

6 \_\_\_\_\_ moved to amend as follows:

7 In line 301, delete "124.15,"; delete "124.18,"

8 In line 9181, after the underlined period insert "A  
9 probationary period that follows a separation from service that  
10 is less than thirty-one days is not considered an initial  
11 probation period for purposes of this section."

12 In line 9186, strike through "If an" and insert:

13 "(C) Except as provided in division (D) of this section,  
14 beginning in fiscal year 2012, an employee may be paid for up to  
15 eighty hours of vacation leave each fiscal year if the employee  
16 requested and was denied the use of vacation leave during that  
17 fiscal year. No employee shall receive payment for more than  
18 eighty hours of denied vacation leave in a single fiscal year.  
19 An employee is only eligible to receive payment for vacation  
20 leave when the"

21 In line 9189, strike through "during the immediately  
22 preceding twelve months,"

23 Strike through lines 9190 through 9192

24 In line 9193, strike through "any pay period"

25 Strike through lines 9199 and 9200 and insert:

26 "No employee is eligible to receive payment for denied  
27 vacation leave in either fiscal year 2010 or fiscal year 2011.

28 (D) The supreme court, general assembly, secretary of  
29 state, auditor of state, treasurer of state, and attorney  
30 general may establish by policy an alternate payment structure  
31 for employees whose vacation leave credit is at, or will reach  
32 in the immediately following pay period, the maximum of accrual  
33 for three years and the employee has been denied the use of  
34 vacation leave. An employee is not entitled to receive payment  
35 for vacation leave denied in any pay period in which the  
36 employee's vacation leave credit is not at, or will not reach in  
37 the immediately following pay period, the maximum of accrual for  
38 three years. Any vacation leave for which the employee receives  
39 payment shall be deducted from the employee's vacation leave  
40 balance."

41 In line 9201, strike through "(C)" and insert "(E)"

42 Delete lines 9580 through 10001

43 Delete lines 10308 through 10460

44 Between lines 10725 and 10726, insert:

45 "(Q) Employees of the office of the auditor of state who  
46 are exempt from collective bargaining and who are paid in  
47 accordance with schedule E-1 or in accordance with schedule E-1  
48 for step 7 only and are paid a salary or wage in accordance with

49 the schedule of rates in division (B) or (C) of section 124.152  
50 of the Revised Code shall receive a reduction of two per cent in  
51 their hourly and annual pay calculation beginning with the pay  
52 period that immediately follows July 1, 2009."

53 In line 11217, after "by" insert "division (Q) of section  
54 124.181 or"

55 In line 11372, delete "or"

56 In line 11373, reinsert "or"; delete "each"

57 In line 11374, delete "employee of"; delete "department of  
58 education who works at the"

59 Strike through lines 11621 through 11623

60 In line 11624, strike through "(1) The" and insert  
61 "employee shall be responsible for paying the employee's share  
62 of retirement contributions and the"

63 Strike through lines 11625 through 11628

64 In line 11736, delete "July" and insert "November"

65 In line 11743, delete "July" and insert "November"

66 Between lines 11772 and 11773, insert:

67 "After July 1, 2009, the secretary of state, auditor of  
68 state, treasurer of state, or attorney general may decide to  
69 begin participation in the program for eighty hours or less and  
70 shall notify the director of administrative services in writing.  
71 The secretary of state, auditor of state, treasurer of state, or

72 attorney general and the director shall mutually agree upon an  
73 implementation date."

74 In line 11787, after "~~program~~" insert "voluntary cost  
75 savings program and the"; delete "and days"

76 In line 11788, after "(E)" insert "Cost savings days  
77 provided pursuant to this section or by a labor-management  
78 contract or agreement shall be considered remuneration for  
79 purposes of section 4141.31 of the Revised Code.

80 (F)"

81 In line 90803, delete "124.15,"; delete "124.18,"

82 In line 106519, delete "124.15,"

83 In line 106520, delete "124.18," and insert "124.181,";  
84 after "124.183," insert "124.27,"

85 In line 106550, after "to" insert "division (A) of"

86 In line 106551, after "2009" insert ", and the remainder of  
87 that section takes effect immediately when this act becomes law"

88 In line 12 of the title, delete "124.15,"; delete "124.18,"

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89 The motion was \_\_\_\_\_ agreed to.

90 SYNOPSIS

91 **Various Changes to Personnel Benefits**

92 **R.C. 124.134, 124.181, 124.381, 124.34, 124.385, and**  
93 **124.392; Section 812.20**

94 Prohibits during fiscal years 2010 and 2011, and limits to  
95 80 hours beginning in fiscal year 2012, payments made under  
96 current law for accrued vacation leave in the situation where a  
97 state employee has been denied vacation leave and is at the  
98 maximum amount of vacation leave that the employee may accrue.

99 Requires that when a state employee is on approved  
100 disability leave, the employee must pay the employee's share of  
101 retirement contributions instead of the state paying the  
102 employee's share after the first three months of disability as  
103 required by existing law and removes the statutory requirement  
104 that the state pay the employee's share of health, life, and  
105 other insurance benefits.

106 Requires a 2% pay reduction beginning in July, 2009 for  
107 exempt employees of the Auditor of State paid in accordance with  
108 salary Schedule E-1 or salary Schedule E-1 for Step 7 only.

109 Extends from July 1, 2009, to November 1, 2009, the  
110 deadline (1) by which the Secretary of State, Auditor of State,  
111 Treasurer of State, or Attorney General can exempt their  
112 employees from inclusion in the moratorium or the accrual and  
113 annual payment of personal leave and (2) by which the Supreme  
114 Court, General Assembly, and Legislative Service Commission can  
115 include their employees in this moratorium.

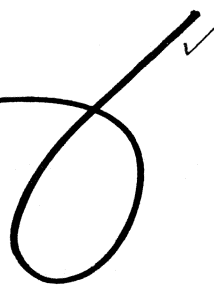
116 Authorizes the Secretary of State, Auditor of State,  
117 Treasurer of State, or Attorney General, after July 1, 2009, to  
118 decide to begin participation in the cost saving program for  
119 their employees for 80 hours or less.

120 Specifies that a cost savings day provided under current  
121 law or under a labor-management contract or agreement must be  
122 considered remuneration for purposes of the provision of the  
123 Unemployment Compensation Law that generally requires weekly  
124 benefits to be reduced by the amount of remuneration or other  
125 payments a claimant receives with respect to that week.

126 Provides that the sections of the Senate version of the  
127 bill that prohibit intermittent state employees from receiving  
128 pay supplements and that exempt intermittent employees from  
129 serving a probationary period, and the provisions that make the  
130 changes described in the first paragraph above, take effect  
131 immediately when the act becomes law.

132 Removes from the Senate version a reference that implied  
133 that the Ohio Schools for the Blind and Deaf were part of the  
134 Department of Education.

Am. Sub. H.B. 1  
As Passed by the Senate  
CC-4403  
AGR040



\_\_\_\_\_ moved to amend as follows:

In line 444, after "3714.074," insert "3715.041," 1

In line 20841, after "freesale" insert "; 2

(7) Registration fees and other fees collected by the 3  
director of agriculture under section 3715.041 of the Revised 4  
Code" 5

Between lines 50998 and 50999, insert: 6

"Sec. 3715.041. (A) (1) As used in this section, "food 7  
processing establishment" has the same meaning as in section 8  
3715.021 of the Revised Code. 9

(2) A person that operates a food processing establishment 10  
shall register the establishment annually with the director of 11  
agriculture. The person shall submit an application for 12  
registration or renewal on a form prescribed and provided by the 13  
director. Except as provided in division (G) of this section, an 14  
application for registration or renewal shall be accompanied by a 15  
registration fee in an amount established in rules adopted under 16  
this section. If a person files an application for registration on 17  
or after the first day of August of any year, the fee shall be 18  
one-half of the annual registration fee. 19

(B) (1) The director shall inspect the food processing establishment for which an application for initial registration has been submitted. If, upon inspection, the director finds that the establishment is in compliance with this chapter and Chapter 911., 913., 915., or 925. of the Revised Code, as applicable, or applicable rules adopted under those chapters, the director shall issue a certificate of registration to the food processing establishment. A food processing establishment registration expires on the thirty-first day of January and is valid until that date unless it is suspended or revoked under this section. 20  
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(2) A person that is operating a food processing establishment on the effective date of this section shall apply to the director for a certificate of registration not later than ninety days after the effective date of this section. If an application is not filed with the director or postmarked on or before ninety days after the effective date of this section, the director shall assess a late fee in an amount established in rules adopted under this section. 30  
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(C) (1) A food processing establishment registration may be renewed by the director. A person seeking registration renewal shall submit an application for renewal to the director not later than the thirty-first day of January. The director shall issue a renewed certificate of registration on receipt of a complete renewal application except as provided in division (C) (2) of this section. 38  
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(2) If a renewal application is not filed with the director or postmarked on or before the thirty-first day of January, the director shall assess a late fee in an amount established in rules adopted under this section. The director shall not renew the registration until the applicant pays the late fee. 45  
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(D) A copy of the food processing establishment registration 50

certificate shall be conspicuously displayed in an area of the establishment to which customers of the establishment have access.

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(E) (1) The director or the director's designee may issue an order suspending or revoking a food processing establishment registration upon determining that the registration holder is in violation of this chapter or Chapter 911., 913., 915., or 925. of the Revised Code, as applicable, or applicable rules adopted under those chapters. Except as provided in division (E) (2) of this section, a registration shall not be suspended or revoked until the registration holder is provided an opportunity to appeal the suspension or revocation in accordance with Chapter 119. of the Revised Code.

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(2) If the director determines that a food processing establishment presents an immediate danger to the public health, the director may issue an order immediately suspending the establishment's registration without affording the registration holder an opportunity for a hearing. The director then shall afford the registration holder a hearing in accordance with Chapter 119. of the Revised Code not later than ten days after the date of suspension.

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(F) The director shall adopt rules in accordance with Chapter 119. of the Revised Code that establish all of the following:

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(1) The amount of the registration fee that must be submitted with an application for a food processing establishment registration and with an application for renewal;

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(2) The amount of the late fee that is required in division (B) (2) of this section;

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(3) The amount of the fee for the late renewal of a food processing establishment registration that is required in division (C) (2) of this section;

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(4) Any other procedures and requirements that are necessary to administer and enforce this section. 82  
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(G) The following are not required to pay any registration fee that is otherwise required in this section: 84  
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(1) Home bakeries registered under section 911.02 of the Revised Code; 86  
87

(2) Canneries licensed under section 913.02 of the Revised Code; 88  
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(3) Soft drink plants licensed under section 913.23 of the Revised Code; 90  
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(4) Cold-storage warehouses licensed under section 915.02 of the Revised Code; 92  
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(5) Persons licensed under section 915.15 of the Revised Code; 94  
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(6) Persons that are engaged in egg production and that maintain annually five hundred or fewer laying hens. 96  
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(H) All money that is collected under this section shall be credited to the food safety fund created in section 915.24 of the Revised Code." 98  
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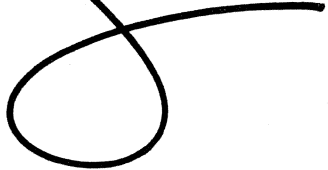
In line 204 of the title, after "3714.074," insert 101  
"3715.041," 102

The motion was \_\_\_\_\_ agreed to

SYNOPSIS

Food Processing Establishment Registration 103

R.C. 3715.041 104



Requires food processing establishments to register annually 105  
with the Director of Agriculture and pay a registration fee; 106  
requires the Director to inspect an establishment prior to issuing 107  
an initial certificate of registration to ensure that the 108  
establishment is in compliance with the Pure Food and Drug Law and 109  
the Bakeries, Canneries and Soft Drink Bottling, Cold Storage and 110  
Individual Locker, or Marketing Laws, as applicable; authorizes 111  
the Director or his designee to take certain enforcement actions 112  
for violations of the amendment's provisions or the above laws; 113  
requires the Director to adopt necessary rules; exempts certain 114  
entities from the food processing establishment registration fee; 115  
and requires all money collected under the amendment's provisions 116  
to be credited to the existing Food Safety Fund. 117  
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Am. Sub. H.B. 1  
As Passed by the Senate  
CC-4425  
ADA-3 and DMH-1

6 \_\_\_\_\_ moved to amend as follows:

7 In line 445, after "3745.50," insert "3793.21,"

8 In line 453, after "5119.613," insert "5119.621,"

9 Between lines 58941 and 58942, insert:

10 "Sec. 3793.21. (A) As used in this section,

11 "administrative function" means a function related to one or

12 more of the following:

13 (1) Continuous quality improvement;

14 (2) Utilization review;

15 (3) Resource development;

16 (4) Fiscal administration;

17 (5) General administration;

18 (6) Any other function related to administration that is

19 required by Chapter 340. of the Revised Code.

20 (B) Each board of alcohol, drug addiction, and mental

21 health services shall submit an annual report to the department

22 of alcohol and drug addiction services specifying how the board

23 used state and federal funds allocated to the board, according

24 to the methodology the department specifies under section

25 3793.04 of the Revised Code, for administrative functions in the  
26 year preceding the report's submission. The director of alcohol  
27 and drug addiction shall establish the date by which the report  
28 must be submitted each year."

29 Between lines 78675 and 78676, insert:

30 "Sec. 5119.621. (A) As used in this section,  
31 "administrative function" means a function related to one or  
32 more of the following:

33 (1) Continuous quality improvement;

34 (2) Utilization review;

35 (3) Resource development;

36 (4) Fiscal administration;

37 (5) General administration;

38 (6) Any other function related to administration that is  
39 required by Chapter 340. of the Revised Code.

40 (B) Each board of alcohol, drug addiction, and mental  
41 health services shall submit an annual report to the department  
42 of mental health specifying how the board used state and federal  
43 funds allocated to the board, according to the formula the  
44 director of mental health establishes under section 5119.62 of  
45 the Revised Code, for administrative functions in the year  
46 preceding the report's submission. The director of mental  
47 health shall establish the date by which the report must be  
48 submitted each year."

49 In line 205 of the title, after "3745.50," insert  
50 "3793.21,"

51 In line 217 of the title, after "5119.613," insert  
52 "5119.621,"

53 The motion was \_\_\_\_\_ agreed to.

54 SYNOPSIS

55 **Annual ADAMHS Board Reports on State and Federal Funds Used**  
56 **for Administrative Functions**

57 **R.C. 3793.21 and 5119.621**

58 Requires each board of alcohol, drug addiction, and mental  
59 health services (ADAMHS board) to submit annual reports to the  
60 Departments of Alcohol and Drug Addiction Services (ODADAS) and  
61 Mental Health (DMH) specifying how the board used state and  
62 federal funds allocated to the board for alcohol and drug  
63 addiction services and mental health services, respectively, for  
64 administrative functions in the year preceding each report's  
65 submission.

Am. Sub. H.B. 1  
As Passed by the Senate  
CC-4430  
COM047

\_\_\_\_\_ moved to amend as follows:

In line 332, after "1707.17," insert "1707.37," 1

Between lines 26874 and 26875, insert: 2

"Sec. 1707.37. (A) All fees and charges collected under 3  
~~Chapter 1707. of the Revised Code~~ this chapter shall be paid into 4  
the state treasury to the credit of the division of securities 5  
fund, which is hereby created. All expenses of the division of 6  
securities, other than those specified in division (B) of this 7  
section. shall be paid from the fund. 8

The fund shall be assessed a proportionate share of the 9  
administrative costs of the department of commerce in accordance 10  
with procedures prescribed by the director of commerce and 11  
approved by the director of budget and management. The assessments 12  
shall be paid from the division of securities fund to the division 13  
of administration fund. 14

If moneys in the division of securities fund are determined 15  
by the director of budget and management and the director of 16  
commerce to be in excess of those necessary to defray all the 17  
expenses in any fiscal year, the director of budget and management 18  
shall transfer the excess to the general revenue fund. 19

(B) There is hereby created in the state treasury the 20  
division of securities investor education and enforcement expense 21  
fund, which shall consist of all money received in settlement of 22  
any violation of this chapter and any cash transfers. Money in the 23  
fund shall be used to pay expenses of the division of securities 24  
relating to education or enforcement for the protection of 25  
securities investors and the public. The division may adopt rules 26  
pursuant to section 1707.20 of the Revised Code that establish 27  
what qualifies as such an expense." 28

In line 90834, after "1707.17," insert "1707.37," 29

Between lines 92655 and 92656, insert: 30

"5GK0800609 Securities Investor \$ 485,000 \$ 485,000" 31  
 Education/Enforcement

In line 92661, delete "\$72,781,924 \$72,269,670" and insert 32  
"\$73,266,924 \$72,754,670" 33

In line 92675, delete "\$728,431,485 \$760,900,781" and insert 34  
"\$728,916,485 \$761,385,781" 35

Between lines 92769 and 92770, insert: 36

"CASH TRANSFERS TO THE DIVISION OF SECURITIES INVESTOR 37  
EDUCATION AND ENFORCEMENT EXPENSE FUND 38

The Director of Budget and Management, upon the request of 39  
the Director of Commerce, shall transfer up to \$485,000 in cash in 40  
each fiscal year from the Division of Securities Fund (Fund 5500) 41  
to the Division of Securities Investor Education and Enforcement 42  
Expense Fund (Fund 5GK0) created in section 1707.37 of the Revised 43  
Code." 44

In line 106538, after "1541.03," insert "1707.37," 45

In line 53 of the title, after "1707.17," insert "1707.37," 46

The motion was \_\_\_\_\_ agreed to.

SYNOPSIS

Division of Securities Investor Education and Enforcement	47
Expense Fund	48
R.C. 1707.37; Section 241.10	49
Creates the Division of Securities Investor Education and	50
Enforcement Expense Fund to pay expenses of the Division relating	51
to education or enforcement for the protection of securities	52
investors and the public.	53
Specifies that the Fund is to consist of all money received	54
in settlement of violations of the Securities Law (R.C. Chapter	55
1707.) and any cash transfers.	56
Creates SSR Fund 5GK0 appropriation item 800609, Securities	57
Investor Education/Enforcement, in the Department of Commerce with	58
appropriations of \$485,000 in each fiscal year.	59
Requires the Director of Budget and Management, upon the	60
request of the Director of Commerce, to transfer up to \$485,000 in	61
cash in each fiscal year from the Division of Securities Fund	62
(Fund 5500) to the Division of Securities Investor Education and	63
Enforcement Expense Fund (Fund 5GK0).	64



Am. Sub. H.B. 1  
As Passed by the Senate  
CC-4431  
DEV067-01

\_\_\_\_\_ moved to amend as follows:

In line 308, after "156.04," insert "166.02,"; after 1  
"166.07," insert "166.08, 166.25," 2

In line 430, after "166.061," insert "166.28," 3

Between lines 15590 and 15591, insert: 4

"Sec. 166.02. (A) The general assembly finds that many local 5  
areas throughout the state are experiencing economic stagnation or 6  
decline, and that the economic development programs provided for 7  
in this chapter will constitute deserved, necessary reinvestment 8  
by the state in those areas, materially contribute to their 9  
economic revitalization, and result in improving the economic 10  
welfare of all the people of the state. Accordingly, it is 11  
declared to be the public policy of the state, through the 12  
operations of this chapter and other applicable laws adopted 13  
pursuant to Section 2p or 13 of Article VIII, Ohio Constitution, 14  
and other authority vested in the general assembly, to assist in 15  
and facilitate the establishment or development of eligible 16  
projects or assist and cooperate with any governmental agency in 17  
achieving such purpose. 18

(B) In furtherance of such public policy and to implement 19

such purpose, the director of development may: 20

(1) After consultation with appropriate governmental 21  
agencies, enter into agreements with persons engaged in industry, 22  
commerce, distribution, or research and with governmental agencies 23  
to induce such persons to acquire, construct, reconstruct, 24  
rehabilitate, renovate, enlarge, improve, equip, or furnish, or 25  
otherwise develop, eligible projects and make provision therein 26  
for project facilities and governmental actions, as authorized by 27  
this chapter and other applicable laws, subject to any required 28  
actions by the general assembly or the controlling board and 29  
subject to applicable local government laws and regulations; 30

(2) Provide for the guarantees and loans as provided for in 31  
sections 166.06 and 166.07 of the Revised Code; 32

(3) Subject to release of such moneys by the controlling 33  
board, contract for labor and materials needed for, or contract 34  
with others, including governmental agencies, to provide, project 35  
facilities the allowable costs of which are to be paid for or 36  
reimbursed from moneys in the facilities establishment fund, and 37  
contract for the operation of such project facilities; 38

(4) Subject to release thereof by the controlling board, from 39  
moneys in the facilities establishment fund acquire or contract to 40  
acquire by gift, exchange, or purchase, including the obtaining 41  
and exercise of purchase options, property, and convey or 42  
otherwise dispose of, or provide for the conveyance or disposition 43  
of, property so acquired or contracted to be acquired by sale, 44  
exchange, lease, lease purchase, conditional or installment sale, 45  
transfer, or other disposition, including the grant of an option 46  
to purchase, to any governmental agency or to any other person 47  
without necessity for competitive bidding and upon such terms and 48  
conditions and manner of consideration pursuant to and as the 49  
director determines to be appropriate to satisfy the objectives of 50

sections 166.01 to 166.11 of the Revised Code; 51

(5) Retain the services of or employ financial consultants, 52  
appraisers, consulting engineers, superintendents, managers, 53  
construction and accounting experts, attorneys, and employees, 54  
agents, and independent contractors as are necessary in the 55  
director's judgment and fix the compensation for their services; 56

(6) Receive and accept from any person grants, gifts, and 57  
contributions of money, property, labor, and other things of 58  
value, to be held, used and applied only for the purpose for which 59  
such grants, gifts, and contributions are made; 60

(7) Enter into appropriate arrangements and agreements with 61  
any governmental agency for the taking or provision by that 62  
governmental agency of any governmental action; 63

(8) Do all other acts and enter into contracts and execute 64  
all instruments necessary or appropriate to carry out the 65  
provisions of this chapter; 66

(9) Adopt rules to implement any of the provisions of this 67  
chapter applicable to the director. 68

(C) The determinations by the director that facilities 69  
constitute eligible projects, that facilities are project 70  
facilities, that costs of such facilities are allowable costs, and 71  
all other determinations relevant thereto or to an action taken or 72  
agreement entered into shall be conclusive for purposes of the 73  
validity and enforceability of rights of parties arising from 74  
actions taken and agreements entered into under this chapter. 75

(D) Except as otherwise prescribed in this chapter, all 76  
expenses and obligations incurred by the director in carrying out 77  
the director's powers and in exercising the director's duties 78  
under this chapter, shall be payable solely from, as appropriate, 79  
moneys in the facilities establishment fund, the loan guarantee 80

fund, the innovation Ohio loan guarantee fund, the innovation Ohio  
loan fund, the research and development loan fund, the logistics  
and distribution infrastructure fund, the logistics and  
distribution infrastructure taxable bond fund, or moneys  
appropriated for such purpose by the general assembly. This  
chapter does not authorize the director or the issuing authority  
under section 166.08 of the Revised Code to incur bonded  
indebtedness of the state or any political subdivision thereof, or  
to obligate or pledge moneys raised by taxation for the payment of  
any bonds or notes issued or guarantees made pursuant to this  
chapter.

