner. During the second year of operation of the water pollution control loan program, the director also shall ensure that not less than twenty-five per cent of the financial assistance provided under this section during that year is provided for the purpose of division (H)(2) of this section for the purchase or refinancing of debt obligations incurred after March 7, 1985, but not later than July 1, 1988, except that if the amount of money reserved during the second year of operation of the program for the purchase or refinancing of those debt obligations exceeds the amount required for the projects that are eligible to receive financial assistance for that purpose, the director shall distribute the excess moneys in accordance with the current priority system and list prepared under division (I) of this section to provide financial assistance for projects that otherwise would not receive assistance in that year.

(H) Moneys credited to the water pollution control loan fund shall be used only for the following purposes:

(1) To make loans, subject to all of the following conditions:

(a) The loans are made at or below market rates of interest, including, without limitation, interest free loans;

(b) Periodic payments of principal and interest shall commence not later than one year after completion of the project, and all loans shall be fully amortized not later than twenty years after project completion;

(c) Each recipient of a loan shall establish a dedicated source of revenue for repayment of the loan;

(d) All payments of principal and interest on the loans shall be credited to the fund, except as otherwise provided in division (D) or (F) of this section.

(2) To purchase or refinance at or below market rates of interest debt obligations incurred after March 7, 1985, by municipal corporations, other political subdivisions, and interstate agencies having territory in the state;

(3) To guarantee or purchase insurance for debt obligations of municipal corporations, other political subdivisions, and interstate agencies having territory within the state when the guarantee or insurance would improve the

borrower's access to credit markets or would reduce the interest rate paid on those obligations;

(4) As a source of revenue or security for the payment of principal and interest on general obligation or revenue bonds or notes issued by this state if the proceeds of the sale of the bonds or notes will be deposited in the fund;

(5) To provide loan guarantees for revolving loan funds established by municipal corporations and other political subdivisions that are similar to the water pollution control loan fund;

(6) To earn interest on moneys credited to the fund;

(7) To pay the reasonable costs of administering the fund and this section, except that cumulative expenditures from the fund for administrative costs shall not at any time exceed four per cent of the total amount of the capitalization grants received;

(8) To provide assistance in any manner or for any purpose that is consistent with Title VI of the Federal Water Pollution Control Act or with any other federal law related to the use of federal funds administered under Title VI of the Federal Water Pollution Control Act.

(I) The director periodically shall prepare in accordance with rules adopted under division (O) of this section a state priority system and list ranking assistance proposals principally on the basis of their relative water quality and public health benefits and the financial need of the applicants for assistance. Assistance for proposed activities from the water pollution control loan fund shall be limited to those activities appearing on that priority list and shall be awarded based upon their priority sequence on the list and the applicants' readiness to proceed with their proposed activities. The director annually shall prepare and circulate for public review and comment a plan that defines the goals and intended uses of the fund, as required by section 606(c) of the "Federal Water Pollution Control Act."

(J) Financial assistance from the water pollution control loan fund first shall be used to ensure maintenance of progress, as determined by the governor, toward compliance with enforceable deadlines, goals, and requirements under the "Federal Water Pollution Control Act" that are pertinent to the purposes of the fund set forth in divisions (A)(1) to (3) of this section, including, without limitation, the municipal compliance deadline under that act.

(K) The director may provide financial assistance from the water pollution control loan fund for a publicly owned treatment works project only after determining that:

(1) Sewerage systems tributary to the treatment works are not subject to

excessive infiltration and inflow;

(2) The applicant for financial assistance has the legal, institutional, managerial, and financial capability to construct, operate, and maintain its publicly owned treatment works;

(3) The applicant will implement a financial management plan that includes, without limitation, provisions for satisfactory repayment of the financial assistance, a proportional user charge system to pay the operation, maintenance, and replacement expenses of the project, and, if appropriate in the director's judgment, an adequate capital improvements fund;

(4) The proposed disposal system of which the project is a part is economically and nonmonetarily cost-effective, based upon an evaluation of feasible alternatives that meet the waste water treatment needs of the planning area in which the proposed project is located;

(5) Based upon the environmental review conducted by the director under division (L) of this section, there are no significant adverse environmental effects resulting from the proposed disposal system and the system has been selected from among environmentally sound alternatives;

(6) Public participation has occurred during the process of planning the project in compliance with applicable requirements under the "Federal Water Pollution Control Act";

(7) The applicant has submitted a facilities plan for the project that meets the applicable program requirements and that has been approved by the director;

(8) The application meets the requirements of this section and rules adopted under division (O) of this section and is consistent with the intent of Title VI of the "Federal Water Pollution Control Act" and regulations adopted under it;

(9) The application meets such other requirements as the director considers necessary or appropriate to protect the environment or ensure the financial integrity of the fund while implementing this section.

