

**As Passed by the House**

**130th General Assembly  
Regular Session  
2013-2014**

**Am. S. B. No. 112**

**Senator Beagle**

**Cosponsors: Senators LaRose, Lehner, Seitz, Uecker, Schaffer, Coley,**

**Eklund, Hite, Oelslager, Patton, Peterson, Widener**

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**Ruhl, Scherer, Smith, Sprague, Stinziano, Terhar, Winburn**

**Speaker Batchelder**

**—**

**A B I L L**

To amend sections 5709.62, 5709.63, and 5709.632 of 1  
the Revised Code to extend the authority of 2  
municipal corporations and counties to enter into 3  
enterprise zone agreements with businesses until 4  
October 15, 2015, and to establish an enterprise 5  
zone program review council to evaluate the 6  
effectiveness of the enterprise zone program and 7  
make recommendations as to its renewal. 8

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

**Section 1.** That sections 5709.62, 5709.63, and 5709.632 of 9  
the Revised Code be amended to read as follows: 10

**Sec. 5709.62.** (A) In any municipal corporation that is 11

defined by the United States office of management and budget as a 12  
principal city of a metropolitan statistical area, the legislative 13  
authority of the municipal corporation may designate one or more 14  
areas within its municipal corporation as proposed enterprise 15  
zones. Upon designating an area, the legislative authority shall 16  
petition the director of development services for certification of 17  
the area as having the characteristics set forth in division 18  
(A)(1) of section 5709.61 of the Revised Code as amended by 19  
Substitute Senate Bill No. 19 of the 120th general assembly. 20  
Except as otherwise provided in division (E) of this section, on 21  
and after July 1, 1994, legislative authorities shall not enter 22  
into agreements under this section unless the legislative 23  
authority has petitioned the director and the director has 24  
certified the zone under this section as amended by that act; 25  
however, all agreements entered into under this section as it 26  
existed prior to July 1, 1994, and the incentives granted under 27  
those agreements shall remain in effect for the period agreed to 28  
under those agreements. Within sixty days after receiving such a 29  
petition, the director shall determine whether the area has the 30  
characteristics set forth in division (A)(1) of section 5709.61 of 31  
the Revised Code, and shall forward the findings to the 32  
legislative authority of the municipal corporation. If the 33  
director certifies the area as having those characteristics, and 34  
thereby certifies it as a zone, the legislative authority may 35  
enter into an agreement with an enterprise under division (C) of 36  
this section. 37

(B) Any enterprise that wishes to enter into an agreement 38  
with a municipal corporation under division (C) of this section 39  
shall submit a proposal to the legislative authority of the 40  
municipal corporation on a form prescribed by the director of 41  
development services, together with the application fee 42  
established under section 5709.68 of the Revised Code. The form 43  
shall require the following information: 44

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

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

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

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

(C) Upon receipt and investigation of a proposal under division (B) of this section, if the legislative authority finds that the enterprise submitting the proposal is qualified by financial responsibility and business experience to create and preserve employment opportunities in the zone and improve the economic climate of the municipal corporation, the legislative authority, on or before October 15, ~~2013~~ 2015, may do one of the following:

(1) Enter into an agreement with the enterprise under which the enterprise agrees to establish, expand, renovate, or occupy a

facility and hire new employees, or preserve employment 76  
opportunities for existing employees, in return for one or more of 77  
the following incentives: 78

(a) Exemption for a specified number of years, not to exceed 79  
fifteen, of a specified portion, up to seventy-five per cent, of 80  
the assessed value of tangible personal property first used in 81  
business at the project site as a result of the agreement. If an 82  
exemption for inventory is specifically granted in the agreement 83  
pursuant to this division, the exemption applies to inventory 84  
required to be listed pursuant to sections 5711.15 and 5711.16 of 85  
the Revised Code, except that, in the instance of an expansion or 86  
other situations in which an enterprise was in business at the 87  
facility prior to the establishment of the zone, the inventory 88  
that is exempt is that amount or value of inventory in excess of 89  
the amount or value of inventory required to be listed in the 90  
personal property tax return of the enterprise in the return for 91  
the tax year in which the agreement is entered into. 92

(b) Exemption for a specified number of years, not to exceed 93  
fifteen, of a specified portion, up to seventy-five per cent, of 94  
the increase in the assessed valuation of real property 95  
constituting the project site subsequent to formal approval of the 96  
agreement by the legislative authority; 97

(c) Provision for a specified number of years, not to exceed 98  
fifteen, of any optional services or assistance that the municipal 99  
corporation is authorized to provide with regard to the project 100  
site. 101