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(E) No financial assistance for project facilities shall be  
provided under this chapter unless the provisions of the agreement  
providing for such assistance specify that all wages paid to  
laborers and mechanics employed on such project facilities for  
which the assistance is granted shall be paid at the prevailing  
rates of wages of laborers and mechanics for the class of work  
called for by such project facilities, which wages shall be  
determined in accordance with the requirements of Chapter 4115. of  
the Revised Code for determination of prevailing wage rates,  
provided that the requirements of this division do not apply where  
the federal government or any of its agencies provides financing  
assistance as to all or any part of the funds used in connection  
with such project facilities and prescribes predetermined minimum  
wages to be paid to such laborers and mechanics; and provided  
further that should a nonpublic user beneficiary of the eligible  
project undertake, as part of the eligible project, construction  
to be performed by its regular bargaining unit employees who are  
covered under a collective bargaining agreement which was in  
existence prior to the date of the document authorizing such  
assistance then, in that event, the rate of pay provided under the  
collective bargaining agreement may be paid to such employees.

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(F) Any governmental agency may enter into an agreement with 113  
the director, any other governmental agency, or a person to be 114  
assisted under this chapter, to take or provide for the purposes 115  
of this chapter any governmental action it is authorized to take 116  
or provide, and to undertake on behalf and at the request of the 117  
director any action which the director is authorized to undertake 118  
pursuant to divisions (B) (3), (4), and (5) of this section or 119  
divisions (B) (3), (4), and (5) of section 166.12 of the Revised 120  
Code. Governmental agencies of the state shall cooperate with and 121  
provide assistance to the director of development and the 122  
controlling board in the exercise of their respective functions 123  
under this chapter." 124

Between lines 15705 and 15706, insert: 125

"Sec. 166.08. (A) As used in this chapter: 126

(1) "Bond proceedings" means the resolution, order, trust 127  
agreement, indenture, lease, and other agreements, amendments and 128  
supplements to the foregoing, or any one or more or combination 129  
thereof, authorizing or providing for the terms and conditions 130  
applicable to, or providing for the security or liquidity of, 131  
obligations issued pursuant to this section, and the provisions 132  
contained in such obligations. 133

(2) "Bond service charges" means principal, including 134  
mandatory sinking fund requirements for retirement of obligations, 135  
and interest, and redemption premium, if any, required to be paid 136  
by the state on obligations. 137

(3) "Bond service fund" means the applicable fund and 138  
accounts therein created for and pledged to the payment of bond 139  
service charges, which may be, or may be part of, the economic 140  
development bond service fund created by division (S) of this 141  
section including all moneys and investments, and earnings from 142

investments, credited and to be credited thereto. 143

(4) "Issuing authority" means the treasurer of state, or the 144  
officer who by law performs the functions of such officer. 145

(5) "Obligations" means bonds, notes, or other evidence of 146  
obligation including interest coupons pertaining thereto, issued 147  
pursuant to this section. 148

(6) "Pledged receipts" means all receipts of the state 149  
representing the gross profit on the sale of spirituous liquor, as 150  
referred to in division (B) (4) of section 4301.10 of the Revised 151  
Code, after paying all costs and expenses of the division of 152  
liquor control and providing an adequate working capital reserve 153  
for the division of liquor control as provided in that division, 154  
but excluding the sum required by the second paragraph of section 155  
4301.12 of the Revised Code, as in effect on May 2, 1980, to be 156  
paid into the state treasury; moneys accruing to the state from 157  
the lease, sale, or other disposition, or use, of project 158  
facilities, and from the repayment, including interest, of loans 159  
made from proceeds received from the sale of obligations; accrued 160  
interest received from the sale of obligations; income from the 161  
investment of the special funds; and any gifts, grants, donations, 162  
and pledges, and receipts therefrom, available for the payment of 163  
bond service charges. 164

(7) "Special funds" or "funds" means, except where the 165  
context does not permit, the bond service fund, and any other 166  
funds, including reserve funds, created under the bond 167  
proceedings, and the economic development bond service fund 168  
created by division (S) of this section to the extent provided in 169  
the bond proceedings, including all moneys and investments, and 170  
earnings from investment, credited and to be credited thereto. 171

(B) Subject to the limitations provided in section 166.11 of 172  
the Revised Code, the issuing authority, upon the certification by 173

the director of development or, with respect to eligible advanced  
energy projects, the Ohio air quality development authority to the  
issuing authority of the amount of moneys or additional moneys  
needed in the facilities establishment fund, the loan guarantee  
fund, the innovation Ohio loan fund, the innovation Ohio loan  
guarantee fund, the research and development loan fund, the  
logistics and distribution infrastructure fund, the logistics and  
distribution infrastructure taxable bond fund, the advanced energy  
research and development fund, or the advanced energy research and  
development taxable fund, as applicable, for the purpose of  
paying, or making loans for, allowable costs from the facilities  
establishment fund, allowable innovation costs from the innovation  
Ohio loan fund, allowable costs from the research and development  
loan fund, allowable costs from the logistics and distribution  
infrastructure fund, allowable costs from the logistics and  
distribution infrastructure taxable bond fund, allowable costs  
from the advanced energy research and development fund, or  
allowable costs from the advanced energy research and development  
taxable fund, as applicable, or needed for capitalized interest,  
for funding reserves, and for paying costs and expenses incurred  
in connection with the issuance, carrying, securing, paying,  
redeeming, or retirement of the obligations or any obligations  
refunded thereby, including payment of costs and expenses relating  
to letters of credit, lines of credit, insurance, put agreements,  
standby purchase agreements, indexing, marketing, remarketing and  
administrative arrangements, interest swap or hedging agreements,  
and any other credit enhancement, liquidity, remarketing, renewal,  
or refunding arrangements, all of which are authorized by this  
section, or providing moneys for the loan guarantee fund or the  
innovation Ohio loan guarantee fund, as provided in this chapter  
or needed for the purposes of funds established in accordance with  
or pursuant to sections 122.35, 122.42, 122.54, 122.55, 122.56,

122.561, 122.57, and 122.80 of the Revised Code which are within 206  
 the authorization of Section 13 of Article VIII, Ohio 207  
 Constitution, or, with respect to certain eligible advanced energy 208  
 projects, Section 2p of Article VIII, Ohio Constitution, shall 209  
 issue obligations of the state under this section in the required 210  
 amount; provided that such obligations may be issued to satisfy 211  
 the covenants in contracts of guarantee made under section 166.06 212  
 or 166.15 of the Revised Code, notwithstanding limitations 213  
 otherwise applicable to the issuance of obligations under this 214  
 section. The proceeds of such obligations, except for the portion 215  
 to be deposited in special funds, including reserve funds, as may 216  
 be provided in the bond proceedings, shall as provided in the bond 217  
 proceedings be deposited by the director of development to the 218  
 facilities establishment fund, the loan guarantee fund, the 219  
 innovation Ohio loan guarantee fund, the innovation Ohio loan 220  
 fund, the research and development loan fund, ~~or~~ the logistics and 221  
 distribution infrastructure fund, or the logistics and 222  
distribution infrastructure taxable bond fund, or be deposited by 223  
 the Ohio air quality development authority to the advanced energy 224  
 research and development fund or the advanced energy research and 225  
 development taxable fund. Bond proceedings for project financing 226  
 obligations may provide that the proceeds derived from the 227  
 issuance of such obligations shall be deposited into such fund or 228  
 funds provided for in the bond proceedings and, to the extent 229  
 provided for in the bond proceedings, such proceeds shall be 230  
 deemed to have been deposited into the facilities establishment 231  
 fund and transferred to such fund or funds. The issuing authority 232  
 may appoint trustees, paying agents, and transfer agents and may 233  
 retain the services of financial advisors, accounting experts, and 234  
 attorneys, and retain or contract for the services of marketing, 235  
 remarketing, indexing, and administrative agents, other 236  
 consultants, and independent contractors, including printing 237



services, as are necessary in the issuing authority's judgment to 238  
 carry out this section. The costs of such services are allowable 239  
 costs payable from the facilities establishment fund or the 240  
 research and development loan fund, allowable innovation costs 241  
 payable from the innovation Ohio loan fund, or allowable costs 242  
 payable from the logistics and distribution infrastructure fund, 243  
the logistics and distribution infrastructure taxable bond fund, 244  
 the advanced energy research and development fund, or the advanced 245  
 energy research and development taxable fund, as applicable. 246

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(C) The holders or owners of such obligations shall have no 249  
 right to have moneys raised by taxation obligated or pledged, and 250  
 moneys raised by taxation shall not be obligated or pledged, for 251  
 the payment of bond service charges. Such holders or owners shall 252  
 have no rights to payment of bond service charges from any moneys 253  
 accruing to the state from the lease, sale, or other disposition, 254  
 or use, of project facilities, or from payment of the principal of 255  
 or interest on loans made, or fees charged for guarantees made, or 256  
 from any money or property received by the director, treasurer of 257  
 state, or the state under Chapter 122. of the Revised Code, or 258  
 from any other use of the proceeds of the sale of the obligations, 259  
 and no such moneys may be used for the payment of bond service 260  
 charges, except for accrued interest, capitalized interest, and 261  
 reserves funded from proceeds received upon the sale of the 262  
 obligations and except as otherwise expressly provided in the 263  
 applicable bond proceedings pursuant to written directions by the 264  
 director. The right of such holders and owners to payment of bond 265  
 service charges is limited to all or that portion of the pledged 266  
 receipts and those special funds pledged thereto pursuant to the 267  
 bond proceedings in accordance with this section, and each such 268  
 obligation shall bear on its face a statement to that effect. 269

(D) Obligations shall be authorized by resolution or order of the issuing authority and the bond proceedings shall provide for the purpose thereof and the principal amount or amounts, and shall provide for or authorize the manner or agency for determining the principal maturity or maturities, not exceeding twenty-five years from the date of issuance, the interest rate or rates or the maximum interest rate, the date of the obligations and the dates of payment of interest thereon, their denomination, and the establishment within or without the state of a place or places of payment of bond service charges. Sections 9.98 to 9.983 of the Revised Code are applicable to obligations issued under this section, subject to any applicable limitation under section 166.11 of the Revised Code. The purpose of such obligations may be stated in the bond proceedings in terms describing the general purpose or purposes to be served. The bond proceedings also shall provide, subject to the provisions of any other applicable bond proceedings, for the pledge of all, or such part as the issuing authority may determine, of the pledged receipts and the applicable special fund or funds to the payment of bond service charges, which pledges may be made either prior or subordinate to other expenses, claims, or payments, and may be made to secure the obligations on a parity with obligations theretofore or thereafter issued, if and to the extent provided in the bond proceedings. The pledged receipts and special funds so pledged and thereafter received by the state are immediately subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of any such pledges is valid and binding against all parties having claims of any kind against the state or any governmental agency of the state, irrespective of whether such parties have notice thereof, and shall create a perfected security interest for all purposes of Chapter 1309. of the Revised Code, without the necessity for separation or delivery of funds or for

the filing or recording of the bond proceedings by which such  
pledge is created or any certificate, statement or other document  
with respect thereto; and the pledge of such pledged receipts and  
special funds is effective and the money therefrom and thereof may  
be applied to the purposes for which pledged without necessity for  
any act of appropriation. Every pledge, and every covenant and  
agreement made with respect thereto, made in the bond proceedings  
may therein be extended to the benefit of the owners and holders  
of obligations authorized by this section, and to any trustee  
therefor, for the further security of the payment of the bond  
service charges.

(E) The bond proceedings may contain additional provisions as  
to:

(1) The redemption of obligations prior to maturity at the  
option of the issuing authority at such price or prices and under  
such terms and conditions as are provided in the bond proceedings;

(2) Other terms of the obligations;

(3) Limitations on the issuance of additional obligations;

(4) The terms of any trust agreement or indenture securing  
the obligations or under which the same may be issued;

(5) The deposit, investment and application of special funds,  
and the safeguarding of moneys on hand or on deposit, without  
regard to Chapter 131. or 135. of the Revised Code, but subject to  
any special provisions of this chapter, with respect to particular  
funds or moneys, provided that any bank or trust company which  
acts as depository of any moneys in the special funds may furnish  
such indemnifying bonds or may pledge such securities as required  
by the issuing authority;

(6) Any or every provision of the bond proceedings being  
binding upon such officer, board, commission, authority, agency,

department, or other person or body as may from time to time have 332  
the authority under law to take such actions as may be necessary 333  
to perform all or any part of the duty required by such provision; 334

(7) Any provision that may be made in a trust agreement or 335  
indenture; 336

(8) Any other or additional agreements with the holders of 337  
the obligations, or the trustee therefor, relating to the 338  
obligations or the security therefor, including the assignment of 339  
mortgages or other security obtained or to be obtained for loans 340  
under section 122.43, 166.07, or 166.16 of the Revised Code. 341

(F) The obligations may have the great seal of the state or a 342  
facsimile thereof affixed thereto or printed thereon. The 343  
obligations and any coupons pertaining to obligations shall be 344  
signed or bear the facsimile signature of the issuing authority. 345  
Any obligations or coupons may be executed by the person who, on 346  
the date of execution, is the proper issuing authority although on 347  
the date of such bonds or coupons such person was not the issuing 348  
authority. If the issuing authority whose signature or a facsimile 349  
of whose signature appears on any such obligation or coupon ceases 350  
to be the issuing authority before delivery thereof, such 351  
signature or facsimile is nevertheless valid and sufficient for 352  
all purposes as if the former issuing authority had remained the 353  
issuing authority until such delivery; and if the seal to be 354  
affixed to obligations has been changed after a facsimile of the 355  
seal has been imprinted on such obligations, such facsimile seal 356  
shall continue to be sufficient as to such obligations and 357  
obligations issued in substitution or exchange therefor. 358

(G) All obligations are negotiable instruments and securities 359  
under Chapter 1308. of the Revised Code, subject to the provisions 360  
of the bond proceedings as to registration. The obligations may be 361  
issued in coupon or in registered form, or both, as the issuing 362

authority determines. Provision may be made for the registration  
of any obligations with coupons attached thereto as to principal  
alone or as to both principal and interest, their exchange for  
obligations so registered, and for the conversion or reconversion  
into obligations with coupons attached thereto of any obligations  
registered as to both principal and interest, and for reasonable  
charges for such registration, exchange, conversion, and  
reconversion.

(H) Obligations may be sold at public sale or at private  
sale, as determined in the bond proceedings.

Obligations issued to provide moneys for the loan guarantee  
fund or the innovation Ohio loan guarantee fund may, as determined  
by the issuing authority, be sold at private sale, and without  
publication of a notice of sale.

(I) Pending preparation of definitive obligations, the  
issuing authority may issue interim receipts or certificates which  
shall be exchanged for such definitive obligations.

(J) In the discretion of the issuing authority, obligations  
may be secured additionally by a trust agreement or indenture  
between the issuing authority and a corporate trustee which may be  
any trust company or bank having a place of business within the  
state. Any such agreement or indenture may contain the resolution  
or order authorizing the issuance of the obligations, any  
provisions that may be contained in any bond proceedings, and  
other provisions which are customary or appropriate in an  
agreement or indenture of such type, including, but not limited  
to:

(1) Maintenance of each pledge, trust agreement, indenture,  
or other instrument comprising part of the bond proceedings until  
the state has fully paid the bond service charges on the  
obligations secured thereby, or provision therefor has been made;

(2) In the event of default in any payments required to be	394
made by the bond proceedings, or any other agreement of the	395
issuing authority made as a part of the contract under which the	396
obligations were issued, enforcement of such payments or agreement	397
by mandamus, the appointment of a receiver, suit in equity, action	398
at law, or any combination of the foregoing;	399
(3) The rights and remedies of the holders of obligations and	400
of the trustee, and provisions for protecting and enforcing them,	401
including limitations on rights of individual holders of	402
obligations;	403
(4) The replacement of any obligations that become mutilated	404
or are destroyed, lost, or stolen;	405
(5) Such other provisions as the trustee and the issuing	406
authority agree upon, including limitations, conditions, or	407
qualifications relating to any of the foregoing.	408
(K) Any holders of obligations or trustees under the bond	409
proceedings, except to the extent that their rights are restricted	410
by the bond proceedings, may by any suitable form of legal	411
proceedings, protect and enforce any rights under the laws of this	412
state or granted by such bond proceedings. Such rights include the	413
right to compel the performance of all duties of the issuing	414
authority, the director of development, the Ohio air quality	415
development authority, or the division of liquor control required	416
by this chapter or the bond proceedings; to enjoin unlawful	417
activities; and in the event of default with respect to the	418
payment of any bond service charges on any obligations or in the	419
performance of any covenant or agreement on the part of the	420
issuing authority, the director of development, the Ohio air	421
quality development authority, or the division of liquor control	422
in the bond proceedings, to apply to a court having jurisdiction	423
of the cause to appoint a receiver to receive and administer the	424

pledged receipts and special funds, other than those in the 425  
 custody of the treasurer of state, which are pledged to the 426  
 payment of the bond service charges on such obligations or which 427  
 are the subject of the covenant or agreement, with full power to 428  
 pay, and to provide for payment of bond service charges on, such 429  
 obligations, and with such powers, subject to the direction of the 430  
 court, as are accorded receivers in general equity cases, 431  
 excluding any power to pledge additional revenues or receipts or 432  
 other income or moneys of the issuing authority or the state or 433  
 governmental agencies of the state to the payment of such 434  
 principal and interest and excluding the power to take possession 435  
 of, mortgage, or cause the sale or otherwise dispose of any 436  
 project facilities. 437

Each duty of the issuing authority and the issuing 438  
 authority's officers and employees, and of each governmental 439  
 agency and its officers, members, or employees, undertaken 440  
 pursuant to the bond proceedings or any agreement or lease, 441  
 lease-purchase agreement, or loan made under authority of this 442  
 chapter, and in every agreement by or with the issuing authority, 443  
 is hereby established as a duty of the issuing authority, and of 444  
 each such officer, member, or employee having authority to perform 445  
 such duty, specifically enjoined by the law resulting from an 446  
 office, trust, or station within the meaning of section 2731.01 of 447  
 the Revised Code. 448

The person who is at the time the issuing authority, or the 449  
 issuing authority's officers or employees, are not liable in their 450  
 personal capacities on any obligations issued by the issuing 451  
 authority or any agreements of or with the issuing authority. 452

(L) The issuing authority may authorize and issue obligations 453  
 for the refunding, including funding and retirement, and advance 454  
 refunding with or without payment or redemption prior to maturity, 455

of any obligations previously issued by the issuing authority. 456  
Such obligations may be issued in amounts sufficient for payment 457  
of the principal amount of the prior obligations, any redemption 458  
premiums thereon, principal maturities of any such obligations 459  
maturing prior to the redemption of the remaining obligations on a 460  
parity therewith, interest accrued or to accrue to the maturity 461  
dates or dates of redemption of such obligations, and any 462  
allowable costs including expenses incurred or to be incurred in 463  
connection with such issuance and such refunding, funding, and 464  
retirement. Subject to the bond proceedings therefor, the portion 465  
of proceeds of the sale of obligations issued under this division 466  
to be applied to bond service charges on the prior obligations 467  
shall be credited to an appropriate account held by the trustee 468  
for such prior or new obligations or to the appropriate account in 469  
the bond service fund for such obligations. Obligations authorized 470  
under this division shall be deemed to be issued for those 471  
purposes for which such prior obligations were issued and are 472  
subject to the provisions of this section pertaining to other 473  
obligations, except as otherwise provided in this section; 474  
provided that, unless otherwise authorized by the general 475  
assembly, any limitations imposed by the general assembly pursuant 476  
to this section with respect to bond service charges applicable to 477  
the prior obligations shall be applicable to the obligations 478  
issued under this division to refund, fund, advance refund or 479  
retire such prior obligations. 480

(M) The authority to issue obligations under this section 481  
includes authority to issue obligations in the form of bond 482  
anticipation notes and to renew the same from time to time by the 483  
issuance of new notes. The holders of such notes or interest 484  
coupons pertaining thereto shall have a right to be paid solely 485  
from the pledged receipts and special funds that may be pledged to 486  
the payment of the bonds anticipated, or from the proceeds of such 487



bonds or renewal notes, or both, as the issuing authority provides 488  
 in the resolution or order authorizing such notes. Such notes may 489  
 be additionally secured by covenants of the issuing authority to 490  
 the effect that the issuing authority and the state will do such 491  
 or all things necessary for the issuance of such bonds or renewal 492  
 notes in appropriate amount, and apply the proceeds thereof to the 493  
 extent necessary, to make full payment of the principal of and 494  
 interest on such notes at the time or times contemplated, as 495  
 provided in such resolution or order. For such purpose, the 496  
 issuing authority may issue bonds or renewal notes in such 497  
 principal amount and upon such terms as may be necessary to 498  
 provide funds to pay when required the principal of and interest 499  
 on such notes, notwithstanding any limitations prescribed by or 500  
 for purposes of this section. Subject to this division, all 501  
 provisions for and references to obligations in this section are 502  
 applicable to notes authorized under this division. 503

The issuing authority in the bond proceedings authorizing the 504  
 issuance of bond anticipation notes shall set forth for such bonds 505  
 an estimated interest rate and a schedule of principal payments 506  
 for such bonds and the annual maturity dates thereof, and for 507  
 purposes of any limitation on bond service charges prescribed 508  
 under division (A) of section 166.11 of the Revised Code, the 509  
 amount of bond service charges on such bond anticipation notes is 510  
 deemed to be the bond service charges for the bonds anticipated 511  
 thereby as set forth in the bond proceedings applicable to such 512  
 notes, but this provision does not modify any authority in this 513  
 section to pledge receipts and special funds to, and covenant to 514  
 issue bonds to fund, the payment of principal of and interest and 515  
 any premium on such notes. 516

(N) Obligations issued under this section are lawful 517  
 investments for banks, societies for savings, savings and loan 518

associations, deposit guarantee associations, trust companies, 519  
 trustees, fiduciaries, insurance companies, including domestic for 520  
 life and domestic not for life, trustees or other officers having 521  
 charge of sinking and bond retirement or other special funds of 522  
 political subdivisions and taxing districts of this state, the 523  
 commissioners of the sinking fund of the state, the administrator 524  
 of workers' compensation, the state teachers retirement system, 525  
 the public employees retirement system, the school employees 526  
 retirement system, and the Ohio police and fire pension fund, 527  
 notwithstanding any other provisions of the Revised Code or rules 528  
 adopted pursuant thereto by any governmental agency of the state 529  
 with respect to investments by them, and are also acceptable as 530  
 security for the deposit of public moneys. 531

