

129HB153-SC4593/MW

Sub. H.B. 153  
As Pending in S. Finance  
LSC 129 1066-6  
SC-4593

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

In line 578, after "5709.084," insert "5709.40, 5709.41,  
5709.42,"; after "5709.632," insert "5709.73, 5709.78,"

Between lines 117955 and 117956, insert:

"Sec. 5709.40. (A) As used in this section:

(1) "Blighted area" and "impacted city" have the same  
meanings as in section 1728.01 of the Revised Code.

(2) "Business day" means a day of the week excluding  
Saturday, Sunday, and a legal holiday as defined under section  
1.14 of the Revised Code.

(3) "Housing renovation" means a project carried out for  
residential purposes.

(4) "Improvement" means the increase in the assessed value of  
any real property that would first appear on the tax list and  
duplicate of real and public utility property after the effective  
date of an ordinance adopted under this section were it not for  
the exemption granted by that ordinance.

(5) "Incentive district" means an area not more than three  
hundred acres in size enclosed by a continuous boundary in which a  
project is being, or will be, undertaken and having one or more of

the following distress characteristics:

- 20
- (a) At least fifty-one per cent of the residents of the 21  
 district have incomes of less than eighty per cent of the median 22  
 income of residents of the political subdivision in which the 23  
 district is located, as determined in the same manner specified 24  
 under section 119(b) of the "Housing and Community Development Act 25  
 of 1974," 88 Stat. 633, 42 U.S.C. 5318, as amended; 26
- (b) The average rate of unemployment in the district during 27  
 the most recent twelve-month period for which data are available 28  
 is equal to at least one hundred fifty per cent of the average 29  
 rate of unemployment for this state for the same period. 30
- (c) At least twenty per cent of the people residing in the 31  
 district live at or below the poverty level as defined in the 32  
 federal Housing and Community Development Act of 1974, 42 U.S.C. 33  
 5301, as amended, and regulations adopted pursuant to that act. 34
- (d) The district is a blighted area. 35
- (e) The district is in a situational distress area as 36  
 designated by the director of development under division (F) of 37  
 section 122.23 of the Revised Code. 38
- (f) As certified by the engineer for the political 39  
 subdivision, the public infrastructure serving the district is 40  
 inadequate to meet the development needs of the district as 41  
 evidenced by a written economic development plan or urban renewal 42  
 plan for the district that has been adopted by the legislative 43  
 authority of the subdivision. 44
- (g) The district is comprised entirely of unimproved land 45  
 that is located in a distressed area as defined in section 122.23 46  
 of the Revised Code. 47
- (6) "Project" means development activities undertaken on one 48  
 or more parcels, including, but not limited to, construction, 49

expansion, and alteration of buildings or structures, demolition, 50  
 remediation, and site development, and any building or structure 51  
 that results from those activities. 52

(7) "Public infrastructure improvement" includes, but is not 53  
 limited to, public roads and highways; water and sewer lines; 54  
 environmental remediation; land acquisition, including acquisition 55  
 in aid of industry, commerce, distribution, or research; 56  
 demolition, including demolition on private property when 57  
 determined to be necessary for economic development purposes; 58  
 stormwater and flood remediation projects, including such projects 59  
 on private property when determined to be necessary for public 60  
 health, safety, and welfare; the provision of gas, electric, and 61  
 communications service facilities; and the enhancement of public 62  
 waterways through improvements that allow for greater public 63  
 access. 64

(B) The legislative authority of a municipal corporation, by 65  
 ordinance, may declare improvements to certain parcels of real 66  
 property located in the municipal corporation to be a public 67  
 purpose. Improvements with respect to a parcel that is used or to 68  
 be used for residential purposes may be declared a public purpose 69  
 under this division only if the parcel is located in a blighted 70  
 area of an impacted city. Except with the approval under division 71  
 (D) of this section of the board of education of each city, local, 72  
~~or~~ exempted village, and joint vocational school district within 73  
 which the improvements are located, not more than seventy-five per 74  
 cent of an improvement thus declared to be a public purpose may be 75  
 exempted from real property taxation for a period of not more than 76  
 ten years. The ordinance shall specify the percentage of the 77  
 improvement to be exempted from taxation and the life of the 78  
 exemption. 79

An ordinance adopted or amended under this division shall 80

designate the specific public infrastructure improvements made, to  
be made, or in the process of being made by the municipal  
corporation that directly benefit, or that once made will directly  
benefit, the parcels for which improvements are declared to be a  
public purpose. The service payments provided for in section  
5709.42 of the Revised Code shall be used to finance the public  
infrastructure improvements designated in the ordinance, for the  
purpose described in division (D) (1) of this section or as  
provided in section 5709.43 of the Revised Code.

(C) (1) The legislative authority of a municipal corporation  
may adopt an ordinance creating an incentive district and  
declaring improvements to parcels within the district to be a  
public purpose and, except as provided in division (F) of this  
section, exempt from taxation as provided in this section, but no  
legislative authority of a municipal corporation that has a  
population that exceeds twenty-five thousand, as shown by the most  
recent federal decennial census, shall adopt an ordinance that  
creates an incentive district if the sum of the taxable value of  
real property in the proposed district for the preceding tax year  
and the taxable value of all real property in the municipal  
corporation that would have been taxable in the preceding year  
were it not for the fact that the property was in an existing  
incentive district and therefore exempt from taxation exceeds  
twenty-five per cent of the taxable value of real property in the  
municipal corporation for the preceding tax year. The ordinance  
shall delineate the boundary of the district and specifically  
identify each parcel within the district. A district may not  
include any parcel that is or has been exempted from taxation  
under division (B) of this section or that is or has been within  
another district created under this division. An ordinance may  
create more than one such district, and more than one ordinance  
may be adopted under division (C) (1) of this section.

(2) Not later than thirty days prior to adopting an ordinance 113  
 under division (C) (1) of this section, if the municipal 114  
 corporation intends to apply for exemptions from taxation under 115  
 section 5709.911 of the Revised Code on behalf of owners of real 116  
 property located within the proposed incentive district, the 117  
 legislative authority of a municipal corporation shall conduct a 118  
 public hearing on the proposed ordinance. Not later than thirty 119  
 days prior to the public hearing, the legislative authority shall 120  
 give notice of the public hearing and the proposed ordinance by 121  
 first class mail to every real property owner whose property is 122  
 located within the boundaries of the proposed incentive district 123  
 that is the subject of the proposed ordinance. 124

(3) (a) An ordinance adopted under division (C) (1) of this 125  
 section shall specify the life of the incentive district and the 126  
 percentage of the improvements to be exempted, shall designate the 127  
 public infrastructure improvements made, to be made, or in the 128  
 process of being made, that benefit or serve, or, once made, will 129  
 benefit or serve parcels in the district. The ordinance also shall 130  
 identify one or more specific projects being, or to be, undertaken 131  
 in the district that place additional demand on the public 132  
 infrastructure improvements designated in the ordinance. The 133  
 project identified may, but need not be, the project under 134  
 division (C) (3) (b) of this section that places real property in 135  
 use for commercial or industrial purposes. Except as otherwise 136  
 permitted under that division, the service payments provided for 137  
 in section 5709.42 of the Revised Code shall be used to finance 138  
 the designated public infrastructure improvements, for the purpose 139  
 described in division (D) (1) or (E) of this section, or as 140  
 provided in section 5709.43 of the Revised Code. 141

An ordinance adopted under division (C) (1) of this section on 142  
 or after ~~the effective date of this amendment~~ March 30, 2006, 143

shall not designate police or fire equipment as public 144  
 infrastructure improvements, and no service payment provided for 145  
 in section 5709.42 of the Revised Code and received by the 146  
 municipal corporation under the ordinance shall be used for police 147  
 or fire equipment. 148

(b) An ordinance adopted under division (C) (1) of this 149  
 section may authorize the use of service payments provided for in 150  
 section 5709.42 of the Revised Code for the purpose of housing 151  
 renovations within the incentive district, provided that the 152  
 ordinance also designates public infrastructure improvements that 153  
 benefit or serve the district, and that a project within the 154  
 district places real property in use for commercial or industrial 155  
 purposes. Service payments may be used to finance or support 156  
 loans, deferred loans, and grants to persons for the purpose of 157  
 housing renovations within the district. The ordinance shall 158  
 designate the parcels within the district that are eligible for 159  
 housing renovation. The ordinance shall state separately the 160  
 amounts or the percentages of the expected aggregate service 161  
 payments that are designated for each public infrastructure 162  
 improvement and for the general purpose of housing renovations. 163

(4) Except with the approval of the board of education of 164  
 each city, local, ~~or~~ exempted village, and joint vocational school 165  
 district within the territory of which the incentive district is 166  
 or will be located, and subject to division (E) of this section, 167  
 the life of an incentive district shall not exceed ten years, and 168  
 the percentage of improvements to be exempted shall not exceed 169  
 seventy-five per cent. With approval of the board of education, 170  
 the life of a district may be not more than thirty years, and the 171  
 percentage of improvements to be exempted may be not more than one 172  
 hundred per cent. The approval of a board of education shall be 173  
 obtained in the manner provided in division (D) of this section. 174

(D) (1) If the ordinance declaring improvements to a parcel to be a public purpose or creating an incentive district specifies that payments in lieu of taxes provided for in section 5709.42 of the Revised Code shall be paid to the city, local, ~~or~~ exempted village, or joint vocational school district in which the parcel or incentive district is located in the amount of the taxes that would have been payable to the school district if the improvements had not been exempted from taxation, the percentage of the improvement that may be exempted from taxation may exceed seventy-five per cent, and the exemption may be granted for up to thirty years, without the approval of the board of education as otherwise required under division (D) (2) of this section.

(2) Improvements with respect to a parcel may be exempted from taxation under division (B) of this section, and improvements to parcels within an incentive district may be exempted from taxation under division (C) of this section, for up to ten years or, with the approval under this paragraph of the board of education of the city, local, ~~or~~ exempted village, and joint vocational school district within which the parcel or district is located, for up to thirty years. The percentage of the improvement exempted from taxation may, with such approval, exceed seventy-five per cent, but shall not exceed one hundred per cent. Not later than forty-five business days prior to adopting an ordinance under this section declaring improvements to be a public purpose that is subject to approval by a board of education under this division, the legislative authority shall deliver to the board of education a notice stating its intent to adopt an ordinance making that declaration. The notice regarding improvements with respect to a parcel under division (B) of this section shall identify the parcels for which improvements are to be exempted from taxation, provide an estimate of the true value in money of the improvements, specify the period for which the

improvements would be exempted from taxation and the percentage of 207  
the improvement that would be exempted, and indicate the date on 208  
which the legislative authority intends to adopt the ordinance. 209  
The notice regarding improvements to parcels within an incentive 210  
district under division (C) of this section shall delineate the 211  
boundaries of the district, specifically identify each parcel 212  
within the district, identify each anticipated improvement in the 213  
district, provide an estimate of the true value in money of each 214  
such improvement, specify the life of the district and the 215  
percentage of improvements that would be exempted, and indicate 216  
the date on which the legislative authority intends to adopt the 217  
ordinance. The board of education, by resolution adopted by a 218  
majority of the board, may approve the exemption for the period or 219  
for the exemption percentage specified in the notice; may 220  
disapprove the exemption for the number of years in excess of ten, 221  
may disapprove the exemption for the percentage of the improvement 222  
to be exempted in excess of seventy-five per cent, or both; or may 223  
approve the exemption on the condition that the legislative 224  
authority and the board negotiate an agreement providing for 225  
compensation to the school district equal in value to a percentage 226  
of the amount of taxes exempted in the eleventh and subsequent 227  
years of the exemption period or, in the case of exemption 228  
percentages in excess of seventy-five per cent, compensation equal 229  
in value to a percentage of the taxes that would be payable on the 230  
portion of the improvement in excess of seventy-five per cent were 231  
that portion to be subject to taxation, or other mutually 232  
agreeable compensation. 233

(3) The board of education shall certify its resolution to 234  
the legislative authority not later than fourteen days prior to 235  
the date the legislative authority intends to adopt the ordinance 236  
as indicated in the notice. If the board of education and the 237  
legislative authority negotiate a mutually acceptable compensation 238



agreement, the ordinance may declare the improvements a public  
purpose for the number of years specified in the ordinance or, in  
the case of exemption percentages in excess of seventy-five per  
cent, for the exemption percentage specified in the ordinance. In  
either case, if the board and the legislative authority fail to  
negotiate a mutually acceptable compensation agreement, the  
ordinance may declare the improvements a public purpose for not  
more than ten years, and shall not exempt more than seventy-five  
per cent of the improvements from taxation. If the board fails to  
certify a resolution to the legislative authority within the time  
prescribed by this division, the legislative authority thereupon  
may adopt the ordinance and may declare the improvements a public  
purpose for up to thirty years, or, in the case of exemption  
percentages proposed in excess of seventy-five per cent, for the  
exemption percentage specified in the ordinance. The legislative  
authority may adopt the ordinance at any time after the board of  
education certifies its resolution approving the exemption to the  
legislative authority, or, if the board approves the exemption on  
the condition that a mutually acceptable compensation agreement be  
negotiated, at any time after the compensation agreement is agreed  
to by the board and the legislative authority.

(4) If a board of education has adopted a resolution waiving  
its right to approve exemptions from taxation under this section  
and the resolution remains in effect, approval of exemptions by  
the board is not required under division (D) of this section. If a  
board of education has adopted a resolution allowing a legislative  
authority to deliver the notice required under division (D) of  
this section fewer than forty-five business days prior to the  
legislative authority's adoption of the ordinance, the legislative  
authority shall deliver the notice to the board not later than the  
number of days prior to such adoption as prescribed by the board  
in its resolution. If a board of education adopts a resolution

waiving its right to approve agreements or shortening the 271  
notification period, the board shall certify a copy of the 272  
resolution to the legislative authority. If the board of education 273  
rescinds such a resolution, it shall certify notice of the 274  
rescission to the legislative authority. 275

(5) If the legislative authority is not required by division 276  
(D) of this section to notify the board of education of the 277  
legislative authority's intent to declare improvements to be a 278  
public purpose, the legislative authority shall comply with the 279  
notice requirements imposed under section 5709.83 of the Revised 280  
Code, unless the board has adopted a resolution under that section 281  
waiving its right to receive such a notice. 282

(E) (1) If a proposed ordinance under division (C) (1) of this 283  
section exempts improvements with respect to a parcel within an 284  
incentive district for more than ten years, or the percentage of 285  
the improvement exempted from taxation exceeds seventy-five per 286  
cent, not later than forty-five business days prior to adopting 287  
the ordinance the legislative authority of the municipal 288  
corporation shall deliver to the board of county commissioners of 289  
the county within which the incentive district will be located a 290  
notice that states its intent to adopt an ordinance creating an 291  
incentive district. The notice shall include a copy of the 292  
proposed ordinance, identify the parcels for which improvements 293  
are to be exempted from taxation, provide an estimate of the true 294  
value in money of the improvements, specify the period of time for 295  
which the improvements would be exempted from taxation, specify 296  
the percentage of the improvements that would be exempted from 297  
taxation, and indicate the date on which the legislative authority 298  
intends to adopt the ordinance. 299

(2) The board of county commissioners, by resolution adopted 300  
by a majority of the board, may object to the exemption for the 301

number of years in excess of ten, may object to the exemption for  
the percentage of the improvement to be exempted in excess of  
seventy-five per cent, or both. If the board of county  
commissioners objects, the board may negotiate a mutually  
acceptable compensation agreement with the legislative authority.  
In no case shall the compensation provided to the board exceed the  
property taxes ~~foregone~~ forgone due to the exemption. If the board  
of county commissioners objects, and the board and legislative  
authority fail to negotiate a mutually acceptable compensation  
agreement, the ordinance adopted under division (C)(1) of this  
section shall provide to the board compensation in the eleventh  
and subsequent years of the exemption period equal in value to not  
more than fifty per cent of the taxes that would be payable to the  
county or, if the board's objection includes an objection to an  
exemption percentage in excess of seventy-five per cent,  
compensation equal in value to not more than fifty per cent of the  
taxes that would be payable to the county, on the portion of the  
improvement in excess of seventy-five per cent, were that portion  
to be subject to taxation. The board of county commissioners shall  
certify its resolution to the legislative authority not later than  
thirty days after receipt of the notice.

(3) If the board of county commissioners does not object or  
fails to certify its resolution objecting to an exemption within  
thirty days after receipt of the notice, the legislative authority  
may adopt the ordinance, and no compensation shall be provided to  
the board of county commissioners. If the board timely certifies  
its resolution objecting to the ordinance, the legislative  
authority may adopt the ordinance at any time after a mutually  
acceptable compensation agreement is agreed to by the board and  
the legislative authority, or, if no compensation agreement is  
negotiated, at any time after the legislative authority agrees in  
the proposed ordinance to provide compensation to the board of

fifty per cent of the taxes that would be payable to the county in 334  
the eleventh and subsequent years of the exemption period or on 335  
the portion of the improvement in excess of seventy-five per cent, 336  
were that portion to be subject to taxation. 337

(F) Service payments in lieu of taxes that are attributable 338  
to any amount by which the effective tax rate of either a renewal 339  
levy with an increase or a replacement levy exceeds the effective 340  
tax rate of the levy renewed or replaced, or that are attributable 341  
to an additional levy, for a levy authorized by the voters for any 342  
of the following purposes on or after January 1, 2006, and which 343  
are provided pursuant to an ordinance creating an incentive 344  
district under division (C) (1) of this section that is adopted on 345  
or after January 1, 2006, shall be distributed to the appropriate 346  
taxing authority as required under division (C) of section 5709.42 347  
of the Revised Code in an amount equal to the amount of taxes from 348  
that additional levy or from the increase in the effective tax 349  
rate of such renewal or replacement levy that would have been 350  
payable to that taxing authority from the following levies were it 351  
not for the exemption authorized under division (C) of this 352  
section: 353

(1) A tax levied under division (L) of section 5705.19 or 354  
section 5705.191 of the Revised Code for community mental 355  
retardation and developmental disabilities programs and services 356  
pursuant to Chapter 5126. of the Revised Code; 357

(2) A tax levied under division (Y) of section 5705.19 of the 358  
Revised Code for providing or maintaining senior citizens services 359  
or facilities; 360

(3) A tax levied under section 5705.22 of the Revised Code 361  
for county hospitals; 362

(4) A tax levied by a joint-county district or by a county 363  
under section 5705.19, 5705.191, or 5705.221 of the Revised Code 364

for alcohol, drug addiction, and mental health services or facilities;	365 366
(5) A tax levied under section 5705.23 of the Revised Code for library purposes;	367 368
(6) A tax levied under section 5705.24 of the Revised Code for the support of children services and the placement and care of children;	369 370 371
(7) A tax levied under division (Z) of section 5705.19 of the Revised Code for the provision and maintenance of zoological park services and facilities under section 307.76 of the Revised Code;	372 373 374
(8) A tax levied under section 511.27 or division (H) of section 5705.19 of the Revised Code for the support of township park districts;	375 376 377
(9) A tax levied under division (A), (F), or (H) of section 5705.19 of the Revised Code for parks and recreational purposes of a joint recreation district organized pursuant to division (B) of section 755.14 of the Revised Code;	378 379 380 381
(10) A tax levied under section 1545.20 or 1545.21 of the Revised Code for park district purposes;	382 383
(11) A tax levied under section 5705.191 of the Revised Code for the purpose of making appropriations for public assistance; human or social services; public relief; public welfare; public health and hospitalization; and support of general hospitals;	384 385 386 387
(12) A tax levied under section 3709.29 of the Revised Code for a general health district program.	388 389
(G) An exemption from taxation granted under this section commences with the tax year specified in the ordinance so long as the year specified in the ordinance commences after the effective date of the ordinance. If the ordinance specifies a year	390 391 392 393

commencing before the effective date of the resolution or 394  
specifies no year whatsoever, the exemption commences with the tax 395  
year in which an exempted improvement first appears on the tax 396  
list and duplicate of real and public utility property and that 397  
commences after the effective date of the ordinance. Except as 398  
otherwise provided in this division, the exemption ends on the 399  
date specified in the ordinance as the date the improvement ceases 400  
to be a public purpose or the incentive district expires, or ends 401  
on the date on which the public infrastructure improvements and 402  
housing renovations are paid in full from the municipal public 403  
improvement tax increment equivalent fund established under 404  
division (A) of section 5709.43 of the Revised Code, whichever 405  
occurs first. The exemption of an improvement with respect to a 406  
parcel or within an incentive district may end on a later date, as 407  
specified in the ordinance, if the legislative authority and the 408  
board of education of the city, local, ~~ex~~ exempted village, or 409  
joint vocational school district within which the parcel or 410  
district is located have entered into a compensation agreement 411  
under section 5709.82 of the Revised Code with respect to the 412  
improvement, and the board of education has approved the term of 413  
the exemption under division (D) (2) of this section, but in no 414  
case shall the improvement be exempted from taxation for more than 415  
thirty years. Exemptions shall be claimed and allowed in the same 416  
manner as in the case of other real property exemptions. If an 417  
exemption status changes during a year, the procedure for the 418  
apportionment of the taxes for that year is the same as in the 419  
case of other changes in tax exemption status during the year. 420

(H) Additional municipal financing of public infrastructure 421  
improvements and housing renovations may be provided by any 422  
methods that the municipal corporation may otherwise use for 423  
financing such improvements or renovations. If the municipal 424  
corporation issues bonds or notes to finance the public 425

infrastructure improvements and housing renovations and pledges 426  
 money from the municipal public improvement tax increment 427  
 equivalent fund to pay the interest on and principal of the bonds 428  
 or notes, the bonds or notes are not subject to Chapter 133. of 429  
 the Revised Code. 430

(I) The municipal corporation, not later than fifteen days 431  
 after the adoption of an ordinance under this section, shall 432  
 submit to the director of development a copy of the ordinance. On 433  
 or before the thirty-first day of March of each year, the 434  
 municipal corporation shall submit a status report to the director 435  
 of development. The report shall indicate, in the manner 436  
 prescribed by the director, the progress of the project during 437  
 each year that an exemption remains in effect, including a summary 438  
 of the receipts from service payments in lieu of taxes; 439  
 expenditures of money from the funds created under section 5709.43 440  
 of the Revised Code; a description of the public infrastructure 441  
 improvements and housing renovations financed with such 442  
 expenditures; and a quantitative summary of changes in employment 443  
 and private investment resulting from each project. 444

(J) Nothing in this section shall be construed to prohibit a 445  
 legislative authority from declaring to be a public purpose 446  
 improvements with respect to more than one parcel. 447

**Sec. 5709.41. (A) As used in this section:** 448

(1) "Business day" means a day of the week excluding 449  
 Saturday, Sunday, and a legal holiday as defined under section 450  
 1.14 of the Revised Code. 451

(2) "Improvement" means the increase in assessed value of any 452  
 parcel of property subsequent to the acquisition of the parcel by 453  
 a municipal corporation engaged in urban redevelopment. 454

(B) The legislative authority of a municipal corporation, by 455

ordinance, may declare to be a public purpose any improvement to a parcel of real property if both of the following apply:

(1) The municipal corporation held fee title to the parcel prior to the adoption of the ordinance;

(2) The parcel is leased, or the fee of the parcel is conveyed, to any person either before or after adoption of the ordinance.

