

As Passed by the Senate

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S. B. No. 320

Senator Eklund

**Cosponsors: Senators Seitz, Lehner, Beagle, LaRose, Schaffer, Balderson,
Coley, Faber, Hite, Hughes, Jones, Manning, Obhof, Oelslager, Patton,
Peterson, Sawyer, Schiavoni, Smith, Wagoner, Widener**

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A B I L L

To amend sections 5709.62, 5709.63, and 5709.632 of 1
the Revised Code to extend the time during which 2
local governments may enter into enterprise zone 3
agreements to October 15, 2013. 4

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

Section 1. That sections 5709.62, 5709.63, and 5709.632 of 5
the Revised Code be amended to read as follows: 6

Sec. 5709.62. (A) In any municipal corporation that is 7
defined by the United States office of management and budget as a 8
principal city of a metropolitan statistical area, the legislative 9
authority of the municipal corporation may designate one or more 10
areas within its municipal corporation as proposed enterprise 11
zones. Upon designating an area, the legislative authority shall 12
petition the director of development for certification of the area 13
as having the characteristics set forth in division (A)(1) of 14
section 5709.61 of the Revised Code as amended by Substitute 15
Senate Bill No. 19 of the 120th general assembly. Except as 16
otherwise provided in division (E) of this section, on and after 17

July 1, 1994, legislative authorities shall not enter into 18
agreements under this section unless the legislative authority has 19
petitioned the director and the director has certified the zone 20
under this section as amended by that act; however, all agreements 21
entered into under this section as it existed prior to July 1, 22
1994, and the incentives granted under those agreements shall 23
remain in effect for the period agreed to under those agreements. 24
Within sixty days after receiving such a petition, the director 25
shall determine whether the area has the characteristics set forth 26
in division (A)(1) of section 5709.61 of the Revised Code, and 27
shall forward the findings to the legislative authority of the 28
municipal corporation. If the director certifies the area as 29
having those characteristics, and thereby certifies it as a zone, 30
the legislative authority may enter into an agreement with an 31
enterprise under division (C) of this section. 32

(B) Any enterprise that wishes to enter into an agreement 33
with a municipal corporation under division (C) of this section 34
shall submit a proposal to the legislative authority of the 35
municipal corporation on a form prescribed by the director of 36
development, together with the application fee established under 37
section 5709.68 of the Revised Code. The form shall require the 38
following information: 39

(1) An estimate of the number of new employees whom the 40
enterprise intends to hire, or of the number of employees whom the 41
enterprise intends to retain, within the zone at a facility that 42
is a project site, and an estimate of the amount of payroll of the 43
enterprise attributable to these employees; 44

(2) An estimate of the amount to be invested by the 45
enterprise to establish, expand, renovate, or occupy a facility, 46
including investment in new buildings, additions or improvements 47
to existing buildings, machinery, equipment, furniture, fixtures, 48
and inventory; 49

(3) A listing of the enterprise's current investment, if any, 50
in a facility as of the date of the proposal's submission. 51

The enterprise shall review and update the listings required 52
under this division to reflect material changes, and any agreement 53
entered into under division (C) of this section shall set forth 54
final estimates and listings as of the time the agreement is 55
entered into. The legislative authority may, on a separate form 56
and at any time, require any additional information necessary to 57
determine whether an enterprise is in compliance with an agreement 58
and to collect the information required to be reported under 59
section 5709.68 of the Revised Code. 60

(C) Upon receipt and investigation of a proposal under 61
division (B) of this section, if the legislative authority finds 62
that the enterprise submitting the proposal is qualified by 63
financial responsibility and business experience to create and 64
preserve employment opportunities in the zone and improve the 65
economic climate of the municipal corporation, the legislative 66
authority, on or before October 15, ~~2012~~ 2013, may do one of the 67
following: 68

(1) Enter into an agreement with the enterprise under which 69
the enterprise agrees to establish, expand, renovate, or occupy a 70
facility and hire new employees, or preserve employment 71
opportunities for existing employees, in return for one or more of 72
the following incentives: 73

