

Any refund allowed under this division shall not exceed the amount of the assessment due for the same period.

(F) On the filing of an application for a refund, the commissioner shall determine the amount of refund to which the applicant is entitled. If the amount is not less than that claimed, the commissioner shall certify that amount to the director of budget and management and the treasurer of state for payment from the tax refund fund created by section 5703.052 of the Revised Code. If the amount is less than that claimed, the commissioner shall proceed in accordance with section 5703.70 of the Revised Code.

~~(F)~~(G) When a refund is granted under this section, it shall include interest thereon as provided by section 5739.132 of the Revised Code.

Sec. 5739.101. (A) The legislative authority of a municipal corporation, by ordinance, or of a township, by resolution, may declare the municipal corporation or township to be a resort area for the purposes of this section, if all of the following criteria are met:

(1) According to statistics published by the federal government based on data compiled during the most recent decennial census of the United States, at least sixty-two per cent of total housing units in the municipal corporation or township are classified as "for seasonal, recreational, or occasional use";

(2) Entertainment and recreation facilities are provided within the municipal corporation or township that are primarily intended to provide seasonal leisure time activities for persons other than permanent residents of the municipal corporation or township;

(3) The municipal corporation or township experiences seasonal peaks of employment and demand for government services as a direct result of the seasonal population increase.

(B) For the purpose of providing revenue for its general fund, the legislative authority of a municipal corporation or township, in its ordinance or resolution declaring itself a resort area under this section, may levy a tax on the privilege of engaging in the business of either of the following:

(1) Making sales in the municipal corporation or township, whether wholesale or retail, but including sales of food only to the extent such sales are subject to the tax levied under section 5739.02 of the Revised Code;

(2) Intrastate transportation of passengers or property primarily to or from the municipal corporation or township by a railroad, watercraft, or motor vehicle subject to regulation by the public utilities commission, except not including transportation of passengers as part of a tour or cruise in which the passengers will stay in the municipal corporation or township for no more than one hour.

The tax is imposed upon and shall be paid by the person making the

sales or transporting the passengers or property. The rate of the tax shall be one-half, one, or one and one-half per cent of the person's gross receipts derived from making the sales or transporting the passengers or property to or from the municipal corporation or township.

(C) The tax shall take effect on the first day of the month that begins at least sixty days after the effective date of the ordinance or resolution in which it is levied. The legislative authority shall certify copies of the ordinance or resolution to the tax commissioner and treasurer of state within five days after its adoption. In addition, one time each week during the two weeks following the adoption of the ordinance or resolution, the legislative authority shall cause to be published in a newspaper of general circulation in the municipal corporation or township or as provided in section 7.16 of the Revised Code, a notice explaining the tax and stating the rate of the tax, the date it will take effect, and that persons subject to the tax must register with the tax commissioner under section 5739.103 of the Revised Code.

(D) No more than once a year, and subject to the rates prescribed in division (B) of this section, the legislative authority of the municipal corporation or township, by ordinance or resolution, may increase or decrease the rate of a tax levied under this section. The legislative authority, by ordinance or resolution, at any time may repeal such a tax. The legislative authority shall certify to the tax commissioner and treasurer of state copies of the ordinance or resolution repealing or changing the rate of the tax within five days after its adoption. In addition, one time each week during the two weeks following the adoption of the ordinance or resolution, the legislative authority shall cause to be published in a newspaper of general circulation in the municipal corporation or township or as provided in section 7.16 of the Revised Code, notice of the repeal or change.

Sec. 5739.19. The tax commissioner may revoke any retail vendor's license upon ascertaining that the vendor has no need for the license because the vendor is not engaged in making taxable retail sales. Notice of the revocation shall be delivered to the vendor personally or by certified mail; return receipt requested or by an alternative delivery service as authorized under section 5703.37 of the Revised Code. The revocation shall be effective on the first day of the month following the expiration of fifteen days after the vendor received the notice of the revocation.

The revocation of the vendor's license shall be stayed if, within fifteen days after receiving notice of the revocation, the vendor objects, in writing, to the revocation. The commissioner shall consider the written objections of the vendor and issue a final determination on the revocation of the vendor's license. The commissioner's final determination may be appealed to the

board of tax appeals pursuant to section 5717.02 of the Revised Code. The revocation shall be effective on the first day of the month following the expiration of all time limits for appeal.

Sec. 5739.30. (A) No person, including any officer, employee, or trustee of a corporation or business trust, shall fail to file any return or report required to be filed by this chapter, or file or cause to be filed any incomplete, false or fraudulent return, report, or statement, or aid or abet another in the filing of any false or fraudulent return, report, or statement.

(B) If any vendor required to file monthly returns under section 5739.12 of the Revised Code fails, on two consecutive months or on three or more months within a twelve-month period, to file such returns when due or to pay the tax thereon, or if any vendor authorized by the tax commissioner to file semiannual returns fails on two or more occasions within a twenty-four month period, to file such returns when due or to pay the tax due thereon, the commissioner may do any of the following:

(1) Require the vendor to furnish security in an amount equal to the average tax liability of the vendor for a period of one year, as determined by the commissioner from a review of returns or other information pertaining to the vendor, which amount shall in no event be less than one thousand dollars. The security may be in the form of a corporate surety bond, satisfactory to the commissioner, conditioned upon payment of the tax due with the returns from the vendor. The security shall be filed within ten days following the vendor's receipt of the notice from the commissioner of its requirements.

(2) Suspend the license issued to the vendor pursuant to section 5739.17 of the Revised Code. The suspension shall be effective ten days after service of written notice to the vendor of the commissioner's intention to do so. The notice shall be served upon the vendor personally ~~or~~, by certified mail, or by an alternative delivery service as authorized under section 5703.37 of the Revised Code. On the first day of the suspension, the commissioner shall cause to be posted, at every public entrance of the vendor's premises, a notice identifying the vendor and the location and informing the public that the vendor's license is under suspension and that no retail sales may be transacted at that location. No person, other than the commissioner or the commissioner's agent or employee, shall remove, cover, or deface the posted notice. No license which has been suspended under this section shall be reinstated, and no posted notice shall be removed, until the vendor has filed complete and correct returns for all periods in which no return had been filed and paid the full amount of the tax, penalties, and other charges due on those returns.

A corporate surety bond filed under this section shall be returned to the vendor if, for a period of twelve consecutive months following the date the bond was filed, the vendor has filed all returns and remitted payment with them within the time prescribed in section 5739.12 of the Revised Code.

Sec. 5747.01. Except as otherwise expressly provided or clearly appearing from the context, any term used in this chapter that is not otherwise defined in this section has the same meaning as when used in a comparable context in the laws of the United States relating to federal income taxes or if not used in a comparable context in those laws, has the same meaning as in section 5733.40 of the Revised Code. Any reference in this chapter to the Internal Revenue Code includes other laws of the United States relating to federal income taxes.

As used in this chapter:

(A) "Adjusted gross income" or "Ohio adjusted gross income" means federal adjusted gross income, as defined and used in the Internal Revenue Code, adjusted as provided in this section:

(1) Add interest or dividends on obligations or securities of any state or of any political subdivision or authority of any state, other than this state and its subdivisions and authorities.

(2) Add interest or dividends on obligations of any authority, commission, instrumentality, territory, or possession of the United States to the extent that the interest or dividends are exempt from federal income taxes but not from state income taxes.

(3) Deduct interest or dividends on obligations of the United States and its territories and possessions or of any authority, commission, or instrumentality of the United States to the extent that the interest or dividends are included in federal adjusted gross income but exempt from state income taxes under the laws of the United States.

(4) Deduct disability and survivor's benefits to the extent included in federal adjusted gross income.

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

(6) In the case of a taxpayer who is a beneficiary of a trust that makes an accumulation distribution as defined in section 665 of the Internal Revenue Code, add, for the beneficiary's taxable years beginning before 2002, the portion, if any, of such distribution that does not exceed the undistributed net income of the trust for the three taxable years preceding the taxable year in which the distribution is made to the extent that the portion was not included in the trust's taxable income for any of the trust's taxable years

beginning in 2002 or thereafter. "Undistributed net income of a trust" means the taxable income of the trust increased by (a)(i) the additions to adjusted gross income required under division (A) of this section and (ii) the personal exemptions allowed to the trust pursuant to section 642(b) of the Internal Revenue Code, and decreased by (b)(i) the deductions to adjusted gross income required under division (A) of this section, (ii) the amount of federal income taxes attributable to such income, and (iii) the amount of taxable income that has been included in the adjusted gross income of a beneficiary by reason of a prior accumulation distribution. Any undistributed net income included in the adjusted gross income of a beneficiary shall reduce the undistributed net income of the trust commencing with the earliest years of the accumulation period.

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

(8) Deduct any interest or interest equivalent on public obligations and purchase obligations to the extent that the interest or interest equivalent is included in federal adjusted gross income.

(9) Add any loss or deduct any gain resulting from the sale, exchange, or other disposition of public obligations to the extent that the loss has been deducted or the gain has been included in computing federal adjusted gross income.

(10) Deduct or add amounts, as provided under section 5747.70 of the Revised Code, related to contributions to variable college savings program accounts made or tuition units purchased pursuant to Chapter 3334. of the Revised Code.

(11)(a) Deduct, to the extent not otherwise allowable as a deduction or exclusion in computing federal or Ohio adjusted gross income for the taxable year, the amount the taxpayer paid during the taxable year for medical care insurance and qualified long-term care insurance for the taxpayer, the taxpayer's spouse, and dependents. No deduction for medical care insurance under division (A)(11) of this section shall be allowed either to any taxpayer who is eligible to participate in any subsidized health plan maintained by any employer of the taxpayer or of the taxpayer's spouse, or to any taxpayer who is entitled to, or on application would be entitled to, benefits under part A of Title XVIII of the "Social Security Act," 49 Stat. 620 (1935), 42 U.S.C. 301, as amended. For the purposes of division (A)(11)(a) of this section, "subsidized health plan" means a health plan for

which the employer pays any portion of the plan's cost. The deduction allowed under division (A)(11)(a) of this section shall be the net of any related premium refunds, related premium reimbursements, or related insurance premium dividends received during the taxable year.

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

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

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

(12)(a) Deduct any amount included in federal adjusted gross income solely because the amount represents a reimbursement or refund of expenses that in any year the taxpayer had deducted as an itemized deduction pursuant to section 63 of the Internal Revenue Code and applicable United States department of the treasury regulations. The deduction otherwise allowed under division (A)(12)(a) of this section shall be reduced to the extent the reimbursement is attributable to an amount the taxpayer deducted under this section in any taxable year.

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

computing federal or Ohio adjusted gross income in any taxable year.

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

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

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

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

(15)(a) Add an amount equal to the funds withdrawn from a medical savings account during the taxable year, and the net investment earnings on those funds, when the funds withdrawn were used for any purpose other than to reimburse an account holder for, or to pay, eligible medical expenses, in accordance with section 3924.66 of the Revised Code;

(b) Add the amounts distributed from a medical savings account under division (A)(2) of section 3924.68 of the Revised Code during the taxable year.

(16) Add any amount claimed as a credit under section 5747.059 of the Revised Code to the extent that such amount satisfies either of the following:

(a) The amount was deducted or excluded from the computation of the taxpayer's federal adjusted gross income as required to be reported for the taxpayer's taxable year under the Internal Revenue Code;

(b) The amount resulted in a reduction of the taxpayer's federal adjusted gross income as required to be reported for any of the taxpayer's taxable years under the Internal Revenue Code.

(17) Deduct the amount contributed by the taxpayer to an individual development account program established by a county department of job and family services pursuant to sections 329.11 to 329.14 of the Revised Code for the purpose of matching funds deposited by program participants. On request of the tax commissioner, the taxpayer shall provide any

information that, in the tax commissioner's opinion, is necessary to establish the amount deducted under division (A)(17) of this section.

(18) Beginning in taxable year 2001 but not for any taxable year beginning after December 31, 2005, if the taxpayer is married and files a joint return and the combined federal adjusted gross income of the taxpayer and the taxpayer's spouse for the taxable year does not exceed one hundred thousand dollars, or if the taxpayer is single and has a federal adjusted gross income for the taxable year not exceeding fifty thousand dollars, deduct amounts paid during the taxable year for qualified tuition and fees paid to an eligible institution for the taxpayer, the taxpayer's spouse, or any dependent of the taxpayer, who is a resident of this state and is enrolled in or attending a program that culminates in a degree or diploma at an eligible institution. The deduction may be claimed only to the extent that qualified tuition and fees are not otherwise deducted or excluded for any taxable year from federal or Ohio adjusted gross income. The deduction may not be claimed for educational expenses for which the taxpayer claims a credit under section 5747.27 of the Revised Code.

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

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

(ii) Add five-sixths of the amount of qualifying section 179 depreciation expense, including a person's proportionate or distributive share of the amount of qualifying section 179 depreciation expense allowed to any pass-through entity in which the person has a direct or indirect ownership. For the purposes of this division, "qualifying section 179 depreciation expense" means the difference between (I) the amount of depreciation expense directly or indirectly allowed to the taxpayer under section 179 of the Internal Revenue Code, and (II) the amount of depreciation expense directly or indirectly allowed to the taxpayer under section 179 of the Internal Revenue Code as that section existed on December 31, 2002.

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

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

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

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

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

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

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

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

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

(24) Deduct, to the extent included in federal adjusted gross income and not otherwise allowable as a deduction or exclusion in computing federal or Ohio adjusted gross income for the taxable year, military pay and allowances received by the taxpayer during the taxable year for active duty service in the United States army, air force, navy, marine corps, or coast guard or reserve components thereof or the national guard. The deduction may not be claimed for military pay and allowances received by the taxpayer while the taxpayer is stationed in this state.

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

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

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

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

(26) Deduct, to the extent not otherwise deducted or excluded in computing federal or Ohio adjusted gross income for the taxable year, amounts received by the taxpayer as retired military personnel pay for service in the United States army, navy, air force, coast guard, or marine corps or reserve components thereof, or the national guard, or received by the surviving spouse or former spouse of such a taxpayer under the survivor benefit plan on account of such a taxpayer's death. If the taxpayer receives income on account of retirement paid under the federal civil service retirement system or federal employees retirement system, or under any successor retirement program enacted by the congress of the United States that is established and maintained for retired employees of the United States government, and such retirement income is based, in whole or in part, on credit for the taxpayer's military service, the deduction allowed under this division shall include only that portion of such retirement income that is attributable to the taxpayer's military service, to the extent that portion of such retirement income is otherwise included in federal adjusted gross income and is not otherwise deducted under this section. Any amount deducted under division (A)(26) of this section is not included in a

taxpayer's adjusted gross income for the purposes of section 5747.055 of the Revised Code. No amount may be deducted under division (A)(26) of this section on the basis of which a credit was claimed under section 5747.055 of the Revised Code.

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

(28) Deduct, to the extent not otherwise deducted or excluded in computing federal or Ohio adjusted gross income for the taxable year, the amount the taxpayer received as a veterans bonus during the taxable year from the Ohio department of veterans services as authorized by Section 2r of Article VIII, Ohio Constitution.

(29) Deduct, to the extent not otherwise deducted or excluded in computing federal or Ohio adjusted gross income for the taxable year, any loss from wagering transactions that is allowed as an itemized deduction under section 165 of the Internal Revenue Code and that the taxpayer deducted in computing federal taxable income.

(30) Deduct, to the extent not otherwise deducted or excluded in computing federal or Ohio adjusted gross income for the taxable year, any income derived from providing public services under a contract through a project owned by the state, as described in section 126.604 of the Revised Code or derived from a transfer agreement or from the enterprise transferred under that agreement under section 4313.02 of the Revised Code.

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

(C) "Nonbusiness income" means all income other than business income and may include, but is not limited to, compensation, rents and royalties from real or tangible personal property, capital gains, interest, dividends and distributions, patent or copyright royalties, or lottery winnings, prizes, and awards.

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

(E) "Fiduciary" means a guardian, trustee, executor, administrator,

receiver, conservator, or any other person acting in any fiduciary capacity for any individual, trust, or estate.

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

(G) "Individual" means any natural person.

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

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

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

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

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

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

(a) A trust resides in this state for the trust's current taxable year to the extent, as described in division (I)(3)(d) of this section, that the trust consists directly or indirectly, in whole or in part, of assets, net of any related liabilities, that were transferred, or caused to be transferred, directly or indirectly, to the trust by any of the following:

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

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

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

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

(c) With respect to a trust other than a charitable lead trust, "qualifying beneficiary" has the same meaning as "potential current beneficiary" as defined in section 1361(e)(2) of the Internal Revenue Code, and with respect to a charitable lead trust "qualifying beneficiary" is any current, future, or contingent beneficiary, but with respect to any trust "qualifying beneficiary" excludes a person or a governmental entity or instrumentality to any of which a contribution would qualify for the charitable deduction under section 170 of the Internal Revenue Code.

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

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

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

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

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

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

under Chapter 5731. of the Revised Code.

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

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

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

(ii) The transfer is made to a trust to which the decedent, prior to the decedent's death, had directly or indirectly transferred assets, net of any related liabilities, while the decedent was domiciled in this state for the purposes of this chapter, and prior to the death of the decedent the trust became irrevocable while the decedent was domiciled in this state for the purposes of this chapter.

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

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

(v) The transfer is made to a trust on account of the will of a testator who was domiciled in this state at the time of the testator's death for purposes of the taxes levied under Chapter 5731. of the Revised Code.

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

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

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

(K) "Pass-through entity" has the same meaning as in section 5733.04 of the Revised Code.

(L) "Return" means the notifications and reports required to be filed pursuant to this chapter for the purpose of reporting the tax due and includes declarations of estimated tax when so required.

(M) "Taxable year" means the calendar year or the taxpayer's fiscal year ending during the calendar year, or fractional part thereof, upon which the adjusted gross income is calculated pursuant to this chapter.

(N) "Taxpayer" means any person subject to the tax imposed by section 5747.02 of the Revised Code or any pass-through entity that makes the election under division (D) of section 5747.08 of the Revised Code.

(O) "Dependents" means dependents as defined in the Internal Revenue Code and as claimed in the taxpayer's federal income tax return for the taxable year or which the taxpayer would have been permitted to claim had the taxpayer filed a federal income tax return.

(P) "Principal county of employment" means, in the case of a nonresident, the county within the state in which a taxpayer performs services for an employer or, if those services are performed in more than one county, the county in which the major portion of the services are performed.

(Q) As used in sections 5747.50 to 5747.55 of the Revised Code:

(1) "Subdivision" means any county, municipal corporation, park district, or township.

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

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

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

(1) Add interest or dividends, net of ordinary, necessary, and reasonable expenses not deducted in computing federal taxable income, on obligations or securities of any state or of any political subdivision or authority of any state, other than this state and its subdivisions and authorities, but only to the extent that such net amount is not otherwise includible in Ohio taxable

income and is described in either division (S)(1)(a) or (b) of this section:

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

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

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

(3) Add the amount of personal exemption allowed to the estate pursuant to section 642(b) of the Internal Revenue Code;

(4) Deduct interest or dividends, net of related expenses deducted in computing federal taxable income, on obligations of the United States and its territories and possessions or of any authority, commission, or instrumentality of the United States to the extent that the interest or dividends are exempt from state taxes under the laws of the United States, but only to the extent that such amount is included in federal taxable income and is described in either division (S)(1)(a) or (b) of this section;

(5) Deduct the amount of wages and salaries, if any, not otherwise allowable as a deduction but that would have been allowable as a deduction in computing federal taxable income for the taxable year, had the targeted jobs credit allowed under sections 38, 51, and 52 of the Internal Revenue Code not been in effect, but only to the extent such amount relates either to income included in federal taxable income for the taxable year or to income of the S portion of an electing small business trust for the taxable year;

(6) Deduct any interest or interest equivalent, net of related expenses deducted in computing federal taxable income, on public obligations and purchase obligations, but only to the extent that such net amount relates either to income included in federal taxable income for the taxable year or to income of the S portion of an electing small business trust for the taxable year;

(7) Add any loss or deduct any gain resulting from sale, exchange, or other disposition of public obligations to the extent that such loss has been deducted or such gain has been included in computing either federal taxable income or income of the S portion of an electing small business trust for the taxable year;

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

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

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

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

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

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

(11) Add any amount claimed as a credit under section 5747.059 of the Revised Code to the extent that the amount satisfies either of the following:

(a) The amount was deducted or excluded from the computation of the taxpayer's federal taxable income as required to be reported for the taxpayer's taxable year under the Internal Revenue Code;

(b) The amount resulted in a reduction in the taxpayer's federal taxable income as required to be reported for any of the taxpayer's taxable years under the Internal Revenue Code.

(12) Deduct any amount, net of related expenses deducted in computing federal taxable income, that a trust is required to report as farm income on its federal income tax return, but only if the assets of the trust include at least ten acres of land satisfying the definition of "land devoted exclusively to agricultural use" under section 5713.30 of the Revised Code, regardless

of whether the land is valued for tax purposes as such land under sections 5713.30 to 5713.38 of the Revised Code. If the trust is a pass-through entity investor, section 5747.231 of the Revised Code applies in ascertaining if the trust is eligible to claim the deduction provided by division (S)(12) of this section in connection with the pass-through entity's farm income.

Except for farm income attributable to the S portion of an electing small business trust, the deduction provided by division (S)(12) of this section is allowed only to the extent that the trust has not distributed such farm income. Division (S)(12) of this section applies only to taxable years of a trust beginning in 2002 or thereafter.

(13) Add the net amount of income described in section 641(c) of the Internal Revenue Code to the extent that amount is not included in federal taxable income.

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

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

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

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

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

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

(Y) "Month" means a calendar month.

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

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

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

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

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

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

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

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

(2) "Qualifying trust amount" of a trust means capital gains and losses from the sale, exchange, or other disposition of equity or ownership interests in, or debt obligations of, a qualifying investee to the extent included in the trust's Ohio taxable income, but only if the following requirements are satisfied:

(a) The book value of the qualifying investee's physical assets in this state and everywhere, as of the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the date on which the trust recognizes the gain or loss, is available to the trust.

(b) The requirements of section 5747.011 of the Revised Code are satisfied for the trust's taxable year in which the trust recognizes the gain or loss.

Any gain or loss that is not a qualifying trust amount is modified business income, qualifying investment income, or modified nonbusiness income, as the case may be.

(3) "Modified nonbusiness income" means a trust's Ohio taxable income other than modified business income, other than the qualifying trust amount, and other than qualifying investment income, as defined in section 5747.012

of the Revised Code, to the extent such qualifying investment income is not otherwise part of modified business income.

(4) "Modified Ohio taxable income" applies only to trusts, and means the sum of the amounts described in divisions (BB)(4)(a) to (c) of this section:

(a) The fraction, calculated under section 5747.013, and applying section 5747.231 of the Revised Code, multiplied by the sum of the following amounts:

(i) The trust's modified business income;

(ii) The trust's qualifying investment income, as defined in section 5747.012 of the Revised Code, but only to the extent the qualifying investment income does not otherwise constitute modified business income and does not otherwise constitute a qualifying trust amount.

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

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

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

accordance with division (B) of section 5747.212 of the Revised Code without regard to division (A) of that section.

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

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

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

(ii) If the qualifying investee, or if the qualifying investee and any members of the qualifying controlled group of which the qualifying investee is a member on the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the date on which the trust recognizes the gain or loss, separately or cumulatively own, directly or indirectly, on the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the date on which the trust recognizes the qualifying trust amount, more than fifty per cent of the equity of a pass-through entity, then the qualifying investee and the other members are deemed to own the proportionate share of the pass-through entity's physical assets which the pass-through entity directly or indirectly owns on the last day of the pass-through entity's calendar or fiscal year ending within or with the last day of the qualifying investee's fiscal or calendar year ending immediately prior to the date on which the trust recognizes the qualifying trust amount.

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

An upper level pass-through entity, whether or not it is also a qualifying investee, is deemed to own, on the last day of the upper level pass-through entity's calendar or fiscal year, the proportionate share of the lower level pass-through entity's physical assets that the lower level pass-through entity

directly or indirectly owns on the last day of the lower level pass-through entity's calendar or fiscal year ending within or with the last day of the upper level pass-through entity's fiscal or calendar year. If the upper level pass-through entity directly and indirectly owns less than fifty per cent of the equity of the lower level pass-through entity on each day of the upper level pass-through entity's calendar or fiscal year in which or with which ends the calendar or fiscal year of the lower level pass-through entity and if, based upon clear and convincing evidence, complete information about the location and cost of the physical assets of the lower pass-through entity is not available to the upper level pass-through entity, then solely for purposes of ascertaining if a gain or loss constitutes a qualifying trust amount, the upper level pass-through entity shall be deemed as owning no equity of the lower level pass-through entity for each day during the upper level pass-through entity's calendar or fiscal year in which or with which ends the lower level pass-through entity's calendar or fiscal year. Nothing in division (BB)(5)(a)(iii) of this section shall be construed to provide for any deduction or exclusion in computing any trust's Ohio taxable income.

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

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

(ii) Such gain or loss constitutes nonbusiness income.

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

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

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

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

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

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

(i) A corporation that has made an election under subchapter S, chapter one, subtitle A, of the Internal Revenue Code for its taxable year ending

within, or on the last day of, the investor's taxable year;

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

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

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

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

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

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

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

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

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

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

Sec. 5747.058. (A) A refundable income tax credit granted by the tax credit authority under section 122.17 or division (B)(2) or (3) of section 122.171 of the Revised Code may be claimed under this chapter, in the order required under section 5747.98 of the Revised Code. For purposes of making tax payments under this chapter, taxes equal to the amount of the refundable credit shall be considered to be paid to this state on the first day of the taxable year. The refundable credit shall not be claimed for any taxable years ending with or following the calendar year in which a relocation of employment positions occurs in violation of an agreement entered into under section 122.171 of the Revised Code.

(B) A nonrefundable income tax credit granted by the tax credit authority under division (B)(1) of section 122.171 of the Revised Code may be claimed under this chapter, in the order required under section 5747.98 of the Revised Code.

Sec. 5747.113. (A) Any taxpayer claiming a refund under section 5747.11 of the Revised Code ~~for taxable years ending on or after October 14, 1983,~~ who wishes to contribute any part of the taxpayer's refund to the natural areas and preserves fund created in section 1517.11 of the Revised Code, the nongame and endangered wildlife fund created in section 1531.26 of the Revised Code, the military injury relief fund created in section 5101.98 of the Revised Code, the Ohio historical society income tax contribution fund created in section 149.308 of the Revised Code, or all of those funds; may designate on the taxpayer's income tax return the amount that the taxpayer wishes to contribute to the fund or funds. A designated contribution is irrevocable upon the filing of the return and shall be made in the full amount designated if the refund found due the taxpayer upon the initial processing of the taxpayer's return, after any deductions including those required by section 5747.12 of the Revised Code, is greater than or equal to the designated contribution. If the refund due as initially determined is less than the designated contribution, the contribution shall be made in the full amount of the refund. The tax commissioner shall subtract the amount of the contribution from the amount of the refund initially found due the taxpayer and shall certify the difference to the director of budget and management and treasurer of state for payment to the taxpayer in accordance with section 5747.11 of the Revised Code. For the purpose of any subsequent determination of the taxpayer's net tax payment, the contribution shall be considered a part of the refund paid to the taxpayer.

(B) The tax commissioner shall provide a space on the income tax return form in which a taxpayer may indicate that the taxpayer wishes to make a donation in accordance with this section. The tax commissioner shall also print in the instructions accompanying the income tax return form a description of the purposes for which the natural areas and preserves fund, the nongame and endangered wildlife fund, ~~and~~ the military injury relief fund, and the Ohio historical society income tax contribution fund were created and the use of moneys from the income tax refund contribution system established in this section. No person shall designate on the person's income tax return any part of a refund claimed under section 5747.11 of the Revised Code as a contribution to any fund other than the natural areas and preserves fund, the nongame and endangered wildlife fund, the military injury relief fund, ~~or all of those funds~~ the Ohio historical society income

tax contribution fund.

(C) The money collected under the income tax refund contribution system established in this section shall be deposited by the tax commissioner into the natural areas and preserves fund, the nongame and endangered wildlife fund, ~~and~~ the military injury relief fund, and the Ohio historical society income tax contribution fund in the amounts designated on the tax returns.

(D) No later than the thirtieth day of September each year, the tax commissioner shall determine the total amount contributed to each fund under this section during the preceding eight months, any adjustments to prior months, and the cost to the department of taxation of administering the income tax refund contribution system during that eight-month period. The commissioner shall make an additional determination no later than the thirty-first day of January of each year of the total amount contributed to each fund under this section during the preceding four calendar months, any adjustments to prior years made during that four-month period, and the cost to the department of taxation of administering the income tax contribution system during that period. The cost of administering the income tax contribution system shall be certified by the tax commissioner to the director of budget and management, who shall transfer an amount equal to ~~one-third~~ one-fourth of such administrative costs from the natural areas and preserves fund, ~~one-third~~ one-fourth of such costs from the nongame and endangered wildlife fund, ~~and one-third~~ one-fourth of such costs from the military injury relief fund, and one-fourth of such costs from the Ohio historical society income tax contribution fund to the litter control and natural resource tax administration fund, which is hereby created, provided that the moneys that the department receives to pay the cost of administering the income tax refund contribution system in any year shall not exceed two and one-half per cent of the total amount contributed under that system during that year.

(E)(1) The director of natural resources, in January of every odd-numbered year, shall report to the general assembly on the effectiveness of the income tax refund contribution system as it pertains to the natural areas and preserves fund and the nongame and endangered wildlife fund. The report shall include the amount of money contributed to each fund in each of the previous five years, the amount of money contributed directly to each fund in addition to or independently of the income tax refund contribution system in each of the previous five years, and the purposes for which the money was expended.

(2) The director of job and family services and the director of the Ohio historical society, in January of every odd-numbered year, each shall report

to the general assembly on the effectiveness of the income tax refund contribution system as it pertains to the military injury relief fund and the Ohio historical society income tax contribution fund, respectively. The report shall include the amount of money contributed to the fund in each of the previous five years, the amount of money contributed directly to the fund in addition to or independently of the income tax refund contribution system in each of the previous five years, and the purposes for which the money was expended.

Sec. 5747.451. (A) The mere retirement from business or voluntary dissolution of a domestic or foreign qualifying entity does not exempt it from the requirements to make reports as required under sections 5747.42 to 5747.44 or to pay the taxes imposed under section 5733.41 or 5747.41 of the Revised Code. If any qualifying entity subject to the taxes imposed under section 5733.41 or 5747.41 of the Revised Code sells its business or stock of merchandise or quits its business, the taxes required to be paid prior to that time, together with any interest or penalty thereon, become due and payable immediately, and the qualifying entity shall make a final return within fifteen days after the date of selling or quitting business. The successor of the qualifying entity shall withhold a sufficient amount of the purchase money to cover the amount of such taxes, interest, and penalties due and unpaid until the qualifying entity produces a receipt from the tax commissioner showing that the taxes, interest, and penalties have been paid, or a certificate indicating that no taxes are due. If the purchaser of the business or stock of goods fails to withhold purchase money, the purchaser is personally liable for the payment of the taxes, interest, and penalties accrued and unpaid during the operation of the business by the qualifying entity. If the amount of those taxes, interest, and penalty unpaid at the time of the purchase exceeds the total purchase money, the tax commissioner may adjust the qualifying entity's liability for those taxes, interest, and penalty, or adjust the responsibility of the purchaser to pay that liability, in a manner calculated to maximize the collection of those liabilities.

(B) Annually, on the last day of each qualifying taxable year of a qualifying entity, the taxes imposed under section 5733.41 or 5747.41 of the Revised Code, together with any penalties subsequently accruing thereon, become a lien on all property in this state of the qualifying entity, whether such property is employed by the qualifying entity in the prosecution of its business or is in the hands of an assignee, trustee, or receiver for the benefit of the qualifying entity's creditors and investors. The lien shall continue until those taxes, together with any penalties subsequently accruing, are paid.

Upon failure of such a qualifying entity to pay those taxes on the day fixed for payment, the treasurer of state shall thereupon notify the tax commissioner, and the commissioner may file in the office of the county recorder in each county in this state in which the qualifying entity owns or has a beneficial interest in real estate, notice of the lien containing a brief description of such real estate. No fee shall be charged for such a filing. The lien is not valid as against any mortgagee, purchaser, or judgment creditor whose rights have attached prior to the time the notice is so filed in the county in which the real estate which is the subject of such mortgage, purchase, or judgment lien is located. The notice shall be recorded in a book kept by the recorder, called the qualifying entity tax lien record, and indexed under the name of the qualifying entity charged with the tax. When the tax, together with any penalties subsequently accruing thereon, have been paid, the tax commissioner shall furnish to the qualifying entity an acknowledgment of such payment that the qualifying entity may record with the recorder of each county in which notice of such lien has been filed, for which recording the recorder shall charge and receive a fee of two dollars.

(C) In addition to all other remedies for the collection of any taxes or penalties due under law, whenever any taxes, interest, or penalties due from any qualifying entity under section 5733.41 of the Revised Code or this chapter have remained unpaid for a period of ninety days, or whenever any qualifying entity has failed for a period of ninety days to make any report or return required by law, or to pay any penalty for failure to make or file such report or return, the attorney general, upon the request of the tax commissioner, shall file a petition in the court of common pleas in the county of the state in which such qualifying entity has its principal place of business for a judgment for the amount of the taxes, interest, or penalties appearing to be due, the enforcement of any lien in favor of the state, and an injunction to restrain such qualifying entity and its officers, directors, and managing agents from the transaction of any business within this state, other than such acts as are incidental to liquidation or winding up, until the payment of such taxes, interest, and penalties, and the costs of the proceeding fixed by the court, or the making and filing of such report or return.

The petition shall be in the name of the state. Any of the qualifying entities having its principal places of business in the county may be joined in one suit. On the motion of the attorney general, the court of common pleas shall enter an order requiring all defendants to answer by a day certain, and may appoint a special master commissioner to take testimony, with such other power and authority as the court confers, and permitting process to be

served by registered mail and by publication in a newspaper of general circulation ~~published~~ in the county, which publication need not be made more than once, setting forth the name of each delinquent qualifying entity, the matter in which the qualifying entity is delinquent, the names of its officers, directors, and managing agents, if set forth in the petition, and the amount of any taxes, fees, or penalties claimed to be owing by the qualifying entity.

All or any of the trustees or other fiduciaries, officers, directors, investors, beneficiaries, or managing agents of any qualifying entity may be joined as defendants with the qualifying entity.

If it appears to the court upon hearing that any qualifying entity that is a party to the proceeding is indebted to the state for taxes imposed under section 5733.41 or 5747.41 of the Revised Code, or interest or penalties thereon, judgment shall be entered therefor with interest; and if it appears that any qualifying entity has failed to make or file any report or return, a mandatory injunction may be issued against the qualifying entity, its trustees or other fiduciaries, officers, directors, and managing agents, enjoining them from the transaction of any business within this state, other than acts incidental to liquidation or winding up, until the making and filing of all proper reports or returns and until the payment in full of all taxes, interest, and penalties.

If the trustees or other fiduciaries, officers, directors, investors, beneficiaries, or managing agents of a qualifying entity are not made parties in the first instance, and a judgment or an injunction is rendered or issued against the qualifying entity, those officers, directors, investors, or managing agents may be made parties to such proceedings upon the motion of the attorney general, and, upon notice to them of the form and terms of such injunction, they shall be bound thereby as fully as if they had been made parties in the first instance.

In any action authorized by this division, a statement of the tax commissioner, or the secretary of state, when duly certified, shall be prima-facie evidence of the amount of taxes, interest, or penalties due from any qualifying entity, or of the failure of any qualifying entity to file with the commissioner or the secretary of state any report required by law, and any such certificate of the commissioner or the secretary of state may be required in evidence in any such proceeding.

On the application of any defendant and for good cause shown, the court may order a separate hearing of the issues as to any defendant.

The costs of the proceeding shall be apportioned among the parties as the court deems proper.

The court in such proceeding may make, enter, and enforce such other judgments and orders and grant such other relief as is necessary or incidental to the enforcement of the claims and lien of the state.

In the performance of the duties enjoined upon the attorney general by this division, the attorney general may direct any prosecuting attorney to bring an action, as authorized by this division, in the name of the state with respect to any delinquent qualifying entities within the prosecuting attorney's county, and like proceedings and orders shall be had as if such action were instituted by the attorney general.

(D) If any qualifying entity fails to make and file the reports or returns required under this chapter, or to pay the penalties provided by law for failure to make and file such reports or returns for a period of ninety days after the time prescribed by this chapter, the attorney general, on the request of the tax commissioner, shall commence an action in quo warranto in the court of appeals of the county in which that qualifying entity has its principal place of business to forfeit and annul its privileges and franchises. If the court is satisfied that any such qualifying entity is in default, it shall render judgment ousting such qualifying entity from the exercise of its privileges and franchises within this state, and shall otherwise proceed as provided in sections 2733.02 to 2733.39 of the Revised Code.

Sec. 5747.46. As used in sections 5747.46 and 5747.47 of the Revised Code:

(A) "Year's fund balance" means the amount credited to the public library fund during a calendar year.

(B) "Distribution year" means the calendar year during which a year's fund balance is distributed under section 5747.47 of the Revised Code.

(C) "CPI" means the consumer price index for all urban consumers (United States city average, all items), prepared by the United States department of labor, bureau of labor statistics.

(D) "Inflation factor" means the quotient obtained by dividing the CPI for May of the year preceding the distribution year by the CPI for May of the second preceding year. If the quotient so obtained is less than one, the inflation factor shall equal one.

(E) "Population" means whichever of the following has most recently been issued, as of the first day of June preceding the distribution year:

(1) The most recent decennial census figures that include population figures for each county in the state;

(2) The most current issue of "Current Population Reports: Local Population Estimates" issued by the United States bureau of the census that contains population estimates for each county in the state and the state.

(F) "County's equalization ratio for a distribution year" means a percentage computed for that county as follows:

(1) Square the per cent that the county's population is of the state's population;

(2) Divide the product so obtained by the per cent that the county's total entitlement for the preceding year is of all counties' total entitlements for the preceding year;

(3) Divide the quotient so obtained by the sum of the quotients so obtained for all counties.

(G) "Total entitlement" means, with respect to a distribution year, the sum of a county's guaranteed share plus its share of the excess. For the 2012 distribution year, "total entitlement" equals the sum of payments made to a county public library fund during that year.

(1) "Guaranteed share" means, for a distribution year, the product obtained by multiplying a county's total entitlement for the preceding distribution year by the ~~inflation~~ inflation factor. If the sum of the guaranteed shares for all counties exceeds the year's fund balance, the guaranteed shares of all counties shall be reduced by a percentage that will result in the sum of such guaranteed shares being equal to the year's fund balance.

(2) "Share of excess" means, for a distribution year, the product obtained by multiplying a county's equalization ratio by the difference between the year's fund balance and the sum of the guaranteed shares for all counties. If the sum of the guaranteed shares for all counties exceeds the year's fund balance the share of the excess for all counties is zero.

(H) "Net distribution" means the sum of the payments made to a county's public library fund during a distribution year, adjusted as follows:

(1) If the county received an overpayment during the preceding distribution year, add the amount of the overpayment;

(2) If the county received an underpayment during the preceding distribution year, deduct the amount of the underpayment.

(I) "Overpayment" or "underpayment" for a distribution year means the amount by which the net distribution to a county's public library fund during that distribution year exceeded or was less than the county's total entitlement for that year.

All computations made under this section shall be rounded to the nearest one-hundredth of one per cent.

Sec. 5747.51. (A) On or before the twenty-fifth day of July of each year, the tax commissioner shall make and certify to the county auditor of each county an estimate of the amount of the local government fund to be

allocated to the undivided local government fund of each county for the ensuing calendar year ~~and the estimated amount to be received by the undivided local government fund of each county from the taxes levied pursuant to section 5707.03 of the Revised Code for the ensuing calendar year.~~

(B) At each annual regular session of the county budget commission convened pursuant to section 5705.27 of the Revised Code, each auditor shall present to the commission the certificate of the commissioner, the annual tax budget and estimates, and the records showing the action of the commission in its last preceding regular session. ~~The estimates shown on the certificate of the commissioner of the amount to be allocated from the local government fund and the amount to be received from taxes levied pursuant to section 5707.03 of the Revised Code shall be combined into one total comprising the estimate of the undivided local government fund of the county.~~ The commission, after extending to the representatives of each subdivision an opportunity to be heard, under oath administered by any member of the commission, and considering all the facts and information presented to it by the auditor, shall determine the amount of the undivided local government fund needed by and to be apportioned to each subdivision for current operating expenses, as shown in the tax budget of the subdivision. This determination shall be made pursuant to divisions (C) to (I) of this section, unless the commission has provided for a formula pursuant to section 5747.53 of the Revised Code.

Nothing in this section prevents the budget commission, for the purpose of apportioning the undivided local government fund, from inquiring into the claimed needs of any subdivision as stated in its tax budget, or from adjusting claimed needs to reflect actual needs. For the purposes of this section, "current operating expenses" means the lawful expenditures of a subdivision, except those for permanent improvements and except payments for interest, sinking fund, and retirement of bonds, notes, and certificates of indebtedness of the subdivision.

(C) The commission shall determine the combined total of the estimated expenditures, including transfers, from the general fund and any special funds other than special funds established for road and bridge; street construction, maintenance, and repair; state highway improvement; and gas, water, sewer, and electric public utilities operated by a subdivision, as shown in the subdivision's tax budget for the ensuing calendar year.

(D) From the combined total of expenditures calculated pursuant to division (C) of this section, the commission shall deduct the following expenditures, if included in these funds in the tax budget:

(1) Expenditures for permanent improvements as defined in division (E) of section 5705.01 of the Revised Code;

(2) In the case of counties and townships, transfers to the road and bridge fund, and in the case of municipalities, transfers to the street construction, maintenance, and repair fund and the state highway improvement fund;

(3) Expenditures for the payment of debt charges;

(4) Expenditures for the payment of judgments.

(E) In addition to the deductions made pursuant to division (D) of this section, revenues accruing to the general fund and any special fund considered under division (C) of this section from the following sources shall be deducted from the combined total of expenditures calculated pursuant to division (C) of this section:

(1) Taxes levied within the ten-mill limitation, as defined in section 5705.02 of the Revised Code;

(2) The budget commission allocation of estimated county public library fund revenues to be distributed pursuant to section 5747.48 of the Revised Code;

(3) Estimated unencumbered balances as shown on the tax budget as of the thirty-first day of December of the current year in the general fund, but not any estimated balance in any special fund considered in division (C) of this section;

(4) Revenue, including transfers, shown in the general fund and any special funds other than special funds established for road and bridge; street construction, maintenance, and repair; state highway improvement; and gas, water, sewer, and electric public utilities, from all other sources except those that a subdivision receives from an additional tax or service charge voted by its electorate or receives from special assessment or revenue bond collection. For the purposes of this division, where the charter of a municipal corporation prohibits the levy of an income tax, an income tax levied by the legislative authority of such municipal corporation pursuant to an amendment of the charter of that municipal corporation to authorize such a levy represents an additional tax voted by the electorate of that municipal corporation. For the purposes of this division, any measure adopted by a board of county commissioners pursuant to section 322.02, 324.02, 4504.02, or 5739.021 of the Revised Code, including those measures upheld by the electorate in a referendum conducted pursuant to section 322.021, 324.021, 4504.021, or 5739.022 of the Revised Code, shall not be considered an additional tax voted by the electorate.

Subject to division (G) of section 5705.29 of the Revised Code, money

in a reserve balance account established by a county, township, or municipal corporation under section 5705.13 of the Revised Code shall not be considered an unencumbered balance or revenue under division (E)(3) or (4) of this section. Money in a reserve balance account established by a township under section 5705.132 of the Revised Code shall not be considered an unencumbered balance or revenue under division (E)(3) or (4) of this section.

If a county, township, or municipal corporation has created and maintains a nonexpendable trust fund under section 5705.131 of the Revised Code, the principal of the fund, and any additions to the principal arising from sources other than the reinvestment of investment earnings arising from such a fund, shall not be considered an unencumbered balance or revenue under division (E)(3) or (4) of this section. Only investment earnings arising from investment of the principal or investment of such additions to principal may be considered an unencumbered balance or revenue under those divisions.

(F) The total expenditures calculated pursuant to division (C) of this section, less the deductions authorized in divisions (D) and (E) of this section, shall be known as the "relative need" of the subdivision, for the purposes of this section.

(G) The budget commission shall total the relative need of all participating subdivisions in the county, and shall compute a relative need factor by dividing the total estimate of the undivided local government fund by the total relative need of all participating subdivisions.

(H) The relative need of each subdivision shall be multiplied by the relative need factor to determine the proportionate share of the subdivision in the undivided local government fund of the county; provided, that the maximum proportionate share of a county shall not exceed the following maximum percentages of the total estimate of the undivided local government fund governed by the relationship of the percentage of the population of the county that resides within municipal corporations within the county to the total population of the county as reported in the reports on population in Ohio by the department of development as of the twentieth day of July of the year in which the tax budget is filed with the budget commission:

Percentage of municipal population within the county:	Percentage share of the county shall not exceed:
Less than forty-one per cent	Sixty per cent
Forty-one per cent or more but less than eighty-one per cent	Fifty per cent

Eighty-one per cent or more

Thirty per cent

Where the proportionate share of the county exceeds the limitations established in this division, the budget commission shall adjust the proportionate shares determined pursuant to this division so that the proportionate share of the county does not exceed these limitations, and it shall increase the proportionate shares of all other subdivisions on a pro rata basis. In counties having a population of less than one hundred thousand, not less than ten per cent shall be distributed to the townships therein.

(I) The proportionate share of each subdivision in the undivided local government fund determined pursuant to division (H) of this section for any calendar year shall not be less than the product of the average of the percentages of the undivided local government fund of the county as apportioned to that subdivision for the calendar years 1968, 1969, and 1970, multiplied by the total amount of the undivided local government fund of the county apportioned pursuant to former section 5735.23 of the Revised Code for the calendar year 1970. For the purposes of this division, the total apportioned amount for the calendar year 1970 shall be the amount actually allocated to the county in 1970 from the state collected intangible tax as levied by section 5707.03 of the Revised Code and distributed pursuant to section 5725.24 of the Revised Code, plus the amount received by the county in the calendar year 1970 pursuant to division (B)(1) of former section 5739.21 of the Revised Code, and distributed pursuant to former section 5739.22 of the Revised Code. If the total amount of the undivided local government fund for any calendar year is less than the amount of the undivided local government fund apportioned pursuant to former section 5739.23 of the Revised Code for the calendar year 1970, the minimum amount guaranteed to each subdivision for that calendar year pursuant to this division shall be reduced on a basis proportionate to the amount by which the amount of the undivided local government fund for that calendar year is less than the amount of the undivided local government fund apportioned for the calendar year 1970.

(J) On the basis of such apportionment, the county auditor shall compute the percentage share of each such subdivision in the undivided local government fund and shall at the same time certify to the tax commissioner the percentage share of the county as a subdivision. No payment shall be made from the undivided local government fund, except in accordance with such percentage shares.

Within ten days after the budget commission has made its apportionment, whether conducted pursuant to section 5747.51 or 5747.53 of the Revised Code, the auditor shall publish a list of the subdivisions and

the amount each is to receive from the undivided local government fund and the percentage share of each subdivision, in a newspaper or newspapers of countywide circulation, and send a copy of such allocation to the tax commissioner.

The county auditor shall also send by certified mail, return receipt requested, a copy of such allocation to the fiscal officer of each subdivision entitled to participate in the allocation of the undivided local government fund of the county. This copy shall constitute the official notice of the commission action referred to in section 5705.37 of the Revised Code.

All money received into the treasury of a subdivision from the undivided local government fund in a county treasury shall be paid into the general fund and used for the current operating expenses of the subdivision.

If a municipal corporation maintains a municipal university, such municipal university, when the board of trustees so requests the legislative authority of the municipal corporation, shall participate in the money apportioned to such municipal corporation from the total local government fund, however created and constituted, in such amount as requested by the board of trustees, provided such sum does not exceed nine per cent of the total amount paid to the municipal corporation.

If any public official fails to maintain the records required by sections 5747.50 to 5747.55 of the Revised Code or by the rules issued by the tax commissioner, the auditor of state, or the treasurer of state pursuant to such sections, or fails to comply with any law relating to the enforcement of such sections, the local government fund money allocated to the county may be withheld until such time as the public official has complied with such sections or such law or the rules issued pursuant thereto.

Sec. 5747.81. (A) Any term used in this section that is defined in section 122.86 of the Revised Code has the same meaning as defined in that section.

(B) For the purpose of encouraging new capital investment in small businesses in this state and thereby promoting the economic welfare of all Ohioans, a nonrefundable credit is allowed against the tax imposed by section 5747.02 of the Revised Code for a taxpayer to whom a small business investment certificate was issued under section 122.86 of the Revised Code if the taxpayer did not sell or otherwise dispose of the qualifying investment before the conclusion of the applicable holding period and if the small business enterprise on the basis of which the certificate was issued is included in the register maintained under division (D) of section 122.86 of the Revised Code.

The credit shall be claimed for the taxpayer's taxable year that includes the last day of the holding period of the qualifying investment. If the

certificate was issued to a pass-through entity that made the qualifying investment, a taxpayer that holds a direct or indirect equity interest in the pass-through entity on the last day of the entity's taxable year that includes the last day of the holding period may claim the taxpayer's distributive or proportionate share of the credit for the taxpayer's taxable year that includes the last day of the entity's taxable year.

The credit equals the amount of the taxpayer's qualifying investment as indicated on the certificate multiplied by ten per cent. If a taxpayer claims a credit on the basis of more than one small business investment certificate issued for the same fiscal biennium, including a certificate issued to a pass-through entity in which the taxpayer owns an equity interest, the total amount of credit claimed by the taxpayer on the basis of all such certificates shall not exceed one million dollars. If a taxpayer and the taxpayer's spouse file a joint return under section 5747.08 of the Revised Code, the credit shall be computed on the basis of the total qualifying investments made by both spouses or by any pass-through entities in which either spouse owns an equity interest, but the total amount of credit claimed on the basis of all certificates issued to the spouses or to such pass-through entities for a fiscal biennium shall not exceed two million dollars.

The credit shall be claimed in the order prescribed by section 5747.98 of the Revised Code. If the credit exceeds the amount of tax otherwise due for the taxable year, the excess may be carried forward and applied against the tax due for not more than seven succeeding taxable years, provided that the amount applied to the tax due for any taxable year shall be subtracted from the amount available to carry forward to succeeding years.

Sec. 5747.98. (A) To provide a uniform procedure for calculating the amount of tax due under section 5747.02 of the Revised Code, a taxpayer shall claim any credits to which the taxpayer is entitled in the following order:

- (1) The retirement income credit under division (B) of section 5747.055 of the Revised Code;
- (2) The senior citizen credit under division (C) of section 5747.05 of the Revised Code;
- (3) The lump sum distribution credit under division (D) of section 5747.05 of the Revised Code;
- (4) The dependent care credit under section 5747.054 of the Revised Code;
- (5) The lump sum retirement income credit under division (C) of section 5747.055 of the Revised Code;
- (6) The lump sum retirement income credit under division (D) of section

5747.055 of the Revised Code;

(7) The lump sum retirement income credit under division (E) of section 5747.055 of the Revised Code;

(8) The low-income credit under section 5747.056 of the Revised Code;

(9) The credit for displaced workers who pay for job training under section 5747.27 of the Revised Code;

(10) The campaign contribution credit under section 5747.29 of the Revised Code;

(11) The twenty-dollar personal exemption credit under section 5747.022 of the Revised Code;

(12) The joint filing credit under division (G) of section 5747.05 of the Revised Code;

(13) The nonresident credit under division (A) of section 5747.05 of the Revised Code;

(14) The credit for a resident's out-of-state income under division (B) of section 5747.05 of the Revised Code;

(15) The credit for employers that enter into agreements with child day-care centers under section 5747.34 of the Revised Code;

(16) The credit for employers that reimburse employee child care expenses under section 5747.36 of the Revised Code;

(17) The credit for adoption of a minor child under section 5747.37 of the Revised Code;

(18) The credit for purchases of lights and reflectors under section 5747.38 of the Revised Code;

(19) The nonrefundable job retention credit under division (B) of section 5747.058 of the Revised Code;

(20) The credit for selling alternative fuel under section 5747.77 of the Revised Code;

(21) The second credit for purchases of new manufacturing machinery and equipment and the credit for using Ohio coal under section 5747.31 of the Revised Code;

(22) The job training credit under section 5747.39 of the Revised Code;

(23) The enterprise zone credit under section 5709.66 of the Revised Code;

(24) The credit for the eligible costs associated with a voluntary action under section 5747.32 of the Revised Code;

(25) The credit for employers that establish on-site child day-care centers under section 5747.35 of the Revised Code;

(26) The ethanol plant investment credit under section 5747.75 of the Revised Code;

(27) The credit for purchases of qualifying grape production property under section 5747.28 of the Revised Code;

(28) The ~~export sales credit under section 5747.057~~ small business investment credit under section 5747.81 of the Revised Code;

(29) The credit for research and development and technology transfer investors under section 5747.33 of the Revised Code;

(30) The enterprise zone credits under section 5709.65 of the Revised Code;

(31) The research and development credit under section 5747.331 of the Revised Code;

(32) The credit for rehabilitating a historic building under section 5747.76 of the Revised Code;

(33) The refundable credit for rehabilitating a historic building under section 5747.76 of the Revised Code;

(34) The refundable jobs creation credit or job retention credit under division (A) of section 5747.058 of the Revised Code;

(35) The refundable credit for taxes paid by a qualifying entity granted under section 5747.059 of the Revised Code;

(36) The refundable credits for taxes paid by a qualifying pass-through entity granted under division (J) of section 5747.08 of the Revised Code;

(37) The refundable credit for tax withheld under division (B)(1) of section 5747.062 of the Revised Code;

(38) The refundable credit for tax withheld under section 5747.063 of the Revised Code;

(39) The refundable credit under section 5747.80 of the Revised Code for losses on loans made to the Ohio venture capital program under sections 150.01 to 150.10 of the Revised Code;

(40) The refundable motion picture production credit under section 5747.66 of the Revised Code.

(B) For any credit, except the refundable credits enumerated in this section and the credit granted under division (I) of section 5747.08 of the Revised Code, the amount of the credit for a taxable year shall not exceed the tax due after allowing for any other credit that precedes it in the order required under this section. Any excess amount of a particular credit may be carried forward if authorized under the section creating that credit. Nothing in this chapter shall be construed to allow a taxpayer to claim, directly or indirectly, a credit more than once for a taxable year.

Sec. 5748.01. As used in this chapter:

(A) "School district income tax" means an income tax adopted under one of the following:

(1) Former section 5748.03 of the Revised Code as it existed prior to its repeal by Amended Substitute House Bill No. 291 of the 115th general assembly;

(2) Section 5748.03 of the Revised Code as enacted in Substitute Senate Bill No. 28 of the 118th general assembly;

(3) Section 5748.08 of the Revised Code as enacted in Amended Substitute Senate Bill No. 17 of the 122nd general assembly;

(4) Section 5748.021 of the Revised Code;

(5) Section 5748.081 of the Revised Code;

(6) Section 5748.09 of the Revised Code.

(B) "Individual" means an individual subject to the tax levied by section 5747.02 of the Revised Code.

(C) "Estate" means an estate subject to the tax levied by section 5747.02 of the Revised Code.

(D) "Taxable year" means a taxable year as defined in division (M) of section 5747.01 of the Revised Code.

(E) "Taxable income" means:

(1) In the case of an individual, one of the following, as specified in the resolution imposing the tax:

(a) Ohio adjusted gross income for the taxable year as defined in division (A) of section 5747.01 of the Revised Code, less the exemptions provided by section 5747.02 of the Revised Code;

(b) Wages, salaries, tips, and other employee compensation to the extent included in Ohio adjusted gross income as defined in section 5747.01 of the Revised Code, and net earnings from self-employment, as defined in section 1402(a) of the Internal Revenue Code, to the extent included in Ohio adjusted gross income.

(2) In the case of an estate, taxable income for the taxable year as defined in division (S) of section 5747.01 of the Revised Code.

(F) "Resident" of the school district means:

(1) An individual who is a resident of this state as defined in division (I) of section 5747.01 of the Revised Code during all or a portion of the taxable year and who, during all or a portion of such period of state residency, is domiciled in the school district or lives in and maintains a permanent place of abode in the school district;

(2) An estate of a decedent who, at the time of death, was domiciled in the school district.

(G) "School district income" means:

(1) With respect to an individual, the portion of the taxable income of an individual that is received by the individual during the portion of the taxable

year that the individual is a resident of the school district and the school district income tax is in effect in that school district. An individual may have school district income with respect to more than one school district.

(2) With respect to an estate, the taxable income of the estate for the portion of the taxable year that the school district income tax is in effect in that school district.

(H) "Taxpayer" means an individual or estate having school district income upon which a school district income tax is imposed.

(I) "School district purposes" means any of the purposes for which a tax may be levied pursuant to section 5705.21 of the Revised Code, including the combined purposes authorized by section 5705.217 of the Revised Code.

Sec. 5748.02. (A) The board of education of any school district, except a joint vocational school district, may declare, by resolution, the necessity of raising annually a specified amount of money for school district purposes. The resolution shall specify whether the income that is to be subject to the tax is taxable income of individuals and estates as defined in divisions (E)(1)(a) and (2) of section 5748.01 of the Revised Code or taxable income of individuals as defined in division (E)(1)(b) of that section. A copy of the resolution shall be certified to the tax commissioner no later than one hundred days prior to the date of the election at which the board intends to propose a levy under this section. Upon receipt of the copy of the resolution, the tax commissioner shall estimate both of the following:

(1) The property tax rate that would have to be imposed in the current year by the district to produce an equivalent amount of money;

(2) The income tax rate that would have had to have been in effect for the current year to produce an equivalent amount of money from a school district income tax.

Within ten days of receiving the copy of the board's resolution, the commissioner shall prepare these estimates and certify them to the board. Upon receipt of the certification, the board may adopt a resolution proposing an income tax under division (B) of this section at the estimated rate contained in the certification rounded to the nearest one-fourth of one per cent. The commissioner's certification applies only to the board's proposal to levy an income tax at the election for which the board requested the certification. If the board intends to submit a proposal to levy an income tax at any other election, it shall request another certification for that election in the manner prescribed in this division.

(B)(1) Upon the receipt of a certification from the tax commissioner under division (A) of this section, a majority of the members of a board of education may adopt a resolution proposing the levy of an annual tax for

school district purposes on school district income. The proposed levy may be for a continuing period of time or for a specified number of years. The resolution shall set forth the purpose for which the tax is to be imposed, the rate of the tax, which shall be the rate set forth in the commissioner's certification rounded to the nearest one-fourth of one per cent, the number of years the tax will be levied or that it will be levied for a continuing period of time, the date on which the tax shall take effect, which shall be the first day of January of any year following the year in which the question is submitted, and the date of the election at which the proposal shall be submitted to the electors of the district, which shall be on the date of a primary, general, or special election the date of which is consistent with section 3501.01 of the Revised Code. The resolution shall specify whether the income that is to be subject to the tax is taxable income of individuals and estates as defined in divisions (E)(1)(a) and (2) of section 5748.01 of the Revised Code or taxable income of individuals as defined in division (E)(1)(b) of that section. The specification shall be the same as the specification in the resolution adopted and certified under division (A) of this section.

If the tax is to be levied for current expenses and permanent improvements, the resolution shall apportion the annual rate of the tax. The apportionment may be the same or different for each year the tax is levied, but the respective portions of the rate actually levied each year for current expenses and for permanent improvements shall be limited by the apportionment.

If the board of education currently imposes an income tax pursuant to this chapter that is due to expire and a question is submitted under this section for a proposed income tax to take effect upon the expiration of the existing tax, the board may specify in the resolution that the proposed tax renews the expiring tax. Two or more expiring income taxes may be renewed under this paragraph if the taxes are due to expire on the same date. If the tax rate being proposed is no higher than the total tax rate imposed by the expiring tax or taxes, the resolution may state that the proposed tax is not an additional income tax.

(2) A board of education adopting a resolution under division (B)(1) of this section proposing a school district income tax for a continuing period of time and limited to the purpose of current expenses may propose in that resolution to reduce the rate or rates of one or more of the school district's property taxes levied for a continuing period of time in excess of the ten-mill limitation for the purpose of current expenses. The reduction in the rate of a property tax may be any amount, expressed in mills per one dollar in valuation, not exceeding the rate at which the tax is authorized to be

levied. The reduction in the rate of a tax shall first take effect for the tax year that includes the day on which the school district income tax first takes effect, and shall continue for each tax year that both the school district income tax and the property tax levy are in effect.

In addition to the matters required to be set forth in the resolution under division (B)(1) of this section, a resolution containing a proposal to reduce the rate of one or more property taxes shall state for each such tax the maximum rate at which it currently may be levied and the maximum rate at which the tax could be levied after the proposed reduction, expressed in mills per one dollar in valuation, and that the tax is levied for a continuing period of time.

If a board of education proposes to reduce the rate of one or more property taxes under division (B)(2) of this section, the board, when it makes the certification required under division (A) of this section, shall designate the specific levy or levies to be reduced, the maximum rate at which each levy currently is authorized to be levied, and the rate by which each levy is proposed to be reduced. The tax commissioner, when making the certification to the board under division (A) of this section, also shall certify the reduction in the total effective tax rate for current expenses for each class of property that would have resulted if the proposed reduction in the rate or rates had been in effect the previous tax year. As used in this paragraph, "effective tax rate" has the same meaning as in section 323.08 of the Revised Code.