Improvements used or to be used for residential purposes may be declared a public purpose under this section only if the parcel is located in a blighted area of an impacted city as those terms are defined in section 1728.01 of the Revised Code.

(C) Except as otherwise provided in division (C) (1), (2), or (3) of this section, not more than seventy-five per cent of an improvement thus declared to be a public purpose may be exempted from real property taxation. The ordinance shall specify the percentage of the improvement to be exempted from taxation.

(1) If the ordinance declaring improvements to a parcel to be a public purpose specifies that payments in lieu of taxes provided for in section 5709.42 of the Revised Code shall be paid to the city, local, ~~or~~ exempted village, and joint vocational school district in which the parcel is located in the amount of the taxes that would have been payable to the school district if the improvements had not been exempted from taxation, the percentage of the improvement that may be exempted from taxation may exceed seventy-five per cent, and the exemption may be granted for up to thirty years, without the approval of the board of education as otherwise required under division (C) (2) of this section.

(2) Improvements may be exempted from taxation for up to ten years or, with the approval of the board of education of the each city, local, ~~or~~ exempted village, and joint vocational school



district within the territory of which the improvements are or 486  
will be located, for up to thirty years. The percentage of the 487  
improvement exempted from taxation may, with such approval, exceed 488  
seventy-five per cent, but shall not exceed one hundred per cent. 489  
Not later than forty-five business days prior to adopting an 490  
ordinance under this section, the legislative authority shall 491  
deliver to the board of education a notice stating its intent to 492  
declare improvements to be a public purpose under this section. 493  
The notice shall describe the parcel and the improvements, provide 494  
an estimate of the true value in money of the improvements, 495  
specify the period for which the improvements would be exempted 496  
from taxation and the percentage of the improvements that would be 497  
exempted, and indicate the date on which the legislative authority 498  
intends to adopt the ordinance. The board of education, by 499  
resolution adopted by a majority of the board, may approve the 500  
exemption for the period or for the exemption percentage specified 501  
in the notice, may disapprove the exemption for the number of 502  
years in excess of ten, may disapprove the exemption for the 503  
percentage of the improvements to be exempted in excess of 504  
seventy-five per cent, or both, or may approve the exemption on 505  
the condition that the legislative authority and the board 506  
negotiate an agreement providing for compensation to the school 507  
district equal in value to a percentage of the amount of taxes 508  
exempted in the eleventh and subsequent years of the exemption 509  
period, or, in the case of exemption percentages in excess of 510  
seventy-five per cent, compensation equal in value to a percentage 511  
of the taxes that would be payable on the portion of the 512  
improvement in excess of seventy-five per cent were that portion 513  
to be subject to taxation. The board of education shall certify 514  
its resolution to the legislative authority not later than 515  
fourteen days prior to the date the legislative authority intends 516  
to adopt the ordinance as indicated in the notice. If the board of 517

education approves the exemption on the condition that a 518  
 compensation agreement be negotiated, the board in its resolution 519  
 shall propose a compensation percentage. If the board of education 520  
 and the legislative authority negotiate a mutually acceptable 521  
 compensation agreement, the ordinance may declare the improvements 522  
 a public purpose for the number of years specified in the 523  
 ordinance or, in the case of exemption percentages in excess of 524  
 seventy-five per cent, for the exemption percentage specified in 525  
 the ordinance. In either case, if the board and the legislative 526  
 authority fail to negotiate a mutually acceptable compensation 527  
 agreement, the ordinance may declare the improvements a public 528  
 purpose for not more than ten years, but shall not exempt more 529  
 than seventy-five per cent of the improvements from taxation. If 530  
 the board fails to certify a resolution to the legislative 531  
 authority within the time prescribed by this division, the 532  
 legislative authority thereupon may adopt the ordinance and may 533  
 declare the improvements a public purpose for up to thirty years. 534  
 The legislative authority may adopt the ordinance at any time 535  
 after the board of education certifies its resolution approving 536  
 the exemption to the legislative authority, or, if the board 537  
 approves the exemption on the condition that a mutually acceptable 538  
 compensation agreement be negotiated, at any time after the 539  
 compensation agreement is agreed to by the board and the 540  
 legislative authority. 541

(3) If a board of education has adopted a resolution waiving 542  
 its right to approve exemptions from taxation and the resolution 543  
 remains in effect, approval of exemptions by the board is not 544  
 required under this division. If a board of education has adopted 545  
 a resolution allowing a legislative authority to deliver the 546  
 notice required under this division fewer than forty-five business 547  
 days prior to the legislative authority's adoption of the 548  
 ordinance, the legislative authority shall deliver the notice to 549

the board not later than the number of days prior to such adoption 550  
 as prescribed by the board in its resolution. If a board of 551  
 education adopts a resolution waiving its right to approve 552  
 exemptions or shortening the notification period, the board shall 553  
 certify a copy of the resolution to the legislative authority. If 554  
 the board of education rescinds such a resolution, it shall 555  
 certify notice of the rescission to the legislative authority. 556

(4) If the legislative authority is not required by division 557  
 (C) (1), (2), or (3) of this section to notify the board of 558  
 education of the legislative authority's intent to declare 559  
 improvements to be a public purpose, the legislative authority 560  
 shall comply with the notice requirements imposed under section 561  
 5709.83 of the Revised Code, unless the board has adopted a 562  
 resolution under that section waiving its right to receive such a 563  
 notice. 564

(D) The exemption commences on the effective date of the 565  
 ordinance and ends on the date specified in the ordinance as the 566  
 date the improvement ceases to be a public purpose. The exemption 567  
 shall be claimed and allowed in the same or a similar manner as in 568  
 the case of other real property exemptions. If an exemption status 569  
 changes during a tax year, the procedure for the apportionment of 570  
 the taxes for that year is the same as in the case of other 571  
 changes in tax exemption status during the year. 572

(E) A municipal corporation, not later than fifteen days 573  
 after the adoption of an ordinance granting a tax exemption under 574  
 this section, shall submit to the director of development a copy 575  
 of the ordinance. On or before the thirty-first day of March each 576  
 year, the municipal corporation shall submit a status report to 577  
 the director of development outlining the progress of the project 578  
 during each year that the exemption remains in effect. 579

Sec. 5709.42. (A) A municipal corporation that has declared 580  
 an improvement to be a public purpose under section 5709.40 or 581  
 5709.41 of the Revised Code may require the owner of any structure 582  
 located on the parcel to make annual service payments in lieu of 583  
 taxes to the county treasurer on or before the final dates for 584  
 payment of real property taxes. Each such payment shall be charged 585  
 and collected in the same manner and in the same amount as the 586  
 real property taxes that would have been charged and payable 587  
 against the improvement if it were not exempt from taxation. If 588  
 any reduction in the levies otherwise applicable to such exempt 589  
 property is made by the county budget commission under section 590  
 5705.31 of the Revised Code, the amount of the service payment in 591  
 lieu of taxes shall be calculated as if such reduction in levies 592  
 had not been made. 593

(B) Moneys collected as service payments in lieu of taxes 594  
 shall be distributed at the same time and in the same manner as 595  
 real property tax payments. However, subject to division (C) of 596  
 this section or section 5709.913 of the Revised Code, the entire 597  
 amount so collected shall be distributed to the municipal 598  
 corporation in which the improvement is located. If an ordinance 599  
 adopted under section 5709.40 or 5709.41 of the Revised Code 600  
 specifies that service payments shall be paid to ~~the~~ a city, 601  
 local, ~~or~~ exempted village, or joint vocational school district in 602  
 which the improvements are located, the county treasurer shall 603  
 distribute the portion of the service payments to that school 604  
 district in an amount equal to the property tax payments the 605  
 school district would have received from the portion of the 606  
 improvements exempted from taxation had the improvements not been 607  
 exempted, as directed in the ordinance. The treasurer shall 608  
 maintain a record of the service payments in lieu of taxes made 609  
 from property in each municipal corporation. 610

(C) If annual service payments in lieu of taxes are required 611  
 under this section, the county treasurer shall distribute to the 612  
 appropriate taxing authorities the portion of the service payments 613  
 that represents payments required under division (F) of section 614  
 5709.40 of the Revised Code. 615

(D) Nothing in this section or section 5709.40 or 5709.41 of 616  
 the Revised Code affects the taxes levied against that portion of 617  
 the value of any parcel of property that is not exempt from 618  
 taxation." 619

Between lines 118651 and 118652, insert: 620

"Sec. 5709.73. (A) As used in this section and section 621  
 5709.74 of the Revised Code: 622

(1) "Business day" means a day of the week excluding 623  
 Saturday, Sunday, and a legal holiday as defined in section 1.14 624  
 of the Revised Code. 625

(2) "Further improvements" or "improvements" means the 626  
 increase in the assessed value of real property that would first 627  
 appear on the tax list and duplicate of real and public utility 628  
 property after the effective date of a resolution adopted under 629  
 this section were it not for the exemption granted by that 630  
 resolution. For purposes of division (B) of this section, 631  
 "improvements" do not include any property used or to be used for 632  
 residential purposes. 633

(3) "Housing renovation" means a project carried out for 634  
 residential purposes. 635

(4) "Incentive district" has the same meaning as in section 636  
 5709.40 of the Revised Code, except that a blighted area is in the 637  
 unincorporated area of a township. 638

(5) "Project" and "public infrastructure improvement" have 639

the same meanings as in section 5709.40 of the Revised Code. 640

(B) A board of township trustees may, by unanimous vote, 641  
 adopt a resolution that declares to be a public purpose any public 642  
 infrastructure improvements made that are necessary for the 643  
 development of certain parcels of land located in the 644  
 unincorporated area of the township. Except with the approval 645  
 under division (D) of this section of the board of education of 646  
 each city, local, ~~or~~ exempted village, and joint vocational school 647  
 district within which the improvements are located, the resolution 648  
 may exempt from real property taxation not more than seventy-five 649  
 per cent of further improvements to a parcel of land that directly 650  
 benefits from the public infrastructure improvements, for a period 651  
 of not more than ten years. The resolution shall specify the 652  
 percentage of the further improvements to be exempted and the life 653  
 of the exemption. 654

(C) (1) A board of township trustees may adopt, by unanimous 655  
 vote, a resolution creating an incentive district and declaring 656  
 improvements to parcels within the district to be a public purpose 657  
 and, except as provided in division (F) of this section, exempt 658  
 from taxation as provided in this section, but no board of 659  
 township trustees of a township that has a population that exceeds 660  
 twenty-five thousand, as shown by the most recent federal 661  
 decennial census, shall adopt a resolution that creates an 662  
 incentive district if the sum of the taxable value of real 663  
 property in the proposed district for the preceding tax year and 664  
 the taxable value of all real property in the township that would 665  
 have been taxable in the preceding year were it not for the fact 666  
 that the property was in an existing incentive district and 667  
 therefore exempt from taxation exceeds twenty-five per cent of the 668  
 taxable value of real property in the township for the preceding 669  
 tax year. The district shall be located within the unincorporated 670

area of the township and shall not include any territory that is  
included within a district created under division (B) of section  
5709.78 of the Revised Code. The resolution shall delineate the  
boundary of the district and specifically identify each parcel  
within the district. A district may not include any parcel that is  
or has been exempted from taxation under division (B) of this  
section or that is or has been within another district created  
under this division. A resolution may create more than one  
district, and more than one resolution may be adopted under  
division (C) (1) of this section.

(2) Not later than thirty days prior to adopting a resolution  
under division (C) (1) of this section, if the township intends to  
apply for exemptions from taxation under section 5709.911 of the  
Revised Code on behalf of owners of real property located within  
the proposed incentive district, the board shall conduct a public  
hearing on the proposed resolution. Not later than thirty days  
prior to the public hearing, the board shall give notice of the  
public hearing and the proposed resolution by first class mail to  
every real property owner whose property is located within the  
boundaries of the proposed incentive district that is the subject  
of the proposed resolution.

(3) (a) A resolution adopted under division (C) (1) of this  
section shall specify the life of the incentive district and the  
percentage of the improvements to be exempted, shall designate the  
public infrastructure improvements made, to be made, or in the  
process of being made, that benefit or serve, or, once made, will  
benefit or serve parcels in the district. The resolution also  
shall identify one or more specific projects being, or to be,  
undertaken in the district that place additional demand on the  
public infrastructure improvements designated in the resolution.  
The project identified may, but need not be, the project under

division (C) (3) (b) of this section that places real property in 702  
 use for commercial or industrial purposes. 703

A resolution adopted under division (C) (1) of this section on 704  
 or after ~~the effective date of this amendment~~ March 30, 2006, 705  
 shall not designate police or fire equipment as public 706  
 infrastructure improvements, and no service payment provided for 707  
 in section 5709.74 of the Revised Code and received by the 708  
 township under the resolution shall be used for police or fire 709  
 equipment. 710

(b) A resolution adopted under division (C) (1) of this 711  
 section may authorize the use of service payments provided for in 712  
 section 5709.74 of the Revised Code for the purpose of housing 713  
 renovations within the incentive district, provided that the 714  
 resolution also designates public infrastructure improvements that 715  
 benefit or serve the district, and that a project within the 716  
 district places real property in use for commercial or industrial 717  
 purposes. Service payments may be used to finance or support 718  
 loans, deferred loans, and grants to persons for the purpose of 719  
 housing renovations within the district. The resolution shall 720  
 designate the parcels within the district that are eligible for 721  
 housing renovations. The resolution shall state separately the 722  
 amount or the percentages of the expected aggregate service 723  
 payments that are designated for each public infrastructure 724  
 improvement and for the purpose of housing renovations. 725

(4) Except with the approval of the board of education of 726  
 each city, local, ~~or~~ exempted village, and joint vocational school 727  
 district within the territory of which the incentive district is 728  
 or will be located, and subject to division (E) of this section, 729  
 the life of an incentive district shall not exceed ten years, and 730  
 the percentage of improvements to be exempted shall not exceed 731  
 seventy-five per cent. With approval of the board of education, 732



the life of a district may be not more than thirty years, and the percentage of improvements to be exempted may be not more than one hundred per cent. The approval of a board of education shall be obtained in the manner provided in division (D) of this section f.

(D) Improvements with respect to a parcel may be exempted from taxation under division (B) of this section, and improvements to parcels within an incentive district may be exempted from taxation under division (C) of this section, for up to ten years or, with the approval of the board of education of ~~the~~ each city, local, ~~or~~ exempted village, and joint vocational school district within which the parcel or district is located, for up to thirty years. The percentage of the improvements exempted from taxation may, with such approval, exceed seventy-five per cent, but shall not exceed one hundred per cent. Not later than forty-five business days prior to adopting a resolution under this section declaring improvements to be a public purpose that is subject to approval by a board of education under this division, the board of township trustees shall deliver to the board of education a notice stating its intent to adopt a resolution making that declaration. The notice regarding improvements with respect to a parcel under division (B) of this section shall identify the parcels for which improvements are to be exempted from taxation, provide an estimate of the true value in money of the improvements, specify the period for which the improvements would be exempted from taxation and the percentage of the improvements that would be exempted, and indicate the date on which the board of township trustees intends to adopt the resolution. The notice regarding improvements made under division (C) of this section to parcels within an incentive district shall delineate the boundaries of the district, specifically identify each parcel within the district, identify each anticipated improvement in the district, provide an estimate of the true value in money of each such improvement, specify the

life of the district and the percentage of improvements that would 765  
 be exempted, and indicate the date on which the board of township 766  
 trustees intends to adopt the resolution. The board of education, 767  
 by resolution adopted by a majority of the board, may approve the 768  
 exemption for the period or for the exemption percentage specified 769  
 in the notice; may disapprove the exemption for the number of 770  
 years in excess of ten, may disapprove the exemption for the 771  
 percentage of the improvements to be exempted in excess of 772  
 seventy-five per cent, or both; or may approve the exemption on 773  
 the condition that the board of township trustees and the board of 774  
 education negotiate an agreement providing for compensation to the 775  
 school district equal in value to a percentage of the amount of 776  
 taxes exempted in the eleventh and subsequent years of the 777  
 exemption period or, in the case of exemption percentages in 778  
 excess of seventy-five per cent, compensation equal in value to a 779  
 percentage of the taxes that would be payable on the portion of 780  
 the improvements in excess of seventy-five per cent were that 781  
 portion to be subject to taxation, or other mutually agreeable 782  
 compensation. 783

The board of education shall certify its resolution to the 784  
 board of township trustees not later than fourteen days prior to 785  
 the date the board of township trustees intends to adopt the 786  
 resolution as indicated in the notice. If the board of education 787  
 and the board of township trustees negotiate a mutually acceptable 788  
 compensation agreement, the resolution may declare the 789  
 improvements a public purpose for the number of years specified in 790  
 the resolution or, in the case of exemption percentages in excess 791  
 of seventy-five per cent, for the exemption percentage specified 792  
 in the resolution. In either case, if the board of education and 793  
 the board of township trustees fail to negotiate a mutually 794  
 acceptable compensation agreement, the resolution may declare the 795  
 improvements a public purpose for not more than ten years, and 796

shall not exempt more than seventy-five per cent of the  
improvements from taxation. If the board of education fails to  
certify a resolution to the board of township trustees within the  
time prescribed by this section, the board of township trustees  
thereupon may adopt the resolution and may declare the  
improvements a public purpose for up to thirty years or, in the  
case of exemption percentages proposed in excess of seventy-five  
per cent, for the exemption percentage specified in the  
resolution. The board of township trustees may adopt the  
resolution at any time after the board of education certifies its  
resolution approving the exemption to the board of township  
trustees, or, if the board of education approves the exemption on  
the condition that a mutually acceptable compensation agreement be  
negotiated, at any time after the compensation agreement is agreed  
to by the board of education and the board of township trustees.

