

As Passed by the House

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Sub. H. B. No. 18

Representative Baker

Cosponsors: Representatives Adams, J., Beck, Blair, Blessing, Boose, Combs, Derickson, Dovilla, Hayes, Henne, Huffman, Pillich, Ruhl, Snitchler, Stinziano, Uecker, Letson, Anielski, Barnes, Bubp, Buchy, Driehaus, Duffey, Garland, Grossman, Hackett, Hagan, C., Hall, Hill, Johnson, Kozlowski, Landis, Lundy, Maag, Martin, McClain, Milkovich, Newbold, Sears, Slaby, Sprague, Terhar, Winburn, Young Speaker Batchelder

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A B I L L

To amend section 166.03 and to enact section 166.31 1
of the Revised Code to authorize grants to an 2
employer that moves operations into a previously 3
vacant facility and increases payroll by hiring 4
and employing employees at the facility. 5

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

Section 1. That section 166.03 be amended and section 166.31 6
of the Revised Code be enacted to read as follows: 7

Sec. 166.03. (A) There is hereby created the facilities 8
establishment fund within the state treasury, consisting of 9
proceeds from the issuance of obligations as specified under 10
section 166.08 of the Revised Code; the moneys received by the 11
state from the sources specified in section 166.09 of the Revised 12
Code; service charges imposed under sections 166.06 and 166.07 of 13
the Revised Code; any grants, gifts, or contributions of moneys 14

received by the director of development to be used for loans made 15
under section 166.07 of the Revised Code or for the payment of the 16
allowable costs of project facilities; and all other moneys 17
appropriated or transferred to the fund. Moneys in the loan 18
guarantee fund in excess of the loan guarantee reserve 19
requirement, but subject to the provisions and requirements of any 20
guarantee contracts, may be transferred to the facilities 21
establishment fund by the treasurer of state upon the order of the 22
director of development. Moneys received by the state under 23
Chapter 122. of the Revised Code, to the extent allocable to the 24
utilization of moneys derived from proceeds of the sale of 25
obligations pursuant to section 166.08 of the Revised Code, shall 26
be credited to the facilities establishment fund. 27

(B) All moneys appropriated or transferred to the facilities 28
establishment fund may be released at the request of the director 29
of development for payment of allowable costs or the making of 30
loans under section 166.07 or the awarding of grants under section 31
166.31 of the Revised Code, for transfer to the loan guarantee 32
fund established in section 166.06 of the Revised Code, or for use 33
for the purpose of or transfer to the funds established by 34
sections 122.35, 122.42, 122.54, 122.55, 122.56, 122.561, 122.57, 35
122.601, and 122.80 of the Revised Code and, until July 1, 2003, 36
the fund established by section 166.031 of the Revised Code, and, 37
until July 1, 2007, the fund established by section 122.26 of the 38
Revised Code, but only for such of those purposes as are within 39
the authorization of Section 13 of Article VIII, Ohio 40
Constitution, in all cases subject to the approval of the 41
controlling board. 42

(C) The department of development, in the administration of 43
the facilities establishment fund, is encouraged to utilize and 44
promote the utilization of, to the maximum practicable extent, the 45
other existing programs, business incentives, and tax incentives 46

that department is required or authorized to administer or 47
supervise. 48

Sec. 166.31. (A) For purposes of this section: 49

(1) "Vacant commercial space" means space that has been 50
unoccupied and available for use in a trade or business for the 51
twelve months immediately preceding the lease or purchase date 52
described in division (B) of this section, located in either of 53
the following: 54

(a) A building, seventy-five per cent or more of the square 55
footage of which has been unoccupied and available for use in a 56
trade or business for the twelve months immediately preceding the 57
initial lease or purchase date described in division (B) of this 58
section; 59

(b) A business park, seventy-five per cent or more of the 60
square footage of which has been unoccupied and available for use 61
in a trade or business for the twelve months immediately preceding 62
the initial lease or purchase date described in division (B) of 63
this section. 64

For the purpose of determining whether a building, the 65
construction of which is not complete, has been unoccupied for the 66
required length of time, the building first becomes "unoccupied" 67
when its construction discontinues as determined by the person who 68
owned the property at that time. 69