(O) Unless otherwise provided in any applicable bond 532  
 proceedings, moneys to the credit of or in the special funds 533  
 established by or pursuant to this section may be invested by or 534  
 on behalf of the issuing authority only in notes, bonds, or other 535  
 obligations of the United States, or of any agency or 536  
 instrumentality of the United States, obligations guaranteed as to 537  
 principal and interest by the United States, obligations of this 538  
 state or any political subdivision of this state, and certificates 539  
 of deposit of any national bank located in this state and any 540  
 bank, as defined in section 1101.01 of the Revised Code, subject 541  
 to inspection by the superintendent of banks. If the law or the 542  
 instrument creating a trust pursuant to division (J) of this 543  
 section expressly permits investment in direct obligations of the 544  
 United States or an agency of the United States, unless expressly 545  
 prohibited by the instrument, such moneys also may be invested in 546  
 no-front-end-load money market mutual funds consisting exclusively 547  
 of obligations of the United States or an agency of the United 548  
 States and in repurchase agreements, including those issued by the 549  
 fiduciary itself, secured by obligations of the United States or 550

an agency of the United States; and in common trust funds 551  
 established in accordance with section 1111.20 of the Revised Code 552  
 and consisting exclusively of any such securities, notwithstanding 553  
 division (A) (4) of that section. The income from such investments 554  
 shall be credited to such funds as the issuing authority 555  
 determines, and such investments may be sold at such times as the 556  
 issuing authority determines or authorizes. 557

(P) Provision may be made in the applicable bond proceedings 558  
 for the establishment of separate accounts in the bond service 559  
 fund and for the application of such accounts only to the 560  
 specified bond service charges on obligations pertinent to such 561  
 accounts and bond service fund and for other accounts therein 562  
 within the general purposes of such fund. Unless otherwise 563  
 provided in any applicable bond proceedings, moneys to the credit 564  
 of or in the several special funds established pursuant to this 565  
 section shall be disbursed on the order of the treasurer of state, 566  
 provided that no such order is required for the payment from the 567  
 bond service fund when due of bond service charges on obligations. 568

(Q) The issuing authority may pledge all, or such portion as 569  
 the issuing authority determines, of the pledged receipts to the 570  
 payment of bond service charges on obligations issued under this 571  
 section, and for the establishment and maintenance of any 572  
 reserves, as provided in the bond proceedings, and make other 573  
 provisions therein with respect to pledged receipts as authorized 574  
 by this chapter, which provisions are controlling notwithstanding 575  
 any other provisions of law pertaining thereto. 576

(R) The issuing authority may covenant in the bond 577  
 proceedings, and any such covenants are controlling 578  
 notwithstanding any other provision of law, that the state and 579  
 applicable officers and governmental agencies of the state, 580  
 including the general assembly, so long as any obligations are 581

outstanding, shall: 582

(1) Maintain statutory authority for and cause to be charged 583  
and collected wholesale and retail prices for spirituous liquor 584  
sold by the state or its agents so that the pledged receipts are 585  
sufficient in amount to meet bond service charges, and the 586  
establishment and maintenance of any reserves and other 587  
requirements provided for in the bond proceedings, and, as 588  
necessary, to meet covenants contained in contracts of guarantee 589  
made under section 166.06 of the Revised Code; 590

(2) Take or permit no action, by statute or otherwise, that 591  
would impair the exemption from federal income taxation of the 592  
interest on the obligations. 593

(S) There is hereby created the economic development bond 594  
service fund, which shall be in the custody of the treasurer of 595  
state but shall be separate and apart from and not a part of the 596  
state treasury. All moneys received by or on account of the 597  
issuing authority or state agencies and required by the applicable 598  
bond proceedings, consistent with this section, to be deposited, 599  
transferred, or credited to a bond service fund or the economic 600  
development bond service fund, and all other moneys transferred or 601  
allocated to or received for the purposes of the fund, shall be 602  
deposited and credited to such fund and to any separate accounts 603  
therein, subject to applicable provisions of the bond proceedings, 604  
but without necessity for any act of appropriation. During the 605  
period beginning with the date of the first issuance of 606  
obligations and continuing during such time as any such 607  
obligations are outstanding, and so long as moneys in the 608  
pertinent bond service funds are insufficient to pay all bond 609  
services charges on such obligations becoming due in each year, a 610  
sufficient amount of the gross profit on the sale of spirituous 611  
liquor included in pledged receipts are committed and shall be 612

paid to the bond service fund or economic development bond service 613  
 fund in each year for the purpose of paying the bond service 614  
 charges becoming due in that year without necessity for further 615  
 act of appropriation for such purpose and notwithstanding anything 616  
 to the contrary in Chapter 4301. of the Revised Code. The economic 617  
 development bond service fund is a trust fund and is hereby 618  
 pledged to the payment of bond service charges to the extent 619  
 provided in the applicable bond proceedings, and payment thereof 620  
 from such fund shall be made or provided for by the treasurer of 621  
 state in accordance with such bond proceedings without necessity 622  
 for any act of appropriation. 623

(T) The obligations, the transfer thereof, and the income 624  
 therefrom, including any profit made on the sale thereof, shall at 625  
 all times be free from taxation within the state. 626

Sec. 166.25. (A) The director of development, with the 627  
 approval of the controlling board and subject to the other 628  
 applicable provisions of this chapter, may lend money in the 629  
 logistics and distribution infrastructure fund and the logistics 630  
and distribution infrastructure taxable bond fund to persons for 631  
 the purpose of paying allowable costs of eligible logistics and 632  
 distribution projects. 633

(B) In determining the eligible logistics and distribution 634  
 projects to be assisted and the nature, amount, and terms of 635  
 assistance to be provided for an eligible logistics and 636  
 distribution project, the director shall consult with appropriate 637  
 governmental agencies, including the department of transportation 638  
 and the Ohio rail development commission. 639

(C) (1) The director shall submit to the development financing 640  
 advisory council the terms of the proposed assistance to be 641  
 provided for an eligible logistics and distribution project and 642

such other relevant information as the council may request.

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(2) The council, on the basis of such information, shall make recommendations as to the appropriateness of the assistance to be provided. The recommendations may be revised to reflect any changes in the proposed assistance the director may submit to the council.

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(3) The director shall submit the terms of the proposed assistance to be provided, along with the recommendations, as amended, of the council as to the appropriateness of the proposed assistance, to the controlling board.

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(D) Any loan made pursuant to this section shall be evidenced by a loan agreement, which shall contain such terms as the director determines necessary or appropriate, including performance measures and reporting requirements. The director may take actions necessary or appropriate to collect or otherwise deal with any loan made under this section, including requiring a loan recipient to repay the amount of the loan plus interest at a rate of three per cent above the federal short term interest rate or any other rate determined by the director.

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Sec. 166.28. (A) There is hereby created in the state treasury the logistics and distribution infrastructure taxable bond fund. The fund shall consist of grants, gifts, and contributions of money or rights to money lawfully designated for or deposited into the fund, all money and rights to money lawfully appropriated and transferred to the fund, including money received from the issuance of federally taxable obligations under section 166.08 of the Revised Code and subject to section 166.11 of the Revised Code, and money credited to the fund pursuant to division (B) of this section. The fund shall be used for the allowable costs of eligible logistics and distribution projects. All

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investment earnings on the cash balance in the fund shall be 673  
credited to the fund. The fund shall not be comprised, in any 674  
part, of money raised by taxation. 675

(B) There shall be credited to the logistics and distribution 676  
infrastructure taxable bond fund the money received by the state 677  
from the repayment of loans and recovery on loan guarantees, 678  
including interest thereon, made from the fund." 679

In line 90810, after "156.04," insert "166.02,"; after 680  
 "166.07," insert "166.08, 166.25," 681

Between lines 93446 and 93447 insert: 682

"Any unexpended and unencumbered portion of appropriation 683  
 item 195649, Logistics and Distribution Infrastructure Taxable 684  
 Bonds, in fiscal year 2010 is hereby reappropriated to the 685  
 Department of Development for the same purpose in fiscal year 686  
 2011. 687

The Director of Budget and Management may approve written 688  
 requests from the Director of Development for the transfer of 689  
 appropriations between appropriation items 195698, Logistics and 690  
 Distribution Infrastructure, and 195649, Logistics and 691  
 Distribution Infrastructure Taxable Bonds, based upon awards 692  
 recommended by the Director of Development. Such transfers shall 693  
 be subject to approval by the Controlling Board." 694

In line 106522, after "145.298," insert "166.02, 166.08, 695  
 166.25, 166.28," 696

In line 20 of the title, after "156.04," insert "166.02,"; 697  
 after "166.07," insert "166.08, 166.25," 698

In line 188 of the title, after "166.061," insert "166.28," 699

The motion was \_\_\_\_\_ agreed to.



SYNOPSIS

Logistics and Distribution Infrastructure Taxable Bond Fund 700

R.C. 166.02, 166.08, 166.25, 166.28 701

Creates the Logistics and Distribution Infrastructure Taxable Bond Fund in the state treasury consisting of: grants, gifts, and contributions of money or rights to money lawfully designated for or deposited into the Fund, all money and rights to money lawfully appropriated and transferred to the Fund (including money received from issuance of federally taxable obligations), and money received from the repayment of loans and recovery on loan guarantees (including any interest) made from the Fund. Provides that the money in the fund shall be used for allowable costs of eligible logistics and distribution projects. 702-711

Department of Development 712

Section 259.20.90 713

Requires any unexpended and unencumbered portion of appropriation item 195649, Logistics and Distribution Infrastructure Taxable Bonds, in fiscal year 2010 to be reappropriated to the Department of Development for the same purpose in fiscal year 2011. Authorizes the Director of Budget and Management to approve written requests from the Department of Development for transfers of appropriations between appropriation items 195698, Logistics and Distribution Infrastructure, and 195649, Logistics and Distribution Infrastructure Taxable Bonds, based upon awards recommended by the Director of Development. Requires such transfers to be approved by the Controlling Board. 714-724



Am. Sub. H.B. 1  
As Passed by the Senate  
CC-4432  
OBM066

\_\_\_\_\_ moved to amend as follows:

In line 304, after "131.33," insert "133.02," 1

Between lines 12810 and 12811, insert: 2

"Sec. 133.02. (A) Securities lawfully authorized and issued 3  
by an issuer, and fractionalized interests in public obligations, 4  
subject to applicable provisions for registration or of the 5  
proceedings, are negotiable instruments and securities under 6  
Chapters 1303. and 1308. of the Revised Code, notwithstanding that 7  
the promise to pay debt charges on the particular securities or 8  
fractionalized interests may be limited to payment out of a 9  
particular fund or the proceeds from a particular source. 10

(B) Unless a judicial action or proceeding challenging the 11  
validity of public obligations or of fractionalized interests in 12  
public obligations is commenced by personal service on the chief 13  
executive officer or legal officer or fiscal officer of the issuer 14  
and, if applicable, the obligor, prior to the initial delivery of 15  
the public obligations or the fractionalized interests in public 16  
obligations, the public obligations or the fractionalized 17  
interests in them and the proceedings relating to them are 18  
incontestable and the public obligations or the fractionalized 19  
interests in them shall be conclusively considered to be and to 20

have been issued, secured, entered into, payable, sold, executed, 21  
 and delivered, and the proceedings relating to them taken, in 22  
 conformity with all legal requirements if all of the following 23  
 apply: 24

(1) They state that they are issued or entered into under or 25  
 pursuant to authorizing provisions of law or of any applicable 26  
 charter or the Ohio Constitution and comply on their face with 27  
 those provisions. 28

(2) They are issued or entered into for a lawful purpose, as 29  
 stated in the securities or the legislation authorizing their 30  
 issuance, and within any limitations prescribed by law. 31

(3) Their purchase price, if any, has been paid in full. 32

(4) The transcript of the proceedings contains a statement by 33  
 the officer having charge of the applicable records, or by the 34  
 legal officer or fiscal officer, of the issuer and, if applicable, 35  
 of the obligor that all the proceedings were held in compliance 36  
 with law, which statement creates a conclusive presumption that 37  
 the proceedings were held in compliance with all laws, including, 38  
 as applicable, section 121.22 of the Revised Code, and rules. 39

(C) An individual as such, or as an officer, director, 40  
 stockholder, or employee of or owner of any interest in an entity, 41  
 or relatives or business associates of such individual, purchasing 42  
 securities or fractionalized interests in public obligations as 43  
 the original or subsequent purchaser, or providing a credit 44  
 enhancement facility, or acting as a lessor, trustee, fiscal 45  
 agent, financial adviser, paying agent, or registrar related 46  
 thereto, shall not be deemed to be interested, either directly or 47  
 indirectly, solely by reason of such purchase, provision, or 48  
 relationship, in such purchase or sale or servicing or in the 49  
 contract evidenced by the securities or the fractionalized 50  
 interests in public obligations or the credit enhancement 51

facility, for the purpose of any law of this state that prohibits 52  
a public officer, servant, or employee, or his relatives or 53  
business associates, from being interested in any contract of the 54  
particular issuer or obligor. 55

(D) As used in this division, "tax compliance payments" means 56  
any amounts determined or estimated as amounts required to be paid 57  
to the federal government in order to maintain the exclusion from 58  
gross income for federal income tax purposes of interest on those 59  
obligations, including any amounts computed at the time to 60  
represent the portion of investment income to be rebated, or 61  
amounts in lieu of or in addition to any rebate amount and any 62  
penalty or interest to be paid, for that purpose pursuant to the 63  
Internal Revenue Code; and "public obligations" includes any bond 64  
within the meaning of section 150(a) of the Internal Revenue Code. 65

Notwithstanding any other law, an issuer and an obligor may 66  
agree, in specific or general terms, to do or cause or require to 67  
be done all things necessary for, and not to do or permit or 68  
authorize to be done anything that would adversely affect, the 69  
exclusion of interest on public obligations or on fractionalized 70  
interests in public obligations from gross income for federal 71  
income tax purposes under the Internal Revenue Code, or the 72  
classification or qualification of the public obligations or the 73  
interest on the public obligations or fractionalized interests in 74  
public obligations for, or their exemption from, other treatment 75  
under the Internal Revenue Code, including compliance with the 76  
provisions for tax compliance payments to the United States in 77  
accordance with the Internal Revenue Code. Those actions and 78  
covenants and compliance therewith shall be valid, incontestable, 79  
final, and conclusive to the extent that they support that 80  
exclusion from gross income or those classifications, 81  
qualifications, or exemptions. The authorization in this division 82

is solely for the purpose of satisfying such federal conditions or requirements, and is in addition to and not a limitation upon other authorization granted by or pursuant to law or the Ohio Constitution, and does not preclude or exclude any actions or covenants by the issuer or obligor, or its officer, to satisfy the federal conditions or requirements for the purpose, including actions and covenants previously taken or made. Subject to the terms of those covenants, compliance with covenants referred to in this division by the issuer or obligor and its officers are acts specifically enjoined by law as duties resulting from their office, trust, and station for purposes of section 2731.01 of the Revised Code. The issuer or obligor, and its officers, employees, and agents responsible in the circumstances, shall do all things necessary or appropriate to comply with such covenants and shall take all actions to account for, calculate, report, make available, and make tax compliance payments pursuant to the Internal Revenue Code to the extent required to comply with such covenants. In order to protect the tax exemption of interest or other qualification, classification, or exemption for tax purposes, and to reduce tax compliance payments:

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(1) Moneys from the funds to which any such interest is credited, and from any fund that is generally available for the general purposes of the issuer or obligor, available for the purpose of the securities issue, or available for operating and maintenance expenses of any improvements financed or refinanced by that issue or of any system or enterprise of which those improvements are a part, shall be appropriated and are deemed appropriated for all purposes to the payment of such amounts pursuant to such covenant, and may be so appropriated in the absence of such a covenant. Subject to the provisions of the applicable proceedings and notwithstanding any statutory or administrative limitations on the use or transfer of those funds

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or receipts, the appropriate official of the issuer or obligor 115  
 may: 116

(a) Withdraw or transfer tax compliance payments from the 117  
 fund or funds designated by the issuer or obligor for the purpose, 118  
 including any bond, improvement, or special fund, and any bond 119  
 retirement fund after provision for current debt charges 120  
 requirements, or direct the deposit from receipts, and deposit tax 121  
 compliance payments in or credit them to the fund or account 122  
 established for the purpose, which establishment is hereby 123  
 authorized, and disburse moneys from that fund or account for that 124  
 purpose. 125

(b) Withdraw or transfer investment income from any bond or 126  
 improvement fund, from any bond retirement fund after provision 127  
 for current debt charges requirements, and from any other special 128  
 fund established with respect to an issue of securities, and 129  
 deposit that investment income in or credit that investment income 130  
 to any other fund or account. 131

(2) An issuer or obligor may invest any proceeds or gross 132  
 proceeds, as defined in the Internal Revenue Code, of public 133  
 obligations or fractionalized interests in public obligations in 134  
 tax-exempt bonds of any person authorized to issue tax-exempt 135  
 bonds under the Internal Revenue Code, and in any regulated 136  
 investment company, the investment in which is treated as an 137  
 investment in tax-exempt bonds for purposes of provisions of 138  
 section 148 of the Internal Revenue Code, and in any special 139  
 series of obligations of the United States made available for 140  
 purposes of compliance with provisions of section 148 of the 141  
 Internal Revenue Code. The authority to invest proceeds under this 142  
 division is in addition to and not restricted or conditioned by 143  
 any other authority of an issuer to invest its moneys. 144

Nothing in this division or in other prior or current 145

provisions of law requires that an issuer or obligor comply with 146  
 provisions of federal tax law or regulations to exclude interest 147  
 on its public obligations from gross income for federal income tax 148  
 purposes or otherwise to have the public obligations or interest 149  
 thereon treated in any particular way under federal tax laws, 150  
 except to the extent, if any, that the issuer or obligor covenants 151  
 to do so, and the validity of the public obligations shall not be 152  
 adversely affected by the absence of that compliance or of 153  
 compliance with any covenants made pursuant to this division. 154

This division applies to public obligations and 155  
 fractionalized interests in public obligations, outstanding on or 156  
 entered into prior to, or issued or entered into on or after, 157  
 October 30, 1989. 158

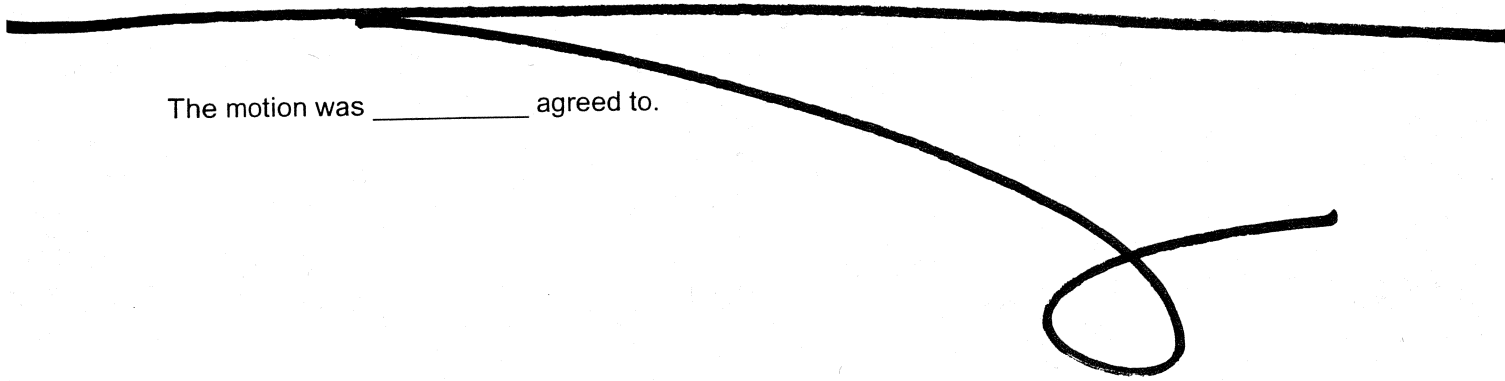
(E) Notwithstanding any other law, the income from the 159  
 investment of proceeds of public obligations or fractionalized 160  
 interests in public obligations of a public issuer, or payments 161  
received by or on behalf of a public issuer under section 6341 of 162  
the Internal Revenue Code, 26 U.S.C. 6431, may be credited to the 163  
 fund or account in which those proceeds are held, to the fund or 164  
account from which debt charges on those public obligations are 165  
paid, or to the general fund or other fund or account as the 166  
 public issuer authorizes, and used for the purposes of that fund 167  
 or account." 168

In line 90806, after "131.33," insert "133.02," 169

In line 106522, after "131.33," insert "133.02," 170

In line 16 of the title, after "131.33," insert "133.02," 171

The motion was \_\_\_\_\_ agreed to.



SYNOPSIS

Disposition of Build America Bond Payments by the State or	172
Local Governments	173
R.C. 133.02	174
Provides that payments received by or on behalf of a public	175
issuer under the federal Build America bond program may be	176
credited to the fund or account in which those proceeds are held	177
or to the general fund or other fund or account as the public	178
issuer authorizes.	179
Provides that income from the investment of proceeds of	180
public obligations or fractionalized interests in public	181
obligations, in addition to payments received under the Build	182
America bond program, may also be credited to the fund or account	183
from which debt charges on those public obligations are paid.	184

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Am. Sub. H.B. 1  
As Passed by the Senate  
CC-4437  
OBM-5

6 \_\_\_\_\_ moved to amend as follows:

7 In line 102758, delete "Ten days before" and insert  
8 "Before"

9 The motion was \_\_\_\_\_ agreed to.

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SYNOPSIS

11

**Transfers from the Budget Stabilization Fund**

12

**Section 512.40**

13 Requires the Director of Budget and Management to notify  
14 certain elected officials of the date and amount of any transfer  
15 during the FY 2010-FY 2011 biennium from the Budget  
16 Stabilization Fund to the General Revenue Fund and the cash  
17 balance remaining in the Budget Stabilization Fund before the  
18 transfer takes place. In the Senate-passed version, the  
19 notification was to occur *ten days before* any such transfer



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Am. Sub. H.B. 1  
As Passed by the Senate  
CC-4439

5 \_\_\_\_\_ moved to amend as follows:

6 In line 41736, strike through everything after the first  
7 "for"

8 In line 41737, strike through "violations of reasonable"

9 The motion was \_\_\_\_\_ agreed to.

10 SYNOPSIS

11 **LSC Corrective**

12 **R.C. 3319.16**

13 Corrects engrossing error.

1 128HB1-CC4469.docx/ar

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Am. Sub. H. B. 1  
As Passed by the Senate  
CC-4469  
JFS050

6 \_\_\_\_\_ moved to amend as follows:

7 Delete lines 98275 through 98296

8 The motion was \_\_\_\_\_ agreed to.

9

SYNOPSIS

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**Ohio Department of Job and Family Services**

11

**Sections 309.40.55 and 309.40.57**

12 Removes the following earmarks of federally funded line  
13 item 600689, TANF Block Grant: \$10 million in each fiscal year  
14 for the Kinship Permanency Incentive Program and \$21,535,000 in  
15 each fiscal year for Help Me Grow.