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

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If the board of township trustees is not required by division 829  
(D) of this section to notify the board of education of the board 830  
of township trustees' intent to declare improvements to be a 831  
public purpose, the board of township trustees shall comply with 832  
the notice requirements imposed under section 5709.83 of the 833  
Revised Code before taking formal action to adopt the resolution 834  
making that declaration, unless the board of education has adopted 835  
a resolution under that section waiving its right to receive the 836  
notice. 837

(E) (1) If a proposed resolution under division (C) (1) of this 838  
section exempts improvements with respect to a parcel within an 839  
incentive district for more than ten years, or the percentage of 840  
the improvement exempted from taxation exceeds seventy-five per 841  
cent, not later than forty-five business days prior to adopting 842  
the resolution the board of township trustees shall deliver to the 843  
board of county commissioners of the county within which the 844  
incentive district is or will be located a notice that states its 845  
intent to adopt a resolution creating an incentive district. The 846  
notice shall include a copy of the proposed resolution, identify 847  
the parcels for which improvements are to be exempted from 848  
taxation, provide an estimate of the true value in money of the 849  
improvements, specify the period of time for which the 850  
improvements would be exempted from taxation, specify the 851  
percentage of the improvements that would be exempted from 852  
taxation, and indicate the date on which the board of township 853  
trustees intends to adopt the resolution. 854

(2) The board of county commissioners, by resolution adopted 855  
by a majority of the board, may object to the exemption for the 856  
number of years in excess of ten, may object to the exemption for 857  
the percentage of the improvement to be exempted in excess of 858  
seventy-five per cent, or both. If the board of county 859

commissioners objects, the board may negotiate a mutually 860  
 acceptable compensation agreement with the board of township 861  
 trustees. In no case shall the compensation provided to the board 862  
 of county commissioners exceed the property taxes foregone due to 863  
 the exemption. If the board of county commissioners objects, and 864  
 the board of county commissioners and board of township trustees 865  
 fail to negotiate a mutually acceptable compensation agreement, 866  
 the resolution adopted under division (C) (1) of this section shall 867  
 provide to the board of county commissioners compensation in the 868  
 eleventh and subsequent years of the exemption period equal in 869  
 value to not more than fifty per cent of the taxes that would be 870  
 payable to the county or, if the board of county commissioner's 871  
 objection includes an objection to an exemption percentage in 872  
 excess of seventy-five per cent, compensation equal in value to 873  
 not more than fifty per cent of the taxes that would be payable to 874  
 the county, on the portion of the improvement in excess of 875  
 seventy-five per cent, were that portion to be subject to 876  
 taxation. The board of county commissioners shall certify its 877  
 resolution to the board of township trustees not later than thirty 878  
 days after receipt of the notice. 879

(3) If the board of county commissioners does not object or 880  
 fails to certify its resolution objecting to an exemption within 881  
 thirty days after receipt of the notice, the board of township 882  
 trustees may adopt its resolution, and no compensation shall be 883  
 provided to the board of county commissioners. If the board of 884  
 county commissioners timely certifies its resolution objecting to 885  
 the trustees' resolution, the board of township trustees may adopt 886  
 its resolution at any time after a mutually acceptable 887  
 compensation agreement is agreed to by the board of county 888  
 commissioners and the board of township trustees, or, if no 889  
 compensation agreement is negotiated, at any time after the board 890  
 of township trustees agrees in the proposed resolution to provide 891

compensation to the board of county commissioners of fifty per cent of the taxes that would be payable to the county in the eleventh and subsequent years of the exemption period or on the portion of the improvement in excess of seventy-five per cent, were that portion to be subject to taxation.

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(F) Service payments in lieu of taxes that are attributable to any amount by which the effective tax rate of either a renewal levy with an increase or a replacement levy exceeds the effective tax rate of the levy renewed or replaced, or that are attributable to an additional levy, for a levy authorized by the voters for any of the following purposes on or after January 1, 2006, and which are provided pursuant to a resolution creating an incentive district under division (C)(1) of this section that is adopted on or after January 1, 2006, shall be distributed to the appropriate taxing authority as required under division (C) of section 5709.74 of the Revised Code in an amount equal to the amount of taxes from that additional levy or from the increase in the effective tax rate of such renewal or replacement levy that would have been payable to that taxing authority from the following levies were it not for the exemption authorized under division (C) of this section:

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(1) A tax levied under division (L) of section 5705.19 or section 5705.191 of the Revised Code for community mental retardation and developmental disabilities programs and services pursuant to Chapter 5126. of the Revised Code;

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(2) A tax levied under division (Y) of section 5705.19 of the Revised Code for providing or maintaining senior citizens services or facilities;

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(3) A tax levied under section 5705.22 of the Revised Code for county hospitals;

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(4) A tax levied by a joint-county district or by a county

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under section 5705.19, 5705.191, or 5705.221 of the Revised Code	923
for alcohol, drug addiction, and mental health services or	924
families;	925
(5) A tax levied under section 5705.23 of the Revised Code	926
for library purposes;	927
(6) A tax levied under section 5705.24 of the Revised Code	928
for the support of children services and the placement and care of	929
children;	930
(7) A tax levied under division (Z) of section 5705.19 of the	931
Revised Code for the provision and maintenance of zoological park	932
services and facilities under section 307.76 of the Revised Code;	933
(8) A tax levied under section 511.27 or division (H) of	934
section 5705.19 of the Revised Code for the support of township	935
park districts;	936
(9) A tax levied under division (A), (F), or (H) of section	937
5705.19 of the Revised Code for parks and recreational purposes of	938
a joint recreation district organized pursuant to division (B) of	939
section 755.14 of the Revised Code;	940
(10) A tax levied under section 1545.20 or 1545.21 of the	941
Revised Code for park district purposes;	942
(11) A tax levied under section 5705.191 of the Revised Code	943
for the purpose of making appropriations for public assistance;	944
human or social services; public relief; public welfare; public	945
health and hospitalization; and support of general hospitals;	946
(12) A tax levied under section 3709.29 of the Revised Code	947
for a general health district program.	948
(G) An exemption from taxation granted under this section	949
commences with the tax year specified in the resolution so long as	950
the year specified in the resolution commences after the effective	951

date of the resolution. If the resolution specifies a year  
 commencing before the effective date of the resolution or  
 specifies no year whatsoever, the exemption commences with the tax  
 year in which an exempted improvement first appears on the tax  
 list and duplicate of real and public utility property and that  
 commences after the effective date of the resolution. Except as  
 otherwise provided in this division, the exemption ends on the  
 date specified in the resolution as the date the improvement  
 ceases to be a public purpose or the incentive district expires,  
 or ends on the date on which the public infrastructure  
 improvements and housing renovations are paid in full from the  
 township public improvement tax increment equivalent fund  
 established under section 5709.75 of the Revised Code, whichever  
 occurs first. The exemption of an improvement with respect to a  
 parcel or within an incentive district may end on a later date, as  
 specified in the resolution, if the board of township trustees and  
 the board of education of the city, local, ~~or~~ exempted village,  
and joint vocational school district within which the parcel or  
 district is located have entered into a compensation agreement  
 under section 5709.82 of the Revised Code with respect to the  
 improvement and the board of education has approved the term of  
 the exemption under division (D) of this section, but in no case  
 shall the improvement be exempted from taxation for more than  
 thirty years. The board of township trustees may, by majority  
 vote, adopt a resolution permitting the township to enter into  
 such agreements as the board finds necessary or appropriate to  
 provide for the construction or undertaking of public  
 infrastructure improvements and housing renovations. Any exemption  
 shall be claimed and allowed in the same or a similar manner as in  
 the case of other real property exemptions. If an exemption status  
 changes during a tax year, the procedure for the apportionment of  
 the taxes for that year is the same as in the case of other



changes in tax exemption status during the year. 984

(H) The board of township trustees may issue the notes of the township to finance all costs pertaining to the construction or undertaking of public infrastructure improvements and housing renovations made pursuant to this section. The notes shall be signed by the board and attested by the signature of the township fiscal officer, shall bear interest not to exceed the rate provided in section 9.95 of the Revised Code, and are not subject to Chapter 133. of the Revised Code. The resolution authorizing the issuance of the notes shall pledge the funds of the township public improvement tax increment equivalent fund established pursuant to section 5709.75 of the Revised Code to pay the interest on and principal of the notes. The notes, which may contain a clause permitting prepayment at the option of the board, shall be offered for sale on the open market or given to the vendor or contractor if no sale is made.

(I) The township, not later than fifteen days after the adoption of a resolution under this section, shall submit to the director of development a copy of the resolution. On or before the thirty-first day of March of each year, the township shall submit a status report to the director of development. The report shall indicate, in the manner prescribed by the director, the progress of the project during each year that the exemption remains in effect, including a summary of the receipts from service payments in lieu of taxes; expenditures of money from the fund created under section 5709.75 of the Revised Code; a description of the public infrastructure improvements and housing renovations financed with the expenditures; and a quantitative summary of changes in private investment resulting from each project.

(J) Nothing in this section shall be construed to prohibit a board of township trustees from declaring to be a public purpose

improvements with respect to more than one parcel. 1015

(K) A board of township trustees that adopted a resolution 1016  
 under this section prior to July 21, 1994, may amend that 1017  
 resolution to include any additional public infrastructure 1018  
 improvement. A board of township trustees that seeks by the 1019  
 amendment to utilize money from its township public improvement 1020  
 tax increment equivalent fund for land acquisition in aid of 1021  
 industry, commerce, distribution, or research, demolition on 1022  
 private property, or stormwater and flood remediation projects may 1023  
 do so provided that the board currently is a party to a 1024  
 hold-harmless agreement with the board of education of the each 1025  
 city, local, ~~or~~ exempted village, and joint vocational school 1026  
 district within the territory of which are located the parcels 1027  
 that are subject to an exemption. For the purposes of this 1028  
 division, a "hold-harmless agreement" means an agreement under 1029  
 which the board of township trustees agrees to compensate the 1030  
 school district for one hundred per cent of the tax revenue that 1031  
 the school district would have received from further improvements 1032  
 to parcels designated in the resolution were it not for the 1033  
 exemption granted by the resolution. 1034

**Sec. 5709.78.** (A) A board of county commissioners may, by 1035  
 resolution, declare improvements to certain parcels of real 1036  
 property located in the unincorporated territory of the county to 1037  
 be a public purpose. Except with the approval under division (C) 1038  
 of this section of the board of education of each city, local, ~~or~~ 1039  
exempted village, and joint vocational school district within 1040  
 which the improvements are located, not more than seventy-five per 1041  
 cent of an improvement thus declared to be a public purpose may be 1042  
 exempted from real property taxation, for a period of not more 1043  
 than ten years. The resolution shall specify the percentage of the 1044  
 improvement to be exempted and the life of the exemption. 1045

A resolution adopted under this division shall designate the specific public infrastructure improvements made, to be made, or in the process of being made by the county that directly benefit, or that once made will directly benefit, the parcels for which improvements are declared to be a public purpose. The service payments provided for in section 5709.79 of the Revised Code shall be used to finance the public infrastructure improvements designated in the resolution, or as provided in section 5709.80 of the Revised Code.

(B) (1) A board of county commissioners may adopt a resolution creating an incentive district and declaring improvements to parcels within the district to be a public purpose and, except as provided in division (E) of this section, exempt from taxation as provided in this section, but no board of county commissioners of a county that has a population that exceeds twenty-five thousand, as shown by the most recent federal decennial census, shall adopt a resolution that creates an incentive district if the sum of the taxable value of real property in the proposed district for the preceding tax year and the taxable value of all real property in the county that would have been taxable in the preceding year were it not for the fact that the property was in an existing incentive district and therefore exempt from taxation exceeds twenty-five per cent of the taxable value of real property in the county for the preceding tax year. The district shall be located within the unincorporated territory of the county and shall not include any territory that is included within a district created under division (C) of section 5709.73 of the Revised Code. The resolution shall delineate the boundary of the district and specifically identify each parcel within the district. A district may not include any parcel that is or has been exempted from taxation under division (A) of this section or that is or has been within another district created under this division. A resolution

may create more than one such district, and more than one 1078  
 resolution may be adopted under division (B)(1) of this section. 1079

(2) Not later than thirty days prior to adopting a resolution 1080  
 under division (B)(1) of this section, if the county intends to 1081  
 apply for exemptions from taxation under section 5709.911 of the 1082  
 Revised Code on behalf of owners of real property located within 1083  
 the proposed incentive district, the board of county commissioners 1084  
 shall conduct a public hearing on the proposed resolution. Not 1085  
 later than thirty days prior to the public hearing, the board 1086  
 shall give notice of the public hearing and the proposed 1087  
 resolution by first class mail to every real property owner whose 1088  
 property is located within the boundaries of the proposed 1089  
 incentive district that is the subject of the proposed resolution. 1090  
 The board also shall provide the notice by first class mail to the 1091  
 clerk of each township in which the proposed incentive district 1092  
 will be located. 1093

(3) (a) A resolution adopted under division (B)(1) of this 1094  
 section shall specify the life of the incentive district and the 1095  
 percentage of the improvements to be exempted, shall designate the 1096  
 public infrastructure improvements made, to be made, or in the 1097  
 process of being made, that benefit or serve, or, once made, will 1098  
 benefit or serve parcels in the district. The resolution also 1099  
 shall identify one or more specific projects being, or to be, 1100  
 undertaken in the district that place additional demand on the 1101  
 public infrastructure improvements designated in the resolution. 1102  
 The project identified may, but need not be, the project under 1103  
 division (B)(3)(b) of this section that places real property in 1104  
 use for commercial or industrial purposes. 1105

A resolution adopted under division (B)(1) of this section on 1106  
 or after ~~the effective date of this amendment~~ March 30, 2006, 1107  
 shall not designate police or fire equipment as public 1108

infrastructure improvements, and no service payment provided for 1109  
 in section 5709.79 of the Revised Code and received by the county 1110  
 under the resolution shall be used for police or fire equipment. 1111

(b) A resolution adopted under division (B)(1) of this 1112  
 section may authorize the use of service payments provided for in 1113  
 section 5709.79 of the Revised Code for the purpose of housing 1114  
 renovations within the incentive district, provided that the 1115  
 resolution also designates public infrastructure improvements that 1116  
 benefit or serve the district, and that a project within the 1117  
 district places real property in use for commercial or industrial 1118  
 purposes. Service payments may be used to finance or support 1119  
 loans, deferred loans, and grants to persons for the purpose of 1120  
 housing renovations within the district. The resolution shall 1121  
 designate the parcels within the district that are eligible for 1122  
 housing renovations. The resolution shall state separately the 1123  
 amount or the percentages of the expected aggregate service 1124  
 payments that are designated for each public infrastructure 1125  
 improvement and for the purpose of housing renovations. 1126

(4) Except with the approval of the board of education of 1127  
 each city, local, ~~or~~ exempted village, and joint vocational school 1128  
 district within the territory of which the incentive district is 1129  
 or will be located, and subject to division (D) of this section, 1130  
 the life of an incentive district shall not exceed ten years, and 1131  
 the percentage of improvements to be exempted shall not exceed 1132  
 seventy-five per cent. With approval of the board of education, 1133  
 the life of a district may be not more than thirty years, and the 1134  
 percentage of improvements to be exempted may be not more than one 1135  
 hundred per cent. The approval of a board of education shall be 1136  
 obtained in the manner provided in division (C) of this section. 1137

(C)(1) Improvements with respect to a parcel may be exempted 1138  
 from taxation under division (A) of this section, and improvements 1139

to parcels within an incentive district may be exempted from 1140  
 taxation under division (B) of this section, for up to ten years 1141  
 or, with the approval of the board of education of the each city, 1142  
 local, ~~or~~ exempted village, and joint vocational school district 1143  
 within which the parcel or district is located, for up to thirty 1144  
 years. The percentage of the improvements exempted from taxation 1145  
 may, with such approval, exceed seventy-five per cent, but shall 1146  
 not exceed one hundred per cent. Not later than forty-five 1147  
 business days prior to adopting a resolution under this section 1148  
 declaring improvements to be a public purpose that is subject to 1149  
 the approval of a board of education under this division, the 1150  
 board of county commissioners shall deliver to the board of 1151  
 education a notice stating its intent to adopt a resolution making 1152  
 that declaration. The notice regarding improvements with respect 1153  
 to a parcel under division (A) of this section shall identify the 1154  
 parcels for which improvements are to be exempted from taxation, 1155  
 provide an estimate of the true value in money of the 1156  
 improvements, specify the period for which the improvements would 1157  
 be exempted from taxation and the percentage of the improvements 1158  
 that would be exempted, and indicate the date on which the board 1159  
 of county commissioners intends to adopt the resolution. The 1160  
 notice regarding improvements to parcels within an incentive 1161  
 district under division (B) of this section shall delineate the 1162  
 boundaries of the district, specifically identify each parcel 1163  
 within the district, identify each anticipated improvement in the 1164  
 district, provide an estimate of the true value in money of each 1165  
 such improvement, specify the life of the district and the 1166  
 percentage of improvements that would be exempted, and indicate 1167  
 the date on which the board of county commissioners intends to 1168  
 adopt the resolution. The board of education, by resolution 1169  
 adopted by a majority of the board, may approve the exemption for 1170  
 the period or for the exemption percentage specified in the 1171

notice; may disapprove the exemption for the number of years in excess of ten, may disapprove the exemption for the percentage of the improvements to be exempted in excess of seventy-five per cent, or both; or may approve the exemption on the condition that the board of county commissioners and the board of education negotiate an agreement providing for compensation to the school district equal in value to a percentage of the amount of taxes exempted in the eleventh and subsequent years of the exemption period or, in the case of exemption percentages in excess of seventy-five per cent, compensation equal in value to a percentage of the taxes that would be payable on the portion of the improvements in excess of seventy-five per cent were that portion to be subject to taxation, or other mutually agreeable compensation.

(2) The board of education shall certify its resolution to the board of county commissioners not later than fourteen days prior to the date the board of county commissioners intends to adopt its resolution as indicated in the notice. If the board of education and the board of county commissioners negotiate a mutually acceptable compensation agreement, the resolution of the board of county commissioners may declare the improvements a public purpose for the number of years specified in that resolution or, in the case of exemption percentages in excess of seventy-five per cent, for the exemption percentage specified in the resolution. In either case, if the board of education and the board of county commissioners fail to negotiate a mutually acceptable compensation agreement, the resolution may declare the improvements a public purpose for not more than ten years, and shall not exempt more than seventy-five per cent of the improvements from taxation. If the board of education fails to certify a resolution to the board of county commissioners within the time prescribed by this section, the board of county

commissioners thereupon may adopt the resolution and may declare  
the improvements a public purpose for up to thirty years or, in  
the case of exemption percentages proposed in excess of  
seventy-five per cent, for the exemption percentage specified in  
the resolution. The board of county commissioners may adopt the  
resolution at any time after the board of education certifies its  
resolution approving the exemption to the board of county  
commissioners, or, if the board of education approves the  
exemption on the condition that a mutually acceptable compensation  
agreement be negotiated, at any time after the compensation  
agreement is agreed to by the board of education and the board of  
county commissioners.

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

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(D) (1) If a proposed resolution under division (B) (1) of this 1234



section exempts improvements with respect to a parcel within an  
 incentive district for more than ten years, or the percentage of  
 the improvement exempted from taxation exceeds seventy-five per  
 cent, not later than forty-five business days prior to adopting  
 the resolution the board of county commissioners shall deliver to  
 the board of township trustees of any township within which the  
 incentive district is or will be located a notice that states its  
 intent to adopt a resolution creating an incentive district. The  
 notice shall include a copy of the proposed resolution, identify  
 the parcels for which improvements are to be exempted from  
 taxation, provide an estimate of the true value in money of the  
 improvements, specify the period of time for which the  
 improvements would be exempted from taxation, specify the  
 percentage of the improvements that would be exempted from  
 taxation, and indicate the date on which the board intends to  
 adopt the resolution.