(2) "Business park" means two or more buildings located on 70
the same or adjacent parcels held under common ownership. 71

(3) "Building" means a building as defined in section 5701.02 72
of the Revised Code the construction of which is at least 73
eighty-five per cent complete and that may be lawfully occupied. 74

(4) "Qualifying employee" means an employee employed by an 75
employer, provided the employee is employed at the vacant 76

commercial space for at least one year, employment of the employee 77
increases the employer's payroll above the employer's base 78
employment threshold, and the employee had not been employed by 79
the employer within sixty days before the date the employer 80
purchases or enters into a lease for a vacant commercial space. 81

(5) "Base employment threshold" means the total payroll of 82
the employer on the date the employer purchases or enters into a 83
lease for a vacant commercial space. 84

(B) This section does not apply to the federal government, 85
the state, the state's political subdivisions, or nonprofit 86
organizations. 87

An employer required to deduct and withhold income tax from 88
an employee's compensation under section 5747.06 and remit such 89
amounts under section 5747.07 of the Revised Code may apply to the 90
director of development for a grant from the facilities 91
establishment fund, provided that, on or after the effective date 92
of this section as enacted by H.B. 18 of the 129th general 93
assembly, the employer occupies under a lease or purchases vacant 94
commercial space at which the employer employs at least fifty 95
employees or at least fifty per cent of its employees who are 96
employed in this state. An employer may qualify for the grant only 97
once. The amount of the grant awarded under this section shall be 98
five hundred dollars for each qualifying employee. No grant 99
application shall be accepted by the director three years or later 100
after the effective date of this section. 101

The director shall prescribe application materials and 102
explanations. An employer applying for a grant under this section 103
shall submit the following with the employer's application to the 104
director: 105

(1) An affidavit from the person who, in the case of a lease 106
of vacant commercial space, owns the property or, in the case of a 107

purchase, is the most recent owner of the property indicating that 108
the building meets the requirements of a vacant commercial space; 109

(2) Payroll records indicating, for each qualifying employee, 110
that the employee was employed for one year or longer at the 111
vacant commercial space; 112

(3) Quarterly reports of wage information submitted by the 113
employer to the department of job and family services pursuant to 114
section 4141.20 of the Revised Code indicating the employer's 115
qualifying employees and the employer's base employment threshold. 116

Upon receipt of an application, the director shall review the 117
application and attached materials and approve the application if, 118
to the director's satisfaction, the employer fulfills all the 119
grant requirements of this section, and if, in the judgement of 120
the director, the unencumbered balance in the facilities 121
establishment fund is sufficient to fund the amount of the grant. 122
Upon approval of a grant application, the director shall authorize 123
the award of the grant from the facilities establishment fund to 124
the employer. If the director finds that the unencumbered balance 125
in the facilities establishment fund is not sufficient to fund a 126
grant under this section and the grant applicant otherwise 127
qualifies, the director shall forward the application to the 128
director or chief executive of any entity authorized or charged by 129
law to perform job creation and other economic development 130
functions for this state. 131

Upon receipt of the application, the director or chief 132
executive of the entity shall authorize the award of the grant 133
from funds available to that entity from any portion of the 134
unencumbered funds available to the entity that may be used for 135
such purpose. 136

An employer receiving a grant under this section from the 137
facilities establishment fund must use the grant for the 138

acquisition, construction, enlargement, improvement, or equipment, 139
of property, structures, equipment, and facilities used by the 140
employer in business at the vacant commercial space occupied by 141
the employer. 142

(C) An employer may claim a grant under this section with 143
respect to a building, the construction of which is not complete, 144
only if the employer submits both of the following with the 145
employer's application: 146

(1) A copy of a certificate from the appropriate building 147
authority indicating that the building is at least eighty-five per 148
cent complete and that the building may lawfully be occupied; 149

(2) An affidavit from the person who owned the property at 150
the time construction discontinued indicating the date 151
construction discontinued. 152

Section 2. That existing section 166.03 of the Revised Code 153
is hereby repealed. 154