(2) Enter into an agreement under which the enterprise agrees 102  
to remediate an environmentally contaminated facility, to spend an 103  
amount equal to at least two hundred fifty per cent of the true 104  
value in money of the real property of the facility prior to 105  
remediation as determined for the purposes of property taxation to 106  
establish, expand, renovate, or occupy the remediated facility, 107

and to hire new employees or preserve employment opportunities for 108  
existing employees at the remediated facility, in return for one 109  
or more of the following incentives: 110

(a) Exemption for a specified number of years, not to exceed 111  
fifteen, of a specified portion, not to exceed fifty per cent, of 112  
the assessed valuation of the real property of the facility prior 113  
to remediation; 114

(b) Exemption for a specified number of years, not to exceed 115  
fifteen, of a specified portion, not to exceed one hundred per 116  
cent, of the increase in the assessed valuation of the real 117  
property of the facility during or after remediation; 118

(c) The incentive under division (C)(1)(a) of this section, 119  
except that the percentage of the assessed value of such property 120  
exempted from taxation shall not exceed one hundred per cent; 121

(d) The incentive under division (C)(1)(c) of this section. 122

(3) Enter into an agreement with an enterprise that plans to 123  
purchase and operate a large manufacturing facility that has 124  
ceased operation or announced its intention to cease operation, in 125  
return for exemption for a specified number of years, not to 126  
exceed fifteen, of a specified portion, up to one hundred per 127  
cent, of the assessed value of tangible personal property used in 128  
business at the project site as a result of the agreement, or of 129  
the assessed valuation of real property constituting the project 130  
site, or both. 131

(D)(1) Notwithstanding divisions (C)(1)(a) and (b) of this 132  
section, the portion of the assessed value of tangible personal 133  
property or of the increase in the assessed valuation of real 134  
property exempted from taxation under those divisions may exceed 135  
seventy-five per cent in any year for which that portion is 136  
exempted if the average percentage exempted for all years in which 137  
the agreement is in effect does not exceed sixty per cent, or if 138

the board of education of the city, local, or exempted village school district within the territory of which the property is or will be located approves a percentage in excess of seventy-five per cent.

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

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

board approves the agreement conditionally, at any time after the 171  
conditions are agreed to by the board and the legislative 172  
authority. 173

If a board of education has adopted a resolution waiving its 174  
right to approve agreements and the resolution remains in effect, 175  
approval of an agreement by the board is not required under this 176  
division. If a board of education has adopted a resolution 177  
allowing a legislative authority to deliver the notice required 178  
under this division fewer than forty-five business days prior to 179  
the legislative authority's approval of the agreement, the 180  
legislative authority shall deliver the notice to the board not 181  
later than the number of days prior to such approval as prescribed 182  
by the board in its resolution. If a board of education adopts a 183  
resolution waiving its right to approve agreements or shortening 184  
the notification period, the board shall certify a copy of the 185  
resolution to the legislative authority. If the board of education 186  
rescinds such a resolution, it shall certify notice of the 187  
rescission to the legislative authority. 188

(4) The legislative authority shall comply with section 189  
5709.83 of the Revised Code unless the board of education has 190  
adopted a resolution under that section waiving its right to 191  
receive such notice. 192

(E) This division applies to zones certified by the director 193  
of development services under this section prior to July 22, 1994. 194

On or before October 15, ~~2013~~ 2015, the legislative authority 195  
that designated a zone to which this division applies may enter 196  
into an agreement with an enterprise if the legislative authority 197  
finds that the enterprise satisfies one of the criteria described 198  
in divisions (E)(1) to (5) of this section: 199

(1) The enterprise currently has no operations in this state 200  
and, subject to approval of the agreement, intends to establish 201

operations in the zone;	202
(2) The enterprise currently has operations in this state	203
and, subject to approval of the agreement, intends to establish	204
operations at a new location in the zone that would not result in	205
a reduction in the number of employee positions at any of the	206
enterprise's other locations in this state;	207
(3) The enterprise, subject to approval of the agreement,	208
intends to relocate operations, currently located in another	209
state, to the zone;	210
(4) The enterprise, subject to approval of the agreement,	211
intends to expand operations at an existing site in the zone that	212
the enterprise currently operates;	213
(5) The enterprise, subject to approval of the agreement,	214
intends to relocate operations, currently located in this state,	215
to the zone, and the director of development <u>services</u> has issued a	216
waiver for the enterprise under division (B) of section 5709.633	217
of the Revised Code.	218
The agreement shall require the enterprise to agree to	219
establish, expand, renovate, or occupy a facility in the zone and	220
hire new employees, or preserve employment opportunities for	221
existing employees, in return for one or more of the incentives	222
described in division (C) of this section.	223
(F) All agreements entered into under this section shall be	224
in the form prescribed under section 5709.631 of the Revised Code.	225
After an agreement is entered into under this section, if the	226
legislative authority revokes its designation of a zone, or if the	227
director of development <u>services</u> revokes a zone's certification,	228
any entitlements granted under the agreement shall continue for	229
the number of years specified in the agreement.	230
(G) Except as otherwise provided in this division, an	231
agreement entered into under this section shall require that the	232