(2) The board of township trustees, by resolution adopted by  
 a majority of the board, may object to the exemption for the  
 number of years in excess of ten, may object to the exemption for  
 the percentage of the improvement to be exempted in excess of  
 seventy-five per cent, or both. If the board of township trustees  
 objects, the board of township trustees may negotiate a mutually  
 acceptable compensation agreement with the board of county  
 commissioners. In no case shall the compensation provided to the  
 board of township trustees exceed the property taxes ~~foregone~~  
forgone due to the exemption. If the board of township trustees  
 objects, and the board of township trustees and the board of  
 county commissioners fail to negotiate a mutually acceptable  
 compensation agreement, the resolution adopted under division  
 (B) (1) of this section shall provide to the board of township  
 trustees compensation in the eleventh and subsequent years of the  
 exemption period equal in value to not more than fifty per cent of

the taxes that would be payable to the township or, if the board 1267  
of township trustee's objection includes an objection to an 1268  
exemption percentage in excess of seventy-five per cent, 1269  
compensation equal in value to not more than fifty per cent of the 1270  
taxes that would be payable to the township on the portion of the 1271  
improvement in excess of seventy-five per cent, were that portion 1272  
to be subject to taxation. The board of township trustees shall 1273  
certify its resolution to the board of county commissioners not 1274  
later than thirty days after receipt of the notice. 1275

(3) If the board of township trustees does not object or 1276  
fails to certify a resolution objecting to an exemption within 1277  
thirty days after receipt of the notice, the board of county 1278  
commissioners may adopt its resolution, and no compensation shall 1279  
be provided to the board of township trustees. If the board of 1280  
township trustees certifies its resolution objecting to the 1281  
commissioners' resolution, the board of county commissioners may 1282  
adopt its resolution at any time after a mutually acceptable 1283  
compensation agreement is agreed to by the board of county 1284  
commissioners and the board of township trustees. If the board of 1285  
township trustees certifies a resolution objecting to the 1286  
commissioners' resolution, the board of county commissioners may 1287  
adopt its resolution at any time after a mutually acceptable 1288  
compensation agreement is agreed to by the board of county 1289  
commissioners and the board of township trustees, or, if no 1290  
compensation agreement is negotiated, at any time after the board 1291  
of county commissioners in the proposed resolution to provide 1292  
compensation to the board of township trustees of fifty per cent 1293  
of the taxes that would be payable to the township in the eleventh 1294  
and subsequent years of the exemption period or on the portion of 1295  
the improvement in excess of seventy-five per cent, were that 1296  
portion to be subject to taxation. 1297

(E) Service payments in lieu of taxes that are attributable 1298

to any amount by which the effective tax rate of either a renewal  
levy with an increase or a replacement levy exceeds the effective  
tax rate of the levy renewed or replaced, or that are attributable  
to an additional levy, for a levy authorized by the voters for any  
of the following purposes on or after January 1, 2006, and which  
are provided pursuant to a resolution creating an incentive  
district under division (B)(1) of this section that is adopted on  
or after January 1, 2006, shall be distributed to the appropriate  
taxing authority as required under division (D) of section 5709.79  
of the Revised Code in an amount equal to the amount of taxes from  
that additional levy or from the increase in the effective tax  
rate of such renewal or replacement levy that would have been  
payable to that taxing authority from the following levies were it  
not for the exemption authorized under division (B) of this  
section:

(1) A tax levied under division (L) of section 5705.19 or  
section 5705.191 of the Revised Code for community mental  
retardation and developmental disabilities programs and services  
pursuant to Chapter 5126. of the Revised Code;

(2) A tax levied under division (Y) of section 5705.19 of the  
Revised Code for providing or maintaining senior citizens services  
or facilities;

(3) A tax levied under section 5705.22 of the Revised Code  
for county hospitals;

(4) A tax levied by a joint-county district or by a county  
under section 5705.19, 5705.191, or 5705.221 of the Revised Code  
for alcohol, drug addiction, and mental health services or  
facilities;

(5) A tax levied under section 5705.23 of the Revised Code  
for library purposes;

- (6) A tax levied under section 5705.24 of the Revised Code . 1329  
for the support of children services and the placement and care of 1330  
children; 1331
- (7) A tax levied under division (Z) of section 5705.19 of the 1332  
Revised Code for the provision and maintenance of zoological park 1333  
services and facilities under section 307.76 of the Revised Code; 1334
- (8) A tax levied under section 511.27 or division (H) of 1335  
section 5705.19 of the Revised Code for the support of township 1336  
park districts; 1337
- (9) A tax levied under division (A), (F), or (H) of section 1338  
5705.19 of the Revised Code for parks and recreational purposes of 1339  
a joint recreation district organized pursuant to division (B) of 1340  
section 755.14 of the Revised Code; 1341
- (10) A tax levied under section 1545.20 or 1545.21 of the 1342  
Revised Code for park district purposes; 1343
- (11) A tax levied under section 5705.191 of the Revised Code 1344  
for the purpose of making appropriations for public assistance; 1345  
human or social services; public relief; public welfare; public 1346  
health and hospitalization; and support of general hospitals; 1347
- (12) A tax levied under section 3709.29 of the Revised Code 1348  
for a general health district program. 1349
- (F) An exemption from taxation granted under this section 1350  
commences with the tax year specified in the resolution so long as 1351  
the year specified in the resolution commences after the effective 1352  
date of the resolution. If the resolution specifies a year 1353  
commencing before the effective date of the resolution or 1354  
specifies no year whatsoever, the exemption commences with the tax 1355  
year in which an exempted improvement first appears on the tax 1356  
list and duplicate of real and public utility property and that 1357  
commences after the effective date of the resolution. Except as 1358

otherwise provided in this division, the exemption ends on the  
date specified in the resolution as the date the improvement  
ceases to be a public purpose or the incentive district expires,  
or ends on the date on which the county can no longer require  
annual service payments in lieu of taxes under section 5709.79 of  
the Revised Code, whichever occurs first. The exemption of an  
improvement with respect to a parcel or within an incentive  
district may end on a later date, as specified in the resolution,  
if the board of commissioners and the board of education of ~~the~~  
each city, local, or exempted village, and joint vocational school  
district within which the parcel or district is located have  
entered into a compensation agreement under section 5709.82 of the  
Revised Code with respect to the improvement, and the board of  
education has approved the term of the exemption under division  
(C) (1) of this section, but in no case shall the improvement be  
exempted from taxation for more than thirty years. Exemptions  
shall be claimed and allowed in the same or a similar manner as in  
the case of other real property exemptions. If an exemption status  
changes during a tax year, the procedure for the apportionment of  
the taxes for that year is the same as in the case of other  
changes in tax exemption status during the year.

(G) If the board of county commissioners is not required by  
this section to notify the board of education of the board of  
county commissioners' intent to declare improvements to be a  
public purpose, the board of county commissioners shall comply  
with the notice requirements imposed under section 5709.83 of the  
Revised Code before taking formal action to adopt the resolution  
making that declaration, unless the board of education has adopted  
a resolution under that section waiving its right to receive such  
a notice.

(H) The county, not later than fifteen days after the

adoption of a resolution under this section, shall submit to the  
 director of development a copy of the resolution. On or before the  
 thirty-first day of March of each year, the county shall submit a  
 status report to the director of development. The report shall  
 indicate, in the manner prescribed by the director, the progress  
 of the project during each year that an exemption remains in  
 effect, including a summary of the receipts from service payments  
 in lieu of taxes; expenditures of money from the fund created  
 under section 5709.80 of the Revised Code; a description of the  
 public infrastructure improvements and housing renovations  
 financed with such expenditures; and a quantitative summary of  
 changes in employment and private investment resulting from each  
 project.

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(I) Nothing in this section shall be construed to prohibit a  
 board of county commissioners from declaring to be a public  
 purpose improvements with respect to more than one parcel."

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In line 131167, after "5709.084," insert "5709.40, 5709.41,  
 5709.42,"; after "5709.632," insert "5709.73, 5709.78,"

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In line 243 of the title, after "5709.084," insert "5709.40,  
 5709.41, 5709.42,"

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In line 244 of the title, after "5709.632," insert "5709.73,  
 5709.78,"

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

#### SYNOPSIS

Joint Vocational Schools: Tax Increment Financing Protections 1412  
 R.C. 5709.40, 5709.41, 5709.42, 5709.73, and 5709.78 1413

Extends certain notice and veto rights for a joint vocational 1414  
school district that would forgo tax revenue as the result of a 1415  
township, county, or municipal corporation tax increment financing 1416  
property tax exemption. Currently these rights are available only 1417  
to city, local, and exempted village school districts. 1418

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Sub. H.B. 153  
As Pending in S. Finance  
LSC 129 1066-6  
SC-4598

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

7 In line 466 delete "2101.162,"

8 Delete lines 39788 through 39846

9 In line 131054, delete "2101.162,"

10 In line 90 of the title, delete "2101.162,"

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

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SYNOPSIS

13

**Probate Court Computerization Fee**

14

**R.C. 2101.162**

15 Removes language making a probate court's use of the  
16 court's computerization fee subject to an appropriation by the  
17 board of county commissioners.



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

7 In line 20075, delete the first comma and insert "and";  
8 delete "and a county automatic"

9 In line 20076, delete "data processing board,"

10 In line 20077, delete "establish a county board of  
11 information services and"

12 In line 20078, delete "records management" and insert  
13 "require the county automatic data processing board established  
14 under section 307.84 of the Revised Code"

15 In line 20082, delete "establishing" and insert  
16 "requiring"; after "board" insert "to assume these duties"

17 In line 20083, delete the underlined comma and insert "and"

18 In line 20084, delete ", and the county automatic data  
19 processing board, if any,"

20 In line 20085, delete "and the county board of information  
21 services and"

22 Delete lines 20086 through 20088

23 In line 20089, delete "common pleas" and insert ". If the  
24 duties of the county automatic data processing board are

25 expanded under this section"; after the first underlined comma  
26 insert "the"

27 In line 20090, after the second underlined comma insert  
28 "and"

29 In line 20091, delete ", and a member of the"

30 Delete line 20092

31 In line 20093, delete "commissioners" and insert "shall be  
32 added to the membership of the board"; delete "member" and  
33 insert "any of these additional members"

34 In line 20094, after the underlined period delete the  
35 balance of the line

36 Delete lines 20095 and 20096

37 In line 20097, delete "management is created" and insert  
38 "After a resolution is adopted under this section"

39 In line 20114, after the second "county" insert "automatic  
40 data processing"

41 In line 20115, delete "of information services and records  
42 management"

43 In line 20118, after "(B)" delete the balance of the line

44 Delete line 20119

45 In line 20120, delete "in" and insert "In"; delete  
46 "establishing it," and insert "expanding the duties of the  
47 county automatic data processing board adopted under this

48 section, the board of county commissioners shall designate the  
49 date on which"

50 In line 20122, delete the underlined comma and insert "and"

51 In line 20123, delete ", and the automatic data processing  
52 board"

53 In line 20124, after "county" insert "automatic data  
54 processing"; delete "of information services"

55 In line 20125, delete all before the period

56 In line 20127, delete the underlined comma and insert "and"

57 In line 20128, delete ", and the county automatic data  
58 processing board"

59 In line 20130, after "county" insert "automatic data  
60 processing"; delete "of information services and records  
61 management"

62 In line 20131, after "county" insert "automatic data  
63 processing"; delete "of information services and records"

64 In line 20132, delete "management"

65 In line 20133, delete the first underlined comma and insert  
66 "and"; delete ", and the"

67 In line 20134, delete all before the underlined comma

68 In line 20136, delete the underlined comma and insert "or"

69 In line 20137, delete ", or the county automatic data  
70 processing board"

71 In line 20140, delete "establishment of" and insert  
72 "transfer of duties to"; after "county" insert "automatic data  
73 processing"; delete "of information services and"

74 In line 20141, delete "records management"

75 In line 20142, after "county" insert "automatic data  
76 processing"; delete "of information services and records"

77 In line 20143, delete "management"

78 In line 20144, delete the underlined comma and insert "or"

79 In line 20145, delete ", or the county automatic data  
80 processing board"

81 In line 20146, after "county" insert "automatic data  
82 processing"; delete "of"

83 In line 20147, delete "information services and records  
84 management"

85 In line 20150, delete the first underlined comma and insert  
86 "or"; delete ", or"

87 In line 20151, delete "the county automatic data processing  
88 board"

89 In line 20153, after "county" insert "automatic data  
90 processing"; delete "of information services and records  
91 management"

92 In line 20156, after "the" insert "county automatic data  
93 processing"

94 In line 20159, delete the first underlined comma and insert  
95 "or"; delete ", or"

96 In line 20160, delete "the county automatic data processing  
97 board"

98 In line 20163, after "county" insert "automatic data  
99 processing"; delete "of"

100 In line 20164, delete "information services and records  
101 management"

102 In line 20166, delete "establishment of" and insert  
103 "transfer of duties to"; after "county" insert "automatic data  
104 processing"

105 In line 20167, delete "of information services and records  
106 management"

107 In line 20169, after "county" insert "automatic data  
108 processing"; delete "of information services and records  
109 management"

110 In line 20170, delete "or"

111 In line 20171, delete "automatic data processing centers";  
112 after "county" insert "automatic data processing"; delete "of  
113 information"

114 In line 20172, delete "services and records management"

115 In line 20174, delete the underlined comma and insert "and"

116 In line 20175, delete ", and the county"

117 Delete line 20176

118 In line 20177, delete all before the underlined period

119 In line 20178, after "county" insert "automatic data

120 processing"; delete "of information services and records"

121 In line 20179, delete "management"

122 Delete lines 20186 through 20198

123 In line 20199, delete "then all the administrators

124 jointly," and insert "The county auditor shall be the chief

125 administrator of either centralized or decentralized facilities,

126 as provided under section 307.844 of the Revised Code.

127 The county auditor"

128 In line 20200, after "county" insert "automatic data

129 processing"; delete "of"

130 In line 20201, delete "information services and records

131 management"

132 In line 20204, after "county" insert "automatic data

133 processing"

134 In line 20205, delete "of information services and records

135 management"

136 In line 20211, delete "administrator"

137 In line 20212, delete "of each center" and insert "county

138 auditor"; after "county" insert "automatic data processing";

139 delete "of information"

140 In line 20213, delete "services and records management"

141 In line 20214, delete the second "the" and insert "each"

142 In line 20215, delete the first "the" and insert "each"

143 In line 20218, after "county" insert "automatic data  
144 processing"; delete "of information services and records  
145 management"

146 In line 20228, after "county" insert "automatic data  
147 processing"

148 In line 20229, delete "of information services and records  
149 management,"

150 In line 20240, after "county" insert "automatic data  
151 processing"; delete "of information services and records  
152 management"

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

154 SYNOPSIS

155 **County Automatic Data Processing Board**

156 **R.C. 307.847**

157 Replaces the County Board of Information Services and  
158 Records Management, the creation of which is authorized by the  
159 bill, with the County Automatic Data Processing Board, for the  
160 purpose of merging records and microfilming duties within a  
161 county. Permits the board of county commissioners to adopt a  
162 resolution requiring the County Automatic Data Processing Board  
163 to assume the duties of the County Records Commission and the  
164 County Microfilming Board, which resolution must specify the  
165 date on which the duties will be transferred.

166 Requires, if a resolution is adopted to expand the duties  
167 of the County Automatic Data Processing Board, the prosecuting  
168 attorney, county engineer, county coroner, sheriff, and a judge

169 of the court of common pleas to be added to the membership of  
170 the board.

171 Eliminates a provision in the bill that permits more than  
172 one centralized center for data processing, microfilming,  
173 records, and archives, and that permits an administrator to be  
174 appointed for each center. Requires the County Auditor to be  
175 the chief administrator of either centralized or decentralized  
176 facilities, as under current law.



Sub. H.B. 153  
As Pending in S. Finance  
LSC 129 1066-6  
SC-4610-1  
OBM172

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

Between lines 134820a and 134821, insert: 1  
"GRF 042423 Liquor Enterprise \$ 500,000 \$ 0" 2  
Transaction  
In line 134821, delete "\$2,668,310" and insert "\$3,168,310" 3  
In line 134833, delete "\$26,435,329" and insert "\$26,935,329" 4  
Between lines 134833 and 134834, insert: 5  
"LIQUOR ENTERPRISE TRANSACTION 6  
The foregoing appropriation item 042423, Liquor Enterprise 7  
Transaction, shall be used by the Director of Budget and 8  
Management, without need for any other approval, to retain or 9  
contract for the services of commercial appraisers, underwriters, 10  
investment bankers, and financial advisers, as are necessary in 11  
the Director's judgment to commence negotiation of the transfer 12  
agreement referred to in sections 4313.01 and 4313.02 of the 13  
Revised Code, as enacted by this act. Any amounts expended from 14  
appropriation item 042423 shall be reimbursed from the proceeds of 15  
the enterprise acquisition project transaction authorized in those 16  
sections. 17

The Director of Budget and Management, in consultation with 18  
the Director of Commerce, may negotiate an initial agreement with 19  
JobsOhio, which shall be executed by the Directors of Budget and 20  
Management and Commerce upon its completion." 21

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

SYNOPSIS

Liquor Enterprise Transaction 22

Section 229.10 23

Establishes Office of Budget and Management GRF appropriation 24  
item 042423, Liquor Enterprise Transaction, with an appropriation 25  
of \$500,000 in FY 2012, and requires this appropriation item to be 26  
used by the Director of Budget and Management, without the need 27  
for any other approval, to retain or contract for the services of 28  
commercial appraisers, underwriters, investment bankers, and 29  
financial advisers, as are necessary in the Director's judgment to 30  
commence negotiation of the liquor enterprise transfer agreement 31  
authorized in the bill. 32

Requires any amounts expended from appropriation item 042423 33  
to be reimbursed from the proceeds of the enterprise acquisition 34  
project transaction. 35

Permits the Director of Budget and Management, in 36  
consultation with the Director of Commerce, to negotiate an 37  
initial agreement with JobsOhio and requires this initial 38  
agreement to be executed by the Directors of Budget and Management 39  
and Commerce upon its completion. 40

Sub. H.B. 153  
As Pending in S. Finance  
LSC 129 1066-6  
SC-4615-1

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

Delete lines 139004 through 139036 and insert: 1

"Section 309.30.30. REDUCTION IN MEDICAID PAYMENT RATES 2

(A) As used in this section, "charge high trim point" means a 3  
measure used to determine whether a claim for a hospital inpatient 4  
or outpatient service qualifies for a cost outlier payment under 5  
the Medicaid program. 6

(B) For fiscal year 2012 and fiscal year 2013, the Director 7  
of Job and Family Services shall implement purchasing strategies 8  
and rate reductions for hospital and other Medicaid-covered 9  
services, as determined by the Director, that result in payment 10  
rates for those services being at least two per cent less than the 11  
respective payment rates for fiscal year 2011. In implementing the 12  
purchasing strategies and rate reductions, the Director shall do 13  
the following: 14

(1) Notwithstanding the section of this act titled 15  
"CONTINUATION OF MEDICAID RATES FOR HOSPITAL INPATIENT AND 16  
OUTPATIENT SERVICES," modernize hospital inpatient and outpatient 17  
reimbursement methodologies by doing the following: 18

(a) Modifying the inpatient hospital capital reimbursement 19

methodology; 20

(b) Establishing new diagnosis-related groups in a cost-neutral manner; 21-22

(c) For hospital discharges that occur during the period beginning October 1, 2011, and ending January 1, 2012, modifying charge high trim points, as in effect on January 1, 2011, by a factor of 13.6%; 23-26

(d) For hospital discharges that occur during the period beginning January 1, 2012, and ending on the effective date of the first of the new diagnosis-related groups established under division (B) (1) (b) of this section, modifying charge high trim points, as in effect on October 1, 2011, by a factor of 9.72%; 27-31

(e) Implementing other changes the Director considers appropriate. 32-33

~~(2) Establish selective contracting and prior authorization requirements for types of medical assistance the Director identifies.~~ 34-36

(C) The Director shall adopt rules under section 5111.02 and 5111.85 of the Revised Code as necessary to implement this section. 37-39

(D) This section does not apply to nursing facility and intermediate care facility for the mentally retarded services provided under the Medicaid program." 40-42

In line 139173, after the first comma insert "appropriation item 600525, Health Care/Medicaid," 43-44

In line 139174, after "section" insert "and to implement the section of this act titled "CONTINUATION OF MEDICAID RATES FOR HOSPITAL INPATIENT AND OUTPATIENT SERVICES"" 45-47

In line 139176, after "payments" insert "to children's 48

hospitals" 49

Delete line 139177 and insert "the section of this act titled 50  
"CHILDREN'S HOSPITALS SUPPLEMENTAL FUNDING." 51

Delete lines 139178 through 139189 and insert: 52

"Section 309.30.35. CONTINUATION OF MEDICAID RATES FOR 53  
HOSPITAL INPATIENT AND OUTPATIENT SERVICES 54

The Director of Job and Family Services shall amend rules 55  
adopted under section 5111.02 of the Revised Code as necessary to 56  
continue, for fiscal year 2012 and fiscal year 2013, the Medicaid 57  
reimbursement rates in effect on June 30, 2011, for 58  
Medicaid-covered hospital inpatient services and hospital 59  
outpatient services that are paid under the prospective payment 60  
system established in those rules. 61

Section 309.30.\_\_\_\_. CHILDREN'S HOSPITALS SUPPLEMENTAL FUNDING 62  
63

(A) As used in this section, "children's hospital" means a 64  
children's hospital, as defined in section 3702.51 of the Revised 65  
Code, that is located in this state, primarily serves patients 66  
eighteen years of age and younger, is subject to the Medicaid 67  
prospective payment system for hospitals established in rules 68  
adopted under section 5111.02 of the Revised Code, and is excluded 69  
from Medicare prospective payment in accordance with 42 C.F.R. 70  
412.23(d). 71

(B) For fiscal year 2012 and fiscal year 2013, the Director 72  
of Job and Family Services shall make additional Medicaid payments 73  
to children's hospitals for inpatient services to compensate 74  
children's hospitals for the high percentage of Medicaid 75  
recipients they serve. The additional payments shall be made under 76  
a program modeled after the program the Department of Job and 77

Family Services was required to create for fiscal year 2006 and 78  
 fiscal year 2007 in Section 206.66.79 of Am. Sub. H.B. 66 of the 79  
 126th General Assembly. The program may be the same as the program 80  
 the Director used for making the payments to children's hospitals 81  
 for fiscal year 2010 and fiscal year 2011 under Section 309.30.15 82  
 of Am. Sub. H.B. 1 of the 128th General Assembly. 83

(C) All of the following shall be used to make additional 84  
 Medicaid payments to children's hospitals under division (B) of 85  
 this section: 86

(1) Of the foregoing appropriation item 600537, Children's 87  
 Hospital, up to \$6 million in each fiscal year plus the 88  
 corresponding federal match; 89

(2) Of the amounts deposited into the Hospital Assessment 90  
 Fund created under section 5112.45 of the Revised Code, \$4.4 91  
 million in fiscal year 2012, plus the corresponding federal match, 92  
 and \$4 million in fiscal year 2013, plus the corresponding federal 93  
 match." 94

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

SYNOPSIS

Reduction of Medicaid Expenditures for Fiscal Years 2012 and 95  
 2013 96

Section 309.30.30 97

Revises the bill's provision that requires the Director of 98  
 Job and Family Services, for fiscal years 2012 and 2013, to 99  
 implement purchasing strategies and rate reductions for Medicaid 100  
 services as follows: 101

(1) Requires the Director to modernize hospital inpatient and outpatient reimbursement methodologies and establish selective contracting and prior authorization requirements for types of medical assistance the Director identifies rather than requiring the Director to consider such actions;

(2) Requires the Director to modernize hospital inpatient and outpatient reimbursement methodologies notwithstanding the bill's provision that requires the Director to continue the June 30, 2011, Medicaid rates for such services;

(3) Requires the Director, when modernizing hospital and outpatient reimbursement methodologies, to (1) establish new diagnosis-related groups in a cost-neutral manner and (2) modify the measures used to determine whether a claim for a hospital inpatient or outpatient service qualifies for a cost outlier payment;

(4) Removes the provision that would have required the Director, if any purchasing strategies or rate reductions reduce administrative rate payments made to medicaid managed care organizations, to ensure that the organizations do not pass the reductions onto providers under contract with the organizations.