(L) The director shall perform and document for public review an independent, comprehensive environmental review of the assistance proposal for each activity receiving financial assistance under this section. The review shall serve as the basis for the determinations to be made under division (K)(5) or (Q)(4) of this section, as applicable, and may include, without limitation, an environmental assessment, any necessary supplemental studies, and an enforceable mitigation plan. The director may establish environmental impact mitigation terms or conditions for the implementation of an assistance proposal, including, without limitation, the installation or modification of a disposal system, in ~~his~~ the director's

approval of the plans for the installation or modification as authorized by section 6111.44 of the Revised Code or through other legally enforceable means. The review shall be conducted in accordance with applicable rules adopted under division (O) of this section.

(M) The director, consistent with this section and applicable rules adopted under division (O) of this section, may enter into any agreement with an applicant that is necessary or appropriate to provide assistance from the water pollution control loan fund. Based upon ~~his~~ the director's review of an assistance proposal, including, without limitation, approval for the project under section 6111.44 of the Revised Code, the environmental review conducted under division (L) of this section, and the other requirements of this section and rules adopted under it, the director may establish in the agreement terms and conditions of the assistance to be offered to an applicant. In addition to any other available remedies, the director may terminate, suspend, or require immediate repayment of financial assistance provided under this section to, or take any other enforcement action available under this chapter against, a recipient of financial assistance under this section who defaults on any payment required in the agreement for financial assistance or otherwise violates a term or condition of the agreement or of the plan approval for the project under section 6111.44 of the Revised Code.

(N) Based upon the director's judgment as to the financial need of the applicant and as to what constitutes the most effective allocation of funds to achieve statewide water pollution control objectives, the director may establish the terms, conditions, and amount of financial assistance to be offered to an applicant from the water pollution control loan fund. The director, to the extent consistent with the water quality improvement priorities reflected in the current priority system and list prepared under division (I) of this section and with the long-term financial integrity of the fund, shall ensure each year that financial assistance in an amount equal to the cost of the assistance proposals of applicants having a high level of economic need that are on the current priority list and for which funding is available in that year is made available from the fund to those applicants at an interest rate that is lower than that offered to other applicants for financial assistance from the fund for assistance proposals that are on the current priority list and for which funding is available in that year.

The director shall determine the economic need of applicants for financial assistance in accordance with uniform criteria established in rules adopted under division (O) of this section.

(O) The director may adopt rules in accordance with Chapter 119. of the

Revised Code for the implementation and administration of this section and section 6111.037 of the Revised Code. Any such rules governing the planning, design, and construction of water pollution control projects, establishing an environmental review process, establishing requirements for the preparation of environmental impact reports and mitigation plans, governing the establishment of priority systems for providing financial assistance under this section and section 6111.037 of the Revised Code, and governing the terms and conditions of assistance, shall be consistent with the intent of Titles II and VI and sections 319 and 320 of the "Federal Water Pollution Control Act." The rules governing the establishment of priority systems for financial assistance and governing terms and conditions of assistance shall provide for the most effective allocation of moneys from the water pollution control loan fund to achieve water quality and public health objectives throughout the state as determined by the director.

(P)(1) For the purpose of this section, appealable actions of the director pursuant to section 3745.04 of the Revised Code are limited to the following:

(a) Approval of draft priority systems, draft priority lists, and draft written program administration policies;

(b) Approval or disapproval of project facility plans under division (K)(7) of this section;

(c) Approval or disapproval of plans and specifications for a project under section 6111.44 of the Revised Code and issuance of a permit to install in connection with a project pursuant to rules adopted under section 6111.03 of the Revised Code;

(d) Approval or disapproval of an application for assistance.

(2) Notwithstanding section 119.06 of the Revised Code, the director may take final action described in division (P)(1)(a), (b), (c), or (d) of this section without holding an adjudication hearing in connection with the action and without first issuing a proposed action under section 3745.07 of the Revised Code.

(3) Each action described in divisions (P)(1)(a), (b), (c), and (d) of this section is a separate and discrete action of the director. Appeals of any such action are limited to the issues concerning the specific action appealed, and the appeal shall not include issues determined under the scope of any prior action.

(Q) The director may provide financial assistance for the implementation of a nonpoint source management program activity only after determining all of the following:

(1) The activity is consistent with the state's nonpoint source

management program;

(2) The applicant has the legal, institutional, managerial, and financial capability to implement, operate, and maintain the activity;

(3) The cost of the activity is reasonable considering monetary and nonmonetary factors;

(4) Based on the environmental review conducted by the director under division (L) of this section, the activity will not result in significant adverse environmental impacts;

(5) The application meets the requirements of this section and rules adopted under division (O) of this section and is consistent with the intent of Title VI of the "Federal Water Pollution Control Act" and regulations adopted under it;

(6) The applicant will implement a financial management plan, including, without limitation, provisions for satisfactory repayment of the financial assistance;

(7) The application meets such other requirements as the director considers necessary or appropriate to protect the environment and ensure the financial integrity of the fund while implementing this section.

(R) As used in this section, "Federal Water Pollution Control Act" means the "Federal Water Pollution Control Act Amendments of 1972," 86 Stat. 886, 33 U.S.C.A. 1251, as amended by the "Clean Water Act of 1977," 91 Stat. 1566, 33 U.S.C.A. 1251, the "Act of October 21, 1980," 94 Stat. 2360, 33 U.S.C.A. 1254, the "Municipal Wastewater Treatment Construction Grant Amendments of 1981," 95 Stat. 1623, 33 U.S.C.A. 1281, and the "Water Quality Act of 1987," 101 Stat. 7, 33 U.S.C.A. 1251.