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Am. Sub. H.B. 1  
As Passed by the Senate  
CC-4472  
DOH059

6 \_\_\_\_\_ moved to amend as follows:

7 In line 96606, delete "\$548,062 \$548,062" and insert  
8 "\$698,595 \$698,595"

9 In line 96611, add \$150,533 to each fiscal year

10 In line 96617, add \$150,533 to each fiscal year

11 The motion was \_\_\_\_\_ agreed to.

12 SYNOPSIS

13 **Department of Health**

14 **Section 289.10**

15 Increases the appropriation in state special revenue line  
16 item 440623, Nursing Facility Technical Assistance Program (Fund  
17 5L10), by \$150,533 in each fiscal year, which represents House-  
18 passed levels.

1 128HB1-CC4474.docx/ar

2 Am. Sub. H.B. 1  
3 As Passed by the Senate  
4 CC-4474  
5 COM057

6 \_\_\_\_\_ moved to amend as follows:

7 In line 92629, delete "\$4,478,037 \$4,478,037" and insert  
8 "\$7,420,049 \$7,561,286"

9 In line 92631, delete "\$8,695,254 \$8,695,254" and insert  
10 "\$9,948,085 \$9,948,085"

11 In line 92635, delete "\$94,693,025 \$94,610,413" and insert  
12 "\$98,887,868 \$98,946,493"

13 In line 92647, delete "\$14,082,429 \$14,082,429" and insert  
14 "\$15,118,673 \$15,191,721"

15 In line 92655, delete the second "\$25,753,662" and insert  
16 "\$26,713,417"

17 Between lines 92655 and 92656, insert:

18 "5FW0 800616 Financial Literacy \$350,000 \$350,000

19 Education

20 5GK0 800609 Securities Investor \$485,000 \$485,000"

21 Education/Enforcement

22 In line 92656, delete "\$75,000 \$75,000" and insert  
23 "\$150,000 \$150,000"

24 In line 92661, delete "\$72,781,924 \$72,269,670" and insert  
25 "\$74,728,168 \$75,248,717"

26 In line 92675, delete "\$728,431,485 \$760,900,781" and  
27 insert "\$734,572,572 \$768,215,908"

---

28 The motion was \_\_\_\_\_ agreed to.

29 SYNOPSIS

30 **Department of Commerce Appropriations**

31 **Section 241.10**

32 Makes the following changes to Department of Commerce  
33 appropriation line items, the effect being to restore  
34 appropriation amounts to the House-passed version of the bill:

35 (1) Increases GSF Fund 1630 appropriation item 800620,  
36 Division of Administration, by \$2,942,012 in FY 2010, from  
37 \$4,478,037 to \$7,420,049, and by \$3,083,249 in FY 2011, from  
38 \$4,478,037 to \$7,561,286;

39 (2) Increases GSF Fund 5430 appropriation item 800602,  
40 Unclaimed Funds - Operating, by \$1,252,831 in each fiscal year,  
41 from \$8,695,254 each fiscal year to \$9,948,085 each fiscal year;

42 (3) Increases SSR Fund 5460 appropriation item 800610, Fire  
43 Marshal, by \$1,036,244 in FY 2010, from \$14,082,429 to  
44 \$15,118,673, and by \$1,109,292 in FY 2011, from \$14,082,429 to  
45 \$15,191,721;

46 (4) Increases SSR Fund 5560 appropriation item 800615,  
47 Industrial Compliance, by \$959,755 in FY 2011, from \$25,753,662  
48 to \$26,713,417;

49 (5) Restores SSR Fund 5GK0 appropriation item 800609,  
50 Securities Investor Education/Enforcement, with appropriations  
51 of \$485,000 in each fiscal year; and

52 (6) Increases SSR Fund 5K70 appropriation item 800621,  
53 Penalty Enforcement, by \$75,000 each fiscal year, from \$75,000  
54 each fiscal year to \$150,000 each fiscal year.

55 Creates new SSR Fund 5FW0 appropriation item 800616,  
56 Financial Literacy Education, with appropriations of \$350,000 in  
57 each fiscal year.

1 128HB1-CC4489.docx/ar

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Am. Sub. H.B. 1  
As Passed by the Senate  
CC-4489  
AGE052

6 \_\_\_\_\_ moved to amend as follows:

7 In line 16186, after "(8)" insert "PASSPORT administrative  
8 agency" means an entity under contract with the department of  
9 aging to provide administrative services regarding the PASSPORT  
10 program.

11 (9)"

12 In line 16190, delete "(9)" and insert "(10)"

13 In line 16509, delete "area agency on aging" and insert  
14 "PASSPORT administrative agency"

15 The motion was \_\_\_\_\_ agreed to.

16 SYNOPSIS

17 **Unified Long-Term Care Budget**

18 **R.C. 173.43**

19 Requires that the Department of Aging contract with each  
20 PASSPORT administrative agency, rather than each area agency on  
21 aging, for assistance in the administration of the unified long-  
22 term care budget.



1 128HB1-CC4502.docx/ar

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Am. Sub. H.B. 1  
As Passed by the Senate  
CC-4502  
INS041

6 \_\_\_\_\_ moved to amend as follows:

7 Between lines 90951 and 90952, insert:

8 "Section \_\_\_\_\_. Sections 1751.53 and 3923.38 of the Revised  
9 Code as they result from Section 120.10 of H.B. 2 of the 128th  
10 General Assembly are hereby repealed. This repeal enables the  
11 continued existence of those sections as they result from  
12 Section 101.01 of H.B. 2 of the 128th General Assembly."

13 In line 281 of the title, after the semicolon insert "to  
14 repeal the version of sections 1753.53 and 3923.38 of the  
15 Revised Code that were scheduled to take effect January 1,  
16 2010;"

17 The motion was \_\_\_\_\_ agreed to.

18 SYNOPSIS

19 **Continuation of Health Insurance Coverage**  
20 **R.C. 1751.53 and 3923.38; Section \_\_\_\_\_**

21 Makes permanent the changes made to Ohio's law regarding  
22 continuation of coverage after termination of employment by H.B.  
23 2 of the 128th General Assembly that were set to expire January



24 1, 2010. H.B. 2 made the following changes: (1) it eliminated  
25 the requirement that an individual be eligible for unemployment  
26 compensation in order to be eligible for continued coverage  
27 under the individual's employer-sponsored health insurance plan  
28 after termination of employment and requires only that the  
29 individual did not voluntarily terminate his or her employment  
30 and it was not terminated as a result of any gross misconduct on  
31 the part of the individual, (2) it lengthened the time that the  
32 individual would be eligible for continued coverage from six  
33 months to twelve months, (3) it requires an employee to notify  
34 the health insuring corporation or insurer if the employee  
35 elects continuation of coverage, and (4) it allows the insurer  
36 to require the employer to provide documentation if the employee  
37 is seeking premium assistance for the continuation of coverage  
38 under the American Recovery and Reinvestment Act of 2009 and  
39 requires the Director of Insurance to publish guidance for  
40 employers and insurers regarding the contents of such  
41 documentation.

6 \_\_\_\_\_ moved to amend as follows:

7 In line 106538, after "1541.03," insert "1548.10,"

8 In line 106544, after "4117.24," insert "4501.06,"; after  
9 "4503.10," insert "4503.19, 4503.40, 4503.42,"; after "4505.06,"  
10 insert "4505.09, 4519.59,"

11 In line 106547, after "5123.193," insert "5502.12,"

12 The motion was \_\_\_\_\_ agreed to.

13 SYNOPSIS

14 **Effective Dates**

15 **Section 812.20**

16 Establishes that the amendments to the following Revised  
17 Code sections go into immediate effect under the clause of the  
18 Ohio Constitution establishing such effective date for  
19 provisions related to appropriations for current expenses or tax  
20 levies: (1) R.C. 1548.10 (title fee revisions), (2) R.C.  
21 4501.06 (references to fees deposited into the State Highway  
22 Safety Fund), (3) R.C. 4503.19 (special license plate fee  
23 revisions), (4) R.C. 4503.40 (special license plate fee  
24 revisions), (5) R.C. 4503.42 (special license plate fee  
25 revisions), (6) R.C. 4505.09 (title fee revisions), (7) R.C.  
26 4519.59 (title fee revisions), and (8) R.C. 5502.12 (accident  
27 report fees).

1 128HB1-CC4512.docx/ar

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Am. Sub. H.B. 1  
As Passed by the Senate  
CC-4512  
DRC019

6 \_\_\_\_\_ moved to amend as follows:

7 In line 90950, delete "and"; after "5123.23" insert ", and  
8 5145.32"

9 In line 243 of the title, delete "and"

10 In line 244 of the title, after "5123.23" insert ", and  
11 5145.32"

12 The motion was \_\_\_\_\_ agreed to.

13 SYNOPSIS

14 **Tobacco Use in Correctional Institutions**

15 **Repealed R.C. 5145.32**

16 Repeals the prohibition against smoking, using, or  
17 possessing tobacco in specified correctional institutions and  
18 repeals duties of the Department of Rehabilitation and  
19 Correction with respect to the prohibition.

Am. Sub. H.B. 1  
As Passed by the Senate  
CC-4519-2



\_\_\_\_\_ moved to amend as follows:

- In line 333, after "1751.05," insert "1751.14," 1
- In line 373, after "3923.11," insert "3923.24," 2
- In line 414, after "5743.61," insert "5747.01," 3
- In line 445, after "3903.77," insert "3923.241," 4
- In line 27299, after "3902.14," insert "3923.24." 5
- Between lines 27690 and 27691, insert: 6

"Sec. 1751.14. (A) Any Notwithstanding section 3901.71 of the Revised Code, any policy, contract, or agreement for health care services authorized by this chapter that is issued, delivered, or renewed in this state and that provides that coverage of an unmarried dependent child will terminate upon attainment of the limiting age for dependent children specified in the policy, contract, or agreement, shall also provide in substance ~~that~~ both of the following:" 7-14

(1) Once an unmarried child has attained the limiting age for dependent children, as provided in the policy, contract, or agreement, upon the request of the subscriber, the health insuring corporation shall offer to cover the unmarried child until the child attains twenty-eight years of age if all of the following 15-19

are true:

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(a) The child is the natural child, stepchild, or adopted child of the subscriber.

21

22

(b) The child is a resident of this state or a full-time student at an accredited public or private institution of higher education.

23

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25

(c) The child is not employed by an employer that offers any health benefit plan under which the child is eligible for coverage.

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27

28

(d) After having attained the limiting age, the child has been continuously covered under any health benefit plan.

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(e) The child is not eligible for coverage under the medicaid program established under Chapter 5111. of the Revised Code or the medicare program established under Title XVIII of the "Social Security Act," 42 U.S.C. 1395.

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(2) That attainment of the limiting age for dependent children shall not operate to terminate the coverage of the a dependent child if the child is and continues to be both of the following:

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~~(1)~~(a) Incapable of self-sustaining employment by reason of mental retardation or physical handicap;

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~~(2)~~(b) Primarily dependent upon the subscriber for support and maintenance.

41

42

(B) Proof of incapacity and dependence for purposes of division (A) (2) of this section shall be furnished to the health insuring corporation within thirty-one days of the child's attainment of the limiting age. Upon request, but not more frequently than annually, the health insuring corporation may require proof satisfactory to it of the continuance of such

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incapacity and dependency.

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(C) Nothing in this section shall do any of the following:

50

(1) Require that any policy, contract, or agreement offer coverage for dependent children or provide coverage for an unmarried dependent child's children as dependents on the policy, contract, or agreement;

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(2) Require an employer to pay for any part of the premium for an unmarried dependent child that has attained the limiting age for dependents, as provided in the policy, contract, or agreement;

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(3) Require an employer to offer health insurance coverage to the dependents of any employee.

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(D) This section does not apply to any health insuring corporation policy, contract, or agreement offering only supplemental health care services or specialty health care services.

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(E) As used in this section, "health benefit plan" has the same meaning as in section 3924.01 of the Revised Code and also includes both of the following:

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67

(1) A public employee benefit plan;

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(2) A health benefit plan as regulated under the "Employee Retirement Income Security Act of 1974," 29 U.S.C. 1001, et seq."

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Between lines 59382 and 59383, insert:

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"Sec. 3923.24. Every (A) Notwithstanding section 3901.71 of the Revised Code, every certificate furnished by an insurer in connection with, or pursuant to any provision of, any group sickness and accident insurance policy delivered, issued for delivery, renewed, or used in this state on or after January 1, 1972, and every policy of sickness and accident insurance

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delivered, issued for delivery, renewed, or used in this state on 78  
 or after January 1, 1972, and every multiple employer welfare 79  
arrangement offering an insurance program, which provides that 80  
 coverage of an unmarried dependent child of a parent or legal 81  
guardian will terminate upon attainment of the limiting age for 82  
 dependent children specified in the contract shall also provide in 83  
 substance ~~that~~ both of the following: 84

(1) Once an unmarried child has attained the limiting age for 85  
dependent children, as provided in the policy, upon the request of 86  
the insured, the insurer shall offer to cover the unmarried child 87  
until the child attains twenty-eight years of age if all of the 88  
following are true: 89

(a) The child is the natural child, stepchild, or adopted 90  
child of the insured. 91

(b) The child is a resident of this state or a full-time 92  
student at an accredited public or private institution of higher 93  
education. 94

(c) The child is not employed by an employer that offers any 95  
health benefit plan under which the child is eligible for 96  
coverage. 97

(d) After having attained the limiting age, the child has 98  
been continuously covered under any health benefit plan. 99

(e) The child is not eligible for coverage under the medicaid 100  
program established under Chapter 5111. of the Revised Code or the 101  
medicare program established under Title XVIII of the "Social 102  
Security Act," 42 U.S.C. 1395. 103

(2) That attainment of ~~such~~ the limiting age for dependent 104  
children shall not operate to terminate the coverage of ~~such~~ a 105  
dependent child if the child is and continues to be both of the 106  
following: 107

~~(A)~~(a) Incapable of self-sustaining employment by reason of mental retardation or physical handicap; 108  
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~~(B)~~(b) Primarily dependent upon the policyholder or certificate holder for support and maintenance. 110  
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(B) Proof of such incapacity and dependence for purposes of division (A) (2) of this section shall be furnished by the policyholder or by the certificate holder to the insurer within thirty-one days of the child's attainment of the limiting age. Upon request, but not more frequently than annually after the two-year period following the child's attainment of the limiting age, the insurer may require proof satisfactory to it of the continuance of such incapacity and dependency. 112  
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(C) Nothing in this section shall require an insurer to cover a dependent child who is mentally retarded or physically handicapped if the contract is underwritten on evidence of insurability based on health factors set forth in the application, or if such dependent child does not satisfy the conditions of the contract as to any requirement for evidence of insurability or other provision of the contract, satisfaction of which is required for coverage thereunder to take effect. In any such case, the terms of the contract shall apply with regard to the coverage or exclusion of the dependent from such coverage. Nothing in this section shall apply to accidental death or dismemberment benefits provided by any such policy of sickness and accident insurance. 120  
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(D) Nothing in this section shall do any of the following: 132

(1) Require that any policy offer coverage for dependent children or provide coverage for an unmarried dependent child's children as dependents on the policy; 133  
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(2) Require an employer to pay for any part of the premium for an unmarried dependent child that has attained the limiting 136  
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age for dependents, as provided in the policy; 138

(3) Require an employer to offer health insurance coverage to 139  
the dependents of any employee. 140

(E) This section does not apply to any policies or 141  
certificates covering only accident, credit, dental, disability 142  
income, long-term care, hospital indemnity, medicare supplement, 143  
specified disease, or vision care; coverage under a 144  
one-time-limited-duration policy of not longer than six months; 145  
coverage issued as a supplement to liability insurance; insurance 146  
arising out of a workers' compensation or similar law; automobile 147  
medical-payment insurance; or insurance under which benefits are 148  
payable with or without regard to fault and that is statutorily 149  
required to be contained in any liability insurance policy or 150  
equivalent self-insurance. 151

(F) As used in this section, "health benefit plan" has the 152  
same meaning as in section 3924.01 of the Revised Code and also 153  
includes both of the following: 154

(1) A public employee benefit plan; 155

(2) A health benefit plan as regulated under the "Employee 156  
Retirement Income Security Act of 1974," 29 U.S.C. 1001, et seq. 157

Sec. 3923.241. (A) Notwithstanding section 3901.71 of the 158  
Revised Code, any public employee benefit plan that provides that 159  
coverage of an unmarried dependent child will terminate upon 160  
attainment of the limiting age for dependent children specified in 161  
the plan shall also provide in substance both of the following: 162

(1) Once an unmarried child has attained the limiting age for 163  
dependent children, as provided in the plan, upon the request of 164  
the employee, the public employee benefit plan shall offer to 165  
cover the unmarried child until the child attains twenty-eight 166

<u>years of age if all of the following are true:</u>	167
<u>(a) The child is the natural child, stepchild, or adopted child of the employee.</u>	168 169
<u>(b) The child is a resident of this state or a full-time student at an accredited public or private institution of higher education.</u>	170 171 172
<u>(c) The child is not employed by an employer that offers any health benefit plan under which the child is eligible for coverage.</u>	173 174 175
<u>(d) After having attained the limiting age, the child has been continuously covered under any health benefit plan.</u>	176 177
<u>(e) The child is not eligible for coverage under the medicaid program established under Chapter 5111. of the Revised Code or the medicare program established under Title XVIII of the "Social Security Act," 42 U.S.C. 1395.</u>	178 179 180 181
<u>(2) That attainment of the limiting age for dependent children shall not operate to terminate the coverage of a dependent child if the child is and continues to be both of the following:</u>	182 183 184 185
<u>(a) Incapable of self-sustaining employment by reason of mental retardation or physical handicap;</u>	186 187
<u>(b) Primarily dependent upon the plan member for support and maintenance.</u>	188 189
<u>(B) Proof of incapacity and dependence for purposes of division (A) (2) of this section shall be furnished to the public employee benefit plan within thirty-one days of the child's attainment of the limiting age. Upon request, but not more frequently than annually, the public employee benefit plan may require proof satisfactory to it of the continuance of such</u>	190 191 192 193 194 195

<u>incapacity and dependency.</u>	196
<u>(C) Nothing in this section shall do any of the following:</u>	197
<u>(1) Require that any public employee benefit plan offer</u>	198
<u>coverage for dependent children or provide coverage for an</u>	199
<u>unmarried dependent child's children as dependents on the public</u>	200
<u>employee benefit plan;</u>	201
<u>(2) Require an employer to pay for any part of the premium</u>	202
<u>for an unmarried dependent child that has attained the limiting</u>	203
<u>age for dependents, as provided in the plan;</u>	204
<u>(3) Require an employer to offer health insurance coverage to</u>	205
<u>the dependents of any employee.</u>	206
<u>(D) This section does not apply to any public employee</u>	207
<u>benefit plan covering only accident, credit, dental, disability</u>	208
<u>income, long-term care, hospital indemnity, medicare supplement,</u>	209
<u>specified disease, or vision care; coverage under a</u>	210
<u>one-time-limited-duration policy of not longer than six months;</u>	211
<u>coverage issued as a supplement to liability insurance; insurance</u>	212
<u>arising out of a workers' compensation or similar law; automobile</u>	213
<u>medical-payment insurance; or insurance under which benefits are</u>	214
<u>payable with or without regard to fault and which is statutorily</u>	215
<u>required to be contained in any liability insurance policy or</u>	216
<u>equivalent self-insurance.</u>	217
<u>(E) As used in this section, "health benefit plan" has the</u>	218
<u>same meaning as in section 3924.01 of the Revised Code and also</u>	219
<u>includes both of the following:</u>	220
<u>(1) A public employee benefit plan;</u>	221
<u>(2) A health benefit plan as regulated under the "Employee</u>	222
<u>Retirement Income Security Act of 1974," 29 U.S.C. 1001, et seq."</u>	223
<u>Between lines 86686 and 86687, insert:</u>	224

"Sec. 5747.01. Except as otherwise expressly provided or	225
clearly appearing from the context, any term used in this chapter	226
that is not otherwise defined in this section has the same meaning	227
as when used in a comparable context in the laws of the United	228
States relating to federal income taxes or if not used in a	229
comparable context in those laws, has the same meaning as in	230
section 5733.40 of the Revised Code. Any reference in this chapter	231
to the Internal Revenue Code includes other laws of the United	232
States relating to federal income taxes.	233
As used in this chapter:	234
(A) "Adjusted gross income" or "Ohio adjusted gross income"	235
means federal adjusted gross income, as defined and used in the	236
Internal Revenue Code, adjusted as provided in this section:	237
(1) Add interest or dividends on obligations or securities of	238
any state or of any political subdivision or authority of any	239
state, other than this state and its subdivisions and authorities.	240
(2) Add interest or dividends on obligations of any	241
authority, commission, instrumentality, territory, or possession	242
of the United States to the extent that the interest or dividends	243
are exempt from federal income taxes but not from state income	244
taxes.	245
(3) Deduct interest or dividends on obligations of the United	246
States and its territories and possessions or of any authority,	247
commission, or instrumentality of the United States to the extent	248
that the interest or dividends are included in federal adjusted	249
gross income but exempt from state income taxes under the laws of	250
the United States.	251
(4) Deduct disability and survivor's benefits to the extent	252
included in federal adjusted gross income.	253

(5) Deduct benefits under Title II of the Social Security Act 254  
and tier 1 railroad retirement benefits to the extent included in 255  
federal adjusted gross income under section 86 of the Internal 256  
Revenue Code. 257

(6) In the case of a taxpayer who is a beneficiary of a trust 258  
that makes an accumulation distribution as defined in section 665 259  
of the Internal Revenue Code, add, for the beneficiary's taxable 260  
years beginning before 2002, the portion, if any, of such 261  
distribution that does not exceed the undistributed net income of 262  
the trust for the three taxable years preceding the taxable year 263  
in which the distribution is made to the extent that the portion 264  
was not included in the trust's taxable income for any of the 265  
trust's taxable years beginning in 2002 or thereafter. 266  
"Undistributed net income of a trust" means the taxable income of 267  
the trust increased by (a) (i) the additions to adjusted gross 268  
income required under division (A) of this section and (ii) the 269  
personal exemptions allowed to the trust pursuant to section 270  
642(b) of the Internal Revenue Code, and decreased by (b) (i) the 271  
deductions to adjusted gross income required under division (A) of 272  
this section, (ii) the amount of federal income taxes attributable 273  
to such income, and (iii) the amount of taxable income that has 274  
been included in the adjusted gross income of a beneficiary by 275  
reason of a prior accumulation distribution. Any undistributed net 276  
income included in the adjusted gross income of a beneficiary 277  
shall reduce the undistributed net income of the trust commencing 278  
with the earliest years of the accumulation period. 279

(7) Deduct the amount of wages and salaries, if any, not 280  
otherwise allowable as a deduction but that would have been 281  
allowable as a deduction in computing federal adjusted gross 282  
income for the taxable year, had the targeted jobs credit allowed 283  
and determined under sections 38, 51, and 52 of the Internal 284

Revenue Code not been in effect.	285
(8) Deduct any interest or interest equivalent on public obligations and purchase obligations to the extent that the interest or interest equivalent is included in federal adjusted gross income.	286 287 288 289
(9) Add any loss or deduct any gain resulting from the sale, exchange, or other disposition of public obligations to the extent that the loss has been deducted or the gain has been included in computing federal adjusted gross income.	290 291 292 293
(10) Deduct or add amounts, as provided under section 5747.70 of the Revised Code, related to contributions to variable college savings program accounts made or tuition units purchased pursuant to Chapter 3334. of the Revised Code.	294 295 296 297
(11)(a) Deduct, to the extent not otherwise allowable as a deduction or exclusion in computing federal or Ohio adjusted gross income for the taxable year, the amount the taxpayer paid during the taxable year for medical care insurance and qualified long-term care insurance for the taxpayer, the taxpayer's spouse, and dependents. No deduction for medical care insurance under division (A)(11) of this section shall be allowed either to any taxpayer who is eligible to participate in any subsidized health plan maintained by any employer of the taxpayer or of the taxpayer's spouse, or to any taxpayer who is entitled to, or on application would be entitled to, benefits under part A of Title XVIII of the "Social Security Act," 49 Stat. 620 (1935), 42 U.S.C. 301, as amended. For the purposes of division (A)(11)(a) of this section, "subsidized health plan" means a health plan for which the employer pays any portion of the plan's cost. The deduction allowed under division (A)(11)(a) of this section shall be the net of any related premium refunds, related premium reimbursements, or related insurance premium dividends received during the taxable	298 299 300 301 302 303 304 305 306 307 308 309 310 311 312 313 314 315

year. 316

(b) Deduct, to the extent not otherwise deducted or excluded 317  
in computing federal or Ohio adjusted gross income during the 318  
taxable year, the amount the taxpayer paid during the taxable 319  
year, not compensated for by any insurance or otherwise, for 320  
medical care of the taxpayer, the taxpayer's spouse, and 321  
dependents, to the extent the expenses exceed seven and one-half 322  
per cent of the taxpayer's federal adjusted gross income. 323

(c) Deduct, to the extent not otherwise deducted or excluded 324  
in computing federal or Ohio adjusted gross income, any amount 325  
included in federal adjusted gross income under section 105 or not 326  
excluded under section 106 of the Internal Revenue Code solely 327  
because it relates to an accident and health plan for a person who 328  
otherwise would be a "qualifying relative" and thus a "dependent" 329  
under section 152 of the Internal Revenue Code but for the fact 330  
that the person fails to meet the income and support limitations 331  
under section 152(d)(1)(B) and (C) of the Internal Revenue Code. 332

(d) For purposes of division (A)(11) of this section, 333  
"medical care" has the meaning given in section 213 of the 334  
Internal Revenue Code, subject to the special rules, limitations, 335  
and exclusions set forth therein, and "qualified long-term care" 336  
has the same meaning given in section 7702B(c) of the Internal 337  
Revenue Code. Solely for purposes of divisions (A)(11)(a) and (c) 338  
of this section, "dependent" includes a person who otherwise would 339  
be a "qualifying relative" and thus a "dependent" under section 340  
152 of the Internal Revenue Code but for the fact that the person 341  
fails to meet the income and support limitations under section 342  
152(d)(1)(B) and (C) of the Internal Revenue Code. 343

(12) (a) Deduct any amount included in federal adjusted gross 344  
income solely because the amount represents a reimbursement or 345  
refund of expenses that in any year the taxpayer had deducted as 346

an itemized deduction pursuant to section 63 of the Internal Revenue Code and applicable United States department of the treasury regulations. The deduction otherwise allowed under division (A) (12) (a) of this section shall be reduced to the extent the reimbursement is attributable to an amount the taxpayer deducted under this section in any taxable year.