**Continuation of Medicaid Rates for Hospital and Outpatient Services**

**Section 309.30.35**

Revises the bill's provision that requires the Director of Job and Family Services, for fiscal years 2012 and 2013, to continue to pay the June 30, 2011, Medicaid rates for hospital inpatient and outpatient services by removing the provision that would have required the Director to continue paying the rates notwithstanding the bill's provision that requires the Director to implement purchasing strategies and rate reductions for Medicaid

services.	132
<b>Authorization of Additional Medicaid Expenditures for</b>	133
<b>Hospital Services</b>	134
<b>Section 309.30.33</b>	135
Revises the bill's provision that permits the Director of	136
Budget and Management to authorize additional expenditures from	137
appropriation item 600623, Health Care Federal, and appropriation	138
item 600656, Medicaid-Hospital, in order to implement the Hospital	139
Inpatient and Outpatient Supplemental Upper Payment Limit Program	140
and the Medicaid Managed Care Hospital Incentive Payment Program	141
as follows:	142
(1) Permits the Director also to authorize additional	143
expenditures from those appropriation items to implement the	144
bill's provision that requires the Director of Job and Family	145
Services, for fiscal years 2012 and 2013, to continue to pay the	146
June 30, 2011, Medicaid rates for hospital inpatient and	147
outpatient services;	148
(2) Permits the Director of Budget and Management also to	149
authorize additional expenditures from appropriation item 600525,	150
Health Care/Medicaid, for those three purposes.	151
<b>Additional Medicaid Payments to Children's Hospitals</b>	152
<b>Sections 309.30.____ (primary) and 309.30.33</b>	153
For fiscal years 2012 and 2013, requires the Director of Job	154
and Family Services to make additional Medicaid payments to	155
children's hospitals for inpatient services under a program	156
modeled after the program that was created for fiscal years 2006	157
and 2007 under the budget act for those years.	158
Provides for all of the following to be used to make the	159
additional Medicaid payments:	160



(1) In each of the fiscal years, \$6 million from	161
appropriation item 600537, Children's Hospital, and the	162
corresponding federal match;	163
(2) In fiscal year 2012, \$4.4 million of the money in the	164
Hospital Assessment Fund and the corresponding federal match;	165
(3) In fiscal year 2013, \$4 million of the money in the	166
Hospital Assessment Fund and the corresponding federal match.	167
Provides that nothing in the bill's provision regarding the	168
Hospital Inpatient and Outpatient Supplemental Upper Payment Limit	169
Program and the Medicaid Managed Care Hospital Incentive Payment	170
Program reduces the additional Medicaid payments to be made to	171
children's hospitals.	172

Sub. H.B. 153  
As Pending in S. Finance  
LSC 129 1066-6  
SC-4618

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

In line 647, after "5111.225," insert "5111.226," 1

In line 101810, strike through "division" and insert 2  
"divisions"; after "(C)" insert "and (D)" 3

Between lines 101836 and 101837, insert: 4

"(D) Beginning on the date the department of developmental 5  
disabilities assumes, under section 5111.226 of the Revised Code, 6  
the powers and duties of the department of job and family services 7  
regarding the medicaid program's coverage of services provided by 8  
intermediate care facilities for the mentally retarded, this 9  
section shall apply only to the extent, if any, provided in the 10  
contract required by that section." 11

Between lines 101904 and 101905, insert: 12

"Sec. 5111.226. Subject, if needed, to the approval of the 13  
United States secretary of health and human services, the 14  
department of job and family services shall enter into a contract 15  
with the department of developmental disabilities under section 16  
5111.91 of the Revised Code that provides for the department of 17  
developmental disabilities to assume the powers and duties of the 18  
department of job and family services with regard to the medicaid 19

program's coverage of services provided by intermediate care facilities for the mentally retarded. The contract shall include a schedule for the assumption of the powers and duties. Except as otherwise authorized by the United States secretary of health and human services, no provision of the contract may violate a federal law or regulation governing the medicaid program. Once the contract goes into effect, all references to the department of job and family services, and all references to the director of job and family services, with regard to intermediate care facilities for the mentally retarded that are in law enacted by the general assembly shall be deemed to be references to the department of developmental disabilities and director of developmental disabilities, respectively, to the extent necessary to implement the terms of the contract."

In line 139391, delete "the"

In line 139392, delete "administration of, and"; delete the second comma

Delete lines 139415 through 139417

Delete lines 139441 through 139444

In line 139573, after "309.33.20." insert "ICF/MR AND"

In line 139578, after "duties" insert "under section 5111.226 of the Revised Code regarding the Medicaid program's coverage of ICF/MR services and,"; delete "regarding" and insert a comma

In line 139599, after "for" insert "ICF/MR services,"

In line 139600, after "Waiver" insert a comma

In line 330 of the title, after "5111.225," insert "5111.226,"

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

SYNOPSIS

ICF/MR Services Transferred to Department of Developmental	47
Disabilities	48
R.C. 5111.226 (primary) and 5111.211; Sections 309.30.80 and	49
309.33.20	50
Removes the bill's provision that would have prohibited the	51
transfer of the powers and duties of the Ohio Department of Job	52
and Family Services (ODJFS) regarding the Medicaid program's	53
coverage of intermediate care facility for the mentally retarded	54
(ICFs/MR) services to the Ohio Department of Developmental	55
Disabilities (ODODD) unless a state law is enacted that expressly	56
authorizes the transfer.	57
Restores the provisions from the Executive version of the	58
bill that require ODJFS to contract with ODODD to assume ODJFS's	59
powers and duties regarding ICF/MR services.	60
Removes the bill's provision that would have provided for	61
ODJFS and ODODD, as part of a study regarding Medicaid	62
reimbursement rates for ICF/MR services, to study the	63
administration of ICFs/MR services.	64

Sub. H.B. 153  
As Pending in S. Finance  
LSC 129 1066-6  
SC-4621

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

- In line 454, delete "1541.03," 1
- In line 627, delete "1541.25, 1541.26," 2
- Delete lines 33498 through 33628 3
- Delete lines 33684 through 33713 4
- In line 131042, delete "1541.03," 5
- In line 73 of the title, delete "1541.03," 6
- In line 306 of the title, delete "1541.25," 7
- In line 307 of the title, delete "1541.26," 8

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

SYNOPSIS

- Drilling on State Park Land 9
- R.C. 1541.03, 1541.25, and 1541.26 10
- Removes the bill's provisions that do both of the following: 11
- (1) Authorize the Chief of the Division of Parks and 12
- Recreation, with the approval of the Director of Natural 13

Resources, to sell, lease, or transfer minerals or mineral rights, 14  
specifically oil and natural gas, on lands owned by the state and 15  
administered by the Division and to enter into contracts for 16  
drilling; 17

(2) Specify how the resulting revenue is to be credited and 18  
used. 19

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2  
3 Sub. H.B. 153  
4 As Pending in S. Finance  
5 LSC 129 1066-6  
SC-4627

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

7 In line 524, delete "4111.14,"

8 Delete lines 80539 through 80862

9 In line 131112, delete "4111.14,"

10 In line 169 of the title, delete "4111.14,"

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

12 SYNOPSIS

13 **Minimum wage**

14 **R.C. 4111.14**

15 Removes proposed change to the exemptions from the minimum  
16 wage law, restoring the exemptions to current law.

Sub. H.B. 153  
As Pending in S. Finance  
LSC 129 1066-6  
SC-4632

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

- In line 403, after "109.36," insert "109.43," 1
- In line 413, after "149.38," insert "149.39, 149.41, 149.411,  
149.412, 149.42," 2  
3
- In line 421, after "307.80," insert "307.801," 4
- In line 465, after "1901.262," insert "1901.41," 5
- In line 621, after "149.308," insert "149.381," 6
- Between lines 3753 and 3754, insert: 7
- "Sec. 109.43. (A) As used in this section: 8
- (1) "Designee" means a designee of the elected official in 9  
the public office if that elected official is the only elected 10  
official in the public office involved or a designee of all of the 11  
elected officials in the public office if the public office 12  
involved includes more than one elected official. 13
- (2) "Elected official" means an official elected to a local 14  
or statewide office. "Elected official" does not include the chief 15  
justice or a justice of the supreme court, a judge of a court of 16  
appeals, court of common pleas, municipal court, or county court, 17  
or a clerk of any of those courts. 18



(3) "Public office" has the same meaning as in section 19  
149.011 of the Revised Code. 20

(4) "Public record" has the same meaning as in section 149.43 21  
of the Revised Code. 22

(B) The attorney general shall develop, provide, and certify 23  
training programs and seminars for all elected officials or their 24  
appropriate designees in order to enhance the officials' knowledge 25  
of the duty to provide access to public records as required by 26  
section 149.43 of the Revised Code. The training shall be three 27  
hours for every term of office for which the elected official was 28  
appointed or elected to the public office involved. The training 29  
shall provide elected officials or their appropriate designees 30  
with guidance in developing and updating their offices' policies 31  
as required under section 149.43 of the Revised Code. The 32  
successful completion by an elected official or by an elected 33  
official's appropriate designee of the training requirements 34  
established by the attorney general under this section shall 35  
satisfy the education requirements imposed on elected officials or 36  
their appropriate designees under division (E) of section 149.43 37  
of the Revised Code. Prior to providing the training programs and 38  
seminars under this section to satisfy the education requirements 39  
imposed on elected officials or their appropriate designees under 40  
division (E) of section 149.43 of the Revised Code, the attorney 41  
general shall ensure that the training programs and seminars are 42  
accredited by the commission on continuing legal education 43  
established by the supreme court. 44

(C) The attorney general shall not charge any elected 45  
official or the appropriate designee of any elected official any 46  
fee for attending the training programs and seminars that the 47  
attorney general conducts under this section. The attorney general 48  
may allow the attendance of any other interested persons at any of 49

the training programs or seminars that the attorney general 50  
conducts under this section and shall not charge the person any 51  
fee for attending the training program or seminar. 52

(D) In addition to developing, providing, and certifying 53  
training programs and seminars as required under division (B) of 54  
this section, the attorney general may contract with one or more 55  
other state agencies, political subdivisions, or other public or 56  
private entities to conduct the training programs and seminars for 57  
elected officials or their appropriate designees under this 58  
section. The contract may provide for the attendance of any other 59  
interested persons at any of the training programs or seminars 60  
conducted by the contracting state agency, political subdivision, 61  
or other public or private entity. The contracting state agency, 62  
political subdivision, or other public or private entity may 63  
charge an elected official, an elected official's appropriate 64  
designee, or an interested person a registration fee for attending 65  
the training program or seminar conducted by that contracting 66  
agency, political subdivision, or entity pursuant to a contract 67  
entered into under this division. The attorney general shall 68  
determine a reasonable amount for the registration fee based on 69  
the actual and necessary expenses associated with the training 70  
programs and seminars. If the contracting state agency, political 71  
subdivision, or other public or private entity charges an elected 72  
official or an elected official's appropriate designee a 73  
registration fee for attending the training program or seminar 74  
conducted pursuant to a contract entered into under this division 75  
by that contracting agency, political subdivision, or entity, the 76  
public office for which the elected official was appointed or 77  
elected to represent may use the public office's own funds to pay 78  
for the cost of the registration fee. 79

(E) The attorney general shall develop and provide to all 80

public offices a model public records policy for responding to 81  
public records requests in compliance with section 149.43 of the 82  
Revised Code in order to provide guidance to public offices in 83  
developing their own public record policies for responding to 84  
public records requests in compliance with that section. 85

(F) The attorney general may provide any other appropriate 86  
training or educational programs about Ohio's "Sunshine Laws," 87  
sections 121.22, 149.38, 149.381, and 149.43 of the Revised Code, 88  
as may be developed and offered by the attorney general or by the 89  
attorney general in collaboration with one or more other state 90  
agencies, political subdivisions, or other public or private 91  
entities. 92

(G) The auditor of state, in the course of an annual or 93  
biennial audit of a public office pursuant to Chapter 117. of the 94  
Revised Code, shall audit the public office for compliance with 95  
this section and division (E) of section 149.43 of the Revised 96  
Code." 97

Delete lines 13555 through 13617 and insert: 98

"Sec. 149.38. (A) There Except as otherwise provided in 99  
section 307.847 of the Revised Code, there is hereby created in 100  
each county a county records commission, composed of a member of 101  
the board of county commissioners as chairperson, the prosecuting 102  
attorney, the auditor, the recorder, and the clerk of the court of 103  
common pleas. The commission shall appoint a secretary, who may or 104  
may not be a member of the commission and who shall serve at the 105  
pleasure of the commission. The commission may employ an archivist 106  
or records manager to serve under its direction. The commission 107  
shall meet at least once every six months and upon the call of the 108  
chairperson. 109

(B) The functions of the county records commission shall be 110

to provide rules for retention and disposal of records of the  
 county, and to review applications for one-time disposal of  
 obsolete records and schedules of records retention and  
 disposition submitted by county offices. The commission may  
 dispose of records pursuant to the procedure outlined in this  
 section. The commission, at any time, may review any schedule it  
 has previously approved and, for good cause shown, may revise that  
 schedule, subject to division (D) of this section.

(C) (1) When the county records commission has approved any  
 county application for one-time disposal of obsolete records or  
 any schedule of records retention and disposition, the commission  
 shall send that application or schedule to the Ohio historical  
 society for its review. The Ohio historical society shall review  
 the application or schedule within a period of not more than sixty  
 days after its receipt of it. ~~Upon~~ During the sixty-day review  
period, the Ohio historical society may select for its custody  
from the application for one-time disposal of obsolete records any  
records it considers to be of continuing historical value, and  
shall denote upon any schedule of records retention and  
disposition any records for which the Ohio historical society will  
require a certificate of records disposal prior to their disposal.

(2) Upon completion of its review, the Ohio historical  
 society shall forward the application for one-time disposal of  
 obsolete records or the schedule of records retention and  
 disposition to the auditor of state for the auditor's approval or  
 disapproval. The auditor of state shall approve or disapprove the  
 application or schedule within a period of not more than sixty  
 days after receipt of it. ~~Before~~

(3) Before public records are to be disposed of pursuant to  
an approved schedule of records retention and disposition, the  
county records commission shall inform the Ohio historical society

of the disposal through the submission of a certificate of records 142  
 disposal for only the records required by the schedule to be 143  
disposed of and shall give the society the opportunity for a 144  
 period of fifteen business days to select for its custody those 145  
 records, from the certificate submitted, that it considers to be 146  
 of continuing historical value. Upon the expiration of the 147  
 fifteen-business-day period, the county records commission also 148  
 shall notify the public libraries, county historical society, 149  
 state universities, and other public or quasi-public institutions, 150  
 agencies, or corporations in the county that have provided the 151  
 commission with their name and address for these notification 152  
 purposes, that the commission has informed the Ohio historical 153  
 society of the records disposal and that the notified entities, 154  
 upon written agreement with the Ohio historical society pursuant 155  
 to section 149.31 of the Revised Code, may select records of 156  
 continuing historical value, including records that may be 157  
 distributed to any of the notified entities under section 149.31 158  
 of the Revised Code. Any notified entity that notifies the county 159  
records commission of its intent to review and select records of 160  
continuing historical value from certificates of records disposal 161  
is responsible for the cost of any notice given and for the 162  
transportation of those records. 163

(D) The rules of the county records commission shall include 164  
 a rule that requires any receipts, checks, vouchers, or other 165  
 similar records pertaining to expenditures from the delinquent tax 166  
 and assessment collection fund created in section 321.261 of the 167  
 Revised Code, from the real estate assessment fund created in 168  
 section 325.31 of the Revised Code, or from amounts allocated for 169  
 the furtherance of justice to the county sheriff under section 170  
 325.071 of the Revised Code or to the prosecuting attorney under 171  
 section 325.12 of the Revised Code to be retained for at least 172  
 four years. 173

(E) No person shall knowingly violate the rule adopted under 174  
 division (D) of this section. Whoever violates that rule is guilty 175  
 of a misdemeanor of the first degree. 176

Sec. 149.381. (A) As used in this section, "records 177  
commission" means a records commission created under section 178  
149.39 of the Revised Code, a school district records commission 179  
and an educational service center records commission created under 180  
section 149.41 of the Revised Code, a library records commission 181  
created under section 149.411 of the Revised Code, a special 182  
taxing district records commission created under section 149.412 183  
of the Revised Code, and a township records commission created 184  
under section 149.42 of the Revised Code. 185

(B) When a records commission has approved an application for 186  
one-time disposal of obsolete records or any schedule of records 187  
retention and disposition, the records commission shall send that 188  
application or schedule to the Ohio historical society for its 189  
review. The Ohio historical society shall review the application 190  
or schedule within a period of not more than sixty days after its 191  
receipt of it. During the sixty-day review period, the Ohio 192  
historical society may select for its custody from the application 193  
for one-time disposal of obsolete records any records it considers 194  
to be of continuing historical value, and shall denote upon any 195  
schedule of records retention and disposition the records for 196  
which the Ohio historical society will require a certificate of 197  
records disposal prior to their disposal. 198

(C) Upon completion of its review, the Ohio historical 199  
society shall forward the application for one-time disposal of 200  
obsolete records or the schedule of records retention and 201  
disposition to the auditor of state for the auditor of state's 202  
approval or disapproval. The auditor of state shall approve or 203  
disapprove the application or schedule within a period of not more 204

than sixty days after receipt of it.

205

(D) Before public records are to be disposed of pursuant to an approved schedule of records retention and disposition, the records commission shall inform the Ohio historical society of the disposal through the submission of a certificate of records disposal for only the records required by the schedule to be disposed of, and shall give the society the opportunity for a period of fifteen business days to select for its custody those public records, from the certificate submitted, that it considers to be of continuing historical value.

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(E) The Ohio historical society may not review or select for its custody any of the following:

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(1) Records the release of which is prohibited by section 149.432 of the Revised Code.

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(2) Records containing personally identifiable information concerning any pupil attending a public school other than directory information, as defined in section 3319.321 of the Revised Code, without the written consent of the parent, guardian, or custodian of each such pupil who is less than eighteen years of age, or without the written consent of each pupil who is eighteen years of age or older.

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(3) Records the release of which would, according to the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232g, disqualify a school or other educational institution from receiving federal funds.