enterprise pay an annual fee equal to the greater of one per cent 233  
of the dollar value of incentives offered under the agreement or 234  
five hundred dollars; provided, however, that if the value of the 235  
incentives exceeds two hundred fifty thousand dollars, the fee 236  
shall not exceed two thousand five hundred dollars. The fee shall 237  
be payable to the legislative authority once per year for each 238  
year the agreement is effective on the days and in the form 239  
specified in the agreement. Fees paid shall be deposited in a 240  
special fund created for such purpose by the legislative authority 241  
and shall be used by the legislative authority exclusively for the 242  
purpose of complying with section 5709.68 of the Revised Code and 243  
by the tax incentive review council created under section 5709.85 244  
of the Revised Code exclusively for the purposes of performing the 245  
duties prescribed under that section. The legislative authority 246  
may waive or reduce the amount of the fee charged against an 247  
enterprise, but such a waiver or reduction does not affect the 248  
obligations of the legislative authority or the tax incentive 249  
review council to comply with section 5709.68 or 5709.85 of the 250  
Revised Code. 251

(H) When an agreement is entered into pursuant to this 252  
section, the legislative authority authorizing the agreement shall 253  
forward a copy of the agreement to the director of development 254  
services and to the tax commissioner within fifteen days after the 255  
agreement is entered into. If any agreement includes terms not 256  
provided for in section 5709.631 of the Revised Code affecting the 257  
revenue of a city, local, or exempted village school district or 258  
causing revenue to be forgone by the district, including any 259  
compensation to be paid to the school district pursuant to section 260  
5709.82 of the Revised Code, those terms also shall be forwarded 261  
in writing to the director of development services along with the 262  
copy of the agreement forwarded under this division. 263

(I) After an agreement is entered into, the enterprise shall 264

file with each personal property tax return required to be filed, 265  
or annual report required to be filed under section 5727.08 of the 266  
Revised Code, while the agreement is in effect, an informational 267  
return, on a form prescribed by the tax commissioner for that 268  
purpose, setting forth separately the property, and related costs 269  
and values, exempted from taxation under the agreement. 270

(J) Enterprises may agree to give preference to residents of 271  
the zone within which the agreement applies relative to residents 272  
of this state who do not reside in the zone when hiring new 273  
employees under the agreement. 274

(K) An agreement entered into under this section may include 275  
a provision requiring the enterprise to create one or more 276  
temporary internship positions for students enrolled in a course 277  
of study at a school or other educational institution in the 278  
vicinity, and to create a scholarship or provide another form of 279  
educational financial assistance for students holding such a 280  
position in exchange for the student's commitment to work for the 281  
enterprise at the completion of the internship. 282

(L) The tax commissioner's authority in determining the 283  
accuracy of any exemption granted by an agreement entered into 284  
under this section is limited to divisions (C)(1)(a) and (b), 285  
(C)(2)(a), (b), and (c), (C)(3), (D), and (I) of this section and 286  
divisions (B)(1) to (10) of section 5709.631 of the Revised Code 287  
and, as authorized by law, to enforcing any modification to, or 288  
revocation of, that agreement by the legislative authority of a 289  
municipal corporation or the director of development services. 290