(C) A resolution adopted under division (B) of this section shall go into immediate effect upon its passage, and no publication of the resolution shall be necessary other than that provided for in the notice of election. Immediately after its adoption and at least ninety days prior to the election at which the question will appear on the ballot, a copy of the resolution shall be certified to the board of elections of the proper county, which shall submit the proposal to the electors on the date specified in the resolution. The form of the ballot shall be as provided in section 5748.03 of the Revised Code. Publication of notice of the election shall be made in ~~one or more newspapers~~ a newspaper of general circulation in the county once a week for two consecutive weeks, or as provided in section 7.16 of the Revised Code, prior to the election, ~~and, if~~ if the board of elections operates and maintains a web site, the board of elections shall post notice of the election on its web site for thirty days prior to the election. The notice shall contain the time and place of the election and the question to be submitted to the electors. The question covered by the resolution shall be submitted as a separate proposition, but may be printed on the same ballot with any other

proposition submitted at the same election, other than the election of officers.

(D) No board of education shall submit the question of a tax on school district income to the electors of the district more than twice in any calendar year. If a board submits the question twice in any calendar year, one of the elections on the question shall be held on the date of the general election.

(E)(1) No board of education may submit to the electors of the district the question of a tax on school district income on the taxable income of individuals as defined in division (E)(1)(b) of section 5748.01 of the Revised Code if that tax would be in addition to an existing tax on the taxable income of individuals and estates as defined in divisions (E)(1)(a) and (2) of that section.

(2) No board of education may submit to the electors of the district the question of a tax on school district income on the taxable income of individuals and estates as defined in divisions (E)(1)(a) and (2) of section 5748.01 of the Revised Code if that tax would be in addition to an existing tax on the taxable income of individuals as defined in division (E)(1)(b) of that section.

Sec. 5748.021. A board of education that levies a tax under section 5748.02 of the Revised Code on the school district income of individuals and estates as defined in divisions (G) and (E)(1)(a) and (2) of section 5748.01 of the Revised Code may declare, at any time, by a resolution adopted by a majority of its members, the necessity of raising annually a specified amount of money for school district purposes by replacing the existing tax with a tax on the school district income of individuals as defined in divisions (G)(1) and (E)(1)(b) of section 5748.01 of the Revised Code. The specified amount of money to be raised annually may be the same as, or more or less than, the amount of money raised annually by the existing tax.

The board shall certify a copy of the resolution to the tax commissioner not later than the eighty-fifth day before the date of the election at which the board intends to propose the replacement to the electors of the school district. Not later than the tenth day after receiving the resolution, the tax commissioner shall estimate the tax rate that would be required in the school district annually to raise the amount of money specified in the resolution. The tax commissioner shall certify the estimate to the board.

Upon receipt of the tax commissioner's estimate, the board may propose, by a resolution adopted by a majority of its members, to replace the existing tax on the school district income of individuals and estates as defined in divisions (G) and (E)(1)(a) and (2) of section 5748.01 of the Revised Code with the levy of an annual tax on the school district income of

individuals as defined in divisions (G)(1) and (E)(1)(b) of section 5748.01 of the Revised Code. In the resolution, the board shall specify the rate of the replacement tax, whether the replacement tax is to be levied for a specified number of years or for a continuing time, the specific school district purposes for which the replacement tax is to be levied, the date on which the replacement tax will begin to be levied, the date of the election at which the question of the replacement is to be submitted to the electors of the school district, that the existing tax will cease to be levied and the replacement tax will begin to be levied if the replacement is approved by a majority of the electors voting on the replacement, and that if the replacement is not approved by a majority of the electors voting on the replacement the existing tax will remain in effect under its original authority for the remainder of its previously approved term. The resolution goes into immediate effect upon its adoption. Publication of the resolution is not necessary, and the information that will be provided in the notice of election is sufficient notice. At least seventy-five days before the date of the election at which the question of the replacement will be submitted to the electors of the school district, the board shall certify a copy of the resolution to the board of elections.

The replacement tax shall have the same specific school district purposes as the existing tax, and its rate shall be the same as the tax commissioner's estimate rounded to the nearest one-fourth of one per cent. The replacement tax shall begin to be levied on the first day of January of the year following the year in which the question of the replacement is submitted to and approved by the electors of the school district or on the first day of January of a later year, as specified in the resolution. The date of the election shall be the date of an otherwise scheduled primary, general, or special election.

The board of elections shall make arrangements to submit the question of the replacement to the electors of the school district on the date specified in the resolution. The board of elections shall publish notice of the election on the question of the replacement in one ~~or more newspapers~~ newspaper of general circulation in the school district once a week for four consecutive weeks or as provided in section 7.16 of the Revised Code. The notice shall set forth the question to be submitted to the electors and the time and place of the election thereon.

The question shall be submitted to the electors of the school district as a separate proposition, but may be printed on the same ballot with other propositions that are submitted at the same election, other than the election of officers. The form of the ballot shall be substantially as follows:

"Shall the existing tax of (state the rate) on the school district income of individuals and estates imposed by (state the name of the school district) be replaced by a tax of (state the rate) on the earned income of individuals residing in the school district for (state the number of years the tax is to be in effect or that it will be in effect for a continuing time), beginning (state the date the new tax will take effect), for the purpose of (state the specific school district purposes of the tax)? If the new tax is not approved, the existing tax will remain in effect under its original authority, for the remainder of its previously approved term.

☐	For replacing the existing tax with the new tax
☐	Against replacing the existing tax " with the new tax

The board of elections shall conduct and canvass the election in the same manner as regular elections in the school district for the election of county officers. The board shall certify the results of the election to the board of education and to the tax commissioner. If a majority of the electors voting on the question vote in favor of the replacement, the existing tax shall cease to be levied, and the replacement tax shall begin to be levied, on the date specified in the ballot question. If a majority of the electors voting on the question vote against the replacement, the existing tax shall continue to be levied under its original authority, for the remainder of its previously approved term.

A board of education may not submit the question of replacing a tax more than twice in a calendar year. If a board submits the question more than once, one of the elections at which the question is submitted shall be on the date of a general election.

If a board of education later intends to renew a replacement tax levied under this section, it shall repeat the procedure outlined in this section to do so, the replacement tax then being levied being the "existing tax" and the renewed replacement tax being the "replacement tax."

Sec. 5748.04. (A) The question of the repeal of a school district income tax levied for more than five years may be initiated not more than once in any five-year period by filing with the board of elections of the appropriate counties not later than ninety days before the general election in any year after the year in which it is approved by the electors a petition requesting that an election be held on the question. The petition shall be signed by qualified electors residing in the school district levying the income tax equal in number to ten per cent of those voting for governor at the most recent gubernatorial election.

The board of elections shall determine whether the petition is valid, and if it so determines, it shall submit the question to the electors of the district at the next general election. The election shall be conducted, canvassed, and certified in the same manner as regular elections for county offices in the county. Notice of the election shall be published in a newspaper of general circulation in the district once a week for two consecutive weeks, or as provided in section 7.16 of the Revised Code, prior to the election, ~~and, if~~. If the board of elections operates and maintains a web site, the board of elections shall post notice of the election on its web site for thirty days prior to the election. The notice shall state the purpose, time, and place of the election. The form of the ballot cast at the election shall be as follows:

"Shall the annual income tax of per cent, currently levied on the school district income of individuals and estates by (state the name of the school district) for the purpose of (state purpose of the tax), be repealed?"

	For repeal of the income tax
	Against repeal of the income tax

"

(B)(1) If the tax is imposed on taxable income as defined in division (E)(1)(b) of section 5748.01 of the Revised Code, the form of the ballot shall be modified by stating that the tax currently is levied on the "earned income of individuals residing in the school district" in lieu of the "school district income of individuals and estates."

(2) If the rate of one or more property tax levies was reduced for the duration of the income tax levy pursuant to division (B)(2) of section 5748.02 of the Revised Code, the form of the ballot shall be modified by adding the following language immediately after "repealed": ", and shall the rate of an existing tax on property for the purpose of current expenses, which rate was reduced for the duration of the income tax, be INCREASED from mills to mills per one dollar of valuation beginning in (state the first year for which the rate of the property tax will increase)." In lieu of "for repeal of the income tax" and "against repeal of the income tax," the phrases "for the issue" and "against the issue," respectively, shall be substituted.

(3) If the rate of more than one property tax was reduced for the duration of the income tax, the ballot language shall be modified accordingly to express the rates at which those taxes currently are levied and the rates to which the taxes would be increased.

(C) The question covered by the petition shall be submitted as a separate

proposition, but it may be printed on the same ballot with any other proposition submitted at the same election other than the election of officers. If a majority of the qualified electors voting on the question vote in favor of it, the result shall be certified immediately after the canvass by the board of elections to the board of education of the school district and the tax commissioner, who shall thereupon, after the current year, cease to levy the tax, except that if notes have been issued pursuant to section 5748.05 of the Revised Code the tax commissioner shall continue to levy and collect under authority of the election authorizing the levy an annual amount, rounded upward to the nearest one-fourth of one per cent, as will be sufficient to pay the debt charges on the notes as they fall due.

(D) If a school district income tax repealed pursuant to this section was approved in conjunction with a reduction in the rate of one or more school district property taxes as provided in division (B)(2) of section 5748.02 of the Revised Code, then each such property tax may be levied after the current year at the rate at which it could be levied prior to the reduction, subject to any adjustments required by the county budget commission pursuant to Chapter 5705. of the Revised Code. Upon the repeal of a school district income tax under this section, the board of education may resume levying a property tax, the rate of which has been reduced pursuant to a question approved under section 5748.02 of the Revised Code, at the rate the board originally was authorized to levy the tax. A reduction in the rate of a property tax under section 5748.02 of the Revised Code is a reduction in the rate at which a board of education may levy that tax only for the period during which a school district income tax is levied prior to any repeal pursuant to this section. The resumption of the authority to levy the tax upon such a repeal does not constitute a tax levied in excess of the one per cent limitation prescribed by Section 2 of Article XII, Ohio Constitution, or in excess of the ten-mill limitation.

(E) This section does not apply to school district income tax levies that are levied for five or fewer years.

Sec. 5748.05. After the approval by the electors of a resolution under section 5748.03 ~~or~~, 5748.08, or 5748.09 of the Revised Code to impose a school district income tax to provide an increase in current operating revenues or in current revenues for permanent improvements and prior to the time when the first payment to the district from the tax can be made, a board of education may anticipate a fraction of the proceeds of the tax and issue anticipation notes in an amount not exceeding fifty per cent of the total estimated proceeds of the tax to be collected for its first year of collection as estimated by the tax commissioner. The anticipation notes are Chapter 133.

securities and shall be issued as provided in section 133.24 of the Revised Code as if property tax anticipation notes. The notes shall have principal payments during each year after their year of issuance over a period not to exceed five years and, if determined by the board of education, during the year of their issuance. The legislation authorizing issuance of the notes may also provide for the annual levy and collection of voted ad valorem property taxes levied for the applicable purpose for which the notes are issued and for the application of the proceeds of the levy to the extent necessary to pay annual debt charges on the notes.

Sec. 5748.08. (A) The board of education of a city, local, or exempted village school district, at any time by a vote of two-thirds of all its members, may declare by resolution that it may be necessary for the school district to do all of the following:

- (1) Raise a specified amount of money for school district purposes by levying an annual tax on school district income;
- (2) Issue general obligation bonds for permanent improvements, stating in the resolution the necessity and purpose of the bond issue and the amount, approximate date, estimated rate of interest, and maximum number of years over which the principal of the bonds may be paid;
- (3) Levy a tax outside the ten-mill limitation to pay debt charges on the bonds and any anticipatory securities;
- (4) Submit the question of the school district income tax and bond issue to the electors of the district at a special election.

The resolution shall specify whether the income that is to be subject to the tax is taxable income of individuals and estates as defined in divisions (E)(1)(a) and (2) of section 5748.01 of the Revised Code or taxable income of individuals as defined in division (E)(1)(b) of that section.

On adoption of the resolution, the board shall certify a copy of it to the tax commissioner and the county auditor no later than one hundred five days prior to the date of the special election at which the board intends to propose the income tax and bond issue. Not later than ten days of receipt of the resolution, the tax commissioner, in the same manner as required by division (A) of section 5748.02 of the Revised Code, shall estimate the rates designated in divisions (A)(1) and (2) of that section and certify them to the board. Not later than ten days of receipt of the resolution, the county auditor shall estimate and certify to the board the average annual property tax rate required throughout the stated maturity of the bonds to pay debt charges on the bonds, in the same manner as under division (C) of section 133.18 of the Revised Code.

- (B) On receipt of the tax commissioner's and county auditor's

certifications prepared under division (A) of this section, the board of education of the city, local, or exempted village school district, by a vote of two-thirds of all its members, may adopt a resolution proposing for a specified number of years or for a continuing period of time the levy of an annual tax for school district purposes on school district income and declaring that the amount of taxes that can be raised within the ten-mill limitation will be insufficient to provide an adequate amount for the present and future requirements of the school district; that it is necessary to issue general obligation bonds of the school district for specified permanent improvements and to levy an additional tax in excess of the ten-mill limitation to pay the debt charges on the bonds and any anticipatory securities; and that the question of the bonds and taxes shall be submitted to the electors of the school district at a special election, which shall not be earlier than ninety days after certification of the resolution to the board of elections, and the date of which shall be consistent with section 3501.01 of the Revised Code. The resolution shall specify all of the following:

(1) The purpose for which the school district income tax is to be imposed and the rate of the tax, which shall be the rate set forth in the tax commissioner's certification rounded to the nearest one-fourth of one per cent;

(2) Whether the income that is to be subject to the tax is taxable income of individuals and estates as defined in divisions (E)(1)(a) and (2) of section 5748.01 of the Revised Code or taxable income of individuals as defined in division (E)(1)(b) of that section. The specification shall be the same as the specification in the resolution adopted and certified under division (A) of this section.

(3) The number of years the tax will be levied, or that it will be levied for a continuing period of time;

(4) The date on which the tax shall take effect, which shall be the first day of January of any year following the year in which the question is submitted;

(5) The county auditor's estimate of the average annual property tax rate required throughout the stated maturity of the bonds to pay debt charges on the bonds.

(C) A resolution adopted under division (B) of this section shall go into immediate effect upon its passage, and no publication of the resolution shall be necessary other than that provided for in the notice of election. Immediately after its adoption and at least ninety days prior to the election at which the question will appear on the ballot, the board of education shall certify a copy of the resolution, along with copies of the auditor's estimate

and its resolution under division (A) of this section, to the board of elections of the proper county. The board of education shall make the arrangements for the submission of the question to the electors of the school district, and the election shall be conducted, canvassed, and certified in the same manner as regular elections in the district for the election of county officers.

The resolution shall be put before the electors as one ballot question, with a majority vote indicating approval of the school district income tax, the bond issue, and the levy to pay debt charges on the bonds and any anticipatory securities. The board of elections shall publish the notice of the election in ~~one or more newspapers~~ a newspaper of general circulation in the school district once a week for two consecutive weeks, or as provided in section 7.16 of the Revised Code, prior to the election ~~and, if~~. If the board of elections operates and maintains a web site, it also shall post notice of the election on its web site for thirty days prior to the election. The notice of election shall state all of the following:

- (1) The questions to be submitted to the electors;
 - (2) The rate of the school district income tax;
 - (3) The principal amount of the proposed bond issue;
 - (4) The permanent improvements for which the bonds are to be issued;
 - (5) The maximum number of years over which the principal of the bonds may be paid;
 - (6) The estimated additional average annual property tax rate to pay the debt charges on the bonds, as certified by the county auditor;
 - (7) The time and place of the special election.
- (D) The form of the ballot on a question submitted to the electors under this section shall be as follows:

"Shall the school district be authorized to do both of the following:

(1) Impose an annual income tax of (state the proposed rate of tax) on the school district income of individuals and of estates, for (state the number of years the tax would be levied, or that it would be levied for a continuing period of time), beginning (state the date the tax would first take effect), for the purpose of (state the purpose of the tax)?

(2) Issue bonds for the purpose of in the principal amount of \$....., to be repaid annually over a maximum period of years, and levy a property tax outside the ten-mill limitation estimated by the county auditor to average over the bond repayment period mills for each one dollar of tax valuation, which amounts to (rate expressed in cents or dollars and cents, such as "36 cents" or "\$1.41") for each \$100 of tax valuation, to pay the annual debt charges on the bonds, and to pay debt charges on any notes issued in anticipation of those bonds?

	FOR THE INCOME TAX AND BOND ISSUE
	AGAINST THE INCOME TAX AND BOND ISSUE

"

(E) If the question submitted to electors proposes a school district income tax only on the taxable income of individuals as defined in division (E)(1)(b) of section 5748.01 of the Revised Code, the form of the ballot shall be modified by stating that the tax is to be levied on the "earned income of individuals residing in the school district" in lieu of the "school district income of individuals and of estates."

(F) The board of elections promptly shall certify the results of the election to the tax commissioner and the county auditor of the county in which the school district is located. If a majority of the electors voting on the question vote in favor of it, the income tax and the applicable provisions of Chapter 5747. of the Revised Code shall take effect on the date specified in the resolution, and the board of education may proceed with issuance of the bonds and with the levy and collection of the property taxes to pay debt charges on the bonds, at the additional rate or any lesser rate in excess of the ten-mill limitation. Any securities issued by the board of education under this section are Chapter 133. securities, as that term is defined in section 133.01 of the Revised Code.

(G) After approval of a question under this section, the board of education may anticipate a fraction of the proceeds of the school district income tax in accordance with section 5748.05 of the Revised Code. Any anticipation notes under this division shall be issued as provided in section 133.24 of the Revised Code, shall have principal payments during each year after the year of their issuance over a period not to exceed five years, and may have a principal payment in the year of their issuance.

(H) The question of repeal of a school district income tax levied for more than five years may be initiated and submitted in accordance with section 5748.04 of the Revised Code.

(I) No board of education shall submit a question under this section to the electors of the school district more than twice in any calendar year. If a board submits the question twice in any calendar year, one of the elections on the question shall be held on the date of the general election.

Sec. 5748.081. A board of education of a school district that, under divisions (A)(1), (D)(1), and (E) of section 5748.08 or under section 5748.09 of the Revised Code, levies a tax on the school district income of

individuals and estates as defined in divisions (G) and (E)(1)(a) and (2) of section 5748.01 of the Revised Code may replace that tax with a tax on the school district income of individuals as defined in divisions (G)(1) and (E)(1)(b) of section 5748.01 of the Revised Code by following the procedure outlined in, and subject to the conditions specified in, section 5748.021 of the Revised Code, as if the existing tax levied under section 5748.08 or 5748.09 were levied under section 5748.02 of the Revised Code. The tax commissioner and the board of elections shall perform duties in response to the actions of the board of education under this section as directed in section 5748.021 of the Revised Code.

Sec. 5748.09. (A) The board of education of a city, local, or exempted village school district, at any time by a vote of two-thirds of all its members, may declare by resolution that it may be necessary for the school district to do all of the following:

(1) Raise a specified amount of money for school district purposes by levying an annual tax on school district income;

(2) Levy an additional property tax in excess of the ten-mill limitation for the purpose of providing for the necessary requirements of the district, stating in the resolution the amount of money to be raised each year for such purpose;

(3) Submit the question of the school district income tax and property tax to the electors of the district at a special election.

The resolution shall specify whether the income that is to be subject to the tax is taxable income of individuals and estates as defined in divisions (E)(1)(a) and (2) of section 5748.01 of the Revised Code or taxable income of individuals as defined in division (E)(1)(b) of that section.

On adoption of the resolution, the board shall certify a copy of it to the tax commissioner and the county auditor not later than one hundred days prior to the date of the special election at which the board intends to propose the income tax and property tax. Not later than ten days after receipt of the resolution, the tax commissioner, in the same manner as required by division (A) of section 5748.02 of the Revised Code, shall estimate the rates designated in divisions (A)(1) and (2) of that section and certify them to the board. Not later than ten days after receipt of the resolution, the county auditor, in the same manner as required by section 5705.195 of the Revised Code, shall make the calculation specified in that section and certify it to the board.

(B) On receipt of the tax commissioner's and county auditor's certifications prepared under division (A) of this section, the board of education of the city, local, or exempted village school district, by a vote of

two-thirds of all its members, may adopt a resolution declaring that the amount of taxes that can be raised by all tax levies the district is authorized to impose, when combined with state and federal revenues, will be insufficient to provide an adequate amount for the present and future requirements of the school district, and that it is therefore necessary to levy, for a specified number of years or for a continuing period of time, an annual tax for school district purposes on school district income, and to levy, for a specified number of years not exceeding ten or for a continuing period of time, an additional property tax in excess of the ten-mill limitation for the purpose of providing for the necessary requirements of the district, and declaring that the question of the school district income tax and property tax shall be submitted to the electors of the school district at a special election, which shall not be earlier than ninety days after certification of the resolution to the board of elections, and the date of which shall be consistent with section 3501.01 of the Revised Code. The resolution shall specify all of the following:

(1) The purpose for which the school district income tax is to be imposed and the rate of the tax, which shall be the rate set forth in the tax commissioner's certification rounded to the nearest one-fourth of one per cent;

(2) Whether the income that is to be subject to the tax is taxable income of individuals and estates as defined in divisions (E)(1)(a) and (2) of section 5748.01 of the Revised Code or taxable income of individuals as defined in division (E)(1)(b) of that section. The specification shall be the same as the specification in the resolution adopted and certified under division (A) of this section.

(3) The number of years the school district income tax will be levied, or that it will be levied for a continuing period of time;

(4) The date on which the school district income tax shall take effect, which shall be the first day of January of any year following the year in which the question is submitted;

(5) The amount of money it is necessary to raise for the purpose of providing for the necessary requirements of the district for each year the property tax is to be imposed;

(6) The number of years the property tax will be levied, or that it will be levied for a continuing period of time;

(7) The tax list upon which the property tax shall be first levied, which may be the current year's tax list;

(8) The amount of the average tax levy, expressed in dollars and cents for each one hundred dollars of valuation as well as in mills for each one

dollar of valuation, estimated by the county auditor under division (A) of this section.

(C) A resolution adopted under division (B) of this section shall go into immediate effect upon its passage, and no publication of the resolution shall be necessary other than that provided for in the notice of election. Immediately after its adoption and at least ninety days prior to the election at which the question will appear on the ballot, the board of education shall certify a copy of the resolution, along with copies of the county auditor's certification and the resolution under division (A) of this section, to the board of elections of the proper county. The board of education shall make the arrangements for the submission of the question to the electors of the school district, and the election shall be conducted, canvassed, and certified in the same manner as regular elections in the district for the election of county officers.

The resolution shall be put before the electors as one ballot question, with a majority vote indicating approval of the school district income tax and the property tax. The board of elections shall publish the notice of the election in a newspaper of general circulation in the school district once a week for two consecutive weeks, or as provided in section 7.16 of the Revised Code, prior to the election. If the board of elections operates and maintains a web site, also shall post notice of the election on its web site for thirty days prior to the election. The notice of election shall state all of the following:

(1) The questions to be submitted to the electors as a single ballot question;

(2) The rate of the school district income tax;

(3) The number of years the school district income tax will be levied or that it will be levied for a continuing period of time;

(4) The annual proceeds of the proposed property tax levy for the purpose of providing for the necessary requirements of the district;

(5) The number of years during which the property tax levy shall be levied, or that it shall be levied for a continuing period of time;

(6) The estimated average additional tax rate of the property tax, expressed in dollars and cents for each one hundred dollars of valuation as well as in mills for each one dollar of valuation, outside the limitation imposed by Section 2 of Article XII, Ohio Constitution, as certified by the county auditor;

(7) The time and place of the special election.

(D) The form of the ballot on a question submitted to the electors under this section shall be as follows:

"Shall the school district be authorized to do both of the following:

(1) Impose an annual income tax of (state the proposed rate of tax) on the school district income of individuals and of estates, for (state the number of years the tax would be levied, or that it would be levied for a continuing period of time), beginning (state the date the tax would first take effect), for the purpose of (state the purpose of the tax)?

(2) Impose a property tax levy outside of the ten-mill limitation for the purpose of providing for the necessary requirements of the district in the sum of (here insert annual amount the levy is to produce), estimated by the county auditor to average (here insert number of mills) mills for each one dollar of valuation, which amounts to (here insert rate expressed in dollars and cents) for each one hundred dollars of valuation, for (state the number of years the tax is to be imposed or that it will be imposed for a continuing period of time), commencing in (first year the tax is to be levied), first due in calendar year (first calendar year in which the tax shall be due)?

	<u>FOR THE INCOME TAX</u>
	<u>AND PROPERTY TAX</u>
	<u>AGAINST THE INCOME</u>
	<u>TAX AND PROPERTY</u>
	<u>TAX</u>

"

If the question submitted to electors proposes a school district income tax only on the taxable income of individuals as defined in division (E)(1)(b) of section 5748.01 of the Revised Code, the form of the ballot shall be modified by stating that the tax is to be levied on the "earned income of individuals residing in the school district" in lieu of the "school district income of individuals and of estates."

(E) The board of elections promptly shall certify the results of the election to the tax commissioner and the county auditor of the county in which the school district is located. If a majority of the electors voting on the question vote in favor of it:

(1) The income tax and the applicable provisions of Chapter 5747. of the Revised Code shall take effect on the date specified in the resolution.

(2) The board of education of the school district may make the additional property tax levy necessary to raise the amount specified on the ballot for the purpose of providing for the necessary requirements of the district. The property tax levy shall be included in the next tax budget that is certified to the county budget commission.

(F)(1) After approval of a question under this section, the board of education may anticipate a fraction of the proceeds of the school district income tax in accordance with section 5748.05 of the Revised Code. Any anticipation notes under this division shall be issued as provided in section 133.24 of the Revised Code, shall have principal payments during each year after the year of their issuance over a period not to exceed five years, and may have a principal payment in the year of their issuance.

(2) After the approval of a question under this section and prior to the time when the first tax collection from the property tax levy can be made, the board of education may anticipate a fraction of the proceeds of the levy and issue anticipation notes in an amount not exceeding the total estimated proceeds of the levy to be collected during the first year of the levy. Any anticipation notes under this division shall be issued as provided in section 133.24 of the Revised Code, shall have principal payments during each year after the year of their issuance over a period not to exceed five years, and may have a principal payment in the year of their issuance.

(G)(1) The question of repeal of a school district income tax levied for more than five years may be initiated and submitted in accordance with section 5748.04 of the Revised Code.

(2) A property tax levy for a continuing period of time may be reduced in the manner provided under section 5705.261 of the Revised Code.

(H) No board of education shall submit a question under this section to the electors of the school district more than twice in any calendar year. If a board submits the question twice in any calendar year, one of the elections on the question shall be held on the date of the general election.

(I) If the electors of the school district approve a question under this section, and if the last calendar year the school district income tax is in effect and the last calendar year of collection of the property tax are the same, the board of education of the school district may propose to submit under this section the combined question of a school district income tax to take effect upon the expiration of the existing income tax and a property tax to be first collected in the calendar year after the calendar year of last collection of the existing property tax, and specify in the resolutions adopted under this section that the proposed taxes would renew the existing taxes. The form of the ballot on a question submitted to the electors under division (I) of this section shall be as follows:

"Shall the school district be authorized to do both of the following:

(1) Impose an annual income tax of (state the proposed rate of tax) on the school district income of individuals and of estates to renew an income tax expiring at the end of (state the last year the existing

income tax may be levied) for (state the number of years the tax would be levied, or that it would be levied for a continuing period of time), beginning (state the date the tax would first take effect), for the purpose of (state the purpose of the tax)?

(2) Impose a property tax levy renewing an existing levy outside of the ten-mill limitation for the purpose of providing for the necessary requirements of the district in the sum of (here insert annual amount the levy is to produce), estimated by the county auditor to average (here insert number of mills) mills for each one dollar of valuation, which amounts to (here insert rate expressed in dollars and cents) for each one hundred dollars of valuation, for (state the number of years the tax is to be imposed or that it will be imposed for a continuing period of time), commencing in (first year the tax is to be levied), first due in calendar year (first calendar year in which the tax shall be due)?

	FOR THE INCOME TAX AND PROPERTY TAX	
	AGAINST THE INCOME TAX AND PROPERTY TAX	" -

If the question submitted to electors proposes a school district income tax only on the taxable income of individuals as defined in division (E)(1)(b) of section 5748.01 of the Revised Code, the form of the ballot shall be modified by stating that the tax is to be levied on the "earned income of individuals residing in the school district" in lieu of the "school district income of individuals and of estates."

The question of a renewal levy under this division shall not be placed on the ballot unless the question is submitted on a date on which a special election may be held under section 3501.01 of the Revised Code, except for the first Tuesday after the first Monday in February and August, during the last year the property tax levy to be renewed may be extended on the real and public utility property tax list and duplicate, or at any election held in the ensuing year.

(J) If the electors of the school district approve a question under this section, the board of education of the school district may propose to renew either or both of the existing taxes as individual ballot questions in accordance with section 5748.02 of the Revised Code for the school district income tax, or section 5705.194 of the Revised Code for the property tax.

Sec. 5751.01. As used in this chapter:

(A) "Person" means, but is not limited to, individuals, combinations of individuals of any form, receivers, assignees, trustees in bankruptcy, firms, companies, joint-stock companies, business trusts, estates, partnerships, limited liability partnerships, limited liability companies, associations, joint ventures, clubs, societies, for-profit corporations, S corporations, qualified subchapter S subsidiaries, qualified subchapter S trusts, trusts, entities that are disregarded for federal income tax purposes, and any other entities.

(B) "Consolidated elected taxpayer" means a group of two or more persons treated as a single taxpayer for purposes of this chapter as the result of an election made under section 5751.011 of the Revised Code.

(C) "Combined taxpayer" means a group of two or more persons treated as a single taxpayer for purposes of this chapter under section 5751.012 of the Revised Code.

(D) "Taxpayer" means any person, or any group of persons in the case of a consolidated elected taxpayer or combined taxpayer treated as one taxpayer, required to register or pay tax under this chapter. "Taxpayer" does not include excluded persons.

(E) "Excluded person" means any of the following:

(1) Any person with not more than one hundred fifty thousand dollars of taxable gross receipts during the calendar year. Division (E)(1) of this section does not apply to a person that is a member of a consolidated elected taxpayer;

(2) A public utility that paid the excise tax imposed by section 5727.24 or 5727.30 of the Revised Code based on one or more measurement periods that include the entire tax period under this chapter, except that a public utility that is a combined company is a taxpayer with regard to the following gross receipts:

(a) Taxable gross receipts directly attributed to a public utility activity, but not directly attributed to an activity that is subject to the excise tax imposed by section 5727.24 or 5727.30 of the Revised Code;

(b) Taxable gross receipts that cannot be directly attributed to any activity, multiplied by a fraction whose numerator is the taxable gross receipts described in division (E)(2)(a) of this section and whose denominator is the total taxable gross receipts that can be directly attributed to any activity;

(c) Except for any differences resulting from the use of an accrual basis method of accounting for purposes of determining gross receipts under this chapter and the use of the cash basis method of accounting for purposes of determining gross receipts under section 5727.24 of the Revised Code, the

gross receipts directly attributed to the activity of a natural gas company shall be determined in a manner consistent with division (D) of section 5727.03 of the Revised Code.

As used in division (E)(2) of this section, "combined company" and "public utility" have the same meanings as in section 5727.01 of the Revised Code.

(3) A financial institution, as defined in section 5725.01 of the Revised Code, that paid the corporation franchise tax charged by division (D) of section 5733.06 of the Revised Code based on one or more taxable years that include the entire tax period under this chapter;

(4) A dealer in intangibles, as defined in section 5725.01 of the Revised Code, that paid the dealer in intangibles tax levied by division (D) of section 5707.03 of the Revised Code based on one or more measurement periods that include the entire tax period under this chapter;

(5) A financial holding company as defined in the "Bank Holding Company Act," 12 U.S.C. 1841(p);

(6) A bank holding company as defined in the "Bank Holding Company Act," 12 U.S.C. 1841(a);

(7) A savings and loan holding company as defined in the "Home Owners Loan Act," 12 U.S.C. 1467a(a)(1)(D) that is engaging only in activities or investments permissible for a financial holding company under 12 U.S.C. 1843(k);

(8) A person directly or indirectly owned by one or more financial institutions, financial holding companies, bank holding companies, or savings and loan holding companies described in division (E)(3), (5), (6), or (7) of this section that is engaged in activities permissible for a financial holding company under 12 U.S.C. 1843(k), except that any such person held pursuant to merchant banking authority under 12 U.S.C. 1843(k)(4)(H) or 12 U.S.C. 1843(k)(4)(I) is not an excluded person, or a person directly or indirectly owned by one or more insurance companies described in division (E)(9) of this section that is authorized to do the business of insurance in this state.

For the purposes of division (E)(8) of this section, a person owns another person under the following circumstances:

(a) In the case of corporations issuing capital stock, one corporation owns another corporation if it owns fifty per cent or more of the other corporation's capital stock with current voting rights;

(b) In the case of a limited liability company, one person owns the company if that person's membership interest, as defined in section 1705.01 of the Revised Code, is fifty per cent or more of the combined membership

interests of all persons owning such interests in the company;

(c) In the case of a partnership, trust, or other unincorporated business organization other than a limited liability company, one person owns the organization if, under the articles of organization or other instrument governing the affairs of the organization, that person has a beneficial interest in the organization's profits, surpluses, losses, or distributions of fifty per cent or more of the combined beneficial interests of all persons having such an interest in the organization;

(d) In the case of multiple ownership, the ownership interests of more than one person may be aggregated to meet the fifty per cent ownership tests in this division only when each such owner is described in division (E)(3), (5), (6), or (7) of this section and is engaged in activities permissible for a financial holding company under 12 U.S.C. 1843(k) or is a person directly or indirectly owned by one or more insurance companies described in division (E)(9) of this section that is authorized to do the business of insurance in this state.

(9) A domestic insurance company or foreign insurance company, as defined in section 5725.01 of the Revised Code, that paid the insurance company premiums tax imposed by section 5725.18 or Chapter 5729. of the Revised Code based on one or more measurement periods that include the entire tax period under this chapter;

(10) A person that solely facilitates or services one or more securitizations or similar transactions for any person described in division (E)(3), (5), (6), (7), (8), or (9) of this section. For purposes of this division, "securitization" means transferring one or more assets to one or more persons and then issuing securities backed by the right to receive payment from the asset or assets so transferred.

(11) Except as otherwise provided in this division, a pre-income tax trust as defined in division (FF)(4) of section 5747.01 of the Revised Code and any pass-through entity of which such pre-income tax trust owns or controls, directly, indirectly, or constructively through related interests, more than five per cent of the ownership or equity interests. If the pre-income tax trust has made a qualifying pre-income tax trust election under division (FF)(3) of section 5747.01 of the Revised Code, then the trust and the pass-through entities of which it owns or controls, directly, indirectly, or constructively through related interests, more than five per cent of the ownership or equity interests, shall not be excluded persons for purposes of the tax imposed under section 5751.02 of the Revised Code.

(12) Nonprofit organizations or the state and its agencies, instrumentalities, or political subdivisions.

(F) Except as otherwise provided in divisions (F)(2), (3), and (4) of this section, "gross receipts" means the total amount realized by a person, without deduction for the cost of goods sold or other expenses incurred, that contributes to the production of gross income of the person, including the fair market value of any property and any services received, and any debt transferred or forgiven as consideration.

(1) The following are examples of gross receipts:

(a) Amounts realized from the sale, exchange, or other disposition of the taxpayer's property to or with another;

(b) Amounts realized from the taxpayer's performance of services for another;

(c) Amounts realized from another's use or possession of the taxpayer's property or capital;

(d) Any combination of the foregoing amounts.

(2) "Gross receipts" excludes the following amounts:

(a) Interest income except interest on credit sales;

(b) Dividends and distributions from corporations, and distributive or proportionate shares of receipts and income from a pass-through entity as defined under section 5733.04 of the Revised Code;

(c) Receipts from the sale, exchange, or other disposition of an asset described in section 1221 or 1231 of the Internal Revenue Code, without regard to the length of time the person held the asset. Notwithstanding section 1221 of the Internal Revenue Code, receipts from hedging transactions also are excluded to the extent the transactions are entered into primarily to protect a financial position, such as managing the risk of exposure to (i) foreign currency fluctuations that affect assets, liabilities, profits, losses, equity, or investments in foreign operations; (ii) interest rate fluctuations; or (iii) commodity price fluctuations. As used in division (F)(2)(c) of this section, "hedging transaction" has the same meaning as used in section 1221 of the Internal Revenue Code and also includes transactions accorded hedge accounting treatment under statement of financial accounting standards number 133 of the financial accounting standards board. For the purposes of division (F)(2)(c) of this section, the actual transfer of title of real or tangible personal property to another entity is not a hedging transaction.

(d) Proceeds received attributable to the repayment, maturity, or redemption of the principal of a loan, bond, mutual fund, certificate of deposit, or marketable instrument;

(e) The principal amount received under a repurchase agreement or on account of any transaction properly characterized as a loan to the person;

(f) Contributions received by a trust, plan, or other arrangement, any of which is described in section 501(a) of the Internal Revenue Code, or to which Title 26, Subtitle A, Chapter 1, Subchapter (D) of the Internal Revenue Code applies;

(g) Compensation, whether current or deferred, and whether in cash or in kind, received or to be received by an employee, former employee, or the employee's legal successor for services rendered to or for an employer, including reimbursements received by or for an individual for medical or education expenses, health insurance premiums, or employee expenses, or on account of a dependent care spending account, legal services plan, any cafeteria plan described in section 125 of the Internal Revenue Code, or any similar employee reimbursement;

(h) Proceeds received from the issuance of the taxpayer's own stock, options, warrants, puts, or calls, or from the sale of the taxpayer's treasury stock;

(i) Proceeds received on the account of payments from insurance policies, except those proceeds received for the loss of business revenue;

(j) Gifts or charitable contributions received; membership dues received by trade, professional, homeowners', or condominium associations; and payments received for educational courses, meetings, meals, or similar payments to a trade, professional, or other similar association; and fundraising receipts received by any person when any excess receipts are donated or used exclusively for charitable purposes;

(k) Damages received as the result of litigation in excess of amounts that, if received without litigation, would be gross receipts;

(l) Property, money, and other amounts received or acquired by an agent on behalf of another in excess of the agent's commission, fee, or other remuneration;

(m) Tax refunds, other tax benefit recoveries, and reimbursements for the tax imposed under this chapter made by entities that are part of the same combined taxpayer or consolidated elected taxpayer group, and reimbursements made by entities that are not members of a combined taxpayer or consolidated elected taxpayer group that are required to be made for economic parity among multiple owners of an entity whose tax obligation under this chapter is required to be reported and paid entirely by one owner, pursuant to the requirements of sections 5751.011 and 5751.012 of the Revised Code;

(n) Pension reversions;

(o) Contributions to capital;

(p) Sales or use taxes collected as a vendor or an out-of-state seller on

behalf of the taxing jurisdiction from a consumer or other taxes the taxpayer is required by law to collect directly from a purchaser and remit to a local, state, or federal tax authority;

(q) In the case of receipts from the sale of cigarettes or tobacco products by a wholesale dealer, retail dealer, distributor, manufacturer, or seller, all as defined in section 5743.01 of the Revised Code, an amount equal to the federal and state excise taxes paid by any person on or for such cigarettes or tobacco products under subtitle E of the Internal Revenue Code or Chapter 5743. of the Revised Code;

(r) In the case of receipts from the sale of motor fuel by a licensed motor fuel dealer, licensed retail dealer, or licensed permissive motor fuel dealer, all as defined in section 5735.01 of the Revised Code, an amount equal to federal and state excise taxes paid by any person on such motor fuel under section 4081 of the Internal Revenue Code or Chapter 5735. of the Revised Code;

(s) In the case of receipts from the sale of beer or intoxicating liquor, as defined in section 4301.01 of the Revised Code, by a person holding a permit issued under Chapter 4301. or 4303. of the Revised Code, an amount equal to federal and state excise taxes paid by any person on or for such beer or intoxicating liquor under subtitle E of the Internal Revenue Code or Chapter 4301. or 4305. of the Revised Code;

(t) Receipts realized by a new motor vehicle dealer or used motor vehicle dealer, as defined in section 4517.01 of the Revised Code, from the sale or other transfer of a motor vehicle, as defined in that section, to another motor vehicle dealer for the purpose of resale by the transferee motor vehicle dealer, but only if the sale or other transfer was based upon the transferee's need to meet a specific customer's preference for a motor vehicle;

(u) Receipts from a financial institution described in division (E)(3) of this section for services provided to the financial institution in connection with the issuance, processing, servicing, and management of loans or credit accounts, if such financial institution and the recipient of such receipts have at least fifty per cent of their ownership interests owned or controlled, directly or constructively through related interests, by common owners;

(v) Receipts realized from administering anti-neoplastic drugs and other cancer chemotherapy, biologicals, therapeutic agents, and supportive drugs in a physician's office to patients with cancer;

(w) Funds received or used by a mortgage broker that is not a dealer in intangibles, other than fees or other consideration, pursuant to a table-funding mortgage loan or warehouse-lending mortgage loan. Terms

used in division (F)(2)(w) of this section have the same meanings as in section 1322.01 of the Revised Code, except "mortgage broker" means a person assisting a buyer in obtaining a mortgage loan for a fee or other consideration paid by the buyer or a lender, or a person engaged in table-funding or warehouse-lending mortgage loans that are first lien mortgage loans.

(x) Property, money, and other amounts received by a professional employer organization, as defined in section 4125.01 of the Revised Code, from a client employer, as defined in that section, in excess of the administrative fee charged by the professional employer organization to the client employer;

(y) In the case of amounts retained as commissions by a permit holder under Chapter 3769. of the Revised Code, an amount equal to the amounts specified under that chapter that must be paid to or collected by the tax commissioner as a tax and the amounts specified under that chapter to be used as purse money;

(z) Qualifying distribution center receipts.

(i) For purposes of division (F)(2)(z) of this section:

(I) "Qualifying distribution center receipts" means receipts of a supplier from qualified property that is delivered to a qualified distribution center, multiplied by a quantity that equals one minus the Ohio delivery percentage.

(II) "Qualified property" means tangible personal property delivered to a qualified distribution center that is shipped to that qualified distribution center solely for further shipping by the qualified distribution center to another location in this state or elsewhere. "Further shipping" includes storing and repackaging such property into smaller or larger bundles, so long as such property is not subject to further manufacturing or processing.

(III) "Qualified distribution center" means a warehouse or other similar facility in this state that, for the qualifying year, is operated by a person that is not part of a combined taxpayer group and that has a qualifying certificate. However, all warehouses or other similar facilities that are operated by persons in the same taxpayer group and that are located within one mile of each other shall be treated as one qualified distribution center.

(IV) "Qualifying year" means the calendar year to which the qualifying certificate applies.

(V) "Qualifying period" means the period of the first day of July of the second year preceding the qualifying year through the thirtieth day of June of the year preceding the qualifying year.

(VI) "Qualifying certificate" means the certificate issued by the tax commissioner after the operator of a distribution center files an annual

application with the commissioner. The application and annual fee shall be filed and paid for each qualified distribution center on or before the first day of September before the qualifying year or within forty-five days after the distribution center opens, whichever is later.

The applicant must substantiate to the commissioner's satisfaction that, for the qualifying period, all persons operating the distribution center have more than fifty per cent of the cost of the qualified property shipped to a location such that it would be situated outside this state under the provisions of division (E) of section 5751.033 of the Revised Code. The applicant must also substantiate that the distribution center cumulatively had costs from its suppliers equal to or exceeding five hundred million dollars during the qualifying period. (For purposes of division (F)(2)(z)(i)(VI) of this section, "supplier" excludes any person that is part of the consolidated elected taxpayer group, if applicable, of the operator of the qualified distribution center.) The commissioner may require the applicant to have an independent certified public accountant certify that the calculation of the minimum thresholds required for a qualified distribution center by the operator of a distribution center has been made in accordance with generally accepted accounting principles. The commissioner shall issue or deny the issuance of a certificate within sixty days after the receipt of the application. A denial is subject to appeal under section 5717.02 of the Revised Code. If the operator files a timely appeal under section 5717.02 of the Revised Code, the operator shall be granted a qualifying certificate, provided that the operator is liable for any tax, interest, or penalty upon amounts claimed as qualifying distribution center receipts, other than those receipts exempt under division (C)(1) of section 5751.011 of the Revised Code, that would have otherwise not been owed by its suppliers if the qualifying certificate was valid.

(VII) "Ohio delivery percentage" means the proportion of the total property delivered to a destination inside Ohio from the qualified distribution center during the qualifying period compared with total deliveries from such distribution center everywhere during the qualifying period.

(ii) If the distribution center is new and was not open for the entire qualifying period, the operator of the distribution center may request that the commissioner grant a qualifying certificate. If the certificate is granted and it is later determined that more than fifty per cent of the qualified property during that year was not shipped to a location such that it would be situated outside of this state under the provisions of division (E) of section 5751.033 of the Revised Code or if it is later determined that the person that operates the distribution center had average monthly costs from its suppliers of less

than forty million dollars during that year, then the operator of the distribution center shall be liable for any tax, interest, or penalty upon amounts claimed as qualifying distribution center receipts, other than those receipts exempt under division (C)(1) of section 5751.011 of the Revised Code, that would have not otherwise been owed by its suppliers during the qualifying year if the qualifying certificate was valid. (For purposes of division (F)(2)(z)(ii) of this section, "supplier" excludes any person that is part of the consolidated elected taxpayer group, if applicable, of the operator of the qualified distribution center.)

(iii) When filing an application for a qualifying certificate under division (F)(2)(z)(i)(VI) of this section, the operator of a qualified distribution center also shall provide documentation, as the commissioner requires, for the commissioner to ascertain the Ohio delivery percentage. The commissioner, upon issuing the qualifying certificate, also shall certify the Ohio delivery percentage. The operator of the qualified distribution center may appeal the commissioner's certification of the Ohio delivery percentage in the same manner as an appeal is taken from the denial of a qualifying certificate under division (F)(2)(z)(i)(VI) of this section.

Within thirty days after all appeals have been exhausted, the operator of the qualified distribution center shall notify the affected suppliers of qualified property that such suppliers are required to file, within sixty days after receiving notice from the operator of the qualified distribution center, amended reports for the impacted calendar quarter or quarters or calendar year, whichever the case may be. Any additional tax liability or tax overpayment shall be subject to interest but shall not be subject to the imposition of any penalty so long as the amended returns are timely filed. The supplier of tangible personal property delivered to the qualified distribution center shall include in its report of taxable gross receipts the receipts from the total sales of property delivered to the qualified distribution center for the calendar quarter or calendar year, whichever the case may be, multiplied by the Ohio delivery percentage for the qualifying year. Nothing in division (F)(2)(z)(iii) of this section shall be construed as imposing liability on the operator of a qualified distribution center for the tax imposed by this chapter arising from any change to the Ohio delivery percentage.

(iv) In the case where the distribution center is new and not open for the entire qualifying period, the operator shall make a good faith estimate of an Ohio delivery percentage for use by suppliers in their reports of taxable gross receipts for the remainder of the qualifying period. The operator of the facility shall disclose to the suppliers that such Ohio delivery percentage is

an estimate and is subject to recalculation. By the due date of the next application for a qualifying certificate, the operator shall determine the actual Ohio delivery percentage for the estimated qualifying period and proceed as provided in division (F)(2)(z)(iii) of this section with respect to the calculation and recalculation of the Ohio delivery percentage. The supplier is required to file, within sixty days after receiving notice from the operator of the qualified distribution center, amended reports for the impacted calendar quarter or quarters or calendar year, whichever the case may be. Any additional tax liability or tax overpayment shall be subject to interest but shall not be subject to the imposition of any penalty so long as the amended returns are timely filed.

(v) Qualifying certificates and Ohio delivery percentages issued by the commissioner shall be open to public inspection and shall be timely published by the commissioner. A supplier relying in good faith on a certificate issued under this division shall not be subject to tax on the qualifying distribution center receipts under division (F)(2)(z) of this section. A person receiving a qualifying certificate is responsible for paying the tax, interest, and penalty upon amounts claimed as qualifying distribution center receipts that would not otherwise have been owed by the supplier if the qualifying certificate were available when it is later determined that the qualifying certificate should not have been issued because the statutory requirements were in fact not met.

(vi) The annual fee for a qualifying certificate shall be one hundred thousand dollars for each qualified distribution center. If a qualifying certificate is not issued, the annual fee is subject to refund after the exhaustion of all appeals provided for in division (F)(2)(z)(i)(VI) of this section. The fee imposed under this division may be assessed in the same manner as the tax imposed under this chapter. The first one hundred thousand dollars of the annual application fees collected each calendar year shall be credited to the commercial activity tax administrative fund. The remainder of the annual application fees collected shall be distributed in the same manner required under section 5751.20 of the Revised Code.

(vii) The tax commissioner may require that adequate security be posted by the operator of the distribution center on appeal when the commissioner disagrees that the applicant has met the minimum thresholds for a qualified distribution center as set forth in divisions (F)(2)(z)(i)(VI) and (F)(2)(z)(ii) of this section.

(aa) Receipts of an employer from payroll deductions relating to the reimbursement of the employer for advancing moneys to an unrelated third party on an employee's behalf;

(bb) Cash discounts allowed and taken;

(cc) Returns and allowances;

(dd) Bad debts from receipts on the basis of which the tax imposed by this chapter was paid in a prior quarterly tax payment period. For the purpose of this division, "bad debts" means any debts that have become worthless or uncollectible between the preceding and current quarterly tax payment periods, have been uncollected for at least six months, and that may be claimed as a deduction under section 166 of the Internal Revenue Code and the regulations adopted under that section, or that could be claimed as such if the taxpayer kept its accounts on the accrual basis. "Bad debts" does not include repossessed property, uncollectible amounts on property that remains in the possession of the taxpayer until the full purchase price is paid, or expenses in attempting to collect any account receivable or for any portion of the debt recovered;

(ee) Any amount realized from the sale of an account receivable to the extent the receipts from the underlying transaction giving rise to the account receivable were included in the gross receipts of the taxpayer;

(ff) Any receipts directly attributed to providing public services pursuant to sections 126.60 to 126.605 of the Revised Code, or any receipts directly attributed to a transfer agreement or to the enterprise transferred under that agreement under section 4313.02 of the Revised Code.

(gg) Any receipts for which the tax imposed by this chapter is prohibited by the Constitution or laws of the United States or the Constitution of Ohio.

~~(gg)~~(hh)(i) As used in this division:

(I) "Qualified uranium receipts" means receipts from the sale, exchange, lease, loan, production, processing, or other disposition of uranium within a uranium enrichment zone certified by the tax commissioner under division (F)(2)(hh)(ii) of this section. "Qualified uranium receipts" does not include any receipts with a situs in this state outside a uranium enrichment zone certified by the tax commissioner under division (F)(2)(hh)(ii) of this section.

(II) "Uranium enrichment zone" means all real property that is part of a uranium enrichment facility licensed by the United States nuclear regulatory commission and that was or is owned or controlled by the United States department of energy or its successor.

(ii) Any person that owns, leases, or operates real or tangible personal property constituting or located within a uranium enrichment zone may apply to the tax commissioner to have the uranium enrichment zone certified for the purpose of excluding qualified uranium receipts under division

(F)(2)(hh) of this section. The application shall include such information that the tax commissioner prescribes. Within sixty days after receiving the application, the tax commissioner shall certify the zone for that purpose if the commissioner determines that the property qualifies as a uranium enrichment zone as defined in division (F)(2)(hh) of this section, or, if the tax commissioner determines that the property does not qualify, the commissioner shall deny the application or request additional information from the applicant. If the tax commissioner denies an application, the commissioner shall state the reasons for the denial. The applicant may appeal the denial of an application to the board of tax appeals pursuant to section 5717.02 of the Revised Code. If the applicant files a timely appeal, the tax commissioner shall conditionally certify the applicant's property. The conditional certification shall expire when all of the applicant's appeals are exhausted. Until final resolution of the appeal, the applicant shall retain the applicant's records in accordance with section 5751.12 of the Revised Code, notwithstanding any time limit on the preservation of records under that section.

(ii) Amounts realized by licensed motor fuel dealers or licensed permissive motor fuel dealers from the exchange of petroleum products, including motor fuel, between such dealers, provided that delivery of the petroleum products occurs at a refinery, terminal, pipeline, or marine vessel and that the exchanging dealers agree neither dealer shall require monetary compensation from the other for the value of the exchanged petroleum products other than such compensation for differences in product location or grade. Division (F)(2)(~~gg~~)(ii) of this section does not apply to amounts realized as a result of differences in location or grade of exchanged petroleum products or from handling, lubricity, dye, or other additive injections fees, pipeline security fees, or similar fees. As used in this division, "motor fuel," "licensed motor fuel dealer," "licensed permissive motor fuel dealer," and "terminal" have the same meanings as in section 5735.01 of the Revised Code.

(3) In the case of a taxpayer when acting as a real estate broker, "gross receipts" includes only the portion of any fee for the service of a real estate broker, or service of a real estate salesperson associated with that broker, that is retained by the broker and not paid to an associated real estate salesperson or another real estate broker. For the purposes of this division, "real estate broker" and "real estate salesperson" have the same meanings as in section 4735.01 of the Revised Code.

(4) A taxpayer's method of accounting for gross receipts for a tax period shall be the same as the taxpayer's method of accounting for federal income

tax purposes for the taxpayer's federal taxable year that includes the tax period. If a taxpayer's method of accounting for federal income tax purposes changes, its method of accounting for gross receipts under this chapter shall be changed accordingly.

(G) "Taxable gross receipts" means gross receipts situated to this state under section 5751.033 of the Revised Code.

(H) A person has "substantial nexus with this state" if any of the following applies. The person:

- (1) Owns or uses a part or all of its capital in this state;
- (2) Holds a certificate of compliance with the laws of this state authorizing the person to do business in this state;
- (3) Has bright-line presence in this state;
- (4) Otherwise has nexus with this state to an extent that the person can be required to remit the tax imposed under this chapter under the Constitution of the United States.

(I) A person has "bright-line presence" in this state for a reporting period and for the remaining portion of the calendar year if any of the following applies. The person:

(1) Has at any time during the calendar year property in this state with an aggregate value of at least fifty thousand dollars. For the purpose of division (I)(1) of this section, owned property is valued at original cost and rented property is valued at eight times the net annual rental charge.

(2) Has during the calendar year payroll in this state of at least fifty thousand dollars. Payroll in this state includes all of the following:

(a) Any amount subject to withholding by the person under section 5747.06 of the Revised Code;

(b) Any other amount the person pays as compensation to an individual under the supervision or control of the person for work done in this state; and

(c) Any amount the person pays for services performed in this state on its behalf by another.

(3) Has during the calendar year taxable gross receipts of at least five hundred thousand dollars.

(4) Has at any time during the calendar year within this state at least twenty-five per cent of the person's total property, total payroll, or total gross receipts.

(5) Is domiciled in this state as an individual or for corporate, commercial, or other business purposes.

(J) "Tangible personal property" has the same meaning as in section 5739.01 of the Revised Code.

(K) "Internal Revenue Code" means the Internal Revenue Code of 1986, 100 Stat. 2085, 26 U.S.C. 1, as amended. Any term used in this chapter that is not otherwise defined has the same meaning as when used in a comparable context in the laws of the United States relating to federal income taxes unless a different meaning is clearly required. Any reference in this chapter to the Internal Revenue Code includes other laws of the United States relating to federal income taxes.

(L) "Calendar quarter" means a three-month period ending on the thirty-first day of March, the thirtieth day of June, the thirtieth day of September, or the thirty-first day of December.

(M) "Tax period" means the calendar quarter or calendar year on the basis of which a taxpayer is required to pay the tax imposed under this chapter.

(N) "Calendar year taxpayer" means a taxpayer for which the tax period is a calendar year.

(O) "Calendar quarter taxpayer" means a taxpayer for which the tax period is a calendar quarter.

(P) "Agent" means a person authorized by another person to act on its behalf to undertake a transaction for the other, including any of the following:

- (1) A person receiving a fee to sell financial instruments;
- (2) A person retaining only a commission from a transaction with the other proceeds from the transaction being remitted to another person;
- (3) A person issuing licenses and permits under section 1533.13 of the Revised Code;
- (4) A lottery sales agent holding a valid license issued under section 3770.05 of the Revised Code;
- (5) A person acting as an agent of the division of liquor control under section 4301.17 of the Revised Code.

(Q) "Received" includes amounts accrued under the accrual method of accounting.

(R) "Reporting person" means a person in a consolidated elected taxpayer or combined taxpayer group that is designated by that group to legally bind the group for all filings and tax liabilities and to receive all legal notices with respect to matters under this chapter, or, for the purposes of section 5751.04 of the Revised Code, a separate taxpayer that is not a member of such a group.

Sec. 5751.011. (A) A group of two or more persons may elect to be a consolidated elected taxpayer for the purposes of this chapter if the group satisfies all of the following requirements:

(1) The group elects to include all persons, including persons enumerated in divisions (E)(2) to (10) of section 5751.01 of the Revised Code, having at least eighty per cent, or having at least fifty per cent, of the value of their ownership interests owned or controlled, directly or constructively through related interests, by common owners during all or any portion of the tax period, together with the common owners.

A group making its initial election on the basis of the eighty per cent ownership test may change its election so that its consolidated elected taxpayer group is formed on the basis of the fifty per cent ownership test if all of the following are satisfied:

(a) When the initial election was made, the group did not have any persons satisfying the fifty per cent ownership test;

(b) One or more of the persons in the initial group subsequently acquires ownership interests in a person such that the fifty per cent ownership test is satisfied, the eighty per cent ownership test is not satisfied, and the acquired person would be required to be included in a combined taxpayer group under section 5751.012 of the Revised Code;

(c) The group requests the change in a written request to the tax commissioner on or before the due date for filing the first return due under section 5751.051 of the Revised Code after the date of the acquisition;

(d) The group has not previously changed its election.

At the election of the group, all entities that are not incorporated or formed under the laws of a state or of the United States and that meet the consolidated elected ownership test shall either be included in the group or all shall be excluded from the group. If, at the time of registration, the group does not include any such entities that meet the consolidated elected ownership test, the group shall elect to either include or exclude the newly acquired entities before the due date of the first return due after the date of the acquisition.

Each group shall notify the tax commissioner of the foregoing elections before the due date of the return for the period in which the election becomes binding. If fifty per cent of the value of a person's ownership interests is owned or controlled by each of two consolidated elected taxpayer groups formed under the fifty per cent ownership or control test, that person is a member of each group for the purposes of this section, and each group shall include in the group's taxable gross receipts fifty per cent of that person's taxable gross receipts. Otherwise, all of that person's taxable gross receipts shall be included in the taxable gross receipts of the consolidated elected taxpayer group of which the person is a member. In no event shall the ownership or control of fifty per cent of the value of a

person's ownership interests by two otherwise unrelated groups form the basis for consolidating the groups into a single consolidated elected taxpayer group or permit any exclusion under division (C) of this section of taxable gross receipts between members of the two groups. Division (A)(3) of this section applies with respect to the elections described in this division.

(2) The group makes the election to be treated as a consolidated elected taxpayer in the manner prescribed under division (D) of this section.

(3) Subject to review and audit by the tax commissioner, the group agrees that all of the following apply:

(a) The group shall file reports as a single taxpayer for at least the next eight calendar quarters following the election so long as at least two or more of the members of the group meet the requirements of division (A)(1) of this section.

(b) Before the expiration of the eighth such calendar quarter, the group shall notify the commissioner if it elects to cancel its designation as a consolidated elected taxpayer. If the group does not so notify the tax commissioner, the election remains in effect for another eight calendar quarters.

(c) If, at any time during any of those eight calendar quarters following the election, a former member of the group no longer meets the requirements under division (A)(1) of this section, that member shall report and pay the tax imposed under this chapter separately, as a member of a combined taxpayer, or, if the former member satisfies such requirements with respect to another consolidated elected group, as a member of that consolidated elected group.

(d) The group agrees to the application of division (B) of this section.

(B) A group of persons making the election under this section shall report and pay tax on all of the group's taxable gross receipts even if substantial nexus with this state does not exist for one or more persons in the group.

(C)(1)(a) Members of a consolidated elected taxpayer group shall exclude gross receipts among persons included in the consolidated elected taxpayer group.

(b) Subject to divisions (C)(1)(c) and (C)(2) of this section, nothing in this section shall have the effect of requiring a consolidated elected taxpayer group to include gross receipts received by a person enumerated in divisions (E)(2) to (10) of section 5751.01 of the Revised Code if that person is a member of the group pursuant to the elections made by the group under division (A)(1) of this section.

(c)(i) As used in division (C)(1)(c) of this section, "dealer transfer"

means a transfer of property that satisfies both of the following: (I) the property is directly transferred by any means from one member of the group to another member of the group that is a dealer in intangibles but is not a qualifying dealer as defined in section ~~5725.24~~ 5707.031 of the Revised Code; and (II) the property is subsequently delivered by the dealer in intangibles to a person that is not a member of the group.

(ii) In the event of a dealer transfer, a consolidated elected taxpayer group shall not exclude, under division (C) of this section, gross receipts from the transfer described in division (C)(1)(c)(i)(I) of this section.

(2) Gross receipts related to the sale or transmission of electricity through the use of an intermediary regional transmission organization approved by the federal energy regulatory commission shall be excluded from taxable gross receipts under division (C)(1) of this section if all other requirements of that division are met, even if the receipts are from and to the same member of the group.