(a) Exemption for a specified number of years, not to exceed 74
fifteen, of a specified portion, up to seventy-five per cent, of 75
the assessed value of tangible personal property first used in 76
business at the project site as a result of the agreement. If an 77
exemption for inventory is specifically granted in the agreement 78
pursuant to this division, the exemption applies to inventory 79
required to be listed pursuant to sections 5711.15 and 5711.16 of 80
the Revised Code, except that, in the instance of an expansion or 81

other situations in which an enterprise was in business at the 82
facility prior to the establishment of the zone, the inventory 83
that is exempt is that amount or value of inventory in excess of 84
the amount or value of inventory required to be listed in the 85
personal property tax return of the enterprise in the return for 86
the tax year in which the agreement is entered into. 87

(b) Exemption for a specified number of years, not to exceed 88
fifteen, of a specified portion, up to seventy-five per cent, of 89
the increase in the assessed valuation of real property 90
constituting the project site subsequent to formal approval of the 91
agreement by the legislative authority; 92

(c) Provision for a specified number of years, not to exceed 93
fifteen, of any optional services or assistance that the municipal 94
corporation is authorized to provide with regard to the project 95
site. 96

(2) Enter into an agreement under which the enterprise agrees 97
to remediate an environmentally contaminated facility, to spend an 98
amount equal to at least two hundred fifty per cent of the true 99
value in money of the real property of the facility prior to 100
remediation as determined for the purposes of property taxation to 101
establish, expand, renovate, or occupy the remediated facility, 102
and to hire new employees or preserve employment opportunities for 103
existing employees at the remediated facility, in return for one 104
or more of the following incentives: 105

(a) Exemption for a specified number of years, not to exceed 106
fifteen, of a specified portion, not to exceed fifty per cent, of 107
the assessed valuation of the real property of the facility prior 108
to remediation; 109

(b) Exemption for a specified number of years, not to exceed 110
fifteen, of a specified portion, not to exceed one hundred per 111
cent, of the increase in the assessed valuation of the real 112

property of the facility during or after remediation; 113

(c) The incentive under division (C)(1)(a) of this section, 114
except that the percentage of the assessed value of such property 115
exempted from taxation shall not exceed one hundred per cent; 116

(d) The incentive under division (C)(1)(c) of this section. 117

(3) Enter into an agreement with an enterprise that plans to 118
purchase and operate a large manufacturing facility that has 119
ceased operation or announced its intention to cease operation, in 120
return for exemption for a specified number of years, not to 121
exceed fifteen, of a specified portion, up to one hundred per 122
cent, of the assessed value of tangible personal property used in 123
business at the project site as a result of the agreement, or of 124
the assessed valuation of real property constituting the project 125
site, or both. 126

(D)(1) Notwithstanding divisions (C)(1)(a) and (b) of this 127
section, the portion of the assessed value of tangible personal 128
property or of the increase in the assessed valuation of real 129
property exempted from taxation under those divisions may exceed 130
seventy-five per cent in any year for which that portion is 131
exempted if the average percentage exempted for all years in which 132
the agreement is in effect does not exceed sixty per cent, or if 133
the board of education of the city, local, or exempted village 134
school district within the territory of which the property is or 135
will be located approves a percentage in excess of seventy-five 136
per cent. 137

(2) Notwithstanding any provision of the Revised Code to the 138
contrary, the exemptions described in divisions (C)(1)(a), (b), 139
and (c), (C)(2)(a), (b), and (c), and (C)(3) of this section may 140
be for up to fifteen years if the board of education of the city, 141
local, or exempted village school district within the territory of 142
which the property is or will be located approves a number of 143

years in excess of ten. 144

(3) For the purpose of obtaining the approval of a city, 145
local, or exempted village school district under division (D)(1) 146
or (2) of this section, the legislative authority shall deliver to 147
the board of education a notice not later than forty-five days 148
prior to approving the agreement, excluding Saturdays, Sundays, 149
and legal holidays as defined in section 1.14 of the Revised Code. 150
The notice shall state the percentage to be exempted, an estimate 151
of the true value of the property to be exempted, and the number 152
of years the property is to be exempted. The board of education, 153
by resolution adopted by a majority of the board, shall approve or 154
disapprove the agreement and certify a copy of the resolution to 155
the legislative authority not later than fourteen days prior to 156
the date stipulated by the legislative authority as the date upon 157
which approval of the agreement is to be formally considered by 158
the legislative authority. The board of education may include in 159
the resolution conditions under which the board would approve the 160
agreement, including the execution of an agreement to compensate 161
the school district under division (B) of section 5709.82 of the 162
Revised Code. The legislative authority may approve the agreement 163
at any time after the board of education certifies its resolution 164
approving the agreement to the legislative authority, or, if the 165
board approves the agreement conditionally, at any time after the 166
conditions are agreed to by the board and the legislative 167
authority. 168