**Sec. 5709.63.** (A) With the consent of the legislative 291  
authority of each affected municipal corporation or of a board of 292  
township trustees, a board of county commissioners may, in the 293  
manner set forth in section 5709.62 of the Revised Code, designate 294  
one or more areas in one or more municipal corporations or in 295

unincorporated areas of the county as proposed enterprise zones. A 296  
board of county commissioners may designate no more than one area 297  
within a township, or within adjacent townships, as a proposed 298  
enterprise zone. The board shall petition the director of 299  
development services for certification of the area as having the 300  
characteristics set forth in division (A)(1) or (2) of section 301  
5709.61 of the Revised Code as amended by Substitute Senate Bill 302  
No. 19 of the 120th general assembly. Except as otherwise provided 303  
in division (D) of this section, on and after July 1, 1994, boards 304  
of county commissioners shall not enter into agreements under this 305  
section unless the board has petitioned the director and the 306  
director has certified the zone under this section as amended by 307  
that act; however, all agreements entered into under this section 308  
as it existed prior to July 1, 1994, and the incentives granted 309  
under those agreements shall remain in effect for the period 310  
agreed to under those agreements. The director shall make the 311  
determination in the manner provided under section 5709.62 of the 312  
Revised Code. 313

Any enterprise wishing to enter into an agreement with the 314  
board under division (B) or (D) of this section shall submit a 315  
proposal to the board on the form and accompanied by the 316  
application fee prescribed under division (B) of section 5709.62 317  
of the Revised Code. The enterprise shall review and update the 318  
estimates and listings required by the form in the manner required 319  
under that division. The board may, on a separate form and at any 320  
time, require any additional information necessary to determine 321  
whether an enterprise is in compliance with an agreement and to 322  
collect the information required to be reported under section 323  
5709.68 of the Revised Code. 324

(B) If the board of county commissioners finds that an 325  
enterprise submitting a proposal is qualified by financial 326  
responsibility and business experience to create and preserve 327

employment opportunities in the zone and to improve the economic 328  
climate of the municipal corporation or municipal corporations or 329  
the unincorporated areas in which the zone is located and to which 330  
the proposal applies, the board, on or before October 15, ~~2013~~ 331  
2015, and with the consent of the legislative authority of each 332  
affected municipal corporation or of the board of township 333  
trustees may do either of the following: 334

(1) Enter into an agreement with the enterprise under which 335  
the enterprise agrees to establish, expand, renovate, or occupy a 336  
facility in the zone and hire new employees, or preserve 337  
employment opportunities for existing employees, in return for the 338  
following incentives: 339

(a) When the facility is located in a municipal corporation, 340  
the board may enter into an agreement for one or more of the 341  
incentives provided in division (C) of section 5709.62 of the 342  
Revised Code, subject to division (D) of that section; 343

(b) When the facility is located in an unincorporated area, 344  
the board may enter into an agreement for one or more of the 345  
following incentives: 346

(i) Exemption for a specified number of years, not to exceed 347  
fifteen, of a specified portion, up to sixty per cent, of the 348  
assessed value of tangible personal property first used in 349  
business at a project site as a result of the agreement. If an 350  
exemption for inventory is specifically granted in the agreement 351  
pursuant to this division, the exemption applies to inventory 352  
required to be listed pursuant to sections 5711.15 and 5711.16 of 353  
the Revised Code, except, in the instance of an expansion or other 354  
situations in which an enterprise was in business at the facility 355  
prior to the establishment of the zone, the inventory that is 356  
exempt is that amount or value of inventory in excess of the 357  
amount or value of inventory required to be listed in the personal 358  
property tax return of the enterprise in the return for the tax 359

year in which the agreement is entered into. 360

(ii) Exemption for a specified number of years, not to exceed 361  
fifteen, of a specified portion, up to sixty per cent, of the 362  
increase in the assessed valuation of real property constituting 363  
the project site subsequent to formal approval of the agreement by 364  
the board; 365

(iii) Provision for a specified number of years, not to 366  
exceed fifteen, of any optional services or assistance the board 367  
is authorized to provide with regard to the project site; 368

(iv) The incentive described in division (C)(2) of section 369  
5709.62 of the Revised Code. 370

(2) Enter into an agreement with an enterprise that plans to 371  
purchase and operate a large manufacturing facility that has 372  
ceased operation or has announced its intention to cease 373  
operation, in return for exemption for a specified number of 374  
years, not to exceed fifteen, of a specified portion, up to one 375  
hundred per cent, of tangible personal property used in business 376  
at the project site as a result of the agreement, or of real 377  
property constituting the project site, or both. 378

(C)(1)(a) Notwithstanding divisions (B)(1)(b)(i) and (ii) of 379  
this section, the portion of the assessed value of tangible 380  
personal property or of the increase in the assessed valuation of 381  
real property exempted from taxation under those divisions may 382  
exceed sixty per cent in any year for which that portion is 383  
exempted if the average percentage exempted for all years in which 384  
the agreement is in effect does not exceed fifty per cent, or if 385  
the board of education of the city, local, or exempted village 386  
school district within the territory of which the property is or 387  
will be located approves a percentage in excess of sixty per cent. 388