(D) To make the election to be a consolidated elected taxpayer, a group of persons shall notify the tax commissioner of the election in the manner prescribed by the commissioner and pay the commissioner a registration fee equal to the lesser of two hundred dollars or twenty dollars for each person in the group. No additional fee shall be imposed for the addition of new members to the group once the group has remitted a fee in the amount of two hundred dollars. The election shall be made and the fee paid before the beginning of the first calendar quarter to which the election applies. The fee shall be collected and used in the same manner as provided in section 5751.04 of the Revised Code.

The election shall be made on a form prescribed by the tax commissioner for that purpose and shall be signed by one or more individuals with authority, separately or together, to make a binding election on behalf of all persons in the group.

Any person acquired or formed after the filing of the registration shall be included in the group if the person meets the requirements of division (A)(1) of this section, and the group shall notify the tax commissioner of any additions to the group with the next tax return it files with the commissioner.

Sec. 5751.20. (A) As used in sections 5751.20 to 5751.22 of the Revised Code:

(1) "School district," "joint vocational school district," "local taxing unit," "recognized valuation," "fixed-rate levy," and "fixed-sum levy" have the same meanings as used in section 5727.84 of the Revised Code.

(2) "State education aid" for a school district means the following:

(a) For fiscal years prior to fiscal year 2010, the sum of state aid amounts computed for the district under the following provisions, as they existed for the applicable fiscal year: division (A) of section 3317.022 of the Revised Code, including the amounts calculated under sections 3317.029 and 3317.0217 of the Revised Code; divisions (C)(1), (C)(4), (D), (E), and (F) of section 3317.022; divisions (B), (C), and (D) of section 3317.023; divisions (L) and (N) of section 3317.024; section 3317.0216; and any unit payments for gifted student services paid under sections 3317.05, 3317.052, and 3317.053 of the Revised Code; except that, for fiscal years 2008 and 2009, the amount computed for the district under Section 269.20.80 of H.B. 119 of the 127th general assembly and as that section subsequently may be amended shall be substituted for the amount computed under division (D) of section 3317.022 of the Revised Code, and the amount computed under Section 269.30.80 of H.B. 119 of the 127th general assembly and as that section subsequently may be amended shall be included.

(b) For fiscal year years 2010 and ~~for each fiscal year thereafter 2011~~, the sum of the amounts computed under former sections 3306.052, 3306.12, 3306.13, 3306.19, 3306.191, and 3306.192 of the Revised Code;

(c) For fiscal years 2012 and 2013, the amount paid in accordance with the section of H.B. 153 of the 129th general assembly entitled "FUNDING FOR CITY, EXEMPTED VILLAGE, AND LOCAL SCHOOL DISTRICTS."

(3) "State education aid" for a joint vocational school district means the following:

(a) For fiscal years prior to fiscal year 2010, the sum of the state aid computed for the district under division (N) of section 3317.024 and section 3317.16 of the Revised Code, except that, for fiscal years 2008 and 2009, the amount computed under Section 269.30.80 of H.B. 119 of the 127th general assembly and as that section subsequently may be amended shall be included.

(b) For fiscal years 2010 and 2011, the amount paid in accordance with the section of ~~this act~~ H.B. 1 of the 128th general assembly entitled "FUNDING FOR JOINT VOCATIONAL SCHOOL DISTRICTS."

(c) For fiscal years 2012 and 2013, the amount paid in accordance with the section of H.B. 153 of the 129th general assembly entitled "FUNDING FOR JOINT VOCATIONAL SCHOOL DISTRICTS."

(4) "State education aid offset" means the amount determined for each school district or joint vocational school district under division (A)(1) of section 5751.21 of the Revised Code.

(5) "Machinery and equipment property tax value loss" means the

amount determined under division (C)(1) of this section.

(6) "Inventory property tax value loss" means the amount determined under division (C)(2) of this section.

(7) "Furniture and fixtures property tax value loss" means the amount determined under division (C)(3) of this section.

(8) "Machinery and equipment fixed-rate levy loss" means the amount determined under division (D)(1) of this section.

(9) "Inventory fixed-rate levy loss" means the amount determined under division (D)(2) of this section.

(10) "Furniture and fixtures fixed-rate levy loss" means the amount determined under division (D)(3) of this section.

(11) "Total fixed-rate levy loss" means the sum of the machinery and equipment fixed-rate levy loss, the inventory fixed-rate levy loss, the furniture and fixtures fixed-rate levy loss, and the telephone company fixed-rate levy loss.

(12) "Fixed-sum levy loss" means the amount determined under division (E) of this section.

(13) "Machinery and equipment" means personal property subject to the assessment rate specified in division (F) of section 5711.22 of the Revised Code.

(14) "Inventory" means personal property subject to the assessment rate specified in division (E) of section 5711.22 of the Revised Code.

(15) "Furniture and fixtures" means personal property subject to the assessment rate specified in division (G) of section 5711.22 of the Revised Code.

(16) "Qualifying levies" are levies in effect for tax year 2004 or applicable to tax year 2005 or approved at an election conducted before September 1, 2005. For the purpose of determining the rate of a qualifying levy authorized by section 5705.212 or 5705.213 of the Revised Code, the rate shall be the rate that would be in effect for tax year 2010.

(17) "Telephone property" means tangible personal property of a telephone, telegraph, or interexchange telecommunications company subject to an assessment rate specified in section 5727.111 of the Revised Code in tax year 2004.

(18) "Telephone property tax value loss" means the amount determined under division (C)(4) of this section.

(19) "Telephone property fixed-rate levy loss" means the amount determined under division (D)(4) of this section.

(20) "Taxes charged and payable" means taxes charged and payable after the reduction required by section 319.301 of the Revised Code but

before the reductions required by sections 319.302 and 323.152 of the Revised Code.

(21) "Median estate tax collections" means, in the case of a municipal corporation to which revenue from the taxes levied in Chapter 5731. of the Revised Code was distributed in each of calendar years 2006, 2007, 2008, and 2009, the median of those distributions. In the case of a municipal corporation to which no distributions were made in one or more of those years, "median estate tax collections" means zero.

(22) "Total resources," in the case of a school district, means the sum of the amounts in divisions (A)(22)(a) to (h) of this section less any reduction required under division (A)(32) of this section.

(a) The state education aid for fiscal year 2010;

(b) The sum of the payments received by the school district in fiscal year 2010 for current expense levy losses pursuant to division (C)(2) of section 5727.85 and divisions (C)(8) and (9) of section 5751.21 of the Revised Code, excluding the portion of such payments attributable to levies for joint vocational school district purposes;

(c) The sum of fixed-sum levy loss payments received by the school district in fiscal year 2010 pursuant to division (E)(1) of section 5727.85 and division (E)(1) of section 5751.21 of the Revised Code for fixed-sum levies imposed for a purpose other than paying debt charges;

(d) Fifty per cent of the school district's taxes charged and payable against all property on the tax list of real and public utility property for current expense purposes for tax year 2008, including taxes charged and payable from emergency levies imposed under section 5709.194 of the Revised Code and excluding taxes levied for joint vocational school district purposes;

(e) Fifty per cent of the school district's taxes charged and payable against all property on the tax list of real and public utility property for current expenses for tax year 2009, including taxes charged and payable from emergency levies and excluding taxes levied for joint vocational school district purposes;

(f) The school district's taxes charged and payable against all property on the general tax list of personal property for current expenses for tax year 2009, including taxes charged and payable from emergency levies;

(g) The amount certified for fiscal year 2010 under division (A)(2) of section 3317.08 of the Revised Code;

(h) Distributions received during calendar year 2009 from taxes levied under section 718.09 of the Revised Code.

(23) "Total resources," in the case of a joint vocational school district,

means the sum of amounts in divisions (A)(23)(a) to (g) of this section less any reduction required under division (A)(32) of this section.

(a) The state education aid for fiscal year 2010;

(b) The sum of the payments received by the joint vocational school district in fiscal year 2010 for current expense levy losses pursuant to division (C)(2) of section 5727.85 and divisions (C)(8) and (9) of section 5751.21 of the Revised Code;

(c) Fifty per cent of the joint vocational school district's taxes charged and payable against all property on the tax list of real and public utility property for current expense purposes for tax year 2008;

(d) Fifty per cent of the joint vocational school district's taxes charged and payable against all property on the tax list of real and public utility property for current expenses for tax year 2009;

(e) Fifty per cent of a city, local, or exempted village school district's taxes charged and payable against all property on the tax list of real and public utility property for current expenses of the joint vocational school district for tax year 2008;

(f) Fifty per cent of a city, local, or exempted village school district's taxes charged and payable against all property on the tax list of real and public utility property for current expenses of the joint vocational school district for tax year 2009;

(g) The joint vocational school district's taxes charged and payable against all property on the general tax list of personal property for current expenses for tax year 2009.

(24) "Total resources," in the case of county mental health and disability related functions, means the sum of the amounts in divisions (A)(24)(a) and (b) of this section less any reduction required under division (A)(32) of this section.

(a) The sum of the payments received by the county for mental health and developmental disability related functions in calendar year 2010 under division (A)(1) of section 5727.86 and division (A)(1) and (2) of section 5751.22 of the Revised Code as they existed at that time;

(b) With respect to taxes levied by the county for mental health and developmental disability related purposes, the taxes charged and payable for such purposes against all property on the tax list of real and public utility property for tax year 2009.

(25) "Total resources," in the case of county senior services related functions, means the sum of the amounts in divisions (A)(25)(a) and (b) of this section less any reduction required under division (A)(32) of this section.

(a) The sum of the payments received by the county for senior services related functions in calendar year 2010 under division (A)(1) of section 5727.86 and divisions (A)(1) and (2) of section 5751.22 of the Revised Code as they existed at that time;

(b) With respect to taxes levied by the county for senior services related purposes, the taxes charged and payable for such purposes against all property on the tax list of real and public utility property for tax year 2009.

(26) "Total resources," in the case of county children's services related functions, means the sum of the amounts in divisions (A)(26)(a) and (b) of this section less any reduction required under division (A)(32) of this section.

(a) The sum of the payments received by the county for children's services related functions in calendar year 2010 under division (A)(1) of section 5727.86 and divisions (A)(1) and (2) of section 5751.22 of the Revised Code as they existed at that time;

(b) With respect to taxes levied by the county for children's services related purposes, the taxes charged and payable for such purposes against all property on the tax list of real and public utility property for tax year 2009.

(27) "Total resources," in the case of county public health related functions, means the sum of the amounts in divisions (A)(27)(a) and (b) of this section less any reduction required under division (A)(32) of this section.

(a) The sum of the payments received by the county for public health related functions in calendar year 2010 under division (A)(1) of section 5727.86 and divisions (A)(1) and (2) of section 5751.22 of the Revised Code as they existed at that time;

(b) With respect to taxes levied by the county for public health related purposes, the taxes charged and payable for such purposes against all property on the tax list of real and public utility property for tax year 2009.

(28) "Total resources," in the case of all county functions not included in divisions (A)(24) to (27) of this section, means the sum of the amounts in divisions (A)(28)(a) to (d) of this section less any reduction required under division (A)(32) of this section.

(a) The sum of the payments received by the county for all other purposes in calendar year 2010 under division (A)(1) of section 5727.86 and divisions (A)(1) and (2) of section 5751.22 of the Revised Code as they existed at that time;

(b) The county's percentage share of county undivided local government fund allocations as certified to the tax commissioner for calendar year 2010 by the county auditor under division (J) of section 5747.51 of the Revised

Code or division (F) of section 5747.53 of the Revised Code multiplied by the total amount actually distributed in calendar year 2010 from the county undivided local government fund;

(c) With respect to taxes levied by the county for all other purposes, the taxes charged and payable for such purposes against all property on the tax list of real and public utility property for tax year 2009, excluding taxes charged and payable for the purpose of paying debt charges;

(d) The sum of the amounts distributed to the county in calendar year 2010 for the taxes levied pursuant to sections 5739.021 and 5741.021 of the Revised Code.

(29) "Total resources," in the case of a municipal corporation, means the sum of the amounts in divisions (A)(29)(a) to (g) of this section less any reduction required under division (A)(32) of this section.

(a) The sum of the payments received by the municipal corporation in calendar year 2010 under division (A)(1) of section 5727.86 and divisions (A)(1) and (2) of section 5751.22 of the Revised Code as they existed at that time;

(b) The municipal corporation's percentage share of county undivided local government fund allocations as certified to the tax commissioner for calendar year 2010 by the county auditor under division (J) of section 5747.51 of the Revised Code or division (F) of section 5747.53 of the Revised Code multiplied by the total amount actually distributed in calendar year 2010 from the county undivided local government fund;

(c) The sum of the amounts distributed to the municipal corporation in calendar year 2010 pursuant to section 5747.50 of the Revised Code;

(d) With respect to taxes levied by the municipal corporation, the taxes charged and payable against all property on the tax list of real and public utility property for current expenses, defined in division (A)(33) of this section, for tax year 2009;

(e) The amount of admissions tax collected by the municipal corporation in calendar year 2008, or if such information has not yet been reported to the tax commissioner, in the most recent year before 2008 for which the municipal corporation has reported data to the commissioner;

(f) The amount of income taxes collected by the municipal corporation in calendar year 2008, or if such information has not yet been reported to the tax commissioner, in the most recent year before 2008 for which the municipal corporation has reported data to the commissioner;

(g) The municipal corporation's median estate tax collections.

(30) "Total resources," in the case of a township, means the sum of the amounts in divisions (A)(30)(a) to (c) of this section less any reduction

required under division (A)(32) of this section.

(a) The sum of the payments received by the township in calendar year 2010 pursuant to division (A)(1) of section 5727.86 of the Revised Code and divisions (A)(1) and (2) of section 5751.22 of the Revised Code as they existed at that time, excluding payments received for debt purposes;

(b) The township's percentage share of county undivided local government fund allocations as certified to the tax commissioner for calendar year 2010 by the county auditor under division (J) of section 5747.51 of the Revised Code or division (F) of section 5747.53 of the Revised Code multiplied by the total amount actually distributed in calendar year 2010 from the county undivided local government fund;

(c) With respect to taxes levied by the township, the taxes charged and payable against all property on the tax list of real and public utility property for tax year 2009 excluding taxes charged and payable for the purpose of paying debt charges.

(31) "Total resources," in the case of a local taxing unit that is not a county, municipal corporation, or township, means the sum of the amounts in divisions (A)(31)(a) to (e) of this section less any reduction required under division (A)(32) of this section.

(a) The sum of the payments received by the local taxing unit in calendar year 2010 pursuant to division (A)(1) of section 5727.86 of the Revised Code and divisions (A)(1) and (2) of section 5751.22 of the Revised Code as they existed at that time;

(b) The local taxing unit's percentage share of county undivided local government fund allocations as certified to the tax commissioner for calendar year 2010 by the county auditor under division (J) of section 5747.51 of the Revised Code or division (F) of section 5747.53 of the Revised Code multiplied by the total amount actually distributed in calendar year 2010 from the county undivided local government fund;

(c) With respect to taxes levied by the local taxing unit, the taxes charged and payable against all property on the tax list of real and public utility property for tax year 2009 excluding taxes charged and payable for the purpose of paying debt charges;

(d) The amount received from the tax commissioner during calendar year 2010 for sales or use taxes authorized under sections 5739.023 and 5741.022 of the Revised Code;

(e) For institutions of higher education receiving tax revenue from a local levy, as identified in section 3358.02 of the Revised Code, the final state share of instruction allocation for fiscal year 2010 as calculated by the board of regents and reported to the state controlling board.

(32) If a fixed-rate levy that is a qualifying levy is not imposed in any year after tax year 2010, "total resources" used to compute payments to be made under division (C)(12) of section 5751.21 or division (A)(1)(b) or (c) of section 5751.22 of the Revised Code in the tax years following the last year the levy is imposed shall be reduced by the amount of payments attributable to the fixed-rate levy loss of that levy as would be computed under division (C)(2) of section 5727.85, division (A)(1) of section 5727.85, divisions (C)(8) and (9) of section 5751.21, or division (A)(1) of section 5751.22 of the Revised Code.

(33) "Municipal current expense property tax levies" means all property tax levies of a municipality, except those with the following levy names: airport resurfacing; bond or any levy name including the word "bond"; capital improvement or any levy name including the word "capital"; debt or any levy name including the word "debt"; equipment or any levy name including the word "equipment," unless the levy is for combined operating and equipment; employee termination fund; fire pension or any levy containing the word "pension," including police pensions; fireman's fund or any practically similar name; sinking fund; road improvements or any levy containing the word "road"; fire truck or apparatus; flood or any levy containing the word "flood"; conservancy district; county health; note retirement; sewage, or any levy containing the words "sewage" or "sewer"; park improvement; parkland acquisition; storm drain; street or any levy name containing the word "street"; lighting, or any levy name containing the word "lighting"; and water.

(34) "Current expense TPP allocation" means, in the case of a school district or joint vocational school district, the sum of the payments received by the school district in fiscal year 2011 pursuant to divisions (C)(10) and (11) of section 5751.21 of the Revised Code to the extent paid for current expense levies. In the case of a municipal corporation, "current expense TPP allocation" means the sum of the payments received by the municipal corporation in calendar year 2010 pursuant to divisions (A)(1) and (2) of section 5751.22 of the Revised Code to the extent paid for municipal current expense property tax levies as defined in division (A)(33) of this section. If a fixed-rate levy that is a qualifying levy is not imposed in any year after tax year 2010, "current expense TPP allocation" used to compute payments to be made under division (C)(12) of section 5751.21 or division (A)(1)(b) or (c) of section 5751.22 of the Revised Code in the tax years following the last year the levy is imposed shall be reduced by the amount of payments attributable to the fixed-rate levy loss of that levy as would be computed under divisions (C)(10) and (11) of section 5751.21 or division (A)(1) of

section 5751.22 of the Revised Code.

(35) "TPP allocation" means the sum of payments received by a local taxing unit in calendar year 2010 pursuant to divisions (A)(1) and (2) of section 5751.22 of the Revised Code. If a fixed-rate levy that is a qualifying levy is not imposed in any year after tax year 2010, "TPP allocation" used to compute payments to be made under division (A)(1)(b) or (c) of section 5751.22 of the Revised Code in the tax years following the last year the levy is imposed shall be reduced by the amount of payment attributable to the fixed-rate levy loss of that levy as would be computed under division (A)(1) of that section.

(36) "Total TPP allocation" means, in the case of a school district or joint vocational school district, the sum of the amounts received in fiscal year 2011 pursuant to divisions (C)(10) and (11) and (D) of section 5751.21 of the Revised Code. In the case of a local taxing unit, "total TPP allocation" means the sum of payments received by the unit in calendar year 2010 pursuant to divisions (A)(1), (2), and (3) of section 5751.22 of the Revised Code. If a fixed-rate levy that is a qualifying levy is not imposed in any year after tax year 2010, "total TPP allocation" used to compute payments to be made under division (C)(12) of section 5751.21 or division (A)(1)(b) or (c) of section 5751.22 of the Revised Code in the tax years following the last year the levy is imposed shall be reduced by the amount of payments attributable to the fixed-rate levy loss of that levy as would be computed under divisions (C)(10) and (11) of section 5751.21 or division (A)(1) of section 5751.22 of the Revised Code.

(37) "Non-current expense TPP allocation" means the difference of total TPP allocation minus the sum of current expense TPP allocation and the portion of total TPP allocation constituting reimbursement for debt levies, pursuant to division (D) of section 5751.21 of the Revised Code in the case of a school district or joint vocational school district and pursuant to division (A)(3) of section 5751.22 of the Revised Code in the case of a municipal corporation.

(38) "Threshold per cent" means, in the case of a school district or joint vocational school district, two per cent for fiscal year 2012 and four per cent for fiscal years 2013 and thereafter. In the case of a local taxing unit, "threshold per cent" means two per cent for tax year 2011, four per cent for tax year 2012, and six per cent for tax years 2013 and thereafter.

(B) The commercial activities tax receipts fund is hereby created in the state treasury and shall consist of money arising from the tax imposed under this chapter. Eighty-five one-hundredths of one per cent of the money credited to that fund shall be credited to the tax reform system

implementation fund, which is hereby created in the state treasury, and shall be used to defray the costs incurred by the department of taxation in administering the tax imposed by this chapter and in implementing tax reform measures. The remainder in the commercial activities tax receipts fund shall be credited for each fiscal year in the following percentages to the general revenue fund, to the school district tangible property tax replacement fund, which is hereby created in the state treasury for the purpose of making the payments described in section 5751.21 of the Revised Code, and to the local government tangible property tax replacement fund, which is hereby created in the state treasury for the purpose of making the payments described in section 5751.22 of the Revised Code, in the following percentages:

Fiscal year	General Revenue Fund	School District Tangible Property Tax Replacement Fund	Local Government Tangible Property Tax Replacement Fund
2006	67.7%	22.6%	9.7%
2007	0%	70.0%	30.0%
2008	0%	70.0%	30.0%
2009	0%	70.0%	30.0%
2010	0%	70.0%	30.0%
2011	0%	70.0%	30.0%
2012	5.3 25.0%	70.0 52.5%	24.7 22.5%
2013 and thereafter	10.6 50.0%	70.0 35.0%	19.4 15.0%
2014	14.1%	70.0%	15.9%
2015	17.6%	70.0%%	12.4%
2016	21.1%	70.0%%	8.9%
2017	24.6%	70.0%%	5.4%
2018	28.1%	70.0%%	1.9%
2019 and thereafter	30%	70%%	0%

(C) Not later than September 15, 2005, the tax commissioner shall determine for each school district, joint vocational school district, and local taxing unit its machinery and equipment, inventory property, furniture and fixtures property, and telephone property tax value losses, which are the applicable amounts described in divisions (C)(1), (2), (3), and (4) of this section, except as provided in division (C)(5) of this section:

(1) Machinery and equipment property tax value loss is the taxable value of machinery and equipment property as reported by taxpayers for tax year 2004 multiplied by:

- (a) For tax year 2006, thirty-three and eight-tenths per cent;
- (b) For tax year 2007, sixty-one and three-tenths per cent;
- (c) For tax year 2008, eighty-three per cent;
- (d) For tax year 2009 and thereafter, one hundred per cent.

(2) Inventory property tax value loss is the taxable value of inventory property as reported by taxpayers for tax year 2004 multiplied by:

- (a) For tax year 2006, a fraction, the numerator of which is five and three-fourths and the denominator of which is twenty-three;
- (b) For tax year 2007, a fraction, the numerator of which is nine and one-half and the denominator of which is twenty-three;
- (c) For tax year 2008, a fraction, the numerator of which is thirteen and one-fourth and the denominator of which is twenty-three;
- (d) For tax year 2009 and thereafter a fraction, the numerator of which is seventeen and the denominator of which is twenty-three.

(3) Furniture and fixtures property tax value loss is the taxable value of furniture and fixture property as reported by taxpayers for tax year 2004 multiplied by:

- (a) For tax year 2006, twenty-five per cent;
- (b) For tax year 2007, fifty per cent;
- (c) For tax year 2008, seventy-five per cent;
- (d) For tax year 2009 and thereafter, one hundred per cent.

The taxable value of property reported by taxpayers used in divisions (C)(1), (2), and (3) of this section shall be such values as determined to be final by the tax commissioner as of August 31, 2005. Such determinations shall be final except for any correction of a clerical error that was made prior to August 31, 2005, by the tax commissioner.

(4) Telephone property tax value loss is the taxable value of telephone property as taxpayers would have reported that property for tax year 2004 if the assessment rate for all telephone property for that year were twenty-five per cent, multiplied by:

- (a) For tax year 2006, zero per cent;
- (b) For tax year 2007, zero per cent;
- (c) For tax year 2008, zero per cent;
- (d) For tax year 2009, sixty per cent;
- (e) For tax year 2010, eighty per cent;
- (f) For tax year 2011 and thereafter, one hundred per cent.

(5) Division (C)(5) of this section applies to any school district, joint

vocational school district, or local taxing unit in a county in which is located a facility currently or formerly devoted to the enrichment or commercialization of uranium or uranium products, and for which the total taxable value of property listed on the general tax list of personal property for any tax year from tax year 2001 to tax year 2004 was fifty per cent or less of the taxable value of such property listed on the general tax list of personal property for the next preceding tax year.

In computing the fixed-rate levy losses under divisions (D)(1), (2), and (3) of this section for any school district, joint vocational school district, or local taxing unit to which division (C)(5) of this section applies, the taxable value of such property as listed on the general tax list of personal property for tax year 2000 shall be substituted for the taxable value of such property as reported by taxpayers for tax year 2004, in the taxing district containing the uranium facility, if the taxable value listed for tax year 2000 is greater than the taxable value reported by taxpayers for tax year 2004. For the purpose of making the computations under divisions (D)(1), (2), and (3) of this section, the tax year 2000 valuation is to be allocated to machinery and equipment, inventory, and furniture and fixtures property in the same proportions as the tax year 2004 values. For the purpose of the calculations in division (A) of section 5751.21 of the Revised Code, the tax year 2004 taxable values shall be used.

To facilitate the calculations required under division (C) of this section, the county auditor, upon request from the tax commissioner, shall provide by August 1, 2005, the values of machinery and equipment, inventory, and furniture and fixtures for all single-county personal property taxpayers for tax year 2004.

(D) Not later than September 15, 2005, the tax commissioner shall determine for each tax year from 2006 through 2009 for each school district, joint vocational school district, and local taxing unit its machinery and equipment, inventory, and furniture and fixtures fixed-rate levy losses, and for each tax year from 2006 through 2011 its telephone property fixed-rate levy loss. Except as provided in division (F) of this section, such losses are the applicable amounts described in divisions (D)(1), (2), (3), and (4) of this section:

(1) The machinery and equipment fixed-rate levy loss is the machinery and equipment property tax value loss multiplied by the sum of the tax rates of fixed-rate qualifying levies.

(2) The inventory fixed-rate loss is the inventory property tax value loss multiplied by the sum of the tax rates of fixed-rate qualifying levies.

(3) The furniture and fixtures fixed-rate levy loss is the furniture and

fixture property tax value loss multiplied by the sum of the tax rates of fixed-rate qualifying levies.

(4) The telephone property fixed-rate levy loss is the telephone property tax value loss multiplied by the sum of the tax rates of fixed-rate qualifying levies.

(E) Not later than September 15, 2005, the tax commissioner shall determine for each school district, joint vocational school district, and local taxing unit its fixed-sum levy loss. The fixed-sum levy loss is the amount obtained by subtracting the amount described in division (E)(2) of this section from the amount described in division (E)(1) of this section:

(1) The sum of the machinery and equipment property tax value loss, the inventory property tax value loss, and the furniture and fixtures property tax value loss, and, for 2008 through ~~2017~~ 2010, the telephone property tax value loss of the district or unit multiplied by the sum of the fixed-sum tax rates of qualifying levies. For 2006 through 2010, this computation shall include all qualifying levies remaining in effect for the current tax year and any school district levies imposed under section 5705.194 or 5705.213 of the Revised Code that are qualifying levies not remaining in effect for the current year. For 2011 through 2017 in the case of school district levies imposed under section 5705.194 or 5705.213 of the Revised Code and for all years after 2010 in the case of other fixed-sum levies, this computation shall include only qualifying levies remaining in effect for the current year. For purposes of this computation, a qualifying school district levy imposed under section 5705.194 or 5705.213 of the Revised Code remains in effect in a year after 2010 only if, for that year, the board of education levies a school district levy imposed under section 5705.194, 5705.199, 5705.213, or 5705.219 of the Revised Code for an annual sum at least equal to the annual sum levied by the board in tax year 2004 less the amount of the payment certified under this division for 2006.

(2) The total taxable value in tax year 2004 less the sum of the machinery and equipment, inventory, furniture and fixtures, and telephone property tax value losses in each school district, joint vocational school district, and local taxing unit multiplied by one-half of one mill per dollar.

(3) For the calculations in divisions (E)(1) and (2) of this section, the tax value losses are those that would be calculated for tax year 2009 under divisions (C)(1), (2), and (3) of this section and for tax year 2011 under division (C)(4) of this section.

(4) To facilitate the calculation under divisions (D) and (E) of this section, not later than September 1, 2005, any school district, joint vocational school district, or local taxing unit that has a qualifying levy that

was approved at an election conducted during 2005 before September 1, 2005, shall certify to the tax commissioner a copy of the county auditor's certificate of estimated property tax millage for such levy as required under division (B) of section 5705.03 of the Revised Code, which is the rate that shall be used in the calculations under such divisions.

If the amount determined under division (E) of this section for any school district, joint vocational school district, or local taxing unit is greater than zero, that amount shall equal the reimbursement to be paid pursuant to division (E) of section 5751.21 or division (A)(3) of section 5751.22 of the Revised Code, and the one-half of one mill that is subtracted under division (E)(2) of this section shall be apportioned among all contributing fixed-sum levies in the proportion that each levy bears to the sum of all fixed-sum levies within each school district, joint vocational school district, or local taxing unit.

(F) If a school district levies a tax under section 5705.219 of the Revised Code, the fixed-rate levy loss for qualifying levies, to the extent repealed under that section, shall equal the sum of the following amounts in lieu of the amounts computed for such levies under division (D) of this section:

(1) The sum of the rates of qualifying levies to the extent so repealed multiplied by the sum of the machinery and equipment, inventory, and furniture and fixtures tax value losses for 2009 as determined under that division;

(2) The sum of the rates of qualifying levies to the extent so repealed multiplied by the telephone property tax value loss for 2011 as determined under that division.

The fixed-rate levy losses for qualifying levies to the extent not repealed under section 5705.219 of the Revised Code shall be as determined under division (D) of this section. The revised fixed-rate levy losses determined under this division and division (D) of this section first apply in the year following the first year the district levies the tax under section 5705.219 of the Revised Code.

(G) Not later than October 1, 2005, the tax commissioner shall certify to the department of education for every school district and joint vocational school district the machinery and equipment, inventory, furniture and fixtures, and telephone property tax value losses determined under division (C) of this section, the machinery and equipment, inventory, furniture and fixtures, and telephone fixed-rate levy losses determined under division (D) of this section, and the fixed-sum levy losses calculated under division (E) of this section. The calculations under divisions (D) and (E) of this section

shall separately display the levy loss for each levy eligible for reimbursement.

(H) Not later than October 1, 2005, the tax commissioner shall certify the amount of the fixed-sum levy losses to the county auditor of each county in which a school district, joint vocational school district, or local taxing unit with a fixed-sum levy loss reimbursement has territory.

(I) Not later than the twenty-eighth day of February each year beginning in 2011 and ending in 2014, the tax commissioner shall certify to the department of education for each school district first levying a tax under section 5705.219 of the Revised Code in the preceding year the revised fixed-rate levy losses determined under divisions (D) and (F) of this section.

Sec. 5751.21. (A) Not later than the thirtieth day of July of 2007 through ~~2017~~ 2010, the department of education shall consult with the director of budget and management and determine the following for each school district and each joint vocational school district eligible for payment under division (B) of this section:

(1) The state education aid offset, which, except as provided in division (A)(1)(c) of this section, is the difference obtained by subtracting the amount described in division (A)(1)(b) of this section from the amount described in division (A)(1)(a) of this section:

(a) The state education aid computed for the school district or joint vocational school district for the current fiscal year as of the thirtieth day of July;

(b) The state education aid that would be computed for the school district or joint vocational school district for the current fiscal year as of the thirtieth day of July if the ~~recognized~~ valuation used in the calculation in division (B)(1) of section 3306.13 of the Revised Code as that division existed for fiscal years 2010 and 2011 included the machinery and equipment, inventory, furniture and fixtures, and telephone property tax value losses for the school district or joint vocational school district for the second preceding tax year, and if taxes charged and payable associated with the tax value losses are accounted for in any state education aid computation dependent on taxes charged and payable.

(c) The state education aid offset for fiscal year 2010 and fiscal year 2011 equals the greater of the state education aid offset calculated for that fiscal year under divisions (A)(1)(a) and (b) of this section and the state education aid offset calculated for fiscal year 2009. For fiscal year 2012 and 2013, the state education aid offset equals the state education aid offset for fiscal year 2011.

(2) The For fiscal years 2008 through 2011, the greater of zero or the

difference obtained by subtracting the state education aid offset determined under division (A)(1) of this section from the sum of the machinery and equipment fixed-rate levy loss, the inventory fixed-rate levy loss, furniture and fixtures fixed-rate levy loss, and telephone property fixed-rate levy loss certified under divisions (G) and (I) of section 5751.20 of the Revised Code for all taxing districts in each school district and joint vocational school district for the second preceding tax year.

By the thirtieth day of July of each such year, the department of education and the director of budget and management shall agree upon the amount to be determined under division (A)(1) of this section.

(B) On or before the thirty-first day of August of ~~each year beginning in 2008, 2009, and 2010~~, the department of education shall recalculate the offset described under division (A) of this section for the previous fiscal year and recalculate the payments made under division (C) of this section in the preceding fiscal year using the offset calculated under this division. If the payments calculated under this division differ from the payments made under division (C) of this section in the preceding fiscal year, the difference shall either be paid to a school district or recaptured from a school district through an adjustment at the same times during the current fiscal year that the payments under division (C) of this section are made. In August and October of the current fiscal year, the amount of each adjustment shall be three-sevenths of the amount calculated under this division. In May of the current fiscal year, the adjustment shall be one-seventh of the amount calculated under this division.

(C) The department of education shall pay from the school district tangible property tax replacement fund to each school district and joint vocational school district all of the following for fixed-rate levy losses certified under divisions (G) and (I) of section 5751.20 of the Revised Code:

(1) On or before May 31, 2006, one-seventh of the total fixed-rate levy loss for tax year 2006;

(2) On or before August 31, 2006, and October 31, 2006, one-half of six-sevenths of the total fixed-rate levy loss for tax year 2006;

(3) On or before May 31, 2007, one-seventh of the total fixed-rate levy loss for tax year 2007;

(4) On or before August 31, 2007, and October 31, 2007, forty-three per cent of the amount determined under division (A)(2) of this section for fiscal year 2008, but not less than zero, plus one-half of six-sevenths of the difference between the total fixed-rate levy loss for tax year 2007 and the total fixed-rate levy loss for tax year 2006.

(5) On or before May 31, 2008, fourteen per cent of the amount

determined under division (A)(2) of this section for fiscal year 2008, but not less than zero, plus one-seventh of the difference between the total fixed-rate levy loss for tax year 2008 and the total fixed-rate levy loss for tax year 2006.

(6) On or before August 31, 2008, and October 31, 2008, forty-three per cent of the amount determined under division (A)(2) of this section for fiscal year 2009, but not less than zero, plus one-half of six-sevenths of the difference between the total fixed-rate levy loss in tax year 2008 and the total fixed-rate levy loss in tax year 2007.

(7) On or before May 31, 2009, fourteen per cent of the amount determined under division (A)(2) of this section for fiscal year 2009, but not less than zero, plus one-seventh of the difference between the total fixed-rate levy loss for tax year 2009 and the total fixed-rate levy loss for tax year 2007.

(8) On or before August 31, 2009, and October 31, 2009, forty-three per cent of the amount determined under division (A)(2) of this section for fiscal year 2010, but not less than zero, plus one-half of six-sevenths of the difference between the total fixed-rate levy loss in tax year 2009 and the total fixed-rate levy loss in tax year 2008.

(9) On or before May 31, 2010, fourteen per cent of the amount determined under division (A)(2) of this section for fiscal year 2010, but not less than zero, plus one-seventh of the difference between the total fixed-rate levy loss in tax year 2010 and the total fixed-rate levy loss in tax year 2008.

(10) On or before August 31, 2010, and October 31, 2010, forty-three per cent of the amount determined under division (A)(2) of this section for fiscal year 2011, but not less than zero, plus one-half of six-sevenths of the difference between the telephone property fixed-rate levy loss for tax year 2010 and the telephone property fixed-rate levy loss for tax year 2009.

(11) On or before May 31, 2011, fourteen per cent of the amount determined under division (A)(2) of this section for fiscal year 2011, but not less than zero, plus one-seventh of the difference between the telephone property fixed-rate levy loss for tax year 2011 and the telephone property fixed-rate levy loss for tax year 2009.

~~(12) On or before August 31, 2011, and October 31, 2011, forty-three per cent of the amount determined under division (A)(2) of this section, but not less than zero, plus one-half of six-sevenths of the difference between the telephone property fixed-rate levy loss for tax year 2011 and the telephone property fixed-rate levy loss for tax year 2010.~~

~~(13) On or before May 31, 2012, fourteen per cent of the amount~~

determined under division (A)(2) of this section for fiscal year 2012, but not less than zero, plus one-seventh of the difference between the telephone property fixed rate levy loss for tax year 2011 and the telephone property fixed rate levy loss for tax year 2010.

~~(14) On or before August 31, 2012, October 31, 2012, and May 31, 2013, the amount determined under division (A)(2) of this section but not less than zero, multiplied by one-third.~~

~~(15) On or before August 31, 2013, October 31, 2013, and May 31, 2014, the amount determined under division (A)(2) of this section multiplied by a fraction, the numerator of which is nine and the denominator of which is seventeen, but not less than zero, multiplied by one-third.~~

~~(16) On or before August 31, 2014, October 31, 2014, and May 31, 2015, the amount determined under division (A)(2) of this section multiplied by a fraction, the numerator of which is seven and the denominator of which is seventeen, but not less than zero, multiplied by one-third.~~

~~(17) On or before August 31, 2015, October 31, 2015, and May 31, 2016, the amount determined under division (A)(2) of this section multiplied by a fraction, the numerator of which is five and the denominator of which is seventeen, but not less than zero, multiplied by one-third.~~

~~(18) On or before August 31, 2016, October 31, 2016, and May 31, 2017, the amount determined under division (A)(2) of this section multiplied by a fraction, the numerator of which is three and the denominator of which is seventeen, but not less than zero, multiplied by one-third.~~

~~(19) On or before August 31, 2017, October 31, 2017, and May 31, 2018, the amount determined under division (A)(2) of this section multiplied by a fraction, the numerator of which is one and the denominator of which is seventeen, but not less than zero, multiplied by one-third~~ For fiscal years 2012 and thereafter, the sum of the amounts in divisions (C)(12)(a) or (b) and (c) of this section shall be paid on or before the twentieth day of November and the last day of May:

(a) If the ratio of current expense TPP allocation to total resources is equal to or less than the threshold per cent, zero;

(b) If the ratio of current expense TPP allocation to total resources is greater than the threshold per cent, fifty per cent of the difference of current expense TPP allocation minus the product of total resources multiplied by the threshold per cent;

(c) Fifty per cent of the product of non-current expense TPP allocation multiplied by seventy-five per cent for fiscal year 2012 and fifty per cent for fiscal years 2013 and thereafter.

The department of education shall report to each school district and joint

vocational school district the apportionment of the payments among the school district's or joint vocational school district's funds based on the certifications under divisions (G) and (I) of section 5751.20 of the Revised Code.

~~Any qualifying levy that is a fixed-rate levy that is not applicable to a tax year after 2010 does not qualify for any reimbursement after the tax year to which it is last applicable.~~

(D) For taxes levied within the ten-mill limitation for debt purposes in tax year 2005, payments shall be made equal to one hundred per cent of the loss computed as if the tax were a fixed-rate levy, but those payments shall extend from fiscal year 2006 through fiscal year 2018, as long as the qualifying levy continues to be used for debt purposes. If the purpose of such a qualifying levy is changed, that levy becomes subject to the payments determined in division (C) of this section.

(E)(1) Not later than January 1, 2006, for each fixed-sum levy of each school district or joint vocational school district and for each year for which a determination is made under division (E) of section 5751.20 of the Revised Code that a fixed-sum levy loss is to be reimbursed, the tax commissioner shall certify to the department of education the fixed-sum levy loss determined under that division. The certification shall cover a time period sufficient to include all fixed-sum levies for which the commissioner made such a determination. The On or before the last day of May of the current year, the department shall pay from the school district property tax replacement fund to the school district or joint vocational school district one-third of the fixed-sum levy loss so certified ~~for each year~~, plus one-third of the amount certified under division (I) of section 5751.20 of the Revised Code, and on or before the last twentieth day of May, August, and October of the current year November, two-thirds of the fixed-sum levy loss so certified, plus two-thirds of the amount certified under division (I) of section 5751.20 of the Revised Code. Payments under this division of the amounts certified under division (I) of section 5751.20 of the Revised Code shall continue until the levy adopted under section 5705.219 of the Revised Code expires.

(2) Beginning in 2006, by the first day of January of each year, the tax commissioner shall review the certification originally made under division (E)(1) of this section. If the commissioner determines that a debt levy that had been scheduled to be reimbursed in the current year has expired, a revised certification for that and all subsequent years shall be made to the department of education.

(F) Beginning in September 2007 and through June ~~2018~~ 2013, the

director of budget and management shall transfer from the school district tangible property tax replacement fund to the general revenue fund each of the following:

(1) On the first day of September, one-fourth of the amount determined for that fiscal year under division (A)(1) of this section;

(2) On the first day of December, one-fourth of the amount determined for that fiscal year under division (A)(1) of this section;

(3) On the first day of March, one-fourth of the amount determined for that fiscal year under division (A)(1) of this section;

(4) On the first day of June, one-fourth of the amount determined for that fiscal year under division (A)(1) of this section.

If, when a transfer is required under division (F)(1), (2), (3), or (4) of this section, there is not sufficient money in the school district tangible property tax replacement fund to make the transfer in the required amount, the director shall transfer the balance in the fund to the general revenue fund and may make additional transfers on later dates as determined by the director in a total amount that does not exceed one-fourth of the amount determined for the fiscal year.

~~(G) For each of the fiscal years 2006 through 2018, if~~ If the total amount in the school district tangible property tax replacement fund is insufficient to make all payments under divisions (C), (D), and (E) of this section at the times the payments are to be made, the director of budget and management shall transfer from the general revenue fund to the school district tangible property tax replacement fund the difference between the total amount to be paid and the amount in the school district tangible property tax replacement fund. ~~For each fiscal year after 2018, at the time payments under division (E) of this section are to be made, the director of budget and management shall transfer from the general revenue fund to the school district property tax replacement fund the amount necessary to make such payments.~~

~~(H)(1) On the fifteenth day of June of 2006 through 2011 of each year,~~ the director of budget and management may transfer any balance in the school district tangible property tax replacement fund to the general revenue fund. ~~At the end of fiscal years 2012 through 2018, any balance in the school district tangible property tax replacement fund shall remain in the fund to be used in future fiscal years for school purposes.~~

~~(2) In each fiscal year beginning with fiscal year 2019, all amounts credited to the school district tangible personal property tax replacement fund shall be appropriated for school purposes.~~

(I) If all of the territory of a school district or joint vocational school district is merged with another district, or if a part of the territory of a school

district or joint vocational school district is transferred to an existing or newly created district, the department of education, in consultation with the tax commissioner, shall adjust the payments made under this section as follows:

(1) For a merger of two or more districts, ~~the machinery and equipment, inventory, furniture and fixtures, and telephone property fixed-rate levy losses and the fixed-sum levy losses, total resources, current expense TPP allocation, total TPP allocation, and non-current expense TPP allocation~~ of the successor district shall be ~~equal to the sum of the machinery and equipment, inventory, furniture and fixtures, and telephone property fixed-rate levy losses and debt levy losses as determined in section 5751.20 of the Revised Code, such items~~ for each of the districts involved in the merger.

(2) If property is transferred from one district to a previously existing district, the amount of ~~machinery and equipment, inventory, furniture and fixtures, and telephone property tax value losses and fixed-rate levy losses~~ total resources, current expense TPP allocation, total TPP allocation, and non-current expense TPP allocation that shall be transferred to the recipient district shall be an amount equal to ~~the total machinery and equipment, inventory, furniture and fixtures, and telephone property fixed-rate levy losses~~ total resources, current expense TPP allocation, total TPP allocation, and non-current expense TPP allocation of the transferor district times a fraction, the numerator of which is the ~~value of business tangible personal property on the land being transferred in the most recent year for which data are available~~ number of pupils being transferred to the recipient district, measured, in the case of a school district, by average daily membership as reported under division (A) of section 3317.03 of the Revised Code or, in the case of a joint vocational school district, by formula ADM as reported in division (D) of that section, and the denominator of which is the ~~total value of business tangible personal property in the district from which the land is being transferred in the most recent year for which data are available. For each of the first five years after the property is transferred, but not after fiscal year 2012, if the tax rate in the recipient district is less than the tax rate of the district from which the land was transferred, one half of the payments arising from the amount of fixed-rate levy losses so transferred to the recipient district shall be paid to the recipient district and one half of the payments arising from the fixed-rate levy losses so transferred shall be paid to the district from which the land was transferred. Fixed-rate levy losses so transferred shall be computed on the basis of the sum of the rates of fixed-rate qualifying levies of the district from which the land was~~

~~transferred, notwithstanding division (E) of this section average daily membership or formula ADM of the transferor district.~~

(3) After December 31, 2004 2010, if property is transferred from one or more districts to a district that is newly created out of the transferred property, the newly created district shall be deemed not to have any ~~machinery and equipment, inventory, furniture and fixtures, or telephone property fixed-rate levy losses and the districts from which the property was transferred shall have no reduction in their machinery and equipment, inventory, furniture and fixtures, and telephone property fixed-rate levy losses~~ total resources, current expense TPP allocation, total TPP allocation, or non-current expense TPP allocation.

(4) If the recipient district under division (I)(2) of this section or the newly created district under division (I)(3) of this section is assuming debt from one or more of the districts from which the property was transferred and any of the districts losing the property had fixed-sum levy losses, the department of education, in consultation with the tax commissioner, shall make an equitable division of the fixed-sum levy loss reimbursements.

Sec. 5751.22. (A) Not later than January 1, 2006, the tax commissioner shall compute the payments to be made to each local taxing unit for each year according to divisions (A)(1), (2), (3), and (4) of this section as this section existed on that date, and shall distribute the payments in the manner prescribed by division (C) of this section. The calculation of the fixed-sum levy loss shall cover a time period sufficient to include all fixed-sum levies for which the commissioner determined, pursuant to division (E) of section 5751.20 of the Revised Code, that a fixed-sum levy loss is to be reimbursed.

(1) Except as provided in division (A)(4)(3) of this section, for ~~machinery and equipment, inventory, and furniture and fixtures~~ fixed-rate levy losses determined under division (D) of section 5751.20 of the Revised Code, payments shall be made in an amount equal to ~~each of those losses multiplied by~~ the following:

(a) For tax years 2006 through 2010, one hundred per cent of such losses;

(b) For the payment in tax year 2011, ~~a fraction, the numerator of which is fourteen and the denominator of which is seventeen;~~

(c) For tax year 2012, ~~a fraction, the numerator of which is eleven and the denominator of which is seventeen;~~

(d) For tax year 2013, ~~a fraction, the numerator of which is nine and the denominator of which is seventeen;~~

(e) For tax year 2014, ~~a fraction, the numerator of which is seven and the denominator of which is seventeen;~~

~~(f) For tax year 2015, a fraction, the numerator of which is five and the denominator of which is seventeen;~~

~~(g) For tax year 2016, a fraction, the numerator of which is three and the denominator of which is seventeen;~~

~~(h) For tax year 2017, a fraction, the numerator of which is one and the denominator of which is seventeen;~~

~~(i) For tax years 2018 and thereafter, no fixed-rate payments shall be made.~~

~~Any qualifying levy that is a fixed-rate levy that is not applicable to a tax year after 2010 shall not qualify for any reimbursement after the tax year to which it is last applicable.~~

~~(2) Except as provided in division (A)(4) of this section, for telephone property fixed-rate levy losses determined under division (D)(4) of section 5751.20 of the Revised Code, payments shall be made in an amount equal to each of those losses multiplied by the following:~~

~~(a) For tax years 2009 through 2011, one hundred per cent;~~

~~(b) For tax year 2012, seven-eighths;~~

~~(c) For tax year 2013, six-eighths;~~

~~(d) For tax year 2014, five-eighths;~~

~~(e) For tax year 2015, four-eighths;~~

~~(f) For tax year 2016, three-eighths;~~

~~(g) For tax year 2017, two-eighths;~~

~~(h) For tax year 2018, one-eighth;~~

~~(i) For tax years 2019 and thereafter, no fixed-rate payments shall be made to be made on or before the twentieth day of November, the sum of the amount in division (A)(1)(b)(i) or (ii) and division (A)(1)(b)(iii) of this section:~~

~~(i) If the ratio of six-sevenths of the TPP allocation to total resources is equal to or less than the threshold per cent, zero;~~

~~(ii) If the ratio of six-sevenths of the TPP allocation to total resources is greater than the threshold per cent, the difference of six-sevenths of the TPP allocation minus the product of total resources multiplied by the threshold per cent;~~

~~(iii) In the case of a municipal corporation, six-sevenths of the product of the non-current expense TPP allocation multiplied by seventy-five per cent.~~

~~(c) For tax years 2012 and thereafter, the sum of the amount in division (A)(1)(c)(i) or (ii) and division (A)(1)(c)(iii) of this section:~~

~~(i) If the ratio of TPP allocation to total resources is equal to or less than the threshold per cent, zero;~~

(ii) If the ratio of TPP allocation to total resources is greater than the threshold per cent, the TPP allocation minus the product of total resources multiplied by the threshold per cent;

(iii) In the case of a municipal corporation, non-current expense TPP allocation multiplied by fifty per cent for tax year 2012 and twenty-five per cent for tax years 2013 and thereafter.

~~Any qualifying levy that is a fixed-rate levy that is not applicable to a tax year after 2011 shall not qualify for any reimbursement after the tax year to which it is last applicable.~~

~~(3)(2)~~ For fixed-sum levy losses determined under division (E) of section 5751.20 of the Revised Code, payments shall be made in the amount of one hundred per cent of the fixed-sum levy loss for payments required to be made in 2006 and thereafter until the qualifying levy has expired.

~~(4)(3)~~ For taxes levied within the ten-mill limitation or pursuant to a municipal charter for debt purposes in tax year 2005, payments shall be made based on the schedule in division (A)(1) of this section for each of the calendar years 2006 through 2010. For each of the calendar years 2011 through 2017, the percentages for calendar year 2010 shall be used for taxes levied within the ten-mill limitation or pursuant to a municipal charter for debt purposes in tax year 2010, as long as the qualifying levy continues such levies continue to be used for debt purposes. If the purpose of such a qualifying levy is changed, that levy becomes subject to the payment schedules in divisions (A)(1)(a) to (h) of this section. No payments shall be made for such levies after calendar year 2017. For the purposes of this division, taxes levied pursuant to a municipal charter refer to taxes levied pursuant to a provision of a municipal charter that permits the tax to be levied without prior voter approval.

(B) Beginning in 2007, by the thirty-first day of January of each year, the tax commissioner shall review the calculation originally made under division (A) of this section of the fixed-sum levy losses determined under division (E) of section 5751.20 of the Revised Code. If the commissioner determines that a fixed-sum levy that had been scheduled to be reimbursed in the current year has expired, a revised calculation for that and all subsequent years shall be made.

(C) Payments to local taxing units required to be made under division (A) of this section shall be paid from the local government tangible property tax replacement fund to the county undivided income tax fund in the proper county treasury. ~~Beginning in From~~ May 2006 through November 2010, one-seventh of the amount ~~certified~~ determined under that division shall be paid by the last day of May each year, and three-sevenths shall be paid by

the last day of August and October each year. From May 2011 through November 2013, one-seventh of the amount determined under that division shall be paid on or before the last day of May each year, and six-sevenths shall be paid on or before the twentieth day of November each year, except that in November 2011, the payment shall equal one hundred per cent of the amount calculated for that payment. Beginning in May 2014, one-half of the amount determined under that division shall be paid on or before the last day of May each year, and one-half shall be paid on or before the twentieth day of November each year. Within ~~forty-five~~ forty days after receipt of such payments, the county treasurer shall distribute amounts determined under division (A) of this section to the proper local taxing unit as if they had been levied and collected as taxes, and the local taxing unit shall apportion the amounts so received among its funds in the same proportions as if those amounts had been levied and collected as taxes.

(D) For each of the fiscal years 2006 through ~~2019~~ 2018, if the total amount in the local government tangible property tax replacement fund is insufficient to make all payments under division (C) of this section at the times the payments are to be made, the director of budget and management shall transfer from the general revenue fund to the local government tangible property tax replacement fund the difference between the total amount to be paid and the amount in the local government tangible property tax replacement fund. For each fiscal year after ~~2019~~ 2018, at the time payments under division (A)(2) of this section are to be made, the director of budget and management shall transfer from the general revenue fund to the local government property tax replacement fund the amount necessary to make such payments.

(E) On the fifteenth day of June of each year from 2006 through 2018, the director of budget and management may transfer any balance in the local government tangible property tax replacement fund to the general revenue fund.

(F) If all or a part of the territories of two or more local taxing units are merged, or unincorporated territory of a township is annexed by a municipal corporation, the tax commissioner shall adjust the payments made under this section to each of the local taxing units in proportion to the ~~tax value less apportioned to~~ square mileage of the merged or annexed territory ~~as a percentage of the total square mileage of the jurisdiction from which the territory originated~~, or as otherwise provided by a written agreement between the legislative authorities of the local taxing units certified to the commissioner not later than the first day of June of the calendar year in which the payment is to be made.

Sec. 5751.23. (A) As used in this section:

(1) "Administrative fees" means the dollar percentages allowed by the county auditor for services or by the county treasurer as fees, or paid to the credit of the real estate assessment fund, under divisions (A) and (C) of section 319.54 and division (A) of section 321.26 of the Revised Code.

(2) "Administrative fee loss" means a county's loss of administrative fees due to its tax value loss, determined as follows:

(a) For purposes of the determination made under division (B) of this section in the years 2006 through 2010, the administrative fee loss shall be computed by multiplying the amounts determined for all taxing districts in the county under divisions (D) and (E) of section 5751.20 of the Revised Code by nine thousand six hundred fifty-nine ten-thousandths of one per cent if total taxes collected in the county in 2004 exceeded one hundred fifty million dollars, or one and one thousand one hundred fifty-nine ten-thousandths of one per cent if total taxes collected in the county in 2004 were one hundred fifty million dollars or less;

(b) For purposes of the determination under division (B) of this section in the years after 2010, the administrative fee ~~losses shall be determined by multiplying loss equals fourteen-seventeenths of the administrative fee losses loss~~ calculated for 2010 ~~by the fractions in divisions (A)(1)(b) to (i) of section 5751.22 of the Revised Code multiplied by the following percentages: 100% for 2011, 80% for 2012, 60% for 2013, 40% for 2014, 20% for 2015, and 0% for 2016.~~

(3) "Total taxes collected" means all money collected on any tax duplicate of the county, other than the estate tax duplicates. "Total taxes collected" does not include amounts received pursuant to divisions (F) and (G) of section 321.24 or section 323.156 of the Revised Code.

(B) Not later than December 31, 2005, the tax commissioner shall certify to each county auditor the tax levy losses calculated under divisions (D) and (E) of section 5751.20 of the Revised Code for each school district, joint vocational school district, and local taxing unit in the county. Not later than the thirty-first day of January of 2006 through ~~2017~~ 2015, the county auditor shall determine the administrative fee loss for the county and apportion that loss ratably among the school districts, joint vocational school districts, and local taxing units on the basis of the tax levy losses certified under this division.

(C) On or before each of the days prescribed for the settlements under divisions (A) and (C) of section 321.24 of the Revised Code in the years 2006 through ~~2017~~ 2015, the county treasurer shall deduct one-half of the amount apportioned to each school district, joint vocational school district,

and local taxing unit from the portions of revenue payable to them.

(D) On or before each of the days prescribed for settlements under divisions (A) and (C) of section 321.24 of the Revised Code in the years 2006 through ~~2017~~ 2015, the county auditor shall cause to be deposited an amount equal to one-half of the amount of the administrative fee loss in the same funds as if allowed as administrative fees.

Sec. 5751.50. (A) For tax periods beginning on or after January 1, 2008, a refundable credit granted by the tax credit authority under section 122.17 or division (B)(2) or (3) of section 122.171 of the Revised Code may be claimed under this chapter in the order required under section 5751.98 of the Revised Code. For purposes of making tax payments under this chapter, taxes equal to the amount of the refundable credit shall be considered to be paid to this state on the first day of the tax period. A credit claimed in calendar year 2008 may not be applied against the tax otherwise due for a tax period beginning before July 1, 2008. The refundable credit shall not be claimed against the tax otherwise due for any tax period beginning after the date on which a relocation of employment positions occurs in violation of an agreement entered into under section 122.17 or 122.171 of the Revised Code.

(B) For tax periods beginning on or after January 1, 2008, a nonrefundable credit granted by the tax credit authority under division (B)(1) of section 122.171 of the Revised Code may be claimed under this chapter in the order required under section 5751.98 of the Revised Code. A credit claimed in calendar year 2008 may not be applied against the tax otherwise due under this chapter for a tax period beginning before July 1, 2008. The credit shall not be claimed against the tax otherwise due for any tax period beginning after the date on which a relocation of employment positions occurs in violation of an agreement entered into under section 122.17 or 122.171 of the Revised Code. No credit shall be allowed under this chapter if the credit was available against the tax imposed by section 5733.06 or 5747.02 of the Revised Code, except to the extent the credit was not applied against such tax.

Sec. 5919.34. (A) As used in this section:

(1) "Academic term" means any one of the following:

- (a) Fall term, which consists of fall semester or fall quarter, as appropriate;
- (b) Winter term, which consists of winter semester, winter quarter, or spring semester, as appropriate;
- (c) Spring term, which consists of spring quarter;
- (d) Summer term, which consists of summer semester or summer

quarter, as appropriate.

(2) "Eligible applicant" means any individual to whom all of the following apply:

(a) The individual does not possess a baccalaureate degree.

(b) The individual has enlisted, re-enlisted, or extended current enlistment in the Ohio national guard or is an individual to which division (F) of this section applies.

(c) The individual is actively enrolled as a full-time or part-time student for at least three credit hours of course work in a semester or quarter in a two-year or four-year degree-granting program at ~~an~~ a state institution of higher education or a private institution of higher education, or in a diploma-granting program at ~~an~~ a state or private institution of higher education that is a school of nursing.

(d) The individual has not accumulated ninety-six eligibility units under division (E) of this section.

(3) ~~"Institution~~ State institution of higher education" means any state university or college as defined in division (A)(1) of section 3345.12 of the Revised Code, community college established under Chapter 3354. of the Revised Code, state community college established under Chapter 3358. of the Revised Code, university branch established under Chapter 3355. of the Revised Code, or technical college established under Chapter 3357. of the Revised Code.

(4) "Private institution of higher education" means an Ohio institution of higher education that is state-assisted, that is nonprofit and has received a certificate of authorization pursuant to Chapter 1713. of the Revised Code, that is a private institution exempt from regulation under Chapter 3332. of the Revised Code as prescribed in section 3333.046 of the Revised Code, or that holds a certificate of registration and program authorization issued by the state board of career colleges and schools pursuant to section 3332.05 of the Revised Code.

~~(4) "State university" has the same meaning as in section 3345.011 of the Revised Code.~~

(5) "Tuition" means the charges imposed to attend an institution of higher education and includes general and instructional fees. "Tuition" does not include laboratory fees, room and board, or other similar fees and charges.

(B) There is hereby created a scholarship program to be known as the Ohio national guard scholarship program.

~~(C) If the adjutant general estimates that appropriations and any funds in the Ohio national guard scholarship reserve fund are insufficient to pay for~~

~~all scholarships applied for under this section and likely to be used during an academic term, the adjutant general shall promptly inform all applicants not receiving scholarships for that academic term of the next academic term that appropriations will be adequate for the scholarships. Any such eligible applicant may again apply for a scholarship beginning that academic term if the applicant is in compliance with all requirements established by this section and the adjutant general for the program. The adjutant general shall approve scholarships for all eligible applicants.~~ The adjutant general shall process all applications for scholarships for each academic term in the order in which they are received. The scholarships shall be made without regard to financial need. At no time shall one person be placed in priority over another because of sex, race, or religion.

(D)(1) Except as provided in ~~division~~ divisions (I) and (J) of this section, for each academic term that an eligible applicant is approved for a scholarship under this section and either remains a current member in good standing of the Ohio national guard or is eligible for a scholarship under division (F)(1) of this section, the institution of higher education in which the applicant is enrolled shall, if the applicant's enlistment obligation extends beyond the end of that academic term or if division (F)(1) of this section applies, be paid on the applicant's behalf the applicable one of the following amounts:

(a) If the institution is ~~state-assisted~~ a state institution of higher education, an amount equal to one hundred per cent of the institution's tuition charges;

(b) If the institution is a nonprofit private institution or a private institution exempt from regulation under Chapter 3332. of the Revised Code as prescribed in section 3333.046 of the Revised Code, an amount equal to one hundred per cent of the average tuition charges of all state universities;

(c) If the institution is an institution that holds a certificate of registration from the state board of career colleges and schools, the lesser of the following:

(i) An amount equal to one hundred per cent of the ~~total instructional and general charges of the institution~~ institution's tuition;

(ii) An amount equal to one hundred per cent of the average tuition charges of all state universities, as that term is defined in section 3345.011 of the Revised Code.

(2) An eligible applicant's scholarship shall not be reduced by the amount of that applicant's benefits under "the Montgomery G.I. Bill Act of 1984," Pub. L. No. 98-525, 98 Stat. 2553 (1984).