SECTION 2. That existing sections 122.12, 135.143, 148.06, 926.31, 1501.04, 1517.23, 3302.03, 3313.44, 4928.01, 5709.62, 5709.63, 5709.632, 5739.02, 5751.08, 5751.09, 6109.22, and 6111.036 of the Revised Code are hereby repealed.

SECTION 3. Beginning July 1, 2010, and ending January 1, 2012, the Director of Budget and Management, upon the request of the Director of Natural Resources, shall transfer an amount not to exceed \$1.2 million from the Natural Areas and Preserves Fund created in section 1517.11 of the Revised Code (Fund 5220) to the Departmental Projects Fund (Fund 1550) for the purpose of paying the salaries of permanent employees of the Division of Natural Areas and Preserves through January 1, 2012. If such an amount is so transferred, the Director of Natural Resources, not later than



March 1, 2011, shall submit to the Speaker of the House of Representatives and the President of the Senate a detailed report of expenditures from the Departmental Projects Fund (Fund 1550) for payment of salaries of permanent employees of the Division of Natural Areas and Preserves.

SECTION 4. Beginning July 1, 2010, and ending December 31, 2010, the Administrator of the Bureau of Workers' Compensation shall transfer a portion of the investment earnings credited to the Coal-Workers Pneumoconiosis Fund created in section 4131.03 of the Revised Code in an amount not to exceed \$2.28 million to the Strip Mining Administration Fund (Fund 5260) for the purposes specified in section 1513.181 of the Revised Code. Transfers from the Coal-Workers Pneumoconiosis Fund to the Strip Mining Administration Fund (Fund 5260) are prohibited after December 31, 2010.

SECTION 5. That section 3313.44 of the Revised Code, as amended by this act, is remedial in nature and applies to tax years at issue in any application for exemption from taxation pending before the Tax Commissioner, Ohio Board of Tax Appeals, any Court of Appeals, or the Supreme Court on the effective date of this act and to the property that is the subject of the application.

SECTION 6. A person may request a refund of the annual minimum commercial activity tax paid for calendar year 2007, 2008, or 2009 under Chapter 5751. of the Revised Code if the person satisfies both of the following:

(A) The person was not subject to the tax for 2007, 2008, or 2009 because the person was an excluded person under division (E)(1) of section 5751.01 of the Revised Code.

(B) The person erroneously registered for the tax and failed to cancel the registration before the tenth day of February of the calendar year for which the tax was paid.

SECTION 7. The items set forth in this section are hereby appropriated for fiscal years 2011 and 2012 out of any moneys in the state treasury to the credit of the Job Ready Site Development Fund (Fund 7012) that are not otherwise appropriated:

Appropriations

## DEV DEPARTMENT OF DEVELOPMENT

C19502	Job Ready Sites	\$	30,000,000
Total Department of Development		\$	30,000,000
TOTAL Job Ready Site Development Fund		\$	30,000,000

## SECTION 8. JOB READY SITE DEVELOPMENT

The Ohio Public Facilities Commission, upon request of the Department of Development, is hereby authorized to issue and sell, in accordance with Section 2p of Article VIII, Ohio Constitution, and pursuant to sections 151.01 and 151.11 of the Revised Code, original obligations of the State of Ohio in an aggregate amount not to exceed \$30,000,000 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 Job Ready Site Development Fund (Fund 7012) to pay costs of sites and facilities.

SECTION 9. The items set forth in this section are hereby appropriated for fiscal years 2011 and 2012 out of any moneys in the state treasury to the credit of the Clean Ohio Revitalization Fund (Fund 7003) that are not otherwise appropriated:

		Appropriations	
DEV DEPARTMENT OF DEVELOPMENT			
C19500	Clean Ohio Revitalization	\$	80,000,000
C19501	Clean Ohio Assistance	\$	20,000,000
Total Department of Development		\$	100,000,000
TOTAL Clean Ohio Assistance Fund		\$	100,000,000

## SECTION 10. CLEAN OHIO REVITALIZATION

The Treasurer of State is hereby authorized to issue and sell, in accordance with Section 2o and 2q of Article VIII, 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 \$100,000,000 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 Clean Ohio Revitalization Fund (Fund 7003) to pay costs of revitalization projects.

**CLEAN OHIO PROJECT SAVINGS REALLOCATION**

Notwithstanding division (A) of section 122.658 of the Revised Code, the Director of Development may reallocate moneys for the purposes of section 122.653 or 122.656 of the Revised Code if the Department of Development realizes Clean Ohio Fund project savings attributable to any of the following instances:

(A) The completion of any project for less than the amount of grant funds awarded, subject to the local matching funds participation requirement;

(B) The cancellation of grant awards in which Clean Ohio Fund moneys have been encumbered for a project but not disbursed, including those for which a grantee has decided not to proceed with a project or for which the project term has expired without substantial project progress; or

(C) Any recapture of Clean Ohio Fund moneys due to a grantee's default or failure to perform the conditions of the grant agreement.