(b) Notwithstanding any provision of the Revised Code to the 389  
contrary, the exemptions described in divisions (B)(1)(b)(i), 390

(ii), (iii), and (iv) and (B)(2) of this section may be for up to 391  
fifteen years if the board of education of the city, local, or 392  
exempted village school district within the territory of which the 393  
property is or will be located approves a number of years in 394  
excess of ten. 395

(c) For the purpose of obtaining the approval of a city, 396  
local, or exempted village school district under division 397  
(C)(1)(a) or (b) of this section, the board of county 398  
commissioners shall deliver to the board of education a notice not 399  
later than forty-five days prior to approving the agreement, 400  
excluding Saturdays, Sundays, and legal holidays as defined in 401  
section 1.14 of the Revised Code. The notice shall state the 402  
percentage to be exempted, an estimate of the true value of the 403  
property to be exempted, and the number of years the property is 404  
to be exempted. The board of education, by resolution adopted by a 405  
majority of the board, shall approve or disapprove the agreement 406  
and certify a copy of the resolution to the board of county 407  
commissioners not later than fourteen days prior to the date 408  
stipulated by the board of county commissioners as the date upon 409  
which approval of the agreement is to be formally considered by 410  
the board of county commissioners. The board of education may 411  
include in the resolution conditions under which the board would 412  
approve the agreement, including the execution of an agreement to 413  
compensate the school district under division (B) of section 414  
5709.82 of the Revised Code. The board of county commissioners may 415  
approve the agreement at any time after the board of education 416  
certifies its resolution approving the agreement to the board of 417  
county commissioners, or, if the board of education approves the 418  
agreement conditionally, at any time after the conditions are 419  
agreed to by the board of education and the board of county 420  
commissioners. 421

If a board of education has adopted a resolution waiving its 422

right to approve agreements and the resolution remains in effect, 423  
approval of an agreement by the board of education is not required 424  
under division (C) of this section. If a board of education has 425  
adopted a resolution allowing a board of county commissioners to 426  
deliver the notice required under this division fewer than 427  
forty-five business days prior to approval of the agreement by the 428  
board of county commissioners, the board of county commissioners 429  
shall deliver the notice to the board of education not later than 430  
the number of days prior to such approval as prescribed by the 431  
board of education in its resolution. If a board of education 432  
adopts a resolution waiving its right to approve agreements or 433  
shortening the notification period, the board of education shall 434  
certify a copy of the resolution to the board of county 435  
commissioners. If the board of education rescinds such a 436  
resolution, it shall certify notice of the rescission to the board 437  
of county commissioners. 438

(2) The board of county commissioners shall comply with 439  
section 5709.83 of the Revised Code unless the board of education 440  
has adopted a resolution under that section waiving its right to 441  
receive such notice. 442

(D) This division applies to zones certified by the director 443  
of development services under this section prior to July 22, 1994. 444

On or before October 15, ~~2013~~ 2015, and with the consent of 445  
the legislative authority of each affected municipal corporation 446  
or board of township trustees of each affected township, the board 447  
of county commissioners that designated a zone to which this 448  
division applies may enter into an agreement with an enterprise if 449  
the board finds that the enterprise satisfies one of the criteria 450  
described in divisions (D)(1) to (5) of this section: 451

(1) The enterprise currently has no operations in this state 452  
and, subject to approval of the agreement, intends to establish 453  
operations in the zone; 454

(2) The enterprise currently has operations in this state 455  
and, subject to approval of the agreement, intends to establish 456  
operations at a new location in the zone that would not result in 457  
a reduction in the number of employee positions at any of the 458  
enterprise's other locations in this state; 459

(3) The enterprise, subject to approval of the agreement, 460  
intends to relocate operations, currently located in another 461  
state, to the zone; 462

(4) The enterprise, subject to approval of the agreement, 463  
intends to expand operations at an existing site in the zone that 464  
the enterprise currently operates; 465

(5) The enterprise, subject to approval of the agreement, 466  
intends to relocate operations, currently located in this state, 467  
to the zone, and the director of development services has issued a 468  
waiver for the enterprise under division (B) of section 5709.633 469  
of the Revised Code. 470

The agreement shall require the enterprise to agree to 471  
establish, expand, renovate, or occupy a facility in the zone and 472  
hire new employees, or preserve employment opportunities for 473  
existing employees, in return for one or more of the incentives 474  
described in division (B) of this section. 475