~~(3) An eligible non-prior service applicant's scholarship shall be reduced~~

~~by the amount of the applicant's tuition benefits under "The Post 9/11 Veterans Educational Assistance Act of 2008," 110 Pub. L. No. 252, 122 Stat. 2323 (2008). An eligible prior service applicant's scholarship shall be reduced by the amount of the applicant's tuition benefits under "The Post 9/11 Veterans Educational Assistance Act of 2008" unless the applicant qualified for one hundred per cent tuition under that act and transfers the federal benefits under that act's portability provisions.~~

(E) A scholarship recipient under this section shall be entitled to receive scholarships under this section for the number of quarters or semesters it takes the recipient to accumulate ninety-six eligibility units as determined under divisions (E)(1) to (3) of this section.

(1) To determine the maximum number of semesters or quarters for which a recipient is entitled to a scholarship under this section, the adjutant general shall convert a recipient's credit hours of enrollment for each academic term into eligibility units in accordance with the following table:

Number of credit hours of enrollment in an academic term	equals	The following number of eligibility units if a		or	The following number of eligibility units if a	
		semester			quarter	
12 or more hours		12 units			8 units	
9 but less than 12		9 units			6 units	
6 but less than 9		6 units			4 units	
<u>3 but less than 6</u>		<u>3 units</u>			<u>2 units</u>	

(2) A scholarship recipient under this section may continue to apply for scholarships under this section until the recipient has accumulated ninety-six eligibility units.

(3) If a scholarship recipient withdraws from courses prior to the end of an academic term so that the recipient's enrollment for that academic term is less than three credit hours, no scholarship shall be paid on behalf of that person for that academic term. Except as provided in division (F)(3) of this section, if a scholarship has already been paid on behalf of the person for that academic term, the adjutant general shall add to that person's accumulated eligibility units the number of eligibility units for which the scholarship was paid.

(F) This division applies to any eligible applicant called into active duty on or after September 11, 2001. As used in this division, "active duty" means active duty pursuant to an executive order of the president of the

United States, an act of the congress of the United States, or section 5919.29 or 5923.21 of the Revised Code.

(1) For a period of up to five years from when an individual's enlistment obligation in the Ohio national guard ends, an individual to whom this division applies is eligible for scholarships under this section for those academic terms that were missed or could have been missed as a result of the individual's call into active duty. Scholarships shall not be paid for the academic term in which an eligible applicant's enlistment obligation ends unless an applicant is eligible under this division for a scholarship for such academic term due to previous active duty.

(2) When an individual to whom this division applies withdraws or otherwise fails to complete courses, for which scholarships have been awarded under this section, because the individual was called into active duty, the institution of higher education shall grant the individual a leave of absence from the individual's education program and shall not impose any academic penalty for such withdrawal or failure to complete courses. Division (F)(2) of this section applies regardless of whether or not the scholarship amount was paid to the institution of higher education.

(3) If an individual to whom this division applies withdraws or otherwise fails to complete courses because the individual was called into active duty, and if scholarships for those courses have already been paid, either:

(a) The adjutant general shall not add to that person's accumulated eligibility units calculated under division (E) of this section the number of eligibility units for the academic courses or term for which the scholarship was paid and the institution of higher education shall repay the scholarship amount to the state.

(b) The adjutant general shall add to that individual's accumulated eligibility units calculated under division (E) of this section the number of eligibility units for the academic courses or term for which the scholarship was paid if the institution of higher education agrees to permit the individual to complete the remainder of the academic courses in which the individual was enrolled at the time the individual was called into active duty.

(4) No individual who is discharged from the Ohio national guard under other than honorable conditions shall be eligible for scholarships under this division.

(G) A scholarship recipient under this section who fails to complete the term of enlistment, re-enlistment, or extension of current enlistment the recipient was serving at the time a scholarship was paid on behalf of the recipient under this section is liable to the state for repayment of a

percentage of all Ohio national guard scholarships paid on behalf of the recipient under this section, plus interest at the rate of ten per cent per annum calculated from the dates the scholarships were paid. This percentage shall equal the percentage of the current term of enlistment, re-enlistment, or extension of enlistment a recipient has not completed as of the date the recipient is discharged from the Ohio national guard.

The attorney general may commence a civil action on behalf of the ~~adjutant general~~ chancellor of the Ohio board of regents to recover the amount of the scholarships and the interest provided for in this division and the expenses incurred in prosecuting the action, including court costs and reasonable attorney's fees. A scholarship recipient is not liable under this division if the recipient's failure to complete the term of enlistment being served at the time a scholarship was paid on behalf of the recipient under this section is due to the recipient's death; or discharge from the national guard due to disability; ~~or the recipient's enlistment, for a term not less than the recipient's remaining term in the national guard, in the active component of the United States armed forces or the active reserve component of the United States armed forces.~~

(H) On or before the first day of each academic term, the adjutant general shall provide an eligibility roster to the chancellor and to each institution of higher education at which one or more scholarship recipients have applied for enrollment. The institution shall use the roster to certify the actual full-time or part-time enrollment of each scholarship recipient listed as enrolled at the institution and return the roster to the adjutant general and the chancellor. ~~The adjutant general shall report to the chancellor of the Ohio board of regents the number of students in the Ohio national guard scholarship program at each institution of higher education. The~~ Except as provided in division (J) of this section, the chancellor shall provide for payment of the appropriate number and amount of scholarships to each institution of higher education pursuant to division (D) of this section. If an institution of higher education fails to certify the actual enrollment of a scholarship recipient listed as enrolled at the institution within thirty days of the end of an academic term, the institution shall not be eligible to receive payment from the Ohio national guard scholarship program or from the individual enrollee. The adjutant general shall report on a ~~quarterly~~ semi-annual basis to the director of budget and management, the speaker of the house of representatives, ~~and the president of the senate, and the~~ chancellor the number of Ohio national guard scholarship recipients, the size of the scholarship-eligible population, and a projection of the cost of the program for the remainder of the biennium.

(I) The chancellor and the adjutant general may adopt rules pursuant to Chapter 119. of the Revised Code governing the administration and fiscal management of the Ohio national guard scholarship program and the procedure by which the chancellor and the department of the adjutant general may modify the amount of scholarships a member receives based on the amount of other state financial aid a member receives.

(J) The adjutant general, the chancellor, and the director, or their designees, shall jointly estimate the costs of the Ohio national guard scholarship program for each upcoming fiscal biennium, and shall report that estimate prior to the beginning of the fiscal biennium to the chairpersons of the finance committees in the general assembly. During each fiscal year of the biennium, the adjutant general, the chancellor, and the director, or their designees, shall meet regularly to monitor the actual costs of the Ohio national guard scholarship program and update cost projections for the remainder of the biennium as necessary. If the amounts appropriated for the Ohio national guard scholarship program and any funds in the Ohio national guard scholarship reserve fund are not adequate to provide scholarships in the amounts specified in division (D)(1) of this section for all eligible applicants, the chancellor shall do all of the following:

(1) Notify each private institution of higher education, where a scholarship recipient is enrolled, that, by accepting the Ohio national guard scholarship program as payment for all or part of the institution's tuition, the institution agrees that if the chancellor reduces the amount of each scholarship, the institution shall provide each scholarship recipient a grant or tuition waiver in an amount equal to the amount the recipient's scholarship was reduced by the chancellor.

(2) Reduce the amount of each scholarship under division (D)(1)(a) of this section proportionally based on the amount of remaining available funds. Each state institution of higher education shall provide each scholarship recipient under division (D)(1)(a) of this section a grant or tuition waiver in an amount equal to the amount the recipient's scholarship was reduced by the chancellor.

(K) Notwithstanding division (A) of section 127.14 of the Revised Code, the controlling board shall not transfer all or part of any appropriation for the Ohio national guard scholarship program.

Sec. 5919.341. There is hereby created in the state treasury the national guard scholarship reserve fund. Not later than the first day of July of each fiscal year, the chancellor of the Ohio board of regents shall certify to the director of budget and management the unencumbered balance of the general revenue fund appropriations made in the immediately preceding

fiscal year for purposes of the Ohio national guard scholarship program created under division (B) of section 5919.34 of the Revised Code. Upon receipt of the certification, the director may transfer an amount not exceeding the certified amount from the general revenue fund to the national guard scholarship reserve fund. Moneys in the national guard scholarship reserve fund shall be used to pay scholarship obligations in excess of the general revenue fund appropriations made for that purpose. Upon request of the ~~adjutant general chancellor, the Ohio board of regents shall~~ director may seek controlling board approval to establish appropriations as necessary.

The director may transfer any unencumbered balance from the national guard scholarship reserve fund to the general revenue fund.

Sec. 6101.16. When it is determined to let the work relating to the improvements for which a conservancy district was established by contract, contracts in amounts to exceed twenty-five thousand dollars shall be advertised after notice calling for bids has been published once a week for two consecutive weeks or as provided in section 7.16 of the Revised Code, with the last publication to occur at least eight days prior to the date on which bids will be accepted, in a newspaper of general circulation within the conservancy district where the work is to be done. If the bids are for a contract for the construction, demolition, alteration, repair, or reconstruction of an improvement, the board of directors of the conservancy district may let the contract to the lowest responsive and most responsible bidder who meets the requirements of section 153.54 of the Revised Code. If the bids are for a contract for any other work relating to the improvements for which a conservancy district was established, the board of directors of the district may let the contract to the lowest responsive and most responsible bidder who gives a good and approved bond, with ample security, conditioned on the carrying out of the contract. The contract shall be in writing and shall be accompanied by or refer to plans and specifications for the work to be done prepared by the chief engineer. The plans and specifications shall at all times be made and considered a part of the contract. The contract shall be approved by the board and signed by the president of the board and by the contractor and shall be executed in duplicate. In case of sudden emergency when it is necessary in order to protect the district, the advertising of contracts may be waived upon the consent of the board, with the approval of the court or a judge of the court of common pleas of the county in which the office of the district is located.

Sec. 6103.04. (A) Whenever any portion of a county sewer district is incorporated as, or annexed to, a municipal corporation, the area so incorporated or annexed shall remain under the jurisdiction of the board of

county commissioners for purposes of the acquisition and construction of water supply improvements until all of the improvements for the area for which a resolution described in division (A) or (E) of section 6103.05 of the Revised Code has been adopted by the board have been acquired or completed or until the board has abandoned the improvements. The board, unless and until a conveyance is made to a municipal corporation in accordance with division (B) of this section, shall continue to have jurisdiction in the area so incorporated or annexed with respect to the management, maintenance, and operation of all water supply improvements so acquired or completed, or previously acquired or completed, including the right to establish rules and rates and charges for the use of, and connections to, the improvements. The incorporation or annexation of any part of a district shall not affect the legality or enforceability of any public obligations issued or incurred by the county for purposes of this chapter to provide for the payment of the cost of acquisition, construction, maintenance, or operation of any water supply improvements within the area, or the validity of any assessments levied or to be levied upon properties within the area to provide for the payment of the cost of acquisition, construction, maintenance, or operation of the improvements.

(B) Any A board may convey, by mutual agreement, to a municipal corporation any completed water supply facilities acquired or constructed by a county under this chapter for the use of, or service of property located in, any county sewer district, or any part of those facilities, that to which any of the following applies:

(1) The facilities are located within a the municipal corporation or within any area that is incorporated as, or annexed to, a the municipal corporation, or any part of the.

(2) The facilities that provide water for a the municipal corporation or such an area, may be conveyed, by mutual agreement between the board and the municipal corporation, to any area that is located within or that is incorporated as, or annexed to, the municipal corporation on.

(3) The facilities are connected to water supply facilities of the municipal corporation.

The conveyance shall be completed with terms and for consideration as may be negotiated. Upon and after the conveyance, the municipal corporation shall manage, maintain, and operate the facilities in accordance with the agreement. The board may retain the right to joint use of all or part of any facilities so conveyed for the benefit of the district. Neither the validity of any assessment levied or to be levied, nor the legality or enforceability of any public obligations issued or incurred, to provide for the

payment of the cost of the acquisition, construction, maintenance, or operation of the facilities or any part of them shall be affected by the conveyance.

Sec. 6103.05. (A) After the establishment of any county sewer district, the board of county commissioners, if a water supply improvement is to be undertaken, may have the county sanitary engineer prepare, or otherwise cause to be prepared, for the district, or revise as needed, a general plan of water supply that is as complete as can be developed at the time. After the general plan, in original or revised form, has been approved by the board, it may adopt a resolution generally describing the water supply improvement that is necessary to be acquired or constructed in accordance with the plan, declaring that the improvement is necessary for the preservation and promotion of the public health and welfare, and determining whether or not special assessments are to be levied and collected to pay any part of the cost of the improvement.

(B) If special assessments are not to be levied and collected to pay any part of the cost of the improvement, the board, in the resolution provided for in division (A) of this section or in a subsequent resolution, including a resolution authorizing the issuance or incurrence of public obligations for the improvement, may authorize the improvement and the expenditure of the funds required for its acquisition or construction and may proceed with the improvement without regard to the procedures otherwise required by divisions (C), (D), and (E) of this section and by sections 6103.06, 6103.07, and 6117.09 to 6117.24 of the Revised Code. Those procedures shall be required only for improvements for which special assessments are to be levied and collected.

(C) If special assessments are to be levied and collected pursuant to a determination made in the resolution provided for in division (A) of this section or in a subsequent resolution, the procedures referred to in division (B) of this section as being required for that purpose shall apply, and the board may have the county sanitary engineer prepare, or otherwise cause to be prepared, detailed plans, specifications, and an estimate of cost for the improvement, together with a tentative assessment of the cost based on the estimate. The tentative assessment shall be for the information of property owners and shall not be levied or certified to the county auditor for collection. The detailed plans, specifications, estimate of cost, and tentative assessment, if approved by the board, shall be carefully preserved in the office of the board or the county sanitary engineer and shall be open to the inspection of all persons interested in the improvement.

(D) After the board's approval of the detailed plans, specifications,

estimate of cost, and tentative assessment, and at least twenty-four days before adopting a resolution pursuant to division (E) of this section, the board, except to the extent that appropriate waivers of notice are obtained from affected owners, shall cause to be sent a notice of its intent to adopt a resolution to each owner of property proposed to be assessed that is listed on the records of the county auditor for current agricultural use value taxation pursuant to section 5713.31 of the Revised Code and that is not located in an agricultural district established under section 929.02 of the Revised Code. The notice shall satisfy all of the following:

- (1) Be sent by first class or certified mail;
- (2) Specify the proposed date of the adoption of the resolution;
- (3) Contain a statement that the improvement will be financed in whole or in part by special assessments and that all properties not located in an agricultural district established pursuant to section 929.02 of the Revised Code may be subject to a special assessment;
- (4) Contain a statement that an agricultural district may be established by filing an application with the county auditor.

If it appears, by the return of the mailed notices or by other means, that one or more of the affected owners cannot be found or are not served by the mailed notice, the board shall cause the notice to be published once in a newspaper of general circulation in the county not later than ten days before the adoption of the resolution.

(E) After complying with divisions (A), (C), and (D) of this section, the board may adopt a resolution declaring that the improvement, which shall be described as to its nature and its location, route, and termini, is necessary for the preservation and promotion of the public health and welfare, referring to the plans, specifications, estimate of cost, and tentative assessment, stating the place where they are on file and may be examined, and providing that the entire cost or a lesser designated part of the cost will be specially assessed against the benefited properties within the district and that any balance will be paid by the county at large from other available funds. The resolution also shall contain a description of the boundaries of that part of the district to be assessed and shall designate a time and place for objections to the improvement, to the tentative assessment, or to the boundaries of the assessment district to be heard by the board. The date of that hearing shall be not less than twenty-four days after the date of the first publication of the notice of the hearing required by this division.

The board shall cause a notice of the hearing to be published once a week for two consecutive weeks in a newspaper of general circulation in the county or as provided in section 7.16 of the Revised Code, and on or before

the date of the second publication, it shall cause to be sent by first class or certified mail a copy of the notice to every owner of property to be assessed for the improvement whose address is known.

The notice shall set forth the time and place of the hearing, a summary description of the proposed improvement, including its general route and termini, a summary description of the area constituting the assessment district, and the place where the plans, specifications, estimate of cost, and tentative assessment are on file and may be examined. Each mailed notice also shall include a statement that the property of the addressee will be assessed for the improvement. The notice also shall be sent by first class or certified mail, on or before the date of the second publication, to the clerk, or the official discharging the duties of a clerk, of any municipal corporation any part of which lies within the assessment district and shall state whether or not any property belonging to the municipal corporation is to be assessed and, if so, shall identify that property.

At the hearing, or at any adjournment of the hearing, of which no further published or mailed notice need be given, the board shall hear all parties whose properties are proposed to be assessed. Written objections to or endorsements of the proposed improvement, its character and termini, the boundaries of the assessment district, or the tentative assessment shall be received by the board for a period of five days after the completion of the hearing, and no action shall be taken by the board in the matter until after that period has elapsed. The minutes of the hearing shall be entered on the journal of the board showing the persons who appear in person or by attorney, and all written objections shall be preserved and filed in the office of the board.

Sec. 6103.06. After the expiration of the period of five days provided in section 6103.05 of the Revised Code for the filing of written objections, the board of county commissioners shall determine whether it will proceed with the construction of the proposed improvement. If it decides to proceed therewith, the board shall ratify or amend the plans for the improvement, the character and termini thereof, the boundaries of the assessment district, and the tentative assessment, and may cause such revision of plans, boundaries, or assessments as is necessary to be made by the county sanitary engineer. If the boundaries of the assessment district are amended so as to include any property not included within the boundaries as established by the resolution of necessity, provided for in section 6103.05 of the Revised Code, the owners of all such property shall be notified by mail if their addresses are known, and notice shall be published once a week for two consecutive weeks in a newspaper of general circulation within the county or as

provided in section 7.16 of the Revised Code, that such amendments have been adopted and that a hearing will be given by the board at a time and place stated in such notice at which all persons interested will be heard by the board. The date of such hearing shall be not less than twenty-four days after the first publication of such notice, and the hearing shall be conducted and records kept in the same manner as the first hearing. Five days shall be allowed for the filing of written objections as provided in section 6103.05 of the Revised Code for the first hearing and after the expiration of such five day period the board shall ratify the plans for the improvement, the character and termini thereof, the boundaries of the assessment district, and the tentative assessment, or shall further amend the same. If the boundaries of the assessment district are amended so as to include any property not included in the assessment district as originally established or previously amended, further notice and hearing shall be given to the owners of such property in the same manner as for the first amendment of such boundaries, and the same procedure shall be repeated until all property owners affected have been given an opportunity to be heard. If the owners of all property added to an assessment district by amendment of the original boundaries thereof waive objection to such amendment in writing, no further notice or hearing shall be given. After the board has ratified the plans for the improvement, the character and termini thereof, the boundaries of the assessment district, and the tentative assessment, either as originally presented or as amended, and if it decides to proceed therewith, the board shall adopt a resolution, to be known as the improvement resolution. Said improvement resolution shall declare the determination of such board to proceed with the construction of the improvement provided for in the resolution of necessity, in accordance with the plans and specification provided for such improvement, as ratified or amended, and whether bonds or certificates of indebtedness shall be issued in anticipation of the collection of special assessments, or that money in the county treasury unappropriated for any other purpose shall be appropriated to pay for said improvement.

Sec. 6103.081. (A) After the establishment of any county sewer district, the board of county commissioners may determine by resolution that it is necessary to provide water supply improvements and to maintain and operate the improvements within the district or a designated portion of the district, that the improvements, which shall be generally described in the resolution, shall be constructed, that funds are required to pay the preliminary costs of the improvements to be incurred prior to the commencement of the proceedings for their construction, and that those

funds shall be provided in accordance with this section.

(B) Prior to the adoption of the resolution, the board shall give notice of its pendency and of the proposed determination of the necessity of the improvements generally described in the resolution. The notice shall set forth a description of the properties to be benefited by the improvements and the time and place of a hearing of objections to and endorsements of the improvements. The notice shall be given either by publication in a newspaper of general circulation in the county once a week for two consecutive weeks, by publication as provided in section 7.16 of the Revised Code, or by mailing a copy of the notice by first class or certified mail to the owners of the properties proposed to be assessed at their respective tax mailing addresses, or by ~~both~~ a combination of these manners, the first publication to be made or the mailing to occur at least two weeks prior to the date set for the hearing. At the hearing, or at any adjournment of the hearing, of which no further published or mailed notice need be given, the board shall hear all persons whose properties are proposed to be assessed and the evidence it considers to be necessary. The board then shall determine the necessity of the proposed improvements and whether the improvements shall be made by the board and, if they are to be made, shall direct the preparation of tentative assessments upon the benefited properties and by whom they shall be prepared.

(C) In order to obtain funds for the preparation of a general or revised general plan of water supply for the district or part of the district, for the preparation of the detailed plans, specifications, estimate of cost, and tentative assessment for the proposed improvements, and for the cost of financing and legal services incident to the preparation of all of those plans and a plan of financing the proposed improvements, the board may levy upon the properties to be benefited in the district a preliminary assessment apportioned according to benefits or to tax valuation or partly by one method and partly by the other method as the board may determine. The assessments shall be in the amount determined to be necessary to obtain funds for the general and detailed plans and the cost of financing and legal services and shall be payable in the number of years that the board shall determine, not to exceed twenty years, together with interest on any public obligations that may be issued or incurred in anticipation of the collection of the assessments.

(D) The board shall have power at any time to levy additional assessments according to benefits or to tax valuation or partly by one method and partly by the other method as the board may determine for the purposes described in division (C) of this section upon the benefited

properties to complete the payment of the costs described in division (C) of this section or to pay the cost of any additional plans, specifications, estimate of cost, or tentative assessment and the cost of financing and legal services incident to the preparation of those plans and the plan of financing, which additional assessments shall be payable in the number of years that the board shall determine, not to exceed twenty years, together with interest on any public obligations that may be issued or incurred in anticipation of the collection of the additional assessments.

(E) Prior to the adoption of a resolution levying assessments under this section, the board shall give notice either by one publication in a newspaper of general circulation in the county, or by mailing a copy of the notice by first class or certified mail to the owners of the properties proposed to be assessed at their respective tax mailing addresses, or by both manners, the publication to be made or the mailing to occur at least ten days prior to the date of the meeting at which the resolution shall be taken up for consideration; that notice shall state the time and place of the meeting at which the resolution is to be considered. At the time and place of the meeting, or at any adjournment of the meeting, of which no further published or mailed notice need be given, the board shall hear all persons whose properties are proposed to be assessed, shall correct any errors and make any revisions that appear to be necessary or just, and then may adopt a resolution levying upon the properties determined to be benefited the assessments as so corrected and revised.

The assessments levied by the resolution shall be certified to the county auditor for collection in the same manner as taxes in the year or years in which they are payable.

(F) Upon the adoption of the resolution described in division (E) of this section, no further action shall be taken or work done until ten days have elapsed. If, at the expiration of that period, no appeal has been effected by any property owner as provided in this division, the action of the board shall be final. If, at the end of that ten days, any owner of property to be assessed for the improvements has effected an appeal, no further action shall be taken and no work done in connection with the improvements under the resolution until the matters appealed from have been disposed of in court.

Any owner of property to be assessed may appeal as provided and upon the grounds stated in sections 6117.09 to 6117.24 of the Revised Code.

If no appeal has been perfected or if on appeal the resolution of the board is sustained, the board may authorize and enter into contracts to carry out the purpose for which the assessments have been levied without the prior issuance of notes, provided that the payments under those contracts do

not fall due prior to the time by which the assessments are to be collected. The board may issue and sell bonds with a maximum maturity of twenty years in anticipation of the collection of the assessments and may issue notes in anticipation of the issuance of the bonds, which notes and bonds, as public obligations, shall be issued and sold as provided in Chapter 133. of the Revised Code.

Sec. 6103.31. (A) If the board of county commissioners determines by resolution that the best interests of the county and the users of water supply facilities of the county serving a sewer district so require, the board may sell or otherwise dispose of the facilities to another public agency or a person. The resolution declaring the necessity of that disposition shall recite the reasons for the sale or other disposition and shall establish any conditions or terms that the board may impose, including, but not limited to, a minimum sales price if a sale is proposed, a requirement for the submission by bidders of the schedule of water rates and charges initially proposed to be paid by the users of the facilities, and other pertinent conditions or terms relating to the sale or other disposition. The resolution also shall designate a time and place for the hearing of objections to the sale or other disposition by the board. Notice of the adoption of the resolution and the time and place of the hearing shall be published as provided in section 7.16 of the Revised Code, or once a week for two consecutive weeks, in a newspaper of general circulation in the sewer district and in the county. The public hearing on the sale or other disposition shall be held not less than twenty-four days following the date of first publication of the notice. A copy of the notice also shall be sent by first class or certified mail, on or before the date of the second publication, to any public agency within the area served by the facilities. At the public hearing, or at any adjournment of it, of which no further published or mailed notice need be given, the board shall hear all interested parties. A period of five days shall be given following the completion of the hearing for the filing of written objections by any interested persons or public agencies to the sale or other disposition, after which the board shall consider any objections and by resolution determine whether or not to proceed with the sale or other disposition. If the board determines to proceed with the sale or other disposition, it shall receive bids after advertising once a week for four consecutive weeks in a newspaper of general circulation in the county or as provided in section 7.16 of the Revised Code and, subject to the right of the board to reject any or all bids, may make an award to a responsible bidder whose proposal is determined by the board to be in the best interests of the county and the users of the facilities.

(B) A conveyance of water supply facilities by a county to a municipal corporation, in accordance with division (B) of section 6103.04 of the Revised Code, may be made without regard to division (A) of this section.

Sec. 6105.131. The board of directors of a watershed district may designate a specific reach in the channel of any watercourse within the territorial boundaries of the district as a restricted channel, when the construction or alteration of structures or obstructions within such channel will restrict its capacity so as to constitute an unreasonable hazard to the safety of life and property in times of flood, or designate any area outside the banks of a restricted channel as a restricted floodway when such area is reasonably necessary to the efficiency of a restricted channel as a means of carrying off flood waters. Such designation of a restricted channel or restricted floodway shall be made in the following manner:

(A) The board shall adopt a resolution stating its intent to designate a specific reach in a channel of a watercourse as a restricted channel or a specific area as a restricted floodway. Such resolution shall contain a description of the reach of the channel to be designated as a restricted channel or description of the area to be designated as a restricted floodway and the reasons of the board for making such designation.

(B) The board shall cause such resolution to be published as provided in section 7.16 of the Revised Code or once a week for two consecutive weeks in a newspaper of general circulation in the county or counties in which such restricted channel or restricted floodway is located, together with a notice of the time and place where a hearing will be held by the board on the question of designating such channel as a restricted channel or such area as a restricted floodway ~~and~~. The board also shall give not less than ten days notice of said hearing by first class mail to all owners of property within the area proposed to be designated as a restricted floodway. The date of such hearing shall be not less than ten days after the completion of the publication provided for by this division.

(C) The board shall hold a hearing at the time and place designated in the notice published under division (B) of this section at which time indorsements of and objections to the designation of such channel as a restricted channel or such area as a restricted floodway shall be heard.

(D) The board may, after the completion of the hearing under division (C) of this section and after finding that the construction or alteration of structures or obstructions or relocation, alteration, restriction, deposit, or encroachment within the designated reach of such channel will restrict its capacity so as to constitute an unreasonable hazard to the safety of life and property in times of flood, adopt a resolution designating the reach of the

channel described in the resolution of intent adopted under division (A) of this section or any modification thereof as a restricted channel.

(E) In like manner the board may, after completion of a hearing under division (C) of this section and after finding that the construction or alteration of structures or obstructions or change of grade within a designated floodway area will restrict its capacity or efficiency as a means of carrying off flood water so as to constitute an unreasonable hazard to the safety of life and property in times of flood, adopt a resolution designating the area described in the resolution of intent adopted under division (A) of this section, or any modification thereof, as a restricted floodway.

Sec. 6109.21. (A) Except as provided in divisions (D) and (E) of this section, on and after January 1, 1994, no person shall operate or maintain a public water system in this state without a license issued by the director of environmental protection. A person who operates or maintains a public water system on January 1, 1994, shall obtain an initial license under this section in accordance with the following schedule:

(1) If the public water system is a community water system, not later than January 31, 1994;

(2) If the public water system is not a community water system and serves a nontransient population, not later than January 31, 1994;

(3) If the public water system is not a community water system and serves a transient population, not later than January 31, 1995.

A person proposing to operate or maintain a new public water system after January 1, 1994, in addition to complying with section 6109.07 of the Revised Code and rules adopted under it, shall submit an application for an initial license under this section to the director prior to commencing operation of the system.

A license or license renewal issued under this section shall be renewed annually. Such a license or license renewal shall expire on the thirtieth day of January in the year following its issuance. A license holder that proposes to continue operating the public water system for which the license or license renewal was issued shall apply for a license renewal at least thirty days prior to that expiration date.

The director shall adopt, and may amend and rescind, rules in accordance with Chapter 119. of the Revised Code establishing procedures governing and information to be included on applications for licenses and license renewals under this section. Through June 30, ~~2012~~ 2014, each application shall be accompanied by the appropriate fee established under division (M) of section 3745.11 of the Revised Code, provided that an applicant for an initial license who is proposing to operate or maintain a new

public water system after January 1, 1994, shall submit a fee that equals a prorated amount of the appropriate fee established under that division for the remainder of the licensing year.

(B) Not later than thirty days after receiving a completed application and the appropriate license fee for an initial license under division (A) of this section, the director shall issue the license for the public water system. Not later than thirty days after receiving a completed application and the appropriate license fee for a license renewal under division (A) of this section, the director shall do one of the following:

- (1) Issue the license renewal for the public water system;
- (2) Issue the license renewal subject to terms and conditions that the director determines are necessary to ensure compliance with this chapter and rules adopted under it;
- (3) Deny the license renewal if the director finds that the public water system was not operated in substantial compliance with this chapter and rules adopted under it.

(C) The director may suspend or revoke a license or license renewal issued under this section if the director finds that the public water system was not operated in substantial compliance with this chapter and rules adopted under it. The director shall adopt, and may amend and rescind, rules in accordance with Chapter 119. of the Revised Code governing such suspensions and revocations.

(D)(1) As used in division (D) of this section, "church" means a fellowship of believers, congregation, society, corporation, convention, or association that is formed primarily or exclusively for religious purposes and that is not formed or operated for the private profit of any person.

(2) This section does not apply to a church that operates or maintains a public water system solely to provide water for that church or for a campground that is owned by the church and operated primarily or exclusively for members of the church and their families. A church that, on or before March 5, 1996, has obtained a license under this section for such a public water system need not obtain a license renewal under this section.

(E) This section does not apply to any public or nonpublic school that meets minimum standards of the state board of education that operates or maintains a public water system solely to provide water for that school.

(F) The environmental protection agency shall collect well log filing fees on behalf of the division of soil and water resources in the department of natural resources in accordance with section 1521.05 of the Revised Code and rules adopted under it. The fees shall be submitted to the division quarterly as provided in those rules.

Sec. 6111.038. There is hereby created in the state treasury the surface water protection fund, consisting of moneys distributed to it. The director of environmental protection shall use moneys in the fund solely for administration and implementation of surface water protection programs, including at least programs required under the "Federal Water Pollution Control Act" and programs necessary to carry out the purposes of this chapter. Those programs shall include at least the development of water quality standards; the development of wasteload allocations; the establishment of water quality-based effluent limits; the monitoring and analysis of chemical, physical, and biological surface water quality; the issuance, modification, and renewal of NPDES permits and permits to install; the ensurance of compliance with permit conditions; the management and oversight of pretreatment programs; the provision of technical assistance to publicly owned treatment works; and the administration of the water pollution control loan fund created in section 6111.036 of the Revised Code.

~~Moneys in the fund shall not be used to meet any state matching requirements that are necessary to obtain federal grants.~~

Sec. 6111.044. Upon receipt of an application for an injection well drilling permit, an injection well operating permit, a renewal of an injection well operating permit, or a modification of an injection well drilling permit, operating permit, or renewal of an operating permit, the director of environmental protection shall determine whether the application is complete and demonstrates that the activities for which the permit, renewal permit, or modification is requested will comply with the Federal Water Pollution Control Act and regulations adopted under it; the "Safe Drinking Water Act," 88 Stat. 1661 (1974), 42 U.S.C.A. 300(f), as amended, and regulations adopted under it; and this chapter and the rules adopted under it. If the application demonstrates that the proposed activities will not comply or will pose an unreasonable risk of inducing seismic activity, inducing geologic fracturing, or contamination of an underground source of drinking water, the director shall deny the application. If the application does not make the required demonstrations, the director shall return it to the applicant with an indication of those matters about which a required demonstration was not made. If the director determines that the application makes the required demonstrations, the director shall transmit copies of the application and all of the accompanying maps, data, samples, and information to the chief of the division of ~~mineral oil and gas~~ resources management, the chief of the division of geological survey, ~~and~~ the chief of the division of soil and water resources, and, if the well is or is to be located in a coal bearing

township designated under section 1561.06 of the Revised Code, the chief of the division of mineral resources management in the department of natural resources.

The chief of the division of geological survey shall comment upon the application if the chief determines that the proposed well or injection will present an unreasonable risk of loss or damage to valuable mineral resources. If the chief submits comments on the application, those comments shall be accompanied by an evaluation of the geological factors upon which the comments are based, including fractures, faults, earthquake potential, and the porosity and permeability of the injection zone and confining zone, and by the documentation supporting the evaluation. The director shall take into consideration the chief's comments, and the accompanying evaluation of geologic factors and supporting documentation, when considering the application. The director shall provide written notice to the chief of the director's decision on the application and, if the chief's comments are not included in the permit, renewal permit, or modification, of the director's rationale for not including them.

The chief of the division of ~~mineral~~ oil and gas resources management shall comment upon the application if the chief determines that the proposed well or injection will present an unreasonable risk that waste or contamination of recoverable oil or gas in the earth will occur. If the chief submits comments on the application, those comments shall be accompanied by an evaluation of the oil or gas reserves that, in the best professional judgment of the chief, are recoverable and will be adversely affected by the proposed well or injection, and by the documentation supporting the evaluation. The director shall take into consideration the chief's comments, and the accompanying evaluation and supporting documentation, when considering the application. The director shall provide written notice to the chief of the director's decision on the application and, if the chief's comments are not included in the permit, renewal permit, or modification, of the director's rationale for not including them.

The chief of the division of soil and water resources shall assist the director in determining whether all underground sources of drinking water in the area of review of the proposed well or injection have been identified and correctly delineated in the application. If the application fails to identify or correctly delineate an underground source of drinking water, the chief shall provide written notice of that fact to the director.

The chief of the division of mineral resources management ~~also~~ shall review the application as follows:

If the application concerns the drilling or conversion of a well or the

injection into a well that is not or is not to be located within five thousand feet of the excavation and workings of a mine, the chief of the division of mineral resources management shall note upon the application that it has been examined by the division of mineral resources management, retain a copy of the application and map, and immediately return a copy of the application to the director.

If the application concerns the drilling or conversion of a well or the injection into a well that is or is to be located within five thousand feet, but more than five hundred feet from the surface excavations and workings of a mine, the chief of the division of mineral resources management immediately shall notify the owner or lessee of the mine that the application has been filed and send to the owner or lessee a copy of the map accompanying the application setting forth the location of the well. The chief of the division of mineral resources management shall note on the application that the notice has been sent to the owner or lessee of the mine, retain a copy of the application and map, and immediately return a copy of the application to the director with the chief's notation on it.

If the application concerns the drilling or conversion of a well or the injection into a well that is or is to be located within five thousand feet of the underground excavations and workings of a mine or within five hundred feet of the surface excavations and workings of a mine, the chief of the division of mineral resources management immediately shall notify the owner or lessee of the mine that the application has been filed and send to the owner or lessee a copy of the map accompanying the application setting forth the location of the well. If the owner or lessee objects to the application, the owner or lessee shall notify the chief of the division of mineral resources management of the objection, giving the reasons, within six days after the receipt of the notice. If the chief of the division of mineral resources management receives no objections from the owner or lessee of the mine within ten days after the receipt of the notice by the owner or lessee, or if in the opinion of the chief of the division of mineral resources management the objections offered by the owner or lessee are not sufficiently well founded, the chief shall retain a copy of the application and map and return a copy of the application to the director with any applicable notes concerning it.

If the chief of the division of mineral resources management receives an objection from the owner or lessee of the mine as to the application, within ten days after receipt of the notice by the owner or lessee, and if in the opinion of the chief the objection is well founded, the chief shall disapprove the application and immediately return it to the director together with the

chief's reasons for the disapproval. The director promptly shall notify the applicant for the permit, renewal permit, or modification of the disapproval. The applicant may appeal the disapproval of the application by the chief of the division of mineral resources management to the reclamation commission created under section 1513.05 of the Revised Code, and the commission shall hear the appeal in accordance with section 1513.13 of the Revised Code. The appeal shall be filed within thirty days from the date the applicant receives notice of the disapproval. No comments concerning or disapproval of an application shall be delayed by the chief of the division of mineral resources management for more than fifteen days from the date of sending of notice to the mine owner or lessee as required by this section.

The director shall not approve an application for an injection well drilling permit, an injection well operating permit, a renewal of an injection well operating permit, or a modification of an injection well drilling permit, operating permit, or renewal of an operating permit for a well that is or is to be located within three hundred feet of any opening of any mine used as a means of ingress, egress, or ventilation for persons employed in the mine, nor within one hundred feet of any building or flammable structure connected with the mine and actually used as a part of the operating equipment of the mine, unless the chief of the division of mineral resources management determines that life or property will not be endangered by drilling and operating the well in that location.

Upon review by the chief of the division of ~~mineral~~ oil and gas resources management, the chief of the division of geological survey, and the chief of the division of soil and water resources, and if the chief of the division of mineral resources management has not disapproved the application, the director shall issue a permit, renewal permit, or modification with any terms and conditions that may be necessary to comply with the Federal Water Pollution Control Act and regulations adopted under it; the "Safe Drinking Water Act," 88 Stat. 1661 (1974), 42 U.S.C.A. 300(f) as amended, and regulations adopted under it; and this chapter and the rules adopted under it. The director shall not issue a permit, renewal permit, or modification to an applicant if the applicant or persons associated with the applicant have engaged in or are engaging in a substantial violation of this chapter that is endangering or may endanger human health or the environment or if, in the case of an applicant for an injection well drilling permit, the applicant, at the time of applying for the permit, did not hold an injection well operating permit or renewal of an injection well drilling permit and failed to demonstrate sufficient expertise and competency to operate the well in compliance with the applicable provisions of this

chapter.

If the director receives a disapproval from the chief of the division of mineral resources management regarding an application for an injection well drilling or operating permit, renewal permit, or modification, if required, the director shall issue an order denying the application.

The director need not issue a proposed action under section 3745.07 of the Revised Code or hold an adjudication hearing under that section and Chapter 119. of the Revised Code before issuing or denying a permit, renewal permit, or modification of a permit or renewal permit. Before issuing or renewing a permit to drill or operate a class I injection well or a modification of it, the director shall propose the permit, renewal permit, or modification in draft form and shall hold a public hearing to receive public comment on the draft permit, renewal permit, or modification. At least fifteen days before the public hearing on a draft permit, renewal permit, or modification, the director shall publish notice of the date, time, and location of the public hearing in at least one newspaper of general circulation serving the area where the well is or is to be located. The proposing of such a draft permit, renewal permit, or modification does not constitute the issuance of a proposed action under section 3745.07 of the Revised Code, and the holding of the public hearing on such a draft permit, renewal permit, or modification does not constitute the holding of an adjudication hearing under that section and Chapter 119. of the Revised Code. Appeals of orders other than orders of the chief of the division of mineral resources management shall be taken under sections 3745.04 to 3745.08 of the Revised Code.

The director may order that an injection well drilling permit or an injection well operating permit or renewal permit be suspended and that activities under it cease after determining that those activities are occurring in violation of law, rule, order, or term or condition of the permit. Upon service of a copy of the order upon the permit holder or the permit holder's authorized agent or assignee, the permit and activities under it shall be suspended immediately without prior hearing and shall remain suspended until the violation is corrected and the order of suspension is lifted. If a violation is the second within a one-year period, the director, after a hearing, may revoke the permit.

The director may order that an injection well drilling permit or an injection well operating permit or renewal permit be suspended and that activities under it cease if the director has reasonable cause to believe that the permit would not have been issued if the information available at the time of suspension had been available at the time a determination was made by one of the agencies acting under authority of this section. Upon service

of a copy of the order upon the permit holder or the permit holder's authorized agent or assignee, the permit and activities under it shall be suspended immediately without prior hearing, but a permit may not be suspended for that reason without prior hearing unless immediate suspension is necessary to prevent waste or contamination of oil or gas, comply with the Federal Water Pollution Control Act and regulations adopted under it; the "Safe Drinking Water Act," 88 Stat. 1661 (1974), 42 U.S.C.A. 300(f), as amended, and regulations adopted under it; and this chapter and the rules adopted under it, or prevent damage to valuable mineral resources, prevent contamination of an underground source of drinking water, or prevent danger to human life or health. If after a hearing the director determines that the permit would not have been issued if the information available at the time of the hearing had been available at the time a determination was made by one of the agencies acting under authority of this section, the director shall revoke the permit.

When a permit has been revoked, the permit holder or other person responsible for it immediately shall plug the well in the manner required by the director.

The director may issue orders to prevent or require cessation of violations of this section, section 6111.043, 6111.045, 6111.046, or 6111.047 of the Revised Code, rules adopted under any of those sections, and terms or conditions of permits issued under any of them. The orders may require the elimination of conditions caused by the violation.

Sec. 6115.01. As used in sections 6115.01 to 6115.79 of the Revised Code:

(A) "Publication" means once a week for three consecutive weeks in ~~each of two newspapers of different political affiliations, if there are such newspapers, and a newspaper~~ of general circulation in the counties wherein publication is to be made or as provided in section 7.16 of the Revised Code. Publication need not be made on the same day of the week in each of the ~~three~~ weeks; but not less than fourteen days, excluding the day of first publication, shall intervene between the first publication and the last publication. Publication shall be complete on the date of the last publication.

(B) "Person" means person, firm, partnership, association, or corporation, other than county, township, municipal corporation, or other political subdivision.

(C) "Public corporation" means counties, townships, municipal corporations, school districts, road districts, ditch districts, park districts, levee districts, and all other governmental agencies clothed with the power of levying general or special taxes.

(D) "Court" means the court of common pleas in which the petition for the organization of a sanitary district was filed and granted. In the case of a district lying in more than one county, "court" means the court comprised of one judge of the court of common pleas from each county as provided in section 6115.04 of the Revised Code.

(E) "Land" or "property," unless otherwise specified, means real property, as "real property" is used in and defined by the laws of this state, and embraces all railroads, tramroads, roads, electric railroads, street and interurban railroads, streets and street improvements, telephones, telegraph, and transmission lines, gas, sewerage, and water systems, pipelines and rights-of-way of public service corporations, and all other real property whether public or private.

(F) "Board of directors" applies to the duties of one director appointed in accordance with section 6115.10 of the Revised Code in a district lying wholly within one county.

(G) "Biting arthropods" include mosquitoes, ticks, biting flies, or other biting arthropods capable of transmitting disease to humans.

(H) "Bond" or "bonds" means bonds, notes, certificates of indebtedness, certificates of participation, commercial paper, and other instruments in writing, including, unless the context does not admit, bonds or notes issued in anticipation of the issuance of other bonds, issued by a sanitary district to evidence its obligation to repay money borrowed, or to pay interest, by, or to pay at any future time other money obligations of, the sanitary district.

(I) "Financing costs" has the same meaning as in division (K) of section 133.01 of the Revised Code.

Sec. 6115.20. (A) When it is determined to let the work relating to the improvements for which a sanitary district was established by contract, contracts in amounts to exceed ten thousand dollars shall be advertised after notice calling for bids has been published once a week for five consecutive weeks completed on the date of last publication or as provided in section 7.16 of the Revised Code, in ~~at least one~~ a newspaper of general circulation within the sanitary district where the work is to be done. The board of directors of the sanitary district shall let bids as provided in this section or, if applicable, section 9.312 of the Revised Code. If the bids are for a contract for the construction, demolition, alteration, repair, or reconstruction of an improvement, the board of directors of the sanitary district shall let the contract to the lowest or best bidder who meets the requirements of section 153.54 of the Revised Code. If the bids are for a contract for any other work relating to the improvements for which a sanitary district was established, the board of directors of the sanitary district shall let the contract to the

lowest or best bidder who gives a good and approved bond, with ample security, conditioned on the carrying out of the contract and the payment for all labor and material. The contract shall be in writing and shall be accompanied by or shall refer to plans and specifications for the work to be done prepared by the chief engineer. The plans and specifications at all times shall be made and considered a part of the contract. The contract shall be approved by the board and signed by the president of the board and by the contractor and shall be executed in duplicate. In case of emergency the advertising of contracts may be waived upon the consent of the board with the approval of the court or judge in vacation.

(B) In the case of a sanitary district organized wholly for the purpose of providing a water supply for domestic, municipal, and public use that includes two municipal corporations in two counties, any service to be purchased, including the services of an accountant, architect, attorney at law, physician, or professional engineer, at a cost in excess of ten thousand dollars shall be obtained in the manner provided in sections 153.65 to ~~153.71~~ 153.73 of the Revised Code. For the purposes of the application of those sections to division (B) of this section, all of the following apply:

(1) "Public authority," as used in those sections, shall be deemed to mean a sanitary district organized wholly for the purpose of providing a water supply for domestic, municipal, and public use that includes two municipal corporations in two counties;

(2) "Professional design firm," as used in those sections, shall be deemed to mean any person legally engaged in rendering professional design services as defined in division (B)(3) of this section;

(3) "Professional design services," as used in those sections, shall be deemed to mean accounting, architectural, legal, medical, or professional engineering services;

(4) The use of other terms in those sections shall be adapted accordingly, including, without limitation, for the purposes of division (D)~~(2)~~ of section 153.67 of the Revised Code;

(5) Divisions (A) to (C) of section 153.71 of the Revised Code do not apply.

(C) The board of directors of a district organized wholly for the purpose of providing a water supply for domestic, municipal, and public use may contract for, purchase, or otherwise procure for the benefit of employees of the district and pay all or any part of the cost of group insurance policies that may provide benefits, including, but not limited to, hospitalization, surgical care, major medical care, disability, dental care, vision care, medical care, hearing aids, or prescription drugs. Any group insurance policy purchased

under this division shall be purchased from the health care corporation that the board of directors determines offers the most cost-effective group insurance policy.

Sec. 6115.321. (A) The legislative authority of a municipal corporation or the board of township trustees of a township all or part of whose territory is included within the territory of a sanitary district that is established solely for the reduction of biting arthropods pursuant to division (F) of section 6115.04 of the Revised Code may enact an ordinance or adopt a resolution, as applicable, approving the submission to the court of common pleas that established the district a petition to exclude from the district the territory of the municipal corporation or the township, as applicable, that is included in the district. If the legislative authority of a municipal corporation or the board of township trustees of a township enacts such an ordinance or adopts such a resolution, as applicable, the legislative authority or the board may submit to the appropriate court of common pleas a petition that requests the court to exclude the territory of the municipal corporation or the township, as applicable, from the district. Such a petition shall include an explanation of the reasons for the petition to exclude the territory of the municipal corporation or the township, as applicable, from the district.

(B) If a court of common pleas receives a petition from the legislative authority of a municipal corporation or a board of township trustees, as applicable, that requests the court to exclude the territory of the municipal corporation or the township from the applicable sanitary district, the clerk of the court shall notify the legislative authority of each municipal corporation and the board of township trustees of each township all or part of whose territory is included within the territorial boundaries of the district of the receipt of the petition, include a copy of the petition, and include a statement informing the legislative authority or the board of township trustees, as applicable, that the legislative authority or the board may submit to the clerk within thirty days of receipt of the notice written objections concerning the petition in the form of an ordinance enacted by the legislative authority or a resolution adopted by the board, as applicable.

(C) Not sooner than thirty days after the clerk of the court of common pleas notifies legislative authorities of municipal corporations and boards of township trustees in accordance with division (B) of this section, one of the following applies:

(1) The court shall enter a decree excluding from the district the territory of the municipal corporation or the township, as applicable, that is the subject of the petition and create a plan as required by division (D) of this section if the court receives written objections concerning the petition of

exclusion from fewer than sixty per cent of the legislative authorities of municipal corporations and boards of township trustees of townships that were so notified.

(2) The court after a hearing on the petition may enter a decree excluding from the district the territory of the municipal corporation or the township, as applicable, that is the subject of the petition and create a plan as required by division (D) of this section if the court receives written objections concerning the petition of exclusion from sixty per cent or more of the legislative authorities of municipal corporations and boards of township trustees of townships that were so notified.

(D) If a court of common pleas enters a decree in accordance with division (C) of this section excluding from a sanitary district the territory of a municipal corporation or a township, as applicable, the court shall do both of the following:

(1) Establish a plan for the exclusion from the district of the territory that ensures the payment of expenses and indebtedness of the district, and, if necessary because the exclusion effectively dissolves the district, determine the value of the assets of the district and provide for their equitable distribution among the municipal corporations and townships all or part of whose territory is included within the district;

(2) Send a copy of the court's decree and of the plan established under division (D)(1) of this section to the legislative authority of each municipal corporation and the board of township trustees of each township all or part of whose territory is included within the territory of the district and to the county auditor and treasurer of each applicable county.

Sec. 6117.05. (A) Whenever any portion of a sewer district is incorporated as, or annexed to, a municipal corporation, the area so incorporated or annexed shall remain under the jurisdiction of the board of county commissioners for purposes of the acquisition and construction of sanitary and drainage facility and prevention or replacement facility improvements until all of those improvements for the area for which a resolution described in division (A) or (E) of section 6117.06 of the Revised Code has been adopted by the board have been acquired or completed or until the board has abandoned the improvements. The board, unless and until a conveyance is made to a municipal corporation in accordance with division (B) of this section, shall continue to have jurisdiction in the area so incorporated or annexed with respect to the management, maintenance, and operation of all sanitary and drainage facilities and prevention or replacement facilities so acquired or completed, or previously acquired or completed, including the right to establish rules and rates and charges for the

use of, and connections to, the facilities. The incorporation or annexation of any part of a district shall not affect the legality or enforceability of any public obligations issued or incurred by the county for purposes of this chapter to provide for the payment of the cost of acquisition, construction, maintenance, or operation of any sanitary or drainage facilities or prevention or replacement facilities within the area, or the validity of any assessments levied or to be levied upon properties within the area to provide for the payment of the cost of acquisition, construction, maintenance, or operation of the facilities.

(B) ~~Any~~ A board may convey, by mutual agreement, to a municipal corporation any completed sanitary or drainage facilities or prevention or replacement facilities acquired or constructed by a county under this chapter for the use of, or service of property located in, any county sewer district, or any part of those facilities, that to which any of the following applies:

(1) The facilities are located within a the municipal corporation or within any area that is incorporated as, or annexed to, a the municipal corporation, or any part of the.

(2) The facilities that serve a the municipal corporation or such an area, may be conveyed, by mutual agreement between the board and the municipal corporation, to any area that is located within or that is incorporated as, or annexed to, the municipal corporation on.

(3) The facilities are connected to facilities of the municipal corporation.
The conveyance shall be completed with terms and for consideration as may be negotiated. Upon and after the conveyance, the municipal corporation shall manage, maintain, and operate the facilities in accordance with the agreement. The board may retain the right to joint use of all or part of any facilities so conveyed for the benefit of the district. Neither the validity of any assessment levied or to be levied, nor the legality or enforceability of any public obligations issued or incurred, to provide for the payment of the cost of the acquisition, construction, maintenance, or operation of the facilities or any part of them, shall be affected by the conveyance.

Sec. 6117.06. (A) After the establishment of any sewer district, the board of county commissioners, if a sanitary or drainage facility or prevention or replacement facility improvement is to be undertaken, may have the county sanitary engineer prepare, or otherwise cause to be prepared, for the district, or revise as needed, a general plan of sewerage or drainage that is as complete in each case as can be developed at the time and that is devised with regard to any existing sanitary or drainage facilities or prevention or replacement facilities in the district and present as well as

prospective needs for additional sanitary or drainage facilities or prevention or replacement facilities in the district. After the general plan, in original or revised form, has been approved by the board, it may adopt a resolution generally describing the improvement that is necessary to be acquired or constructed in accordance with the particular plan, declaring that the improvement is necessary for the preservation and promotion of the public health and welfare, and determining whether or not special assessments are to be levied and collected to pay any part of the cost of the improvement.

(B) If special assessments are not to be levied and collected to pay any part of the cost of the improvement, the board, in the resolution provided for in division (A) of this section or in a subsequent resolution, including a resolution authorizing the issuance or incurrence of public obligations for the improvement, may authorize the improvement and the expenditure of the funds required for its acquisition or construction and may proceed with the improvement without regard to the procedures otherwise required by divisions (C), (D), and (E) of this section and by sections 6117.07 to 6117.24 of the Revised Code. Those procedures are required only for improvements for which special assessments are to be levied and collected.

(C) If special assessments are to be levied and collected pursuant to a determination made in the resolution provided for in division (A) of this section or in a subsequent resolution, the procedures referred to in division (B) of this section as being required for that purpose shall apply, and the board may have the county sanitary engineer prepare, or otherwise cause to be prepared, detailed plans, specifications, and an estimate of cost for the improvement, together with a tentative assessment of the cost based on the estimate. The tentative assessment shall be for the information of property owners and shall not be levied or certified to the county auditor for collection. The detailed plans, specifications, estimate of cost, and tentative assessment, if approved by the board, shall be carefully preserved in the office of the board or the county sanitary engineer and shall be open to the inspection of all persons interested in the improvement.

(D) After the board's approval of the detailed plans, specifications, estimate of cost, and tentative assessment, and at least twenty-four days before adopting a resolution pursuant to division (E) of this section, the board, except to the extent that appropriate waivers of notice are obtained from affected owners, shall cause to be sent a notice of its intent to adopt the resolution to each owner of property proposed to be assessed that is listed on the records of the county auditor for current agricultural use value taxation pursuant to section 5713.31 of the Revised Code and that is not located in an agricultural district established under section 929.02 of the Revised Code.

The notice shall satisfy all of the following:

- (1) Be sent by first class or certified mail;
- (2) Specify the proposed date of the adoption of the resolution;
- (3) Contain a statement that the improvement will be financed in whole or in part by special assessments and that all properties not located in an agricultural district established pursuant to section 929.02 of the Revised Code may be subject to a special assessment;
- (4) Contain a statement that an agricultural district may be established by filing an application with the county auditor.

If it appears, by the return of the mailed notices or by other means, that one or more of the affected owners cannot be found or are not served by the mailed notice, the board shall cause the notice to be published once in a newspaper of general circulation in the county not later than ten days before the adoption of the resolution.

(E) After complying with divisions (A), (C), and (D) of this section, the board may adopt a resolution declaring that the improvement, which shall be described as to its nature and its location, route, and termini, is necessary for the preservation and promotion of the public health and welfare, referring to the plans, specifications, estimate of cost, and tentative assessment, stating the place where they are on file and may be examined, and providing that the entire cost or a lesser designated part of the cost will be specially assessed against the benefited properties within the district and that any balance will be paid by the county at large from other available funds. The resolution also shall contain a description of the boundaries of that part of the district to be assessed and shall designate a time and place for objections to the improvement, to the tentative assessment, or to the boundaries of the assessment district to be heard by the board. The date of that hearing shall be not less than twenty-four days after the date of the first publication of the notice of the hearing required by this division.

The board shall cause a notice of the hearing to be published once a week for two consecutive weeks in a newspaper of general circulation in the county, ~~and on~~ or as provided in section 7.16 of the Revised Code. On or before the date of the second publication, ~~the board~~ shall cause to be sent by first class or certified mail a copy of the notice to every owner of property to be assessed for the improvement whose address is known.

The notice shall set forth the time and place of the hearing, a summary description of the proposed improvement, including its general route and termini, a summary description of the area constituting the assessment district, and the place where the plans, specifications, estimate of cost, and tentative assessment are on file and may be examined. Each mailed notice

also shall include a statement that the property of the addressee will be assessed for the improvement. The notice also shall be sent by first class or certified mail, on or before the date of the second publication, to the clerk, or to the official discharging the duties of a clerk, of any municipal corporation any part of which lies within the assessment district and shall state whether or not any property belonging to the municipal corporation is to be assessed and, if so, shall identify that property.

At the hearing, or at any adjournment of the hearing, of which no further published or mailed notice need be given, the board shall hear all parties whose properties are proposed to be assessed. Written objections to or endorsements of the proposed improvement, its character and termini, the boundaries of the assessment district, or the tentative assessment shall be received by the board for a period of five days after the completion of the hearing, and no action shall be taken by the board in the matter until after that period has elapsed. The minutes of the hearing shall be entered on the journal of the board, showing the persons who appear in person or by attorney, and all written objections shall be preserved and filed in the office of the board.

Sec. 6117.07. After the expiration of the period of five days provided for in section 6117.06 of the Revised Code for the filing of written objections, the board of county commissioners shall determine whether or not it will proceed with the construction of the improvement mentioned in such section. Notice of the time and place of each meeting of the board of county commissioners, at which the resolution to proceed with the construction of such improvement will be considered, shall be given in writing to all persons who filed written objections as provided in section 6117.06 of the Revised Code. Such notice shall contain the following language in addition to the time and place of the meeting of the board: "any person, firm, or corporation desiring to appeal from the final order or judgment of the board upon any of the questions mentioned in section 6117.09 of the Revised Code shall, on or before the date of the passage of the improvement resolution, give notice in writing of an intention to appeal, specifying therein the matters to be appealed from." If it decides to proceed therewith, the board shall ratify or amend the plans for the improvement and the character and termini thereof, the boundaries of the assessment district, and the tentative assessment, and may cause such revision of plans, boundaries, or assessments as the board considers necessary to be made by the county sanitary engineer. If the boundaries of the assessment district are amended so as to include any property not included within the boundaries as established by the resolution of necessity provided for in section 6117.06 of

the Revised Code, the owners of all such property shall be notified by mail if their addresses are known, and notice shall be published once a week for two consecutive weeks in a newspaper of general circulation within the county or as provided in section 7.16 of the Revised Code that such amendments have been adopted and that a hearing will be given by the board at a time and place stated in such notice, at which all persons interested will be heard by the board. The date of such hearing shall be not less than twenty-four days after the first publication of such notice, and the hearing shall be conducted and records kept in the same manner as the first hearing. Five days shall be allowed for the filing of written objections as provided in such section for the first hearing.

After the expiration of such five day period, the board shall ratify the plans for the improvement and the character and termini thereof, the boundaries of the assessment district, and the tentative assessment, or shall further amend the same. If the boundaries of the assessment district are amended so as to include any property not included in the assessment district as originally established or previously amended, further notice and hearing shall be given to the owners of such property in the same manner as for the first amendment of such boundaries, and the same procedure shall be repeated until all property owners affected have been given an opportunity to be heard. If the owners of all property added to an assessment district by amendment of the original boundaries thereof waive objection to such amendment in writing, no further notice or hearing shall be given.

After the board has ratified the plans for the improvement and the character and termini thereof, the boundaries of the assessment district, and the tentative assessment, either as originally presented or as amended, and if it decides to proceed therewith, the board shall adopt a resolution to be known as the improvement resolution. Said improvement resolution shall declare the determination of such board to proceed with the construction of the improvement provided for in the resolution of necessity, in accordance with the plans and specifications provided for such improvement as ratified or amended, and whether bonds or certificates of indebtedness shall be issued in anticipation of the collection of special assessments, as provided in section 6117.08 to 6117.45, inclusive, of the Revised Code, or that money in the county treasury unappropriated for any other purpose shall be appropriated to pay for said improvement.

Sec. 6117.251. (A) After the establishment of any county sewer district, the board of county commissioners may determine by resolution that it is necessary to provide sanitary or drainage facility improvements or prevention or replacement facility improvements and to maintain and

operate the improvements within the district or a designated portion of the district, that the improvements, which shall be generally described in the resolution, shall be constructed, that funds are required to pay the preliminary costs of the improvements to be incurred prior to the commencement of the proceedings for their construction, and that those funds shall be provided in accordance with this section.

(B) Prior to the adoption of the resolution, the board shall give notice of its pendency and of the proposed determination of the necessity of the improvements generally described in the resolution. The notice shall set forth a description of the properties to be benefited by the improvements and the time and place of a hearing of objections to and endorsements of the improvements. The notice shall be given ~~either~~ by publication in a newspaper of general circulation in the county once a week for two consecutive weeks, ~~or~~ by publication as provided in section 7.16 of the Revised Code, by mailing a copy of the notice by first class or certified mail to the owners of the properties proposed to be assessed at their respective tax mailing addresses, or by ~~both~~ a combination of these manners, the first publication to be made or the mailing to occur at least two weeks prior to the date set for the hearing. At the hearing, or at any adjournment of the hearing, of which no further published or mailed notice need be given, the board shall hear all persons whose properties are proposed to be assessed and the evidence it considers to be necessary. The board then shall determine the necessity of the proposed improvements and whether the improvements shall be made by the board and, if they are to be made, shall direct the preparation of tentative assessments upon the benefited properties and by whom they shall be prepared.

(C) In order to obtain funds for the preparation of a general or revised general plan of sewerage or drainage for the district or part of the district, for the preparation of the detailed plans, specifications, estimate of cost, and tentative assessment for the proposed improvements, and for the cost of financing and legal services incident to the preparation of all of those plans and a plan of financing the proposed improvements, the board may levy upon the properties to be benefited in the district a preliminary assessment apportioned according to benefits or to tax valuation or partly by one method and partly by the other method as the board may determine. The assessments shall be in the amount determined to be necessary to obtain funds for the general and detailed plans and the cost of financing and legal services and shall be payable in the number of years that the board shall determine, not to exceed twenty years, together with interest on any public obligations that may be issued or incurred in anticipation of the collection of

the assessments.