SECTION 11. (A) The ARRA Compliance Fund (Fund 5JA0) is hereby created in the state treasury. The fund shall be used by the Department of Education to make adjustments to state support for local education agencies to meet State Fiscal Stabilization Fund requirements under the American Recovery and Reinvestment Act. These requirements are that the state maintain support for elementary and secondary education to at least the level supported for fiscal year 2006, and that state payments under the primary funding formula to local education agencies for fiscal year 2010 and fiscal year 2011 be not less than payments under the primary funding formula for fiscal year 2009. However, if payments under the primary funding formula for fiscal year 2010 or fiscal year 2011 are lower than payments under the primary funding formula for fiscal year 2009, the shortfall in payments must be proportional to the corresponding shortfall in state aid to public institutions of higher education. The adjustments under division (B) of this section shall be made only for the purpose of meeting State Fiscal Stabilization Fund requirements for fiscal year 2010 under the American Recovery and Reinvestment Act.

(B) If state payments for elementary and secondary education provided under the primary funding formula for fiscal year 2010 are less than required, as described in division (A) of this section, on or before June 1, 2010, or as soon as possible thereafter, the Superintendent of Public Instruction shall certify to the Director of Budget and Management the amount by which funding levels are lower than required as the "ARRA compliance difference." The Superintendent of Public Instruction, in

consultation with the Director of Budget and Management, shall identify encumbrances that are no longer needed for fiscal year 2010 and prior years against General Revenue Fund appropriations in the Department of Education's budget equal to the ARRA compliance difference. The Director of Budget and Management shall transfer cash in the amount of the identified fiscal year 2010 encumbered balances no longer needed in appropriation item 200502, Pupil Transportation, and appropriation item 200550, Foundation Funding, and up to \$20,000,000 of identified encumbered balances no longer needed in other General Revenue Fund appropriation items in the Department of Education's budget, from the General Revenue Fund to the ARRA Compliance Fund (Fund 5JA0). The amount of transferred encumbered balances from appropriation items other than 200502 and 200550 shall not total more than \$20,000,000. The Department of Education shall seek Controlling Board approval if the needed cash transfer into the ARRA Compliance Fund (Fund 5JA0) exceeds \$25,000,000. The transferred cash shall be used by the Department of Education to provide additional subsidy, on a per pupil basis, to city, local, and exempted village school districts, community schools, and STEM schools.

SECTION 12. That Sections 265.30.40 and 265.40.60 of Am. Sub. H.B. 1 of the 128th General Assembly be amended to read as follows:

Sec. 265.30.40. FOUNDATION FUNDING

The foregoing appropriation item 200550, Foundation Funding, includes \$92,300,000 in fiscal year 2010 and \$92,700,000 in fiscal year 2011 for the state education aid offset due to the change in public utility valuation as a result of Am. Sub. S.B. 3 and Am. Sub. S.B. 287, both of the 123rd General Assembly. For each fiscal year, this amount represents the greater of the total state education aid offset calculated for that fiscal year or for fiscal year 2009 due to the valuation change for school districts and the total state education aid offset calculated for fiscal year 2009 for joint vocational school districts from all relevant appropriation line item sources. Upon certification by the Department of Education, in consultation with the Department of Taxation, to the Director of Budget and Management of the actual state aid offsets, the cash transfer from the School District Property Tax Replacement - Utility Fund (Fund 7053) to the General Revenue Fund shall be decreased or increased by the Director of Budget and Management to match the certification in accordance with section 5727.84 of the Revised Code.

The foregoing appropriation item 200550, Foundation Funding, includes

\$127,700,000 in fiscal year 2010 and \$126,600,000 in fiscal year 2011 for the state education aid offset because of the changes in tangible personal property valuation as a result of Am. Sub. H.B. 66 of the 126th General Assembly. For each fiscal year, this amount represents the greater of the total state education aid offset calculated for that fiscal year or for fiscal year 2009 because of the valuation change for school districts and the total state education aid offset calculated for fiscal year 2009 for joint vocational school districts from all relevant appropriation item sources. Upon certification by the Department of Education of the actual state education aid offsets to the Director of Budget and Management, the cash transfer from the School District Tangible Property Tax Replacement - Business Fund (Fund 7047) to the General Revenue Fund shall be decreased or increased by the Director of Budget and Management to match the certification in accordance with section 5751.21 of the Revised Code.

Of the foregoing appropriation item 200550, Foundation Funding, up to \$425,000 shall be expended in each fiscal year for court payments under section 2151.362 of the Revised Code.

Of the foregoing appropriation item 200550, Foundation Funding, up to \$15,000,000 in each fiscal year shall be reserved for payments under sections 3317.026, 3317.027, and 3317.028 of the Revised Code except that the Controlling Board may increase the \$15,000,000 amount if presented with such a request from the Department of Education.