(E) All agreements entered into under this section shall be 476  
in the form prescribed under section 5709.631 of the Revised Code. 477  
After an agreement under this section is entered into, if the 478  
board of county commissioners revokes its designation of a zone, 479  
or if the director of development services revokes a zone's 480  
certification, any entitlements granted under the agreement shall 481  
continue for the number of years specified in the agreement. 482

(F) Except as otherwise provided in this division, an 483  
agreement entered into under this section shall require that the 484  
enterprise pay an annual fee equal to the greater of one per cent 485

of the dollar value of incentives offered under the agreement or 486  
five hundred dollars; provided, however, that if the value of the 487  
incentives exceeds two hundred fifty thousand dollars, the fee 488  
shall not exceed two thousand five hundred dollars. The fee shall 489  
be payable to the board of county commissioners once per year for 490  
each year the agreement is effective on the days and in the form 491  
specified in the agreement. Fees paid shall be deposited in a 492  
special fund created for such purpose by the board and shall be 493  
used by the board exclusively for the purpose of complying with 494  
section 5709.68 of the Revised Code and by the tax incentive 495  
review council created under section 5709.85 of the Revised Code 496  
exclusively for the purposes of performing the duties prescribed 497  
under that section. The board may waive or reduce the amount of 498  
the fee charged against an enterprise, but such waiver or 499  
reduction does not affect the obligations of the board or the tax 500  
incentive review council to comply with section 5709.68 or 5709.85 501  
of the Revised Code, respectively. 502

(G) With the approval of the legislative authority of a 503  
municipal corporation or the board of township trustees of a 504  
township in which a zone is designated under division (A) of this 505  
section, the board of county commissioners may delegate to that 506  
legislative authority or board any powers and duties of the board 507  
of county commissioners to negotiate and administer agreements 508  
with regard to that zone under this section. 509

(H) When an agreement is entered into pursuant to this 510  
section, the board of county commissioners authorizing the 511  
agreement or the legislative authority or board of township 512  
trustees that negotiates and administers the agreement shall 513  
forward a copy of the agreement to the director of development 514  
services and to the tax commissioner within fifteen days after the 515  
agreement is entered into. If any agreement includes terms not 516  
provided for in section 5709.631 of the Revised Code affecting the 517

revenue of a city, local, or exempted village school district or 518  
causing revenue to be foregone by the district, including any 519  
compensation to be paid to the school district pursuant to section 520  
5709.82 of the Revised Code, those terms also shall be forwarded 521  
in writing to the director of development services along with the 522  
copy of the agreement forwarded under this division. 523

(I) After an agreement is entered into, the enterprise shall 524  
file with each personal property tax return required to be filed, 525  
or annual report that is required to be filed under section 526  
5727.08 of the Revised Code, while the agreement is in effect, an 527  
informational return, on a form prescribed by the tax commissioner 528  
for that purpose, setting forth separately the property, and 529  
related costs and values, exempted from taxation under the 530  
agreement. 531

(J) Enterprises may agree to give preference to residents of 532  
the zone within which the agreement applies relative to residents 533  
of this state who do not reside in the zone when hiring new 534  
employees under the agreement. 535

(K) An agreement entered into under this section may include 536  
a provision requiring the enterprise to create one or more 537  
temporary internship positions for students enrolled in a course 538  
of study at a school or other educational institution in the 539  
vicinity, and to create a scholarship or provide another form of 540  
educational financial assistance for students holding such a 541  
position in exchange for the student's commitment to work for the 542  
enterprise at the completion of the internship. 543

(L) The tax commissioner's authority in determining the 544  
accuracy of any exemption granted by an agreement entered into 545  
under this section is limited to divisions (B)(1)(b)(i) and (ii), 546  
(B)(2), (C), and (I) of this section, division (B)(1)(b)(iv) of 547  
this section as it pertains to divisions (C)(2)(a), (b), and (c) 548  
of section 5709.62 of the Revised Code, and divisions (B)(1) to 549

(10) of section 5709.631 of the Revised Code and, as authorized by 550  
law, to enforcing any modification to, or revocation of, that 551  
agreement by the board of county commissioners or the director of 552  
development services or, if the board's powers and duties are 553  
delegated under division (G) of this section, by the legislative 554  
authority of a municipal corporation or board of township 555  
trustees. 556

**Sec. 5709.632.** (A)(1) The legislative authority of a 557  
municipal corporation defined by the United States office of 558  
management and budget as a principal city of a metropolitan 559  
statistical area may, in the manner set forth in section 5709.62 560  
of the Revised Code, designate one or more areas in the municipal 561  
corporation as a proposed enterprise zone. 562