If a board of education has adopted a resolution waiving its 169
right to approve agreements and the resolution remains in effect, 170
approval of an agreement by the board is not required under this 171
division. If a board of education has adopted a resolution 172
allowing a legislative authority to deliver the notice required 173
under this division fewer than forty-five business days prior to 174
the legislative authority's approval of the agreement, the 175

legislative authority shall deliver the notice to the board not 176
later than the number of days prior to such approval as prescribed 177
by the board in its resolution. If a board of education adopts a 178
resolution waiving its right to approve agreements or shortening 179
the notification period, the board shall certify a copy of the 180
resolution to the legislative authority. If the board of education 181
rescinds such a resolution, it shall certify notice of the 182
rescission to the legislative authority. 183

(4) The legislative authority shall comply with section 184
5709.83 of the Revised Code unless the board of education has 185
adopted a resolution under that section waiving its right to 186
receive such notice. 187

(E) This division applies to zones certified by the director 188
of development under this section prior to July 22, 1994. 189

On or before October 15, ~~2012~~ 2013, the legislative authority 190
that designated a zone to which this division applies may enter 191
into an agreement with an enterprise if the legislative authority 192
finds that the enterprise satisfies one of the criteria described 193
in divisions (E)(1) to (5) of this section: 194

(1) The enterprise currently has no operations in this state 195
and, subject to approval of the agreement, intends to establish 196
operations in the zone; 197

(2) The enterprise currently has operations in this state 198
and, subject to approval of the agreement, intends to establish 199
operations at a new location in the zone that would not result in 200
a reduction in the number of employee positions at any of the 201
enterprise's other locations in this state; 202

(3) The enterprise, subject to approval of the agreement, 203
intends to relocate operations, currently located in another 204
state, to the zone; 205

(4) The enterprise, subject to approval of the agreement, 206

intends to expand operations at an existing site in the zone that 207
the enterprise currently operates; 208

(5) The enterprise, subject to approval of the agreement, 209
intends to relocate operations, currently located in this state, 210
to the zone, and the director of development has issued a waiver 211
for the enterprise under division (B) of section 5709.633 of the 212
Revised Code. 213

The agreement shall require the enterprise to agree to 214
establish, expand, renovate, or occupy a facility in the zone and 215
hire new employees, or preserve employment opportunities for 216
existing employees, in return for one or more of the incentives 217
described in division (C) of this section. 218

(F) All agreements entered into under this section shall be 219
in the form prescribed under section 5709.631 of the Revised Code. 220
After an agreement is entered into under this section, if the 221
legislative authority revokes its designation of a zone, or if the 222
director of development revokes a zone's certification, any 223
entitlements granted under the agreement shall continue for the 224
number of years specified in the agreement. 225

(G) Except as otherwise provided in this division, an 226
agreement entered into under this section shall require that the 227
enterprise pay an annual fee equal to the greater of one per cent 228
of the dollar value of incentives offered under the agreement or 229
five hundred dollars; provided, however, that if the value of the 230
incentives exceeds two hundred fifty thousand dollars, the fee 231
shall not exceed two thousand five hundred dollars. The fee shall 232
be payable to the legislative authority once per year for each 233
year the agreement is effective on the days and in the form 234
specified in the agreement. Fees paid shall be deposited in a 235
special fund created for such purpose by the legislative authority 236
and shall be used by the legislative authority exclusively for the 237
purpose of complying with section 5709.68 of the Revised Code and 238

by the tax incentive review council created under section 5709.85 239
of the Revised Code exclusively for the purposes of performing the 240
duties prescribed under that section. The legislative authority 241
may waive or reduce the amount of the fee charged against an 242
enterprise, but such a waiver or reduction does not affect the 243
obligations of the legislative authority or the tax incentive 244
review council to comply with section 5709.68 or 5709.85 of the 245
Revised Code. 246