(D) The board shall have power at any time to levy additional assessments according to benefits or to tax valuation or partly by one method and partly by the other method as the board may determine for the purposes described in division (C) of this section upon the benefited properties to complete the payment of the costs described in division (C) of this section or to pay the cost of any additional plans, specifications, estimate of cost, or tentative assessment and the cost of financing and legal services incident to the preparation of those plans and the plan of financing, which additional assessments shall be payable in the number of years that the board shall determine, not to exceed twenty years, together with interest on any public obligations that may be issued or incurred in anticipation of the collection of the additional assessments.

(E) Prior to the adoption of a resolution levying assessments under this section, the board shall give notice either by one publication in a newspaper of general circulation in the county, or by mailing a copy of the notice by first class or certified mail to the owners of the properties proposed to be assessed at their respective tax mailing addresses, or by both manners, the publication to be made or the mailing to occur at least ten days prior to the date of the meeting at which the resolution shall be taken up for consideration; that notice shall state the time and place of the meeting at which the resolution is to be considered. At the time and place of the meeting, or at any adjournment of the meeting, of which no further published or mailed notice need be given, the board shall hear all persons whose properties are proposed to be assessed, shall correct any errors and make any revisions that appear to be necessary or just, and then may adopt a resolution levying upon the properties determined to be benefited the assessments as so corrected and revised.

The assessments levied by the resolution shall be certified to the county auditor for collection in the same manner as taxes in the year or years in which they are payable.

(F) Upon the adoption of the resolution described in division (E) of this section, no further action shall be taken or work done until ten days have elapsed. If, at the expiration of that period, no appeal has been effected by any property owner as provided in this division, the action of the board shall be final. If, at the end of that ten days, any owner of property to be assessed for the improvements has effected an appeal, no further action shall be taken and no work done in connection with the improvements under the resolution until the matters appealed from have been disposed of in court.

Any owner of property to be assessed may appeal as provided and upon

the grounds stated in sections 6117.09 to 6117.24 of the Revised Code.

If no appeal has been perfected or if on appeal the resolution of the board is sustained, the board may authorize and enter into contracts to carry out the purposes for which the assessments have been levied without the prior issuance of notes, provided that the payments under those contracts do not fall due prior to the time by which the assessments are to be collected. The board may issue and sell bonds with a maximum maturity of twenty years in anticipation of the collection of the assessments and may issue notes in anticipation of the issuance of the bonds, which notes and bonds, as public obligations, shall be issued and sold as provided in Chapter 133. of the Revised Code.

Sec. 6117.49. (A) If the board of county commissioners determines by resolution that the best interests of the county and those served by the sanitary or drainage facilities or the prevention or replacement facilities of a county sewer district so require, the board may sell or otherwise dispose of the facilities to another public agency or a person. The resolution declaring the necessity of that disposition shall recite the reasons for the sale or other disposition and shall establish any conditions or terms that the board may impose, including, but not limited to, a minimum sales price if a sale is proposed, a requirement for the submission by bidders of the schedule of rates and charges initially proposed to be paid for the services of the facilities, and other pertinent conditions or terms relating to the sale or other disposition. The resolution also shall designate a time and place for the hearing of objections to the sale or other disposition by the board. Notice of the adoption of the resolution and the time and place of the hearing shall be published as provided in section 7.16 of the Revised Code or once a week for two consecutive weeks, in a newspaper of general circulation in the sewer district and in the county. The public hearing on the sale or other disposition shall be held not less than twenty-four days following the date of first publication of the notice. A copy of the notice also shall be sent by first class or certified mail, on or before the date of the second publication, to any public agency within the area served by the facilities. At the public hearing, or at any adjournment of it, of which no further published or mailed notice need be given, the board shall hear all interested parties. A period of five days shall be given following the completion of the hearing for the filing of written objections by any interested persons or public agencies to the sale or other disposition, after which the board shall consider any objections and by resolution determine whether or not to proceed with the sale or other disposition. If the board determines to proceed with the sale or other disposition, it shall receive bids after advertising once a week for four

consecutive weeks or as provided in section 7.16 of the Revised Code, in a newspaper of general circulation in the county and, subject to the right of the board to reject any or all bids, may make an award to a responsible bidder whose proposal is determined by the board to be in the best interests of the county and those served by the facilities.

(B) A conveyance of sanitary or drainage facilities or of prevention or replacement facilities by a county to a municipal corporation in accordance with division (B) of section 6117.05 of the Revised Code may be made without regard to division (A) of this section.

Sec. 6119.061. (A) Whenever any portion of a regional water and sewer district is incorporated as, or annexed to, a municipal corporation, the area so incorporated or annexed shall remain under the jurisdiction of the district for purposes of the acquisition, construction, or operation of a water resource project until the water resource project has been acquired or completed or until the project is abandoned by the district. The board of trustees of the district, unless and until a conveyance is made to a municipal corporation in accordance with division (B) of this section, shall continue to have jurisdiction in the area so incorporated or annexed with respect to the management, maintenance, and operation of all water resource projects so acquired or completed or previously acquired or completed, including the right to establish rules and rates and charges for the use of, and connections to, the projects. The incorporation or annexation of any part of a district shall not affect the legality or enforceability of any public obligations issued or incurred by the district for purposes of this chapter to provide for the payment of the cost of acquisition, construction, maintenance, or operation of any water resource project or the validity of any assessments levied or to be levied on properties within the area to provide for the payment of the cost of acquisition, construction, maintenance, or operation of the project.

(B) The board of trustees of a regional water and sewer district may convey, by mutual agreement, to a municipal corporation any completed water resource project acquired or constructed under this chapter for the use of, or service of property located in, the regional water and sewer district, or any part of that project to which any of the following applies:

(1) The project is located within the municipal corporation or within any area that is incorporated as, or annexed to, the municipal corporation.

(2) The project serves the municipal corporation or any area that is located within or that is incorporated as, or annexed to, the municipal corporation.

(3) The project is connected to water supply or sanitary, drainage, prevention, or replacement facilities of the municipal corporation.

The conveyance shall be completed with terms and for consideration as may be negotiated. Upon and after the conveyance, the municipal corporation shall manage, maintain, and operate the water resource project in accordance with the agreement. The board of trustees may retain the right to the joint use of all or part of any project so conveyed for the benefit of the district. Neither the validity of any assessment levied or to be levied, nor the legality or enforceability of any public obligations issued or incurred, to provide for the payment of the cost of the acquisition, construction, maintenance, or operation of the project or any part of the project shall be affected by the conveyance.

Sec. 6119.10. The board of trustees of a regional water and sewer district or any officer or employee designated by the board may make any contract for the purchase of supplies or material or for labor for any work, under the supervision of the board, the cost of which shall not exceed twenty-five thousand dollars. When an expenditure, other than for the acquisition of real estate and interests in real estate, the discharge of noncontractual claims, personal services, the joint use of facilities or the exercise of powers with other political subdivisions, or the product or services of public utilities, exceeds twenty-five thousand dollars, the expenditures shall be made only after a notice calling for bids has been published ~~not less than~~ two consecutive weeks in ~~at least~~ one newspaper ~~having a~~ of general circulation within the district or as provided in section 7.16 of the Revised Code. If the bids are for a contract for the construction, demolition, alteration, repair, or reconstruction of an improvement, the board may let the contract to the lowest and best bidder who meets the requirements of section 153.54 of the Revised Code. If the bids are for a contract for any other work relating to the improvements for which a regional water and sewer district was established, the board of trustees of the regional water and sewer district may let the contract to the lowest or best bidder who gives a good and approved bond with ample security conditioned on the carrying out of the contract. The contract shall be in writing and shall be accompanied by or shall refer to plans and specifications for the work to be done, approved by the board. The plans and specifications shall at all times be made and considered part of the contract. The contract shall be approved by the board and signed by its president or other duly authorized officer and by the contractor. In case of a real and present emergency, the board of trustees of the district, by two-thirds vote of all members, may authorize the president or other duly authorized officer to enter into a contract for work to be done or for the purchase of supplies or materials without formal bidding or advertising. All contracts shall have

attached the certificate required by section 5705.41 of the Revised Code duly executed by the secretary of the board of trustees of the district. The district may make improvements by force account or direct labor, provided that, if the estimated cost of supplies or material for any such improvement exceeds twenty-five thousand dollars, bids shall be received as provided in this section. For the purposes of the competitive bidding requirements of this section, the board shall not sever a contract for supplies or materials and labor into separate contracts for labor, supplies, or materials if the contracts are in fact a part of a single contract required to be bid competitively under this section.

Sec. 6119.18. The board of trustees of a regional water and sewer district, by a vote of two-thirds of all its members, may declare by resolution that it is necessary to levy a tax in excess of the ten-mill limitation for the purpose of providing funds to pay current expenses of the district or for the purpose of paying any portion of the cost of one or more water resource projects or parts thereof or for both of such purposes, and that the question of such tax levy shall be submitted to the electors of the district at a general or primary election. Such resolution shall conform to the requirements of section 5705.19 of the Revised Code, except as otherwise permitted by this section and except that such levy may be for a period not longer than ten years. The resolution shall go into immediate effect upon its passage and no publication of the resolution is necessary other than that provided for in the notice of election. A copy of such resolution shall, immediately after its passage, be certified to the board of elections of the proper county or counties in the manner provided by section 5705.25 of the Revised Code, and such section shall govern the arrangements for the submission of such question and other matters with respect to such election to which such section refers. Publication of the notice of that election shall be made in one ~~or more newspapers having a~~ newspaper of general circulation in the district once a week for two consecutive weeks prior to the election, ~~and, if or as~~ provided in section 7.16 of the Revised Code. If the board of elections operates and maintains a web site, the board of elections shall post notice of the election on its web site for thirty days prior to the election.

If a majority of the electors voting on the question vote in favor thereof, the board may make the necessary levy within the district at the additional rate or at any lesser rate on the tax list and duplicate for the purpose or purposes stated in the resolution.

The taxes realized from such levy shall be collected at the same time and in the same manner as other taxes on such tax list and duplicate and such taxes, when collected, shall be paid to the district and deposited by it in

a special fund which shall be established by the district for all revenues derived from such levy and for the proceeds of anticipation notes which shall be deposited in such fund.

After the approval of such levy, the district may anticipate a fraction of the proceeds of such levy and, from time to time, during the life of such levy, issue anticipation notes in an amount not exceeding fifty per cent of the estimated proceeds of such levy to be collected in each year up to a period of five years after the date of issuance of such notes, less an amount equal to the proceeds of such levy previously obligated for each year by the issuance of anticipation notes, provided that the total amount maturing in any one year shall not exceed fifty per cent of the anticipated proceeds of such levy for that year. Each issue of notes shall be sold as provided in Chapter 133. of the Revised Code, and shall, except for such limitation that the total amount of such notes maturing in any one year shall not exceed fifty per cent of the anticipated proceeds of such levy for that year, mature serially in substantially equal installments during each year over a period not to exceed five years after their issuance.

Sec. 6119.22. When a plan of sewerage devised in accordance with section 6119.19 of the Revised Code has been prepared, the board of trustees of the regional water and sewer district shall give at least ten days' notice in one newspaper of general circulation in such area or give notice as provided in section 7.16 of the Revised Code, stating that such plans have been prepared and are filed in the office of the secretary of the board for examination and inspection by the parties interested.

Any objection to such plan shall then be made to the board and it may amend or correct such plan, and shall thereupon file it as amended, or if no amendments are made, it shall file the original plan in the office of the secretary.

Sec. 6119.25. When the board of trustees of a regional water and sewer district deems it necessary to construct all or a part of the sewers provided for in the plan devised in accordance with section 6119.19 of the Revised Code, the board shall declare by resolution the necessity thereof. Such resolution shall contain a declaration of the necessity of such improvement, a statement of the districts, areas, or parts thereof proposed to be constructed, the character of the materials to be used, a reference to the plans and specifications, where they are on file, and the mode of payment therefor, and shall publish the resolution once a week for not less than two nor more than four consecutive weeks in one newspaper of general circulation in the area or as provided in section 7.16 of the Revised Code.

Sec. 6119.58. In order to obtain funds for the preparation of plans,

specifications, estimates of cost, tentative assessments, and a plan of financing for any water resource project or part thereof, the board of trustees of a regional water and sewer district may levy upon the property in such district to be benefited by such project assessments apportioned in accordance with one or more of the methods set forth in section 6119.42 of the Revised Code. The aggregate of such assessments shall not exceed the amount determined by the board of trustees to be necessary for such purpose, including costs of financing, legal services, and other incidental costs, and shall be payable in such number of annual installments, not less than one, as the board of trustees prescribes, together with interest on any water resource revenue notes and bonds which may be issued in anticipation of the collection of such assessments.

If the board of trustees proposes to obtain funds in accordance with this section, it shall determine by resolution that it is necessary to construct the water resource project and to maintain and operate the same on behalf of the district.

Prior to the adoption of the resolution making such determination, the board of trustees shall give notice of the pendency thereof and of the proposed determination of the necessity of the construction of such project therein generally described, and such notice shall set forth a description of the properties to be benefited by such project and the time and place of a hearing of objections to, and endorsements of, such project. Such notice shall be given by publication in ~~at least one newspaper having a~~ of general circulation in the district once a week for two consecutive weeks or as provided in section 7.16 of the Revised Code, the first publication to be at least two weeks prior to the date set for the hearing, provided that the board of trustees may give, or cause to be given, such alternative or further notice of such hearing as it finds to be necessary or appropriate. At such hearing, or at any adjournment thereof, of which no further notice need be given, the board of trustees shall hear all owners whose properties are proposed to be assessed and such other evidence as is considered to be necessary, and may then adopt its resolution determining that the proposed project is necessary and should be undertaken by the district. In such resolution, the board of trustees shall direct the preparation of the estimated assessments upon the benefited properties and by whom they shall be prepared.

After such assessments have been prepared and filed in the office of the secretary of the board of trustees and prior to the adoption of the resolution levying such assessments, the board of trustees shall give notice of the pendency of such resolution and of the proposed determination to levy such assessments, and such notice shall set forth the time and place of a hearing

of objections to such assessments. Such notice shall be given by publication once in ~~at least one newspaper having a~~ of general circulation in the district, such publication to be made at least ten days prior to the date set for the hearing, provided that the board of trustees may give or cause to be given, such alternative of further notice of such hearing as it finds to be necessary or appropriate. At such hearing, or at any adjournment thereof, of which no further notice need be given, the board of trustees shall hear all persons whose properties are proposed to be assessed, shall correct any errors and make any revisions in the estimated assessments that appear to be necessary or just, and may then adopt a resolution levying upon the properties determined to be benefited the assessments as originally prepared or as so corrected and revised.

The board of trustees shall have the power at any time to levy additional assessments upon such properties to complete the payment of the costs for which the original assessments were levied or to provide funds for any additional plans, specifications, estimates of cost, tentative assessments, and other incidental costs, provided that the board shall first have held a hearing on objections to such additional assessments in the same manner as required by this section with respect to such original assessments. Such additional assessments shall be payable in such number of annual installments, not less than one, as the board of trustees prescribes, together with interest on any water resource revenue notes and bonds which may be issued in anticipation of the collection of such assessments.

The board of trustees may authorize contracts to carry out the purposes for which such assessments have been levied without the prior issuance of water resource revenue notes and bonds, provided that the payments to be made by the district do not fall due prior to the times when such assessments shall be collected.

SECTION 101.02. That existing sections 7.10, 7.11, 7.12, 9.06, 9.231, 9.24, 9.33, 9.331, 9.332, 9.333, 9.82, 9.823, 9.833, 9.90, 9.901, 101.532, 101.82, 102.02, 105.41, 107.09, 109.36, 109.43, 109.57, 109.572, 109.64, 109.71, 109.801, 111.12, 111.16, 111.18, 117.101, 117.13, 118.023, 118.04, 118.05, 118.06, 118.12, 118.17, 118.99, 119.032, 120.40, 121.03, 121.04, 121.22, 121.37, 121.40, 121.401, 121.402, 121.403, 121.404, 122.121, 122.171, 122.76, 122.861, 123.01, 123.011, 123.10, 124.09, 124.23, 124.231, 124.24, 124.25, 124.26, 124.27, 124.31, 124.34, 124.393, 124.85, 125.021, 125.15, 125.18, 125.28, 125.89, 126.11, 126.12, 126.21, 126.24, 126.45, 126.46, 126.50, 127.14, 127.16, 131.02, 131.23, 131.44, 131.51, 133.01, 133.06, 133.09, 133.18, 133.20, 133.55, 135.05, 135.61, 135.65,

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The above boxed and initialed text was
disapproved.

Date: 6-30-11

John R. Kasich, Governor

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JRK

The above boxed and initialed text was disapproved.

Date: 6-30-11

John R. Kasich, Governor

5101.26, 5101.27, 5101.271, 5101.272, 5101.28, 5101.30, 5101.341, 5101.342, 5101.35, 5101.37, 5101.46, 5101.47, 5101.571, 5101.573, 5101.58, 5101.60, 5101.61, 5101.98, 5104.01, 5104.011, 5104.012, 5104.013, 5104.03, 5104.04, 5104.05, 5104.13, 5104.30, 5104.32, 5104.34, 5104.341, 5104.35, 5104.37, 5104.38, 5104.39, 5104.42, 5104.43, 5104.99, 5111.011, 5111.012, 5111.013, 5111.0112, 5111.0116, 5111.021, 5111.023, 5111.025, 5111.031, 5111.06, 5111.061, 5111.113, 5111.13, 5111.14, 5111.151, 5111.16, 5111.17, 5111.172, 5111.20, 5111.21, 5111.211, 5111.22, 5111.221, 5111.222, 5111.23, 5111.231, 5111.232, 5111.235, 5111.24, 5111.241, 5111.244, 5111.25, 5111.251, 5111.254, 5111.255, 5111.258, 5111.261, 5111.262, 5111.27, 5111.28, 5111.29, 5111.291, 5111.33, 5111.35, 5111.52, 5111.54, 5111.62, 5111.65, 5111.66, 5111.67, 5111.671, 5111.672, 5111.68, 5111.681, 5111.687, 5111.689, 5111.85, 5111.871, 5111.872, 5111.873, 5111.874, 5111.877, 5111.88, 5111.89, 5111.891, 5111.892, 5111.894, 5111.911, 5111.912, 5111.913, 5111.94, 5111.941, 5111.97, 5112.30, 5112.31, 5112.37, 5112.371, 5112.39, 5112.40, 5112.41, 5112.46, 5112.99, 5119.01, 5119.02, 5119.06, 5119.18, 5119.22, 5119.61, 5119.611, 5119.612, 5119.613, 5119.62, 5119.621, 5119.99, 5120.105, 5120.135, 5120.17, 5120.22, 5120.28, 5120.29, 5122.01, 5122.15, 5122.21, 5122.31, 5123.01, 5123.0412, 5123.0413, 5123.0417, 5123.051, 5123.171, 5123.18, 5123.19, 5123.191, 5123.194, 5123.352, 5123.42, 5123.45, 5123.60, 5126.01, 5126.029, 5126.04, 5126.042, 5126.05, 5126.054, 5126.0510, 5126.0511, 5126.0512, 5126.08, 5126.11, 5126.12, 5126.24, 5126.41, 5126.42, 5139.11, 5139.43, 5310.35, 5501.44, 5501.73, 5502.52, 5502.522, 5502.61, 5502.68, 5505.04, 5505.22, 5525.04, 5540.01, 5540.03, 5540.031, 5540.05, 5543.10, 5549.21, 5552.06, 5553.05, 5553.19, 5553.23, 5553.42, 5555.07, 5555.27, 5555.42, 5559.06, 5559.10, 5559.12, 5561.04, 5561.08, 5571.011, 5573.02, 5573.10, 5575.01, 5575.02, 5591.15, 5593.08, 5701.13, 5703.05, 5703.056, 5703.37, 5703.57, 5703.58, 5705.01, 5705.14, 5705.16, 5705.19, 5705.191, 5705.194, 5705.196, 5705.21, 5705.211, 5705.214, 5705.218, 5705.25, 5705.251, 5705.261, 5705.29, 5705.314, 5705.392, 5705.412, 5705.71, 5707.031, 5709.07, 5709.084, 5709.40, 5709.41, 5709.62, 5709.63, 5709.632, 5709.73, 5709.78, 5709.82, 5709.83, 5713.01, 5715.17, 5715.23, 5715.26, 5719.04, 5721.01, 5721.03, 5721.04, 5721.18, 5721.19, 5721.30, 5721.31, 5721.32, 5721.37, 5721.38, 5721.42, 5722.13, 5723.05, 5723.18, 5725.151, 5725.24, 5725.98, 5727.57, 5727.75, 5727.84, 5727.85, 5727.86, 5729.98, 5731.02, 5731.19, 5731.21, 5731.39, 5733.0610, 5733.23, 5733.351, 5739.01, 5739.02, 5739.021, 5739.022, 5739.026, 5739.07, 5739.101, 5739.19, 5739.30, 5747.01,

5747.058, 5747.113, 5747.451, 5747.46, 5747.51, 5747.98, 5748.01, 5748.02, 5748.021, 5748.04, 5748.05, 5748.08, 5748.081, 5751.01, 5751.011, 5751.20, 5751.21, 5751.22, 5751.23, 5751.50, 5919.34, 5919.341, 6101.16, 6103.04, 6103.05, 6103.06, 6103.081, 6103.31, 6105.131, 6109.21, 6111.038, 6111.044, 6115.01, 6115.20, 6117.05, 6117.06, 6117.07, 6117.251, 6117.49, 6119.10, 6119.18, 6119.22, 6119.25, and 6119.58 of the Revised Code are hereby repealed.

SECTION 105.01. That sections 7.14, 122.0818, 122.452, 126.04, 126.501, 126.502, 126.507, 165.031, 179.01, 179.02, 179.03, 179.04, 340.08, 701.04, 1501.031, 1551.13, 3123.52, 3123.61, 3123.612, 3123.613, 3123.614, 3301.82, 3301.922, 3306.01, 3306.011, 3306.012, 3306.02, 3306.03, 3306.04, 3306.05, 3306.051, 3306.052, 3306.06, 3306.07, 3306.08, 3306.09, 3306.091, 3306.10, 3306.11, 3306.13, 3306.19, 3306.191, 3306.192, 3306.21, 3306.22, 3306.29, 3306.291, 3306.292, 3306.50, 3306.51, 3306.52, 3306.53, 3306.54, 3306.55, 3306.56, 3306.57, 3306.58, 3306.59, 3311.059, 3313.674, 3314.014, 3314.016, 3314.017, 3314.025, 3314.082, 3314.085, 3314.11, 3314.111, 3317.011, 3317.016, 3317.017, 3317.0216, 3317.04, 3317.17, 3319.112, 3319.62, 3329.16, 3335.45, 3349.242, 3706.042, 3721.56, 3722.99, 3733.21, 3733.22, 3733.23, 3733.24, 3733.25, 3733.26, 3733.27, 3733.28, 3733.29, 3733.30, 3923.90, 3923.91, 4115.032, 4121.75, 4121.76, 4121.77, 4121.78, 4121.79, 4582.37, 4731.18, 4981.23, 5101.5211, 5101.5212, 5101.5213, 5101.5214, 5101.5215, 5101.5216, 5111.243, 5111.34, 5111.861, 5111.893, 5111.971, 5122.36, 5123.172, 5123.181, 5123.193, 5123.211, 5126.18, and 5126.19 of the Revised Code are hereby repealed.

SECTION 120.20. That sections 3721.16, 5111.709, 5119.221, 5122.01, 5122.02, 5122.27, 5122.271, 5122.29, 5122.31, 5122.32, 5123.092, 5123.19, 5123.191, 5123.35, 5123.60, 5123.61, 5123.63, 5123.64, 5123.69, 5123.701, 5123.86, 5123.99, and 5126.33 be amended; that section 5123.60 (5123.601) be amended for the purpose of adopting a new section number as indicated in parentheses; and that new sections 5123.60 and 5123.602 of the Revised Code be enacted to read as follows:

Sec. 3721.16. For each resident of a home, notice of a proposed transfer or discharge shall be in accordance with this section.

(A)(1) The administrator of a home shall notify a resident in writing,

and the resident's sponsor in writing by certified mail, return receipt requested, in advance of any proposed transfer or discharge from the home. The administrator shall send a copy of the notice to the state department of health. The notice shall be provided at least thirty days in advance of the proposed transfer or discharge, unless any of the following applies:

- (a) The resident's health has improved sufficiently to allow a more immediate discharge or transfer to a less skilled level of care;
- (b) The resident has resided in the home less than thirty days;
- (c) An emergency arises in which the safety of individuals in the home is endangered;
- (d) An emergency arises in which the health of individuals in the home would otherwise be endangered;
- (e) An emergency arises in which the resident's urgent medical needs necessitate a more immediate transfer or discharge.

In any of the circumstances described in divisions (A)(1)(a) to (e) of this section, the notice shall be provided as many days in advance of the proposed transfer or discharge as is practicable.

(2) The notice required under division (A)(1) of this section shall include all of the following:

- (a) The reasons for the proposed transfer or discharge;
- (b) The proposed date the resident is to be transferred or discharged;
- (c) Subject to division (A)(3) of this section, a proposed location to which the resident may relocate and a notice that the resident and resident's sponsor may choose another location to which the resident will relocate;
- (d) Notice of the right of the resident and the resident's sponsor to an impartial hearing at the home on the proposed transfer or discharge, and of the manner in which and the time within which the resident or sponsor may request a hearing pursuant to section 3721.161 of the Revised Code;
- (e) A statement that the resident will not be transferred or discharged before the date specified in the notice unless the home and the resident or, if the resident is not competent to make a decision, the home and the resident's sponsor, agree to an earlier date;
- (f) The address of the legal services office of the department of health;
- (g) The name, address, and telephone number of a representative of the state long-term care ombudsperson program and, if the resident or patient has a developmental disability or mental illness, the name, address, and telephone number of the Ohio ~~legal rights service~~ protection and advocacy system.

(3) The proposed location to which a resident may relocate as specified pursuant to division (A)(2)(c) of this section in the proposed transfer or

discharge notice shall be capable of meeting the resident's health-care and safety needs. The proposed location for relocation need not have accepted the resident at the time the notice is issued to the resident and resident's sponsor.

(B) No home shall transfer or discharge a resident before the date specified in the notice required by division (A) of this section unless the home and the resident or, if the resident is not competent to make a decision, the home and the resident's sponsor, agree to an earlier date.

(C) Transfer or discharge actions shall be documented in the resident's medical record by the home if there is a medical basis for the action.

(D) A resident or resident's sponsor may challenge a transfer or discharge by requesting an impartial hearing pursuant to section 3721.161 of the Revised Code, unless the transfer or discharge is required because of one of the following reasons:

(1) The home's license has been revoked under this chapter;

(2) The home is being closed pursuant to section 3721.08, sections 5111.35 to 5111.62, or section 5155.31 of the Revised Code;

(3) The resident is a recipient of medicaid and the home's participation in the medicaid program has been involuntarily terminated or denied by the federal government;

(4) The resident is a beneficiary under the medicare program and the home's certification under the medicare program has been involuntarily terminated or denied by the federal government.

(E) If a resident is transferred or discharged pursuant to this section, the home from which the resident is being transferred or discharged shall provide the resident with adequate preparation prior to the transfer or discharge to ensure a safe and orderly transfer or discharge from the home, and the home or alternative setting to which the resident is to be transferred or discharged shall have accepted the resident for transfer or discharge.

(F) At the time of a transfer or discharge of a resident who is a recipient of medicaid from a home to a hospital or for therapeutic leave, the home shall provide notice in writing to the resident and in writing by certified mail, return receipt requested, to the resident's sponsor, specifying the number of days, if any, during which the resident will be permitted under the medicaid program to return and resume residence in the home and specifying the medicaid program's coverage of the days during which the resident is absent from the home. An individual who is absent from a home for more than the number of days specified in the notice and continues to require the services provided by the facility shall be given priority for the first available bed in a semi-private room.

Sec. 5111.709. (A) There is hereby created the medicaid buy-in advisory council. The council shall consist of all of the following:

(1) The following voting members:

(a) The executive director of assistive technology of Ohio or the executive director's designee;

(b) The director of the axis center for public awareness of people with disabilities or the director's designee;

(c) The executive director of the cerebral palsy association of Ohio or the executive director's designee;

(d) The chief executive officer of Ohio advocates for mental health or the chief executive officer's designee;

(e) The state director of the Ohio chapter of AARP or the state director's designee;

(f) The director of the Ohio developmental disabilities council created under section 5123.35 of the Revised Code or the director's designee;

(g) The executive director of the governor's council on people with disabilities created under section 3303.41 of the Revised Code or the executive director's designee;

~~(h) The administrator of the legal rights service created under section 5123.60 of the Revised Code or the administrator's designee;~~

~~(i)~~ The chairperson of the Ohio Olmstead task force or the chairperson's designee;

~~(i)~~(i) The executive director of the Ohio statewide independent living council or the executive director's designee;

~~(k)~~(j) The president of the Ohio chapter of the national multiple sclerosis society or the president's designee;

~~(k)~~(k) The executive director of the arc of Ohio or the executive director's designee;

~~(l)~~(l) The executive director of the commission on minority health or the executive director's designee;

~~(m)~~(m) The executive director of the brain injury association of Ohio or the executive director's designee;

~~(n)~~(n) The executive officer of any other advocacy organization who volunteers to serve on the council, or such an executive officer's designee, if the other voting members, at a meeting called by the chairperson elected under division (C) of this section, determine it is appropriate for the advocacy organization to be represented on the council;

~~(o)~~(o) One or more participants who volunteer to serve on the council and are selected by the other voting members at a meeting the chairperson calls after the medicaid buy-in for workers with disabilities program is

implemented.

(2) The following non-voting members:

(a) The director of job and family services or the director's designee;

(b) The administrator of the rehabilitation services commission or the administrator's designee;

(c) The director of alcohol and drug addiction services or the director's designee;

(d) The director of developmental disabilities or the director's designee;

(e) The director of mental health or the director's designee;

(f) The executive officer of any other government entity, or the executive officer's designee, if the voting members, at a meeting called by the chairperson, determine it is appropriate for the government entity to be represented on the council.

(B) All members of the medicaid buy-in advisory council shall serve without compensation or reimbursement, except as serving on the council is considered part of their usual job duties.

(C) The voting members of the medicaid buy-in advisory council shall elect one of the members of the council to serve as the council's chairperson for a two-year term. The chairperson may be re-elected to successive terms.

(D) The department of job and family services shall provide the Ohio medicaid buy-in advisory council with accommodations for the council to hold its meetings and shall provide the council with other administrative assistance the council needs to perform its duties.

Sec. 5119.221. (A) Upon petition by the director of mental health, the court of common pleas or the probate court may appoint a receiver to take possession of and operate a residential facility licensed pursuant to section 5119.22 of the Revised Code, when conditions existing at the residential facility present a substantial risk of physical or mental harm to residents and no other remedies at law are adequate to protect the health, safety, and welfare of the residents.

Petitions filed pursuant to this section shall include:

(1) A description of the specific conditions existing at the residential facility which present a substantial risk of physical or mental harm to residents;

(2) A statement of the absence of other adequate remedies at law;

(3) The number of individuals residing at the facility;

(4) A statement that the facts have been brought to the attention of the owner or licensee and that conditions have not been remedied within a reasonable period of time or that the conditions, though remedied periodically, habitually exist at the residential facility as a pattern or

practice; and

(5) The name and address of the person holding the license for the residential facility.

(B) A court in which a petition is filed pursuant to this section shall notify the person holding the license for the facility of the filing. The department shall send notice of the filing to the following, as appropriate: ~~the legal rights service created pursuant to~~ Ohio protection and advocacy system as defined in section 5123.60 of the Revised Code; facility owner; facility operator; board of alcohol, drug addiction, and mental health services; board of health; department of developmental disabilities; department of job and family services; facility residents; and residents' families and guardians. The court shall provide a hearing on the petition within five court days of the time it was filed, except that the court may appoint a receiver prior to that time if it determines that the circumstances necessitate such action.

Following a hearing on the petition, and upon a determination that the appointment of a receiver is warranted, the court shall appoint a receiver and notify the department of mental health and appropriate persons of this action.

In setting forth the powers of the receiver, the court may generally authorize the receiver to do all that is prudent and necessary to safely and efficiently operate the residential facility within the requirements of state and federal law, but shall require the receiver to obtain court approval prior to making any single expenditure of more than five thousand dollars to correct deficiencies in the structure or furnishings of a facility. The court shall closely review the conduct of the receiver and shall require regular and detailed reports.

(C) A receivership established pursuant to this section shall be terminated, following notification of the appropriate parties and a hearing, if the court determines either of the following:

(1) The residential facility has been closed and the former residents have been relocated to an appropriate facility;

(2) Circumstances no longer exist at the residential facility which present a substantial risk of physical or mental harm to residents, and there is no deficiency in the residential facility that is likely to create a future risk of harm.

Notwithstanding division (C)(2) of this section, the court shall not terminate a receivership for a residential facility that has previously operated under another receivership unless the responsibility for the operation of the facility is transferred to an operator approved by the court and the

department of mental health.

(D) Except for the department of mental health or appropriate board of alcohol, drug addiction, and mental health services, no party or person interested in an action shall be appointed a receiver pursuant to this section.

To assist the court in identifying persons qualified to be named as receivers, the director of the department of mental health shall maintain a list of the names of such persons. The department of mental health, the department of job and family services, and the department of health shall provide technical assistance to any receiver appointed pursuant to this section.

Before entering upon the duties of receiver, the receiver must be sworn to perform the duties faithfully, and, with surety approved by the court, judge, or clerk, execute a bond to such person, and in such sum as the court or judge directs, to the effect that such receiver will faithfully discharge the duties of receiver in the action, and obey the orders of the court therein.

(1) Under the control of the appointing court, a receiver may do the following:

- (a) Bring and defend actions in the appointee's name as receiver;
- (b) Take and keep possession of property.

(2) The court shall authorize the receiver to do the following:

(a) Collect payment for all goods and services provided to the residents or others during the period of the receivership at the same rate as was charged by the licensee at the time the petition for receivership was filed, unless a different rate is set by the court;

(b) Honor all leases, mortgages, and secured transactions governing all buildings, goods, and fixtures of which the receiver has taken possession, but, in the case of a rental agreement only to the extent of payments that are for the use of the property during the period of the receivership, or, in the case of a purchase agreement, only to the extent that payments come due during the period of the receivership;

(c) If transfer of residents is necessary, provide for the orderly transfer of residents by:

(i) Cooperating with all appropriate state and local agencies in carrying out the transfer of residents to alternative community placements;

(ii) Providing for the transportation of residents' belongings and records;

(iii) Helping to locate alternative placements and develop plans for transfer;

(iv) Encouraging residents or guardians to participate in transfer planning except when an emergency exists and immediate transfer is necessary.

(d) Make periodic reports on the status of the residential facility to the court; the appropriate state agencies; and the board of alcohol, drug addiction, and mental health services. Each report shall be made available to residents, their guardians, and families.

(e) Compromise demands or claims; and

(f) Generally do such acts respecting the residential facility as the court authorizes.

Notwithstanding any other provision of law, contracts which are necessary to carry out the powers and duties of the receiver need not be competitively bid.

Sec. 5122.01. As used in this chapter and Chapter 5119. of the Revised Code:

(A) "Mental illness" means a substantial disorder of thought, mood, perception, orientation, or memory that grossly impairs judgment, behavior, capacity to recognize reality, or ability to meet the ordinary demands of life.

(B) "Mentally ill person subject to hospitalization by court order" means a mentally ill person who, because of the person's illness:

(1) Represents a substantial risk of physical harm to self as manifested by evidence of threats of, or attempts at, suicide or serious self-inflicted bodily harm;

(2) Represents a substantial risk of physical harm to others as manifested by evidence of recent homicidal or other violent behavior, evidence of recent threats that place another in reasonable fear of violent behavior and serious physical harm, or other evidence of present dangerousness;

(3) Represents a substantial and immediate risk of serious physical impairment or injury to self as manifested by evidence that the person is unable to provide for and is not providing for the person's basic physical needs because of the person's mental illness and that appropriate provision for those needs cannot be made immediately available in the community; or

(4) Would benefit from treatment in a hospital for the person's mental illness and is in need of such treatment as manifested by evidence of behavior that creates a grave and imminent risk to substantial rights of others or the person.

(C)(1) "Patient" means, subject to division (C)(2) of this section, a person who is admitted either voluntarily or involuntarily to a hospital or other place under section 2945.39, 2945.40, 2945.401, or 2945.402 of the Revised Code subsequent to a finding of not guilty by reason of insanity or incompetence to stand trial or under this chapter, who is under observation or receiving treatment in such place.

(2) "Patient" does not include a person admitted to a hospital or other place under section 2945.39, 2945.40, 2945.401, or 2945.402 of the Revised Code to the extent that the reference in this chapter to patient, or the context in which the reference occurs, is in conflict with any provision of sections 2945.37 to 2945.402 of the Revised Code.

(D) "Licensed physician" means a person licensed under the laws of this state to practice medicine or a medical officer of the government of the United States while in this state in the performance of the person's official duties.

(E) "Psychiatrist" means a licensed physician who has satisfactorily completed a residency training program in psychiatry, as approved by the residency review committee of the American medical association, the committee on post-graduate education of the American osteopathic association, or the American osteopathic board of neurology and psychiatry, or who on July 1, 1989, has been recognized as a psychiatrist by the Ohio state medical association or the Ohio osteopathic association on the basis of formal training and five or more years of medical practice limited to psychiatry.

(F) "Hospital" means a hospital or inpatient unit licensed by the department of mental health under section 5119.20 of the Revised Code, and any institution, hospital, or other place established, controlled, or supervised by the department under Chapter 5119. of the Revised Code.

(G) "Public hospital" means a facility that is tax-supported and under the jurisdiction of the department of mental health.

(H) "Community mental health agency" means an agency that provides community mental health services that are certified by the director of mental health under section 5119.611 of the Revised Code.

(I) "Licensed clinical psychologist" means a person who holds a current valid psychologist license issued under section 4732.12 or 4732.15 of the Revised Code, and in addition, meets either of the following criteria:

(1) Meets the educational requirements set forth in division (B) of section 4732.10 of the Revised Code and has a minimum of two years' full-time professional experience, or the equivalent as determined by rule of the state board of psychology, at least one year of which shall be a predoctoral internship, in clinical psychological work in a public or private hospital or clinic or in private practice, diagnosing and treating problems of mental illness or mental retardation under the supervision of a psychologist who is licensed or who holds a diploma issued by the American board of professional psychology, or whose qualifications are substantially similar to those required for licensure by the state board of psychology when the

supervision has occurred prior to enactment of laws governing the practice of psychology;

(2) Meets the educational requirements set forth in division (B) of section 4732.15 of the Revised Code and has a minimum of four years' full-time professional experience, or the equivalent as determined by rule of the state board of psychology, in clinical psychological work in a public or private hospital or clinic or in private practice, diagnosing and treating problems of mental illness or mental retardation under supervision, as set forth in division (I)(1) of this section.

(J) "Health officer" means any public health physician; public health nurse; or other person authorized by or designated by a city health district; a general health district; or a board of alcohol, drug addiction, and mental health services to perform the duties of a health officer under this chapter.

(K) "Chief clinical officer" means the medical director of a hospital, or a community mental health agency, or a board of alcohol, drug addiction, and mental health services, or, if there is no medical director, the licensed physician responsible for the treatment a hospital or community mental health agency provides. The chief clinical officer may delegate to the attending physician responsible for a patient's care the duties imposed on the chief clinical officer by this chapter. Within a community mental health agency, the chief clinical officer shall be designated by the governing body of the agency and shall be a licensed physician or licensed clinical psychologist who supervises diagnostic and treatment services. A licensed physician or licensed clinical psychologist designated by the chief clinical officer may perform the duties and accept the responsibilities of the chief clinical officer in the chief clinical officer's absence.

(L) "Working day" or "court day" means Monday, Tuesday, Wednesday, Thursday, and Friday, except when such day is a holiday.

(M) "Indigent" means unable without deprivation of satisfaction of basic needs to provide for the payment of an attorney and other necessary expenses of legal representation, including expert testimony.

(N) "Respondent" means the person whose detention, commitment, hospitalization, continued hospitalization or commitment, or discharge is being sought in any proceeding under this chapter.

(O) ~~"Legal rights service" means the service established under "Ohio protection and advocacy system"~~ has the same meaning as in section 5123.60 of the Revised Code.

(P) "Independent expert evaluation" means an evaluation conducted by a licensed clinical psychologist, psychiatrist, or licensed physician who has been selected by the respondent or the respondent's counsel and who

consents to conducting the evaluation.

(Q) "Court" means the probate division of the court of common pleas.

(R) "Expunge" means:

(1) The removal and destruction of court files and records, originals and copies, and the deletion of all index references;

(2) The reporting to the person of the nature and extent of any information about the person transmitted to any other person by the court;

(3) Otherwise insuring that any examination of court files and records in question shall show no record whatever with respect to the person;

(4) That all rights and privileges are restored, and that the person, the court, and any other person may properly reply that no such record exists, as to any matter expunged.

(S) "Residence" means a person's physical presence in a county with intent to remain there, except that:

(1) If a person is receiving a mental health service at a facility that includes nighttime sleeping accommodations, residence means that county in which the person maintained the person's primary place of residence at the time the person entered the facility;

(2) If a person is committed pursuant to section 2945.38, 2945.39, 2945.40, 2945.401, or 2945.402 of the Revised Code, residence means the county where the criminal charges were filed.

When the residence of a person is disputed, the matter of residence shall be referred to the department of mental health for investigation and determination. Residence shall not be a basis for a board's denying services to any person present in the board's service district, and the board shall provide services for a person whose residence is in dispute while residence is being determined and for a person in an emergency situation.

(T) "Admission" to a hospital or other place means that a patient is accepted for and stays at least one night at the hospital or other place.

(U) "Prosecutor" means the prosecuting attorney, village solicitor, city director of law, or similar chief legal officer who prosecuted a criminal case in which a person was found not guilty by reason of insanity, who would have had the authority to prosecute a criminal case against a person if the person had not been found incompetent to stand trial, or who prosecuted a case in which a person was found guilty.

(V) "Treatment plan" means a written statement of reasonable objectives and goals for an individual established by the treatment team, with specific criteria to evaluate progress towards achieving those objectives. The active participation of the patient in establishing the objectives and goals shall be documented. The treatment plan shall be based

on patient needs and include services to be provided to the patient while the patient is hospitalized and after the patient is discharged. The treatment plan shall address services to be provided upon discharge, including but not limited to housing, financial, and vocational services.

(W) "Community control sanction" has the same meaning as in section 2929.01 of the Revised Code.

(X) "Post-release control sanction" has the same meaning as in section 2967.01 of the Revised Code.

Sec. 5122.02. (A) Except as provided in division (D) of this section, any person who is eighteen years of age or older and who is, appears to be, or believes self to be mentally ill may make written application for voluntary admission to the chief medical officer of a hospital.

(B) Except as provided in division (D) of this section, the application also may be made on behalf of a minor by a parent, a guardian of the person, or the person with custody of the minor, and on behalf of an adult incompetent person by the guardian or the person with custody of the incompetent person.

Any person whose admission is applied for under division (A) or (B) of this section may be admitted for observation, diagnosis, care, or treatment, in any hospital unless the chief clinical officer finds that hospitalization is inappropriate, and except that, in the case of a public hospital, no person shall be admitted without the authorization of the board of the person's county of residence.

(C) If a minor or person adjudicated incompetent due to mental illness whose voluntary admission is applied for under division (B) of this section is admitted, the court shall determine, upon petition by ~~the legal rights service~~, private or otherwise appointed counsel, a relative, or one acting as next friend, whether the admission or continued hospitalization is in the best interest of the minor or incompetent.

The chief clinical officer shall discharge any voluntary patient who has recovered or whose hospitalization the officer determines to be no longer advisable and may discharge any voluntary patient who refuses to accept treatment consistent with the written treatment plan required by section 5122.27 of the Revised Code.

(D) A person who is found incompetent to stand trial or not guilty by reason of insanity and who is committed pursuant to section 2945.39, 2945.40, 2945.401, or 2945.402 of the Revised Code shall not voluntarily admit ~~himself or herself~~ the person or be voluntarily admitted to a hospital pursuant to this section until after the final termination of the commitment, as described in division (J) of section 2945.401 of the Revised Code.

Sec. 5122.27. The chief clinical officer of the hospital or ~~his~~ the chief clinical officer's designee shall assure that all patients hospitalized or committed pursuant to this chapter shall:

(A) Receive, within twenty days of their admission sufficient professional care to assure that an evaluation of current status, differential diagnosis, probable prognosis, and description of the current treatment plan is stated on the official chart;

(B) Have a written treatment plan consistent with the evaluation, diagnosis, prognosis, and goals which shall be provided, upon request of the patient or patient's counsel, to the patient's counsel and to any private physician or licensed clinical psychologist designated by the patient or ~~his~~ the patient's counsel or to the ~~legal rights service~~ Ohio protection and advocacy system;

(C) Receive treatment consistent with the treatment plan. The department of mental health shall set standards for treatment provided to such patients, consistent wherever possible with standards set by the joint commission on accreditation of healthcare organizations.

(D) Receive periodic reevaluations of the treatment plan by the professional staff at intervals not to exceed ninety days;

(E) Be provided with adequate medical treatment for physical disease or injury;

(F) Receive humane care and treatment, including without limitation, the following:

(1) The least restrictive environment consistent with the treatment plan;

(2) The necessary facilities and personnel required by the treatment plan;

(3) A humane psychological and physical environment;

(4) The right to obtain current information concerning ~~his~~ the patient's treatment program and expectations in terms that ~~he~~ the patient can reasonably understand;

(5) Participation in programs designed to afford ~~him~~ the patient substantial opportunity to acquire skills to facilitate ~~his~~ return to the community or to terminate an involuntary commitment;

(6) The right to be free from unnecessary or excessive medication;

(7) Freedom from restraints or isolation unless it is stated in a written order by the chief clinical officer or ~~his~~ the chief clinical officer's designee, or the patient's individual physician or psychologist in a private or general hospital.

~~(G) Be notified of their rights under the law within twenty-four hours of admission, according to rules established by the legal rights service.~~

If the chief clinical officer of the hospital is unable to provide the treatment required by divisions (C), (E), and (F) of this section for any patient hospitalized pursuant to Chapter 5122. of the Revised Code, ~~he~~ the chief clinical officer shall immediately notify the patient, the court, the ~~legal rights service~~ Ohio protection and advocacy system, the director of mental health, and the patient's counsel and legal guardian, if known. If within ten days after receipt of such notification by the director, ~~he~~ the director is unable to effect a transfer of the patient, pursuant to section 5122.20 of the Revised Code, to a hospital, community mental health agency, or other medical facility where treatment is available, or has not received an order of the court to the contrary, the involuntary commitment of any patient hospitalized pursuant to Chapter 5122. of the Revised Code and defined as a mentally ill person subject to hospitalization by court order under division (B)(4) of section 5122.01 of the Revised Code shall automatically be terminated.

Sec. 5122.271. (A) Except as provided in divisions (C), (D), and (E) of this section, the chief clinical officer or, in a nonpublic hospital, the attending physician responsible for a patient's care shall provide all information, including expected physical and medical consequences, necessary to enable any patient of a hospital for the mentally ill to give a fully informed, intelligent, and knowing consent, the opportunity to consult with independent specialists and counsel, and the right to refuse consent for any of the following:

- (1) Surgery;
- (2) Convulsive therapy;
- (3) Major aversive interventions;
- (4) Sterilizations;
- (5) Any unusually hazardous treatment procedures;
- (6) Psycho-surgery.

(B) No patient shall be subjected to any of the procedures listed in divisions (A)(4) to (6) of this section until both the patient's informed, intelligent, and knowing consent and the approval of the court have been obtained, except that court approval is not required for a legally competent and voluntary patient in a nonpublic hospital.

(C) If, after providing the information required under division (A) of this section to the patient, the chief clinical officer or attending physician concludes that a patient is physically or mentally unable to receive the information required for surgery under division (A)(1) of this section, or has been adjudicated incompetent, the information may be provided to the patient's natural or court-appointed guardian, who may give an informed,

intelligent, and knowing written consent.

If a patient is physically or mentally unable to receive the information required for surgery under division (A)(1) of this section and has no guardian, the information, the recommendation of the chief clinical officer, and the concurring judgment of a licensed physician who is not a full-time employee of the state may be provided to the court in the county in which the hospital is located, which may approve the surgery. Before approving the surgery, the court shall notify the ~~legal rights service~~ Ohio protection and advocacy system created by section 5123.60 of the Revised Code, and shall notify the patient of the rights to consult with counsel, to have counsel appointed by the court if the patient is indigent, and to contest the recommendation of the chief clinical officer.

(D) If, in a medical emergency, and after providing the information required under division (A) of this section to the patient, it is the judgment of one licensed physician that delay in obtaining surgery would create a grave danger to the health of the patient, it may be administered without the consent of the patient or the patient's guardian if the necessary information is provided to the patient's spouse or next of kin to enable that person to give informed, intelligent, and knowing written consent. If no spouse or next of kin can reasonably be contacted, or if the spouse or next of kin is contacted, but refuses to consent, the surgery may be performed upon the written authorization of the chief clinical officer or, in a nonpublic hospital, upon the written authorization of the attending physician responsible for the patient's care, and after the approval of the court has been obtained. However, if delay in obtaining court approval would create a grave danger to the life of the patient, the chief clinical officer or, in a nonpublic hospital, the attending physician responsible for the patient's care may authorize surgery, in writing, without court approval. If the surgery is authorized without court approval, the chief clinical officer or the attending physician who made the authorization and the physician who performed the surgery shall each execute an affidavit describing the circumstances constituting the emergency and warranting the surgery and the circumstances warranting their not obtaining prior court approval. The affidavit shall be filed with the court with which the request for prior approval would have been filed within five court days after the surgery, and a copy of the affidavit shall be placed in the patient's file and be given to the guardian, spouse, or next of kin of the patient, to the hospital at which the surgery was performed, and to the ~~legal rights service created by~~ Ohio protection and advocacy system as defined in section 5123.60 of the Revised Code.

(E) Major aversive interventions shall not be used unless a patient

continues to engage in behavior destructive to self or others after other forms of therapy have been attempted. Major aversive interventions may be applied if approved by the director of mental health. ~~The director of the legal rights service created by section 5123.60 of the Revised Code shall be notified of any proposed major aversive intervention prior to review by the director of mental health.~~ Major aversive interventions shall not be applied to a voluntary patient without the informed, intelligent, and knowing written consent of the patient or the patient's guardian.

(F) Unless there is substantial risk of physical harm to self or others, or other than under division (D) of this section, this chapter does not authorize any form of compulsory medical, psychological, or psychiatric treatment of any patient who is being treated by spiritual means through prayer alone in accordance with a recognized religious method of healing without specific court authorization.

(G) For purposes of this section, "convulsive therapy" does not include defibrillation.

Sec. 5122.29. All patients hospitalized or committed pursuant to this chapter have the following rights:

(A) The right to a written list of all rights enumerated in this chapter, to that person, ~~his~~ that person's legal guardian, and ~~his~~ that person's counsel. If the person is unable to read, the list shall be read and explained to ~~him~~ the person.

(B) The right at all times to be treated with consideration and respect for ~~his~~ the patient's privacy and dignity, including without limitation, the following:

(1) At the time a person is taken into custody for diagnosis, detention, or treatment under Chapter 5122. of the Revised Code, the person taking ~~him~~ that person into custody shall take reasonable precautions to preserve and safeguard the personal property in the possession of or on the premises occupied by that person;

(2) A person who is committed, voluntarily or involuntarily, shall be given reasonable protection from assault or battery by any other person.

(C) The right to communicate freely with and be visited at reasonable times by ~~his~~ the patient's private counsel or personnel of the ~~legal rights service~~ Ohio protection and advocacy system and, unless prior court restriction has been obtained, to communicate freely with and be visited at reasonable times by ~~his~~ the patient's personal physician or psychologist.

(D) The right to communicate freely with others, unless specifically restricted in the patient's treatment plan for clear treatment reasons, including without limitation the following:

- (1) To receive visitors at reasonable times;
- (2) To have reasonable access to telephones to make and receive confidential calls, including a reasonable number of free calls if unable to pay for them and assistance in calling if requested and needed.
- (E) The right to have ready access to letter writing materials, including a reasonable number of stamps without cost if unable to pay for them, and to mail and receive unopened correspondence and assistance in writing if requested and needed.
- (F) The right to the following personal privileges consistent with health and safety:
 - (1) To wear ~~his~~ the patient's own clothes and maintain ~~his~~ the patient's own personal effects;
 - (2) To be provided an adequate allowance for or allotment of neat, clean, and seasonable clothing if unable to provide ~~his~~ the patient's own;
 - (3) To maintain ~~his~~ the patient's personal appearance according to ~~his~~ the patient's own personal taste, including head and body hair;
 - (4) To keep and use personal possessions, including toilet articles;
 - (5) To have access to individual storage space for ~~his~~ the patient's private use;
 - (6) To keep and spend a reasonable sum of ~~his~~ the patient's own money for expenses and small purchases;
 - (7) To receive and possess reading materials without censorship, except when the materials create a clear and present danger to the safety of persons in the facility.
- (G) The right to reasonable privacy, including both periods of privacy and places of privacy.
- (H) The right to free exercise of religious worship within the facility, including a right to services and sacred texts that are within the reasonable capacity of the facility to supply, provided that no patient shall be coerced into engaging in any religious activities.
- (I) The right to social interaction with members of either sex, subject to adequate supervision, unless such social interaction is specifically withheld under a patient's written treatment plan for clear treatment reasons.

As used in this section, "clear treatment reasons" means that permitting the patient to communicate freely with others will present a substantial risk of physical harm to the patient or others or will substantially preclude effective treatment of the patient. If a right provided under this section is restricted or withheld for clear treatment reasons, the patient's written treatment plan shall specify the treatment designed to eliminate the restriction or withholding of the right at the earliest possible time.

Sec. 5122.31. (A) All certificates, applications, records, and reports made for the purpose of this chapter and sections 2945.38, 2945.39, 2945.40, 2945.401, and 2945.402 of the Revised Code, other than court journal entries or court docket entries, and directly or indirectly identifying a patient or former patient or person whose hospitalization has been sought under this chapter, shall be kept confidential and shall not be disclosed by any person except:

(1) If the person identified, or the person's legal guardian, if any, or if the person is a minor, the person's parent or legal guardian, consents, and if the disclosure is in the best interests of the person, as may be determined by the court for judicial records and by the chief clinical officer for medical records;

(2) When disclosure is provided for in this chapter or section ~~5123.60~~ 5123.601 of the Revised Code;

(3) That hospitals, boards of alcohol, drug addiction, and mental health services, and community mental health agencies may release necessary medical information to insurers and other third-party payers, including government entities responsible for processing and authorizing payment, to obtain payment for goods and services furnished to the patient;

(4) Pursuant to a court order signed by a judge;

(5) That a patient shall be granted access to the patient's own psychiatric and medical records, unless access specifically is restricted in a patient's treatment plan for clear treatment reasons;

(6) That hospitals and other institutions and facilities within the department of mental health may exchange psychiatric records and other pertinent information with other hospitals, institutions, and facilities of the department, and with community mental health agencies and boards of alcohol, drug addiction, and mental health services with which the department has a current agreement for patient care or services. Records and information that may be released pursuant to this division shall be limited to medication history, physical health status and history, financial status, summary of course of treatment in the hospital, summary of treatment needs, and a discharge summary, if any.

(7) That hospitals within the department, other institutions and facilities within the department, hospitals licensed by the department under section 5119.20 of the Revised Code, and community mental health agencies may exchange psychiatric records and other pertinent information with payers and other providers of treatment and health services if the purpose of the exchange is to facilitate continuity of care for a patient;

(8) That a patient's family member who is involved in the provision,

planning, and monitoring of services to the patient may receive medication information, a summary of the patient's diagnosis and prognosis, and a list of the services and personnel available to assist the patient and the patient's family, if the patient's treating physician determines that the disclosure would be in the best interests of the patient. No such disclosure shall be made unless the patient is notified first and receives the information and does not object to the disclosure.

(9) That community mental health agencies may exchange psychiatric records and certain other information with the board of alcohol, drug addiction, and mental health services and other agencies in order to provide services to a person involuntarily committed to a board. Release of records under this division shall be limited to medication history, physical health status and history, financial status, summary of course of treatment, summary of treatment needs, and discharge summary, if any.

(10) That information may be disclosed to the executor or the administrator of an estate of a deceased patient when the information is necessary to administer the estate;

(11) That records in the possession of the Ohio historical society may be released to the closest living relative of a deceased patient upon request of that relative;

(12) That information may be disclosed to staff members of the appropriate board or to staff members designated by the director of mental health for the purpose of evaluating the quality, effectiveness, and efficiency of services and determining if the services meet minimum standards. Information obtained during such evaluations shall not be retained with the name of any patient.

(13) That records pertaining to the patient's diagnosis, course of treatment, treatment needs, and prognosis shall be disclosed and released to the appropriate prosecuting attorney if the patient was committed pursuant to section 2945.38, 2945.39, 2945.40, 2945.401, or 2945.402 of the Revised Code, or to the attorney designated by the board for proceedings pursuant to involuntary commitment under this chapter.

(14) That the department of mental health may exchange psychiatric hospitalization records, other mental health treatment records, and other pertinent information with the department of rehabilitation and correction to ensure continuity of care for inmates who are receiving mental health services in an institution of the department of rehabilitation and correction. The department shall not disclose those records unless the inmate is notified, receives the information, and does not object to the disclosure. The release of records under this division is limited to records regarding an inmate's

medication history, physical health status and history, summary of course of treatment, summary of treatment needs, and a discharge summary, if any.

(15) That a community mental health agency that ceases to operate may transfer to either a community mental health agency that assumes its caseload or to the board of alcohol, drug addiction, and mental health services of the service district in which the patient resided at the time services were most recently provided any treatment records that have not been transferred elsewhere at the patient's request.

(B) Before records are disclosed pursuant to divisions (A)(3), (6), (7), and (9) of this section, the custodian of the records shall attempt to obtain the patient's consent for the disclosure. No person shall reveal the contents of a medical record of a patient except as authorized by law.

(C) The managing officer of a hospital who releases necessary medical information under division (A)(3) of this section to allow an insurance carrier or other third party payor to comply with section 5121.43 of the Revised Code shall neither be subject to criminal nor civil liability.

Sec. 5122.32. (A) As used in this section:

(1) "Quality assurance committee" means a committee that is appointed in the central office of the department of mental health by the director of mental health, a committee of a hospital or community setting program, a committee established pursuant to section 5119.47 of the Revised Code of the department of mental health appointed by the managing officer of the hospital or program, or a duly authorized subcommittee of a committee of that nature and that is designated to carry out quality assurance program activities.

(2) "Quality assurance program" means a comprehensive program within the department of mental health to systematically review and improve the quality of medical and mental health services within the department and its hospitals and community setting programs, the safety and security of persons receiving medical and mental health services within the department and its hospitals and community setting programs, and the efficiency and effectiveness of the utilization of staff and resources in the delivery of medical and mental health services within the department and its hospitals and community setting programs. "Quality assurance program" includes the central office quality assurance committees, morbidity and mortality review committees, quality assurance programs of community setting programs, quality assurance committees of hospitals operated by the department of mental health, and the office of licensure and certification of the department.

(3) "Quality assurance program activities" include collecting or

compiling information and reports required by a quality assurance committee, receiving, reviewing, or implementing the recommendations made by a quality assurance committee, and credentialing, privileging, infection control, tissue review, peer review, utilization review including access to patient care records, patient care assessment records, and medical and mental health records, medical and mental health resource management, mortality and morbidity review, and identification and prevention of medical or mental health incidents and risks, whether performed by a quality assurance committee or by persons who are directed by a quality assurance committee.

(4) "Quality assurance records" means the proceedings, discussion, records, findings, recommendations, evaluations, opinions, minutes, reports, and other documents or actions that emanate from quality assurance committees, quality assurance programs, or quality assurance program activities. "Quality assurance records" does not include aggregate statistical information that does not disclose the identity of persons receiving or providing medical or mental health services in department of mental health institutions.

(B)(1) Except as provided in division (E) of this section, quality assurance records are confidential and are not public records under section 149.43 of the Revised Code, and shall be used only in the course of the proper functions of a quality assurance program.

(2) Except as provided in division (E) of this section, no person who possesses or has access to quality assurance records and who knows that the records are quality assurance records shall willfully disclose the contents of the records to any person or entity.

(C)(1) Except as provided in division (E) of this section, no quality assurance record shall be subject to discovery in, and is not admissible in evidence, in any judicial or administrative proceeding.

(2) Except as provided in division (E) of this section, no member of a quality assurance committee or a person who is performing a function that is part of a quality assurance program shall be permitted or required to testify in a judicial or administrative proceeding with respect to quality assurance records or with respect to any finding, recommendation, evaluation, opinion, or other action taken by the committee, member, or person.

(3) Information, documents, or records otherwise available from original sources are not to be construed as being unavailable for discovery or admission in evidence in a judicial or administrative proceeding merely because they were presented to a quality assurance committee. No person testifying before a quality assurance committee or person who is a member

of a quality assurance committee shall be prevented from testifying as to matters within the person's knowledge, but the witness cannot be asked about the witness' testimony before the quality assurance committee or about an opinion formed by the person as a result of the quality assurance committee proceedings.