(2) With the consent of the legislative authority of each 563  
affected municipal corporation or of a board of township trustees, 564  
a board of county commissioners may, in the manner set forth in 565  
section 5709.62 of the Revised Code, designate one or more areas 566  
in one or more municipal corporations or in unincorporated areas 567  
of the county as proposed urban jobs and enterprise zones, except 568  
that a board of county commissioners may designate no more than 569  
one area within a township, or within adjacent townships, as a 570  
proposed urban jobs and enterprise zone. 571

(3) The legislative authority or board of county 572  
commissioners may petition the director of development services 573  
for certification of the area as having the characteristics set 574  
forth in division (A)(3) of section 5709.61 of the Revised Code. 575  
Within sixty days after receiving such a petition, the director 576  
shall determine whether the area has the characteristics set forth 577  
in that division and forward the findings to the legislative 578  
authority or board of county commissioners. If the director 579  
certifies the area as having those characteristics and thereby 580

certifies it as a zone, the legislative authority or board may 581  
enter into agreements with enterprises under division (B) of this 582  
section. Any enterprise wishing to enter into an agreement with a 583  
legislative authority or board of county commissioners under this 584  
section and satisfying one of the criteria described in divisions 585  
(B)(1) to (5) of this section shall submit a proposal to the 586  
legislative authority or board on the form prescribed under 587  
division (B) of section 5709.62 of the Revised Code and shall 588  
review and update the estimates and listings required by the form 589  
in the manner required under that division. The legislative 590  
authority or board may, on a separate form and at any time, 591  
require any additional information necessary to determine whether 592  
an enterprise is in compliance with an agreement and to collect 593  
the information required to be reported under section 5709.68 of 594  
the Revised Code. 595

(B) Prior to entering into an agreement with an enterprise, 596  
the legislative authority or board of county commissioners shall 597  
determine whether the enterprise submitting the proposal is 598  
qualified by financial responsibility and business experience to 599  
create and preserve employment opportunities in the zone and to 600  
improve the economic climate of the municipal corporation or 601  
municipal corporations or the unincorporated areas in which the 602  
zone is located and to which the proposal applies, and whether the 603  
enterprise satisfies one of the following criteria: 604

(1) The enterprise currently has no operations in this state 605  
and, subject to approval of the agreement, intends to establish 606  
operations in the zone; 607

(2) The enterprise currently has operations in this state 608  
and, subject to approval of the agreement, intends to establish 609  
operations at a new location in the zone that would not result in 610  
a reduction in the number of employee positions at any of the 611  
enterprise's other locations in this state; 612

(3) The enterprise, subject to approval of the agreement, 613  
intends to relocate operations, currently located in another 614  
state, to the zone; 615

(4) The enterprise, subject to approval of the agreement, 616  
intends to expand operations at an existing site in the zone that 617  
the enterprise currently operates; 618

(5) The enterprise, subject to approval of the agreement, 619  
intends to relocate operations, currently located in this state, 620  
to the zone, and the director of development services has issued a 621  
waiver for the enterprise under division (B) of section 5709.633 622  
of the Revised Code. 623

(C) If the legislative authority or board determines that the 624  
enterprise is so qualified and satisfies one of the criteria 625  
described in divisions (B)(1) to (5) of this section, the 626  
legislative authority or board may, after complying with section 627  
5709.83 of the Revised Code and on or before October 15, ~~2013~~ 628  
2015, and, in the case of a board of commissioners, with the 629  
consent of the legislative authority of each affected municipal 630  
corporation or of the board of township trustees, enter into an 631  
agreement with the enterprise under which the enterprise agrees to 632  
establish, expand, renovate, or occupy a facility in the zone and 633  
hire new employees, or preserve employment opportunities for 634  
existing employees, in return for the following incentives: 635

(1) When the facility is located in a municipal corporation, 636  
a legislative authority or board of commissioners may enter into 637  
an agreement for one or more of the incentives provided in 638  
division (C) of section 5709.62 of the Revised Code, subject to 639  
division (D) of that section; 640

(2) When the facility is located in an unincorporated area, a 641  
board of commissioners may enter into an agreement for one or more 642  
of the incentives provided in divisions (B)(1)(b), (B)(2), and 643

(B)(3) of section 5709.63 of the Revised Code, subject to division 644  
(C) of that section. 645