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(b) Add any amount not otherwise included in Ohio adjusted gross income for any taxable year to the extent that the amount is attributable to the recovery during the taxable year of any amount deducted or excluded in computing federal or Ohio adjusted gross income in any taxable year.

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(13) Deduct any portion of the deduction described in section 1341(a) (2) of the Internal Revenue Code, for repaying previously reported income received under a claim of right, that meets both of the following requirements:

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(a) It is allowable for repayment of an item that was included in the taxpayer's adjusted gross income for a prior taxable year and did not qualify for a credit under division (A) or (B) of section 5747.05 of the Revised Code for that year;

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(b) It does not otherwise reduce the taxpayer's adjusted gross income for the current or any other taxable year.

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(14) Deduct an amount equal to the deposits made to, and net investment earnings of, a medical savings account during the taxable year, in accordance with section 3924.66 of the Revised Code. The deduction allowed by division (A) (14) of this section does not apply to medical savings account deposits and earnings otherwise deducted or excluded for the current or any other taxable year from the taxpayer's federal adjusted gross income.

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(15) (a) Add an amount equal to the funds withdrawn from a medical savings account during the taxable year, and the net

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investment earnings on those funds, when the funds withdrawn were	377
used for any purpose other than to reimburse an account holder	378
for, or to pay, eligible medical expenses, in accordance with	379
section 3924.66 of the Revised Code;	380
(b) Add the amounts distributed from a medical savings	381
account under division (A) (2) of section 3924.68 of the Revised	382
Code during the taxable year.	383
(16) Add any amount claimed as a credit under section	384
5747.059 of the Revised Code to the extent that such amount	385
satisfies either of the following:	386
(a) The amount was deducted or excluded from the computation	387
of the taxpayer's federal adjusted gross income as required to be	388
reported for the taxpayer's taxable year under the Internal	389
Revenue Code;	390
(b) The amount resulted in a reduction of the taxpayer's	391
federal adjusted gross income as required to be reported for any	392
of the taxpayer's taxable years under the Internal Revenue Code.	393
(17) Deduct the amount contributed by the taxpayer to an	394
individual development account program established by a county	395
department of job and family services pursuant to sections 329.11	396
to 329.14 of the Revised Code for the purpose of matching funds	397
deposited by program participants. On request of the tax	398
commissioner, the taxpayer shall provide any information that, in	399
the tax commissioner's opinion, is necessary to establish the	400
amount deducted under division (A) (17) of this section.	401
(18) Beginning in taxable year 2001 but not for any taxable	402
year beginning after December 31, 2005, if the taxpayer is married	403
and files a joint return and the combined federal adjusted gross	404
income of the taxpayer and the taxpayer's spouse for the taxable	405
year does not exceed one hundred thousand dollars, or if the	406

taxpayer is single and has a federal adjusted gross income for the  
taxable year not exceeding fifty thousand dollars, deduct amounts  
paid during the taxable year for qualified tuition and fees paid  
to an eligible institution for the taxpayer, the taxpayer's  
spouse, or any dependent of the taxpayer, who is a resident of  
this state and is enrolled in or attending a program that  
culminates in a degree or diploma at an eligible institution. The  
deduction may be claimed only to the extent that qualified tuition  
and fees are not otherwise deducted or excluded for any taxable  
year from federal or Ohio adjusted gross income. The deduction may  
not be claimed for educational expenses for which the taxpayer  
claims a credit under section 5747.27 of the Revised Code.

(19) Add any reimbursement received during the taxable year  
of any amount the taxpayer deducted under division (A)(18) of this  
section in any previous taxable year to the extent the amount is  
not otherwise included in Ohio adjusted gross income.

(20)(a)(i) Add five-sixths of the amount of depreciation  
expense allowed by subsection (k) of section 168 of the Internal  
Revenue Code, including the taxpayer's proportionate or  
distributive share of the amount of depreciation expense allowed  
by that subsection to a pass-through entity in which the taxpayer  
has a direct or indirect ownership interest.

(ii) Add five-sixths of the amount of qualifying section 179  
depreciation expense, including a person's proportionate or  
distributive share of the amount of qualifying section 179  
depreciation expense allowed to any pass-through entity in which  
the person has a direct or indirect ownership. For the purposes of  
this division, "qualifying section 179 depreciation expense" means  
the difference between (I) the amount of depreciation expense  
directly or indirectly allowed to the taxpayer under section 179  
of the Internal Revenue Code, and (II) the amount of depreciation

expense directly or indirectly allowed to the taxpayer under 438  
section 179 of the Internal Revenue Code as that section existed 439  
on December 31, 2002. 440

The tax commissioner, under procedures established by the 441  
commissioner, may waive the add-backs related to a pass-through 442  
entity if the taxpayer owns, directly or indirectly, less than 443  
five per cent of the pass-through entity. 444

(b) Nothing in division (A)(20) of this section shall be 445  
construed to adjust or modify the adjusted basis of any asset. 446

(c) To the extent the add-back required under division 447  
(A)(20)(a) of this section is attributable to property generating 448  
nonbusiness income or loss allocated under section 5747.20 of the 449  
Revised Code, the add-back shall be situated to the same location 450  
as the nonbusiness income or loss generated by the property for 451  
the purpose of determining the credit under division (A) of 452  
section 5747.05 of the Revised Code. Otherwise, the add-back shall 453  
be apportioned, subject to one or more of the four alternative 454  
methods of apportionment enumerated in section 5747.21 of the 455  
Revised Code. 456

(d) For the purposes of division (A) of this section, net 457  
operating loss carryback and carryforward shall not include 458  
five-sixths of the allowance of any net operating loss deduction 459  
carryback or carryforward to the taxable year to the extent such 460  
loss resulted from depreciation allowed by section 168(k) of the 461  
Internal Revenue Code and by the qualifying section 179 462  
depreciation expense amount. 463

(21)(a) If the taxpayer was required to add an amount under 464  
division (A)(20)(a) of this section for a taxable year, deduct 465  
one-fifth of the amount so added for each of the five succeeding 466  
taxable years. 467

(b) If the amount deducted under division (A) (21) (a) of this section is attributable to an add-back allocated under division (A) (20) (c) of this section, the amount deducted shall be situated to the same location. Otherwise, the add-back shall be apportioned using the apportionment factors for the taxable year in which the deduction is taken, subject to one or more of the four alternative methods of apportionment enumerated in section 5747.21 of the Revised Code.

(c) No deduction is available under division (A) (21) (a) of this section with regard to any depreciation allowed by section 168(k) of the Internal Revenue Code and by the qualifying section 179 depreciation expense amount to the extent that such depreciation resulted in or increased a federal net operating loss carryback or carryforward to a taxable year to which division (A) (20) (d) of this section does not apply.

(22) Deduct, to the extent not otherwise deducted or excluded in computing federal or Ohio adjusted gross income for the taxable year, the amount the taxpayer received during the taxable year as reimbursement for life insurance premiums under section 5919.31 of the Revised Code.

(23) Deduct, to the extent not otherwise deducted or excluded in computing federal or Ohio adjusted gross income for the taxable year, the amount the taxpayer received during the taxable year as a death benefit paid by the adjutant general under section 5919.33 of the Revised Code.

(24) Deduct, to the extent included in federal adjusted gross income and not otherwise allowable as a deduction or exclusion in computing federal or Ohio adjusted gross income for the taxable year, military pay and allowances received by the taxpayer during the taxable year for active duty service in the United States army, air force, navy, marine corps, or coast guard or reserve

components thereof or the national guard. The deduction may not be 499  
 claimed for military pay and allowances received by the taxpayer 500  
 while the taxpayer is stationed in this state. 501

(25) Deduct, to the extent not otherwise allowable as a 502  
 deduction or exclusion in computing federal or Ohio adjusted gross 503  
 income for the taxable year and not otherwise compensated for by 504  
 any other source, the amount of qualified organ donation expenses 505  
 incurred by the taxpayer during the taxable year, not to exceed 506  
 ten thousand dollars. A taxpayer may deduct qualified organ 507  
 donation expenses only once for all taxable years beginning with 508  
 taxable years beginning in 2007. 509

For the purposes of division (A) (25) of this section: 510

(a) "Human organ" means all or any portion of a human liver, 511  
 pancreas, kidney, intestine, or lung, and any portion of human 512  
 bone marrow. 513

(b) "Qualified organ donation expenses" means travel 514  
 expenses, lodging expenses, and wages and salary forgone by a 515  
 taxpayer in connection with the taxpayer's donation, while living, 516  
 of one or more of the taxpayer's human organs to another human 517  
 being. 518

(26) Deduct, to the extent not otherwise deducted or excluded 519  
 in computing federal or Ohio adjusted gross income for the taxable 520  
 year, amounts received by the taxpayer as retired military 521  
 personnel pay for service in the United States army, navy, air 522  
 force, coast guard, or marine corps or reserve components thereof, 523  
 or the national guard, or received by the surviving spouse or 524  
 former spouse of such a taxpayer under the survivor benefit plan 525  
 on account of such a taxpayer's death. If the taxpayer receives 526  
 income on account of retirement paid under the federal civil 527  
 service retirement system or federal employees retirement system, 528  
 or under any successor retirement program enacted by the congress 529

of the United States that is established and maintained for 530  
retired employees of the United States government, and such 531  
retirement income is based, in whole or in part, on credit for the 532  
taxpayer's military service, the deduction allowed under this 533  
division shall include only that portion of such retirement income 534  
that is attributable to the taxpayer's military service, to the 535  
extent that portion of such retirement income is otherwise 536  
included in federal adjusted gross income and is not otherwise 537  
deducted under this section. Any amount deducted under division 538  
(A) (26) of this section is not included in a taxpayer's adjusted 539  
gross income for the purposes of section 5747.055 of the Revised 540  
Code. No amount may be deducted under division (A) (26) of this 541  
section on the basis of which a credit was claimed under section 542  
5747.055 of the Revised Code. 543

(27) Deduct, to the extent not otherwise deducted or excluded 544  
in computing federal or Ohio adjusted gross income for the taxable 545  
year, the amount the taxpayer received during the taxable year 546  
from the military injury relief fund created in section 5101.98 of 547  
the Revised Code. 548

(B) "Business income" means income, including gain or loss, 549  
arising from transactions, activities, and sources in the regular 550  
course of a trade or business and includes income, gain, or loss 551  
from real property, tangible property, and intangible property if 552  
the acquisition, rental, management, and disposition of the 553  
property constitute integral parts of the regular course of a 554  
trade or business operation. "Business income" includes income, 555  
including gain or loss, from a partial or complete liquidation of 556  
a business, including, but not limited to, gain or loss from the 557  
sale or other disposition of goodwill. 558

(C) "Nonbusiness income" means all income other than business 559  
income and may include, but is not limited to, compensation, rents 560

and royalties from real or tangible personal property, capital 561  
gains, interest, dividends and distributions, patent or copyright 562  
royalties, or lottery winnings, prizes, and awards. 563

(D) "Compensation" means any form of remuneration paid to an 564  
employee for personal services. 565

(E) "Fiduciary" means a guardian, trustee, executor, 566  
administrator, receiver, conservator, or any other person acting 567  
in any fiduciary capacity for any individual, trust, or estate. 568

(F) "Fiscal year" means an accounting period of twelve months 569  
ending on the last day of any month other than December. 570

(G) "Individual" means any natural person. 571

(H) "Internal Revenue Code" means the "Internal Revenue Code 572  
of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as amended. 573

(I) "Resident" means any of the following, provided that 574  
division (I) (3) of this section applies only to taxable years of a 575  
trust beginning in 2002 or thereafter: 576

(1) An individual who is domiciled in this state, subject to 577  
section 5747.24 of the Revised Code; 578

(2) The estate of a decedent who at the time of death was 579  
domiciled in this state. The domicile tests of section 5747.24 of 580  
the Revised Code are not controlling for purposes of division 581  
(I) (2) of this section. 582

(3) A trust that, in whole or part, resides in this state. If 583  
only part of a trust resides in this state, the trust is a 584  
resident only with respect to that part. 585

For the purposes of division (I) (3) of this section: 586

(a) A trust resides in this state for the trust's current 587  
taxable year to the extent, as described in division (I) (3) (d) of 588  
this section, that the trust consists directly or indirectly, in 589

whole or in part, of assets, net of any related liabilities, that  
 were transferred, or caused to be transferred, directly or  
 indirectly, to the trust by any of the following:

(i) A person, a court, or a governmental entity or  
 instrumentality on account of the death of a decedent, but only if  
 the trust is described in division (I) (3) (e) (i) or (ii) of this  
 section;

(ii) A person who was domiciled in this state for the  
 purposes of this chapter when the person directly or indirectly  
 transferred assets to an irrevocable trust, but only if at least  
 one of the trust's qualifying beneficiaries is domiciled in this  
 state for the purposes of this chapter during all or some portion  
 of the trust's current taxable year;

(iii) A person who was domiciled in this state for the  
 purposes of this chapter when the trust document or instrument or  
 part of the trust document or instrument became irrevocable, but  
 only if at least one of the trust's qualifying beneficiaries is a  
 resident domiciled in this state for the purposes of this chapter  
 during all or some portion of the trust's current taxable year. If  
 a trust document or instrument became irrevocable upon the death  
 of a person who at the time of death was domiciled in this state  
 for purposes of this chapter, that person is a person described in  
 division (I) (3) (a) (iii) of this section.

(b) A trust is irrevocable to the extent that the transferor  
 is not considered to be the owner of the net assets of the trust  
 under sections 671 to 678 of the Internal Revenue Code.

(c) With respect to a trust other than a charitable lead  
 trust, "qualifying beneficiary" has the same meaning as "potential  
 current beneficiary" as defined in section 1361(e) (2) of the  
 Internal Revenue Code, and with respect to a charitable lead trust  
 "qualifying beneficiary" is any current, future, or contingent



beneficiary, but with respect to any trust "qualifying  
beneficiary" excludes a person or a governmental entity or  
instrumentality to any of which a contribution would qualify for  
the charitable deduction under section 170 of the Internal Revenue  
Code.

(d) For the purposes of division (I)(3)(a) of this section,  
the extent to which a trust consists directly or indirectly, in  
whole or in part, of assets, net of any related liabilities, that  
were transferred directly or indirectly, in whole or part, to the  
trust by any of the sources enumerated in that division shall be  
ascertained by multiplying the fair market value of the trust's  
assets, net of related liabilities, by the qualifying ratio, which  
shall be computed as follows:

(i) The first time the trust receives assets, the numerator  
of the qualifying ratio is the fair market value of those assets  
at that time, net of any related liabilities, from sources  
enumerated in division (I)(3)(a) of this section. The denominator  
of the qualifying ratio is the fair market value of all the  
trust's assets at that time, net of any related liabilities.

(ii) Each subsequent time the trust receives assets, a  
revised qualifying ratio shall be computed. The numerator of the  
revised qualifying ratio is the sum of (1) the fair market value  
of the trust's assets immediately prior to the subsequent  
transfer, net of any related liabilities, multiplied by the  
qualifying ratio last computed without regard to the subsequent  
transfer, and (2) the fair market value of the subsequently  
transferred assets at the time transferred, net of any related  
liabilities, from sources enumerated in division (I)(3)(a) of this  
section. The denominator of the revised qualifying ratio is the  
fair market value of all the trust's assets immediately after the  
subsequent transfer, net of any related liabilities.

(iii) Whether a transfer to the trust is by or from any of the sources enumerated in division (I) (3) (a) of this section shall be ascertained without regard to the domicile of the trust's beneficiaries.

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(e) For the purposes of division (I) (3) (a) (i) of this section:

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(i) A trust is described in division (I) (3) (e) (i) of this section if the trust is a testamentary trust and the testator of that testamentary trust was domiciled in this state at the time of the testator's death for purposes of the taxes levied under Chapter 5731. of the Revised Code.

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(ii) A trust is described in division (I) (3) (e) (ii) of this section if the transfer is a qualifying transfer described in any of divisions (I) (3) (f) (i) to (vi) of this section, the trust is an irrevocable inter vivos trust, and at least one of the trust's qualifying beneficiaries is domiciled in this state for purposes of this chapter during all or some portion of the trust's current taxable year.

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(f) For the purposes of division (I) (3) (e) (ii) of this section, a "qualifying transfer" is a transfer of assets, net of any related liabilities, directly or indirectly to a trust, if the transfer is described in any of the following:

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(i) The transfer is made to a trust, created by the decedent before the decedent's death and while the decedent was domiciled in this state for the purposes of this chapter, and, prior to the death of the decedent, the trust became irrevocable while the decedent was domiciled in this state for the purposes of this chapter.

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(ii) The transfer is made to a trust to which the decedent, prior to the decedent's death, had directly or indirectly

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transferred assets, net of any related liabilities, while the  
 decedent was domiciled in this state for the purposes of this  
 chapter, and prior to the death of the decedent the trust became  
 irrevocable while the decedent was domiciled in this state for the  
 purposes of this chapter.

(iii) The transfer is made on account of a contractual  
 relationship existing directly or indirectly between the  
 transferor and either the decedent or the estate of the decedent  
 at any time prior to the date of the decedent's death, and the  
 decedent was domiciled in this state at the time of death for  
 purposes of the taxes levied under Chapter 5731. of the Revised  
 Code.

(iv) The transfer is made to a trust on account of a  
 contractual relationship existing directly or indirectly between  
 the transferor and another person who at the time of the  
 decedent's death was domiciled in this state for purposes of this  
 chapter.

(v) The transfer is made to a trust on account of the will of  
 a testator.

(vi) The transfer is made to a trust created by or caused to  
 be created by a court, and the trust was directly or indirectly  
 created in connection with or as a result of the death of an  
 individual who, for purposes of the taxes levied under Chapter  
 5731. of the Revised Code, was domiciled in this state at the time  
 of the individual's death.

(g) The tax commissioner may adopt rules to ascertain the  
 part of a trust residing in this state.