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**Sec. 149.39.** There is hereby created in each municipal corporation a records commission composed of the chief executive or the chief executive's appointed representative, as chairperson, and the chief fiscal officer, the chief legal officer, and a citizen appointed by the chief executive. The commission shall

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appoint a secretary, who may or may not be a member of the 235  
 commission and who shall serve at the pleasure of the commission. 236  
 The commission may employ an archivist or records manager to serve 237  
 under its direction. The commission shall meet at least once every 238  
 six months and upon the call of the chairperson. 239

The functions of the commission shall be to provide rules for 240  
 retention and disposal of records of the municipal corporation, 241  
 and to review applications for one-time disposal of obsolete 242  
 records and schedules of records retention and disposition 243  
 submitted by municipal offices. The commission may dispose of 244  
 records pursuant to the procedure outlined in this section 149.381 245  
of the Revised Code. The commission, at any time, may review any 246  
 schedule it has previously approved and, for good cause shown, may 247  
 revise that schedule under the procedure outlined in that section. 248

~~When the municipal records commission has approved any 249  
 application for one time disposal of obsolete records or any 250  
 schedule of records retention and disposition, the commission 251  
 shall send that application or schedule to the Ohio historical 252  
 society for its review. The Ohio historical society shall review 253  
 the application or schedule within a period of not more than sixty 254  
 days after its receipt of it. Upon completion of its review, the 255  
 Ohio historical society shall forward the application for one time 256  
 disposal of obsolete records or the schedule of records retention 257  
 and disposition to the auditor of state for the auditor's approval 258  
 or disapproval. The auditor shall approve or disapprove the 259  
 application or schedule within a period of not more than sixty 260  
 days after receipt of it. Before public records are to be disposed 261  
 of, the commission shall inform the Ohio historical society of the 262  
 disposal through the submission of a certificate of records 263  
 disposal and shall give the society the opportunity for a period 264  
 of fifteen business days to select for its custody those public 265  
 records that it considers to be of continuing historical value. 266~~



Sec. 149.41. There is hereby created in each city, local, 267  
 joint vocational, and exempted village school district a school 268  
 district records commission, and in each educational service 269  
 center an educational service center records commission. Each 270  
 records commission shall be composed of the president, the 271  
 treasurer of the board of education or governing board of the 272  
 educational service center, and the superintendent of schools in 273  
 each such district or educational service center. The commission 274  
 shall meet at least once every twelve months. 275

The function of the commission shall be to review 276  
 applications for one-time disposal of obsolete records and 277  
 schedules of records retention and disposition submitted by any 278  
 employee of the school district or educational service center. The 279  
 commission may dispose of records pursuant to the procedure 280  
 outlined in ~~this~~ section 149.381 of the Revised Code. The 281  
 commission, at any time, may review any schedule it has previously 282  
 approved and, for good cause shown, may revise that schedule under 283  
the procedure outlined in that section. 284

~~When the school district records commission or the 285  
 educational service center records commission has approved any 286  
 application for one-time disposal of obsolete records or any 287  
 schedule of records retention and disposition, the appropriate 288  
 commission shall send that application or schedule to the Ohio 289  
 historical society for its review. The Ohio historical society 290  
 shall review the application or schedule within a period of not 291  
 more than sixty days after its receipt of it. Upon completion of 292  
 its review, the Ohio historical society shall forward the 293  
 application for one-time disposal of obsolete records or the 294  
 schedule of records retention and disposition to the auditor of 295  
 state for the auditor's approval or disapproval. The auditor shall 296  
 approve or disapprove the application or schedule within a period 297~~

~~of not more than sixty days after receipt of it. Before public records are to be disposed of, the appropriate commission shall inform the Ohio historical society of the disposal through the submission of a certificate of records disposal and shall give the society the opportunity for a period of fifteen business days to select for its custody those public records that it considers to be of continuing historical value. The society may not review or select for its custody either of the following:~~

~~(A) Records containing personally identifiable information concerning any pupil attending a public school other than directory information, as defined in section 3319.321 of the Revised Code, without the written consent of the parent, guardian, or custodian of each such pupil who is less than eighteen years of age, or without the written consent of each such pupil who is eighteen years of age or older;~~

~~(B) Records the release of which would, according to the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C.A. 1232g, disqualify a school or other educational institution from receiving federal funds.~~

**Sec. 149.411.** There is hereby created in each county free public library, municipal free public library, township free public library, school district free public library as described in section 3375.15 of the Revised Code, county library district, and regional library district a library records commission composed of the members and the fiscal officer of the board of library trustees of the appropriate public library or library district. The commission shall meet at least once every twelve months.

The functions of the commission shall be to review applications for one-time disposal of obsolete records and

schedules of records retention and disposition submitted by any 328  
 employee of the library. The commission may dispose of records 329  
 pursuant to the procedure outlined in ~~this~~ section 149.381 of the 330  
Revised Code. The commission, at any time, may review any schedule 331  
 it has previously approved and, for good cause shown, may revise 332  
 that schedule under the procedure outlined in that section. 333

~~When the appropriate library records commission has approved 334  
 any library application for one-time disposal of obsolete records 335  
 or any schedule of records retention and disposition, the 336  
 commission shall send that application or schedule to the Ohio 337  
 historical society for its review. The Ohio historical society 338  
 shall review the application or schedule within a period of not 339  
 more than sixty days after its receipt of it. Upon completion of 340  
 its review, the Ohio historical society shall forward the 341  
 application for one-time disposal of obsolete records or the 342  
 schedule of records retention and disposition to the auditor of 343  
 state for the auditor's approval or disapproval. The auditor shall 344  
 approve or disapprove the application or schedule within a period 345  
 of not more than sixty days after receipt of it. Before public 346  
 records are to be disposed of, the commission shall inform the 347  
 Ohio historical society of the disposal through the submission of 348  
 a certificate of records disposal and shall give the society the 349  
 opportunity for a period of fifteen business days to select for 350  
 its custody those public records that it considers to be of 351  
 continuing historical value. The Ohio historical society may not 352  
 review or select for its custody any records pursuant to section 353  
 149.432 of the Revised Code. 354~~

**Sec. 149.412.** There is hereby created in each special taxing 355  
 district that is a public office as defined in section 149.011 of 356  
 the Revised Code and that is not specifically designated in 357  
 section 149.38, 149.39, 149.41, 149.411, or 149.42 of the Revised 358

Code a special taxing district records commission composed of, at 359  
a minimum, the chairperson, a fiscal representative, and a legal 360  
representative of the governing board of the special taxing 361  
district. The commission shall meet at least once every twelve 362  
months and upon the call of the chairperson. 363

The functions of the commission shall be to review 364  
applications for one-time disposal of obsolete records and 365  
schedules of records retention and disposition submitted by any 366  
employee of the special taxing district. The commission may 367  
dispose of records pursuant to the procedure outlined in this 368  
section 149.381 of the Revised Code. The commission, at any time, 369  
may review any schedule it has previously approved and, for good 370  
cause shown, may revise that schedule under the procedure outlined 371  
in that section. 372

~~When the special taxing district records commission has 373  
approved any special taxing district application for one time 374  
disposal of obsolete records or any schedule of records retention 375  
and disposition, the commission shall send that application or 376  
schedule to the Ohio historical society for its review. The Ohio 377  
historical society shall review the application or schedule within 378  
a period of not more than sixty days after its receipt of it. Upon 379  
completion of its review, the Ohio historical society shall 380  
forward the application for one time disposal of obsolete records 381  
or the schedule of records retention and disposition to the 382  
auditor of state for the auditor's approval or disapproval. The 383  
auditor shall approve or disapprove the application or schedule 384  
within a period of not more than sixty days after receipt of it. 385  
Before public records are to be disposed of, the commission shall 386  
inform the Ohio historical society of the disposal through the 387  
submission of a certificate of records disposal and shall give the 388  
society the opportunity for a period of fifteen business days to 389~~

~~select for its custody those public records that it considers to  
be of continuing historical value.~~ 390  
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Sec. 149.42. There is hereby created in each township a 392  
township records commission, composed of the chairperson of the 393  
board of township trustees and the fiscal officer of the township. 394  
The commission shall meet at least once every twelve months and 395  
upon the call of the chairperson. 396

The function of the commission shall be to review 397  
applications for one-time disposal of obsolete records and 398  
schedules of records retention and disposition submitted by 399  
township offices. The commission may dispose of records pursuant 400  
to the procedure outlined in ~~this~~ section 149.381 of the Revised 401  
Code. The commission, at any time, may review any schedule it has 402  
previously approved and, for good cause shown, may revise that 403  
schedule under the procedure outlined in that section. 404

~~When the township records commission has approved any 405  
township application for one time disposal of obsolete records or 406  
any schedule of records retention and disposition, the commission 407  
shall send that application or schedule to the Ohio historical 408  
society for its review. The Ohio historical society shall review 409  
the application or schedule within a period of not more than sixty 410  
days after its receipt of it. Upon completion of its review, the 411  
Ohio historical society shall forward the application for one time 412  
disposal of obsolete records or the schedule of records retention 413  
and disposition to the auditor of state for the auditor's approval 414  
or disapproval. The auditor shall approve or disapprove the 415  
application or schedule within a period of not more than sixty 416  
days after receipt of it. Before public records are to be disposed 417  
of, the commission shall inform the Ohio historical society of the 418  
disposal through the submission of a certificate of records 419  
disposal and shall give the society the opportunity for a period 420~~

~~of fifteen business days to select for its custody those public records that it considers to be of continuing historical value."~~

Between lines 19857 and 19858, insert:

"Sec. 307.801. Within ninety days after a county microfilming board has been established, it shall hold its initial meeting at such time as the secretary of the board determines. Thereafter, the board shall meet annually on the ~~third~~ second Monday in January and at such other times and places as the secretary determines. The secretary shall, within five days after receiving a written request from any other member of the board, call the board together for a meeting. A majority of the board constitutes a quorum at any regular or special meeting.

The board may, by unanimous consent, adopt such rules as it considers necessary for its operation, but no rule of the board shall derogate the authority or responsibility of any elected official."

Between lines 39385 and 39386, insert:

"Sec. 1901.41. (A) Notwithstanding ~~section~~ sections 149.381 and 149.39 of the Revised Code and subject to division (E) of this section, each municipal court, by rule, may order the destruction or other disposition of the files of cases that have been finally disposed of by the court for at least five years as follows:

(1) If a case has been finally disposed of for at least five years, but less than fifteen years prior to the adoption of the rule of court for destruction or other disposition of the files, the court may order the files destroyed or otherwise disposed of only if the court first complies with division (B)(1) of this section;

(2) If a case has been finally disposed of for fifteen years

or more prior to the adoption of the rule of court for destruction 450  
or other disposition of the files, the court may order the files 451  
destroyed or otherwise disposed of without having copied or 452  
reproduced the files prior to their destruction. 453

(B) (1) Except as otherwise provided in this division, all 454  
files destroyed or otherwise disposed of under division (A) (1) of 455  
this section shall be copied or reproduced prior to their 456  
destruction or disposition in the manner and according to the 457  
procedure prescribed in section 9.01 of the Revised Code. The 458  
copies or reproductions of the files made pursuant to section 9.01 459  
of the Revised Code shall be retained and preserved by the court 460  
for a period of ten years after the destruction of the original 461  
files in accordance with this section, after which the copies or 462  
reproductions themselves may be destroyed or otherwise disposed 463  
of. 464

Files destroyed or otherwise disposed of under division 465  
(A) (1) of this section that are solely concerned with criminal 466  
prosecutions for minor misdemeanor offenses or that are concerned 467  
solely with minor misdemeanor traffic prosecutions do not have to 468  
be copied or reproduced in any manner or under any procedure prior 469  
to their destruction or disposition as provided in this section. 470

(2) Files destroyed or otherwise disposed of under division 471  
(A) (2) of this section do not have to be copied or reproduced in 472  
any manner or under any procedure prior to their destruction or 473  
disposition. 474

(C) Nothing in this section permits or shall be construed as 475  
permitting the destruction or other disposition of the files in 476  
the Cleveland municipal court of cases involving the following 477  
actions and proceedings: 478

(1) The sale of real property in an action to foreclose and 479  
marshal all liens on the real property; 480

(2) The sale of real property in an action to foreclose a mortgage on the real property; 481  
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(3) The determination of rights in the title to real property either in the form of a creditor's bill or in any other action intended to determine or adjudicate the right, title, and interest of a person or persons in the ownership of a parcel or parcels of real property or any interest therein. 483  
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(D) All dockets, indexes, journals, and cash books of the court shall be retained and preserved by the court for at least twenty-five years unless they are reproduced in the manner and according to the procedure prescribed in section 9.01 of the Revised Code, in which case the reproductions shall be retained and preserved by the court at least until the expiration of the twenty-five year period for which the originals would have had to have been retained. Court dockets, indexes, journals, and cash books, and all other court records also shall be subject to destruction or other disposition under section ~~149.39~~ 149.381 of the Revised Code. 488  
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(E) Notwithstanding ~~section~~ sections 149.381 and 149.39 of the Revised Code, each clerk of a municipal court shall retain documentation regarding each criminal conviction and plea of guilty involving a case that is or was before the court. The documentation shall be in a form that is admissible as evidence in a criminal proceeding as evidence of a prior conviction or that is readily convertible to or producible in a form that is admissible as evidence in a criminal proceeding as evidence of a prior conviction and may be retained in any form authorized by section 9.01 of the Revised Code. The clerk shall retain this documentation for a period of fifty years after the entry of judgment in the case, except that documentation regarding cases solely concerned with minor misdemeanor offenses or minor 499  
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misdemeanor traffic offenses shall be retained as provided in 512  
 divisions (A) and (B) of this section, and documentation regarding 513  
 other misdemeanor traffic offenses shall be retained for a period 514  
 of twenty-five years after the entry of judgment in the case. This 515  
 section shall apply to records currently retained and to records 516  
 created on or after September 23, 2004." 517

In line 53555, strike through "149.41" and insert "149.381" 518

In line 130990, after "109.36," insert "109.43," 519

In line 131000, after "149.38," insert "149.39, 149.41, 520  
 149.411, 149.412, 149.42," 521

In line 131008, after "307.80," insert "307.801," 522

In line 131053, after "1901.262," insert "1901.41," 523

In line 147588, delete "3313.29," 524

Between lines 147662 and 147663, insert: 525

"3313.29	The amendment striking	The amendment striking	526
	"149.41" and inserting	"(I)" and inserting	
	"149.381"	"(E)""	

In line 4 of the title, after "109.36," insert "109.43," 527

In line 18 of the title, after "149.38," insert "149.39, 528  
 149.41, 149.411, 149.412, 149.42," 529

In line 29 of the title, after "307.80," insert "307.801," 530

In line 88 of the title, after "1901.262," insert "1901.41," 531

In line 299 of the title, after "149.308," insert "149.381," 532

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

SYNOPSIS

<b>Records Retention Procedures</b>	533
R.C. 149.38, 149.381, 149.39, 149.41, 149.411, 149.412, 149.42, 1901.41, and 3313.29	534 535
Consolidates the records retention procedure that currently applies to municipal corporations, school districts, educational service centers, libraries, special taxing district, and townships into one law (R.C. 149.381). Clarifies the procedure for the disposal of records and preparation of a schedule of records retention and disposition by a county, municipal corporation, school district, educational service center, library, special taxing district, and township, and revises the procedure used by the Ohio Historical Society for selecting records of continuing historical value before those entities dispose of records.	536 537 538 539 540 541 542 543 544 545
<b>Attorney General's Training Programs</b>	546
R.C. 109.43(F)	547
Extends the training or educational programs the Attorney General may offer to include the records retention procedure.	548 549
<b>County Microfilming Board</b>	550
R.C. 307.801	551
Moves the date for meetings of a county microfilming board, from the third Monday in January to the second Monday in January.	552 553

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

7 In line 101336, delete "physician" and insert  
8 "psychiatrist"

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

10 SYNOPSIS

11 **Mental Health Drug Exemption from Prior Authorization under**  
12 **Medicaid Managed Care**

13 **R.C. 5111.172**

14 Modifies the bill's exemption from prior authorization  
15 requirements for mental health drugs that are antidepressants or  
16 antipsychotics provided under the Medicaid managed care program  
17 when prescribed at a community mental health agency by  
18 specifying that the exemption applies to those drugs prescribed  
19 by a "psychiatrist" rather than any "physician" practicing at  
20 the agency.

Sub. H.B. 153  
As Pending in S. Finance  
LSC 129 1066-6  
SC-4637  
DMH065/DMH0

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

- In line 649, delete "5119.222," 1
- In line 79427, delete "(1)"; delete "division (F)(2) of this"; after "section" insert "3793.061 of the Revised Code" 2 3
- In line 79432, delete everything after "~~(F)~~" 4
- Delete lines 79433 through 79439 5
- Delete lines 79494 through 79502 and insert: 6
- "Sec. 3793.061. (A) In lieu of a determination by the 7
- department of alcohol and drug addiction services of whether an 8
- alcohol and drug addiction program satisfies the standards for 9
- certification under section 3793.06 of the Revised Code, the 10
- department shall accept appropriate accreditation of an 11
- applicant's alcohol and other drug addiction services, integrated 12
- mental health and alcohol and other drug addiction services, or 13
- integrated alcohol and other drug addiction and physical health 14
- services being provided in this state from any of the following 15
- national accrediting organizations as evidence that the applicant 16
- satisfies the standards for certification: 17
- (1) The joint commission; 18

(2) The commission on accreditation of rehabilitation facilities; 19  
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(3) The council on accreditation. 21

(B) If the department determines that an applicant's accreditation is current, is appropriate for the program for which the applicant is seeking certification, and the applicant meets any other requirements established under this section or in rules adopted under this section, the department shall certify or recertify the program. Except as provided in division (C)(2) of this section, the department shall issue the certification or recertification without further evaluation of the program. 22  
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(C) For purposes of this section, all of the following apply: 30

(1) The department may review the accrediting organizations listed in division (A) of this section to evaluate whether the accreditation standards and processes used by the organizations are consistent with service delivery models the department considers appropriate for alcohol and other drug addiction services, physical health services, or both. The department may communicate to an accrediting organization any identified concerns, trends, needs, and recommendations. 31  
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(2) The department may visit or otherwise evaluate an alcohol and drug addiction program at any time based on cause, including complaints made by or on behalf of consumers and confirmed or alleged deficiencies brought to the attention of the department. 39  
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(3) The department shall require an alcohol and drug addiction program to notify the department not later than ten days after any change in the program's accreditation status. The program may notify the department by providing a copy of the relevant document the program received from the accrediting organization. 43  
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(4) The department shall require an alcohol and drug addiction program to submit to the department reports of major unusual incidents. 49  
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(5) The department may require an alcohol and drug addiction program to submit to the department cost reports pertaining to the program. 52  
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(D) The department shall adopt rules in accordance with Chapter 119. of the Revised Code to implement this section. In adopting the rules, the department shall do all of the following: 55  
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(1) Specify the documentation that must be submitted as evidence of holding appropriate accreditation; 58  
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(2) Establish a process by which the department may review the accreditation standards and processes used by the national accrediting organizations listed in division (A) of this section; 60  
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(3) Specify the circumstances under which reports of major unusual incidents and program cost reports must be submitted to the department; 63  
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(4) Specify the circumstances under which the department may visit or otherwise evaluate an alcohol and drug addiction program for cause; 66  
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(5) Establish a process by which the department, based on deficiencies identified as a result of visiting or evaluating an alcohol drug addiction program under division (C) (2) of this section, may take any of a range of corrective actions, with the most stringent being revocation of the program's certification." 69  
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In line 106233, delete "sections" and insert "section" 74

In line 106234, delete "and 5119.222" 75

Delete lines 106434 through 106441 76

In line 106622, delete "(1)"; delete "division (B) (2) of" 77

<u>this</u> "; after " <u>section</u> " insert " <u>5119.612 of the Revised Code</u> "	78
In line 106625, after the underlined period, close the paragraph	79 80
In line 106630, before " <del>If</del> " insert " <u>(C)</u> "; reinsert "If" and delete the balance of the line	81 82
Delete lines 106631 through 106637	83
In line 106638, delete " <u>(C) If</u> "	84
Delete lines 106705 through 106712 and insert:	85
<u>"Sec. 5119.612. (A) In lieu of a determination by the director of mental health of whether the services of a community mental health agency satisfy the standards for certification under section 5119.611 of the Revised Code, the director shall accept appropriate accreditation of an applicant's mental health services, integrated mental health and alcohol and other drug addiction services, or integrated mental health and physical health services being provided in this state from any of the following national accrediting organizations as evidence that the applicant satisfies the standards for certification:</u>	86 87 88 89 90 91 92 93 94 95
<u>(1) The joint commission;</u>	96
<u>(2) The commission on accreditation of rehabilitation facilities;</u>	97 98
<u>(3) The council on accreditation.</u>	99
<u>(B) If the director determines that an applicant's accreditation is current, is appropriate for the services for which the applicant is seeking certification, and the applicant meets any other requirements established under this section or in rules adopted under this section, the director shall certify the applicant's services that are accredited. Except as provided in division (C)(2) of this section, the director shall issue the</u>	100 101 102 103 104 105 106

certification without further evaluation of the services. 107

(C) For purposes of this section, all of the following apply: 108

(1) The director may review the accrediting organizations 109  
listed in division (A) of this section to evaluate whether the 110  
accreditation standards and processes used by the organizations 111  
are consistent with service delivery models the director considers 112  
appropriate for mental health services, physical health services, 113  
or both. The director may communicate to an accrediting 114  
organization any identified concerns, trends, needs, and 115  
recommendations. 116

(2) The director may visit or otherwise evaluate a community 117  
mental health agency at any time based on cause, including 118  
complaints made by or on behalf of consumers and confirmed or 119  
alleged deficiencies brought to the attention of the director. 120

(3) The director shall require a community mental health 121  
agency to notify the director not later than ten days after any 122  
change in the agency's accreditation status. The agency may notify 123  
the director by providing a copy of the relevant document the 124  
agency received from the accrediting organization. 125

(4) The director shall require a community mental health 126  
agency to submit to the director reports of major unusual 127  
incidents. 128

(5) The director may require a community mental health agency 129  
to submit to the director cost reports pertaining to the agency. 130

(D) The director shall adopt rules in accordance with Chapter 131  
119. of the Revised Code to implement this section. In adopting 132  
the rules, the director shall do all of the following: 133

(1) Specify the documentation that must be submitted as 134  
evidence of holding appropriate accreditation; 135



(2) Establish a process by which the director may review the accreditation standards and processes used by the national accrediting organizations listed in division (A) of this section; 136  
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(3) Specify the circumstances under which reports of major unusual incidents and agency cost reports must be submitted to the director; 139  
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(4) Specify the circumstances under which the director may visit or otherwise evaluate a community mental health agency for cause; 142  
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(5) Establish a process by which the director, based on deficiencies identified as a result of visiting or evaluating a community mental health agency under division (C)(2) of this section, may take any of a range of corrective actions, with the most stringent being revocation of the certification of the agency's services." 145  
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Between lines 140995 and 140996, insert: 151

**"Section 337.30.\_\_\_\_. BEHAVIORAL HEALTH DOCUMENTATION REDUCTION** 152  
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(A) As used in this section: 154

(1) "Community behavioral health services and programs" means 155  
both of the following: 156

(a) Community mental health services certified by the 157  
Director of Mental Health under section 5119.611 of the Revised 158  
Code; 159

(b) Alcohol and drug addiction programs certified by the 160  
Department of Alcohol and Drug Addiction Services under section 161  
3793.06 of the Revised Code. 162

(2) "Residential facility" has the same meaning as in section 163  
5119.22 of the Revised Code. 164

(B) Not later than December 31, 2011, the Directors of Mental Health and Alcohol and Drug Addiction Services, or their designees, shall, in consultation with persons interested in the issues of residential facilities and community behavioral health services and programs, do all of the following:

(1) Identify areas of duplicative and unnecessary documentation requirements associated with licensing residential facilities and certifying community behavioral health services and programs;

(2) Align the documentation standards of the Departments of Mental Health and Alcohol and Drug Addiction Services;

(3) Streamline the Departments' standards regarding residential facilities and community behavioral health services and programs with federal standards;

(4) Promote the integration of behavioral and physical health in residential facilities and community behavioral health services and programs."