(D)(1) A person who, without malice and in the reasonable belief that the information is warranted by the facts known to the person, provides information to a person engaged in quality assurance program activities is not liable for damages in a civil action for injury, death, or loss to person or property to any person as a result of providing the information.

(2) A member of a quality assurance committee, a person engaged in quality assurance program activities, and an employee of the department of mental health shall not be liable in damages in a civil action for injury, death, or loss to person or property to any person for any acts, omissions, decisions, or other conduct within the scope of the functions of the quality assurance program.

(3) Nothing in this section shall relieve any institution or individual from liability arising from the treatment of a patient.

(E) Quality assurance records may be disclosed, and testimony may be provided concerning quality assurance records, only to the following persons or entities:

(1) Persons who are employed or retained by the department of mental health and who have authority to evaluate or implement the recommendations of a state-operated hospital, community setting program, or central office quality assurance committee;

(2) Public or private agencies or organizations if needed to perform a licensing or accreditation function related to department of mental health hospitals or community setting programs, or to perform monitoring of a hospital or program of that nature as required by law.

(F) A disclosure of quality assurance records pursuant to division (E) of this section does not otherwise waive the confidential and privileged status of the disclosed quality assurance records.

(G) Nothing in this section shall limit the access of the ~~legal rights service~~ Ohio protection and advocacy system to records or personnel as ~~set forth in sections 5123.60 to 5123.604 required under section 5123.601~~ of the Revised Code. Nothing in this section shall limit the admissibility of documentary or testimonial evidence in an action brought by the ~~legal rights service~~ Ohio protection and advocacy system in its own name or on behalf of a client.

Sec. 5123.092. (A) There is hereby established at each institution and

branch institution under the control of the department of developmental disabilities a citizen's advisory council consisting of thirteen members. At least seven of the members shall be persons who are not providers of mental retardation services. Each council shall include parents or other relatives of residents of institutions under the control of the department, community leaders, professional persons in relevant fields, and persons who have an interest in or knowledge of mental retardation. The managing officer of the institution shall be a nonvoting member of the council.

(B) The director of developmental disabilities shall be the appointing authority for the voting members of each citizen's advisory council. Each time the term of a voting member expires, the remaining members of the council shall recommend to the director one or more persons to serve on the council. The director may accept a nominee of the council or reject the nominee or nominees. If the director rejects the nominee or nominees, the remaining members of the advisory council shall further recommend to the director one or more other persons to serve on the advisory council. This procedure shall continue until a member is appointed to the advisory council.

Each advisory council shall elect from its appointed members a chairperson, vice-chairperson, and a secretary to serve for terms of one year. Advisory council officers shall not serve for more than two consecutive terms in the same office. A majority of the advisory council members constitutes a quorum.

(C) Terms of office shall be for three years, each term ending on the same day of the same month of the year as did the term which it succeeds. No member shall serve more than two consecutive terms, except that any former member may be appointed if one year or longer has elapsed since the member served two consecutive terms. Each member shall hold office from the date of appointment until the end of the term for which the member was appointed. Any vacancy shall be filled in the same manner in which the original appointment was made, and the appointee to a vacancy in an unexpired term shall serve the balance of the term of the original appointee. Any member shall continue in office subsequent to the expiration date of the member's term until the member's successor takes office, or until a period of sixty days has elapsed, whichever occurs first.

(D) Members shall be expected to attend all meetings of the advisory council. Unexcused absence from two successive regularly scheduled meetings shall be considered prima-facie evidence of intent not to continue as a member. The chairperson of the board shall, after a member has been absent for two successive regularly scheduled meetings, direct a letter to the

member asking if the member wishes to remain in membership. If an affirmative reply is received, the member shall be retained as a member except that, if, after having expressed a desire to remain a member, the member then misses a third successive regularly scheduled meeting without being excused, the chairperson shall terminate the member's membership.

(E) A citizen's advisory council shall meet six times annually, or more frequently if three council members request the chairperson to call a meeting. The council shall keep minutes of each meeting and shall submit them to the managing officer of the institution with which the council is associated; and the department of developmental disabilities; ~~and the legal rights service.~~

(F) Members of citizen's advisory councils shall receive no compensation for their services, except that they shall be reimbursed for their actual and necessary expenses incurred in the performance of their official duties by the institution with which they are associated from funds allocated to it, provided that reimbursement for those expenses shall not exceed limits imposed upon the department of developmental disabilities by administrative rules regulating travel within this state.

(G) The councils shall have reasonable access to all patient treatment and living areas and records of the institution, except those records of a strictly personal or confidential nature. The councils shall have access to a patient's personal records with the consent of the patient or the patient's legal guardian or, if the patient is a minor, with the consent of the parent or legal guardian of the patient.

(H) As used in this section, "branch institution" means a facility that is located apart from an institution and is under the control of the managing officer of the institution.

Sec. 5123.19. (A) As used in this section and in sections 5123.191, 5123.194, 5123.196, 5123.197, 5123.198, and 5123.20 of the Revised Code:

(1)(a) "Residential facility" means a home or facility in which a mentally retarded or developmentally disabled person resides, except the home of a relative or legal guardian in which a mentally retarded or developmentally disabled person resides, a respite care home certified under section 5126.05 of the Revised Code, a county home or district home operated pursuant to Chapter 5155. of the Revised Code, or a dwelling in which the only mentally retarded or developmentally disabled residents are in an independent living arrangement or are being provided supported living.

(b) "Intermediate care facility for the mentally retarded" means a residential facility that is considered an intermediate care facility for the

mentally retarded for the purposes of Chapter 5111. of the Revised Code.

(2) "Political subdivision" means a municipal corporation, county, or township.

(3) "Independent living arrangement" means an arrangement in which a mentally retarded or developmentally disabled person resides in an individualized setting chosen by the person or the person's guardian, which is not dedicated principally to the provision of residential services for mentally retarded or developmentally disabled persons, and for which no financial support is received for rendering such service from any governmental agency by a provider of residential services.

(4) "Licensee" means the person or government agency that has applied for a license to operate a residential facility and to which the license was issued under this section.

(5) "Related party" has the same meaning as in section 5123.16 of the Revised Code except that "provider" as used in the definition of "related party" means a person or government entity that held or applied for a license to operate a residential facility, rather than a person or government entity certified to provide supported living.

(B) Every person or government agency desiring to operate a residential facility shall apply for licensure of the facility to the director of developmental disabilities unless the residential facility is subject to section 3721.02, 5119.73, 5103.03, or 5119.20 of the Revised Code. Notwithstanding Chapter 3721. of the Revised Code, a nursing home that is certified as an intermediate care facility for the mentally retarded under Title XIX of the "Social Security Act," 79 Stat. 286 (1965), 42 U.S.C.A. 1396, as amended, shall apply for licensure of the portion of the home that is certified as an intermediate care facility for the mentally retarded.

(C) Subject to section 5123.196 of the Revised Code, the director of developmental disabilities shall license the operation of residential facilities. An initial license shall be issued for a period that does not exceed one year, unless the director denies the license under division (D) of this section. A license shall be renewed for a period that does not exceed three years, unless the director refuses to renew the license under division (D) of this section. The director, when issuing or renewing a license, shall specify the period for which the license is being issued or renewed. A license remains valid for the length of the licensing period specified by the director, unless the license is terminated, revoked, or voluntarily surrendered.

(D) If it is determined that an applicant or licensee is not in compliance with a provision of this chapter that applies to residential facilities or the rules adopted under such a provision, the director may deny issuance of a

license, refuse to renew a license, terminate a license, revoke a license, issue an order for the suspension of admissions to a facility, issue an order for the placement of a monitor at a facility, issue an order for the immediate removal of residents, or take any other action the director considers necessary consistent with the director's authority under this chapter regarding residential facilities. In the director's selection and administration of the sanction to be imposed, all of the following apply:

(1) The director may deny, refuse to renew, or revoke a license, if the director determines that the applicant or licensee has demonstrated a pattern of serious noncompliance or that a violation creates a substantial risk to the health and safety of residents of a residential facility.

(2) The director may terminate a license if more than twelve consecutive months have elapsed since the residential facility was last occupied by a resident or a notice required by division (K) of this section is not given.

(3) The director may issue an order for the suspension of admissions to a facility for any violation that may result in sanctions under division (D)(1) of this section and for any other violation specified in rules adopted under division (H)(2) of this section. If the suspension of admissions is imposed for a violation that may result in sanctions under division (D)(1) of this section, the director may impose the suspension before providing an opportunity for an adjudication under Chapter 119. of the Revised Code. The director shall lift an order for the suspension of admissions when the director determines that the violation that formed the basis for the order has been corrected.

(4) The director may order the placement of a monitor at a residential facility for any violation specified in rules adopted under division (H)(2) of this section. The director shall lift the order when the director determines that the violation that formed the basis for the order has been corrected.

(5) If the director determines that two or more residential facilities owned or operated by the same person or government entity are not being operated in compliance with a provision of this chapter that applies to residential facilities or the rules adopted under such a provision, and the director's findings are based on the same or a substantially similar action, practice, circumstance, or incident that creates a substantial risk to the health and safety of the residents, the director shall conduct a survey as soon as practicable at each residential facility owned or operated by that person or government entity. The director may take any action authorized by this section with respect to any facility found to be operating in violation of a provision of this chapter that applies to residential facilities or the rules adopted under such a provision.

(6) When the director initiates license revocation proceedings, no opportunity for submitting a plan of correction shall be given. The director shall notify the licensee by letter of the initiation of the proceedings. The letter shall list the deficiencies of the residential facility and inform the licensee that no plan of correction will be accepted. The director shall also send a copy of the letter to the county board of developmental disabilities. The county board shall send a copy of the letter to each of the following:

- (a) Each resident who receives services from the licensee;
- (b) The guardian of each resident who receives services from the licensee if the resident has a guardian;
- (c) The parent or guardian of each resident who receives services from the licensee if the resident is a minor.

(7) Pursuant to rules which shall be adopted in accordance with Chapter 119. of the Revised Code, the director may order the immediate removal of residents from a residential facility whenever conditions at the facility present an immediate danger of physical or psychological harm to the residents.

(8) In determining whether a residential facility is being operated in compliance with a provision of this chapter that applies to residential facilities or the rules adopted under such a provision, or whether conditions at a residential facility present an immediate danger of physical or psychological harm to the residents, the director may rely on information obtained by a county board of developmental disabilities or other governmental agencies.

(9) In proceedings initiated to deny, refuse to renew, or revoke licenses, the director may deny, refuse to renew, or revoke a license regardless of whether some or all of the deficiencies that prompted the proceedings have been corrected at the time of the hearing.

(E) The director shall establish a program under which public notification may be made when the director has initiated license revocation proceedings or has issued an order for the suspension of admissions, placement of a monitor, or removal of residents. The director shall adopt rules in accordance with Chapter 119. of the Revised Code to implement this division. The rules shall establish the procedures by which the public notification will be made and specify the circumstances for which the notification must be made. The rules shall require that public notification be made if the director has taken action against the facility in the eighteen-month period immediately preceding the director's latest action against the facility and the latest action is being taken for the same or a substantially similar violation of a provision of this chapter that applies to

residential facilities or the rules adopted under such a provision. The rules shall specify a method for removing or amending the public notification if the director's action is found to have been unjustified or the violation at the residential facility has been corrected.

(F)(1) Except as provided in division (F)(2) of this section, appeals from proceedings initiated to impose a sanction under division (D) of this section shall be conducted in accordance with Chapter 119. of the Revised Code.

(2) Appeals from proceedings initiated to order the suspension of admissions to a facility shall be conducted in accordance with Chapter 119. of the Revised Code, unless the order was issued before providing an opportunity for an adjudication, in which case all of the following apply:

(a) The licensee may request a hearing not later than ten days after receiving the notice specified in section 119.07 of the Revised Code.

(b) If a timely request for a hearing that includes the licensee's current address is made, the hearing shall commence not later than thirty days after the department receives the request.

(c) After commencing, the hearing shall continue uninterrupted, except for Saturdays, Sundays, and legal holidays, unless other interruptions are agreed to by the licensee and the director.

(d) If the hearing is conducted by a hearing examiner, the hearing examiner shall file a report and recommendations not later than ten days after the last of the following:

(i) The close of the hearing;

(ii) If a transcript of the proceedings is ordered, the hearing examiner receives the transcript;

(iii) If post-hearing briefs are timely filed, the hearing examiner receives the briefs.

(e) A copy of the written report and recommendation of the hearing examiner shall be sent, by certified mail, to the licensee and the licensee's attorney, if applicable, not later than five days after the report is filed.

(f) Not later than five days after the hearing examiner files the report and recommendations, the licensee may file objections to the report and recommendations.

(g) Not later than fifteen days after the hearing examiner files the report and recommendations, the director shall issue an order approving, modifying, or disapproving the report and recommendations.

(h) Notwithstanding the pendency of the hearing, the director shall lift the order for the suspension of admissions when the director determines that the violation that formed the basis for the order has been corrected.

(G) Neither a person or government agency whose application for a

license to operate a residential facility is denied nor a related party of the person or government agency may apply for a license to operate a residential facility before the date that is one year after the date of the denial. Neither a licensee whose residential facility license is revoked nor a related party of the licensee may apply for a residential facility license before the date that is five years after the date of the revocation.

(H) In accordance with Chapter 119. of the Revised Code, the director shall adopt and may amend and rescind rules for licensing and regulating the operation of residential facilities, including intermediate care facilities for the mentally retarded. The rules for intermediate care facilities for the mentally retarded may differ from those for other residential facilities. The rules shall establish and specify the following:

(1) Procedures and criteria for issuing and renewing licenses, including procedures and criteria for determining the length of the licensing period that the director must specify for each license when it is issued or renewed;

(2) Procedures and criteria for denying, refusing to renew, terminating, and revoking licenses and for ordering the suspension of admissions to a facility, placement of a monitor at a facility, and the immediate removal of residents from a facility;

(3) Fees for issuing and renewing licenses, which shall be deposited into the program fee fund created under section 5123.033 of the Revised Code;

(4) Procedures for surveying residential facilities;

(5) Requirements for the training of residential facility personnel;

(6) Classifications for the various types of residential facilities;

(7) Certification procedures for licensees and management contractors that the director determines are necessary to ensure that they have the skills and qualifications to properly operate or manage residential facilities;

(8) The maximum number of persons who may be served in a particular type of residential facility;

(9) Uniform procedures for admission of persons to and transfers and discharges of persons from residential facilities;

(10) Other standards for the operation of residential facilities and the services provided at residential facilities;

(11) Procedures for waiving any provision of any rule adopted under this section.

(I) Before issuing a license, the director of the department or the director's designee shall conduct a survey of the residential facility for which application is made. The director or the director's designee shall conduct a survey of each licensed residential facility at least once during the period the license is valid and may conduct additional inspections as needed.

A survey includes but is not limited to an on-site examination and evaluation of the residential facility, its personnel, and the services provided there.

In conducting surveys, the director or the director's designee shall be given access to the residential facility; all records, accounts, and any other documents related to the operation of the facility; the licensee; the residents of the facility; and all persons acting on behalf of, under the control of, or in connection with the licensee. The licensee and all persons on behalf of, under the control of, or in connection with the licensee shall cooperate with the director or the director's designee in conducting the survey.

Following each survey, unless the director initiates a license revocation proceeding, the director or the director's designee shall provide the licensee with a report listing any deficiencies, specifying a timetable within which the licensee shall submit a plan of correction describing how the deficiencies will be corrected, and, when appropriate, specifying a timetable within which the licensee must correct the deficiencies. After a plan of correction is submitted, the director or the director's designee shall approve or disapprove the plan. A copy of the report and any approved plan of correction shall be provided to any person who requests it.

The director shall initiate disciplinary action against any department employee who notifies or causes the notification to any unauthorized person of an unannounced survey of a residential facility by an authorized representative of the department.

(J) In addition to any other information which may be required of applicants for a license pursuant to this section, the director shall require each applicant to provide a copy of an approved plan for a proposed residential facility pursuant to section 5123.042 of the Revised Code. This division does not apply to renewal of a license or to an applicant for an initial or modified license who meets the requirements of section 5123.193 or 5123.197 of the Revised Code.

(K) A licensee shall notify the owner of the building in which the licensee's residential facility is located of any significant change in the identity of the licensee or management contractor before the effective date of the change if the licensee is not the owner of the building.

Pursuant to rules which shall be adopted in accordance with Chapter 119. of the Revised Code, the director may require notification to the department of any significant change in the ownership of a residential facility or in the identity of the licensee or management contractor. If the director determines that a significant change of ownership is proposed, the director shall consider the proposed change to be an application for

development by a new operator pursuant to section 5123.042 of the Revised Code and shall advise the applicant within sixty days of the notification that the current license shall continue in effect or a new license will be required pursuant to this section. If the director requires a new license, the director shall permit the facility to continue to operate under the current license until the new license is issued, unless the current license is revoked, refused to be renewed, or terminated in accordance with Chapter 119. of the Revised Code.

(L) A county board of developmental disabilities, ~~the legal rights service,~~ and any interested person may file complaints alleging violations of statute or department rule relating to residential facilities with the department. All complaints shall be in writing and shall state the facts constituting the basis of the allegation. The department shall not reveal the source of any complaint unless the complainant agrees in writing to waive the right to confidentiality or until so ordered by a court of competent jurisdiction.

The department shall adopt rules in accordance with Chapter 119. of the Revised Code establishing procedures for the receipt, referral, investigation, and disposition of complaints filed with the department under this division.

(M) The department shall establish procedures for the notification of interested parties of the transfer or interim care of residents from residential facilities that are closing or are losing their license.

(N) Before issuing a license under this section to a residential facility that will accommodate at any time more than one mentally retarded or developmentally disabled individual, the director shall, by first class mail, notify the following:

(1) If the facility will be located in a municipal corporation, the clerk of the legislative authority of the municipal corporation;

(2) If the facility will be located in unincorporated territory, the clerk of the appropriate board of county commissioners and the fiscal officer of the appropriate board of township trustees.

The director shall not issue the license for ten days after mailing the notice, excluding Saturdays, Sundays, and legal holidays, in order to give the notified local officials time in which to comment on the proposed issuance.

Any legislative authority of a municipal corporation, board of county commissioners, or board of township trustees that receives notice under this division of the proposed issuance of a license for a residential facility may comment on it in writing to the director within ten days after the director mailed the notice, excluding Saturdays, Sundays, and legal holidays. If the

director receives written comments from any notified officials within the specified time, the director shall make written findings concerning the comments and the director's decision on the issuance of the license. If the director does not receive written comments from any notified local officials within the specified time, the director shall continue the process for issuance of the license.

(O) Any person may operate a licensed residential facility that provides room and board, personal care, habilitation services, and supervision in a family setting for at least six but not more than eight persons with mental retardation or a developmental disability as a permitted use in any residential district or zone, including any single-family residential district or zone, of any political subdivision. These residential facilities may be required to comply with area, height, yard, and architectural compatibility requirements that are uniformly imposed upon all single-family residences within the district or zone.

(P) Any person may operate a licensed residential facility that provides room and board, personal care, habilitation services, and supervision in a family setting for at least nine but not more than sixteen persons with mental retardation or a developmental disability as a permitted use in any multiple-family residential district or zone of any political subdivision, except that a political subdivision that has enacted a zoning ordinance or resolution establishing planned unit development districts may exclude these residential facilities from those districts, and a political subdivision that has enacted a zoning ordinance or resolution may regulate these residential facilities in multiple-family residential districts or zones as a conditionally permitted use or special exception, in either case, under reasonable and specific standards and conditions set out in the zoning ordinance or resolution to:

(1) Require the architectural design and site layout of the residential facility and the location, nature, and height of any walls, screens, and fences to be compatible with adjoining land uses and the residential character of the neighborhood;

(2) Require compliance with yard, parking, and sign regulation;

(3) Limit excessive concentration of these residential facilities.

(Q) This section does not prohibit a political subdivision from applying to residential facilities nondiscriminatory regulations requiring compliance with health, fire, and safety regulations and building standards and regulations.

(R) Divisions (O) and (P) of this section are not applicable to municipal corporations that had in effect on June 15, 1977, an ordinance specifically

permitting in residential zones licensed residential facilities by means of permitted uses, conditional uses, or special exception, so long as such ordinance remains in effect without any substantive modification.

(S)(1) The director may issue an interim license to operate a residential facility to an applicant for a license under this section if either of the following is the case:

(a) The director determines that an emergency exists requiring immediate placement of persons in a residential facility, that insufficient licensed beds are available, and that the residential facility is likely to receive a permanent license under this section within thirty days after issuance of the interim license.

(b) The director determines that the issuance of an interim license is necessary to meet a temporary need for a residential facility.

(2) To be eligible to receive an interim license, an applicant must meet the same criteria that must be met to receive a permanent license under this section, except for any differing procedures and time frames that may apply to issuance of a permanent license.

(3) An interim license shall be valid for thirty days and may be renewed by the director for a period not to exceed one hundred fifty days.

(4) The director shall adopt rules in accordance with Chapter 119. of the Revised Code as the director considers necessary to administer the issuance of interim licenses.

(T) Notwithstanding rules adopted pursuant to this section establishing the maximum number of persons who may be served in a particular type of residential facility, a residential facility shall be permitted to serve the same number of persons being served by the facility on the effective date of the rules or the number of persons for which the facility is authorized pursuant to a current application for a certificate of need with a letter of support from the department of developmental disabilities and which is in the review process prior to April 4, 1986.

(U) The director or the director's designee may enter at any time, for purposes of investigation, any home, facility, or other structure that has been reported to the director or that the director has reasonable cause to believe is being operated as a residential facility without a license issued under this section.

The director may petition the court of common pleas of the county in which an unlicensed residential facility is located for an order enjoining the person or governmental agency operating the facility from continuing to operate without a license. The court may grant the injunction on a showing that the person or governmental agency named in the petition is operating a

residential facility without a license. The court may grant the injunction, regardless of whether the residential facility meets the requirements for receiving a license under this section.

Sec. 5123.191. (A) The court of common pleas or a judge thereof in the judge's county, or the probate court, may appoint a receiver to take possession of and operate a residential facility licensed by the department of developmental disabilities, in causes pending in such courts respectively, when conditions existing at the facility present a substantial risk of physical or mental harm to residents and no other remedies at law are adequate to protect the health, safety, and welfare of the residents. Conditions at the facility that may present such risk of harm include, but are not limited to, instances when any of the following occur:

(1) The residential facility is in violation of state or federal law or regulations.

(2) The facility has had its license revoked or procedures for revocation have been initiated, or the facility is closing or intends to cease operations.

(3) Arrangements for relocating residents need to be made.

(4) Insolvency of the operator, licensee, or landowner threatens the operation of the facility.

(5) The facility or operator has demonstrated a pattern and practice of repeated violations of state or federal laws or regulations.

(B) A court in which a petition is filed pursuant to this section shall notify the person holding the license for the facility and the department of developmental disabilities of the filing. The court shall order the department to notify the ~~legal rights service~~, facility owner, facility operator, county board of developmental disabilities, facility residents, and residents' parents and guardians of the filing of the petition.

The court shall provide a hearing on the petition within five court days of the time it was filed, except that the court may appoint a receiver prior to that time if it determines that the circumstances necessitate such action. Following a hearing on the petition, and upon a determination that the appointment of a receiver is warranted, the court shall appoint a receiver and notify the department of developmental disabilities and appropriate persons of this action.

(C) A residential facility for which a receiver has been named is deemed to be in compliance with section 5123.19 and Chapter 3721. of the Revised Code for the duration of the receivership.

(D) When the operating revenue of a residential facility in receivership is insufficient to meet its operating expenses, including the cost of bringing the facility into compliance with state or federal laws or regulations, the

court may order the state to provide necessary funding, except as provided in division (K) of this section. The state shall provide such funding, subject to the approval of the controlling board. The court may also order the appropriate authorities to expedite all inspections necessary for the issuance of licenses or the certification of a facility, and order a facility to be closed if it determines that reasonable efforts cannot bring the facility into substantial compliance with the law.

(E) In establishing a receivership, the court shall set forth the powers and duties of the receiver. The court may generally authorize the receiver to do all that is prudent and necessary to safely and efficiently operate the residential facility within the requirements of state and federal law, but shall require the receiver to obtain court approval prior to making any single expenditure of more than five thousand dollars to correct deficiencies in the structure or furnishings of a facility. The court shall closely review the conduct of the receiver it has appointed and shall require regular and detailed reports. The receivership shall be reviewed at least every sixty days.

(F) A receivership established pursuant to this section shall be terminated, following notification of the appropriate parties and a hearing, if the court determines either of the following:

(1) The residential facility has been closed and the former residents have been relocated to an appropriate facility.

(2) Circumstances no longer exist at the facility that present a substantial risk of physical or mental harm to residents, and there is no deficiency in the facility that is likely to create a future risk of harm.

Notwithstanding division (F)(2) of this section, the court shall not terminate a receivership for a residential facility that has previously operated under another receivership unless the responsibility for the operation of the facility is transferred to an operator approved by the court and the department of developmental disabilities.

(G) The department of developmental disabilities may, upon its own initiative or at the request of an owner, operator, or resident of a residential facility, or at the request of a resident's guardian or relative, or a county board of developmental disabilities, ~~or the legal rights service~~, petition the court to appoint a receiver to take possession of and operate a residential facility. When the department has been requested to file a petition by any of the parties listed above, it shall, within forty-eight hours of such request, either file such a petition or notify the requesting party of its decision not to file. If the department refuses to file, the requesting party may file a petition with the court requesting the appointment of a receiver to take possession of and operate a residential facility.

Petitions filed pursuant to this division shall include the following:

(1) A description of the specific conditions existing at the facility which present a substantial risk of physical or mental harm to residents;

(2) A statement of the absence of other adequate remedies at law;

(3) The number of individuals residing at the facility;

(4) A statement that the facts have been brought to the attention of the owner or licensee and that conditions have not been remedied within a reasonable period of time or that the conditions, though remedied periodically, habitually exist at the facility as a pattern or practice;

(5) The name and address of the person holding the license for the facility and the address of the department of developmental disabilities.

The court may award to an operator appropriate costs and expenses, including reasonable attorney's fees, if it determines that a petitioner has initiated a proceeding in bad faith or merely for the purpose of harassing or embarrassing the operator.

(H) Except for the department of developmental disabilities or a county board of developmental disabilities, no party or person interested in an action shall be appointed a receiver pursuant to this section.

To assist the court in identifying persons qualified to be named as receivers, the director of developmental disabilities or the director's designee shall maintain a list of the names of such persons. The director shall, in accordance with Chapter 119. of the Revised Code, establish standards for evaluating persons desiring to be included on such a list.

(I) Before a receiver enters upon the duties of that person, the receiver must be sworn to perform the duties of receiver faithfully, and, with surety approved by the court, judge, or clerk, execute a bond to such person, and in such sum as the court or judge directs, to the effect that such receiver will faithfully discharge the duties of receiver in the action, and obey the orders of the court therein.

(J) Under the control of the appointing court, a receiver may bring and defend actions in the receiver's own name as receiver and take and keep possession of property.

The court shall authorize the receiver to do the following:

(1) Collect payment for all goods and services provided to the residents or others during the period of the receivership at the same rate as was charged by the licensee at the time the petition for receivership was filed, unless a different rate is set by the court;

(2) Honor all leases, mortgages, and secured transactions governing all buildings, goods, and fixtures of which the receiver has taken possession and continues to use, subject to the following conditions:

(a) In the case of a rental agreement, only to the extent of payments that are for the use of the property during the period of the receivership;

(b) In the case of a purchase agreement only to the extent of payments that come due during the period of the receivership.

(3) If transfer of residents is necessary, provide for the orderly transfer of residents by doing the following:

(a) Cooperating with all appropriate state and local agencies in carrying out the transfer of residents to alternative community placements;

(b) Providing for the transportation of residents' belongings and records;

(c) Helping to locate alternative placements and develop discharge plans;

(d) Preparing residents for the trauma of discharge;

(e) Permitting residents or guardians to participate in transfer or discharge planning except when an emergency exists and immediate transfer is necessary.

(4) Make periodic reports on the status of the residential program to the appropriate state agency, county board of developmental disabilities, parents, guardians, and residents;

(5) Compromise demands or claims;

(6) Generally do such acts respecting the residential facility as the court authorizes.

(K) Neither the receiver nor the department of developmental disabilities is liable for debts incurred by the owner or operator of a residential facility for which a receiver has been appointed.

(L) The department of developmental disabilities may contract for the operation of a residential facility in receivership. The department shall establish the conditions of a contract. Notwithstanding any other provision of law, contracts that are necessary to carry out the powers and duties of the receiver need not be competitively bid.

(M) The department of developmental disabilities, the department of job and family services, and the department of health shall provide technical assistance to any receiver appointed pursuant to this section.

Sec. 5123.35. (A) There is hereby created the Ohio developmental disabilities council, which shall serve as an advocate for all persons with developmental disabilities. The council shall act in accordance with the "Developmental Disabilities Assistance and Bill of Rights Act," 98 Stat. 2662 (1984), 42 U.S.C. 6001, as amended. The governor shall appoint the members of the council in accordance with 42 U.S.C. 6024.

(B) The Ohio developmental disabilities council shall develop the state plan required by federal law as a condition of receiving federal assistance

under 42 U.S.C. 6021 to 6030. The department of developmental disabilities, as the state agency selected by the governor for purposes of receiving the federal assistance, shall receive, account for, and disburse funds based on the state plan and shall provide assurances and other administrative support services required as a condition of receiving the federal assistance.

(C) The federal funds may be disbursed through grants to or contracts with persons and government agencies for the provision of necessary or useful goods and services for developmentally disabled persons. The Ohio developmental disabilities council may award the grants or enter into the contracts.

(D) The Ohio developmental disabilities council may award grants to or enter into contracts with a member of the council or an entity that the member represents if all of the following apply:

(1) The member serves on the council as a representative of one of the principal state agencies concerned with services for persons with developmental disabilities as specified in 42 U.S.C. 6024(b)(3), a representative of a university affiliated program as defined in 42 U.S.C. 6001(18), or a representative of the legal rights service created under Ohio protection and advocacy system, as defined in section 5123.60 of the Revised Code.

(2) The council determines that the member or the entity the member represents is capable of providing the goods or services specified under the terms of the grant or contract.

(3) The member has not taken part in any discussion or vote of the council related to awarding the grant or entering into the contract, including service as a member of a review panel established by the council to award grants or enter into contracts or to make recommendations with regard to awarding grants or entering into contracts.

(E) A member of the Ohio developmental disabilities council is not in violation of Chapter 102. or section 2921.42 of the Revised Code with regard to receiving a grant or entering into a contract under this section if the requirements of division (D) of this section have been met.

Sec. 5123.60. (A) As used in this section and section 5123.601 of the Revised Code, "Ohio protection and advocacy system" means the nonprofit entity designated by the governor in accordance with H.B. 153 of the 129th general assembly to serve as the state's protection and advocacy system and client assistance program.

(B) The Ohio protection and advocacy system shall provide both of the following:

(1) Advocacy services for people with disabilities, as provided under section 101 of the "Developmental Disabilities Assistance and Bill of Rights Act of 2000," 114 Stat. 1678 (2000), 42 U.S.C. 15001;

(2) A client assistance program, as provided under section 112 of the "Workforce Investment Act of 1998," 112 Stat. 1163 (1998), 29 U.S.C. 732, as amended.

(C) The Ohio protection and advocacy system may establish any guidelines necessary for its operation.

~~Sec. 5123.60 5123.601. (A) A legal rights service is hereby created and established to protect and advocate the rights of mentally ill persons, mentally retarded persons, developmentally disabled persons, and other disabled persons who may be represented by the service pursuant to division (L) of this section; to receive and act upon complaints concerning institutional and hospital practices and conditions of institutions for mentally retarded or developmentally disabled persons and hospitals for the mentally ill; and to assure that all persons detained, hospitalized, discharged, or institutionalized, and all persons whose detention, hospitalization, discharge, or institutionalization is sought or has been sought under this chapter or Chapter 5122. of the Revised Code are fully informed of their rights and adequately represented by counsel in proceedings under this chapter or Chapter 5122. of the Revised Code and in any proceedings to secure the rights of those persons. Notwithstanding the definitions of "mentally retarded person" and "developmentally disabled person" in section 5123.01 of the Revised Code, the legal rights service shall determine who is a mentally retarded or developmentally disabled person for purposes of this section and sections 5123.601 to 5123.604 of the Revised Code.~~

~~(B)(1) In regard to those persons detained, hospitalized, or institutionalized under Chapter 5122. of the Revised Code, the legal rights service shall undertake formal representation only of those persons who are involuntarily detained, hospitalized, or institutionalized pursuant to sections 5122.10 to 5122.15 of the Revised Code, and those voluntarily detained, hospitalized, or institutionalized who are minors, who have been adjudicated incompetent, who have been detained, hospitalized, or institutionalized in a public hospital, or who have requested representation by the legal rights service.~~

~~(2) If a person referred to in division (A) of this section voluntarily requests in writing that the legal rights service terminate participation in the person's case, such involvement shall cease.~~

~~(3) Persons described in divisions (A) and (B)(1) of this section who are represented by the legal rights service are clients of the legal rights service.~~

~~(C) Any person voluntarily hospitalized or institutionalized in a public hospital under division (A) of section 5122.02 of the Revised Code, after being fully informed of the person's rights under division (A) of this section, may, by written request, waive assistance by the legal rights service if the waiver is knowingly and intelligently made, without duress or coercion.~~

~~The waiver may be rescinded at any time by the voluntary patient or resident, or by the voluntary patient's or resident's legal guardian.~~

~~(D)(1) The legal rights service commission is hereby created for the purposes of appointing an administrator of the legal rights service, advising the administrator, assisting the administrator in developing a budget, advising the administrator in establishing and annually reviewing a strategic plan, creating a procedure for filing and determination of grievances against the legal rights service, and establishing general policy guidelines, including guidelines for the commencement of litigation, for the legal rights service. The commission may adopt rules to carry these purposes into effect and may receive and act upon appeals of personnel decisions by the administrator.~~

~~(2) The commission shall consist of seven members. One member, who shall serve as chairperson, shall be appointed by the chief justice of the supreme court, three members shall be appointed by the speaker of the house of representatives, and three members shall be appointed by the president of the senate. At least two members shall have experience in the field of developmental disabilities, and at least two members shall have experience in the field of mental health. No member shall be a provider or related to a provider of services to mentally retarded, developmentally disabled, or mentally ill persons.~~

~~(3) Terms of office of the members of the commission shall be for three years, each term ending on the same day of the month of the year as did the term which it succeeds. Each member shall serve subsequent to the expiration of the member's term until a successor is appointed and qualifies, or until sixty days has elapsed, whichever occurs first. No member shall serve more than two consecutive terms.~~

~~All vacancies in the membership of the commission shall be filled in the manner prescribed for regular appointments to the commission and shall be limited to the unexpired terms.~~

~~(4) The commission shall meet at least four times each year. Members shall be reimbursed for their necessary and actual expenses incurred in the performance of their official duties.~~

~~(5) The administrator of the legal rights service shall serve at the pleasure of the commission.~~

~~The administrator shall be an attorney admitted to practice law in this~~

state. ~~The salary of the administrator shall be established in accordance with section 124.14 of the Revised Code.~~

~~(E) The legal rights service shall be completely independent of the department of mental health and the department of developmental disabilities and, notwithstanding section 109.02 of the Revised Code, shall also be independent of the office of the attorney general. The administrator of the legal rights service, Ohio protection and advocacy system staff, and attorneys designated by the administrator system to represent persons detained, hospitalized, or institutionalized under this chapter or Chapter 5122. of the Revised Code shall have ready access to all of the following:~~

(1) During normal business hours and at other reasonable times, all records, except records of community residential facilities and records of contract agencies of county boards of developmental disabilities and boards of alcohol, drug addiction, and mental health services, relating to expenditures of state and federal funds or to the commitment, care, treatment, and habilitation of all persons represented by the ~~legal rights service~~ Ohio protection and advocacy system, including those who may be represented pursuant to division ~~(L)(D)~~ of this section, or persons detained, hospitalized, institutionalized, or receiving services under this chapter or Chapter 340., 5119., 5122., or 5126. of the Revised Code that are records maintained by the following entities providing services for those persons: departments; institutions; hospitals; boards of alcohol, drug addiction, and mental health services; county boards of developmental disabilities; and any other entity providing services to persons who may be represented by the ~~service~~ Ohio protection and advocacy system pursuant to division ~~(L)(D)~~ of this section;

(2) Any records maintained in computerized data banks of the departments or boards or, in the case of persons who may be represented by the ~~service~~ Ohio protection and advocacy system pursuant to division ~~(L)(D)~~ of this section, any other entity that provides services to those persons;

(3) During their normal working hours, personnel of the departments, facilities, boards, agencies, institutions, hospitals, and other service-providing entities;

(4) At any time, all persons detained, hospitalized, or institutionalized; persons receiving services under this chapter or Chapter 340., 5119., 5122., or 5126. of the Revised Code; and persons who may be represented by the ~~service~~ Ohio protection and advocacy system pursuant to division ~~(L)(D)~~ of this section.

(5) Records of a community residential facility, a contract agency of a board of alcohol, drug addiction, and mental health services, or a contract

agency of a county board of developmental disabilities with one of the following consents:

(a) The consent of the person, including when the person is a minor or has been adjudicated incompetent;

(b) The consent of the person's guardian of the person, if any, or the parent if the person is a minor;

(c) No consent, if the person is unable to consent for any reason, and the guardian of the person, if any, or the parent of the minor, has refused to consent or has not responded to a request for consent and either of the following has occurred:

(i) A complaint regarding the person has been received by the ~~legal rights service~~ Ohio protection and advocacy system;

(ii) The ~~legal rights service~~ Ohio protection and advocacy system has determined that there is probable cause to believe that such person has been subjected to abuse or neglect.

~~(F) The administrator of the legal rights service shall do the following:~~

~~(1) Administer and organize the work of the legal rights service and establish administrative or geographic divisions as the administrator considers necessary, proper, and expedient;~~

~~(2) Adopt and promulgate rules that are not in conflict with rules adopted by the commission and prescribe duties for the efficient conduct of the business and general administration of the legal rights service;~~

~~(3) Appoint and discharge employees, and hire experts, consultants, advisors, or other professionally qualified persons as the administrator considers necessary to carry out the duties of the legal rights service;~~

~~(4) Apply for and accept grants of funds, and accept charitable gifts and bequests;~~

~~(5) Prepare and submit a budget to the general assembly for the operation of the legal rights service. At least thirty days prior to submitting the budget to the general assembly, the administrator shall provide a copy of the budget to the commission for review and comment. When submitting the budget to the general assembly, the administrator shall include a copy of any written comments returned by the commission to the administrator.~~

~~(6) Enter into contracts and make expenditures necessary for the efficient operation of the legal rights service;~~

~~(7) Annually prepare a report of activities and submit copies of the report to the governor, the chief justice of the supreme court, the president of the senate, the speaker of the house of representatives, the director of mental health, and the director of developmental disabilities, and make the report available to the public;~~

~~(8) Upon request of the commission or of the chairperson of the commission, report to the commission on specific litigation issues or activities.~~

~~(G)(1) The legal rights service may act directly or contract with other organizations or individuals for the provision of the services envisioned under this section.~~

~~(2) Whenever possible, the administrator shall attempt to facilitate the resolution of complaints through administrative channels. Subject to division (G)(3) of this section, if attempts at administrative resolution prove unsatisfactory, the administrator may pursue any legal, administrative, and other appropriate remedies or approaches that may be necessary to accomplish the purposes of this section.~~

~~(3) The administrator may not pursue a class action lawsuit under division (G)(2) of this section when attempts at administrative resolution of a complaint prove unsatisfactory under that division unless both of the following have first occurred:~~

~~(a) At least four members of the commission, by their affirmative vote, have consented to the pursuit of the class action lawsuit;~~

~~(b) At least five members of the commission are present at the meeting of the commission at which that consent is obtained.~~

~~(4) If compensation for the work of attorneys employed by the legal rights service or another agency or political subdivision of the state is awarded to the service in a class action lawsuit pursued by the service, the compensation shall be limited to the actual hourly rate of pay for that legal work.~~

~~(5)(B) All records received or maintained by the legal rights service Ohio protection and advocacy system in connection with any investigation, representation, or other activity under this section shall be confidential and shall not be disclosed except as authorized by the person represented by the legal rights service Ohio protection and advocacy system or, subject to any privilege, a guardian of the person or parent of the minor. Subject to division (G)(7) of this section, relationships Relationships between personnel and the agents of the legal rights service Ohio protection and advocacy system and its clients shall be fiduciary relationships, and all communications shall be privileged as if between attorney and client.~~

~~(6) Any person who has been represented by the legal rights service or who has applied for and been denied representation and who files a grievance with the service concerning the representation or application may appeal the decision of the service on the grievance to the commission. The person may appeal notwithstanding any objections of the person's legal~~

guardian. The commission may examine any records relevant to the appeal and shall maintain the confidentiality of any records that are required to be kept confidential.

~~(H)(C)~~ The legal rights service, on the order of the administrator, with the approval by an affirmative vote of at least four members of the commission, Ohio protection and advocacy system may compel by subpoena the appearance and sworn testimony of any person the administrator Ohio protection and advocacy system reasonably believes may be able to provide information or to produce any documents, books, records, papers, or other information necessary to carry out its duties. On the refusal of any person to produce or authenticate any requested documents, the ~~legal rights service~~ Ohio protection and advocacy system may apply to the Franklin county court of common pleas to compel the production or authentication of requested documents. If the court finds that failure to produce or authenticate any requested documents was improper, the court may hold the person in contempt as in the case of disobedience of the requirements of a subpoena issued from the court, or a refusal to testify in the court.

~~(I)~~ The legal rights service may conduct public hearings.

~~(J)~~ The legal rights service may request from any governmental agency any cooperation, assistance, services, or data that will enable it to perform its duties.

~~(K)~~ In any malpractice action filed against the administrator of the legal rights service, a member of the staff of the legal rights service, or an attorney designated by the administrator to perform legal services under division (E) of this section, the state shall, when the administrator, member, or attorney has acted in good faith and in the scope of employment, indemnify the administrator, member, or attorney for any judgment awarded or amount negotiated in settlement, and for any court costs or legal fees incurred in defense of the claim.

This division does not limit or waive, and shall not be construed to limit or waive, any defense that is available to the legal rights service, its administrator or employees, persons under a personal services contract with it, or persons designated under division (E) of this section, including, but not limited to, any defense available under section 9.86 of the Revised Code.

~~(L)(D)~~ In addition to providing services to mentally ill, mentally retarded, or developmentally disabled persons, when a grant authorizing the provision of services to other individuals is accepted pursuant to division ~~(F)(4)~~ of this section by the Ohio protection and advocacy system, the ~~legal rights service and its ombudsperson section~~ Ohio protection and advocacy

system may provide advocacy ~~or ombudsperson services~~ to those other individuals and exercise any other authority granted by this section ~~or sections 5123.601 to 5123.604 of the Revised Code~~ on behalf of those individuals. Determinations of whether an individual is eligible for services under this division shall be made by the ~~legal rights service~~ Ohio protection and advocacy system.

Sec. 5123.602. If compensation for the work of attorneys employed by the Ohio protection and advocacy system or an agency or political subdivision of the state is awarded to the system in a class action lawsuit pursued by the system, the compensation shall be limited to the actual hourly rate of pay for that legal work.

Sec. 5123.61. (A) As used in this section:

(1) "Law enforcement agency" means the state highway patrol, the police department of a municipal corporation, or a county sheriff.

(2) "Abuse" has the same meaning as in section 5123.50 of the Revised Code, except that it includes a misappropriation, as defined in that section.

(3) "Neglect" has the same meaning as in section 5123.50 of the Revised Code.

(B) The department of developmental disabilities shall establish a registry office for the purpose of maintaining reports of abuse, neglect, and other major unusual incidents made to the department under this section and reports received from county boards of developmental disabilities under section 5126.31 of the Revised Code. The department shall establish committees to review reports of abuse, neglect, and other major unusual incidents.

(C)(1) Any person listed in division (C)(2) of this section, having reason to believe that a person with mental retardation or a developmental disability has suffered or faces a substantial risk of suffering any wound, injury, disability, or condition of such a nature as to reasonably indicate abuse or neglect of that person, shall immediately report or cause reports to be made of such information to the entity specified in this division. Except as provided in section 5120.173 of the Revised Code or as otherwise provided in this division, the person making the report shall make it to a law enforcement agency or to the county board of developmental disabilities. If the report concerns a resident of a facility operated by the department of developmental disabilities the report shall be made either to a law enforcement agency or to the department. If the report concerns any act or omission of an employee of a county board of developmental disabilities, the report immediately shall be made to the department and to the county board.

(2) All of the following persons are required to make a report under division (C)(1) of this section:

(a) Any physician, including a hospital intern or resident, any dentist, podiatrist, chiropractor, practitioner of a limited branch of medicine as specified in section 4731.15 of the Revised Code, hospital administrator or employee of a hospital, nurse licensed under Chapter 4723. of the Revised Code, employee of an ambulatory health facility as defined in section 5101.61 of the Revised Code, employee of a home health agency, employee of an adult care facility licensed under Chapter 3722. of the Revised Code, or employee of a community mental health facility;

(b) Any school teacher or school authority, social worker, psychologist, attorney, peace officer, coroner, or residents' rights advocate as defined in section 3721.10 of the Revised Code;

(c) A superintendent, board member, or employee of a county board of developmental disabilities; an administrator, board member, or employee of a residential facility licensed under section 5123.19 of the Revised Code; an administrator, board member, or employee of any other public or private provider of services to a person with mental retardation or a developmental disability, or any MR/DD employee, as defined in section 5123.50 of the Revised Code;

(d) A member of a citizen's advisory council established at an institution or branch institution of the department of developmental disabilities under section 5123.092 of the Revised Code;

(e) A clergyman who is employed in a position that includes providing specialized services to an individual with mental retardation or another developmental disability, while acting in an official or professional capacity in that position, or a person who is employed in a position that includes providing specialized services to an individual with mental retardation or another developmental disability and who, while acting in an official or professional capacity, renders spiritual treatment through prayer in accordance with the tenets of an organized religion.

(3)(a) The reporting requirements of this division do not apply to ~~members of the legal rights service commission or to employees of the legal rights service~~ Ohio protection and advocacy system.

(b) An attorney or physician is not required to make a report pursuant to division (C)(1) of this section concerning any communication the attorney or physician receives from a client or patient in an attorney-client or physician-patient relationship, if, in accordance with division (A) or (B) of section 2317.02 of the Revised Code, the attorney or physician could not testify with respect to that communication in a civil or criminal proceeding,

except that the client or patient is deemed to have waived any testimonial privilege under division (A) or (B) of section 2317.02 of the Revised Code with respect to that communication and the attorney or physician shall make a report pursuant to division (C)(1) of this section, if both of the following apply:

(i) The client or patient, at the time of the communication, is a person with mental retardation or a developmental disability.

(ii) The attorney or physician knows or suspects, as a result of the communication or any observations made during that communication, that the client or patient has suffered or faces a substantial risk of suffering any wound, injury, disability, or condition of a nature that reasonably indicates abuse or neglect of the client or patient.

(4) Any person who fails to make a report required under division (C) of this section and who is an MR/DD employee, as defined in section 5123.50 of the Revised Code, shall be eligible to be included in the registry regarding misappropriation, abuse, neglect, or other specified misconduct by MR/DD employees established under section 5123.52 of the Revised Code.

(D) The reports required under division (C) of this section shall be made forthwith by telephone or in person and shall be followed by a written report. The reports shall contain the following:

(1) The names and addresses of the person with mental retardation or a developmental disability and the person's custodian, if known;

(2) The age of the person with mental retardation or a developmental disability;

(3) Any other information that would assist in the investigation of the report.

(E) When a physician performing services as a member of the staff of a hospital or similar institution has reason to believe that a person with mental retardation or a developmental disability has suffered injury, abuse, or physical neglect, the physician shall notify the person in charge of the institution or that person's designated delegate, who shall make the necessary reports.

(F) Any person having reasonable cause to believe that a person with mental retardation or a developmental disability has suffered or faces a substantial risk of suffering abuse or neglect may report or cause a report to be made of that belief to the entity specified in this division. Except as provided in section 5120.173 of the Revised Code or as otherwise provided in this division, the person making the report shall make it to a law enforcement agency or the county board of developmental disabilities. If the person is a resident of a facility operated by the department of

developmental disabilities, the report shall be made to a law enforcement agency or to the department. If the report concerns any act or omission of an employee of a county board of developmental disabilities, the report immediately shall be made to the department and to the county board.

(G)(1) Upon the receipt of a report concerning the possible abuse or neglect of a person with mental retardation or a developmental disability, the law enforcement agency shall inform the county board of developmental disabilities or, if the person is a resident of a facility operated by the department of developmental disabilities, the director of the department or the director's designee.

(2) On receipt of a report under this section that includes an allegation of action or inaction that may constitute a crime under federal law or the law of this state, the department of developmental disabilities shall notify the law enforcement agency.

(3) When a county board of developmental disabilities receives a report under this section that includes an allegation of action or inaction that may constitute a crime under federal law or the law of this state, the superintendent of the board or an individual the superintendent designates under division (H) of this section shall notify the law enforcement agency. The superintendent or individual shall notify the department of developmental disabilities when it receives any report under this section.

(4) When a county board of developmental disabilities receives a report under this section and believes that the degree of risk to the person is such that the report is an emergency, the superintendent of the board or an employee of the board the superintendent designates shall attempt a face-to-face contact with the person with mental retardation or a developmental disability who allegedly is the victim within one hour of the board's receipt of the report.

(H) The superintendent of the board may designate an individual to be responsible for notifying the law enforcement agency and the department when the county board receives a report under this section.

(I) An adult with mental retardation or a developmental disability about whom a report is made may be removed from the adult's place of residence only by law enforcement officers who consider that the adult's immediate removal is essential to protect the adult from further injury or abuse or in accordance with the order of a court made pursuant to section 5126.33 of the Revised Code.

(J) A law enforcement agency shall investigate each report of abuse or neglect it receives under this section. In addition, the department, in cooperation with law enforcement officials, shall investigate each report

regarding a resident of a facility operated by the department to determine the circumstances surrounding the injury, the cause of the injury, and the person responsible. The investigation shall be in accordance with the memorandum of understanding prepared under section 5126.058 of the Revised Code. The department shall determine, with the registry office which shall be maintained by the department, whether prior reports have been made concerning an adult with mental retardation or a developmental disability or other principals in the case. If the department finds that the report involves action or inaction that may constitute a crime under federal law or the law of this state, it shall submit a report of its investigation, in writing, to the law enforcement agency. If the person with mental retardation or a developmental disability is an adult, with the consent of the adult, the department shall provide such protective services as are necessary to protect the adult. The law enforcement agency shall make a written report of its findings to the department.

If the person is an adult and is not a resident of a facility operated by the department, the county board of developmental disabilities shall review the report of abuse or neglect in accordance with sections 5126.30 to 5126.33 of the Revised Code and the law enforcement agency shall make the written report of its findings to the county board.

(K) Any person or any hospital, institution, school, health department, or agency participating in the making of reports pursuant to this section, any person participating as a witness in an administrative or judicial proceeding resulting from the reports, or any person or governmental entity that discharges responsibilities under sections 5126.31 to 5126.33 of the Revised Code shall be immune from any civil or criminal liability that might otherwise be incurred or imposed as a result of such actions except liability for perjury, unless the person or governmental entity has acted in bad faith or with malicious purpose.

(L) No employer or any person with the authority to do so shall discharge, demote, transfer, prepare a negative work performance evaluation, reduce pay or benefits, terminate work privileges, or take any other action detrimental to an employee or retaliate against an employee as a result of the employee's having made a report under this section. This division does not preclude an employer or person with authority from taking action with regard to an employee who has made a report under this section if there is another reasonable basis for the action.

(M) Reports made under this section are not public records as defined in section 149.43 of the Revised Code. Information contained in the reports on request shall be made available to the person who is the subject of the

report, to the person's legal counsel, and to agencies authorized to receive information in the report by the department or by a county board of developmental disabilities.

(N) Notwithstanding section 4731.22 of the Revised Code, the physician-patient privilege shall not be a ground for excluding evidence regarding the injuries or physical neglect of a person with mental retardation or a developmental disability or the cause thereof in any judicial proceeding resulting from a report submitted pursuant to this section.

Sec. 5123.63. Every state agency, county board of developmental disabilities, or political subdivision that provides services, either directly or through a contract, to persons with mental retardation or a developmental disability shall give each provider a copy of the list of rights contained in section 5123.62 of the Revised Code. Each public and private provider of services shall carry out the requirements of this section in addition to any other posting or notification requirements imposed by local, state, or federal law or rules.

The provider shall make copies of the list of rights and shall be responsible for an initial distribution of the list to each individual receiving services from the provider. If the individual is unable to read the list, the provider shall communicate the contents of the list to the individual to the extent practicable in a manner that the individual understands. The individual receiving services or the parent, guardian, or advocate of the individual shall sign an acknowledgement of receipt of a copy of the list of rights, and a copy of the signed acknowledgement shall be placed in the individual's file. The provider shall also be responsible for answering any questions and giving any explanations necessary to assist the individual to understand the rights enumerated. Instruction in these rights shall be documented.

Each provider shall make available to all persons receiving services and all employees and visitors a copy of the list of rights and the addresses and telephone numbers of the ~~legal rights service~~ Ohio protection and advocacy system, the department of developmental disabilities, and the county board of developmental disabilities of the county in which the provider provides services.

Sec. 5123.64. (A) Every provider of services to persons with mental retardation or a developmental disability shall establish policies and programs to ensure that all staff members are familiar with the rights enumerated in section 5123.62 of the Revised Code and observe those rights in their contacts with persons receiving services. Any policy, procedure, or rule of the provider that conflicts with any of the rights enumerated shall be

null and void. Every provider shall establish written procedures for resolving complaints of violations of those rights. A copy of the procedures shall be provided to any person receiving services or to any parent, guardian, or advocate of a person receiving services.

(B) Any person with mental retardation or a developmental disability who believes that the person's rights as enumerated in section 5123.62 of the Revised Code have been violated may:

(1) Bring the violation to the attention of the provider for resolution;

(2) Report the violation to the department of developmental disabilities, the ~~ombudsperson section of the legal rights service~~ Ohio protection and advocacy system, or the appropriate county board of developmental disabilities;

(3) Take any other appropriate action to ensure compliance with sections ~~5123.60~~ 5123.61 to 5123.64 of the Revised Code, including the filing of a legal action to enforce rights or to recover damages for violation of rights.

Sec. 5123.69. (A) Except as provided in division ~~(E)~~(D) of this section, any person who is eighteen years of age or older and who is or believes self to be mentally retarded may make written application to the managing officer of any institution for voluntary admission. Except as provided in division ~~(E)~~(D) of this section, the application may be made on behalf of a minor by a parent or guardian, and on behalf of an adult adjudicated mentally incompetent by a guardian.

(B) The managing officer of an institution, with the concurrence of the chief program director, may admit a person applying pursuant to this section only after a comprehensive evaluation has been made of the person and only if the comprehensive evaluation concludes that the person is mentally retarded and would benefit significantly from admission.

~~(C) If application for voluntary admission of a minor or of a person adjudicated mentally incompetent is made by the parent or guardian of the minor or by the guardian of an incompetent and the minor or incompetent is admitted, the probate division of the court of common pleas shall determine, upon petition by the legal rights service, whether the voluntary admission or continued institutionalization is in the best interest of the minor or incompetent.~~

~~(D)~~ The managing officer shall discharge any voluntary resident if, in the judgment of the chief program director, the results of a comprehensive examination indicate that institutionalization no longer is advisable. In light of the results of the comprehensive evaluation, the managing officer also may discharge any voluntary resident if, in the judgment of the chief

program director, the discharge would contribute to the most effective use of the institution in the habilitation and care of the mentally retarded.

~~(E)~~(D) A person who is found incompetent to stand trial or not guilty by reason of insanity and who is committed pursuant to section 2945.39, 2945.40, 2945.401, or 2945.402 of the Revised Code shall not voluntarily commit self pursuant to this section until after the final termination of the commitment, as described in division (J) of section 2945.401 of the Revised Code.

Sec. 5123.701. (A) Except as provided in division ~~(E)~~(D) of this section, any person in the community who is eighteen years of age or older and who is or believes self to be mentally retarded may make written application to the managing officer of any institution for temporary admission for short-term care. The application may be made on behalf of a minor by a parent or guardian, and on behalf of an adult adjudicated mentally incompetent by a guardian.

(B) For purposes of this section, short-term care shall be defined to mean appropriate services provided to a person with mental retardation for no more than fourteen consecutive days and for no more than forty-two days in a fiscal year. When circumstances warrant, the fourteen-day period may be extended at the discretion of the managing officer. Short-term care is provided in a developmental center to meet the family's or caretaker's needs for separation from the person with mental retardation.

(C) The managing officer of an institution, with the concurrence of the chief program director, may admit a person for short-term care only after a medical examination has been made of the person and only if the managing officer concludes that the person is mentally retarded.

~~(D) If application for admission for short term care of a minor or of a person adjudicated mentally incompetent is made by the minor's parent or guardian or by the incompetent's guardian and the minor or incompetent is admitted, the probate division of the court of common pleas shall determine, upon petition by the legal rights service, whether the admission for short term care is in the best interest of the minor or the incompetent.~~

~~(E)~~ A person who is found not guilty by reason of insanity shall not admit self to an institution for short-term care unless a hearing was held regarding the person pursuant to division (A) of section 2945.40 of the Revised Code and either of the following applies:

(1) The person was found at the hearing not to be a mentally retarded person subject to institutionalization by court order;

(2) The person was found at the hearing to be a mentally retarded person subject to institutionalization by court order, was involuntarily committed,

and was finally discharged.

~~(F)~~(E) The mentally retarded person, liable relatives, and guardians of mentally retarded persons admitted for respite care shall pay support charges in accordance with sections 5121.01 to 5121.21 of the Revised Code.

~~(G)~~(F) At the conclusion of each period of short-term care, the person shall return to the person's family or caretaker. Under no circumstances shall a person admitted for short-term care according to this section remain in the institution after the period of short-term care unless the person is admitted according to section 5123.70, sections 5123.71 to 5123.76, or section 2945.38, 2945.39, 2945.40, 2945.401, or 2945.402 of the Revised Code.

Sec. 5123.86. (A) Except as provided in divisions (C), (D), (E), and (F) of this section, the chief medical officer shall provide all information, including expected physical and medical consequences, necessary to enable any resident of an institution for the mentally retarded to give a fully informed, intelligent, and knowing consent if any of the following procedures are proposed:

- (1) Surgery;
- (2) Convulsive therapy;
- (3) Major aversive interventions;
- (4) Sterilization;
- (5) Experimental procedures;
- (6) Any unusual or hazardous treatment procedures.

(B) No resident shall be subjected to any of the procedures listed in division (A)(4), (5), or (6) of this section without the resident's informed consent.

(C) If a resident is physically or mentally unable to receive the information required for surgery under division (A)(1) of this section, or has been adjudicated incompetent, the information may be provided to the resident's natural or court-appointed guardian, including an agency providing guardianship services under contract with the department of developmental disabilities under sections 5123.55 to 5123.59 of the Revised Code, who may give the informed, intelligent, and knowing written consent for surgery. Consent for surgery shall not be provided by a guardian who is an officer or employee of the department of mental health or the department of developmental disabilities.

If a resident is physically or mentally unable to receive the information required for surgery under division (A)(1) of this section and has no guardian, then the information, the recommendation of the chief medical officer, and the concurring judgment of a licensed physician who is not a full-time employee of the state may be provided to the court in the county in

which the institution is located, which may approve the surgery. Before approving the surgery, the court shall notify the ~~legal rights service~~ Ohio protection and advocacy system created by section 5123.60 of the Revised Code, and shall notify the resident of the resident's rights to consult with counsel, to have counsel appointed by the court if the resident is indigent, and to contest the recommendation of the chief medical officer.

(D) If, in the judgment of two licensed physicians, delay in obtaining consent for surgery would create a grave danger to the health of a resident, emergency surgery may be performed without the consent of the resident if the necessary information is provided to the resident's guardian, including an agency providing guardianship services under contract with the department of developmental disabilities under sections 5123.55 to 5123.59 of the Revised Code, or to the resident's spouse or next of kin to enable that person or agency to give an informed, intelligent, and knowing written consent.

If the guardian, spouse, or next of kin cannot be contacted through exercise of reasonable diligence, or if the guardian, spouse, or next of kin is contacted, but refuses to consent, then the emergency surgery may be performed upon the written authorization of the chief medical officer and after court approval has been obtained. However, if delay in obtaining court approval would create a grave danger to the life of the resident, the chief medical officer may authorize surgery, in writing, without court approval. If the surgery is authorized without court approval, the chief medical officer who made the authorization and the physician who performed the surgery shall each execute an affidavit describing the circumstances constituting the emergency and warranting the surgery and the circumstances warranting their not obtaining prior court approval. The affidavit shall be filed with the court with which the request for prior approval would have been filed within five court days after the surgery, and a copy of the affidavit shall be placed in the resident's file and shall be given to the guardian, spouse, or next of kin of the resident, to the hospital at which the surgery was performed, and to the ~~legal rights service~~ Ohio protection and advocacy system created by section 5123.60 of the Revised Code.