Of the foregoing appropriation item 200550, Foundation Funding, up to \$8,100,000 in each fiscal year shall be used to fund gifted education units at educational service centers under division (L) of section 3317.024 of the Revised Code, notwithstanding divisions (D)(3) and (6) of section 3317.018 of the Revised Code.

Of the foregoing appropriation item 200550, Foundation Funding, an amount shall be available in each fiscal year to be used by the Department of Education for transitional aid for school districts under section 3306.19 of the Revised Code.

Of the foregoing appropriation item 200550, Foundation Funding, up to \$10,000,000 in each fiscal year shall be used to provide additional state aid to school districts for special education students under division (C)(3) of section 3317.022 of the Revised Code, except that the Controlling Board may increase these amounts if presented with such a request from the Department of Education at the final meeting of the fiscal year; up to \$2,000,000 in each fiscal year shall be reserved for Youth Services tuition payments under section 3317.024 of the Revised Code; and up to \$46,400,000 in each fiscal year shall be reserved to fund the state

reimbursement of educational service centers under section 3317.11 of the Revised Code and the section of ~~this act~~ Am. Sub. H.B. 1 of the 128th General Assembly entitled "EDUCATIONAL SERVICE CENTERS FUNDING."

Of the foregoing appropriation item 200550, Foundation Funding, up to \$1,000,000 in each fiscal year shall be used by the Department of Education for a program to pay for educational services for youth who have been assigned by a juvenile court or other authorized agency to any of the facilities described in division (A) of the section of ~~this act~~ Am. Sub. H.B. 1 of the 128th General Assembly entitled "PRIVATE TREATMENT FACILITY PROJECT."

Of the foregoing appropriation item 200550, Foundation Funding, up to \$8,686,000 in fiscal year 2010 and up to \$8,722,860 in fiscal year 2011 shall be used to operate school choice programs.

Of the portion of the funds distributed to the Cleveland Municipal School District under this section, up to \$11,901,887 in each fiscal year shall be used to operate the school choice program in the Cleveland Municipal School District under sections 3313.974 to 3313.979 of the Revised Code. Notwithstanding divisions (B) and (C) of section 3313.978 and division (C) of section 3313.979 of the Revised Code, up to \$1,000,000 in each fiscal year of this amount shall be used by the Cleveland Municipal School District to provide tutorial assistance as provided in division (H) of section 3313.974 of the Revised Code. The Cleveland Municipal School District shall report the use of these funds in the district's three-year continuous improvement plan as described in section 3302.04 of the Revised Code in a manner approved by the Department of Education.

Of the foregoing appropriation item 200550, Foundation Funding, an amount shall be available in each fiscal year to be paid to joint vocational school districts in accordance with the section of ~~this act~~ Am. Sub. H.B. 1 of the 128th General Assembly entitled "FUNDING FOR JOINT VOCATIONAL SCHOOL DISTRICTS."

Of the foregoing appropriation item 200550, Foundation Funding, \$10,500,000 in fiscal year 2010 shall be transferred to appropriation item 200511, Auxiliary Services, for the purpose of implementing section 3317.06 of the Revised Code.

Of the foregoing appropriation item 200550, Foundation Funding, \$4,500,000 in fiscal year 2010 shall be transferred to appropriation item 200532, Nonpublic Administrative Cost Reimbursement, for the purpose of implementing section 3317.063 of the Revised Code.

Appropriation items 200502, Pupil Transportation, 200540, Special

Education Enhancements, 200550, Foundation Funding, and 200551, Foundation Funding - Federal Stimulus, other than specific set-asides, are collectively used in each fiscal year to pay state formula aid obligations for school districts, community schools, and joint vocational school districts under ~~this act~~ Am. Sub. H.B. 1 of the 128th General Assembly. The first priority of these appropriation items, with the exception of specific set-asides, is to fund state formula aid obligations. It may be necessary to reallocate funds among these appropriation items or use excess funds from other general revenue fund appropriation items in the Department of Education's budget in each fiscal year, in order to meet state formula aid obligations. If it is determined that it is necessary to transfer funds among these appropriation items or to transfer funds from other General Revenue Fund appropriations in the Department of Education's budget to meet state formula aid obligations, the Department of Education shall seek approval from the Controlling Board to transfer funds as needed.

Sec. 265.40.60. LOTTERY PROFITS EDUCATION RESERVE FUND

(A) There is hereby created the Lottery Profits Education Reserve Fund (Fund 7018) in the State Treasury. Investment earnings of the Lottery Profits Education Reserve Fund shall be credited to the fund. The Superintendent of Public Instruction may certify cash balances exceeding \$75,000,000 in Fund 7018 to the Director of Budget and Management in June of any given fiscal year. Prior to making the certification, the Superintendent of Public Instruction shall determine whether the funds above the \$75,000,000 threshold are needed to help pay for foundation program obligations for that fiscal year.

For fiscal years 2010 and 2011, notwithstanding any provisions of law to the contrary, amounts necessary to make loans authorized by sections 3317.0210, 3317.0211, and 3317.62 of the Revised Code are hereby appropriated to Fund 7018. Loan repayments from loans made in previous years shall be deposited to the fund.