(H) When an agreement is entered into pursuant to this 247
section, the legislative authority authorizing the agreement shall 248
forward a copy of the agreement to the director of development and 249
to the tax commissioner within fifteen days after the agreement is 250
entered into. If any agreement includes terms not provided for in 251
section 5709.631 of the Revised Code affecting the revenue of a 252
city, local, or exempted village school district or causing 253
revenue to be forgone by the district, including any compensation 254
to be paid to the school district pursuant to section 5709.82 of 255
the Revised Code, those terms also shall be forwarded in writing 256
to the director of development along with the copy of the 257
agreement forwarded under this division. 258

(I) After an agreement is entered into, the enterprise shall 259
file with each personal property tax return required to be filed, 260
or annual report required to be filed under section 5727.08 of the 261
Revised Code, while the agreement is in effect, an informational 262
return, on a form prescribed by the tax commissioner for that 263
purpose, setting forth separately the property, and related costs 264
and values, exempted from taxation under the agreement. 265

(J) Enterprises may agree to give preference to residents of 266
the zone within which the agreement applies relative to residents 267
of this state who do not reside in the zone when hiring new 268
employees under the agreement. 269

(K) An agreement entered into under this section may include 270

a provision requiring the enterprise to create one or more 271
temporary internship positions for students enrolled in a course 272
of study at a school or other educational institution in the 273
vicinity, and to create a scholarship or provide another form of 274
educational financial assistance for students holding such a 275
position in exchange for the student's commitment to work for the 276
enterprise at the completion of the internship. 277

(L) The tax commissioner's authority in determining the 278
accuracy of any exemption granted by an agreement entered into 279
under this section is limited to divisions (C)(1)(a) and (b), 280
(C)(2)(a), (b), and (c), (C)(3), (D), and (I) of this section and 281
divisions (B)(1) to (10) of section 5709.631 of the Revised Code 282
and, as authorized by law, to enforcing any modification to, or 283
revocation of, that agreement by the legislative authority of a 284
municipal corporation or the director of development. 285

Sec. 5709.63. (A) With the consent of the legislative 286
authority of each affected municipal corporation or of a board of 287
township trustees, a board of county commissioners may, in the 288
manner set forth in section 5709.62 of the Revised Code, designate 289
one or more areas in one or more municipal corporations or in 290
unincorporated areas of the county as proposed enterprise zones. A 291
board of county commissioners may designate no more than one area 292
within a township, or within adjacent townships, as a proposed 293
enterprise zone. The board shall petition the director of 294
development for certification of the area as having the 295
characteristics set forth in division (A)(1) or (2) of section 296
5709.61 of the Revised Code as amended by Substitute Senate Bill 297
No. 19 of the 120th general assembly. Except as otherwise provided 298
in division (D) of this section, on and after July 1, 1994, boards 299
of county commissioners shall not enter into agreements under this 300
section unless the board has petitioned the director and the 301
director has certified the zone under this section as amended by 302

that act; however, all agreements entered into under this section 303
as it existed prior to July 1, 1994, and the incentives granted 304
under those agreements shall remain in effect for the period 305
agreed to under those agreements. The director shall make the 306
determination in the manner provided under section 5709.62 of the 307
Revised Code. 308

Any enterprise wishing to enter into an agreement with the 309
board under division (B) or (D) of this section shall submit a 310
proposal to the board on the form and accompanied by the 311
application fee prescribed under division (B) of section 5709.62 312
of the Revised Code. The enterprise shall review and update the 313
estimates and listings required by the form in the manner required 314
under that division. The board may, on a separate form and at any 315
time, require any additional information necessary to determine 316
whether an enterprise is in compliance with an agreement and to 317
collect the information required to be reported under section 318
5709.68 of the Revised Code. 319

(B) If the board of county commissioners finds that an 320
enterprise submitting a proposal is qualified by financial 321
responsibility and business experience to create and preserve 322
employment opportunities in the zone and to improve the economic 323
climate of the municipal corporation or municipal corporations or 324
the unincorporated areas in which the zone is located and to which 325
the proposal applies, the board, on or before October 15, ~~2012~~ 326
2013, and with the consent of the legislative authority of each 327
affected municipal corporation or of the board of township 328
trustees may do either of the following: 329

(1) Enter into an agreement with the enterprise under which 330
the enterprise agrees to establish, expand, renovate, or occupy a 331
facility in the zone and hire new employees, or preserve 332
employment opportunities for existing employees, in return for the 333
following incentives: 334