(J) "Nonresident" means an individual or estate that is not a  
 resident. An individual who is a resident for only part of a  
 taxable year is a nonresident for the remainder of that taxable

year.	712
(K) "Pass-through entity" has the same meaning as in section 5733.04 of the Revised Code.	713 714
(L) "Return" means the notifications and reports required to be filed pursuant to this chapter for the purpose of reporting the tax due and includes declarations of estimated tax when so required.	715 716 717 718
(M) "Taxable year" means the calendar year or the taxpayer's fiscal year ending during the calendar year, or fractional part thereof, upon which the adjusted gross income is calculated pursuant to this chapter.	719 720 721 722
(N) "Taxpayer" means any person subject to the tax imposed by section 5747.02 of the Revised Code or any pass-through entity that makes the election under division (D) of section 5747.08 of the Revised Code.	723 724 725 726
(O) "Dependents" means dependents as defined in the Internal Revenue Code and as claimed in the taxpayer's federal income tax return for the taxable year or which the taxpayer would have been permitted to claim had the taxpayer filed a federal income tax return.	727 728 729 730 731
(P) "Principal county of employment" means, in the case of a nonresident, the county within the state in which a taxpayer performs services for an employer or, if those services are performed in more than one county, the county in which the major portion of the services are performed.	732 733 734 735 736
(Q) As used in sections 5747.50 to 5747.55 of the Revised Code:	737 738
(1) "Subdivision" means any county, municipal corporation, park district, or township.	739 740

(2) "Essential local government purposes" includes all 741  
functions that any subdivision is required by general law to 742  
exercise, including like functions that are exercised under a 743  
charter adopted pursuant to the Ohio Constitution. 744

(R) "Overpayment" means any amount already paid that exceeds 745  
the figure determined to be the correct amount of the tax. 746

(S) "Taxable income" or "Ohio taxable income" applies only to 747  
estates and trusts, and means federal taxable income, as defined 748  
and used in the Internal Revenue Code, adjusted as follows: 749

(1) Add interest or dividends, net of ordinary, necessary, 750  
and reasonable expenses not deducted in computing federal taxable 751  
income, on obligations or securities of any state or of any 752  
political subdivision or authority of any state, other than this 753  
state and its subdivisions and authorities, but only to the extent 754  
that such net amount is not otherwise includible in Ohio taxable 755  
income and is described in either division (S) (1) (a) or (b) of 756  
this section: 757

(a) The net amount is not attributable to the S portion of an 758  
electing small business trust and has not been distributed to 759  
beneficiaries for the taxable year; 760

(b) The net amount is attributable to the S portion of an 761  
electing small business trust for the taxable year. 762

(2) Add interest or dividends, net of ordinary, necessary, 763  
and reasonable expenses not deducted in computing federal taxable 764  
income, on obligations of any authority, commission, 765  
instrumentality, territory, or possession of the United States to 766  
the extent that the interest or dividends are exempt from federal 767  
income taxes but not from state income taxes, but only to the 768  
extent that such net amount is not otherwise includible in Ohio 769  
taxable income and is described in either division (S) (1) (a) or 770

(b) of this section;	771
(3) Add the amount of personal exemption allowed to the estate pursuant to section 642(b) of the Internal Revenue Code;	772 773
(4) Deduct interest or dividends, net of related expenses deducted in computing federal taxable income, on obligations of the United States and its territories and possessions or of any authority, commission, or instrumentality of the United States to the extent that the interest or dividends are exempt from state taxes under the laws of the United States, but only to the extent that such amount is included in federal taxable income and is described in either division (S) (1) (a) or (b) of this section;	774 775 776 777 778 779 780 781
(5) Deduct the amount of wages and salaries, if any, not otherwise allowable as a deduction but that would have been allowable as a deduction in computing federal taxable income for the taxable year, had the targeted jobs credit allowed under sections 38, 51, and 52 of the Internal Revenue Code not been in effect, but only to the extent such amount relates either to income included in federal taxable income for the taxable year or to income of the S portion of an electing small business trust for the taxable year;	782 783 784 785 786 787 788 789 790
(6) Deduct any interest or interest equivalent, net of related expenses deducted in computing federal taxable income, on public obligations and purchase obligations, but only to the extent that such net amount relates either to income included in federal taxable income for the taxable year or to income of the S portion of an electing small business trust for the taxable year;	791 792 793 794 795 796
(7) Add any loss or deduct any gain resulting from sale, exchange, or other disposition of public obligations to the extent that such loss has been deducted or such gain has been included in computing either federal taxable income or income of the S portion of an electing small business trust for the taxable year;	797 798 799 800 801

(8) Except in the case of the final return of an estate, add 802  
any amount deducted by the taxpayer on both its Ohio estate tax 803  
return pursuant to section 5731.14 of the Revised Code, and on its 804  
federal income tax return in determining federal taxable income; 805

(9) (a) Deduct any amount included in federal taxable income 806  
solely because the amount represents a reimbursement or refund of 807  
expenses that in a previous year the decedent had deducted as an 808  
itemized deduction pursuant to section 63 of the Internal Revenue 809  
Code and applicable treasury regulations. The deduction otherwise 810  
allowed under division (S) (9) (a) of this section shall be reduced 811  
to the extent the reimbursement is attributable to an amount the 812  
taxpayer or decedent deducted under this section in any taxable 813  
year. 814

(b) Add any amount not otherwise included in Ohio taxable 815  
income for any taxable year to the extent that the amount is 816  
attributable to the recovery during the taxable year of any amount 817  
deducted or excluded in computing federal or Ohio taxable income 818  
in any taxable year, but only to the extent such amount has not 819  
been distributed to beneficiaries for the taxable year. 820

(10) Deduct any portion of the deduction described in section 821  
1341(a) (2) of the Internal Revenue Code, for repaying previously 822  
reported income received under a claim of right, that meets both 823  
of the following requirements: 824

(a) It is allowable for repayment of an item that was 825  
included in the taxpayer's taxable income or the decedent's 826  
adjusted gross income for a prior taxable year and did not qualify 827  
for a credit under division (A) or (B) of section 5747.05 of the 828  
Revised Code for that year. 829

(b) It does not otherwise reduce the taxpayer's taxable 830  
income or the decedent's adjusted gross income for the current or 831  
any other taxable year. 832

(11) Add any amount claimed as a credit under section	833
5747.059 of the Revised Code to the extent that the amount	834
satisfies either of the following:	835
(a) The amount was deducted or excluded from the computation	836
of the taxpayer's federal taxable income as required to be	837
reported for the taxpayer's taxable year under the Internal	838
Revenue Code;	839
(b) The amount resulted in a reduction in the taxpayer's	840
federal taxable income as required to be reported for any of the	841
taxpayer's taxable years under the Internal Revenue Code.	842
(12) Deduct any amount, net of related expenses deducted in	843
computing federal taxable income, that a trust is required to	844
report as farm income on its federal income tax return, but only	845
if the assets of the trust include at least ten acres of land	846
satisfying the definition of "land devoted exclusively to	847
agricultural use" under section 5713.30 of the Revised Code,	848
regardless of whether the land is valued for tax purposes as such	849
land under sections 5713.30 to 5713.38 of the Revised Code. If the	850
trust is a pass-through entity investor, section 5747.231 of the	851
Revised Code applies in ascertaining if the trust is eligible to	852
claim the deduction provided by division (S)(12) of this section	853
in connection with the pass-through entity's farm income.	854
Except for farm income attributable to the S portion of an	855
electing small business trust, the deduction provided by division	856
(S)(12) of this section is allowed only to the extent that the	857
trust has not distributed such farm income. Division (S)(12) of	858
this section applies only to taxable years of a trust beginning in	859
2002 or thereafter.	860
(13) Add the net amount of income described in section 641(c)	861
of the Internal Revenue Code to the extent that amount is not	862
included in federal taxable income.	863



(14) Add or deduct the amount the taxpayer would be required 864  
to add or deduct under division (A) (20) or (21) of this section if 865  
the taxpayer's Ohio taxable income were computed in the same 866  
manner as an individual's Ohio adjusted gross income is computed 867  
under this section. In the case of a trust, division (S) (14) of 868  
this section applies only to any of the trust's taxable years 869  
beginning in 2002 or thereafter. 870

(T) "School district income" and "school district income tax" 871  
have the same meanings as in section 5748.01 of the Revised Code. 872

(U) As used in divisions (A) (8), (A) (9), (S) (6), and (S) (7) 873  
of this section, "public obligations," "purchase obligations," and 874  
"interest or interest equivalent" have the same meanings as in 875  
section 5709.76 of the Revised Code. 876

(V) "Limited liability company" means any limited liability 877  
company formed under Chapter 1705. of the Revised Code or under 878  
the laws of any other state. 879

(W) "Pass-through entity investor" means any person who, 880  
during any portion of a taxable year of a pass-through entity, is 881  
a partner, member, shareholder, or equity investor in that 882  
pass-through entity. 883

(X) "Banking day" has the same meaning as in section 1304.01 884  
of the Revised Code. 885

(Y) "Month" means a calendar month. 886

(Z) "Quarter" means the first three months, the second three 887  
months, the third three months, or the last three months of the 888  
taxpayer's taxable year. 889

(AA) (1) "Eligible institution" means a state university or 890  
state institution of higher education as defined in section 891  
3345.011 of the Revised Code, or a private, nonprofit college, 892  
university, or other post-secondary institution located in this 893

state that possesses a certificate of authorization issued by the Ohio board of regents pursuant to Chapter 1713. of the Revised Code or a certificate of registration issued by the state board of career colleges and schools under Chapter 3332. of the Revised Code.

(2) "Qualified tuition and fees" means tuition and fees imposed by an eligible institution as a condition of enrollment or attendance, not exceeding two thousand five hundred dollars in each of the individual's first two years of post-secondary education. If the individual is a part-time student, "qualified tuition and fees" includes tuition and fees paid for the academic equivalent of the first two years of post-secondary education during a maximum of five taxable years, not exceeding a total of five thousand dollars. "Qualified tuition and fees" does not include:

(a) Expenses for any course or activity involving sports, games, or hobbies unless the course or activity is part of the individual's degree or diploma program;

(b) The cost of books, room and board, student activity fees, athletic fees, insurance expenses, or other expenses unrelated to the individual's academic course of instruction;

(c) Tuition, fees, or other expenses paid or reimbursed through an employer, scholarship, grant in aid, or other educational benefit program.

(BB) (1) "Modified business income" means the business income included in a trust's Ohio taxable income after such taxable income is first reduced by the qualifying trust amount, if any.

(2) "Qualifying trust amount" of a trust means capital gains and losses from the sale, exchange, or other disposition of equity or ownership interests in, or debt obligations of, a qualifying

investee to the extent included in the trust's Ohio taxable	924
income, but only if the following requirements are satisfied:	925
(a) The book value of the qualifying investee's physical	926
assets in this state and everywhere, as of the last day of the	927
qualifying investee's fiscal or calendar year ending immediately	928
prior to the date on which the trust recognizes the gain or loss,	929
is available to the trust.	930
(b) The requirements of section 5747.011 of the Revised Code	931
are satisfied for the trust's taxable year in which the trust	932
recognizes the gain or loss.	933
Any gain or loss that is not a qualifying trust amount is	934
modified business income, qualifying investment income, or	935
modified nonbusiness income, as the case may be.	936
(3) "Modified nonbusiness income" means a trust's Ohio	937
taxable income other than modified business income, other than the	938
qualifying trust amount, and other than qualifying investment	939
income, as defined in section 5747.012 of the Revised Code, to the	940
extent such qualifying investment income is not otherwise part of	941
modified business income.	942
(4) "Modified Ohio taxable income" applies only to trusts,	943
and means the sum of the amounts described in divisions (BB)(4)(a)	944
to (c) of this section:	945
(a) The fraction, calculated under section 5747.013, and	946
applying section 5747.231 of the Revised Code, multiplied by the	947
sum of the following amounts:	948
(i) The trust's modified business income;	949
(ii) The trust's qualifying investment income, as defined in	950
section 5747.012 of the Revised Code, but only to the extent the	951
qualifying investment income does not otherwise constitute	952
modified business income and does not otherwise constitute a	953

qualifying trust amount. 954

(b) The qualifying trust amount multiplied by a fraction, the 955  
numerator of which is the sum of the book value of the qualifying 956  
investee's physical assets in this state on the last day of the 957  
qualifying investee's fiscal or calendar year ending immediately 958  
prior to the day on which the trust recognizes the qualifying 959  
trust amount, and the denominator of which is the sum of the book 960  
value of the qualifying investee's total physical assets 961  
everywhere on the last day of the qualifying investee's fiscal or 962  
calendar year ending immediately prior to the day on which the 963  
trust recognizes the qualifying trust amount. If, for a taxable 964  
year, the trust recognizes a qualifying trust amount with respect 965  
to more than one qualifying investee, the amount described in 966  
division (BB) (4) (b) of this section shall equal the sum of the 967  
products so computed for each such qualifying investee. 968

(c) (i) With respect to a trust or portion of a trust that is 969  
a resident as ascertained in accordance with division (I) (3) (d) of 970  
this section, its modified nonbusiness income. 971

(ii) With respect to a trust or portion of a trust that is 972  
not a resident as ascertained in accordance with division 973  
(I) (3) (d) of this section, the amount of its modified nonbusiness 974  
income satisfying the descriptions in divisions (B) (2) to (5) of 975  
section 5747.20 of the Revised Code, except as otherwise provided 976  
in division (BB) (4) (c) (ii) of this section. With respect to a 977  
trust or portion of a trust that is not a resident as ascertained 978  
in accordance with division (I) (3) (d) of this section, the trust's 979  
portion of modified nonbusiness income recognized from the sale, 980  
exchange, or other disposition of a debt interest in or equity 981  
interest in a section 5747.212 entity, as defined in section 982  
5747.212 of the Revised Code, without regard to division (A) of 983  
that section, shall not be allocated to this state in accordance 984

with section 5747.20 of the Revised Code but shall be apportioned 985  
to this state in accordance with division (B) of section 5747.212 986  
of the Revised Code without regard to division (A) of that 987  
section. 988

If the allocation and apportionment of a trust's income under 989  
divisions (BB)(4)(a) and (c) of this section do not fairly 990  
represent the modified Ohio taxable income of the trust in this 991  
state, the alternative methods described in division (C) of 992  
section 5747.21 of the Revised Code may be applied in the manner 993  
and to the same extent provided in that section. 994

(5)(a) Except as set forth in division (BB)(5)(b) of this 995  
section, "qualifying investee" means a person in which a trust has 996  
an equity or ownership interest, or a person or unit of government 997  
the debt obligations of either of which are owned by a trust. For 998  
the purposes of division (BB)(2)(a) of this section and for the 999  
purpose of computing the fraction described in division (BB)(4)(b) 1000  
of this section, all of the following apply: 1001

(i) If the qualifying investee is a member of a qualifying 1002  
controlled group on the last day of the qualifying investee's 1003  
fiscal or calendar year ending immediately prior to the date on 1004  
which the trust recognizes the gain or loss, then "qualifying 1005  
investee" includes all persons in the qualifying controlled group 1006  
on such last day. 1007

(ii) If the qualifying investee, or if the qualifying 1008  
investee and any members of the qualifying controlled group of 1009  
which the qualifying investee is a member on the last day of the 1010  
qualifying investee's fiscal or calendar year ending immediately 1011  
prior to the date on which the trust recognizes the gain or loss, 1012  
separately or cumulatively own, directly or indirectly, on the 1013  
last day of the qualifying investee's fiscal or calendar year 1014  
ending immediately prior to the date on which the trust recognizes 1015

the qualifying trust amount, more than fifty per cent of the equity of a pass-through entity, then the qualifying investee and the other members are deemed to own the proportionate share of the pass-through entity's physical assets which the pass-through entity directly or indirectly owns on the last day of the pass-through entity's calendar or fiscal year ending within or with the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the date on which the trust recognizes the qualifying trust amount.

(iii) For the purposes of division (BB) (5) (a) (iii) of this section, "upper level pass-through entity" means a pass-through entity directly or indirectly owning any equity of another pass-through entity, and "lower level pass-through entity" means that other pass-through entity.

An upper level pass-through entity, whether or not it is also a qualifying investee, is deemed to own, on the last day of the upper level pass-through entity's calendar or fiscal year, the proportionate share of the lower level pass-through entity's physical assets that the lower level pass-through entity directly or indirectly owns on the last day of the lower level pass-through entity's calendar or fiscal year ending within or with the last day of the upper level pass-through entity's fiscal or calendar year. If the upper level pass-through entity directly and indirectly owns less than fifty per cent of the equity of the lower level pass-through entity on each day of the upper level pass-through entity's calendar or fiscal year in which or with which ends the calendar or fiscal year of the lower level pass-through entity and if, based upon clear and convincing evidence, complete information about the location and cost of the physical assets of the lower pass-through entity is not available to the upper level pass-through entity, then solely for purposes

of ascertaining if a gain or loss constitutes a qualifying trust 1047  
amount, the upper level pass-through entity shall be deemed as 1048  
owning no equity of the lower level pass-through entity for each 1049  
day during the upper level pass-through entity's calendar or 1050  
fiscal year in which or with which ends the lower level 1051  
pass-through entity's calendar or fiscal year. Nothing in division 1052  
(BB) (5) (a) (iii) of this section shall be construed to provide for 1053  
any deduction or exclusion in computing any trust's Ohio taxable 1054  
income. 1055

(b) With respect to a trust that is not a resident for the 1056  
taxable year and with respect to a part of a trust that is not a 1057  
resident for the taxable year, "qualifying investee" for that 1058  
taxable year does not include a C corporation if both of the 1059  
following apply: 1060

(i) During the taxable year the trust or part of the trust 1061  
recognizes a gain or loss from the sale, exchange, or other 1062  
disposition of equity or ownership interests in, or debt 1063  
obligations of, the C corporation. 1064

(ii) Such gain or loss constitutes nonbusiness income. 1065

(6) "Available" means information is such that a person is 1066  
able to learn of the information by the due date plus extensions, 1067  
if any, for filing the return for the taxable year in which the 1068  
trust recognizes the gain or loss. 1069

(CC) "Qualifying controlled group" has the same meaning as in 1070  
section 5733.04 of the Revised Code. 1071

(DD) "Related member" has the same meaning as in section 1072  
5733.042 of the Revised Code. 1073

(EE) (1) For the purposes of division (EE) of this section: 1074

(a) "Qualifying person" means any person other than a 1075  
qualifying corporation. 1076

(b) "Qualifying corporation" means any person classified for federal income tax purposes as an association taxable as a corporation, except either of the following:

(i) A corporation that has made an election under subchapter S, chapter one, subtitle A, of the Internal Revenue Code for its taxable year ending within, or on the last day of, the investor's taxable year;

(ii) A subsidiary that is wholly owned by any corporation that has made an election under subchapter S, chapter one, subtitle A of the Internal Revenue Code for its taxable year ending within, or on the last day of, the investor's taxable year.

(2) For the purposes of this chapter, unless expressly stated otherwise, no qualifying person indirectly owns any asset directly or indirectly owned by any qualifying corporation.

(FF) For purposes of this chapter and Chapter 5751. of the Revised Code:

(1) "Trust" does not include a qualified pre-income tax trust.

(2) A "qualified pre-income tax trust" is any pre-income tax trust that makes a qualifying pre-income tax trust election as described in division (FF)(3) of this section.

(3) A "qualifying pre-income tax trust election" is an election by a pre-income tax trust to subject to the tax imposed by section 5751.02 of the Revised Code the pre-income tax trust and all pass-through entities of which the trust owns or controls, directly, indirectly, or constructively through related interests, five per cent or more of the ownership or equity interests. The trustee shall notify the tax commissioner in writing of the election on or before April 15, 2006. The election, if timely made, shall be effective on and after January 1, 2006, and shall



apply for all tax periods and tax years until revoked by the trustee of the trust.

(4) A "pre-income tax trust" is a trust that satisfies all of the following requirements:

(a) The document or instrument creating the trust was executed by the grantor before January 1, 1972;

(b) The trust became irrevocable upon the creation of the trust; and

(c) The grantor was domiciled in this state at the time the trust was created."

In line 90835, after "1751.05," insert "1751.14,"

In line 90875, after "3923.11," insert "3923.24,"

In line 90917, after "5743.61," insert "5747.01,"

Between lines 106414 and 106415, insert:

"Section \_\_\_\_\_. Section 1751.14 of the Revised Code, as amended by this act, shall apply only to policies, contracts, and agreements that are delivered, issued for delivery, or renewed in this state on or after July 1, 2010; section 3923.24 of the Revised Code, as amended by this act, shall apply only to policies of sickness and accident insurance and plans of health coverage that are established or modified in this state on or after July 1, 2010; and section 3923.241, as enacted by this act, shall apply only to public employee health plans established or modified in this state on or after July 1, 2010."

In line 106415, delete "Section" and insert "Sections"; after "718.04" insert "and 5747.01"

In line 106416, delete "applies" and insert "apply"

In line 106492, after "sections" insert "1739.05, 1751.14,"

3923.24, 3923.241,"; delete "and" and insert a comma; after 1135  
 "5743.61" insert ", and 5747.01" 1136

In line 54 of the title, after "1751.05," insert "1751.14," 1137

In line 110 of the title, after "3923.11," insert "3923.24," 1138

In line 167 of the title, after "5743.61," insert "5747.01," 1139

In line 206 of the title, after "3903.77," insert "3923.241," 1140  
 1141

The motion was \_\_\_\_\_ agreed to.

SYNOPSIS

Health Insurance Coverage of Dependent Children 1142

R.C. 1739.05, 1751.14, 3923.24, 3923.241, and 5747.01 and 1143  
 Section 812.10 1144

Restores from the House-passed version of the bill the 1145  
 requirement that health insurance plans offered in Ohio that 1146  
 provide coverage for unmarried dependent children, extend that 1147  
 coverage, under certain conditions, until the dependent child 1148  
 reaches 28 years of age (rather than 29 years of age as in the 1149  
 House-passed version) and the income tax deduction for coverage of 1150  
 those older children and other qualifying dependents. 1151

Adds the following two requirements: (1) that the child is 1152  
 the natural child, stepchild, or adopted child of the 1153  
 policyholder, and (2) that after having attained the limiting age, 1154  
 the child has been continuously covered under any health benefit 1155  
 plan. 1156

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Am. Sub. H.B. 1  
As Passed by the Senate  
CC-4530  
EPA035

6 \_\_\_\_\_ moved to amend as follows:

7 In line 54880, strike through "any" and insert "a"

8 In line 54882, delete "an" and insert "any"

9 In line 55000, reinsert "As used in division (I)"; reinsert  
10 "of this section:"

11 Reinsert lines 55001 through 55004

12 The motion was \_\_\_\_\_ agreed to.

13 SYNOPSIS

14 **Modifications to Hazardous Waste Facilities**

15 **R.C. 3734.05**

16 Restores the definitions of "owner" and "operator" for  
17 purposes of the law related to modifications of hazardous waste  
18 facilities, and makes other technical changes to that law.

Am. Sub. H.B. 1

As Passed by the Senate

CC 4534

AIR-1

\_\_\_\_\_ moved to amend as follows:

Between lines 92256 and 92257, insert: 1

"Section \_\_\_\_\_. ENERGY STRATEGY DEVELOPMENT 2

The Ohio Air Quality Development Authority shall establish 3  
the Energy Strategy Development Program for the purpose of 4  
developing energy initiatives, projects, and policy for the state. 5  
Issues addressed by such initiatives, projects, and policy shall 6  
not be limited to those governed by Chapter 3706. of the Revised 7  
Code. 8

There is hereby created in the state treasury the Energy 9  
Strategy Development Fund (Fund 5EG0). The fund shall consist of 10  
money credited to it and money obtained for advanced energy 11  
projects from federal or private grants, loans, or other sources. 12  
Money in the fund shall be used to carry out the purposes of the 13  
program. Interest earned on the money in the fund shall be 14  
credited to the General Revenue Fund. 15

On July 1 of each fiscal year, or as soon as possible 16  
thereafter, the Director of Budget and Management may transfer 17  
cash from the funds specified below, in the amounts specified 18  
below, to the Energy Strategy Development Fund. Fund 5EG0 may 19  
accept contributions and transfers made to the fund. On July 1, 20

2012, or as soon as possible thereafter, the Director shall 21  
 transfer to the General Revenue Fund all cash credited to Fund 22  
 5EG0. Upon completion of the transfer, Fund 5EG0 is abolished. 23

<u>Fund</u>	<u>Fund Name</u>	<u>User</u>	<u>FY 2010</u>	<u>FY 2011</u>	
1170	Office Services	Dept. of Administrative Services	\$35,000	\$35,000	25
5GH0	Central Support Indirect Cost	Dept. of Agriculture	\$35,000	\$35,000	26
1350	Supportive Services	Dept. of Development	\$35,000	\$35,000	27
2190	Central Support Indirect Cost	Environmental Protection Agency	\$35,000	\$35,000	28
1570	Central Support Indirect Chargeback	Dept. of Natural Resources	\$35,000	\$35,000	29
7002	Highway Operating	Dept. of Transportation	\$50,000	\$50,000"	30

The motion was \_\_\_\_\_ agreed to.