(E)(1) If it is the judgment of two licensed physicians, as described in division (E)(2) of this section, that a medical emergency exists and delay in obtaining convulsive therapy creates a grave danger to the life of a resident who is both mentally retarded and mentally ill, convulsive therapy may be administered without the consent of the resident if the resident is physically or mentally unable to receive the information required for convulsive therapy and if the necessary information is provided to the resident's natural

or court-appointed guardian, including an agency providing guardianship services under contract with the department of developmental disabilities under sections 5123.55 to 5123.59 of the Revised Code, or to the resident's spouse or next of kin to enable that person or agency to give an informed, intelligent, and knowing written consent. If neither the resident's guardian, spouse, nor next of kin can be contacted through exercise of reasonable diligence, or if the guardian, spouse, or next of kin is contacted, but refuses to consent, then convulsive therapy may be performed upon the written authorization of the chief medical officer and after court approval has been obtained.

(2) The two licensed physicians referred to in division (E)(1) of this section shall not be associated with each other in the practice of medicine or surgery by means of a partnership or corporate arrangement, other business arrangement, or employment. At least one of the physicians shall be a psychiatrist as defined in division (E) of section 5122.01 of the Revised Code.

(F) Major aversive interventions shall not be used unless a resident continues to engage in behavior destructive to self or others after other forms of therapy have been attempted. ~~The director of the legal rights service created by section 5123.60 of the Revised Code shall be notified of any proposed major aversive intervention.~~ Major aversive interventions shall not be applied to a voluntary resident without the informed, intelligent, and knowing written consent of the resident or the resident's guardian, including an agency providing guardianship services under contract with the department of developmental disabilities under sections 5123.55 to 5123.59 of the Revised Code.

(G)(1) This chapter does not authorize any form of compulsory medical or psychiatric treatment of any resident who is being treated by spiritual means through prayer alone in accordance with a recognized religious method of healing.

(2) For purposes of this section, "convulsive therapy" does not include defibrillation.

Sec. 5123.99. (A) Whoever violates section 5123.16 or 5123.20 of the Revised Code is guilty of a misdemeanor of the first degree.

(B) Whoever violates division (C), (E), or (G)(3) of section 5123.61 of the Revised Code is guilty of a misdemeanor of the fourth degree or, if the abuse or neglect constitutes a felony, a misdemeanor of the second degree. In addition to any other sanction or penalty authorized or required by law, if a person who is convicted of or pleads guilty to a violation of division (C), (E), or (G)(3) of section 5123.61 of the Revised Code is an MR/DD

employee, as defined in section 5123.50 of the Revised Code, the offender shall be eligible to be included in the registry regarding misappropriation, abuse, neglect, or other specified misconduct by MR/DD employees established under section 5123.52 of the Revised Code.

~~(C) Whoever violates division (A) of section 5123.604 of the Revised Code is guilty of a misdemeanor of the second degree.~~

~~(D) Whoever violates division (B) of section 5123.604 of the Revised Code shall be fined not more than one thousand dollars. Each violation constitutes a separate offense.~~

Sec. 5126.33. (A) A county board of developmental disabilities may file a complaint with the probate court of the county in which an adult with mental retardation or a developmental disability resides for an order authorizing the board to arrange services described in division (C) of section 5126.31 of the Revised Code for that adult if the adult is eligible to receive services or support under section 5126.041 of the Revised Code and the board has been unable to secure consent. The complaint shall include:

- (1) The name, age, and address of the adult;
- (2) Facts describing the nature of the abuse, neglect, or exploitation and supporting the board's belief that services are needed;
- (3) The types of services proposed by the board, as set forth in the protective service plan described in division (J) of section 5126.30 of the Revised Code and filed with the complaint;
- (4) Facts showing the board's attempts to obtain the consent of the adult or the adult's guardian to the services.

(B) The board shall give the adult notice of the filing of the complaint and in simple and clear language shall inform the adult of the adult's rights in the hearing under division (C) of this section and explain the consequences of a court order. This notice shall be personally served upon all parties, and also shall be given to the adult's legal counsel, if any, ~~and the legal rights service.~~ The notice shall be given at least twenty-four hours prior to the hearing, although the court may waive this requirement upon a showing that there is a substantial risk that the adult will suffer immediate physical harm in the twenty-four hour period and that the board has made reasonable attempts to give the notice required by this division.

(C) Upon the filing of a complaint for an order under this section, the court shall hold a hearing at least twenty-four hours and no later than seventy-two hours after the notice under division (B) of this section has been given unless the court has waived the notice. All parties shall have the right to be present at the hearing, present evidence, and examine and cross-examine witnesses. The Ohio Rules of Evidence shall apply to a

hearing conducted pursuant to this division. The adult shall be represented by counsel unless the court finds that the adult has made a voluntary, informed, and knowing waiver of the right to counsel. If the adult is indigent, the court shall appoint counsel to represent the adult. The board shall be represented by the county prosecutor or an attorney designated by the board.

(D)(1) The court shall issue an order authorizing the board to arrange the protective services if it finds, on the basis of clear and convincing evidence, all of the following:

- (a) The adult has been abused, neglected, or exploited;
- (b) The adult is incapacitated;
- (c) There is a substantial risk to the adult of immediate physical harm or death;
- (d) The adult is in need of the services;
- (e) No person authorized by law or court order to give consent for the adult is available or willing to consent to the services.

(2) The board shall develop a detailed protective service plan describing the services that the board will provide, or arrange for the provision of, to the adult to prevent further abuse, neglect, or exploitation. The board shall submit the plan to the court for approval. The protective service plan may be changed only by court order.

(3) In formulating the order, the court shall consider the individual protective service plan and shall specifically designate the services that are necessary to deal with the abuse, neglect, or exploitation or condition resulting from abuse, neglect, or exploitation and that are available locally, and authorize the board to arrange for these services only. The court shall limit the provision of these services to a period not exceeding six months, renewable for an additional six-month period on a showing by the board that continuation of the order is necessary.

(E) If the court finds that all other options for meeting the adult's needs have been exhausted, it may order that the adult be removed from the adult's place of residence and placed in another residential setting. Before issuing that order, the court shall consider the adult's choice of residence and shall determine that the new residential setting is the least restrictive alternative available for meeting the adult's needs and is a place where the adult can obtain the necessary requirements for daily living in safety. The court shall not order an adult to a hospital or public hospital as defined in section 5122.01 or a state institution as defined in section 5123.01 of the Revised Code.

(F) The court shall not authorize a change in an adult's placement

ordered under division (E) of this section unless it finds compelling reasons to justify a change. The parties to whom notice was given in division (B) of this section shall be given notice of a proposed change at least five working days prior to the change.

(G) The adult, the board, or any other person who received notice of the petition may file a motion for modification of the court order at any time.

(H) The county board shall pay court costs incurred in proceedings brought pursuant to this section. The adult shall not be required to pay for court-ordered services.

(I)(1) After the filing of a complaint for an order under this section, the court, prior to the final disposition, may enter any temporary order that the court finds necessary to protect the adult with mental retardation or a developmental disability from abuse, neglect, or exploitation including, but not limited to, the following:

(a) A temporary protection order;

(b) An order requiring the evaluation of the adult;

(c) An order requiring a party to vacate the adult's place of residence or legal settlement, provided that, subject to division (K)(1)(d) of this section, no operator of a residential facility licensed by the department may be removed under this division;

(d) In the circumstances described in, and in accordance with the procedures set forth in, section 5123.191 of the Revised Code, an order of the type described in that section that appoints a receiver to take possession of and operate a residential facility licensed by the department.

(2) The court may grant an ex parte order pursuant to this division on its own motion or if a party files a written motion or makes an oral motion requesting the issuance of the order and stating the reasons for it if it appears to the court that the best interest and the welfare of the adult require that the court issue the order immediately. The court, if acting on its own motion, or the person requesting the granting of an ex parte order, to the extent possible, shall give notice of its intent or of the request to all parties, the adult's legal counsel, if any, ~~and the legal rights service~~. If the court issues an ex parte order, the court shall hold a hearing to review the order within seventy-two hours after it is issued or before the end of the next day after the day on which it is issued, whichever occurs first. The court shall give written notice of the hearing to all parties to the action.

SECTION 120.21. That existing sections 3721.16, 5111.709, 5119.221, 5122.01, 5122.02, 5122.27, 5122.271, 5122.29, 5122.31, 5122.32, 5123.092, 5123.19, 5123.191, 5123.35, 5123.60, 5123.61, 5123.63, 5123.64, 5123.69,

5123.701, 5123.86, 5123.99, and 5126.33 of the Revised Code are hereby repealed.

SECTION 120.22. That sections 5123.601, 5123.602, 5123.603, 5123.604, and 5123.605 of the Revised Code are hereby repealed.

SECTION 120.23. Sections 120.20, 120.21, and 120.22 of this act take effect October 1, 2012.

SECTION 201.10. Except as otherwise provided in this act, all appropriation items in this act are appropriated out of any moneys in the state treasury to the credit of the designated fund that are not otherwise appropriated. For all appropriations made in this act, the amounts in the first column are for fiscal year 2012 and the amounts in the second column are for fiscal year 2013.

SECTION 203.10. ACC ACCOUNTANCY BOARD OF OHIO

General Services Fund Group

4J80	889601	CPA Education Assistance	\$	200,000	\$	200,000
4K90	889609	Operating Expenses	\$	977,200	\$	977,500
TOTAL GSF General Services Fund Group			\$	1,177,200	\$	1,177,500
TOTAL ALL BUDGET FUND GROUPS			\$	1,177,200	\$	1,177,500

SECTION 205.10. ADJ ADJUTANT GENERAL

General Revenue Fund

GRF	745401	Ohio Military Reserve	\$	12,308	\$	12,308
GRF	745404	Air National Guard	\$	1,810,606	\$	1,810,606
GRF	745407	National Guard Benefits	\$	400,000	\$	400,000
GRF	745409	Central Administration	\$	2,692,098	\$	2,692,098
GRF	745499	Army National Guard	\$	3,687,888	\$	3,689,871
TOTAL GRF General Revenue Fund			\$	8,602,900	\$	8,604,883

General Services Fund Group

5340	745612	Property Operations Management	\$	534,304	\$	534,304
5360	745605	Marksmanship Activities	\$	128,600	\$	128,600
5360	745620	Camp Perry and Buckeye Inn Operations	\$	1,178,311	\$	978,846
5370	745604	Ohio National Guard Facilities Maintenance	\$	62,000	\$	62,000
TOTAL GSF General Services Fund Group			\$	1,903,215	\$	1,703,750

Federal Special Revenue Fund Group

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3410	745615	Air National Guard Base Security	\$	2,977,692	\$	2,977,692
3420	745616	Army National Guard Service Agreement	\$	10,970,050	\$	10,970,050
3E80	745628	Air National Guard Operations and Maintenance	\$	16,958,595	\$	16,958,595
3R80	745603	Counter Drug Operations	\$	25,000	\$	25,000
TOTAL FED Federal Special Revenue Fund Group			\$	30,931,337	\$	30,931,337
State Special Revenue Fund Group						
5U80	745613	Community Match Armories	\$	250,000	\$	250,000
TOTAL SSR State Special Revenue Fund Group			\$	250,000	\$	250,000
TOTAL ALL BUDGET FUND GROUPS			\$	41,687,452	\$	41,489,970

NATIONAL GUARD BENEFITS

The foregoing appropriation item 745407, National Guard Benefits, shall be used for purposes of sections 5919.31 and 5919.33 of the Revised Code, and for administrative costs of the associated programs.

For active duty members of the Ohio National Guard who died after October 7, 2001, while performing active duty, the death benefit, pursuant to section 5919.33 of the Revised Code, shall be paid to the beneficiary or beneficiaries designated on the member's Servicemembers' Group Life Insurance Policy.

STATE ACTIVE DUTY COSTS

Of the foregoing appropriation item 745409, Central Administration, \$50,000 in each fiscal year shall be used for the purpose of paying expenses related to state active duty of members of the Ohio organized militia, in accordance with a proclamation of the Governor. Expenses include, but are not limited to, the cost of equipment, supplies, and services, as determined by the Adjutant General's Department.

SECTION 207.10. DAS DEPARTMENT OF ADMINISTRATIVE SERVICES**General Revenue Fund**

GRF	100403	Public Employees Health Care Program	\$	400,000	\$	400,000
GRF	100415	OAKS Rental Payments	\$	23,024,500	\$	23,006,300
GRF	100416	STARS Lease Rental Payments	\$	4,970,700	\$	4,971,300
GRF	100418	Web Sites and Business Gateway	\$	2,895,063	\$	2,795,176
GRF	100419	IT Security Infrastructure	\$	742,535	\$	742,648
GRF	100439	Equal Opportunity Certification Programs	\$	625,000	\$	625,000
GRF	100447	OBA - Building Rent Payments	\$	53,260,000	\$	83,504,200
GRF	100448	OBA - Building Operating	\$	21,000,000	\$	21,000,000

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		Payments				
GRF	100449	DAS - Building Operating	\$	7,551,245	\$	7,551,571
		Payments				
GRF	100451	Minority Affairs	\$	24,016	\$	24,016
GRF	102321	Construction Compliance	\$	920,000	\$	920,000
GRF	130321	State Agency Support	\$	2,779,457	\$	2,780,032
		Services				
		TOTAL GRF General Revenue Fund	\$	118,192,516	\$	148,320,243
		General Services Fund Group				
1120	100616	DAS Administration	\$	5,974,625	\$	5,886,524
1150	100632	Central Service Agency	\$	911,995	\$	912,305
1170	100644	General Services Division -	\$	13,000,000	\$	13,000,000
		Operating				
1220	100637	Fleet Management	\$	3,978,827	\$	4,204,066
1250	100622	Human Resources Division -	\$	16,922,295	\$	16,717,009
		Operating				
1250	100657	Benefits Communication	\$	925,586	\$	921,531
1280	100620	Collective Bargaining	\$	3,462,529	\$	3,464,148
1300	100606	Risk Management Reserve	\$	10,349,494	\$	12,149,884
1310	100639	State Architect's Office	\$	9,812,132	\$	9,813,342
1320	100631	DAS Building Management	\$	11,000,000	\$	11,000,000
1330	100607	IT Services Delivery	\$	58,088,940	\$	58,103,005
1880	100649	Equal Opportunity Division -	\$	939,559	\$	863,013
		Operating				
2100	100612	State Printing	\$	17,597,054	\$	16,659,526
2290	100630	IT Governance	\$	14,000,000	\$	14,000,000
2290	100640	Leveraged Enterprise	\$	3,000,000	\$	3,000,000
		Purchases				
4270	100602	Investment Recovery	\$	4,100,000	\$	4,100,000
4N60	100617	Major IT Purchases	\$	1,950,000	\$	4,950,000
4P30	100603	DAS Information Services	\$	5,047,565	\$	4,979,392
5C20	100605	MARCS Administration	\$	14,075,705	\$	14,077,467
5C30	100608	Skilled Trades	\$	404,297	\$	404,375
5EB0	100635	OAKS Support Organization	\$	19,000,539	\$	19,003,108
5EB0	100656	OAKS Updates and	\$	12,265,952	\$	8,743,462
		Developments				
5HU0	100655	Construction Reform Demo	\$	150,000	\$	150,000
		Compliance				
5L70	100610	Professional Development	\$	2,496,679	\$	2,496,760
5V60	100619	Employee Educational	\$	800,000	\$	850,000
		Development				
5X30	100634	Centralized Gateway	\$	2,052,308	\$	2,052,308
		Enhancement				
		TOTAL GSF General Services Fund	\$	232,306,081	\$	232,501,225
		Group				
		Federal Special Revenue Fund Group				
3AJ0	100654	ARRA Broadband Mapping	\$	270,756	\$	106,347
		Grant				
		TOTAL FED Federal Special Revenue	\$	270,756	\$	106,347
		Fund Group				
		State Special Revenue Fund Group				
5JQ0	100658	Professions Licensing System	\$	2,000,000	\$	1,000,000
		TOTAL SSR State Special Revenue				

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Fund Group	\$	2,000,000	\$	1,000,000
TOTAL ALL BUDGET FUND GROUPS	\$	352,769,353	\$	381,927,815

SECTION 207.10.10. PUBLIC EMPLOYEES HEALTH CARE PROGRAM

The foregoing appropriation item 100403, Public Employees Health Care Program, shall be used by the Department of Administrative Services to carry out its duties prescribed in Section 515.60 of this act.

SECTION 207.10.20. OHIO ADMINISTRATIVE KNOWLEDGE SYSTEM

The Ohio Administrative Knowledge System (OAKS) is an enterprise resource planning system that replaced the state's central services infrastructure systems, including, but not limited to, the Central Accounting System, the Human Resources/Payroll System, the Capital Improvements Projects Tracking System, the Fixed Assets Management System, and the Procurement System. The Department of Administrative Services, in conjunction with the Office of Budget and Management, may update or add functionality to the OAKS system that will support shared services, financial or human resources functions, and enterprise applications that improve the state's operational efficiency. This includes, but is not limited to, the installation and implementation of hardware and software. Any lease-purchase arrangement entered into under Chapter 125. of the Revised Code to finance the OAKS system and the enhancements described above, including any fractionalized interest therein, as defined in division (N) of section 133.01 of the Revised Code, shall provide that at the end of the lease period, the financed asset becomes the property of the state.

SECTION 207.10.30. OAKS LEASE RENTAL PAYMENTS

The foregoing appropriation item 100415, OAKS Rental Payments, shall be used for payments at the times they are required to be made for the period from July 1, 2011, through June 30, 2013, pursuant to leases and agreements entered into under Chapter 125. of the Revised Code, as supplemented by Section 281.10 of Am. Sub. H.B. 562 of the 127th General Assembly and other prior acts of the General Assembly, with respect to financing the costs associated with the acquisition, development, installation, and implementation of the Ohio Administrative Knowledge System. If it is determined that additional appropriations are necessary for this purpose, the amounts are hereby appropriated.

SECTION 207.10.40. STATE TAXATION ACCOUNTING AND REVENUE SYSTEM

The Department of Administrative Services, in conjunction with the Department of Taxation, may acquire the State Taxation Accounting and Revenue System (STARS) pursuant to Chapter 125. of the Revised Code, including, but not limited to, the application hardware and software and installation and implementation thereof, for the use of the Department of Taxation. STARS is an integrated tax collection and audit system that will replace all of the state's existing separate tax software and administration systems for the various taxes collected by the state. Any lease-purchase arrangement used under Chapter 125. of the Revised Code to acquire STARS, including any fractionalized interests therein as defined in division (N) of section 133.01 of the Revised Code, shall provide that at the end of the lease period, STARS becomes the property of the state.

SECTION 207.10.50. STARS LEASE RENTAL PAYMENTS

The foregoing appropriation item 100416, STARS Lease Rental Payments, shall be used for payments at the times they are required to be made for the period from July 1, 2011, through June 30, 2013, pursuant to leases and agreements entered into under Chapter 125. of the Revised Code, as supplemented by Section 207.10.30 of Am. Sub. H.B. 1 of the 128th General Assembly and other prior acts of the General Assembly, with respect to financing the cost for the acquisition, development, installation, and implementation of the State Taxation Accounting and Revenue System (STARS). If it is determined that additional appropriations are necessary for this purpose, the amounts are appropriated.

SECTION 207.10.60. EQUAL OPPORTUNITY CERTIFICATION PROGRAMS

The foregoing appropriation item 100439, Equal Opportunity Certification Programs, shall be used to pay costs associated with the equal employment opportunity project tracking software that were formerly paid from appropriation item 100423, EEO Project Tracking Software.

SECTION 207.10.70. BUILDING RENT PAYMENTS

The foregoing appropriation item 100447, OBA - Building Rent Payments, shall be used to meet all payments at the times they are required

to be made during the period from July 1, 2011, through June 30, 2013, by the Department of Administrative Services to the Ohio Building Authority pursuant to leases and agreements under Chapter 152. of the Revised Code. These appropriations are the source of funds pledged for bond service charges on obligations issued pursuant to Chapter 152. of the Revised Code.

The foregoing appropriation item 100448, OBA - Building Operating Payments, shall be used to meet all payments at the times that they are required to be made during the period from July 1, 2011, through June 30, 2013, by the Department of Administrative Services to the Ohio Building Authority pursuant to leases and agreements under Chapter 152. of the Revised Code, but limited to the aggregate amount of \$42,800,000.

The payments to the Ohio Building Authority are for paying the expenses of agencies that occupy space in various state facilities. The Department of Administrative Services may enter into leases and agreements with the Ohio Building Authority providing for the payment of these expenses. The Ohio Building Authority shall report to the Department of Administrative Services and the Office of Budget and Management not later than five months after the start of each fiscal year the actual expenses incurred by the Ohio Building Authority in operating the facilities and any balances remaining from payments and rentals received in the prior fiscal year. The Department of Administrative Services shall reduce subsequent payments by the amount of the balance reported to it by the Ohio Building Authority.

SECTION 207.10.80. DAS - BUILDING OPERATING PAYMENTS

The foregoing appropriation item 100449, DAS - Building Operating Payments, shall be used to pay the rent expenses of veterans organizations pursuant to section 123.024 of the Revised Code in fiscal years 2012 and 2013.

The foregoing appropriation item, 100449, DAS - Building Operating Payments, also may be used to provide funding for the cost of property appraisals or building studies that the Department of Administrative Services may be required to obtain for property that is being sold by the state or property under consideration to be renovated or purchased by the state.

Notwithstanding section 125.28 of the Revised Code, the remaining portion of the appropriation may be used to pay the operating expenses of state facilities maintained by the Department of Administrative Services that are not billed to building tenants. These expenses may include, but are not limited to, the costs for vacant space and space undergoing renovation, and

the rent expenses of tenants that are relocated because of building renovations. These payments shall be processed by the Department of Administrative Services through intrastate transfer vouchers and placed in the Building Management Fund (Fund 1320).

SECTION 207.10.90. CENTRAL SERVICE AGENCY FUND

Appropriation item 100632, Central Service Agency, shall be used to purchase the equipment, products, and services that are needed to maintain existing automated applications for the professional licensing boards and to support board licensing functions in fiscal years 2012 and 2013 until these functions are replaced by the Ohio Professionals Licensing System. Appropriation item 100632, Central Service Agency, may also be used for these purposes for the Casino Control Commission if the commission elects to use these automated applications for its licensing functions. The Department of Administrative Services shall establish charges for recovering the costs of carrying out these functions. The charges shall be billed to the professional licensing boards, and the Casino Control Commission if applicable, and deposited via intrastate transfer vouchers to the credit of the Central Service Agency Fund (Fund 1150).

SECTION 207.20.10. GENERAL SERVICE CHARGES

The Department of Administrative Services, with the approval of the Director of Budget and Management, shall establish charges for recovering the costs of administering the programs funded by the General Services Fund (Fund 1170) and the State Printing Fund (Fund 2100). Such charges within Fund 1170 may be used to recover the cost of paying a vendor to establish reduced pricing for contracted supplies or services.

If the Director of Administrative Services determines that additional amounts are necessary to pay for consulting and administrative costs related to securing lower pricing, the Director of Administrative Services may request that the Director of Budget and Management approve additional expenditures. Such approved additional amounts are appropriated to appropriation item 100644, General Services Division-Operating.

SECTION 207.20.20. COLLECTIVE BARGAINING ARBITRATION EXPENSES

With approval of the Director of Budget and Management, the Department of Administrative Services may seek reimbursement from state

agencies for the actual costs and expenses the Department incurs in the collective bargaining arbitration process. The reimbursements shall be processed through intrastate transfer vouchers and credited to the Collective Bargaining Fund (Fund 1280).

SECTION 207.20.30. EQUAL OPPORTUNITY PROGRAM

The Department of Administrative Services, with the approval of the Director of Budget and Management, shall establish charges for recovering the costs of administering the activities supported by the State EEO Fund (Fund 1880). These charges shall be deposited to the credit of the State EEO Fund (Fund 1880) upon payment made by state agencies, state-supported or state-assisted institutions of higher education, and tax-supported agencies, municipal corporations, and other political subdivisions of the state, for services rendered.

SECTION 207.20.40. INVESTMENT RECOVERY FUND

Notwithstanding division (B) of section 125.14 of the Revised Code, cash balances in the Investment Recovery Fund (Fund 4270) may be used to support the operating expenses of the Federal Surplus Operating Program created in sections 125.84 to 125.90 of the Revised Code.

Notwithstanding division (B) of section 125.14 of the Revised Code, cash balances in the Investment Recovery Fund may be used to support the operating expenses of the Asset Management Services Program, including, but not limited to, the cost of establishing and maintaining procedures for inventory records for state property as described in section 125.16 of the Revised Code.

Of the foregoing appropriation item 100602, Investment Recovery, up to \$2,092,697 in fiscal year 2012 and up to \$2,092,697 in fiscal year 2013 may be used to pay the operating expenses of the State Surplus Property Program, the Surplus Federal Property Program, and the Asset Management Services Program under Chapter 125. of the Revised Code and this section. If additional appropriations are necessary for the operations of these programs, the Director of Administrative Services shall seek increased appropriations from the Controlling Board under section 131.35 of the Revised Code.

Of the foregoing appropriation item 100602, Investment Recovery, \$3,500,000 in each fiscal year shall be used to transfer proceeds from the sale of surplus property from the Investment Recovery Fund to non-General Revenue Funds under division (A)(2) of section 125.14 of the Revised

Code. If it is determined by the Director of Administrative Services that additional amounts are necessary for the transfer of such sale proceeds, the Director of Administrative Services may request the Director of Budget and Management to authorize additional amounts. Such authorized additional amounts are hereby appropriated.

SECTION 207.20.50. DAS INFORMATION SERVICES

There is hereby established in the State Treasury the DAS Information Services Fund. The foregoing appropriation item 100603, DAS Information Services, shall be used to pay the costs of providing information systems and services in the Department of Administrative Services. Any state agency, board, or commission may use DAS Information Services by paying for the services rendered.

The Department of Administrative Services shall establish user charges for all information systems and services that are allowable in the statewide indirect cost allocation plan submitted annually to the United States Department of Health and Human Services. These charges shall comply with federal regulations and shall be deposited to the credit of the DAS Information Services Fund (Fund 4P30).

SECTION 207.20.60. PROFESSIONAL DEVELOPMENT FUND

The foregoing appropriation item 100610, Professional Development, shall be used to make payments from the Professional Development Fund (Fund 5L70) under section 124.182 of the Revised Code. If it is determined by the Director of Administrative Services that additional amounts are necessary, the Director of Administrative Services may request that the Director of Budget and Management approve additional amounts. Such approved additional amounts are hereby appropriated.

SECTION 207.20.70. EMPLOYEE EDUCATIONAL DEVELOPMENT

The foregoing appropriation item 100619, Employee Educational Development, shall be used to make payments from the Employee Educational Development Fund (Fund 5V60) under section 124.86 of the Revised Code. The fund shall be used to pay the costs of administering educational programs under existing collective bargaining agreements with District 1199, the Health Care and Social Service Union; State Council of Professional Educators; Ohio Education Association and National Education Association; the Fraternal Order of Police Ohio Labor Council, Unit 2; and

the Ohio State Troopers Association, Units 1 and 15.

If it is determined by the Director of Administrative Services that additional amounts are necessary, the Director of Administrative Services may request that the Director of Budget and Management approve additional amounts. Such approved additional amounts are hereby appropriated.

SECTION 207.20.80. CENTRALIZED GATEWAY ENHANCEMENT FUND

(A) As used in this section, "Ohio Business Gateway" refers to the internet-based system operated by the Department of Administrative Services with the advice of the Ohio Business Gateway Steering Committee established under section 5703.57 of the Revised Code. The Ohio Business Gateway is established to provide businesses a central web site where various filings and payments are submitted online to government. The information is then distributed to the various government entities that interact with the business community.

(B) As used in this section:

(1) "State Portal" refers to the official web site of the state, operated by the Department of Administrative Services.

(2) "Shared Hosting Environment" refers to the computerized system operated by the Department of Administrative Services for the purpose of providing capability for state agencies to host web sites.

(C) There is hereby created in the state treasury the Centralized Gateway Enhancement Fund (Fund 5X30). The foregoing appropriation item 100634, Centralized Gateway Enhancement, shall be used by the Department of Administrative Services to pay the costs of enhancing, expanding, and operating the infrastructure of the Ohio Business Gateway, State Portal, and Shared Hosting Environment. The Director of Administrative Services shall submit spending plans to the Director of Budget and Management to justify operating transfers to the fund from the General Revenue Fund. Upon approval, the Director of Budget and Management shall transfer approved amounts to the fund, not to exceed the amount of the annual appropriation in each fiscal year. The spending plans may be based on the recommendations of the Ohio Business Gateway Steering Committee or its successor.

SECTION 207.20.90. CASH TRANSFERS FROM THE MAJOR IT PURCHASES FUND

Upon request of the Director of Administrative Services, the Director of Budget and Management may make the following transfers from the Major IT Purchases Fund (Fund 4N60):

(1) Up to \$2,800,000 in each fiscal year of the biennium to the State Architect's Fund (Fund 1310) to support the OAKS Capital Improvements Module and other costs of the State Architect's Office that are not directly related to capital projects managed by the State Architect;

(2) Up to \$310,276 in fiscal year 2012 and up to \$305,921 in fiscal year 2013 to the Director's Office Fund (Fund 1120) to support operating expenses of the Accountability and Results Initiative.

SECTION 207.20.93. CASH TRANSFERS FROM THE BUILDING MANAGEMENT FUND TO THE STATE ARCHITECT'S FUND

Upon request of the Director of Administrative Services, the Director of Budget and Management may transfer up to \$2,000,000 from the Building Management Fund (Fund 1320) to the State Architect's Fund (Fund 1310) to support the OAKS Capital Improvements Module and other costs of the State Architect's Office that are not directly related to capital projects managed by the State Architect. If the cash balance in the State Architect's Fund (Fund 1310) is determined to be sufficient, the Director of Administrative Services may request that the Director of Budget and Management transfer cash from the State Architect's Fund (Fund 1310) to the Building Management Fund (Fund 1320) in an amount equal to the initial cash transfer made under this section plus applicable interest.

SECTION 207.30.10. MULTI-AGENCY RADIO COMMUNICATION SYSTEM DEBT SERVICE PAYMENTS

The Director of Administrative Services, in consultation with the Multi-Agency Radio Communication System (MARCS) Steering Committee and the Director of Budget and Management, shall determine the share of debt service payments attributable to spending for MARCS components that are not specific to any one agency and that shall be charged to agencies supported by the motor fuel tax. Such share of debt service payments shall be calculated for MARCS capital disbursements made beginning July 1, 1997. Within thirty days of any payment made from appropriation item 100447, OBA - Building Rent Payments, the Director of Administrative Services shall certify to the Director of Budget and Management the amount of this share. The Director of Budget and Management shall transfer such amounts to the General Revenue Fund from

the State Highway Safety Fund (Fund 7036) established in section 4501.06 of the Revised Code.

The Director of Administrative Services shall consider renting or leasing existing tower sites at reasonable or current market rates, so long as these existing sites are equipped with the technical capabilities to support the MARCS project.

SECTION 207.30.20. OHIO PROFESSIONALS LICENSING SYSTEM

There is hereby created in the state treasury the Ohio Professionals Licensing System Fund (Fund 5JQ0). Appropriation item 100658, Ohio Professionals Licensing System, shall be used to make payments from the fund. The fund shall be used to purchase the equipment, products, and services necessary to develop and maintain a replacement automated licensing system for the professional licensing boards. The Director of Budget and Management may transfer up to a total of \$3,000,000 in cash from the Occupational Licensing and Regulatory Fund (4K90), the State Medical Board Operating Fund (Fund 5C60), and the Casino Control Commission – Operating Fund (Fund 5HS0) if the Casino Control Commission elects to use the replacement automated licensing system, to the Ohio Professionals Licensing System Fund during the FY 2012-FY 2013 biennium. These transfers shall be in proportion to the number of current licensees, or current and anticipated licensees in the case of the Casino Control Commission if applicable. The purpose of these cash transfers is to fund the initial acquisition and development of the system. Any cash balances not expended in fiscal year 2012 are reappropriated in fiscal year 2013.

Effective with the implementation of the replacement licensing system, the Department of Administrative Services shall establish charges for recovering the costs of ongoing maintenance of the system. The charges shall be billed to the professional licensing boards, and the Casino Control Commission if applicable, and deposited via intrastate transfer vouchers to the credit of the Ohio Professionals Licensing System Fund.

SECTION 207.30.30. DIRECTOR'S DECLARATION OF PUBLIC EXIGENCY

Whenever the Director of Administrative Services declares a "public exigency," as provided in division (C) of section 123.15 of the Revised Code, the Director shall also notify the members of the Controlling Board.

SECTION 209.10. AGE DEPARTMENT OF AGING

General Revenue Fund

GRF 490321	Operating Expenses	\$	1,501,616	\$	1,502,442
GRF 490410	Long-Term Care Ombudsman	\$	482,271	\$	482,271
GRF 490411	Senior Community Services	\$	7,130,952	\$	7,131,236
GRF 490414	Alzheimer's Respite	\$	1,917,740	\$	1,917,757
GRF 490423	Long Term Care Budget - State	\$	3,419,250	\$	3,419,250
GRF 490506	National Senior Service Corps	\$	241,413	\$	241,413
TOTAL GRF General Revenue Fund		\$	14,693,242	\$	14,694,369

General Services Fund Group

4800 490606	Senior Community Outreach and Education	\$	372,518	\$	372,523
TOTAL GSF General Services Fund Group		\$	372,518	\$	372,523

Federal Special Revenue Fund Group

3220 490618	Federal Aging Grants	\$	14,000,000	\$	14,000,000
3C40 490623	Long Term Care Budget	\$	3,525,000	\$	3,525,000
3M40 490612	Federal Independence Services	\$	63,655,080	\$	63,655,080
TOTAL FED Federal Special Revenue Fund Group		\$	81,180,080	\$	81,180,080

State Special Revenue Fund Group

4C40 490609	Regional Long-Term Care Ombudsman Program	\$	935,000	\$	935,000
5BA0 490620	Ombudsman Support	\$	750,000	\$	750,000
5K90 490613	Long Term Care Consumers Guide	\$	1,059,400	\$	1,059,400
5W10 490616	Resident Services Coordinator Program	\$	344,692	\$	344,700
TOTAL SSR State Special Revenue Fund Group		\$	3,089,092	\$	3,089,100
TOTAL ALL BUDGET FUND GROUPS		\$	99,334,932	\$	99,336,072

SECTION 209.20. LONG-TERM CARE

Pursuant to an interagency agreement, the Department of Job and Family Services shall designate the Department of Aging to perform assessments under section 5111.204 of the Revised Code. The Department of Aging shall provide long-term care consultations under section 173.42 of the Revised Code to assist individuals in planning for their long-term health care needs.

The Department of Aging shall administer the Medicaid waiver-funded PASSPORT Home Care Program, the Choices Program, the Assisted Living Program, and the PACE Program as delegated by the Department of Job and

Family Services in an interagency agreement. The foregoing appropriation items 490423, Long Term Care Budget - State, and 490623, Long Term Care Budget, may be used to support the Department of Aging's administrative costs associated with operating the PASSPORT, Choices, Assisted Living, and PACE programs.

SECTION 209.30. LONG-TERM CARE OMBUDSMAN

The foregoing appropriation item 490410, Long-Term Care Ombudsman, shall be used for a program to fund ombudsman program activities as authorized in sections 173.14 to 173.27 and section 173.99 of the Revised Code.

SENIOR COMMUNITY SERVICES

The foregoing appropriation item 490411, Senior Community Services, shall be used for services designated by the Department of Aging, including, but not limited to, home-delivered and congregate meals, transportation services, personal care services, respite services, adult day services, home repair, care coordination, and decision support systems. Service priority shall be given to low income, frail, and cognitively impaired persons 60 years of age and over. The department shall promote cost sharing by service recipients for those services funded with senior community services funds, including, when possible, sliding-fee scale payment systems based on the income of service recipients.

ALZHEIMER'S RESPITE

The foregoing appropriation item 490414, Alzheimer's Respite, shall be used to fund only Alzheimer's disease services under section 173.04 of the Revised Code.

SENIOR COMMUNITY OUTREACH AND EDUCATION

The foregoing appropriation item 490606, Senior Community Outreach and Education, may be used to provide training to workers in the field of aging pursuant to division (G) of section 173.02 of the Revised Code.

TRANSFER OF APPROPRIATIONS - FEDERAL INDEPENDENCE SERVICES AND FEDERAL AGING GRANTS

At the request of the Director of Aging, the Director of Budget and Management may transfer appropriation between appropriation items 490612, Federal Independence Services, and 490618, Federal Aging Grants. The amounts transferred shall not exceed 30 per cent of the appropriation from which the transfer is made. Any transfers shall be reported by the Department of Aging to the Controlling Board at the next scheduled meeting of the board.

REGIONAL LONG-TERM CARE OMBUDSMAN PROGRAM

The foregoing appropriation item 490609, Regional Long-Term Care Ombudsman Program, shall be used to pay the costs of operating the regional long-term care ombudsman programs designated by the Long-Term Care Ombudsman.

TRANSFER OF RESIDENT PROTECTION FUNDS

In each fiscal year, the Director of Budget and Management may transfer up to \$750,000 cash from the Resident Protection Fund (Fund 4E30), which is used by the Department of Job and Family Services, to the Ombudsman Support Fund (Fund 5BA0), which is used by the Department of Aging. The moneys in the Ombudsman Support Fund may be used by the state office of the Long-Term Care Ombudsman Program and by regional ombudsman programs to promote person-centered care in nursing homes.

On July 1, 2011, or as soon as possible thereafter, the Department of Aging shall certify to the Director of Budget and Management the amount of the cash balance in the Ombudsman Support Fund at the end of fiscal year 2011.

LONG-TERM CARE CONSUMERS GUIDE

The foregoing appropriation item 490613, Long-Term Care Consumers Guide, shall be used to conduct annual customer satisfaction surveys and to pay for other administrative expenses related to the publication of the Ohio Long-Term Care Consumer Guide.

During fiscal year 2012 and fiscal year 2013, the Department of Aging shall identify methods and tools for assessing consumer satisfaction with adult care facilities and with the providers of home and community-based services. The Department shall also consider the development of a provider fee structure to support the inclusion of information about adult care facilities and providers of home and community-based services among the types of providers reviewed in the Ohio Long-Term Care Consumer Guide.

SECTION 209.40. UNIFIED LONG-TERM CARE SYSTEM ADVISORY WORKGROUP

(A) As used in this section, "long-term care services" means both of the following:

- (1) Services of long-term care facilities as defined in section 173.14 of the Revised Code;
- (2) Community-based long-term care services as defined in section 173.14 of the Revised Code.

(B) There is hereby created for fiscal year 2012 and fiscal year 2013 the Unified Long-Term Care System Advisory Workgroup. The Workgroup shall consist of the following members:

(1) The Director of Aging, or the Director's designee;
(2) The following persons appointed by the Governor:
(a) Advocates for individuals who use long-term care services;
(b) Representatives of providers of long-term care services;
(c) Representatives of managed care organizations under contract with the Department of Job and Family Services under section 5111.17 of the Revised Code;

(d) State policy makers.

(3) One member of the House of Representatives from the majority party and one member of the House of Representatives from the minority party, appointed by the Speaker of the House of Representatives;

(4) One member of the Senate from the majority party and one member of the Senate from the minority party, appointed by the President of the Senate.

(C) Members of the Workgroup shall be appointed not later than fifteen days after the effective date of this section. Except to the extent that serving on the Workgroup is part of a member's regular employment duties, a member of the Workgroup shall not be paid for the member's service on the Workgroup. Members of the Workgroup shall not be reimbursed for their expenses incurred in serving on the Workgroup.

(D) The Director of Aging or the Director's designee shall serve as chairperson of the Workgroup. The Departments of Aging and Job and Family Services shall provide staff and other support services for the Workgroup.

(E) The Workgroup shall serve in an advisory capacity in the implementation of a unified system of long-term care services that facilitates all of the following:

(1) Providing consumers choices of long-term care services that meet their health-care needs and improve their quality of life;

(2) Providing a continuum of long-term care services that meets consumers' needs throughout life and promotes consumers' independence and autonomy;

(3) Assuring that the state has a system of long-term care services that is cost effective and connects disparate services across agencies and jurisdictions.

(F) The Workgroup, with the assistance of the Directors of Job and Family Services and Budget and Management, shall submit two reports to the General Assembly in accordance with section 101.68 of the Revised Code regarding a unified system of long-term care services. The first report is due not later than July 1, 2012. The second report is due not later than

July 1, 2013. A report due before the unified system of long-term care services is established shall discuss the progress being made in establishing the system. A report due after the system is established shall discuss the system's effectiveness.

SECTION 209.50. UNIFIED LONG-TERM CARE SYSTEM
ADVISORY WORKGROUP SUBCOMMITTEES

The Unified Long-Term Care System Advisory Workgroup shall convene four subcommittees.

The first subcommittee shall study the current and future capacity of nursing facilities in this state, the configuration of that capacity, and strategies for addressing nursing facility capacity, including the ability of nursing facility operators to determine the number of beds to certify for participation in the Medicaid program. The subcommittee shall complete a report of the part of the study regarding the ability of nursing facility operators to determine the number of beds to certify for participation in the Medicaid program not later than September 1, 2011.

For purposes related to division (D) of section 5111.244 of the Revised Code, the second subcommittee shall study the quality incentive payments to be paid to nursing facilities under the Medicaid program for fiscal year 2013, including accountability measures to be used in awarding points for the quality incentive payments and the methodology for calculating the quality incentive payments. The subcommittee shall complete a report of its study not later than September 1, 2011.

The third subcommittee shall study the process of making Medicaid eligibility determinations for individuals seeking nursing facility services. The subcommittee shall complete a report of its study not later than December 31, 2011.

The fourth subcommittee shall study Medicaid reimbursement for nursing facility services, including issues related to the composition of peer groups, methodologies used to calculate reimbursement for capital costs, and the proportion of the total nursing facility reimbursement rate that should be based on the quality of care nursing facilities provide. The subcommittee shall complete a report of its study not later than December 31, 2012.

Each subcommittee shall submit its report to the General Assembly in accordance with section 101.68 of the Revised Code and to the Directors of Aging, Health, and Job and Family Services. A subcommittee shall cease to exist on the submission of its report.

SECTION 211.10. AGR DEPARTMENT OF AGRICULTURE

General Revenue Fund

GRF 700401	Animal Disease Control	\$	3,936,687	\$	3,936,687
GRF 700403	Dairy Division	\$	1,088,115	\$	1,088,115
GRF 700404	Ohio Proud	\$	50,000	\$	50,000
GRF 700406	Consumer Analytical Lab	\$	1,287,556	\$	1,287,556
GRF 700407	Food Safety	\$	848,792	\$	848,792
GRF 700409	Farmland Preservation	\$	72,750	\$	72,750
GRF 700412	Weights and Measures	\$	600,000	\$	600,000
GRF 700415	Poultry Inspection	\$	392,978	\$	392,978
GRF 700418	Livestock Regulation Program	\$	1,108,071	\$	1,108,071
GRF 700424	Livestock Testing and Inspections	\$	102,770	\$	102,770
GRF 700499	Meat Inspection Program - State Share	\$	4,175,097	\$	4,175,097
GRF 700501	County Agricultural Societies	\$	391,413	\$	391,413
TOTAL GRF General Revenue Fund		\$	14,054,229	\$	14,054,229

General Services Fund Group

5DA0 700644	Laboratory Administration Support	\$	1,094,867	\$	1,094,867
5GH0 700655	Central Support Indirect Cost	\$	4,456,842	\$	4,456,842
TOTAL GSF General Services Fund Group		\$	5,551,709	\$	5,551,709

Federal Special Revenue Fund Group

3260 700618	Meat Inspection Program - Federal Share	\$	4,950,000	\$	4,950,000
3360 700617	Ohio Farm Loan Revolving Fund	\$	150,000	\$	150,000
3820 700601	Cooperative Contracts	\$	2,000,000	\$	2,000,000
3AB0 700641	Agricultural Easement	\$	1,000,000	\$	1,000,000
3J40 700607	Indirect Cost	\$	600,000	\$	600,000
3R20 700614	Federal Plant Industry	\$	1,000,000	\$	1,000,000
TOTAL FED Federal Special Revenue Fund Group		\$	9,700,000	\$	9,700,000

State Special Revenue Fund Group

4960 700626	Ohio Grape Industries	\$	846,611	\$	846,611
4970 700627	Commodity Handlers Regulatory Program	\$	483,402	\$	483,402
4C90 700605	Commercial Feed and Seed	\$	1,816,897	\$	1,816,897
4D20 700609	Auction Education	\$	41,000	\$	41,000
4E40 700606	Utility Radiological Safety	\$	131,785	\$	131,785
4P70 700610	Food Safety Inspection	\$	1,085,836	\$	1,085,836
4R00 700636	Ohio Proud Marketing	\$	30,500	\$	30,500
4R20 700637	Dairy Industry Inspection	\$	1,758,247	\$	1,758,247
4T60 700611	Poultry and Meat Inspection	\$	180,000	\$	180,000
4T70 700613	Ohio Proud International and Domestic Market Development	\$	50,000	\$	50,000
5780 700620	Ride Inspection Fees	\$	1,175,142	\$	1,175,142
5B80 700629	Auctioneers	\$	359,823	\$	359,823
5FC0 700648	Plant Pest Program	\$	1,164,000	\$	1,164,000

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5H20	700608	Metrology Lab and Scale Certification	\$	750,000	\$	750,000
5HP0	700656	Livestock Care Standards Board	\$	80,000	\$	80,000
5L80	700604	Livestock Management Program	\$	584,000	\$	584,000
6520	700634	Animal and Consumer Analytical Laboratory	\$	4,366,383	\$	4,366,383
6690	700635	Pesticide, Fertilizer, and Lime Inspection Program	\$	3,418,041	\$	3,418,041
TOTAL SSR State Special Revenue Fund Group			\$	18,321,667	\$	18,321,667
Clean Ohio Conservation Fund Group						
7057	700632	Clean Ohio Agricultural Easement	\$	310,000	\$	310,000
TOTAL CLF Clean Ohio Conservation Fund Group			\$	310,000	\$	310,000
TOTAL ALL BUDGET FUND GROUPS			\$	47,937,605	\$	47,937,605

COUNTY AGRICULTURAL SOCIETIES

The foregoing appropriation item 700501, County Agricultural Societies, shall be used to reimburse county and independent agricultural societies for expenses related to Junior Fair activities.

CLEAN OHIO AGRICULTURAL EASEMENT

The foregoing appropriation item 700632, Clean Ohio Agricultural Easement, shall be used by the Department of Agriculture in administering Ohio Agricultural Easement Fund (Fund 7057) projects pursuant to sections 901.21, 901.22, and 5301.67 to 5301.70 of the Revised Code.

SECTION 213.10. AIR AIR QUALITY DEVELOPMENT AUTHORITY

General Services Fund Group

5EG0	898608	Energy Strategy Development	\$	240,382	\$	240,681
TOTAL GSF General Services Fund			\$	240,382	\$	240,681

Agency Fund Group

4Z90	898602	Small Business Ombudsman	\$	288,050	\$	288,232
5700	898601	Operating Expenses	\$	323,980	\$	323,980
5A00	898603	Small Business Assistance	\$	71,087	\$	71,087
TOTAL AGY Agency Fund Group			\$	683,117	\$	683,299
TOTAL ALL BUDGET FUND GROUPS			\$	923,499	\$	923,980

SECTION 213.20. ENERGY STRATEGY DEVELOPMENT

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

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

On July 1 of each fiscal year, or as soon as possible thereafter, the Director of Budget and Management may transfer cash from the funds specified below, in the amounts specified below, to the Energy Strategy Development Fund. Fund 5EG0 may accept contributions and transfers made to the fund. On July 1, 2013, or as soon as possible thereafter, the Director shall transfer to the General Revenue Fund all cash credited to Fund 5EG0. Upon completion of the transfer, Fund 5EG0 is abolished.

<u>Fund</u>	<u>Fund Name</u>	<u>User</u>	<u>FY 2012</u>	<u>FY 2013</u>
1170	Office Services	Department of Administrative Services	\$27,405	\$27,439
5GH0	Central Support Indirect Cost	Department of Agriculture	\$27,405	\$27,439
1350	Supportive Services	Department of Development	\$27,405	\$27,439
2190	Central Support Indirect Cost	Environmental Protection Agency	\$27,405	\$27,439
1570	Central Support Indirect Chargeback	Department of Natural Resources	\$27,405	\$27,439
7002	Highway Operating	Department of Transportation	\$39,150	\$39,199

SECTION 213.30. REIMBURSEMENT TO AIR QUALITY DEVELOPMENT AUTHORITY TRUST ACCOUNT

Notwithstanding any other provision of law to the contrary, the Air Quality Development Authority may reimburse the Air Quality Development Authority trust account established under section 3706.10 of the Revised Code from all operating funds of the agency for expenses pertaining to the administration and shared costs incurred by the Air Quality Development Authority in the execution of responsibilities as prescribed in Chapter 3706. of the Revised Code. Reimbursement shall be made by voucher and completed in accordance with the administrative indirect costs allocation plan approved by the Office of Budget and Management.

SECTION 215.10. ADA DEPARTMENT OF ALCOHOL AND DRUG ADDICTION SERVICES

General Revenue Fund

GRF 038401	Treatment Services	\$	11,225,590	\$	7,020,974
GRF 038404	Prevention Services	\$	868,659	\$	868,659
GRF 038501	Medicaid Match	\$	23,959,113	\$	0
TOTAL GRF General Revenue Fund		\$	36,053,362	\$	7,889,633

General Services Fund

5T90 038616	Problem Gambling Services	\$	335,000	\$	335,000
TOTAL GSF General Services Fund Group		\$	335,000	\$	335,000

Federal Special Revenue Fund Group

3G40 038614	Substance Abuse Block Grant	\$	69,000,000	\$	69,000,000
3H80 038609	Demonstration Grants	\$	8,675,580	\$	8,675,580
3J80 038610	Medicaid	\$	69,200,000	\$	0
3N80 038611	Administrative Reimbursement	\$	300,000	\$	300,000

TOTAL FED Federal Special Revenue Fund Group		\$	147,175,580	\$	77,975,580
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State Special Revenue Fund Group

4750 038621	Statewide Treatment and Prevention	\$	16,000,000	\$	14,000,000
5JW0 038615	Board Match Reimbursement	\$	3,000,000	\$	3,000,000
6890 038604	Education and Conferences	\$	75,000	\$	75,000
TOTAL SSR State Special Revenue Fund Group		\$	19,075,000	\$	17,075,000
TOTAL ALL BUDGET FUND GROUPS		\$	202,638,942	\$	103,275,213

SECTION 215.20. ALCOHOL AND DRUG ADDICTION MEDICAID MATCH

(A) As used in this section, "community alcohol and drug addiction Medicaid services" means services provided under the component, or aspect of the component, of the Medicaid program that the Department of Alcohol and Drug Addiction Services administers pursuant to a contract entered into with the Department of Job and Family Services under section 5111.91 of the Revised Code.

(B) Subject to division (C) of this section, the foregoing appropriation item 038501, Medicaid Match, shall be used by the Department of Alcohol and Drug Addiction Services to make payments for community alcohol and drug addiction Medicaid services.

(C) For state fiscal year 2012, the Department shall allocate foregoing appropriation item 038501, Medicaid Match, and a portion of appropriation item 038621, Statewide Treatment and Prevention, to boards of alcohol, drug addiction, and mental health services in accordance with a distribution

methodology the Department shall establish. Notwithstanding sections 5111.911 and 5111.913 of the Revised Code, the boards shall use the funds allocated to them under this section to pay claims for community alcohol and drug addiction Medicaid services provided during fiscal year 2012. The boards shall use all federal financial participation that the Department receives for claims paid for community alcohol and drug addiction Medicaid services provided during fiscal year 2012 as the first payment source to pay claims for community alcohol and drug addiction Medicaid services provided during fiscal year 2012. The boards are not required to use any funds other than the funds allocated to them under this section and the federal financial participation received for claims for community alcohol and drug addiction Medicaid services provided during fiscal year 2012 to pay for such claims.

(D) The Department shall enter into an agreement with each board regarding the issue of paying claims that are for community alcohol and drug addiction Medicaid services provided before July 1, 2011, and submitted for payment on or after that date. Such claims shall be paid in accordance with the agreements. A board shall receive the federal financial participation received for claims for community alcohol and drug addiction Medicaid services that were provided before July 1, 2011, and paid by the board.

SECTION 217.10. ARC ARCHITECTS BOARD

General Services Fund Group

4K90 891609	Operating Expenses	\$	494,459	\$	478,147
TOTAL GSF General Services Fund					
Group		\$	494,459	\$	478,147
TOTAL ALL BUDGET FUND GROUPS					
		\$	494,459	\$	478,147

SECTION 219.10. ART OHIO ARTS COUNCIL

General Revenue Fund

GRF 370321	Operating Expenses	\$	1,605,704	\$	1,605,704
GRF 370502	State Program Subsidies	\$	6,000,000	\$	8,000,000
TOTAL GRF General Revenue Fund					
		\$	7,605,704	\$	9,605,704

General Services Fund Group

4600 370602	Management Expenses and Donations	\$	247,000	\$	247,000
4B70 370603	Percent for Art Acquisitions	\$	247,000	\$	247,000
TOTAL GSF General Services Fund Group					
		\$	494,000	\$	494,000

Federal Special Revenue Fund Group

3140 370601	Federal Support	\$	1,000,000	\$	1,000,000
TOTAL FED Federal Special Revenue Fund					
Group		\$	1,000,000	\$	1,000,000

TOTAL ALL BUDGET FUND GROUPS	\$	9,099,704	\$	11,099,704
FEDERAL SUPPORT				

Notwithstanding any provision of law to the contrary, the foregoing appropriation item 370601, Federal Support, shall be used by the Ohio Arts Council for subsidies only, and not for its administrative costs, unless the Council is required to use a portion of the funds for administrative costs under conditions of the federal grant.

SECTION 221.10. ATH ATHLETIC COMMISSION

General Services Fund Group

4K90 175609	Operating Expenses	\$	281,904	\$	292,509
TOTAL GSF General Services Fund Group		\$	281,904	\$	292,509
TOTAL ALL BUDGET FUND GROUPS		\$	281,904	\$	292,509

SECTION 223.10. AGO ATTORNEY GENERAL

General Revenue Fund

GRF 055321	Operating Expenses	\$	42,514,169	\$	42,514,169
GRF 055405	Law-Related Education	\$	100,000	\$	100,000
GRF 055411	County Sheriffs' Pay Supplement	\$	757,921	\$	757,921
GRF 055415	County Prosecutors' Pay Supplement	\$	831,499	\$	831,499
TOTAL GRF General Revenue Fund		\$	44,203,589	\$	44,203,589

General Services Fund Group

1060 055612	General Reimbursement	\$	43,357,968	\$	43,011,277
1950 055660	Workers' Compensation Section	\$	8,415,504	\$	8,415,504
4180 055615	Charitable Foundations	\$	7,286,000	\$	7,286,000
4200 055603	Attorney General Antitrust	\$	1,871,674	\$	1,839,074
4210 055617	Police Officers' Training Academy Fee	\$	2,124,942	\$	2,088,805
4Z20 055609	BCI Asset Forfeiture and Cost Reimbursement	\$	1,529,685	\$	1,521,731
5900 055633	Peace Officer Private Security Fund	\$	98,370	\$	98,370
5A90 055618	Telemarketing Fraud Enforcement	\$	7,500	\$	7,500
5L50 055619	Law Enforcement Assistance Program	\$	300,222	\$	0
6310 055637	Consumer Protection Enforcement	\$	3,799,115	\$	3,718,973
TOTAL GSF General Services Fund Group		\$	68,790,980	\$	67,987,234

Federal Special Revenue Fund Group

3060 055620	Medicaid Fraud Control	\$	4,211,235	\$	4,122,399
3810 055611	Civil Rights Legal Service	\$	402,540	\$	402,540
3830 055634	Crime Victims Assistance	\$	13,000,000	\$	13,000,000
3E50 055638	Attorney General	\$	1,223,606	\$	1,222,172

		Pass-Through Funds			
3R60	055613	Attorney General Federal Funds	\$	3,823,251	\$ 3,673,251
TOTAL FED Federal Special Revenue Fund Group			\$	22,660,632	\$ 22,420,362
State Special Revenue Fund Group					
4020	055616	Victims of Crime	\$	26,000,000	\$ 26,000,000
4170	055621	Domestic Violence Shelter	\$	25,000	\$ 25,000
4190	055623	Claims Section	\$	44,197,843	\$ 41,953,025
4L60	055606	DARE Programs	\$	4,477,962	\$ 4,477,962
4Y70	055608	Title Defect Recision	\$	600,000	\$ 600,000
6590	055641	Solid and Hazardous Waste Background Investigations	\$	662,227	\$ 651,049
TOTAL SSR State Special Revenue Fund Group			\$	75,963,032	\$ 73,707,036
Holding Account Redistribution Fund Group					
R004	055631	General Holding Account	\$	1,000,000	\$ 1,000,000
R005	055632	Antitrust Settlements	\$	1,000	\$ 1,000
R018	055630	Consumer Frauds	\$	750,000	\$ 750,000
R042	055601	Organized Crime Commission Distributions	\$	25,025	\$ 25,025
R054	055650	Collection Outside Counsel Payments	\$	4,500,000	\$ 4,500,000
TOTAL 090 Holding Account Redistribution Fund Group			\$	6,276,025	\$ 6,276,025
Tobacco Master Settlement Agreement Fund Group					
J087	055635	Law Enforcement Technology, Training, and Facility Enhancements	\$	2,300,000	\$ 0
U087	055402	Tobacco Settlement Oversight, Administration, and Enforcement	\$	2,527,992	\$ 2,514,690
TOTAL TSF Tobacco Master Settlement Agreement Fund Group			\$	4,827,992	\$ 2,514,690
TOTAL ALL BUDGET FUND GROUPS			\$	222,722,250	\$ 217,108,936

COUNTY SHERIFFS' PAY SUPPLEMENT

The foregoing appropriation item 055411, County Sheriffs' Pay Supplement, shall be used for the purpose of supplementing the annual compensation of county sheriffs as required by section 325.06 of the Revised Code.

At the request of the Attorney General, the Director of Budget and Management may transfer appropriation from appropriation item 055321, Operating Expenses, to appropriation item 055411, County Sheriffs' Pay Supplement. Any appropriation so transferred shall be used to supplement the annual compensation of county sheriffs as required by section 325.06 of the Revised Code.

COUNTY PROSECUTORS' PAY SUPPLEMENT

The foregoing appropriation item 055415, County Prosecutors' Pay

Supplement, shall be used for the purpose of supplementing the annual compensation of certain county prosecutors as required by section 325.111 of the Revised Code.

At the request of the Attorney General, the Director of Budget and Management may transfer appropriation from appropriation item 055321, Operating Expenses, to appropriation item 055415, County Prosecutors' Pay Supplement. Any appropriation so transferred shall be used to supplement the annual compensation of county prosecutors as required by section 325.111 of the Revised Code.

GENERAL REIMBURSEMENT FUND

Notwithstanding any other provision of law to the contrary, on July 1, 2011, or as soon as possible thereafter, the Director of Budget and Management shall transfer \$160,000 cash from the General Revenue Fund to the General Reimbursement Fund (Fund 1060) used by the Office of the Attorney General.

WORKERS' COMPENSATION SECTION

The Workers' Compensation Fund (Fund 1950) is entitled to receive payments from the Bureau of Workers' Compensation and the Ohio Industrial Commission at the beginning of each quarter of each fiscal year to fund legal services to be provided to the Bureau of Workers' Compensation and the Ohio Industrial Commission during the ensuing quarter. The advance payment shall be subject to adjustment.

In addition, the Bureau of Workers' Compensation shall transfer payments at the beginning of each quarter for the support of the Workers' Compensation Fraud Unit.

All amounts shall be mutually agreed upon by the Attorney General, the Bureau of Workers' Compensation, and the Ohio Industrial Commission.

ATTORNEY GENERAL PASS-THROUGH FUNDS

The foregoing appropriation item 055638, Attorney General Pass-Through Funds, shall be used to receive federal grant funds provided to the Attorney General by other state agencies, including, but not limited to, the Department of Youth Services and the Department of Public Safety.

GENERAL HOLDING ACCOUNT

The foregoing appropriation item 055631, General Holding Account, shall be used to distribute moneys under the terms of relevant court orders or other settlements received in a variety of cases involving the Office of the Attorney General. If it is determined that additional amounts are necessary for this purpose, the amounts are hereby appropriated.

ANTITRUST SETTLEMENTS

The foregoing appropriation item 055632, Antitrust Settlements, shall

be used to distribute moneys under the terms of relevant court orders or other out of court settlements in antitrust cases or antitrust matters involving the Office of the Attorney General. If it is determined that additional amounts are necessary for this purpose, the amounts are hereby appropriated.

CONSUMER FRAUDS

The foregoing appropriation item 055630, Consumer Frauds, shall be used for distribution of moneys from court-ordered judgments against sellers in actions brought by the Office of Attorney General under sections 1334.08 and 4549.48 and division (B) of section 1345.07 of the Revised Code. These moneys shall be used to provide restitution to consumers victimized by the fraud that generated the court-ordered judgments. If it is determined that additional amounts are necessary for this purpose, the amounts are hereby appropriated.

ORGANIZED CRIME COMMISSION DISTRIBUTIONS

The foregoing appropriation item 055601, Organized Crime Commission Distributions, shall be used by the Organized Crime Investigations Commission, as provided by section 177.011 of the Revised Code, to reimburse political subdivisions for the expenses the political subdivisions incur when their law enforcement officers participate in an organized crime task force. If it is determined that additional amounts are necessary for this purpose, the amounts are hereby appropriated.