(a) When the facility is located in a municipal corporation, 335
the board may enter into an agreement for one or more of the 336
incentives provided in division (C) of section 5709.62 of the 337
Revised Code, subject to division (D) of that section; 338

(b) When the facility is located in an unincorporated area, 339
the board may enter into an agreement for one or more of the 340
following incentives: 341

(i) Exemption for a specified number of years, not to exceed 342
fifteen, of a specified portion, up to sixty per cent, of the 343
assessed value of tangible personal property first used in 344
business at a project site as a result of the agreement. If an 345
exemption for inventory is specifically granted in the agreement 346
pursuant to this division, the exemption applies to inventory 347
required to be listed pursuant to sections 5711.15 and 5711.16 of 348
the Revised Code, except, in the instance of an expansion or other 349
situations in which an enterprise was in business at the facility 350
prior to the establishment of the zone, the inventory that is 351
exempt is that amount or value of inventory in excess of the 352
amount or value of inventory required to be listed in the personal 353
property tax return of the enterprise in the return for the tax 354
year in which the agreement is entered into. 355

(ii) Exemption for a specified number of years, not to exceed 356
fifteen, of a specified portion, up to sixty per cent, of the 357
increase in the assessed valuation of real property constituting 358
the project site subsequent to formal approval of the agreement by 359
the board; 360

(iii) Provision for a specified number of years, not to 361
exceed fifteen, of any optional services or assistance the board 362
is authorized to provide with regard to the project site; 363

(iv) The incentive described in division (C)(2) of section 364
5709.62 of the Revised Code. 365

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

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

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

(c) For the purpose of obtaining the approval of a city, local, or exempted village school district under division (C)(1)(a) or (b) of this section, the board of county commissioners shall deliver to the board of education a notice not later than forty-five days prior to approving the agreement, excluding Saturdays, Sundays, and legal holidays as defined in section 1.14 of the Revised Code. The notice shall state the

percentage to be exempted, an estimate of the true value of the 398
property to be exempted, and the number of years the property is 399
to be exempted. The board of education, by resolution adopted by a 400
majority of the board, shall approve or disapprove the agreement 401
and certify a copy of the resolution to the board of county 402
commissioners not later than fourteen days prior to the date 403
stipulated by the board of county commissioners as the date upon 404
which approval of the agreement is to be formally considered by 405
the board of county commissioners. The board of education may 406
include in the resolution conditions under which the board would 407
approve the agreement, including the execution of an agreement to 408
compensate the school district under division (B) of section 409
5709.82 of the Revised Code. The board of county commissioners may 410
approve the agreement at any time after the board of education 411
certifies its resolution approving the agreement to the board of 412
county commissioners, or, if the board of education approves the 413
agreement conditionally, at any time after the conditions are 414
agreed to by the board of education and the board of county 415
commissioners. 416

If a board of education has adopted a resolution waiving its 417
right to approve agreements and the resolution remains in effect, 418
approval of an agreement by the board of education is not required 419
under division (C) of this section. If a board of education has 420
adopted a resolution allowing a board of county commissioners to 421
deliver the notice required under this division fewer than 422
forty-five business days prior to approval of the agreement by the 423
board of county commissioners, the board of county commissioners 424
shall deliver the notice to the board of education not later than 425
the number of days prior to such approval as prescribed by the 426
board of education in its resolution. If a board of education 427
adopts a resolution waiving its right to approve agreements or 428
shortening the notification period, the board of education shall 429
certify a copy of the resolution to the board of county 430

commissioners. If the board of education rescinds such a 431
resolution, it shall certify notice of the rescission to the board 432
of county commissioners. 433

(2) The board of county commissioners shall comply with 434
section 5709.83 of the Revised Code unless the board of education 435
has adopted a resolution under that section waiving its right to 436
receive such notice. 437

(D) This division applies to zones certified by the director 438
of development under this section prior to July 22, 1994. 439

On or before October 15, ~~2012~~ 2013, and with the consent of 440
the legislative authority of each affected municipal corporation 441
or board of township trustees of each affected township, the board 442
of county commissioners that designated a zone to which this 443
division applies may enter into an agreement with an enterprise if 444
the board finds that the enterprise satisfies one of the criteria 445
described in divisions (D)(1) to (5) of this section: 446