(D) All agreements entered into under this section shall be 646  
in the form prescribed under section 5709.631 of the Revised Code. 647  
After an agreement under this section is entered into, if the 648  
legislative authority or board of county commissioners revokes its 649  
designation of the zone, or if the director of development 650  
services revokes the zone's certification, any entitlements 651  
granted under the agreement shall continue for the number of years 652  
specified in the agreement. 653

(E) Except as otherwise provided in this division, an 654  
agreement entered into under this section shall require that the 655  
enterprise pay an annual fee equal to the greater of one per cent 656  
of the dollar value of incentives offered under the agreement or 657  
five hundred dollars; provided, however, that if the value of the 658  
incentives exceeds two hundred fifty thousand dollars, the fee 659  
shall not exceed two thousand five hundred dollars. The fee shall 660  
be payable to the legislative authority or board of commissioners 661  
once per year for each year the agreement is effective on the days 662  
and in the form specified in the agreement. Fees paid shall be 663  
deposited in a special fund created for such purpose by the 664  
legislative authority or board and shall be used by the 665  
legislative authority or board exclusively for the purpose of 666  
complying with section 5709.68 of the Revised Code and by the tax 667  
incentive review council created under section 5709.85 of the 668  
Revised Code exclusively for the purposes of performing the duties 669  
prescribed under that section. The legislative authority or board 670  
may waive or reduce the amount of the fee charged against an 671  
enterprise, but such waiver or reduction does not affect the 672  
obligations of the legislative authority or board or the tax 673  
incentive review council to comply with section 5709.68 or 5709.85 674  
of the Revised Code, respectively. 675

(F) With the approval of the legislative authority of a 676  
municipal corporation or the board of township trustees of a 677  
township in which a zone is designated under division (A)(2) of 678  
this section, the board of county commissioners may delegate to 679  
that legislative authority or board any powers and duties of the 680  
board to negotiate and administer agreements with regard to that 681  
zone under this section. 682

(G) When an agreement is entered into pursuant to this 683  
section, the legislative authority or board of commissioners 684  
authorizing the agreement shall forward a copy of the agreement to 685  
the director of development services and to the tax commissioner 686  
within fifteen days after the agreement is entered into. If any 687  
agreement includes terms not provided for in section 5709.631 of 688  
the Revised Code affecting the revenue of a city, local, or 689  
exempted village school district or causing revenue to be forgone 690  
by the district, including any compensation to be paid to the 691  
school district pursuant to section 5709.82 of the Revised Code, 692  
those terms also shall be forwarded in writing to the director of 693  
development services along with the copy of the agreement 694  
forwarded under this division. 695

(H) After an agreement is entered into, the enterprise shall 696  
file with each personal property tax return required to be filed 697  
while the agreement is in effect, an informational return, on a 698  
form prescribed by the tax commissioner for that purpose, setting 699  
forth separately the property, and related costs and values, 700  
exempted from taxation under the agreement. 701

(I) An agreement entered into under this section may include 702  
a provision requiring the enterprise to create one or more 703  
temporary internship positions for students enrolled in a course 704  
of study at a school or other educational institution in the 705  
vicinity, and to create a scholarship or provide another form of 706  
educational financial assistance for students holding such a 707

position in exchange for the student's commitment to work for the 708  
enterprise at the completion of the internship. 709

**Section 2.** That existing sections 5709.62, 5709.63, and 710  
5709.632 of the Revised Code are hereby repealed. 711

**Section 3.** There is hereby created an enterprise zone program 712  
review council for the purpose of evaluating and making 713  
recommendations with respect to the enterprise zone program 714  
authorized by sections 5709.61 to 5709.69 of the Revised Code. The 715  
council shall consist of two members of the House of 716  
Representatives appointed by the Speaker of the House of 717  
Representatives, one member of the House of Representatives 718  
appointed by the Minority Leader of the House of Representatives, 719  
two members of the Senate appointed by the President of the 720  
Senate, and one member of the Senate appointed by the Minority 721  
Leader of the Senate. 722

The council shall review the positive and negative impacts of 723  
the enterprise zone program and evaluate its overall effectiveness 724  
in terms of achieving the initial goals of the program as well as 725  
generating a positive return on investment for participating 726  
political subdivisions. 727

The council shall compile a report that makes recommendations 728  
as to whether to continue the enterprise zone program and, if so, 729  
whether any changes should be made to the program. The report 730  
shall be delivered to the Governor, the Speaker and Minority 731  
Leader of the House of Representatives, and the President and 732  
Minority Leader of the Senate on or before August 31, 2015. 733

Upon delivery of the report, the council shall dissolve by 734  
operation of law. 735