(B) Notwithstanding any other provision of law to the contrary, the Director of Budget and Management shall transfer \$40,000,000 cash from Fund 7018 to the Lottery Profits Education Fund (Fund 7017) in fiscal year 2010.

~~(B)~~(C) On July 15, 2009, or as soon as possible thereafter, the Director of the Ohio Lottery Commission shall certify to the Director of Budget and Management the amount by which lottery profit transfers received by ~~the Lottery Profits Education Fund (Fund 7017)~~ Fund 7017 exceeded \$667,900,000 in fiscal year 2009. The Director of Budget and Management may transfer the amount so certified, plus the cash balance in Fund 7017, to

## Fund 7018.

~~(C)~~(D) On July 15, 2010, or as soon as possible thereafter, the Director of the Ohio Lottery Commission shall certify to the Director of Budget and Management the amount by which lottery profit transfers received by Fund 7017 exceeded \$705,000,000 in fiscal year 2010. The Director of Budget and Management may transfer the amount so certified, plus the cash balance in Fund 7017, to Fund 7018.

~~(D)~~(E) Any amounts transferred under division ~~(B)~~(C) or ~~(C)~~(D) of this section may be made available by the Controlling Board in fiscal years 2010 or 2011, at the request of the Superintendent of Public Instruction, to provide assistance and grants to school districts to enable them to remain solvent and to pay unforeseeable expenses of a temporary or emergency nature that they are unable to pay from existing resources under section 3316.20 of the Revised Code, and to provide state foundation payments to school districts.

SECTION 13. That existing Sections 265.30.40 and 265.40.60 of Am. Sub. H.B. 1 of the 128th General Assembly are hereby repealed.

SECTION 14. That Section 265.10 of Am. Sub. H.B. 1 of the 128th General Assembly, as subsequently amended by Sub. H.B. 318 of the 128th General Assembly, be amended to read as follows:

Sec. 265.10. EDU DEPARTMENT OF EDUCATION

General Revenue Fund

GRF 200100	Personal Services	\$	10,490,789	\$	10,723,972
GRF 200320	Maintenance and Equipment	\$	3,110,071	\$	3,144,897
GRF 200408	Early Childhood Education	\$	23,268,341	\$	23,268,341
GRF 200416	Career-Technical Education	\$	2,233,195	\$	2,233,195
	Match				
GRF 200420	Computer/Application/ Network Development	\$	4,880,871	\$	4,880,871
GRF 200421	Alternative Education Programs	\$	7,814,479	\$	7,918,749
GRF 200422	School Management Assistance	\$	1,950,521	\$	3,230,469
GRF 200424	Policy Analysis	\$	356,311	\$	361,065
GRF 200425	Tech Prep Consortia Support	\$	1,243,943	\$	1,260,542
GRF 200426	Ohio Educational Computer Network	\$	20,156,602	\$	20,425,556
GRF 200427	Academic Standards	\$	5,300,074	\$	5,300,074
GRF 200431	School Improvement Initiatives	\$	7,294,175	\$	7,391,503
GRF 200437	Student Assessment	\$	55,954,648	\$	56,703,265
GRF 200439	Accountability/Report Cards	\$	3,804,673	\$	3,804,673



GRF 200442	Child Care Licensing	\$	865,590	\$	877,140
GRF 200446	Education Management Information System	\$	13,199,152	\$	11,934,284
GRF 200447	GED Testing	\$	975,536	\$	988,553
GRF 200448	Educator Preparation	\$	1,310,750	\$	1,328,240
GRF 200455	Community Schools	\$	1,000,000	\$	1,000,000
GRF 200457	STEM Initiatives	\$	5,000,000	\$	5,000,000
GRF 200458	School Employees Health Care Board	\$	800,000	\$	800,000
GRF 200502	Pupil Transportation	\$	448,022,619	\$	462,822,619
GRF 200505	School Lunch Match	\$	9,100,000	\$	9,100,000
GRF 200511	Auxiliary Services	\$	111,979,388	\$	111,979,388
GRF 200532	Nonpublic Administrative Cost Reimbursement	\$	50,838,939	\$	50,838,939
GRF 200540	Special Education Enhancements	\$	134,150,233	\$	135,820,668
GRF 200545	Career-Technical Education Enhancements	\$	7,752,662	\$	7,802,699
GRF 200550	Foundation Funding	\$	5,415,906,323	\$	5,312,560,800
GRF 200551	Foundation Funding – Federal Stimulus	\$	387,583,913	\$	457,449,362
GRF 200578	Violence Prevention and School Safety	\$	200,000	\$	200,000
GRF 200901	Property Tax Allocation - Education	\$	1,053,262,363	\$	1,020,655,157
TOTAL GRF General Revenue Fund		\$	7,789,806,161	\$	7,741,805,021
<b>General Services Fund Group</b>					
1380 200606	Computer Services-Operational Support	\$	7,600,091	\$	7,600,091
4520 200638	Miscellaneous Educational Services	\$	275,000	\$	275,000
4L20 200681	Teacher Certification and Licensure	\$	8,013,206	\$	8,147,756
5960 200656	Ohio Career Information System	\$	529,761	\$	529,761
5H30 200687	School District Solvency Assistance	\$	18,000,000	\$	18,000,000
TOTAL GSF General Services Fund Group		\$	34,418,058	\$	34,552,608
<b>Federal Special Revenue Fund Group</b>					
3090 200601	Educationally Disadvantaged Programs	\$	8,405,512	\$	8,405,512
3670 200607	School Food Services	\$	6,324,707	\$	6,577,695
3680 200614	Veterans' Training	\$	778,349	\$	793,846
3690 200616	Career-Technical Education Federal Enhancement	\$	5,000,000	\$	5,000,000
3700 200624	Education of Exceptional Children	\$	2,664,000	\$	2,755,000
3740 200647	Troops to Teachers	\$	100,000	\$	100,000
3780 200660	Learn and Serve	\$	619,211	\$	619,211
3AF0 200603	Schools Medicaid Administrative Claims	\$	639,000	\$	639,000
3AN0 200671	School Improvement Grants	\$	17,909,676	\$	17,936,675