(1) The enterprise currently has no operations in this state 447
and, subject to approval of the agreement, intends to establish 448
operations in the zone; 449

(2) The enterprise currently has operations in this state 450
and, subject to approval of the agreement, intends to establish 451
operations at a new location in the zone that would not result in 452
a reduction in the number of employee positions at any of the 453
enterprise's other locations in this state; 454

(3) The enterprise, subject to approval of the agreement, 455
intends to relocate operations, currently located in another 456
state, to the zone; 457

(4) The enterprise, subject to approval of the agreement, 458
intends to expand operations at an existing site in the zone that 459
the enterprise currently operates; 460

(5) The enterprise, subject to approval of the agreement, 461
intends to relocate operations, currently located in this state, 462
to the zone, and the director of development has issued a waiver 463
for the enterprise under division (B) of section 5709.633 of the 464
Revised Code. 465

The agreement shall require the enterprise to agree to 466
establish, expand, renovate, or occupy a facility in the zone and 467
hire new employees, or preserve employment opportunities for 468
existing employees, in return for one or more of the incentives 469
described in division (B) of this section. 470

(E) All agreements entered into under this section shall be 471
in the form prescribed under section 5709.631 of the Revised Code. 472
After an agreement under this section is entered into, if the 473
board of county commissioners revokes its designation of a zone, 474
or if the director of development revokes a zone's certification, 475
any entitlements granted under the agreement shall continue for 476
the number of years specified in the agreement. 477

(F) Except as otherwise provided in this division, an 478
agreement entered into under this section shall require that the 479
enterprise pay an annual fee equal to the greater of one per cent 480
of the dollar value of incentives offered under the agreement or 481
five hundred dollars; provided, however, that if the value of the 482
incentives exceeds two hundred fifty thousand dollars, the fee 483
shall not exceed two thousand five hundred dollars. The fee shall 484
be payable to the board of county commissioners once per year for 485
each year the agreement is effective on the days and in the form 486
specified in the agreement. Fees paid shall be deposited in a 487
special fund created for such purpose by the board and shall be 488
used by the board exclusively for the purpose of complying with 489
section 5709.68 of the Revised Code and by the tax incentive 490
review council created under section 5709.85 of the Revised Code 491
exclusively for the purposes of performing the duties prescribed 492

under that section. The board may waive or reduce the amount of 493
the fee charged against an enterprise, but such waiver or 494
reduction does not affect the obligations of the board or the tax 495
incentive review council to comply with section 5709.68 or 5709.85 496
of the Revised Code, respectively. 497

(G) With the approval of the legislative authority of a 498
municipal corporation or the board of township trustees of a 499
township in which a zone is designated under division (A) of this 500
section, the board of county commissioners may delegate to that 501
legislative authority or board any powers and duties of the board 502
of county commissioners to negotiate and administer agreements 503
with regard to that zone under this section. 504

(H) When an agreement is entered into pursuant to this 505
section, the board of county commissioners authorizing the 506
agreement or the legislative authority or board of township 507
trustees that negotiates and administers the agreement shall 508
forward a copy of the agreement to the director of development and 509
to the tax commissioner within fifteen days after the agreement is 510
entered into. If any agreement includes terms not provided for in 511
section 5709.631 of the Revised Code affecting the revenue of a 512
city, local, or exempted village school district or causing 513
revenue to be foregone by the district, including any compensation 514
to be paid to the school district pursuant to section 5709.82 of 515
the Revised Code, those terms also shall be forwarded in writing 516
to the director of development along with the copy of the 517
agreement forwarded under this division. 518

(I) After an agreement is entered into, the enterprise shall 519
file with each personal property tax return required to be filed, 520
or annual report that is required to be filed under section 521
5727.08 of the Revised Code, while the agreement is in effect, an 522
informational return, on a form prescribed by the tax commissioner 523
for that purpose, setting forth separately the property, and 524

related costs and values, exempted from taxation under the 525
agreement. 526

(J) Enterprises may agree to give preference to residents of 527
the zone within which the agreement applies relative to residents 528
of this state who do not reside in the zone when hiring new 529
employees under the agreement. 530

(K) An agreement entered into under this section may include 531
a provision requiring the enterprise to create one or more 532
temporary internship positions for students enrolled in a course 533
of study at a school or other educational institution in the 534
vicinity, and to create a scholarship or provide another form of 535
educational financial assistance for students holding such a 536
position in exchange for the student's commitment to work for the 537
enterprise at the completion of the internship. 538