SYNOPSIS

**Air Quality Development Authority** 31

**Section \_\_\_\_\_** 32

Requires the Ohio Air Quality Development Authority to 33  
 establish the Energy Strategy Development Program for the purpose 34  
 of developing energy initiatives, projects, and policy for the 35  
 state. 36

Permits the Director of Budget and Management to transfer 37

cash from the following funds: \$35,000 from the Office Services Fund (Fund 1170), in the Department of Administrative Services; \$35,000 from the Central Support Indirect Cost Fund (Fund 5GH0) in the Department of Agriculture; \$35,000 from the Supportive Services Fund (Fund 1350) in the Department of Development; \$35,000 from the Central Support Indirect Cost Fund (Fund 2190) in the Environmental Protection Agency; \$35,000 from the Central Support Indirect Chargeback Fund (Fund 1570) in the Department of Natural Resources; and \$50,000 from the Highway Operating Fund (Fund 7002) in the Department of Transportation to the Energy Strategy Development Fund (Fund 5EG0) in the Air Quality Development Authority. These amounts are to be transferred both during FY 2010 and during FY 2011.

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Am. Sub. H.B. 1  
As Passed by the Senate  
CC-4537-3

\_\_\_\_\_ moved to amend as follows:

Between lines 93474 and 93475, insert: 1

"Notwithstanding Chapter 166. of the Revised Code, on the 2  
first day of July of each year of the biennium, or as soon as 3  
possible thereafter, the Director of Budget and Management, at the 4  
request of the Director of Development, may transfer \$6,102,500 in 5  
cash from the Facilities Establishment Fund (Fund 7037) to the 6  
General Revenue Fund. The amount transferred is hereby 7  
appropriated for each fiscal year in appropriation item 195412, 8  
Rapid Outreach Grants." 9

Delete lines 93483 through 93539 10

The motion was \_\_\_\_\_ agreed to.

SYNOPSIS

Department of Development 11

Section 259.20.90 12

Removes the temporary law provision that earmarks the 13  
following amounts from appropriation item 195615, Facilities 14  
Establishment: \$20,000 in each fiscal year for Rapid Outreach 15

Grants, \$3,500,000 in each fiscal year for Technology Action 16  
Grants, \$7,500,000 in each fiscal year for Thomas Edison Program 17  
Grants, and \$8,000,000 in each fiscal year for soil and water 18  
conservation districts. 19

Removes temporary law pertaining to Rapid Outreach Grants and 20  
Technology Action from Section 259.20.90 to reflect the 21  
restoration of those line items in the GRF. 22

Restores a temporary law provision authorizing the transfer 23  
of \$6,102,500 in each fiscal year from the Facilities 24  
Establishment Fund (Fund 7037) to the General Revenue Fund for 25  
appropriation in appropriation item 195412, Rapid Outreach Grants. 26

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Am. Sub. H.B. 1  
As Passed by the Senate  
CC-4539  
DEV075

6 \_\_\_\_\_ moved to amend as follows:

7 Between lines 93707 and 93708, insert:

8 **"Section 259.\_\_\_\_. CORRECTIVE CASH TRANSFERS**

9 On July 1, 2009, or as soon as possible thereafter, the  
10 Director of Budget and Management, upon request from the  
11 Director of Development, shall transfer up to \$130,000 in cash  
12 from the Low- and Moderate-Income Housing Trust Fund (Fund 6460)  
13 to the HOME Program Fund (Fund 3V10) to correct deposits that  
14 were mistakenly deposited in Fund 6460.

15 On July 1, 2009, or as soon as possible thereafter, the  
16 Director of Budget and Management, upon request from the  
17 Director of Development, shall transfer up to \$6,660 in cash  
18 from the Low- and Moderate-Income Housing Trust Fund (Fund 6460)  
19 to the Community Development Block Grant Fund (Fund 3K80) to  
20 correct deposits that were mistakenly deposited in Fund 6460."

21 The motion was \_\_\_\_\_ agreed to.

22 SYNOPSIS

23 **Department of Development**

24 **Section 259. \_\_. \_\_**

25 Requires the Director of Budget and Management, at the  
26 request of the Director of Development, to transfer up to  
27 \$130,000 in cash from the Low- and Moderate Income Housing Trust  
28 Fund (Fund 6460) to the HOME Program Fund (Fund 3V10), and  
29 \$6,600 in cash from Fund 6460 to the Community Development Block  
30 Grant Fund (Fund 3K80), to correct deposits that were mistakenly  
31 made to Fund 6460.



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Am. Sub. H.B. 1  
As Passed by the Senate  
CC-4540  
JFS054

6 \_\_\_\_\_ moved to amend as follows:

7 Delete lines 97137 through 97142

8 The motion was \_\_\_\_\_ agreed to.

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SYNOPSIS

10 **Ohio Department of Job and Family Services**

11 **Section 309.30.03**

12 Removes earmark of \$1.4 million in each fiscal year of line  
13 item 600417, Medicaid Provider Audits, for the Auditor of State  
14 to perform audits of providers of Medicaid services.

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Am. Sub. H.R. 1  
As Passed by the Senate  
CC-4544  
PUC002

6 \_\_\_\_\_ moved to amend as follows:

7 In line 99964, delete "\$32,000,000 \$32,000,000" and  
8 insert "\$34,455,627 \$34,455,627"

9 In line 99965, delete "\$125,000 \$125,000" and insert  
10 "\$158,000 \$158,000"

11 In line 99969, add \$2,488,627 to each fiscal year

12 In line 99981, delete "\$235,744 \$235,744" and insert  
13 "\$284,986 \$284,986"

14 Between lines 99981 and 99982, insert:

15 "5590 870605 Public Utilities Territorial Administration  
16 \$4,000 \$4,000"

17 In line 99982, delete "\$25,000 \$25,000" and insert  
18 "\$100,000 \$100,000"

19 In line 99983, delete "\$500,000 \$500,000" and insert  
20 "\$647,893 \$647,893"

21 In line 99988, add \$276,135 to each fiscal year

22 In line 99989, add \$2,764,762 to each fiscal year

23 The motion was \_\_\_\_\_ agreed to.

24 SYNOPSIS

25 **Public Utilities Commission of Ohio**

26 **Section 363.10**

27 Increases FY 2010 and FY 2011 appropriation amounts by  
28 \$2.76 million each year in agency appropriations. The increases  
29 each year are made to GSF appropriation items 870622, Utility  
30 and Railroad Regulation (\$2.46 million), and 870624, NARUC/NRRI  
31 Subsidy (\$0.03 million), and to SSR appropriation items 870620,  
32 Civil Forfeitures (\$0.05 million), 870607, Special Assessment  
33 (\$0.08 million), and 870606, Power Siting Board (\$0.15 million).  
34 The resulting appropriation amounts are equal to the amounts  
35 appropriated in the House-passed version of H.B. 1. Also  
36 restores SSR appropriation item 870605, Public Utilities  
37 Territorial Administration, with the appropriation amount,  
38 \$4,000 each year, that was in the House-passed version.

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5 \_\_\_\_\_ moved to amend as follows:

6 Between lines 101329 and 101330, insert:

7 **"Section 371.70.20.** (A) As used in this section:

8 (1) "Board of trustees" includes the managing authority of  
9 a university branch district.

10 (2) "State institution of higher education" has the same  
11 meaning as in section 3345.011 of the Revised Code.

12 (B) The board of trustees of any state institution of  
13 higher education, notwithstanding any rule of the institution to  
14 the contrary, may adopt a policy providing for mandatory  
15 furloughs of employees, including faculty, to achieve spending  
16 reductions necessitated by institutional budget deficits."

17 The motion was \_\_\_\_\_ agreed to.

18 SYNOPSIS

19 **Employee Furloughs at Public Colleges and Universities**

20 **Section 371.70.20**

21 Permits the board of trustees of a state university,  
22 university branch, state community college, community college,  
23 or technical college, or the Northeastern Ohio Universities  
24 College of Medicine to adopt a policy providing for mandatory  
25 furloughs for employees, including faculty, to reduce  
26 institutional budget deficits.

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Am. Sub. H.B. 7  
As Passed by the Senate  
CC-4550  
AGE-15

6 \_\_\_\_\_ moved to amend as follows:

7 In line 6374, after the period insert "The governor shall  
8 be informed of the appointment of an executive director before  
9 such an appointment is made."

10 In line 6469, after the stricken colon insert "Before  
11 entering into such an agreement, the council shall inform the  
12 governor of the terms of the agreement and of the state agency  
13 designated to serve as the council's fiscal agent."

14 The motion was \_\_\_\_\_ agreed to.

15 SYNOPSIS

16 **Inform Governor of Certain Appointments for Ohio Community**  
17 **Service Council**

18 **R.C. 121.40**

19 In lieu of restoring the requirements for the advice and  
20 consent of the governor (from the House-passed and Introduced  
21 versions of the bill), the bill requires that the Governor be  
22 informed before the appointment of an executive director for the  
23 Council and before any agreement designating another state  
24 agency to serve as the fiscal agent for the Ohio Community  
25 Service Council.

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6 \_\_\_\_\_ moved to amend as follows:

7 In line 12519, delete everything after "(B)"

8 Delete lines 12520 through 12523

9 In line 12524, delete "(C)"

10 In line 12526, delete "(D)" and insert "(C)"

11 In line 12529, delete "(E)" and insert "(D)"

12 Delete lines 12531 and 12532, and insert:

13 "(E) Following restrictions set by the department of  
14 administrative services regarding mileage reimbursement pursuant  
15 to section 125.832 of the Revised Code."

16 The motion was \_\_\_\_\_ agreed to.

17 SYNOPSIS

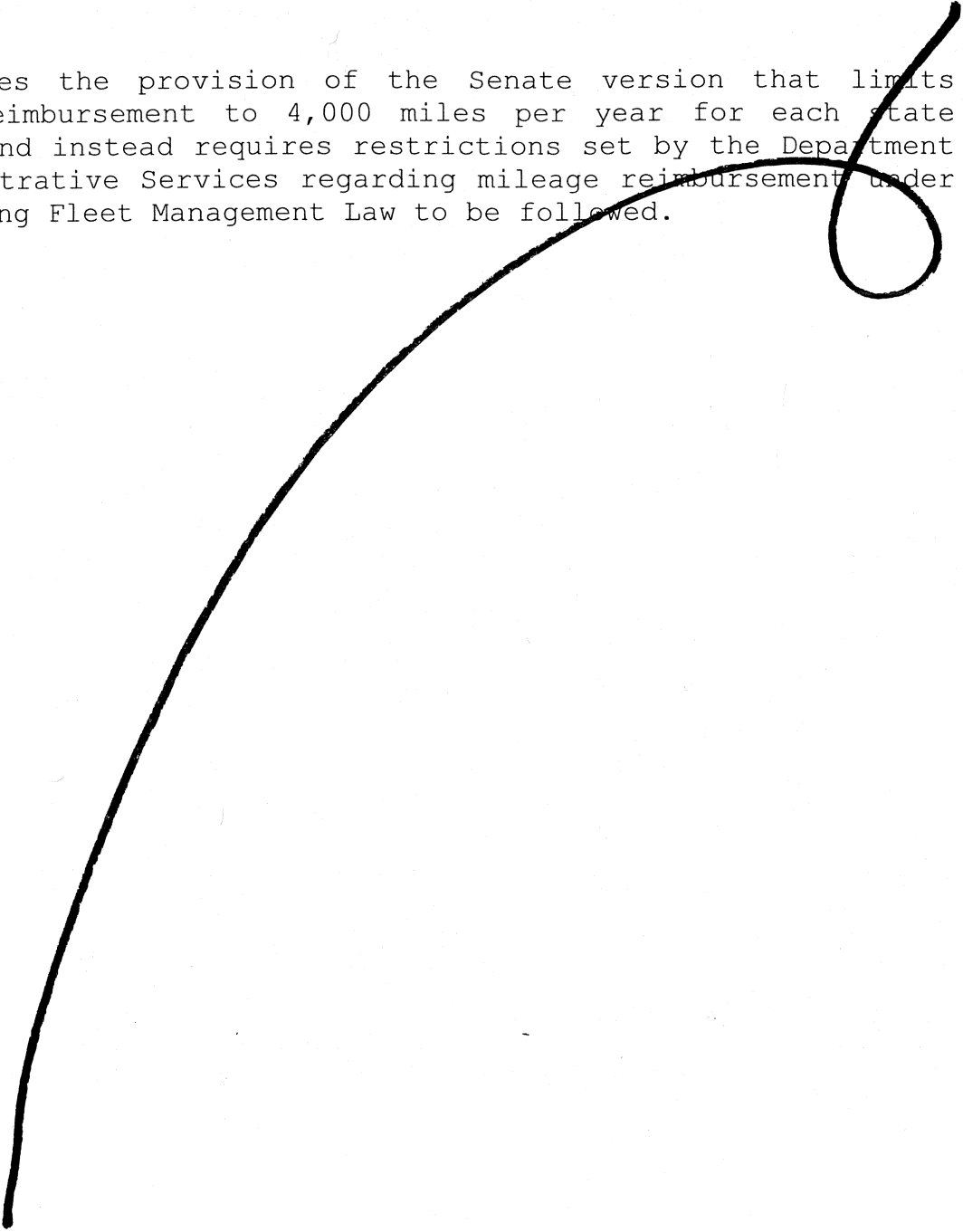
18 **Changes in Mileage Reimbursement for State Employees**

19 **R.C. 126.503**

20 Removes the provision of the Senate version that reduces  
21 the mileage reimbursement rate for collective bargaining unit  
22 employees to ten cents below the rate set for state employees by  
23 the Director of Budget and Management under existing law.



24 Removes the provision of the Senate version that limits  
25 mileage reimbursement to 4,000 miles per year for each state  
26 employee and instead requires restrictions set by the Department  
27 of Administrative Services regarding mileage reimbursement under  
28 the existing Fleet Management Law to be followed.



Am. Sub. H.B. 1  
As Passed by the Senate  
CC-4561  
JFS-76

✓



\_\_\_\_\_ moved to amend as follows:

Delete lines 73729 through 73764 and insert: 1

"Sec. 5101.5212. (A) Under the children's buy-in program and 2  
subject to section 5101.5213 of the Revised Code, an individual 3  
who does both of the following in accordance with rules adopted 4  
under section 5101.5215 of the Revised Code qualifies for medical 5  
assistance under the program, unless the director of job and 6  
family services has adopted rules under division (B) of section 7  
5101.5215 of the Revised Code to limit the number of individuals 8  
who may participate in the program at one time and the program is 9  
serving the maximum number of individuals specified in the rules: 10

~~(A)~~ (1) Applies for the children's buy-in program; 12

~~(B)~~ (2) Provides satisfactory evidence of all of the 13  
following: 14

~~(1)~~ (a) That the individual is under nineteen years of age; 15

~~(2)~~ (b) That the individual's countable family income exceeds 16  
~~two~~ three hundred ~~fifty~~ per cent of the federal poverty 17  
guidelines; 18

~~(3)~~ That (c) Except as provided in division (B) of this 19

~~section, that the individual has not had creditable coverage for~~ 20  
~~at least ~~six~~ three months before enrolling in the children's~~ 21  
~~buy-in program, unless the individual lost the only creditable~~ 22  
~~coverage available to the individual because the individual~~ 23  
~~exhausted a lifetime benefit limitation;~~ 24

~~(4) That one or more of the following apply to the~~ 25  
~~individual:~~ 26

~~(a) The individual is unable to obtain creditable coverage~~ 27  
~~due to a pre existing condition of the individual;~~ 28

~~(b) The individual lost the only creditable coverage~~ 29  
~~available to the individual because the individual has exhausted a~~ 30  
~~lifetime benefit limitation;~~ 31

~~(c) The premium for the only creditable coverage available to~~ 32  
~~the individual is greater than two hundred per cent of the premium~~ 33  
~~applicable to the individual under the children's buy in program;~~ 34

~~(d) The individual participates in the program for medically~~ 35  
~~handicapped children.~~ 36

~~(5)(d) That the individual meets the additional eligibility~~ 37  
~~requirements for the children's buy-in program established in~~ 38  
~~rules adopted under section 5101.5215 of the Revised Code.~~ 39

(B) Division (A)(2)(c) of this section does not apply to an 40  
individual who meets both of the following requirements: 41

(1) At least one of the following applies to the individual: 42

(a) The individual's parents are involuntarily unemployed. 43

(b) At least one of the individual's parents is unable to 44  
find work due to a disabling condition. 45

(c) At least one of the individual's parents involuntarily 46  
lost creditable coverage for the individual. 47

(d) The individual has creditable coverage under COBRA 48

continuation coverage as defined in 42 U.S.C. 1396a(u) (3). 49

(2) At least one of the following applies to the individual: 50

(a) The cost of the least expensive creditable coverage 51  
available to the individual is greater than ten per cent of the 52  
individual's countable family income. 53

(b) The premium for the creditable coverage with the lowest 54  
premium available to the individual is greater than one hundred 55  
fifty per cent of the premium applicable to the individual under 56  
the children's buy-in program. 57

(c) The individual is unable to obtain creditable coverage 58  
due to a pre-existing condition of the individual. 59

(d) The individual lost the only creditable coverage 60  
available to the individual because the individual has exhausted a 61  
lifetime benefit limitation. 62

(e) The individual participates in the program for medically 63  
handicapped children." 64

The motion was \_\_\_\_\_ agreed to.

SYNOPSIS

**Children's Buy-In Program** 65

**R.C. 5101.5212** 66

Restores the provision from the House's version of the bill 67  
that revises the Children's Buy-In Program's eligibility 68  
requirements regarding creditable coverage. 69

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Am. Sub. H.F. 1  
As Passed by the Senate  
CC-4562  
MDC086

6 \_\_\_\_\_ moved to amend as follows:

- 7 In line 400, delete "5111.071,"  
8 In line 450, delete "5111.085,"  
9 Delete lines 75499 through 75533  
10 Delete lines 75660 through 75685  
11 In line 90903, delete "5111.071,"  
12 In line 148 of the title, delete "5111.071,"  
13 In line 212 of the title, delete "5111.085,"

14 The motion was \_\_\_\_\_ agreed to.

15 SYNOPSIS

16 **Special Dispensing Fee and Reimbursement Rate for 340B**  
17 **Drugs**

18 **R.C. 5111.071 and 5111.085**

19 Removes provisions that do the following:

20 (1) Require the ODJFS Director to pay a dispensing fee of  
21 \$12 to a Medicaid pharmacist-provider (rather than the  
22 dispensing fee established by the ODJFS Director on a biennial  
23 basis (currently \$3.70)) if (a) the prescription was filled for  
24 a Medicaid recipient who received the prescription while being  
25 treated by a licensed health care professional who is an

26 employee or agent of, or volunteer for, an organization that  
27 participates in the federal 340B Drug Pricing Program, and (2)  
28 the per unit price that the organization paid to acquire the  
29 drug from the drug's manufacturer is \$20 or more.

30 (2) Require the ODJFS Director to reimburse a pharmacy for  
31 each prescription filled under the conditions described above an  
32 amount that equals the product of (a) the per unit price the  
33 340B participating organization paid to acquire the drug from  
34 the manufacturer, and (b) the total number of units of the drug  
35 dispensed.

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Am. Sub. H. B.  
As Passed by the Senate  
CC-4577  
MDC081

6 \_\_\_\_\_ moved to amend as follows:

7 In line 450, delete "5111.093,"

8 Delete lines 75712 through 75739

9 In line 212 of the title, delete "5111.093,"

10 The motion was \_\_\_\_\_ agreed to.

11 SYNOPSIS

12 **Local Reports on Medicaid Expenditures**

13 **R.C. 5111.093**

14 Removes the bill's provision that requires local agencies  
15 administering parts of the Medicaid program to report annually  
16 to ODJFS and the Office of Budget and Management regarding  
17 Medicaid expenditures.