3AX0	200698	Improving Health and Educational Outcomes of Young People	\$	630,954	\$	630,954
3BK0	200628	Longitudinal Data Systems	\$	100,000	\$	0
3BV0	200636	Character Education	\$	700,000	\$	0
3C50	200661	Early Childhood Education	\$	14,189,711	\$	14,554,749
3CF0	200644	Foreign Language Assistance	\$	25,000	\$	0
3CG0	200646	Teacher Incentive Fund	\$	3,007,975	\$	1,157,834
3D10	200664	Drug Free Schools	\$	13,347,966	\$	13,347,966
3D20	200667	Honors Scholarship Program	\$	6,990,000	\$	6,985,000
3DJ0	200699	IDEA Part B - Federal Stimulus	\$	218,868,026	\$	218,868,026
3DK0	200642	Title IA - Federal Stimulus	\$	186,336,737	\$	186,336,737
3DL0	200650	IDEA Preschool - Federal Stimulus	\$	6,679,679	\$	6,679,679
3DM0	200651	Title IID Technology - Federal Stimulus	\$	11,951,000	\$	11,951,000
3DP0	200652	Title I School Improvement - Federal Stimulus	\$	54,221,000	\$	54,221,000
3H90	200605	Head Start Collaboration Project	\$	225,000	\$	225,000
3L60	200617	Federal School Lunch	\$	295,421,000	\$	310,150,675
3L70	200618	Federal School Breakfast	\$	80,850,000	\$	84,892,500
3L80	200619	Child/Adult Food Programs	\$	89,250,000	\$	93,712,500
3L90	200621	Career-Technical Education Basic Grant	\$	48,029,701	\$	48,029,701
3M00	200623	ESEA Title 1A	\$	530,000,000	\$	530,010,000
3M10	200678	Innovative Education	\$	1,000,000	\$	0
3M20	200680	Individuals with Disabilities Education Act	\$	413,391,594	\$	421,241,163
3S20	200641	Education Technology	\$	9,487,397	\$	9,487,397
3T40	200613	Public Charter Schools	\$	14,275,618	\$	14,291,353
3Y20	200688	21st Century Community Learning Centers	\$	36,000,000	\$	36,000,000
3Y40	200632	Reading First	\$	27,366,373	\$	24,455,172
3Y60	200635	Improving Teacher Quality	\$	101,778,397	\$	101,778,400
3Y70	200689	English Language Acquisition	\$	8,142,299	\$	8,142,299
3Y80	200639	Rural and Low Income Technical Assistance	\$	1,500,000	\$	1,500,000
3Z20	200690	State Assessments	\$	12,923,799	\$	12,923,799
3Z30	200645	Consolidated Federal Grant Administration	\$	8,499,279	\$	8,499,280
3Z70	200697	General Supervisory Enhancement Grant	\$	887,319	\$	0
TOTAL FED Federal Special Revenue Fund Group			\$	2,238,516,279	\$	2,262,899,123
<b>State Special Revenue Fund Group</b>						
4540	200610	Guidance and Testing	\$	450,000	\$	450,000
4550	200608	Commodity Foods	\$	24,000,000	\$	24,000,000
4R70	200695	Indirect Operational Support	\$	6,050,000	\$	6,250,000
4V70	200633	Interagency Operational Support	\$	1,111,838	\$	1,117,725
5980	200659	Auxiliary Services	\$	1,328,910	\$	1,328,910