(L) The tax commissioner's authority in determining the 539
accuracy of any exemption granted by an agreement entered into 540
under this section is limited to divisions (B)(1)(b)(i) and (ii), 541
(B)(2), (C), and (I) of this section, division (B)(1)(b)(iv) of 542
this section as it pertains to divisions (C)(2)(a), (b), and (c) 543
of section 5709.62 of the Revised Code, and divisions (B)(1) to 544
(10) of section 5709.631 of the Revised Code and, as authorized by 545
law, to enforcing any modification to, or revocation of, that 546
agreement by the board of county commissioners or the director of 547
development or, if the board's powers and duties are delegated 548
under division (G) of this section, by the legislative authority 549
of a municipal corporation or board of township trustees. 550

Sec. 5709.632. (A)(1) The legislative authority of a 551
municipal corporation defined by the United States office of 552
management and budget as a principal city of a metropolitan 553
statistical area may, in the manner set forth in section 5709.62 554
of the Revised Code, designate one or more areas in the municipal 555

corporation as a proposed enterprise zone. 556

(2) With the consent of the legislative authority of each 557
affected municipal corporation or of a board of township trustees, 558
a board of county commissioners may, in the manner set forth in 559
section 5709.62 of the Revised Code, designate one or more areas 560
in one or more municipal corporations or in unincorporated areas 561
of the county as proposed urban jobs and enterprise zones, except 562
that a board of county commissioners may designate no more than 563
one area within a township, or within adjacent townships, as a 564
proposed urban jobs and enterprise zone. 565

(3) The legislative authority or board of county 566
commissioners may petition the director of development for 567
certification of the area as having the characteristics set forth 568
in division (A)(3) of section 5709.61 of the Revised Code. Within 569
sixty days after receiving such a petition, the director shall 570
determine whether the area has the characteristics set forth in 571
that division and forward the findings to the legislative 572
authority or board of county commissioners. If the director 573
certifies the area as having those characteristics and thereby 574
certifies it as a zone, the legislative authority or board may 575
enter into agreements with enterprises under division (B) of this 576
section. Any enterprise wishing to enter into an agreement with a 577
legislative authority or board of county commissioners under this 578
section and satisfying one of the criteria described in divisions 579
(B)(1) to (5) of this section shall submit a proposal to the 580
legislative authority or board on the form prescribed under 581
division (B) of section 5709.62 of the Revised Code and shall 582
review and update the estimates and listings required by the form 583
in the manner required under that division. The legislative 584
authority or board may, on a separate form and at any time, 585
require any additional information necessary to determine whether 586
an enterprise is in compliance with an agreement and to collect 587

the information required to be reported under section 5709.68 of 588
the Revised Code. 589

(B) Prior to entering into an agreement with an enterprise, 590
the legislative authority or board of county commissioners shall 591
determine whether the enterprise submitting the proposal is 592
qualified by financial responsibility and business experience to 593
create and preserve employment opportunities in the zone and to 594
improve the economic climate of the municipal corporation or 595
municipal corporations or the unincorporated areas in which the 596
zone is located and to which the proposal applies, and whether the 597
enterprise satisfies one of the following criteria: 598

(1) The enterprise currently has no operations in this state 599
and, subject to approval of the agreement, intends to establish 600
operations in the zone; 601

(2) The enterprise currently has operations in this state 602
and, subject to approval of the agreement, intends to establish 603
operations at a new location in the zone that would not result in 604
a reduction in the number of employee positions at any of the 605
enterprise's other locations in this state; 606

(3) The enterprise, subject to approval of the agreement, 607
intends to relocate operations, currently located in another 608
state, to the zone; 609

(4) The enterprise, subject to approval of the agreement, 610
intends to expand operations at an existing site in the zone that 611
the enterprise currently operates; 612

(5) The enterprise, subject to approval of the agreement, 613
intends to relocate operations, currently located in this state, 614
to the zone, and the director of development has issued a waiver 615
for the enterprise under division (B) of section 5709.633 of the 616
Revised Code. 617