Am. Sub. H.B. 1

As Passed by the Senate

CC-4582

JFS053

\_\_\_\_\_ moved to amend as follows:

In line 399, after "5104.041," insert "5104.30, 5104.32,  
5104.341, 5104.35, 5104.39, 5104.42,"

Between lines 74347 and 74348, insert:

"Sec. 5104.30. (A) The department of job and family services  
is hereby designated as the state agency responsible for  
administration and coordination of federal and state funding for  
publicly funded child care in this state. Publicly funded child  
care shall be provided to the following:

(1) Recipients of transitional child care as provided under  
section 5104.34 of the Revised Code;

(2) Participants in the Ohio works first program established  
under Chapter 5107. of the Revised Code;

(3) Individuals who would be participating in the Ohio works  
first program if not for a sanction under section 5107.16 of the  
Revised Code and who continue to participate in a work activity,  
developmental activity, or alternative work activity pursuant to  
an assignment under section 5107.42 of the Revised Code;

(4) A family receiving publicly funded child care on October  
1, 1997, until the family's income reaches one hundred fifty per



cent of the federal poverty line; 20

(5) Subject to available funds, other individuals determined 21  
eligible in accordance with rules adopted under section 5104.38 of 22  
the Revised Code. 23

The department shall apply to the United States department of 24  
health and human services for authority to operate a coordinated 25  
program for publicly funded child care, if the director of job and 26  
family services determines that the application is necessary. For 27  
purposes of this section, the department of job and family 28  
services may enter into agreements with other state agencies that 29  
are involved in regulation or funding of child care. The 30  
department shall consider the special needs of migrant workers 31  
when it administers and coordinates publicly funded child care and 32  
shall develop appropriate procedures for accommodating the needs 33  
of migrant workers for publicly funded child care. 34

(B) The department of job and family services shall 35  
distribute state and federal funds for publicly funded child care, 36  
including appropriations of state funds for publicly funded child 37  
care and appropriations of federal funds available under the child 38  
care block grant act, Title IV-A, and Title XX. The department may 39  
use any state funds appropriated for publicly funded child care as 40  
the state share required to match any federal funds appropriated 41  
for publicly funded child care. 42

(C) In the use of federal funds available under the child 43  
care block grant act, all of the following apply: 44

(1) The department may use the federal funds to hire staff to 45  
prepare any rules required under this chapter and to administer 46  
and coordinate federal and state funding for publicly funded child 47  
care. 48

(2) Not more than five per cent of the aggregate amount of 49

the federal funds received for a fiscal year may be expended for administrative costs. 50  
51

(3) The department shall allocate and use at least four per cent of the federal funds for the following: 52  
53

(a) Activities designed to provide comprehensive consumer education to parents and the public; 54  
55

(b) Activities that increase parental choice; 56

(c) Activities, including child care resource and referral services, designed to improve the quality, and increase the supply, of child care; 57  
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(d) Establishing a voluntary child day-care center quality-rating program in which participation in the program may allow a child day-care center to be eligible for grants, technical assistance, training, or other assistance and become eligible for unrestricted monetary awards for maintaining a quality rating. 60  
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(4) The department shall ensure that the federal funds will be used only to supplement, and will not be used to supplant, federal, state, and local funds available on the effective date of the child care block grant act for publicly funded child care and related programs. A If authorized by rules adopted by the department pursuant to section 5104.42 of the Revised Code, county department departments of job and family services may purchase child care from funds obtained through any other means. 65  
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(D) The department shall encourage the development of suitable child care throughout the state, especially in areas with high concentrations of recipients of public assistance and families with low incomes. The department shall encourage the development of suitable child care designed to accommodate the special needs of migrant workers. On request, the department, through its employees or contracts with state or community child 73  
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care resource and referral service organizations, shall provide 80  
consultation to groups and individuals interested in developing 81  
child care. The department of job and family services may enter 82  
into interagency agreements with the department of education, the 83  
board of regents, the department of development, and other state 84  
agencies and entities whenever the cooperative efforts of the 85  
other state agencies and entities are necessary for the department 86  
of job and family services to fulfill its duties and 87  
responsibilities under this chapter. 88

The department shall develop and maintain a registry of 89  
persons providing child care. The director shall adopt rules 90  
pursuant to Chapter 119. of the Revised Code establishing 91  
procedures and requirements for the registry's administration. 92

(E) (1) The director shall adopt rules in accordance with 93  
Chapter 119. of the Revised Code establishing both of the 94  
following: 95

(a) Reimbursement ceilings for providers of publicly funded 96  
child care not later than the first day of July in each 97  
odd-numbered year; 98

(b) A procedure for reimbursing and paying providers of 99  
publicly funded child care. 100

(2) In establishing reimbursement ceilings under division 101  
(E) (1) (a) of this section, the director shall do all of the 102  
following: 103

(a) Use the information obtained under division (B) (3) of 104  
section 5104.04 of the Revised Code; 105

(b) Establish an enhanced reimbursement ceiling for providers 106  
who provide child care for caretaker parents who work 107  
nontraditional hours; 108

(c) For a type B family day-care home provider that has 109

received limited certification pursuant to rules adopted under	110
division (G) (1) of section 5104.011 of the Revised Code, establish	111
a reimbursement ceiling that is the following:	112
(i) If the provider is a person described in division	113
(G) (1) (a) (i) of section 5104.011 of the Revised Code, seventy-five	114
per cent of the reimbursement ceiling that applies to a type B	115
family day-care home certified by the same county department of	116
job and family services pursuant to section 5104.11 of the Revised	117
Code;	118
(ii) If the provider is a person described in division	119
(G) (1) (a) (ii) of section 5104.011 of the Revised Code, sixty per	120
cent of the reimbursement ceiling that applies to a type B family	121
day-care home certified by the same county department pursuant to	122
section 5104.11 of the Revised Code.	123
(3) In establishing reimbursement ceilings under division	124
(E) (1) (a) of this section, the director may establish different	125
reimbursement ceilings based on any of the following:	126
(a) Geographic location of the provider;	127
(b) Type of care provided;	128
(c) Age of the child served;	129
(d) Special needs of the child served;	130
(e) Whether the expanded hours of service are provided;	131
(f) Whether weekend service is provided;	132
(g) Whether the provider has exceeded the minimum	133
requirements of state statutes and rules governing child care;	134
(h) Any other factors the director considers appropriate.	135
(F) The director shall adopt rules in accordance with Chapter	136
119. of the Revised Code to implement the voluntary child day-care	137

center quality-rating program described in division (C) (3) (d) of 138  
this section. 139

**Sec. 5104.32.** (A) Except as provided in division (C) of this 140  
section, all purchases of publicly funded child care shall be made 141  
under a contract entered into by a licensed child day-care center, 142  
licensed type A family day-care home, certified type B family 143  
day-care home, certified in-home aide, approved child day camp, 144  
licensed preschool program, licensed school child program, or 145  
border state child care provider and the county department of job 146  
and family services. A county department of job and family 147  
services may enter into a contract with a provider for publicly 148  
funded child care for a specified period of time or upon a 149  
continuous basis for an unspecified period of time. All contracts 150  
for publicly funded child care shall be contingent upon the 151  
availability of state and federal funds. The department of job and 152  
family services shall prescribe a standard form to be used for all 153  
contracts for the purchase of publicly funded child care, 154  
regardless of the source of public funds used to purchase the 155  
child care. To the extent permitted by federal law and 156  
notwithstanding any other provision of the Revised Code that 157  
regulates state or county contracts or contracts involving the 158  
expenditure of state, county, or federal funds, all contracts for 159  
publicly funded child care shall be entered into in accordance 160  
with the provisions of this chapter and are exempt from any other 161  
provision of the Revised Code that regulates state or county 162  
contracts or contracts involving the expenditure of state, county, 163  
or federal funds. 164

(B) Each contract for publicly funded child care shall 165  
specify at least the following: 166

(1) That the provider of publicly funded child care agrees to 167  
be paid for rendering services at the lowest of the rate 168

customarily charged by the provider for children enrolled for 169  
 child care, the reimbursement ceiling or rate of payment 170  
 established pursuant to section 5104.30 of the Revised Code, or a 171  
 rate the county department negotiates with the provider; 172

(2) That, if a provider provides child care to an individual 173  
 potentially eligible for publicly funded child care who is 174  
 subsequently determined to be eligible, the county department 175  
 agrees to pay for all child care provided between the date the 176  
 county department receives the individual's completed application 177  
 and the date the individual's eligibility is determined; 178

(3) Whether the county department of job and family services, 179  
 the provider, or a child care resource and referral service 180  
 organization will make eligibility determinations, whether the 181  
 provider or a child care resource and referral service 182  
 organization will be required to collect information to be used by 183  
 the county department to make eligibility determinations, and the 184  
 time period within which the provider or child care resource and 185  
 referral service organization is required to complete required 186  
 eligibility determinations or to transmit to the county department 187  
 any information collected for the purpose of making eligibility 188  
 determinations; 189

(4) That the provider, other than a border state child care 190  
 provider, shall continue to be licensed, approved, or certified 191  
 pursuant to this chapter and shall comply with all standards and 192  
 other requirements in this chapter and in rules adopted pursuant 193  
 to this chapter for maintaining the provider's license, approval, 194  
 or certification; 195

(5) That, in the case of a border state child care provider, 196  
 the provider shall continue to be licensed, certified, or 197  
 otherwise approved by the state in which the provider is located 198  
 and shall comply with all standards and other requirements 199

established by that state for maintaining the provider's license,  
certificate, or other approval;

(6) Whether the provider will be paid by the county  
department of job and family services ~~or~~ the state department of  
job and family services, or in some other manner as prescribed by  
rules adopted under section 5104.42 of the Revised Code;

(7) That the contract is subject to the availability of state  
and federal funds.

(C) Unless specifically prohibited by federal law or by rules  
adopted under section 5104.42 of the Revised Code, the county  
department of job and family services shall give individuals  
eligible for publicly funded child care the option of obtaining  
certificates for payment that the individual may use to purchase  
services from any provider qualified to provide publicly funded  
child care under section 5104.31 of the Revised Code. Providers of  
publicly funded child care may present these certificates for  
payment for reimbursement in accordance with rules that the  
director of job and family services shall adopt. Only providers  
may receive reimbursement for certificates for payment. The value  
of the certificate for payment shall be based on the lowest of the  
rate customarily charged by the provider, the reimbursement  
ceiling or rate of payment established pursuant to section 5104.30  
of the Revised Code, or a rate the county department negotiates  
with the provider. The county department may provide the  
certificates for payment to the individuals or may contract with  
child care providers or child care resource and referral service  
organizations that make determinations of eligibility for publicly  
funded child care pursuant to contracts entered into under section  
5104.34 of the Revised Code for the providers or resource and  
referral service organizations to provide the certificates for  
payment to individuals whom they determine are eligible for

publicly funded child care. 231

For each six-month period a provider of publicly funded child 232  
 care provides publicly funded child day-care to the child of an 233  
 individual given certificates for payment, the individual shall 234  
 provide the provider certificates for days the provider would have 235  
 provided publicly funded child care to the child had the child 236  
 been present. ~~County departments shall specify the maximum number~~ 237  
~~of days providers will be provided certificates of payment for~~ 238  
~~days the provider would have provided publicly funded child care~~ 239  
~~had the child been present.~~ The maximum number of days providers 240  
shall be provided certificates shall not exceed ten days in a 241  
 six-month period during which publicly funded childcare is 242  
 provided to the child regardless of the number of providers that 243  
 provide publicly funded child care to the child during that 244  
 period. 245

**Sec. 5104.341.** (A) Except as provided in division (B) of this 246  
 section, both of the following apply: 247

(1) An eligibility determination made under section 5104.34 248  
 of the Revised Code for publicly funded child care is valid for 249  
 one year; 250

(2) The county department of job and family services shall 251  
~~redetermine~~ adjust the appropriate level of a fee charged under 252  
 division (B) of section 5104.34 of the Revised Code ~~every six~~ 253  
~~months during the one year period, unless if~~ a caretaker parent 254  
~~requests that the fee be reduced due to~~ reports changes in income, 255  
 family size, or both ~~and the county department of job and family~~ 256  
~~services approves the reduction.~~ 257

(B) Division (A) of this section does not apply in either of 258  
 the following circumstances: 259

(1) The publicly funded child care is provided under division 260



(B) (4) of section 5104.35 of the Revised Code;	261
(2) The recipient of the publicly funded child care ceases to be eligible for publicly funded child care.	262 263
<b>Sec. 5104.35.</b> (A) The county department of job and family services shall do all of the following:	264 265
(1) Accept any gift, grant, or other funds from either public or private sources offered unconditionally or under conditions which are, in the judgment of the department, proper and consistent with this chapter and deposit the funds in the county public assistance fund established by section 5101.161 of the Revised Code;	266 267 268 269 270 271
(2) Recruit individuals and groups interested in certification as in-home aides or in developing and operating suitable licensed child day-care centers, type A family day-care homes, or certified type B family day-care homes, especially in areas with high concentrations of recipients of public assistance, and for that purpose provide consultation to interested individuals and groups on request;	272 273 274 275 276 277 278
(3) Inform clients of the availability of child care services;	279 280
(4) Pay to a child day-care center, type A family day-care home, certified type B family day-care home, in-home aide, approved child day camp, licensed preschool program, licensed school child program, or border state child care provider for child care services, the amount provided for in division (B) of section 5104.32 of the Revised Code. If part of the cost of care of a child is paid by the child's parent or any other person, the amount paid shall be subtracted from the amount the <del>county</del> <u>department pays provider is paid</u> .	281 282 283 284 285 286 287 288 289

(5) In accordance with rules adopted pursuant to section 290  
 5104.39 of the Revised Code, provide monthly reports to the 291  
 director of job and family services and the director of budget and 292  
 management regarding expenditures for the purchase of publicly 293  
 funded child care. 294

(B) The county department of job and family services may do 295  
 any of the following: 296

(1) To the extent permitted by federal law, use public child 297  
 care funds to extend the hours of operation of the county 298  
 department to accommodate the needs of working caretaker parents 299  
 and enable those parents to apply for publicly funded child care; 300

(2) In accordance with rules adopted by the director of job 301  
 and family services, request a waiver of the reimbursement ceiling 302  
 established pursuant to section 5104.30 of the Revised Code for 303  
 the purpose of paying a higher rate for publicly funded child care 304  
 based upon the special needs of a child; 305

(3) To the extent permitted by federal law, use state and 306  
 federal funds to pay deposits and other advance payments that a 307  
 provider of child care customarily charges all children who 308  
 receive child care from that provider; 309

(4) To the extent permitted by federal law, pay for up to 310  
 thirty days of child care for a child whose caretaker parent is 311  
 seeking employment, taking part in employment orientation 312  
 activities, or taking part in activities in anticipation of 313  
 enrollment or attendance in an education or training program or 314  
 activity, if the employment or education or training program or 315  
 activity is expected to begin within the thirty-day period. 316

Sec. 5104.39. (A) The director of job and family services 317  
 shall adopt rules in accordance with Chapter 119. of the Revised 318  
 Code establishing a procedure for monitoring the expenditures of 319

county departments of job and family services to ensure that 320  
expenditures do not exceed the available federal and state funds 321  
for publicly funded child care. The department, with the 322  
assistance of the office of budget and management and the child 323  
care advisory council created pursuant to section 5104.08 of the 324  
Revised Code, shall monitor the anticipated future expenditures of 325  
county departments for publicly funded child care and shall 326  
compare those anticipated future expenditures to available federal 327  
and state funds for publicly funded child care. Whenever the 328  
department determines that the anticipated future expenditures of 329  
the county departments will exceed the available federal and state 330  
funds for publicly funded child care, ~~it~~ and the department 331  
reimburses the county departments in accordance with rules adopted 332  
under section 5104.42 of the Revised Code, the department shall 333  
promptly ~~shall~~ notify the county departments and, before the 334  
available state and federal funds are used, the director shall 335  
issue and implement an administrative order that shall specify 336  
both of the following: 337

(1) Priorities for expending the remaining available federal 338  
and state funds for publicly funded child care; 339

(2) Instructions and procedures to be used by the county 340  
departments. 341

(B) The order may do any or all of the following: 342

(1) Suspend enrollment of all new participants in any program 343  
of publicly funded child care; 344

(2) Limit enrollment of new participants to those with 345  
incomes at or below a specified percentage of the federal poverty 346  
line; 347

(3) Disenroll existing participants with income above a 348  
specified percentage of the federal poverty line. 349

(C) Each county department shall comply with the order no 350  
 later than thirty days after it is issued. If the department fails 351  
 to notify the county departments and to implement the reallocation 352  
 priorities specified in the order before the available federal and 353  
 state funds for publicly funded child care are used, the state 354  
 department shall provide sufficient funds to the county 355  
 departments for publicly funded child care to enable each county 356  
 department to pay for all publicly funded child care that was 357  
 provided by providers pursuant to contract prior to the date that 358  
 the county department received notice under this section and the 359  
 state department implemented in that county the priorities. 360

(D) If after issuing an order under this section to suspend 361  
 or limit enrollment of new participants or disenroll existing 362  
 participants the department determines that available state and 363  
 federal funds for publicly funded child care exceed the 364  
 anticipated future expenditures of the county departments, the 365  
 director may issue and implement another administrative order 366  
 increasing income eligibility levels to a specified percentage of 367  
 the federal poverty line. The order shall include instructions and 368  
 procedures to be used by the county departments. Each county 369  
 department shall comply with the order not later than thirty days 370  
 after it is issued. 371

(E) The department of job and family services shall do all of 372  
 the following: 373

(1) Conduct a quarterly evaluation of the program of publicly 374  
 funded child care that is operated pursuant to sections 5104.30 to 375  
 5104.39 of the Revised Code; 376

(2) Prepare reports based upon the evaluations that specify 377  
 for each county the number of participants and amount of 378  
 expenditures; 379

(3) Provide copies of the reports to both houses of the 380

general assembly and, on request, to interested parties. 381

Sec. 5104.42. The director of job and family services shall 382  
 adopt rules pursuant to section 111.15 of the Revised Code 383  
 establishing a payment procedure for publicly funded child care. 384  
 The rules may provide that the department of job and family 385  
 services will ~~either~~ reimburse county departments of job and 386  
 family services for payments made to providers of publicly funded 387  
 child care ~~or~~, make direct payments to providers ~~pursuant to an~~ 388  
~~agreement entered into with a county board of commissioners~~ 389  
~~pursuant to section 5101.21 of the Revised Code, or establish~~ 390  
another system for the payment of publicly funded child care. 391

Alternately, the director, by rule adopted in accordance with 392  
 section 111.15 of the Revised Code, may establish a methodology 393  
 for allocating among the county departments the state and federal 394  
 funds appropriated for all publicly funded child care services. If 395  
 the department chooses to allocate funds for publicly funded child 396  
 care, it may provide the funds to each county department, up to 397  
 the limit of the county's allocation, by advancing the funds or 398  
 reimbursing county care expenditures. The rules adopted under this 399  
 section may prescribe procedures for making the advances or 400  
 reimbursements. The rules may establish a method under which the 401  
 department may determine which county expenditures for child care 402  
 services are allowable for use of and federal funds. 403

The rules may establish procedures that a county department 404  
 shall follow when the county department determines that its 405  
 anticipated future expenditures for publicly funded child care 406  
 services will exceed the amount of state and federal funds 407  
 allocated by the state department. The procedures may include 408  
 suspending or limiting enrollment of new participants." 409

In line 90901, after "5104.041," insert "5104.30, 5104.32, 410

5104.341, 5104.35, 5104.39, 5104.42," 411

In line 146 of the title, after "5104.041," insert "5104.30, 412

5104.32, 5104.341, 5104.35, 5104.39, 5104.42," 413

The motion was \_\_\_\_\_ agreed to.

SYNOPSIS

Publicly Funded Child Care Reimbursements 414

R.C. 5104.30, 5104.32, 5104.341, 5104.35, 5104.39, and 415

5104.42 416

Permits the Director of Job and Family Services to adopt 417

rules that establish a different system for the payment of 418

publicly funded child care. Eliminates the requirement that county 419

departments of job and family services specify the maximum number 420

of days providers of publicly funded child care will be provided 421

certificates of payment for days the provider would have provided 422

publicly funded child care had the child been present. 423

Eliminates the requirement that county departments of job and 424

family services automatically review the fee paid by a caretaker 425

parent for publicly funded child-care every six months, and 426

instead requires county departments of job and family services to 427

adjust the fee if the parent reports changes in income, family 428

size, or both. 429

Am. Sub. H.B. 1  
As Passed by the Senate  
CC-4585  
DEV077

\_\_\_\_\_ moved to amend as follows:

Between lines 104589 and 104590, insert: 1

"Section \_\_\_\_\_. That Section 217.11 of Am. Sub. H.B. 562 of the 127th General Assembly, as amended by Am. Sub. H.B. 2 of the 128th General Assembly, be amended to read as follows: 2  
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**Sec. 217.11. CLEAN OHIO REVITALIZATION** 5

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. 6  
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CLEAN OHIO PROJECT SAVINGS REALLOCATION 17

Notwithstanding division (A) of section 122.658 of the 18

Revised Code, the Director of Development may reallocate moneys 19  
for the purposes of section 122.653 or 122.656 of the Revised Code 20  
if the Department of Development realizes Clean Ohio Fund project 21  
savings attributable to any of the following instances: 22

(A) The completion of any project for less than the amount of 23  
grant funds awarded, subject to the local matching funds 24  
participation requirement; 25

(B) The cancellation of grant awards in which Clean Ohio Fund 26  
moneys have been encumbered for a project but not disbursed, 27  
including those for which a grantee has decided not to proceed 28  
with a project or for which the project term has expired without 29  
substantial project progress; or 30

(C) Any recapture of Clean Ohio Fund moneys due to a 31  
grantee's default or failure to perform the conditions of the 32  
grant agreement. 33

Section \_\_\_\_. That existing Section 217.11 of Am. Sub. H.B. 34  
 562 of the 127th General Assembly, as amended by Am. Sub. H.B. 2 35  
 of the 128th General Assembly, is hereby repealed." 36

In line 263 of the title, delete "Section" and insert 37  
 "Sections 217.11 and" 38

The motion was \_\_\_\_\_ agreed to.

SYNOPSIS

Department of Development 39

Sections \_\_\_\_ and \_\_\_\_ 40

Amends Am. Sub. H.B. 562 of the 127th General Assembly, as 41  
 amended by Am. Sub. H.B. 2 of the 128th General Assembly to 42



permit the Director of Development to reallocate Clean Ohio moneys  
pursuant to section 122.653 or 122.656 of the Revised Code if the  
Department realizes Clean Ohio Fund savings as a result of (1) a  
project's completion for less than the grant amount, subject to  
local matching requirements; (2) the cancellation of encumbered  
but undisbursed grants, including those for which a grantee has  
opted not to proceed or which have expired without substantial  
progress; or (3) any recapture of Clean Ohio moneys due to a  
grantee's default or failure to perform the conditions of the  
grant agreement.

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Am. Sub. H.B. 1  
As Passed by the Senate  
CC-4592

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\_\_\_\_\_ moved to amend as follows:

In line 396, after "4781.07," insert "4905.801," 1

Between lines 72648 and 72649, insert: 2

"Sec. 4905.801. (A) No person shall transport or cause to be 3  
transported any shipment of material that is subject to division 4  
(A) (1) of section 4163.07 of the Revised Code within, into, or 5  
through this state by rail or motor carrier unless the person, at 6  
least four days prior to the date of the shipment, pays to the 7  
public utilities commission the following fees for each shipment: 8

(1) Two thousand five hundred dollars for each shipment by a 9  
motor carrier; 10

(2) Four thousand five hundred dollars for the first cask 11  
designated for transport by rail and three thousand dollars for 12  
each additional cask designated for transport by rail that is 13  
shipped by the same person or entity in the same shipment. 14

(B) (1) This section does not apply to either of the 15  
following: 16

(a) Any shipment of material that is subject to division 17  
(A) (1) of section 4163.07 of the Revised Code by or for the United 18  
States government for military or national defense purposes; 19

(b) Any shipment of material that is subject to division (A) (1) of section 4163.07 of the Revised Code to or from a plant that is owned by the United States department of energy and that is located in this state or to or from entities that operate on land located in this state that is owned or controlled by the United States department of energy or the United States department of defense.

(2) Except as provided in division (B) (1) (a) and (b) of this section, this section applies to all other shipments of any material that is subject to division (A) (1) of section 4163.07 of the Revised Code by or for the United States government to the extent permitted by federal law.

(C) Whoever violates division (A) of this section is liable for a civil penalty in an amount not to exceed ten times the amount of the fee that is due under this section. The attorney general, upon the request of the public utilities commission, shall bring a civil action to collect the penalty. Penalties collected under this section shall be deposited in the state treasury to the credit of the radioactive waste transportation fund created in section 4905.802 of the Revised Code.

(D) If a highway route controlled quantity shipment of a material that is subject to division (A) (1) of section 4163.07 of the Revised Code has been the subject of a United States department of transportation level VI inspection and has passed the inspection, the shipment shall not otherwise be subject to inspection by state or local officials unless such inspection is determined to be necessary by the state highway patrol. The public utilities commission shall establish procedures for the reduction of the fee established in division (A) of this section for such shipments to incorporate police escort services only. The procedures shall require the payment of the fee only after the

police escort has been completed. 51

In line 90898, after "4781.07," insert "4905.801," 52

In line 141 of the title, after "4781.07," insert "4905.801," 53

The motion was \_\_\_\_\_ agreed to.

SYNOPSIS

Radioactive Shipment Inspections 54

R.C. 4905.801 55

Declares that if a shipment of a highway route controlled 56  
quantity of certain radioactive materials that is subject to 57  
certain notification requirements under current law has been the 58  
subject of a United States Department of Transportation Level VI 59  
inspection and has passed the inspection, the shipment is not 60  
otherwise subject to inspection by state or local officials unless 61  
such inspection is determined to be necessary by the State Highway 62  
Patrol; requires the Public Utilities Commission to establish 63  
procedures for the reduction of the fee governing such shipments 64  
to incorporate police escort services only; and provides that the 65  
procedures must require the payment of the fee only after the 66  
police escort has been completed. 67