In line 333 of the title, delete "5119.222,"

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

SYNOPSIS

**Deemed Certification of Alcohol and Drug Addiction Programs and Community Mental Health Services**

R.C. 3793.06, 3793.061, 5119.611, and 5119.612

Modifies the House-passed provisions under which alcohol and drug addiction programs and community mental health services are to receive state certification based on holding accreditation from

specified national accrediting bodies by requiring or authorizing	189
the Department of Alcohol and Drug Addiction Services and the	190
Director of Mental Health to do the following:	191
(1) Specify documentation that must be submitted as evidence	192
of holding appropriate accreditation;	193
(2) Determine whether an applicant's accreditation is	194
appropriate;	195
(3) Require a program or agency to notify the Department or	196
Director of any change in its accreditation status;	197
(4) Establish a process by which the Department or Director	198
may review the standards and processes of the accrediting bodies;	199
(5) Require a program or agency to submit to the Department	200
or Director major unusual incident reports or agency cost reports;	201
(6) Visit or evaluate a program or agency for cause;	202
(7) Adopt specified rules for the process of certification	203
based on national accreditation.	204
<b>Documentation Submission Requirements</b>	205
<b>R.C. 3793.061, 5119.222, and 5119.612; Section 337.30.____</b>	206
Removes provisions that would have prohibited rules adopted	207
by the Department of Alcohol and Drug Addiction Services and the	208
Department of Mental Health regarding documentation that alcohol	209
and drug addiction programs, residential facilities for persons	210
with mental illness, and community mental health agencies must	211
submit from being more stringent than a comparable documentation	212
submission requirement that applies under federal law.	213
Requires the Directors of Mental Health and Alcohol and Drug	214
Addiction Services, not later than December 31, 2011, and in	215
consultation with persons interested in the issues of residential	216
facilities for persons with mental illness and community	217

behavioral health services and programs, to perform certain	218
actions regarding documentation, standards, and the integration of	219
behavioral and physical health.	220

Sub. H.B. 153  
As Pending in S. Finance  
LSC 129 1066-6  
SC-4638

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

In line 564, after "5123.01," insert "5123.0412," 1

Between lines 110427 and 110428, insert: 2

"Sec. 5123.0412. (A) The department of developmental 3  
disabilities shall charge each county board of developmental 4  
disabilities an annual fee equal to one ~~and one half~~ per cent of 5  
the total value of all medicaid paid claims for home and 6  
community-based services provided during the year to an individual 7  
eligible for services from the county board. No county board shall 8  
pass the cost of a fee charged to the county board under this 9  
section on to another provider of these services. 10

(B) The fees collected under this section shall be deposited 11  
into the ODDD administration and oversight fund ~~and the ODJFS~~ 12  
~~administration and oversight fund, both of which are~~ is hereby 13  
created in the state treasury. ~~The portion of the fees to be~~ 14  
~~deposited into the ODDD administration and oversight fund and the~~ 15  
~~portion of the fees to be deposited into the ODJFS administration~~ 16  
~~and oversight fund shall be the portion specified in an~~ 17  
~~interagency agreement entered into under division (C) of this~~ 18  
~~section.~~ The department of developmental disabilities shall use 19  
the money in the ODDD administration and oversight fund ~~and the~~ 20  
~~department of job and family services shall use the money in the~~ 21

~~ODJFS administration and oversight fund~~ for both of the following 22  
purposes: 23

(1) Medicaid administrative costs, including administrative 24  
and oversight costs of medicaid case management services and home 25  
and community-based services. The administrative and oversight 26  
costs of medicaid case management services and home and 27  
community-based services shall include costs for staff, systems, 28  
and other resources the ~~departments need~~ department needs and 29  
~~dedicate~~ dedicates solely to the following duties associated with 30  
the services: 31

(a) Eligibility determinations; 32

(b) Training; 33

(c) Fiscal management; 34

(d) Claims processing; 35

(e) Quality assurance oversight; 36

~~(f) Other duties the departments identify.~~ 37

(2) Providing technical support to county boards' local 38  
administrative authority under section 5126.055 of the Revised 39  
Code for the services. 40

~~(C) The departments of developmental disabilities and job and 41  
family services shall enter into an interagency agreement to do 42  
both of the following: 43~~

~~(1) Specify which portion of the fees collected under this 44  
section is to be deposited into the ODDD administration and 45  
oversight fund and which portion is to be deposited into the ODJFS 46  
administration and oversight fund; 47~~

~~(2) Provide for the departments to coordinate the staff whose 48  
costs are paid for with money in the ODDD administration and 49  
oversight fund and the ODJFS administration and oversight fund. 50~~

~~(D)~~ The ~~departments~~ department shall submit an annual report 51  
to the director of budget and management certifying how the 52  
~~departments~~ department spent the money in the ODDD administration 53  
and oversight fund and ~~the ODJFS administration and oversight fund~~ 54  
for the purposes specified in division (B) of this section." 55

In line 131153, after "5123.01," insert "5123.0412," 56

Between lines 138967 and 138968, insert: 57

"Section 309.30.15. ODJFS ADMINISTRATION AND OVERSIGHT FUND 58

Notwithstanding the amendment by this act to section 59  
5123.0412 of the Revised Code, the ODJFS Administration and 60  
Oversight Fund shall continue to exist in the state treasury until 61  
the Department of Job and Family Services expends all of the 62  
foregoing appropriation item 600629, MR/DD Medicaid Administration 63  
and Oversight." 64

Between lines 147760 and 147761, insert: 65

"Section 5123.0412 of the Revised Code as amended by Am. Sub. 66  
H.B. 1 and Sub. S.B. 79 of the 128th General Assembly." 67

In line 225 of the title, after "5123.01," insert 68  
"5123.0412," 69

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

SYNOPSIS

County DD Board Fees for Home and Community-Based Services 70

R.C. 5123.0412 71

Revises current law governing fees that a county board of 72  
developmental disabilities pays regarding home and community-based 73

services provided under a Medicaid waiver program the Department	74
of Developmental Disabilities administers as follows:	75
(1) Reduces the fee from 1.5% to 1% of the total value of all	76
Medicaid-paid claims for such services provided to an individual	77
eligible for services from the board;	78
(2) Provides for all of the money raised by the fees to be	79
deposited into the ODDD Administration and Oversight Fund rather	80
than having a portion of the money deposited into the ODJFS	81
Administration and Oversight Fund;	82
(3) Provides that the ODJFS Administration and Oversight Fund	83
ceases to exist when the Department of Job and Family Services	84
expends the amount appropriated from the Fund;	85
(4) Eliminates the Department of Job and Family Services'	86
duties regarding the fees;	87
(5) Provides that money in the ODDD Administration and	88
Oversight Fund may no longer be used for additional duties the	89
Department of Developmental Disabilities identifies.	90



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

7 Between lines 143030 and 143031, insert:

8 "FEDERAL - VOCATIONAL REHABILITATION

9 Of the foregoing appropriation item 415616, Federal -  
10 Vocational Rehabilitation, \$250,000 in each fiscal year shall be  
11 provided to the Ohio Association of Rehabilitation Facilities to  
12 monitor provider accreditation compliance."

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

14 SYNOPSIS

15 **Rehabilitation Services Commission**

16 **Section 375.10**

17 Provides \$250,000 of line item 415616, Federal - Vocational  
18 Rehabilitation, in each fiscal year for the Ohio Association of  
19 Rehabilitation Facilities to monitor provider accreditation  
20 compliance.

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

7 In line 619, after "118.31," insert "122.175,"

8 Between lines 8019 and 8020, insert:

9 "Sec. 122.175. (A) As used in this section:

10 (1) "Capital investment project" means a plan of investment  
11 at a project site for the acquisition, construction, renovation,  
12 expansion, replacement, or repair of a computer data center or  
13 of computer data center equipment, but does not include any of  
14 the following:

15 (a) Project costs paid before a date determined by the tax  
16 credit authority for each capital investment project;

17 (b) Payments made to a related member as defined in section  
18 5733.042 of the Revised Code or to a consolidated elected  
19 taxpayer or a combined taxpayer as defined in section 5751.01 of  
20 the Revised Code.

21 (2) "Computer data center" means a facility used or to be  
22 used primarily to house computer data center equipment used or  
23 to be used in conducting a computer data center business, as  
24 determined by the tax credit authority.

25       (3) "Computer data center business" means, as may be  
26 further determined by the tax credit authority, a business that  
27 provides electronic information services as defined in division  
28 (Y)(1)(c) of section 5739.01 of the Revised Code. "Computer  
29 data center business" does not include providing electronic  
30 publishing as defined in division (LLL) of that section.

31       (4) "Computer data center equipment" means tangible  
32 personal property used or to be used for any of the following:

33       (a) To conduct a computer data center business, including  
34 equipment cooling systems to manage the performance of computer  
35 data center equipment;

36       (b) To generate, transform, transmit, distribute, or manage  
37 electricity necessary to operate the tangible personal property  
38 used or to be used in conducting a computer data center  
39 business;

40       (c) As building and construction materials sold to  
41 construction contractors for incorporation into a computer data  
42 center.

43       (5) "Eligible computer data center" means a computer data  
44 center that satisfies all of the following requirements:

45       (a) The taxpayer will make payments for a capital  
46 investment project of at least one hundred million dollars in  
47 the aggregate at the project site during a period of three  
48 consecutive calendar years;

49       (b) The taxpayer will pay annual compensation that is  
50 subject to the withholding obligation imposed under section  
51 5747.06 of the Revised Code of at least five million dollars to  
52 employees employed at the project site for the term of the  
53 agreement.

54       (6) "Person" has the same meaning as in section 5701.01 of  
55 the Revised Code.

56       (7) "Project site," "related member," and "tax credit  
57 authority" have the same meanings as in sections 122.17 and  
58 122.171 of the Revised Code.

59       (8) "Taxpayer" means any person subject to the taxes  
60 imposed under Chapters 5739. and 5741. of the Revised Code.

61       (B) The tax credit authority may completely or partially  
62 exempt from the taxes levied under Chapters 5739. and 5741. of  
63 the Revised Code the sale, storage, use, or other consumption of  
64 computer data center equipment used or to be used at an eligible  
65 computer data center. Any such exemption shall extend to  
66 charges for the delivery, installation, or repair of the  
67 computer data center equipment subject to the exemption under  
68 this section.

69       (C) A taxpayer that proposes a capital improvement project  
70 for an eligible computer data center in this state may apply to  
71 the tax credit authority to enter into an agreement under this  
72 section for a complete or partial exemption from the taxes

73 imposed under Chapters 5739. and 5741. of the Revised Code on  
74 computer data center equipment used or to be used at the  
75 eligible computer data center. The director of development shall  
76 prescribe the form of the application. After receipt of an  
77 application, the authority shall forward copies of the  
78 application to the director of budget and management, the tax  
79 commissioner, and the director of development, each of whom  
80 shall review the application to determine the economic impact  
81 that the proposed eligible computer data center would have on  
82 the state and any affected political subdivisions and submit to  
83 the authority a summary of their determinations and  
84 recommendations.

85 (D) Upon review and consideration of such determinations  
86 and recommendations, the tax credit authority may enter into an  
87 agreement with the taxpayer for a complete or partial exemption  
88 from the taxes imposed under Chapters 5739. and 5741. of the  
89 Revised Code on computer data center equipment used or to be  
90 used at an eligible computer data center if the authority  
91 determines all of the following:

92 (1) The taxpayer's capital investment project for the  
93 eligible computer data center will increase payroll and the  
94 amount of income taxes to be withheld from employee compensation  
95 pursuant to section 5747.06 of the Revised Code.

96 (2) The taxpayer is economically sound and has the ability  
97 to complete the proposed capital investment project.

98 (3) The taxpayer intends to and has the ability to maintain  
99 operations at the project site for the term of the agreement.

100 (4) Receiving the exemption is a major factor in the  
101 taxpayer's decision to begin, continue with, or complete the  
102 capital investment project.

103 (E) An agreement entered into under this section shall  
104 include all of the following:

105 (1) A detailed description of the capital investment  
106 project that is the subject of the agreement, including the  
107 amount of the investment, the period over which the investment  
108 has been or is being made, the annual compensation to be paid by  
109 the taxpayer to its employees at the project site, and the  
110 anticipated amount of income taxes to be withheld from employee  
111 compensation pursuant to section 5747.06 of the Revised Code.

112 (2) The percentage of the exemption from the taxes imposed  
113 under Chapters 5739. and 5741. of the Revised Code for the  
114 computer data center equipment used or to be used at the  
115 eligible computer data center, the length of time the computer  
116 data center equipment will be exempted, and the first date on  
117 which the exemption applies.

118 (3) A requirement that the taxpayer maintain the computer  
119 data center as an eligible computer data center during the term

120 of the agreement and that the taxpayer maintain operations at  
121 the eligible computer data center during that term.

122 (4) A requirement that during each year of the term of the  
123 agreement the taxpayer pay annual compensation that is subject  
124 to the withholding obligation imposed under section 5747.06 of  
125 the Revised Code of at least five million dollars to its  
126 employees at the eligible computer data center.

127 (5) A requirement that the taxpayer annually report to the  
128 director of development employment, tax withholding, capital  
129 investment, and other information required by the director to  
130 perform the director's duties under this section.

131 (6) A requirement that the director of development annually  
132 review the annual reports of the taxpayer to verify the  
133 information reported under division (E)(5) of this section and  
134 compliance with the agreement. Upon verification, the director  
135 shall issue a certificate to the taxpayer stating that the  
136 information has been verified and that the taxpayer remains  
137 eligible for the exemption specified in the agreement.

138 (7) A provision providing that the taxpayer may not  
139 relocate a substantial number of employment positions from  
140 elsewhere in this state to the project site unless the director  
141 of development determines that the taxpayer notified the  
142 legislative authority of the county, township, or municipal  
143 corporation from which the employment positions would be

144 relocated. For purposes of this paragraph, the movement of an  
145 employment position from one political subdivision to another  
146 political subdivision shall be considered a relocation of an  
147 employment position unless the movement is confined to the  
148 project site. The transfer of an employment position from one  
149 political subdivision to another political subdivision shall not  
150 be considered a relocation of an employment position if the  
151 employment position in the first political subdivision is  
152 replaced by another employment position.

153 (8) A waiver by the taxpayer of any limitations periods  
154 relating to assessments or adjustments resulting from the  
155 taxpayer's failure to comply with the agreement.

156 (F) The term of an agreement under this section shall be  
157 determined by the tax credit authority, and the amount of the  
158 exemption shall not exceed one hundred per cent of such taxes  
159 that would otherwise be owed in respect to the exempted computer  
160 data center equipment.

161 (G) If a taxpayer fails to meet or comply with any  
162 condition or requirement set forth in an agreement under this  
163 section, the tax credit authority may amend the agreement to  
164 reduce the percentage of the exemption or term during which the  
165 exemption applies to the computer data center equipment used or  
166 to be used at an eligible computer data center. The reduction of



167 the percentage or term may take effect in the current calendar  
168 year.

169 (H) Financial statements and other information submitted to  
170 the department of development or the tax credit authority by an  
171 applicant for or recipient of an exemption under this section,  
172 and any information taken for any purpose from such statements  
173 or information, are not public records subject to section 149.43  
174 of the Revised Code. However, the chairperson of the authority  
175 may make use of the statements and other information for  
176 purposes of issuing public reports or in connection with court  
177 proceedings concerning tax exemption agreements under this  
178 section. Upon the request of the tax commissioner, the  
179 chairperson of the authority shall provide to the tax  
180 commissioner any statement or other information submitted by an  
181 applicant for or recipient of an exemption under this section.  
182 The tax commissioner shall preserve the confidentiality of the  
183 statement or other information.

184 (I) The tax commissioner shall issue a direct payment  
185 permit under section 5739.031 of the Revised Code to a taxpayer  
186 that enters into an agreement under this section. Such direct  
187 payment permit shall authorize the taxpayer to pay any sales and  
188 use taxes due on purchases of computer data center equipment  
189 used or to be used in an eligible computer data center and to  
190 pay any sales and use taxes due on purchases of tangible

191 personal property or taxable services other than computer data  
192 center equipment used or to be used in an eligible computer data  
193 center directly to the tax commissioner. Each taxpayer shall pay  
194 pursuant to such direct payment permit all sales tax levied on  
195 such purchases under sections 5739.02, 5739.021, 5739.023, and  
196 5739.026 of the Revised Code and all use tax levied on such  
197 purchases under sections 5741.02, 5741.021, 5741.022, and  
198 5741.023 of the Revised Code, consistent with the terms of the  
199 agreement entered into under this section.

200 During the term of an agreement under this section the  
201 taxpayer shall submit to the tax commissioner a return that  
202 shows the amount of computer data center equipment purchased for  
203 use at the eligible computer data center, the amount of tangible  
204 personal property and taxable services other than computer data  
205 center equipment purchased for use at the eligible computer data  
206 center, the amount of tax under Chapter 5739. or 5741. of the  
207 Revised Code that would be due in the absence of the agreement  
208 under this section, the exemption percentage for computer data  
209 center equipment specified in the agreement, and the amount of  
210 tax due under Chapter 5739. or 5741. of the Revised Code as a  
211 result of the agreement under this section. The taxpayer shall  
212 pay the tax shown on the return to be due in the manner and at  
213 the times as may be further prescribed by the tax commissioner.  
214 The taxpayer shall include a copy of the director of

215 development's certificate of verification issued under division  
216 (E)(6) of this section. Failure to submit a copy of the  
217 certificate with the return does not invalidate the claim for  
218 exemption if the taxpayer submits a copy of the certificate to  
219 the tax commissioner within sixty days after the tax  
220 commissioner requests it.

221 (J) If the director of development determines that a  
222 taxpayer that received an exemption under this section is not  
223 complying with the requirement under division (E)(3) of this  
224 section, the director shall notify the tax credit authority of  
225 the noncompliance. After receiving such a notice, and after  
226 giving the taxpayer an opportunity to explain the noncompliance,  
227 the authority may terminate the agreement and require the  
228 taxpayer to pay to the state all or a portion of the taxes that  
229 would have been owed in regards to the exempt equipment in  
230 previous years, all as determined under rules adopted pursuant  
231 to division (K) of this section. In determining the portion of  
232 the taxes that would have been owed on the previously exempted  
233 equipment to be paid to this state by the taxpayer, the  
234 authority shall consider the effect of market conditions on the  
235 taxpayer's eligible computer data center and whether the  
236 taxpayer continues to maintain other operations in this state.  
237 After making the determination, the authority shall certify to  
238 the tax commissioner the amount to be paid by the taxpayer. The

239 tax commissioner shall make an assessment for that amount  
240 against the taxpayer under Chapter 5739. or 5741. of the Revised  
241 Code. The time limitations on assessments under those chapters  
242 do not apply to an assessment under this division, but the tax  
243 commissioner shall make the assessment within one year after the  
244 date the authority certifies to the tax commissioner the amount  
245 to be paid by the taxpayer.

246 (K) The director of development, after consultation with  
247 the tax commissioner and in accordance with Chapter 119. of the  
248 Revised Code, shall adopt rules necessary to implement this  
249 section. The rules may provide for recipients of tax exemptions  
250 under this section to be charged fees to cover administrative  
251 costs incurred in the administration of this section. The fees  
252 collected shall be credited to the tax incentive programs  
253 operating fund created in section 122.174 of the Revised Code.  
254 At the time the director gives public notice under division (A)  
255 of section 119.03 of the Revised Code of the adoption of the  
256 rules, the director shall submit copies of the proposed rules to  
257 the chairpersons of the standing committees on economic  
258 development in the senate and the house of representatives.