(C) If the legislative authority or board determines that the 618

enterprise is so qualified and satisfies one of the criteria 619
described in divisions (B)(1) to (5) of this section, the 620
legislative authority or board may, after complying with section 621
5709.83 of the Revised Code and on or before October 15, ~~2012~~ 622
2013, and, in the case of a board of commissioners, with the 623
consent of the legislative authority of each affected municipal 624
corporation or of the board of township trustees, enter into an 625
agreement with the enterprise under which the enterprise agrees to 626
establish, expand, renovate, or occupy a facility in the zone and 627
hire new employees, or preserve employment opportunities for 628
existing employees, in return for the following incentives: 629

(1) When the facility is located in a municipal corporation, 630
a legislative authority or board of commissioners may enter into 631
an agreement for one or more of the incentives provided in 632
division (C) of section 5709.62 of the Revised Code, subject to 633
division (D) of that section; 634

(2) When the facility is located in an unincorporated area, a 635
board of commissioners may enter into an agreement for one or more 636
of the incentives provided in divisions (B)(1)(b), (B)(2), and 637
(B)(3) of section 5709.63 of the Revised Code, subject to division 638
(C) of that section. 639

(D) All agreements entered into under this section shall be 640
in the form prescribed under section 5709.631 of the Revised Code. 641
After an agreement under this section is entered into, if the 642
legislative authority or board of county commissioners revokes its 643
designation of the zone, or if the director of development revokes 644
the zone's certification, any entitlements granted under the 645
agreement shall continue for the number of years specified in the 646
agreement. 647

(E) Except as otherwise provided in this division, an 648
agreement entered into under this section shall require that the 649
enterprise pay an annual fee equal to the greater of one per cent 650

of the dollar value of incentives offered under the agreement or 651
five hundred dollars; provided, however, that if the value of the 652
incentives exceeds two hundred fifty thousand dollars, the fee 653
shall not exceed two thousand five hundred dollars. The fee shall 654
be payable to the legislative authority or board of commissioners 655
once per year for each year the agreement is effective on the days 656
and in the form specified in the agreement. Fees paid shall be 657
deposited in a special fund created for such purpose by the 658
legislative authority or board and shall be used by the 659
legislative authority or board exclusively for the purpose of 660
complying with section 5709.68 of the Revised Code and by the tax 661
incentive review council created under section 5709.85 of the 662
Revised Code exclusively for the purposes of performing the duties 663
prescribed under that section. The legislative authority or board 664
may waive or reduce the amount of the fee charged against an 665
enterprise, but such waiver or reduction does not affect the 666
obligations of the legislative authority or board or the tax 667
incentive review council to comply with section 5709.68 or 5709.85 668
of the Revised Code, respectively. 669

(F) With the approval of the legislative authority of a 670
municipal corporation or the board of township trustees of a 671
township in which a zone is designated under division (A)(2) of 672
this section, the board of county commissioners may delegate to 673
that legislative authority or board any powers and duties of the 674
board to negotiate and administer agreements with regard to that 675
zone under this section. 676

(G) When an agreement is entered into pursuant to this 677
section, the legislative authority or board of commissioners 678
authorizing the agreement shall forward a copy of the agreement to 679
the director of development and to the tax commissioner within 680
fifteen days after the agreement is entered into. If any agreement 681
includes terms not provided for in section 5709.631 of the Revised 682

Code affecting the revenue of a city, local, or exempted village 683
school district or causing revenue to be forgone by the district, 684
including any compensation to be paid to the school district 685
pursuant to section 5709.82 of the Revised Code, those terms also 686
shall be forwarded in writing to the director of development along 687
with the copy of the agreement forwarded under this division. 688

(H) After an agreement is entered into, the enterprise shall 689
file with each personal property tax return required to be filed 690
while the agreement is in effect, an informational return, on a 691
form prescribed by the tax commissioner for that purpose, setting 692
forth separately the property, and related costs and values, 693
exempted from taxation under the agreement. 694

(I) An agreement entered into under this section may include 695
a provision requiring the enterprise to create one or more 696
temporary internship positions for students enrolled in a course 697
of study at a school or other educational institution in the 698
vicinity, and to create a scholarship or provide another form of 699
educational financial assistance for students holding such a 700
position in exchange for the student's commitment to work for the 701
enterprise at the completion of the internship. 702

Section 2. That existing sections 5709.62, 5709.63, and 703
5709.632 of the Revised Code are hereby repealed. 704