		Reimbursement			
5BB0	200696	State Action for Education Leadership	\$	1,250,000	\$ 600,000
5BJ0	200626	Half-Mill Maintenance Equalization	\$	16,100,000	\$ 16,600,000
<u>5JA0</u>	<u>200611</u>	<u>ARRA Compliance</u>	<u>\$</u>	<u>25,000,000</u>	<u>\$ 0</u>
5U20	200685	National Education Statistics	\$	300,000	\$ 300,000
5W20	200663	Early Learning Initiative	\$	2,200,000	\$ 2,200,000
5X90	200911	NGA STEM	\$	100,000	\$ 0
6200	200615	Educational Improvement Grants	\$	3,000,000	\$ 3,000,000
TOTAL SSR State Special Revenue Fund Group			\$	<u>55,890,748</u>	\$ 55,846,635
				<u>80,890,748</u>	
<b>Lottery Profits Education Fund Group</b>					
7017	200612	Foundation Funding	\$	<del>705,000,000</del>	\$ 711,000,000
				<u>745,000,000</u>	
TOTAL LPE Lottery Profits Education Fund Group			\$	<del>705,000,000</del>	\$ 711,000,000
				<u>745,000,000</u>	
<b>Revenue Distribution Fund Group</b>					
7047	200909	School District Property Tax Replacement-Business	\$	1,150,207,366	\$ 1,150,207,366
7053	200900	School District Property Tax Replacement-Utility	\$	91,123,523	\$ 91,123,523
TOTAL RDF Revenue Distribution Fund Group			\$	1,241,330,889	\$ 1,241,330,889
TOTAL ALL BUDGET FUND GROUPS			\$	<del>12,064,962,135</del>	\$ 12,047,434,276
				<u>12,129,962,135</u>	

SECTION 15. That existing Section 265.10 of Am. Sub. H.B. 1 of the 128th General Assembly, as subsequently amended by Sub. H.B. 318 of the 128th General Assembly, is hereby repealed.

SECTION 16. That Sections 6 and 7 of Sub. H.B. 318 of the 128th General Assembly are hereby repealed.

SECTION 17. Except as otherwise provided in this act, all appropriation items in this act are appropriated out of moneys in the state treasury to the credit of the designated fund that are not otherwise appropriated. For all appropriations in the following sections of this act, the amounts in the first column are for fiscal year 2010 and the amounts in the second column are for fiscal year 2011.

## SECTION 18. CAC CASINO CONTROL COMMISSION

## State Special Revenue

5HS0 955321	Casino Control – Operating	\$	0	\$	5,500,000
TOTAL SSR State Special Revenue Fund Group		\$	0	\$	5,500,000

## SECTION 19. IGO OFFICE OF THE INSPECTOR GENERAL

## State Special Revenue

5HS0 965609	Casino Investigations	\$	0	\$	250,000
TOTAL SSR State Special Revenue Fund Group		\$	0	\$	250,000

The foregoing appropriation shall be used only for the performance of casino-related duties.

## SECTION 20. ETH ETHICS COMMISSION

## State Special Revenue

5HS0 146602	Casino Investigations	\$	0	\$	250,000
TOTAL SSR Special Revenue Fund Group		\$	0	\$	250,000

The foregoing appropriation shall be used only for the performance of casino-related duties.

## SECTION 21. BOR BOARD OF REGENTS

## State Special Revenue

5JC0 235628	Co-Op/Internship Program	\$	0	\$	100,000,000
TOTAL SSR State Special Revenue Fund Group		\$	0	\$	100,000,000
TOTAL ALL BUDGET FUND GROUPS		\$	0	\$	106,000,000

Of the foregoing appropriation item, 235628, Co-Op/Internship Program, \$50,000,000 shall be used by the Chancellor of the Board of Regents to operate the Co-Op/Internship Program under sections 3333.71 to 3333.80 of the Revised Code. Funding for eligible institutions shall be disbursed in accordance with the terms of the agreements entered into under section 3333.75 of the Revised Code. The Chancellor of the Board of Regents shall develop a work force development pilot program, for areas of the state with high unemployment, with funding of \$50,000,000. Of this funding, \$25,000,000 shall be for urban areas and \$25,000,000 shall be for rural areas. Of the funding for rural areas, \$12,500,000 shall be for areas in Appalachia and \$12,500,000 shall be for areas elsewhere in the state. All public institutions of higher education, career technical schools, and joint vocational schools shall be eligible to participate in this program. The Chancellor of the Board of Regents shall propose the pilot program to the Controlling Board. Approval of the pilot program by the Controlling Board

shall require at least five votes in favor of the program, including those of at least two Senators and at least two Representatives.

SECTION 22. Section 11 of this act, and the amendment by this act of Sections 265.30.40 and 265.40.60 of Am. Sub. H.B. 1 of the 128th General Assembly and Section 265.10 of Am. Sub. H.B. 1 of the 128th General Assembly, as subsequently amended by Sub. H.B. 318 of the 128th General Assembly, are exempt from the referendum under Ohio Constitution, Article II, Section 1d and section 1.471 of the Revised Code and therefore take effect immediately when this act becomes law.

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*Speaker* \_\_\_\_\_ *of the House of Representatives.*

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*President* \_\_\_\_\_ *of the Senate.*

Passed \_\_\_\_\_, 20\_\_\_\_

Approved \_\_\_\_\_, 20\_\_\_\_

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*Governor.*

Am. Sub. S. B. No. 181

128th G.A.

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

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*Director, Legislative Service Commission.*

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

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*Secretary of State.*

File No. \_\_\_\_\_ Effective Date \_\_\_\_\_