259 (L) On or before the first day of August of each year, the  
260 director of development shall submit a report to the governor,  
261 the president of the senate, and the speaker of the house of  
262 representatives on the tax exemption authorized under this

263 section. The report shall include information on the number of  
264 agreements that were entered into under this section during the  
265 preceding calendar year, a description of the eligible computer  
266 data center that is the subject of each such agreement, and an  
267 update on the status of eligible computer data centers under  
268 agreements entered into before the preceding calendar year."

269 In line 296 of the title, after "118.31," insert "122.175,"

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

271 SYNOPSIS

272 **Computer Data Center Sales and Use Tax Exemption**

273 **R.C. 122.175**

274 Authorizes the Tax Credit Authority to grant a full or  
275 partial exemption from all sales and use taxes for equipment  
276 used in the operation of a computer data center business,  
277 provided that the business makes a capital investment of at  
278 least \$100 million in the state and maintains an annual payroll  
279 for employees involved in the capital investment project of at  
280 least \$5 million.

Sub. H.B. 153  
As Pending in S. Finance  
LSC 129 1066-6  
SC-4666-2

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

- |   |             |
|---|-------------|
| In line 84858, after " <u>residual</u> " insert " <u>or reversionary</u> "  | 1           |
| In line 84860, delete " <u>, or provision of</u> "  | 2           |
| In line 84861, delete everything before " <u>JobsOhio</u> "; after " <u>JobsOhio</u> " insert " <u>or any subsidiary of JobsOhio</u> "; after " <u>any</u> " insert " <u>regulatory</u> "; after " <u>responsibility</u> " insert " <u>of</u> " | 3<br>4<br>5 |
| In line 84862, delete " <u>may have</u> " and insert " <u>, including the authority</u> "   | 6<br>7      |
| In line 84863, delete everything before the underlined comma and insert " <u>in connection therewith</u> "  | 8<br>9      |
| In line 84866, delete " <u>these collection</u> " and insert " <u>regulatory</u> "; delete everything after " <u>activities</u> "   | 10<br>11    |
| Delete line 84867   | 12          |
| In line 84868, delete everything before the underlined period   | 13          |
| In line 84891, delete " <u>As the services</u> "  | 14          |
| Delete line 84892   | 15          |
| In line 84893, delete " <u>government functions, all</u> " and insert " <u>All</u> "  | 16<br>17    |
| In line 84958, delete everything after " <u>(3)</u> "   | 18          |

Delete lines 84959 through 84969	19
In line 84970, delete "ownership" and insert " <u>The transfer agreement may authorize JobsOhio, in the ordinary course of doing business, to convey, lease, release, or otherwise dispose of any regular inventory or tangible personal property. Ownership</u> "	20 21 22 23
In line 84981, delete "others" and insert " <u>the state</u> "	24
In line 84988, after the second underlined comma insert " <u>and</u> "	25
In line 84989, delete everything after " <u>commerce</u> "	26
In line 84990, delete everything before the first underlined comma and insert " <u>shall, subject to approval by the controlling board</u> "	27 28 29
In line 84995, delete " <u>may</u> " and insert " <u>shall</u> "	30
Delete lines 85002 and 85003	31
In line 85004, delete everything before " <u>4301.10</u> " and insert " <u>The division of liquor control shall manage and actively supervise the activities required or authorized under sections</u> "	32 33 34
In line 85005, delete " <u>section</u> "; after " <u>Code</u> " insert " <u>as those sections exist on the effective date of this section, including, but not limited to, controlling the traffic in beer and intoxicating liquor in this state and fixing the wholesale and retail prices at which the various classes, varieties, and brands of spirituous liquor are sold</u> "	35 36 37 38 39 40
Between lines 85011 and 85012, insert:	41
" <u>(G) The transaction and transfer provided for under this section shall comply with all applicable provisions of the Ohio Constitution.</u> "	42 43 44

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

SYNOPSIS

<b>Transfer of Spirituous Liquor Distribution System to JobsOhio</b>	45
<b>R.C. 4313.02</b>	46
Modifies the bill's provisions governing the transfer of the	47
spirituous liquor distribution system from the state to JobsOhio	48
by doing all of the following:	49
-- Revising the conditions or actions that do not negate or	50
adversely affect the transfer;	51
-- Removing a provision that: (1) allows the transfer	52
agreement to authorize JobsOhio to dispose of real and personal	53
property acquired by JobsOhio and no longer needed for the	54
purposes of the transfer, the enterprise acquisition project, or	55
JobsOhio, and (2) authorizes the disposal to be made without	56
competitive bidding, and instead allowing the transfer agreement	57
to authorize JobsOhio, in the ordinary course of doing business,	58
to convey, lease, release, or otherwise dispose of any regular	59
inventory or tangible personal property;	60
-- Clarifying that JobsOhio may lease any portion of the	61
enterprise acquisition project to the state rather than to others	62
as in the bill;	63
-- Requiring, rather than authorizing as in the bill,	64
JobsOhio and the Directors of Budget and Management and Commerce	65
to enter into a contract, which may be part of the transfer	66
agreement, for the continuing operation by the Division of Liquor	67
Control of spirituous liquor distribution and merchandising	68
subject to performance standards provided in that contract,	69
requiring the contract to be subject to approval by the	70
Controlling Board rather than allowing the contract to be entered	71
into without the need for any other approval, and removing the	72



Director of Development as a party to the contract; 73

-- Requiring, rather than authorizing as in the bill, the 74  
contract to establish other terms and conditions for the 75  
assignment of duties to, and the provision of advice, services, 76  
and other assistance by, the Division, including providing for the 77  
necessary staffing and payment by JobsOhio of appropriate 78  
compensation to the Division for the performance of such duties; 79

-- Requiring the Division of Liquor Control to manage and 80  
actively supervise the activities required or authorized under 81  
current law regarding the powers and duties of the Division as 82  
those powers and duties exist on the effective date of the bill's 83  
provisions governing the transfer, including controlling the 84  
traffic in beer and intoxicating liquor in Ohio and fixing the 85  
wholesale and retail prices at which the various classes, 86  
varieties, and brands of spirituous liquor are sold rather than 87  
stating that the provisions of, and activities under, any contract 88  
are subject to the requirements of, and limitations established 89  
under, current law regarding the following powers and duties of 90  
the Division of Liquor Control: (a) controlling the traffic in 91  
beer and intoxicating liquor in the state, including the 92  
manufacture, importation, and sale of beer and intoxicating 93  
liquor, (b) operating, managing, and controlling a system of state 94  
liquor stores for the sale of spirituous liquor, (c) determining 95  
the locations of all state liquor stores and manufacturing, 96  
distributing, and bottling plants required in connection with 97  
those stores, (d) fixing the wholesale and retail prices of 98  
spirituous liquor sold by the Division, and (e) allocating the 99  
equitable distribution of state liquor stores and agency stores in 100  
the state; 101

-- Requiring the transaction and transfer to comply with all 102  
applicable provisions of the Ohio Constitution. 103

Sub. H.B. 153  
As Pending in S. Finance  
LSC 129 1066-6  
SC-4667

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

In line 71610, delete "may" and insert "shall" 1

In line 71611, after the underlined period insert "The rules  
shall require at a minimum annual inspections." 2  
3

In line 71641, delete "may" and insert "shall" 4

In line 71643, after the underlined period insert "The rules  
shall require at a minimum annual inspections." 5  
6

Delete lines 145882 through 145904 and insert: 7

"Section 737.11. (A) If an agricultural labor camp is located 8  
within the jurisdiction of a board of health on the effective date 9  
of this section, the board of health shall adopt the rules 10  
required by section 3733.42 of the Revised Code as enacted by this 11  
act not later than twelve months after the effective date of the 12  
enactment of that section by this act. After adopting the rules, 13  
the board of health immediately shall notify the Director of 14  
Health. 15

(B) (1) The rules governing agricultural labor camps adopted 16  
by the Public Health Council under former section 3733.42 of the 17  
Revised Code as repealed by this act shall remain in effect in a 18  
health district to which division (A) of this section applies 19

until the board of health of that district adopts rules under 20  
 section 3733.42 of the Revised Code as enacted by this act. 21

(2) On the effective date of the rules adopted by such a 22  
 board of health as required by section 3733.42 of the Revised Code 23  
 as enacted by this act, the Public Health Council rules adopted 24  
 under former section 3733.42 of the Revised Code as repealed by 25  
 this act cease to be effective within the jurisdiction of that 26  
 board of health. 27

(C) Twelve months after the effective date of this section, 28  
 the Public Health Council shall rescind the rules adopted under 29  
 former section 3733.42 of the Revised Code as repealed by this 30  
 act." 31

Delete lines 145912 through 145934 and insert: 32

"Section 737.15. (A) If a marina is located within the 33  
 jurisdiction of a board of health on the effective date of this 34  
 section, the board of health shall adopt the rules required by 35  
 section 3733.21 of the Revised Code as amended by this act not 36  
 later than twelve months after the effective date of the amendment 37  
 of that section by this act. After adopting the rules, the board 38  
 of health immediately shall notify the Director of Health. 39

(B) (1) The rules governing marinas adopted by the Public 40  
 Health Council under former section 3733.22 of the Revised Code as 41  
 repealed by this act shall remain in effect in a health district 42  
 to which division (A) of this section applies until the board of 43  
 health of that district adopts rules under section 3733.21 of the 44  
 Revised Code as amended by this act. 45

(2) On the effective date of the rules adopted by such a 46  
 board of health as required by section 3733.21 of the Revised Code 47  
 as amended by this act, the Public Health Council rules adopted 48  
 under former section 3733.22 of the Revised Code as repealed by 49

this act cease to be effective within the jurisdiction of that 50  
board of health. 51

(C) Twelve months after the effective date of this section, 52  
the Public Health Council shall rescind the rules adopted under 53  
former section 3733.22 of the Revised Code as repealed by this 54  
act." 55

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

#### SYNOPSIS

**Agricultural Labor Camps; Marinas** 56

**R.C. 3733.21 and 3733.42; Sections 737.11 and 737.15** 57

Requires, rather than authorizes as in the bill, the board of 58  
health of a health district within which is located an 59  
agricultural labor camp or a marina to adopt rules governing the 60  
inspection of and issuance of licenses for agricultural labor 61  
camps or marinas as applicable. 62

Requires the rules to require at a minimum annual 63  
inspections. 64

Revises the procedures governing the transition from Public 65  
Health Council rules to board of health rules to reflect the 66  
amendment's requirement that local rules be adopted. 67

1 129HB153-SC4668.docx/ar

2 Sub. H.B. 153  
3 As Pending in S. Finance  
4 LSC 129 1066-6  
5 SC-4668

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

7 Delete lines 142691 to 142723

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

9 SYNOPSIS

10 **Board of Regents**

11 **Section 371.60.23**

12 Eliminates the shared services requirement that any state  
13 institution of higher education with total FTE enrollment under  
14 5,000 enter into strategic partnerships for specified shared  
15 services and report their savings to the Chancellor.

Sub. H.B. 153  
As Pending in S. Finance  
LSC 129 1066-6  
SC-4670

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

In line 633, after "3313.538," insert "3313.539," 1

Between lines 54239 and 54240, insert: 2

"Sec. 3313.539. (A) As used in this section, "extracurricular activity" has the same meaning as in section 3313.537 of the Revised Code. 3  
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(B) A student who is receiving home instruction in accordance with division (A)(2) of section 3321.04 of the Revised Code shall be afforded the opportunity to participate in any extracurricular activity offered at the traditional public school that is operated by the school district in which the student is entitled to attend school pursuant to section 3313.64 or 3313.65 of the Revised Code and to which the student otherwise would be assigned. If more than one such school operated by the school district serves the student's grade level, as determined by the district superintendent based on the student's age and academic performance, the student shall be afforded the opportunity to participate in any extracurricular activity offered at the school to which the student would be assigned by the superintendent pursuant to section 3319.01 of the Revised Code. 6  
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(C) In order to participate in an extracurricular activity 20  
under this section, the student shall fulfill the same nonacademic 21  
and financial requirements as any other participant and shall 22  
fulfill either of the following academic requirements: 23

(1) If the student received home instruction in the preceding 24  
school year, the student shall meet any academic requirements 25  
established by the state board of education for continuation of 26  
home instruction. 27

(2) If the student did not receive home instruction in the 28  
preceding school year, the student's academic performance during 29  
the preceding school year shall have met any academic standards 30  
for eligibility to participate in the activity established by the 31  
school district. 32

Any student who commences home instruction after the 33  
beginning of a school year and who is, at the time home 34  
instruction commences, ineligible to participate in 35  
extracurricular activities due to failure to meet academic 36  
standards or any other requirements of the district shall not 37  
participate in extracurricular activities under this section for 38  
the remainder of the school year. 39

(D) No school or school district shall impose fees for a 40  
student to participate under this section that exceed any fees 41  
charged to other students participating in the same 42  
extracurricular activity. 43

(E) No school district, interscholastic conference, or 44  
organization that regulates interscholastic conferences or events 45  
shall require a student who is eligible to participate in 46  
extracurricular activities under this section to meet eligibility 47  
requirements that conflict with this section." 48

In line 315 of the title, after "3313.538," insert 49

"3313.539,"

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

SYNOPSIS

<b>Homeschooled Student Participation in District Activities</b>	51
<b>R.C. 3313.539</b>	52
Requires school districts to allow homeschooled students, who	53
fulfill the same nonacademic and financial requirements as any	54
other participant and specified academic requirements, to	55
participate in extracurricular activities at the school	56
district-operated school to which the student would otherwise be	57
assigned.	58

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

7 In line 521, delete "3770.02,"; delete "3770.06,"

8 In line 642, delete "3770.15,"

9 Delete lines 78355 through 78582

10 Delete lines 78746 through 79152

11 In line 131109, delete "3770.02,"; delete "3770.06,"

12 Between lines 145975 and 145976, insert:

13 **"Section 737.\_\_\_\_\_.** The Director of Budget and Management  
14 shall compare and analyze alternatives in order to convert the  
15 lottery from a state-run entity to a commercially run  
16 enterprise. The Director shall develop a competitive selection  
17 process in compliance with Chapter 125. of the Revised Code for  
18 the selection of an entity or entities to operate and manage the  
19 lottery. In completing this task, the Director may hire  
20 appropriate experts who are qualified in lottery evaluation and  
21 management. However, no entity or advisor shall be paid based  
22 upon any contingency contract, agreement, or the value to the  
23 state of any subsequent lottery management or operating  
24 agreement. No such entity or consultant may bid or participate

25 on any subsequent request for proposals or proposal for  
26 operation or management of the lottery.

27 The request for proposals shall include a provision that  
28 the proceeds payable to the bidder shall be subject to all  
29 ordinary taxes.

30 By December 15, 2011, the Director shall report to the  
31 General Assembly the Director's proposal for the operation and  
32 management of the lottery, which shall include methods for  
33 realizing optimum value of the lottery for the state when  
34 considering all appropriate factors including, but not limited  
35 to, improvement in the present value of the anticipated existing  
36 lottery stream, past performance, anticipated growth, as well as  
37 any future growth guarantees, up-front payments, and overall  
38 return.

39 Based upon this report, the Director, by January 15, 2012,  
40 shall propose a request for proposals process to the General  
41 Assembly that outlines the appropriate terms and conditions for  
42 the operation and management of the lottery.

43 Within ninety days of receipt of the Director's proposal,  
44 the General Assembly may approve or reject the terms and  
45 conditions outlined in the request for proposals by a joint  
46 resolution initiated in the Senate. If the General Assembly  
47 does not act during this period, the Director may move forward  
48 with the request for proposals."

49 In line 165 of the title, delete "3770.02,"

50 In line 166 of the title, delete "3770.06,"

51 In line 324 of the title, delete "3770.15,"

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

53 SYNOPSIS

54 **Operation and Management of Lottery**

55 **Section 737. \_\_\_\_\_**

56 Requires the Director of Budget and Management to compare  
57 and analyze alternatives in order to convert the lottery from a  
58 state-run entity to a commercially run enterprise.

59 Requires the Director to develop a competitive selection  
60 process for the selection of an entity or entities to operate  
61 and manage the lottery and permits the Director to hire  
62 appropriate experts who are qualified in lottery evaluation and  
63 management.

64 Prohibits an entity or advisor from being paid based upon  
65 any contingency contract, agreement, or the value to the state  
66 of any subsequent lottery management or operating agreement.

67 Prohibits an entity or consultant from bidding or  
68 participating on any subsequent request for proposals or  
69 proposal for operation or management of the lottery.

70 Requires the request for proposals to include a provision  
71 that the proceeds payable to the bidder are subject to all  
72 ordinary taxes.

73 Requires the Director to report to the General Assembly the  
74 Director's proposal for the operation and management of the  
75 lottery.

76 Requires the Director to propose a request for proposals  
77 process to the General Assembly that outlines the appropriate  
78 terms and conditions for the operation and management of the  
79 lottery.

80           Within 90 days of receipt of the Director's proposal,  
81 allows the General Assembly to approve or reject the terms and  
82 conditions outlined in the request for proposals by Joint  
83 Resolution initiated in the Senate.

84           If the General Assembly does not act during this period,  
85 permits the Director to move forward with the request for  
86 proposals.

87           **Private Lottery Manager - Remove**

88           **R.C. 3770.02, 3770.03, 3770.06, and 3770.15**

89           Removes provisions from the bill that do the following:

90           -Requires the Director of the State Lottery Commission to  
91 enter into an agreement with a private lottery manager that  
92 agrees to manage the day-to-day operations of the Commission in  
93 exchange for a negotiated management fee.

94           -Requires the Director to execute the initial private  
95 lottery management agreement by June 1, 2012.

96           -Requires the private lottery manager to be responsible for  
97 executing a business plan for lottery operations.

98           -States that the private lottery management agreement, and  
99 any renewal of the agreement, is subject to the approval of the  
100 Commission and the Controlling Board and prohibits the agreement  
101 from becoming effective until approved by the Commission and the  
102 Controlling Board.

103           -States the term of the initial private lottery management  
104 agreement is 10 years and the term of any subsequent agreement  
105 must not be less than 10 years or more than 20 years.

106           -Requires the private lottery management agreement to  
107 contain a provision allowing for the early termination of the  
108 agreement for cause.

109           -Requires the management fee for the private lottery  
110 manager, including any performance-based incentive payment, to  
111 be paid from the State Lottery Gross Revenue Fund.

112           -Before entering into a private lottery management  
113 agreement, requires the Director, subject to the approval of the  
114 Commission and the Controlling Board, to retain the services of  
115 qualified advisors to assist the Director in designing and  
116 executing an appropriate qualifications-based selection process.

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-Requires the Director to issue a request for qualifications that must include a statement of the scope of the management services to be provided, a description of the required minimum qualifications, the evaluation criteria that will be used to select the most qualified manager, and the baseline level of net lottery profits that the private lottery manager must exceed.

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-Requires the Director, in consultation with the advisors, to evaluate the submitted statements of qualifications and to hold discussions with the responding offerors to explore further the statements of qualifications, the scope and nature of the services the offeror would provide, and the various approaches the offeror may take in providing private lottery management services.

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-Upon completion of this evaluation, requires the Director and advisors to: rank the offerors in terms of qualifications; invite at least two offerors to submit a proposed business plan; verify references provided by the offeror; determine the offeror whose proposal provides the greatest value to the state; and recommend to the Commission and Controlling Board the offeror to be awarded the agreement and seek the Commission's approval of the recommended offeror's business plan.

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-Upon failure to negotiate a contract with the offeror ranked most-qualified, requires the Director to inform the offeror in writing of the termination of negotiations and enter into negotiations with the offeror ranked next most qualified.

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-After a negotiated agreement is entered into, permits all duties and responsibilities of the Director to be performed by the private lottery manager or the Director as determined in the private lottery management agreement.

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-Requires the private lottery manager to prepare and make available for public inspection a comprehensive description of the terms and conditions of each lottery game, including the title and term, general design, price of tickets, structure, nature and value of prize awards, frequency of prize drawings, and validity of tickets.

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-Specifies that the execution of a private lottery management agreement does not result in subjecting any income, revenue, or receipts derived from the sale of lottery tickets or other conduct of the lottery or the conduct of the private lottery manager or any goods, services, or property purchased, procured, acquired, or used by the Commission or private lottery

manager to taxation by the state or any political subdivision of the state, unless the income, revenue, or receipts or the goods, services, or property were subject to taxation before the execution of the private lottery management agreement.

-Specifies that persons employed by the private lottery manager are not public employees and are not entitled to any rights or benefits conferred upon public employees or subject to any restrictions or limitations imposed upon public employees by the laws of Ohio or any political subdivision of Ohio.

-Permits, instead of requires, the Director to appoint an assistant director and deputy directors.