COLLECTION OUTSIDE COUNSEL PAYMENTS

The foregoing appropriation item 055650, Collection Outside Counsel Payments, shall be used for the purpose of paying contingency counsel fees for cases where debtors mistakenly paid the client agencies instead of the Attorney General's Revenue Recovery/Collections Enforcement Section. If it is determined that additional amounts are necessary for this purpose, the amounts are hereby appropriated.

SECTION 225.10. AUD AUDITOR OF STATE

General Revenue Fund

GRF 070321	Operating Expenses	\$	27,434,452	\$	27,434,452
GRF 070403	Fiscal Watch/Emergency Technical Assistance	\$	800,000	\$	800,000
TOTAL GRF General Revenue Fund		\$	28,234,452	\$	28,234,452
Auditor of State Fund Group					
1090 070601	Public Audit Expense - Intra-State	\$	9,000,000	\$	8,700,000
4220 070602	Public Audit Expense - Local Government	\$	31,422,959	\$	31,052,999
5840 070603	Training Program	\$	181,250	\$	181,250

5JZ0	070606	LEAP Revolving Loans	\$	850,000	\$	650,000
6750	070605	Uniform Accounting Network	\$	3,500,000	\$	3,500,000
TOTAL AUD Auditor of State Fund						
Group			\$	44,954,209	\$	44,084,249
TOTAL ALL BUDGET FUND GROUPS			\$	73,188,661	\$	72,318,701

FISCAL WATCH/EMERGENCY TECHNICAL ASSISTANCE

The foregoing appropriation item 070403, Fiscal Watch/Emergency Technical Assistance, shall be used for expenses incurred by the Office of the Auditor of State in its role relating to fiscal watch or fiscal emergency activities under Chapters 118. and 3316. of the Revised Code. Expenses include, but are not limited to, the following: duties related to the determination or termination of fiscal watch or fiscal emergency of municipal corporations, counties, townships, or school districts; development of preliminary accounting reports; performance of annual forecasts; provision of performance audits; and supervisory, accounting, or auditing services for the municipal corporations, counties, townships, or school districts.

An amount equal to the unexpended, unencumbered portion of appropriation item 070403, Fiscal Watch/Emergency Technical Assistance, at the end of fiscal year 2012 is hereby reappropriated for the same purpose in fiscal year 2013.

SECTION 227.10. BRB BOARD OF BARBER EXAMINERS**General Services Fund Group**

4K90	877609	Operating Expenses	\$	656,320	\$	649,211
TOTAL GSF General Services Fund						
Group			\$	656,320	\$	649,211
TOTAL ALL BUDGET FUND GROUPS			\$	656,320	\$	649,211

SECTION 229.10. OBM OFFICE OF BUDGET AND MANAGEMENT**General Revenue Fund**

GRF	042321	Budget Development and Implementation	\$	2,362,025	\$	2,378,166
GRF	042409	Commission Closures	\$	50,000	\$	50,000
GRF	042416	Office of Health Transformation	\$	306,285	\$	0
GRF	042423	Liquor Enterprise Transaction	\$	500,000	\$	0
TOTAL GRF General Revenue Fund			\$	3,218,310	\$	2,428,166

General Services Fund Group

1050	042603	State Accounting and Budgeting	\$	21,917,230	\$	22,006,331
5N40	042602	OAKS Project Implementation	\$	1,358,000	\$	1,309,500
5Z80	042608	Office of Health Transformation	\$	57,752	\$	0

Administration			
TOTAL GSF General Services Fund Group	\$	23,332,982	\$ 23,315,831
Federal Special Revenue Fund Group			
3CM0 042606 Office of Health	\$	384,037	\$ 145,500
Transformation - Federal			
TOTAL FED Federal Special Revenue Fund Group	\$	384,037	\$ 145,500
Agency Fund Group			
5EH0 042604 Forgery Recovery	\$	50,000	\$ 50,000
TOTAL AGY Agency Fund Group	\$	50,000	\$ 50,000
TOTAL ALL BUDGET FUND GROUPS	\$	26,985,329	\$ 25,939,497

COMMISSION CLOSURES

The foregoing appropriation item 042409, Commission Closures, may be used to pay obligations associated with the closure of the Commission on Dispute Resolution and Conflict Management, the School Employees Health Care Board, the Legal Rights Service, and the Workers' Compensation Council. Notwithstanding any provision of law to the contrary, this appropriation item may also be used to pay final payroll expenses occurring after the closure of the Commission on Dispute Resolution and Conflict Management, the School Employees Health Care Board, the Legal Rights Service, and the Workers' Compensation Council in the event that appropriations or cash in the closing agency are insufficient to do so.

The Director of Budget and Management may request Controlling Board approval for funds to be transferred to appropriation item 042409, Commission Closures, from appropriation item 911614, CB Emergency Purposes, for anticipated expenses associated with agency closures.

LIQUOR ENTERPRISE TRANSACTION

The foregoing appropriation item 042423, Liquor Enterprise Transaction, shall be used by the Director of Budget and Management, without need for any other approval, to retain or contract for the services of commercial appraisers, underwriters, investment bankers, and financial advisers, as are necessary in the Director's judgment to commence negotiation of the transfer agreement referred to in sections 4313.01 and 4313.02 of the Revised Code, as enacted by this act. Any amounts expended from appropriation item 042423 shall be reimbursed from the proceeds of the enterprise acquisition project transaction authorized in those sections.

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

AUDIT COSTS AND DUES

All centralized audit costs associated with either Single Audit Schedules or financial statements prepared in conformance with generally accepted

accounting principles for the state shall be paid from the foregoing appropriation item 042603, State Accounting and Budgeting.

Costs associated with the audit of the Auditor of State and national association dues shall be paid from the foregoing appropriation item 042321, Budget Development and Implementation.

SHARED SERVICES CENTER

The Director of Budget and Management shall use the OAKS Project Implementation Fund (Fund 5N40) and the Accounting and Budgeting Fund (Fund 1050) to support a Shared Services Center within the Office of Budget and Management for the purpose of consolidating statewide business functions and common transactional processes.

The Director of Budget and Management shall include the recovery of costs to operate the Shared Services Center in the accounting and budgeting services payroll rate and through a direct charge using intrastate transfer vouchers to agencies for services rendered. The Director of Budget and Management shall determine the cost recovery methodology. Such cost recovery revenues shall be deposited to the credit of Fund 1050.

INTERNAL CONTROL AND AUDIT OVERSIGHT

The Director of Budget and Management shall include the recovery of costs to operate the Internal Control and Audit Oversight Program in the accounting and budgeting services payroll rate and through a direct charge using intrastate transfer vouchers to agencies reviewed by the program. The Director of Budget and Management, with advice from the Internal Audit Advisory Council, shall determine the cost recovery methodology. Such cost recovery revenues shall be deposited to the credit of the Accounting and Budgeting Fund (Fund 1050).

FORGERY RECOVERY

The foregoing appropriation item 042604, Forgery Recovery, shall be used to reissue warrants that have been certified as forgeries by the rightful recipient as determined by the Bureau of Criminal Identification and Investigation and the Treasurer of State. Upon receipt of funds to cover the reissuance of the warrant, the Director of Budget and Management shall reissue a state warrant of the same amount.

GRF TRANSFER TO THE OAKS PROJECT IMPLEMENTATION FUND

On July 1 of each fiscal year, or as soon as possible thereafter, the Director of Budget and Management shall transfer an amount not to exceed \$1,100,000 in cash from the General Revenue Fund to the OAKS Project Implementation Fund (Fund 5N40).

SECTION 231.10. CSR CAPITOL SQUARE REVIEW AND
ADVISORY BOARD

General Revenue Fund

GRF 874100	Personal Services	\$	1,272,017	\$	1,272,017
GRF 874320	Maintenance and Equipment	\$	529,391	\$	529,391
TOTAL GRF General Revenue Fund		\$	1,801,408	\$	1,801,408

General Services Fund Group

4G50 874603	Capitol Square Education Center and Arts	\$	15,000	\$	15,000
4S70 874602	Statehouse Gift Shop/Events	\$	686,708	\$	686,708
TOTAL GSF General Services Fund Group		\$	701,708	\$	701,708

Underground Parking Garage

2080 874601	Underground Parking Garage Operations	\$	3,290,052	\$	3,186,573
TOTAL UPG Underground Parking Garage		\$	3,290,052	\$	3,186,573
TOTAL ALL BUDGET FUND GROUPS		\$	5,793,168	\$	5,689,689

WAREHOUSE PAYMENTS

Of the foregoing appropriation item 874601, Underground Parking Garage Operations, \$48,000 in each fiscal year shall be used to meet all payments at the times they are required to be made during the period from July 1, 2011, through June 30, 2013, to the Ohio Building Authority for bond service charges relating to the purchase and improvement of a warehouse acquired pursuant to section 105.41 of the Revised Code, in which to store items of the Capitol Collection Trust and, whenever necessary, equipment or other property of the Board.

UNDERGROUND PARKING GARAGE FUND

Notwithstanding division (G) of section 105.41 of the Revised Code and any other provision to the contrary, moneys in the Underground Parking Garage Fund (Fund 2080) may be used for personnel and operating costs related to the operations of the Statehouse and the Statehouse Underground Parking Garage.

SECTION 233.10. SCR STATE BOARD OF CAREER COLLEGES
AND SCHOOLS

General Services Fund Group

4K90 233601	Operating Expenses	\$	558,658	\$	579,328
TOTAL GSF General Services Fund Group		\$	558,658	\$	579,328
TOTAL ALL BUDGET FUND GROUPS		\$	558,658	\$	579,328

SECTION 235.10. CAC CASINO CONTROL COMMISSION

State Special Revenue Fund Group

5HS0 955321	Casino Control - Operating	\$	8,263,312	\$	13,121,283
TOTAL SSR State Special Revenue Fund Group		\$	8,263,312	\$	13,121,283
TOTAL ALL BUDGET FUND GROUPS		\$	8,263,312	\$	13,121,283

SECTION 237.10. CDP CHEMICAL DEPENDENCY
PROFESSIONALS BOARD

General Services Fund Group

4K90 930609	Operating Expenses	\$	433,734	\$	417,827
TOTAL GSF General Services Fund Group		\$	433,734	\$	417,827
TOTAL ALL BUDGET FUND GROUPS		\$	433,734	\$	417,827

SECTION 239.10. CHR STATE CHIROPRACTIC BOARD

General Services Fund Group

4K90 878609	Operating Expenses	\$	592,916	\$	584,925
TOTAL GSF General Services Fund Group		\$	592,916	\$	584,925
TOTAL ALL BUDGET FUND GROUPS		\$	592,916	\$	584,925

SECTION 241.10. CIV OHIO CIVIL RIGHTS COMMISSION

General Revenue Fund

GRF 876321	Operating Expenses	\$	4,725,784	\$	4,725,784
TOTAL GRF General Revenue Fund		\$	4,725,784	\$	4,725,784

General Services Fund Group

2170 876604	Operations Support	\$	8,000	\$	8,000
TOTAL GSF General Services Fund Group		\$	8,000	\$	8,000

Federal Special Revenue Fund Group

3340 876601	Federal Programs	\$	2,762,000	\$	2,762,000
TOTAL FED Federal Special Revenue Fund Group		\$	2,762,000	\$	2,762,000
TOTAL ALL BUDGET FUND GROUPS		\$	7,495,784	\$	7,495,784

SECTION 243.10. COM DEPARTMENT OF COMMERCE

General Services Fund Group

1630 800620	Division of Administration	\$	6,200,000	\$	6,200,000
1630 800637	Information Technology	\$	5,999,892	\$	6,011,977
5430 800602	Unclaimed Funds-Operating	\$	7,836,107	\$	7,841,473
5430 800625	Unclaimed Funds-Claims	\$	69,700,000	\$	69,800,000
5F10 800635	Small Government Fire Departments	\$	300,000	\$	300,000
TOTAL GSF General Services Fund Group		\$	90,035,999	\$	90,153,450

Federal Special Revenue Fund Group

3480	800622	Underground Storage Tanks	\$	1,129,518	\$	1,129,518
3480	800624	Leaking Underground Storage Tanks	\$	1,556,211	\$	1,556,211

TOTAL FED Federal Special Revenue Fund Group			\$	2,685,729	\$	2,685,729
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State Special Revenue Fund Group

4B20	800631	Real Estate Appraisal Recovery	\$	35,000	\$	35,000
4H90	800608	Cemeteries	\$	268,067	\$	268,293
4X20	800619	Financial Institutions	\$	2,186,271	\$	1,990,693
5440	800612	Banks	\$	7,242,364	\$	6,942,336
5450	800613	Savings Institutions	\$	2,257,220	\$	2,259,536
5460	800610	Fire Marshal	\$	15,400,000	\$	15,501,562
5460	800639	Fire Department Grants	\$	1,698,802	\$	1,698,802
5470	800603	Real Estate Education/Research	\$	125,000	\$	125,000
5480	800611	Real Estate Recovery	\$	25,000	\$	25,000
5490	800614	Real Estate	\$	3,413,708	\$	3,332,308
5500	800617	Securities	\$	4,312,434	\$	4,314,613
5520	800604	Credit Union	\$	3,450,390	\$	3,450,390
5530	800607	Consumer Finance	\$	3,613,016	\$	3,516,861
5560	800615	Industrial Compliance	\$	27,639,372	\$	27,664,695
5FW0	800616	Financial Literacy Education	\$	240,000	\$	240,000
5GK0	800609	Securities Investor Education/Enforcement	\$	1,135,000	\$	485,000
5HV0	800641	Cigarette Enforcement	\$	120,000	\$	120,000
5X60	800623	Video Service	\$	340,299	\$	340,630
6530	800629	UST Registration/Permit Fee	\$	1,854,675	\$	1,509,653
6A40	800630	Real Estate Appraiser-Operating	\$	699,565	\$	648,890

TOTAL SSR State Special Revenue Fund Group			\$	76,056,183	\$	74,469,262
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Liquor Control Fund Group

7043	800601	Merchandising	\$	472,209,274	\$	0
7043	800627	Liquor Control Operating	\$	13,398,274	\$	10,110,479
7043	800633	Development Assistance Debt Service	\$	51,973,200	\$	0
7043	800636	Revitalization Debt Service	\$	21,129,800	\$	0

TOTAL LCF Liquor Control Fund Group			\$	558,710,548	\$	10,110,479
TOTAL ALL BUDGET FUND GROUPS			\$	727,488,459	\$	177,418,920

SMALL GOVERNMENT FIRE DEPARTMENTS

Notwithstanding section 3737.17 of the Revised Code, the foregoing appropriation item 800635, Small Government Fire Departments, may be used to provide loans to private fire departments.

UNCLAIMED FUNDS PAYMENTS

The foregoing appropriation item 800625, Unclaimed Funds-Claims, shall be used to pay claims under section 169.08 of the Revised Code. If it is determined that additional amounts are necessary, the amounts are

appropriated.

UNCLAIMED FUNDS TRANSFERS

Notwithstanding division (A) of section 169.05 of the Revised Code, during the FY 2012-FY 2013 biennium, the Director of Budget and Management shall request the Director of Commerce to transfer to the General Revenue Fund up to \$215,000,000 of unclaimed funds that have been reported by holders of unclaimed funds under section 169.05 of the Revised Code, irrespective of the allocation of the unclaimed funds under that section. The Director of Commerce shall transfer the funds at the times requested by the Director of Budget and Management.

FIRE DEPARTMENT GRANTS

Of the foregoing appropriation item 800639, Fire Department Grants, up to \$1,647,140 in each fiscal year shall be used to make annual grants to the following eligible recipients: volunteer fire departments, fire departments that serve one or more small municipalities or small townships, joint fire districts comprised of fire departments that primarily serve small municipalities or small townships, local units of government responsible for such fire departments, and local units of government responsible for the provision of fire protection services for small municipalities or small townships. For the purposes of these grants, a private fire company, as that phrase is defined in section 9.60 of the Revised Code, that is providing fire protection services under a contract to a political subdivision of the state, is an additional eligible recipient for a training grant.

Eligible recipients that consist of small municipalities or small townships that all intend to contract with the same fire department or private fire company for fire protection services may jointly apply and be considered for a grant. If a joint applicant is awarded a grant, the State Fire Marshal shall, if feasible, proportionately award the grant and any equipment purchased with grant funds to each of the joint applicants based upon each applicant's contribution to and demonstrated need for fire protection services.

If the grant awarded to joint applicants is an equipment grant and the equipment to be purchased cannot be readily distributed or possessed by multiple recipients, each of the joint applicants shall be awarded by the State Fire Marshal an ownership interest in the equipment so purchased in proportion to each applicant's contribution to and demonstrated need for fire protection services. The joint applicants shall then mutually agree on how the equipment is to be maintained, operated, stored, or disposed of. If, for any reason, the joint applicants cannot agree as to how jointly owned equipment is to be maintained, operated, stored, or disposed of or any of the

joint applicants no longer maintain a contract with the same fire protection service provider as the other applicants, then the joint applicants shall, with the assistance of the State Fire Marshal, mutually agree as to how the jointly owned equipment is to be maintained, operated, stored, disposed of, or owned. If the joint applicants cannot agree how the grant equipment is to be maintained, operated, stored, disposed of, or owned, the State Fire Marshal may, in its discretion, require all of the equipment acquired by the joint applicants with grant funds to be returned to the State Fire Marshal. The State Fire Marshal may then award the returned equipment to any eligible recipients.

The grants shall be used by recipients to purchase firefighting or rescue equipment or gear or similar items, to provide full or partial reimbursement for the documented costs of firefighter training, or, at the discretion of the State Fire Marshal, to cover fire department costs for providing fire protection services in that grant recipient's jurisdiction.

Grant awards for firefighting or rescue equipment or gear or for fire department costs of providing fire protection services shall be up to \$15,000 per fiscal year, or up to \$25,000 per fiscal year if an eligible entity serves a jurisdiction in which the Governor declared a natural disaster during the preceding or current fiscal year in which the grant was awarded. In addition to any grant funds awarded for rescue equipment or gear, or for fire department costs associated with the provision of fire protection services, an eligible entity may receive a grant for up to \$15,000 per fiscal year for full or partial reimbursement of the documented costs of firefighter training. For each fiscal year, the State Fire Marshal shall determine the total amounts to be allocated for each eligible purpose.

The grant program shall be administered by the State Fire Marshal in accordance with rules the State Fire Marshal adopts as part of the state fire code adopted pursuant to section 3737.82 of the Revised Code that are necessary for the administration and operation of the grant program. The rules may further define the entities eligible to receive grants and establish criteria for the awarding and expenditure of grant funds, including methods the State Fire Marshal may use to verify the proper use of grant funds or to obtain reimbursement for or the return of equipment for improperly used grant funds. Any amounts in appropriation item 800639, Fire Department Grants, in excess of the amount allocated for these grants may be used for the administration of the grant program.

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

The Director of Budget and Management, upon the request of the

Director of Commerce, shall transfer up to \$485,000 in cash in each fiscal year from the Division of Securities Fund (Fund 5500) to the Division of Securities Investor Education and Enforcement Expense Fund (Fund 5GK0) created in section 1707.37 of the Revised Code.

CASH TRANSFER TO VIDEO SERVICE AUTHORIZATION FUND

The Director of Budget and Management, upon the request of the Director of Commerce, shall transfer up to \$340,000 in cash in each fiscal year from the Division of Administration Fund (Fund 1630) to the Video Service Authorization Fund (Fund 5X60).

INCREASED APPROPRIATION - MERCHANDISING

The foregoing appropriation item 800601, Merchandising, shall be used under section 4301.12 of the Revised Code. If it is determined that additional expenditures are necessary, the amounts are hereby appropriated.

DEVELOPMENT ASSISTANCE DEBT SERVICE

The foregoing appropriation item 800633, Development Assistance Debt Service, shall be used to pay debt service and related financing costs at the times they are required to be made during the period from July 1, 2011, to June 30, 2012, for bond service charges on obligations issued under Chapter 166. of the Revised Code. If it is determined that additional appropriations are necessary for this purpose, such amounts are appropriated, subject to the limitations set forth in section 166.11 of the Revised Code. An appropriation for this purpose is not required, but is made in this form and in this act for record purposes only.

REVITALIZATION DEBT SERVICE

The foregoing appropriation item 800636, Revitalization Debt Service, shall be used to pay debt service and related financing costs at the times they are required to be made pursuant to sections 151.01 and 151.40 of the Revised Code during the period from July 1, 2011, to June 30, 2012. If it is determined that additional appropriations are necessary for this purpose, such amounts are hereby appropriated. The General Assembly acknowledges the priority of the pledge of a portion of receipts from that source to obligations issued and to be issued under Chapter 166. of the Revised Code.

LIQUOR CONTROL FUND TRANSFER

On January 1, 2012, or as soon as possible thereafter, the Director of Budget and Management may transfer up to \$10,600,000 in cash from the General Revenue Fund to the Liquor Control Fund (Fund 7043) for the liquor permitting and compliance functions of the Division of Liquor Control in the Department of Commerce and for the operations of the Liquor Control Commission and the Department of Public Safety pursuant

to Chapter 4301. of the Revised Code.

On July 1, 2012, or as soon as possible thereafter, the Director of Budget and Management may transfer up to \$21,800,000 in cash from the General Revenue Fund to the Liquor Control Fund (Fund 7043) for the liquor permitting and compliance functions of the Division of Liquor Control in the Department of Commerce and for the operations of the Liquor Control Commission and the Department of Public Safety pursuant to Chapter 4301. of the Revised Code.

ADMINISTRATIVE ASSESSMENTS

Notwithstanding any other provision of law to the contrary, the Division of Administration Fund (Fund 1630) is entitled to receive assessments from all operating funds of the Department in accordance with procedures prescribed by the Director of Commerce and approved by the Director of Budget and Management.

SECTION 245.10. OCC OFFICE OF CONSUMERS' COUNSEL

General Services Fund Group

5F50 053601	Operating Expenses	\$	5,641,093	\$	4,142,070
TOTAL GSF General Services Fund Group		\$	5,641,093	\$	4,142,070
TOTAL ALL BUDGET FUND GROUPS		\$	5,641,093	\$	4,142,070

SECTION 247.10. CEB CONTROLLING BOARD

General Revenue Fund

GRF 911441	Ballot Advertising Costs	\$	475,000	\$	475,000
TOTAL GRF General Revenue Fund		\$	475,000	\$	475,000

General Services Fund Group

5KM0911614	CB Emergency Purposes	\$	10,000,000	\$	10,000,000
TOTAL GSF General Services Fund Group		\$	10,000,000	\$	10,000,000
TOTAL ALL BUDGET FUND GROUPS		\$	10,475,000	\$	10,475,000

FEDERAL SHARE

In transferring appropriations to or from appropriation items that have federal shares identified in this act, the Controlling Board shall add or subtract corresponding amounts of federal matching funds at the percentages indicated by the state and federal division of the appropriations in this act. Such changes are hereby appropriated.

DISASTER SERVICES

Pursuant to requests submitted by the Department of Public Safety, the Controlling Board may approve transfers from the Disaster Services Fund (5E20) to a fund and appropriation item used by the Department of Public Safety to provide for assistance to political subdivisions made necessary by natural disasters or emergencies. These transfers may be requested and

approved prior to the occurrence of any specific natural disasters or emergencies in order to facilitate the provision of timely assistance. The Emergency Management Agency of the Department of Public Safety shall use the funding to fund the State Disaster Relief Program for disasters that have been declared by the Governor, and the State Individual Assistance Program for disasters that have been declared by the Governor and the federal Small Business Administration. The Ohio Emergency Management Agency shall publish and make available application packets outlining procedures for the State Disaster Relief Program and the State Individual Assistance Program.

Fund 5E20 shall be used by the Controlling Board, pursuant to requests submitted by state agencies, to transfer cash and appropriations to any fund and appropriation item for the payment of state agency disaster relief program expenses for disasters declared by the Governor, if the Director of Budget and Management determines that sufficient funds exist.

BALLOT ADVERTISING COSTS

Pursuant to section 3501.17 of the Revised Code, and upon requests submitted by the Secretary of State, the Controlling Board shall approve transfers from the foregoing appropriation item 911441, Ballot Advertising Costs, to appropriation item 050621, Statewide Ballot Advertising, in order to pay for the cost of public notices associated with statewide ballot initiatives.

CAPITAL APPROPRIATION INCREASE FOR FEDERAL STIMULUS ELIGIBILITY

A state agency director shall request that the Controlling Board increase the amount of the agency's capital appropriations if the director determines such an increase is necessary for the agency to receive and use funds under the federal American Recovery and Reinvestment Act of 2009. The Controlling Board may increase the capital appropriations pursuant to the request up to the exact amount necessary under the federal act if the Board determines it is necessary for the agency to receive and use those federal funds.

SECTION 249.10. COS STATE BOARD OF COSMETOLOGY

General Services Fund Group

4K90 879609 Operating Expenses	\$	3,439,545	\$	3,364,030
TOTAL GSF General Services Fund				
Group	\$	3,439,545	\$	3,364,030
TOTAL ALL BUDGET FUND GROUPS	\$	3,439,545	\$	3,364,030

SECTION 251.10. CSW COUNSELOR, SOCIAL WORKER, AND
MARRIAGE AND FAMILY THERAPIST BOARD

General Services Fund Group

4K90 899609 Operating Expenses	\$	1,204,235	\$	1,234,756
TOTAL GSF General Services Fund				
Group	\$	1,204,235	\$	1,234,756
TOTAL ALL BUDGET FUND GROUPS	\$	1,204,235	\$	1,234,756

SECTION 253.10. CLA COURT OF CLAIMS

General Revenue Fund

GRF 015321 Operating Expenses	\$	2,573,508	\$	2,501,052
TOTAL GRF General Revenue Fund	\$	2,573,508	\$	2,501,052

State Special Revenue Fund Group

5K20 015603 CLA Victims of Crime	\$	1,582,684	\$	1,582,684
TOTAL SSR State Special Revenue				
Fund Group	\$	1,582,684	\$	1,582,684
TOTAL ALL BUDGET FUND GROUPS	\$	4,156,192	\$	4,083,736

SECTION 255.10. AFC OHIO CULTURAL FACILITIES
COMMISSION

General Revenue Fund

GRF 371321 Operating Expenses	\$	98,636	\$	98,636
GRF 371401 Lease Rental Payments	\$	27,804,900	\$	28,465,000
TOTAL GRF General Revenue Fund	\$	27,903,536	\$	28,563,636

State Special Revenue Fund Group

4T80 371601 Riffe Theatre Equipment	\$	80,891	\$	80,891
Maintenance				
4T80 371603 Project Administration	\$	1,200,000	\$	1,200,000
Services				
TOTAL SSR State Special Revenue Group	\$	1,280,891	\$	1,280,891
TOTAL ALL BUDGET FUND GROUPS	\$	29,184,427	\$	29,844,527

LEASE RENTAL PAYMENTS

The foregoing appropriation item 371401, Lease Rental Payments, shall be used to meet all payments at the times they are required to be made during the period from July 1, 2011 through June 30, 2013, from the Ohio Cultural Facilities Commission under the primary leases and agreements for those arts and sports facilities made under Chapters 152. and 154. of the Revised Code. These appropriations are the source of funds pledged for bond service charges on related obligations issued under Chapters 152. and 154. of the Revised Code.

OPERATING EXPENSES

The foregoing appropriation item 371321, Operating Expenses, shall be

used by the Ohio Cultural Facilities Commission to carry out its responsibilities under this section and Chapter 3383. of the Revised Code.

The foregoing appropriation item 371603, Project Administration Services, shall be used by the Ohio Cultural Facilities Commission in administering Cultural and Sports Facilities Building Fund (Fund 7030) projects pursuant to Chapter 3383. of the Revised Code.

By the tenth day following each calendar quarter in each fiscal year, or as soon as possible thereafter, the Director of Budget and Management shall determine the amount of cash from interest earnings to be transferred from the Cultural and Sports Facilities Building Fund (Fund 7030) to the Cultural Facilities Commission Administration Fund (Fund 4T80).

As soon as possible after each bond issuance made on behalf of the Cultural Facilities Commission, the Director of Budget and Management shall determine the amount of cash from any premium paid on each issuance that is available to be transferred, after all issuance costs have been paid, from the Cultural and Sports Facilities Building Fund (Fund 7030) to the Cultural Facilities Commission Administration Fund (Fund 4T80).

CAPITAL DONATIONS FUND CERTIFICATIONS AND APPROPRIATIONS

The Executive Director of the Cultural Facilities Commission shall certify to the Director of Budget and Management the amount of cash receipts and related investment income, irrevocable letters of credit from a bank, or certification of the availability of funds that have been received from a county or a municipal corporation for deposit into the Capital Donations Fund (Fund 5A10) and that are related to an anticipated project. These amounts are hereby appropriated to appropriation item C37146, Capital Donations. Prior to certifying these amounts to the Director, the Executive Director shall make a written agreement with the participating entity on the necessary cash flows required for the anticipated construction or equipment acquisition project.

SECTION 257.10. DEN STATE DENTAL BOARD

General Services Fund Group

4K90 880609 Operating Expenses	\$	1,574,715	\$	1,545,684
TOTAL GSF General Services Fund Group	\$	1,574,715	\$	1,545,684
TOTAL ALL BUDGET FUND GROUPS	\$	1,574,715	\$	1,545,684

SECTION 259.10. BDP BOARD OF DEPOSIT

General Services Fund Group

2945

4M20 974601	Board of Deposit	\$	1,876,000	\$	1,876,000
TOTAL GSF General Services Fund					
Group		\$	1,876,000	\$	1,876,000
TOTAL ALL BUDGET FUND GROUPS					
		\$	1,876,000	\$	1,876,000

BOARD OF DEPOSIT EXPENSE FUND

Upon receiving certification of expenses from the Treasurer of State, the Director of Budget and Management shall transfer cash from the Investment Earnings Redistribution Fund (Fund 6080) to the Board of Deposit Expense Fund (Fund 4M20). The latter fund shall be used pursuant to section 135.02 of the Revised Code to pay for any and all necessary expenses of the Board of Deposit or for banking charges and fees required for the operation of the State of Ohio Regular Account.

SECTION 261.10. DEV DEPARTMENT OF DEVELOPMENT**General Revenue Fund**

GRF 195401	Thomas Edison Program	\$	14,820,354	\$	0
GRF 195402	Coal Development Office	\$	260,983	\$	261,205
GRF 195404	Small Business Development	\$	1,565,770	\$	0
GRF 195405	Minority Business Enterprise Division	\$	1,118,528	\$	0
GRF 195407	Travel and Tourism	\$	5,000,000	\$	0
GRF 195412	Rapid Outreach Grants	\$	9,000,000	\$	0
GRF 195415	Strategic Business Investment Division and Regional Offices	\$	4,500,000	\$	0
GRF 195416	Governor's Office of Appalachia	\$	3,700,000	\$	3,700,000
GRF 195422	Technology Action	\$	547,341	\$	0
GRF 195426	Clean Ohio Implementation	\$	468,365	\$	0
GRF 195432	Global Markets	\$	3,500,000	\$	0
GRF 195434	Industrial Training Grants	\$	10,000,000	\$	0
GRF 195497	CDBG Operating Match	\$	1,015,000	\$	0
GRF 195501	Appalachian Local Development Districts	\$	391,482	\$	391,482
GRF 195502	Appalachian Regional Commission Dues	\$	195,000	\$	195,000
GRF 195528	Economic Development Projects	\$	0	\$	26,943,518
GRF 195901	Coal Research & Development General Obligation Debt Service	\$	7,861,100	\$	5,577,700
GRF 195905	Third Frontier Research & Development General Obligation Debt Service	\$	29,323,300	\$	63,640,300
GRF 195912	Job Ready Site Development General Obligation Debt Service	\$	9,859,200	\$	15,680,500
TOTAL GRF General Revenue Fund		\$	103,126,423	\$	116,389,705
General Services Fund Group					

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1350	195684	Supportive Services	\$	11,700,000	\$	11,700,000
4W10	195646	Minority Business Enterprise Loan	\$	2,500,000	\$	2,500,000
5AD0	195633	Legacy Projects	\$	15,000,000	\$	15,000,000
5AD0	195677	Economic Development Contingency	\$	10,000,000	\$	0
5W50	195690	Travel and Tourism Cooperative Projects	\$	50,000	\$	50,000
6850	195636	Direct Cost Recovery Expenditures	\$	750,000	\$	750,000
TOTAL GSF General Services Fund Group			\$	40,000,000	\$	30,000,000
Federal Special Revenue Fund Group						
3080	195602	Appalachian Regional Commission	\$	475,000	\$	475,000
3080	195603	Housing and Urban Development	\$	6,000,000	\$	6,000,000
3080	195605	Federal Projects	\$	85,028,606	\$	85,470,106
3080	195609	Small Business Administration	\$	6,438,143	\$	5,511,381
3080	195618	Energy Federal Grants	\$	38,000,000	\$	3,400,000
3350	195610	Energy Conservation and Emerging Technology	\$	1,100,000	\$	1,100,000
3AE0	195643	Workforce Development Initiatives	\$	16,300,000	\$	16,300,000
3DB0	195642	Federal Stimulus - Energy Efficiency & Conservation Block Grants	\$	3,000,000	\$	42,485
3EG0	195608	Federal Energy Training	\$	5,000,000	\$	1,344,056
3K80	195613	Community Development Block Grant	\$	76,795,818	\$	65,210,000
3K90	195611	Home Energy Assistance Block Grant	\$	115,743,608	\$	115,743,608
3K90	195614	HEAP Weatherization	\$	22,000,000	\$	22,000,000
3L00	195612	Community Services Block Grant	\$	27,240,217	\$	27,240,217
3V10	195601	HOME Program	\$	40,000,000	\$	40,000,000
TOTAL FED Federal Special Revenue Fund Group			\$	443,121,392	\$	389,836,853
State Special Revenue Fund Group						
4500	195624	Minority Business Bonding Program Administration	\$	160,110	\$	159,069
4510	195625	Economic Development Financing Operating	\$	3,000,000	\$	3,000,000
4F20	195639	State Special Projects	\$	180,437	\$	180,436
4F20	195676	Marketing Initiatives	\$	5,000,000	\$	0
4F20	195699	Utility Provided Funds	\$	500,000	\$	500,000
4S00	195630	Tax Incentive Programs	\$	650,800	\$	650,800
5CG0	195679	Alternative Fuel Transportation	\$	750,000	\$	750,000
5HJ0	195604	Motion Picture Tax Credit Program	\$	50,000	\$	50,000
5HR0	195526	Ohio Workforce Job	\$	20,000,000	\$	30,000,000

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5HR0 195622	Training Defense Development Assistance	\$	5,000,000	\$	5,000,000
5JR0 195656	New Market Tax Credit Program	\$	50,000	\$	50,000
5KD0 195621	Brownfield Stormwater Loan	\$	50,000	\$	50,000
5KN0 195640	Local Government Innovation	\$	0	\$	45,000,000
5M40 195659	Low Income Energy Assistance	\$	245,000,000	\$	245,000,000
5M50 195660	Advanced Energy Programs	\$	8,000,000	\$	0
5W60 195691	International Trade Cooperative Projects	\$	160,000	\$	160,000
6170 195654	Volume Cap Administration	\$	94,397	\$	92,768
6460 195638	Low- and Moderate-Income Housing Trust Fund	\$	53,000,000	\$	53,000,000
TOTAL SSR State Special Revenue Fund Group		\$	341,645,744	\$	383,643,073
Facilities Establishment Fund Group					
5S90 195628	Capital Access Loan Program	\$	1,500,000	\$	1,500,000
7009 195664	Innovation Ohio	\$	15,000,000	\$	15,000,000
7010 195665	Research and Development	\$	22,000,000	\$	22,000,000
7037 195615	Facilities Establishment	\$	50,000,000	\$	50,000,000
TOTAL 037 Facilities Establishment Fund Group		\$	88,500,000	\$	88,500,000
Clean Ohio Revitalization Fund					
7003 195663	Clean Ohio Operating	\$	950,000	\$	950,000
TOTAL 7003 Clean Ohio Revitalization Fund		\$	950,000	\$	950,000
Third Frontier Research & Development Fund Group					
7011 195686	Third Frontier Operating	\$	1,149,750	\$	1,149,750
7011 195687	Third Frontier Research & Development Projects	\$	183,850,250	\$	133,850,250
7014 195620	Third Frontier Operating - Tax	\$	1,700,000	\$	1,700,000
7014 195692	Research & Development Taxable Bond Projects	\$	38,300,000	\$	38,300,000
TOTAL 011 Third Frontier Research & Development Fund Group		\$	225,000,000	\$	175,000,000
Job Ready Site Development Fund Group					
7012 195688	Job Ready Site Operating	\$	800,000	\$	800,000
TOTAL 012 Job Ready Site Development Fund Group		\$	800,000	\$	800,000
Tobacco Master Settlement Agreement Fund Group					
M087 195435	Biomedical Research and Technology Transfer	\$	1,999,224	\$	1,999,224
TOTAL TSF Tobacco Master Settlement Agreement Fund Group		\$	1,999,224	\$	1,999,224
TOTAL ALL BUDGET FUND GROUPS		\$	1,245,142,783	\$	1,187,118,855

SECTION 261.10.10. THOMAS EDISON PROGRAM

The foregoing appropriation item 195401, Thomas Edison Program, shall be used for the purposes of sections 122.28 to 122.38 of the Revised Code. Of the foregoing appropriation item 195401, Thomas Edison Program, not more than ten per cent in each fiscal year shall be used for operating expenditures in administering the programs of the Technology and Innovation Division.

SECTION 261.10.20. SMALL BUSINESS DEVELOPMENT

The foregoing appropriation item 195404, Small Business Development, shall be used as matching funds for grants from the United States Small Business Administration and other federal agencies, pursuant to Pub. L. No. 96-302 (1980) as amended by Pub. L. No. 98-395 (1984), and regulations and policy guidelines for the programs pursuant thereto. This appropriation item also may be used to provide grants to local organizations to support the operation of small business development centers and other local economic development activities that promote small business development and entrepreneurship.

SECTION 261.10.30. RAPID OUTREACH GRANTS

Appropriation item 195412, Rapid Outreach Grants, shall be used as an incentive for attracting, expanding, and retaining business opportunities for the state in accordance with Chapter 166. of the Revised Code. Of the amount appropriated, no more than five per cent in each fiscal year shall be used for administrative costs of the Rapid Outreach Program.

The department shall award funds directly to business entities considering Ohio for their expansion or new site location opportunities. Rapid Outreach grants shall be used by recipients to purchase equipment, make infrastructure improvements, make real property improvements, or fund other fixed assets. To meet the particular needs of economic development in a region, the department may elect to award funds directly to a political subdivision to assist with making on- or off-site infrastructure improvements to water and sewage treatment facilities, electric or gas service connections, fiber optic access, rail facilities, site preparation, and parking facilities. The Director of Development may recommend that the funds be used for alternative purposes when considered appropriate to satisfy an economic development opportunity or need deemed extraordinary in nature by the Director including, but not limited to, construction, rehabilitation, and acquisition projects for rail freight assistance as requested by the Department of Transportation. The Director of Transportation shall

submit the proposed projects to the Director of Development for an evaluation of potential economic benefit.

Moneys awarded directly to business entities from the foregoing appropriation item 195412, Rapid Outreach Grants, may be expended only after the submission of a request to the Controlling Board by the Department of Development outlining the planned use of the funds, and the subsequent approval of the request by the Controlling Board.

SECTION 261.10.40. STRATEGIC BUSINESS INVESTMENT DIVISION AND REGIONAL OFFICES

The foregoing appropriation item 195415, Strategic Business Investment Division and Regional Offices, shall be used for the operating expenses of the Strategic Business Investment Division and the regional economic development offices and for grants for cooperative economic development ventures.

SECTION 261.10.50. GOVERNOR'S OFFICE OF APPALACHIA

The foregoing appropriation item 195416, Governor's Office of Appalachia, may be used for the administrative costs of planning and liaison activities for the Governor's Office of Appalachia, to provide financial assistance to projects in Ohio's Appalachian counties, and to match federal funds from the Appalachian Regional Commission.

SECTION 261.10.60. TECHNOLOGY ACTION

The foregoing appropriation item 195422, Technology Action, shall be used for operating expenses the Department of Development incurs for administering sections 184.10 to 184.20 of the Revised Code. If the appropriation is insufficient to cover the operating expenses, the Department may request Controlling Board approval to appropriate the additional amount needed in appropriation item 195686, Third Frontier Operating. The Department shall not request an amount in excess of the amount needed.

SECTION 261.10.70. CLEAN OHIO IMPLEMENTATION

The foregoing appropriation item 195426, Clean Ohio Implementation, shall be used to fund the costs of administering the Clean Ohio Revitalization program and other urban revitalization programs that may be implemented by the Department of Development.

SECTION 261.10.80. GLOBAL MARKETS

The foregoing appropriation item 195432, Global Markets, shall be used to administer Ohio's foreign trade and investment programs, including operation and maintenance of Ohio's out-of-state trade and investment offices. This appropriation item also shall be used to fund the Global Markets Division and to assist Ohio manufacturers, agricultural producers, and service providers in exporting to foreign countries and to assist in the attraction of foreign direct investment.

SECTION 261.10.90. OHIO WORKFORCE GUARANTEE PROGRAM

The foregoing appropriation item 195434, Industrial Training Grants, may be used for the Ohio Workforce Guarantee Program to promote training through grants to businesses and, in the case of a business consortium, training and education providers for the reimbursement of eligible training expenses.

SECTION 261.20.10. ECONOMIC DEVELOPMENT PROJECTS

The foregoing appropriation item 195528, Economic Development Projects, may be used for the purposes of Chapter 122. of the Revised Code. This appropriation item is made in anticipation of the evaluation of all powers, functions, and duties of the Department of Development by the Director of Development, as prescribed in Section 187.05 of the Revised Code. It is the intent of the General Assembly that the appropriations in the appropriation item be reallocated upon completion of the evaluation.

SECTION 261.20.20. OHIO FILM OFFICE

The Ohio Film Office shall promote media productions in the state and help the industry optimize its production experience in the state by enhancing local economies through increased employment and tax revenues and ensuring an accurate portrayal of Ohio. The Office shall serve as an informational clearinghouse and provide technical assistance to the media production industry and business entities engaged in media production in the state. The Office shall promote Ohio as the ideal site for media production and help those in the industry benefit from their experience in the state.

The primary objective of the Office shall be to encourage development of a strong capital base for electronic media production in order to achieve an independent, self-supporting industry in Ohio. Other objectives shall

include:

- (A) Attracting private investment for the electronic media production industry;
- (B) Developing a tax infrastructure that encourages private investment; and
- (C) Encouraging increased employment opportunities within this sector and increased competition with other states.

SECTION 261.20.30. COAL RESEARCH AND DEVELOPMENT
GENERAL OBLIGATION DEBT SERVICE

The foregoing appropriation line item 195901, Coal Research and Development General Obligation Debt Service, shall be used to pay all debt service and related financing costs during the period July 1, 2011, through June 30, 2013 for obligations issued under sections 151.01 and 151.07 of the Revised Code.

THIRD FRONTIER RESEARCH & DEVELOPMENT GENERAL
OBLIGATION DEBT SERVICE

The foregoing appropriation item 195905, Third Frontier Research & Development General Obligation Debt Service, shall be used to pay all debt service and related financing costs during the period from July 1, 2011, through June 30, 2013, on obligations issued for research and development purposes under sections 151.01 and 151.10 of the Revised Code.

JOB READY SITE DEVELOPMENT GENERAL OBLIGATION
DEBT SERVICE

The foregoing appropriation item 195912, Job Ready Site Development General Obligation Debt Service, shall be used to pay all debt service and related financing costs during the period from July 1, 2011, through June 30, 2013, on obligations issued for job ready site development purposes under sections 151.01 and 151.11 of the Revised Code.

SECTION 261.20.40. SUPPORTIVE SERVICES

The Director of Development may assess divisions of the department for the cost of central service operations. An assessment shall contain the characteristics of administrative ease and uniform application. A division's payments shall be credited to the Supportive Services Fund (Fund 1350) using an intrastate transfer voucher.

ECONOMIC DEVELOPMENT CONTINGENCY

The foregoing appropriation item 195677, Economic Development Contingency, may be used to award funds directly to either (1) business

entities considering Ohio for expansion or new site location opportunities or (2) political subdivisions to assist with necessary costs involved in attracting a business entity. In addition, the Director of Development may award funds for alternative purposes when appropriate to satisfy an economic development opportunity or need deemed extraordinary in nature by the Director.

DIRECT COST RECOVERY EXPENDITURES

The foregoing appropriation item 195636, Direct Cost Recovery Expenditures, shall be used for reimbursable costs. Revenues to the General Reimbursement Fund (Fund 6850) shall consist of moneys charged for administrative costs that are not central service costs.

SECTION 261.20.50. HEAP WEATHERIZATION

Up to fifteen per cent of the federal funds deposited to the credit of the Home Energy Assistance Block Grant Fund (Fund 3K90) may be expended from appropriation item 195614, HEAP Weatherization, to provide home weatherization services in the state as determined by the Director of Development. Any transfers or increases in appropriation for the foregoing appropriation items 195614, HEAP Weatherization, or 195611, Home Energy Assistance Block Grant, shall be subject to approval by the Controlling Board.

SECTION 261.20.60. STATE SPECIAL PROJECTS

The State Special Projects Fund (Fund 4F20), may be used for the deposit of private-sector funds from utility companies and for the deposit of other miscellaneous state funds. State moneys so deposited shall be used to match federal housing grants for the homeless and to market economic development opportunities in the state. Private-sector moneys shall be deposited for use in appropriation item 195699, Utility Provided Funds, and shall be used to (1) pay the expenses of verifying the income-eligibility of HEAP applicants, (2) leverage additional federal funds, (3) fund special projects to assist homeless individuals, (4) fund special projects to assist with the energy efficiency of households eligible to participate in the Percentage of Income Payment Plan, and (5) assist with training programs for agencies that administer low-income customer assistance programs.

SECTION 261.20.70. TAX INCENTIVE PROGRAMS OPERATING

The foregoing appropriation item 195630, Tax Incentive Programs,

shall be used for the operating costs of the Office of Grants and Tax Incentives.

SECTION 261.20.80. MINORITY BUSINESS ENTERPRISE LOAN

All repayments from the Minority Development Financing Advisory Board Loan Program and the Ohio Mini-Loan Guarantee Program shall be deposited in the State Treasury to the credit of the Minority Business Enterprise Loan Fund (Fund 4W10). Operating costs of administering the Minority Business Enterprise Loan Fund may be paid from the Minority Business Enterprise Loan Fund (Fund 4W10).

MINORITY BUSINESS BONDING FUND

Notwithstanding Chapters 122., 169., and 175. of the Revised Code, the Director of Development may, upon the recommendation of the Minority Development Financing Advisory Board, pledge up to \$10,000,000 in the fiscal year 2012-fiscal year 2013 biennium of unclaimed funds administered by the Director of Commerce and allocated to the Minority Business Bonding Program under section 169.05 of the Revised Code. The transfer of any cash by the Director of Budget and Management from the Department of Commerce's Unclaimed Funds Fund (Fund 5430) to the Department of Development's Minority Business Bonding Fund (Fund 4490) shall occur, if requested by the Director of Development, only if such funds are needed for payment of losses arising from the Minority Business Bonding Program, and only after proceeds of the initial transfer of \$2,700,000 by the Controlling Board to the Minority Business Bonding Program has been used for that purpose. Moneys transferred by the Director of Budget and Management from the Department of Commerce for this purpose may be moneys in custodial funds held by the Treasurer of State. If expenditures are required for payment of losses arising from the Minority Business Bonding Program, such expenditures shall be made from appropriation item 195623, Minority Business Bonding Contingency in the Minority Business Bonding Fund, and such amounts are hereby appropriated.

SECTION 261.20.90. OHIO INCUMBENT WORKFORCE TRAINING VOUCHERS

(A) On July 1, 2011, or as soon as possible thereafter, the Director of Budget and Management shall transfer up to \$20,000,000 from the Economic Development Programs Fund (Fund 5JC0) used by the Board of Regents to the Ohio Incumbent Workforce Job Training Fund (Fund 5HR0) used by the Department of Development.

On July 1, 2012, or as soon as possible thereafter, the Director of Budget and Management shall transfer up to \$30,000,000 from the Economic Development Programs Fund (Fund 5JC0) used by the Board of Regents to the Ohio Incumbent Workforce Job Training Fund (Fund 5HR0) used by the Department of Development.

(B) Of the foregoing appropriation item 195526, Ohio Workforce Job Training, up to \$20,000,000 in fiscal year 2012 and up to \$30,000,000 in fiscal year 2013 shall be used to support the Ohio Incumbent Workforce Training Voucher Program. The Director of Development and the Chief Investment Officer of JobsOhio may enter into an agreement to operate the program pursuant to the contract between the Department of Development and JobsOhio under section 187.04 of the Revised Code. The agreement may include a provision for granting, loaning, or transferring funds from appropriation item 195526, Ohio Incumbent Workforce Job Training, to JobsOhio to provide training for incumbent workers.

(C) Regardless of any agreement between the Director and the Chief Investment Officer under division (B) of this section, the Ohio Incumbent Workforce Training Voucher Program shall conform to guidelines for the operation of the program, including, but not limited to, the following:

(1) A requirement that a training voucher under the program shall not exceed \$6,000 per worker per year;

(2) A provision for an employer of an eligible employee to apply for a voucher on behalf of the eligible employee;

(3) A provision for an eligible employee to apply directly for a training voucher with the pre-approval of the employee's employer; and

(4) A requirement that an employee participating in the program, or the employee's employer, shall pay for not less than thirty-three per cent of the training costs under the program.

DEFENSE DEVELOPMENT ASSISTANCE

On July 1 of each fiscal year, or as soon as possible thereafter, the Director of Budget and Management shall transfer \$5,000,000 in cash from the Economic Development Projects Fund (Fund 5JC0) used by the Board of Regents to the Ohio Incumbent Workforce Job Training Fund (Fund 5HR0) used by the Department of Development. The transferred funds are hereby appropriated in appropriation item 195622, Defense Development Assistance.

The foregoing appropriation item 195622, Defense Development Assistance, shall be used for economic development programs and the creation of new jobs to leverage and support mission gains at Department of Defense facilities in Ohio by working with future base realignment and

closure activities and ongoing Department of Defense efficiency initiatives, assisting efforts to secure Department of Defense support contracts for Ohio companies, assessing and supporting regional job training and workforce development needs generated by the Department of Defense and the Ohio aerospace industry, and for expanding job training and economic development programs in human performance related initiatives. These funds shall be matched by private industry partners or the Department of Defense in an aggregate amount of \$6,000,000 over the FY 2012-FY 2013 biennium.

SECTION 261.20.93. LOCAL GOVERNMENT INNOVATION FUND

The foregoing appropriation item 195640, Local Government Innovation, shall be used for the purposes of making loans and grants to political subdivisions under the Local Government Innovation Program in accordance with sections 189.01 to 189.10 of the Revised Code. Of the foregoing appropriation item 195640, Local Government Innovation, up to \$100,000 in fiscal year 2013 shall be used for administrative costs incurred by the Department of Development.

SECTION 261.30.10. ADVANCED ENERGY FUND

The foregoing appropriation item 195660, Advanced Energy Programs, shall be used to provide financial assistance to customers for eligible advanced energy projects for residential, commercial, and industrial business, local government, educational institution, nonprofit, and agriculture customers, and to pay for the program's administrative costs as provided in sections 4928.61 to 4928.63 of the Revised Code and rules adopted by the Director of Development.

On July 1 of each fiscal year, or as soon as possible thereafter, the Director of Budget and Management shall transfer \$750,000 in cash from the Advanced Energy Fund (Fund 5M50) to the Alternative Fuel Transportation Grant Fund (Fund 5CG0).

VOLUME CAP ADMINISTRATION

The foregoing appropriation item 195654, Volume Cap Administration, shall be used for expenses related to the administration of the Volume Cap Program. Revenues received by the Volume Cap Administration Fund (Fund 6170) shall consist of application fees, forfeited deposits, and interest earned from the custodial account held by the Treasurer of State.

SECTION 261.30.20. INNOVATION OHIO LOAN FUND

The foregoing appropriation item 195664, Innovation Ohio, shall be used to provide for innovation Ohio purposes, including loan guarantees and loans under Chapter 166. and particularly sections 166.12 to 166.16 of the Revised Code.

RESEARCH AND DEVELOPMENT

The foregoing appropriation item 195665, Research and Development, shall be used to provide for research and development purposes, including loans, under Chapter 166. and particularly sections 166.17 to 166.21 of the Revised Code.

LOGISTICS AND DISTRIBUTION INFRASTRUCTURE

Appropriation item 195698, Logistics and Distribution Infrastructure, shall be used for eligible logistics and distribution infrastructure projects as defined in section 166.01 of the Revised Code. Any unexpended and unencumbered portion of the appropriation item at the end of fiscal year 2011 is hereby reappropriated for the same purpose in fiscal year 2012, and any unexpended and unencumbered portion of the appropriation item at the end of fiscal year 2012 is hereby reappropriated for the same purpose in fiscal year 2013.

After all encumbrances have been paid, the Director of Budget and Management shall transfer the remaining cash balance in the Logistics and Distribution Infrastructure Fund (Fund 7008) to the Facilities Establishment Fund (Fund 7037).

FACILITIES ESTABLISHMENT FUND

The foregoing appropriation item 195615, Facilities Establishment (Fund 7037), shall be used for the purposes of the Facilities Establishment Fund under Chapter 166. of the Revised Code.

Notwithstanding Chapter 166. of the Revised Code, an amount not to exceed \$1,000,000 in cash in fiscal year 2012 may be transferred from the Facilities Establishment Fund (Fund 7037) to the Economic Development Financing Operating Fund (Fund 4510). The transfer is subject to Controlling Board approval under division (B) of section 166.03 of the Revised Code.

Notwithstanding Chapter 166. of the Revised Code, the Director of Budget and Management may transfer an amount not to exceed \$2,500,000 in cash in each fiscal year from the Facilities Establishment Fund (Fund 7037) to the Minority Business Enterprise Loan Fund (Fund 4W10).

On July 1, 2011, or as soon as possible thereafter, the Director of Budget and Management shall transfer the unexpended and unencumbered

cash balance in the Urban Development Loans Fund (Fund 5D20) to the Facilities Establishment Fund (Fund 7037).

On July 1, 2011, or as soon as possible thereafter, the Director of Budget and Management shall transfer the unexpended and unencumbered cash balance in the Rural Industrial Park Loan Fund (Fund 4Z60) to the Facilities Establishment Fund (Fund 7037).

CAPITAL ACCESS LOAN PROGRAM

The foregoing appropriation item 195628, Capital Access Loan Program, shall be used for operating, program, and administrative expenses of the program. Funds of the Capital Access Loan Program shall be used to assist participating financial institutions in making program loans to eligible businesses that face barriers in accessing working capital and obtaining fixed-asset financing.

SECTION 261.30.30. CLEAN OHIO OPERATING EXPENSES

The foregoing appropriation item 195663, Clean Ohio Operating, shall be used by the Department of Development in administering Clean Ohio Revitalization Fund (Fund 7003) projects pursuant to sections 122.65 to 122.658 of the Revised Code.

SECTION 261.30.40. THIRD FRONTIER OPERATING

The foregoing appropriation items 195686, Third Frontier Operating, and 195620, Third Frontier Operating - Tax, shall be used for operating expenses incurred by the Department of Development in administering projects pursuant to sections 184.10 to 184.20 of the Revised Code. Operating expenses paid from item 195686 shall be limited to the administration of projects funded from the Third Frontier Research & Development Fund (Fund 7011) and operating expenses paid from item 195620 shall be limited to the administration of projects funded from the Third Frontier Research & Development Taxable Bond Project Fund (Fund 7014).

SECTION 261.30.50. THIRD FRONTIER RESEARCH AND DEVELOPMENT PROJECTS AND RESEARCH AND DEVELOPMENT TAXABLE BOND PROJECTS

The foregoing appropriation items 195687, Third Frontier Research & Development Projects, 195692, Research & Development Taxable Bond Projects, and 195620, Third Frontier Operating - Tax, shall be used by the

Department of Development to fund selected projects. Eligible costs are those costs of research and development projects to which the proceeds of the Third Frontier Research & Development Fund (Fund 7011) and the Research & Development Taxable Bond Project Fund (Fund 7014) are to be applied.

TRANSFERS OF THIRD FRONTIER APPROPRIATIONS

The Director of Budget and Management may approve written requests from the Director of Development for the transfer of appropriations between appropriation items 195687, Third Frontier Research & Development Projects, and 195692, Research & Development Taxable Bond Projects, based upon awards recommended by the Third Frontier Commission. The transfers are subject to approval by the Controlling Board.

On or before June 30, 2012, any unexpended and unencumbered portions of the foregoing appropriation items 195687, Third Frontier Research & Development Projects, and 195692, Research & Development Taxable Bond Projects, for fiscal year 2012 are hereby reappropriated to the Department of Development for the same purposes for fiscal year 2013.

AUTHORITY TO ISSUE AND SELL ORIGINAL OBLIGATIONS

The Ohio Public Facilities Commission, upon request of the Department of Development, is hereby authorized to issue and sell, in accordance with Section 2p of Article VIII, Ohio Constitution, and particularly sections 151.01 and 151.10 of the Revised Code, original obligations of the State of Ohio in an aggregate amount not to exceed \$400,000,000 in addition to the original issuance of obligations authorized by prior acts of the General Assembly. The authorized obligations shall be issued and sold from time to time and in amounts necessary to ensure sufficient moneys to the credit of the Third Frontier Research and Development Fund (Fund 7011) to pay costs of research and development projects.

SECTION 261.30.60. JOB READY SITE OPERATING

The foregoing appropriation item 195688, Job Ready Site Operating, shall be used for operating expenses incurred by the Department of Development in administering Job Ready Site Development Fund (Fund 7012) projects pursuant to sections 122.085 to 122.0820 of the Revised Code. Operating expenses include, but are not limited to, certain qualified expenses of the District Public Works Integrating Committees, as applicable, engineering review of submitted applications by the State Architect or a third party engineering firm, audit and accountability activities, and costs associated with formal certifications verifying that site infrastructure is in place and is functional.

SECTION 261.30.70. OHIO COAL DEVELOPMENT OFFICE

On July 1, 2011, or as soon as possible thereafter, the Director of Budget and Management shall transfer any unexpended and unencumbered portion of appropriation item 898604, Coal Research and Development Fund, used by the Ohio Air Quality Development Authority, to a new capital appropriation item in the Department of Development, to be determined by the Director. The Director also shall cancel all outstanding encumbrances against appropriation item 898604, Coal Research and Development Fund, and reestablish them against the foregoing new capital appropriation item. The amounts of the transfer and the reestablished encumbrances, plus \$2,283,264, are hereby appropriated for fiscal year 2012 in the foregoing new appropriation item and shall be used to provide funding for coal research and development purposes.

SECTION 261.30.80. THIRD FRONTIER BIOMEDICAL RESEARCH AND COMMERCIALIZATION SUPPORT

The General Assembly and the Governor recognize the role that the biomedical industry has in job creation, innovation, and economic development throughout Ohio. It is the intent of the General Assembly, the Governor, the Director of Development, and the Director of Budget and Management to work together in continuing to provide comprehensive state support for the biomedical industry.

SECTION 261.30.90. UNCLAIMED FUNDS TRANSFER

(A) Notwithstanding division (A) of section 169.05 of the Revised Code, upon the request of the Director of Budget and Management, the Director of Commerce, before June 30, 2012, shall transfer to the Job Development Initiatives Fund (Fund 5AD0) an amount not to exceed \$25,000,000 in cash of the unclaimed funds that have been reported by the holders of unclaimed funds under section 169.05 of the Revised Code, regardless of the allocation of the unclaimed funds described under that section.

Notwithstanding division (A) of section 169.05 of the Revised Code, upon the request of the Director of Budget and Management, the Director of Commerce, before June 30, 2013, shall transfer to the Job Development Initiatives Fund (Fund 5AD0) an amount not to exceed \$15,000,000 in cash of the unclaimed funds that have been reported by the holders of unclaimed

funds under section 169.05 of the Revised Code, regardless of the allocation of the unclaimed funds described under that section.

(B) Notwithstanding division (A) of section 169.05 of the Revised Code, upon the request of the Director of Budget and Management, the Director of Commerce, before June 30, 2012, shall transfer to the State Special Projects Fund (Fund 4F20) an amount not to exceed \$5,000,000 in cash of the unclaimed funds that have been reported by the holders of unclaimed funds under section 169.05 of the Revised Code, regardless of the allocation of the unclaimed funds described under that section.

SECTION 261.40.10. WORKFORCE DEVELOPMENT

The Director of Development and the Director of Job and Family Services may enter into one or more interagency agreements between the two departments and take other actions the directors consider appropriate to further integrate workforce development into a larger economic development strategy, to implement the recommendations of the Workforce Policy Board, and to complete activities related to the transition of the administration of employment programs identified by the board. Subject to the approval of the Director of Budget and Management, the Department of Development and the Department of Job and Family Services may expend moneys to support the recommendations of the Workforce Policy Board in the area of integration of employment functions as described in this paragraph and to complete implementation and transition activities from the appropriations to those departments.

SECTION 263.10. DDD DEPARTMENT OF DEVELOPMENTAL DISABILITIES

General Revenue Fund

GRF 320321	Central Administration	\$	4,422,794	\$	4,422,794
GRF 320412	Protective Services	\$	2,174,826	\$	1,957,343
GRF 320415	Lease-Rental Payments	\$	18,394,250	\$	19,907,900
GRF 322407	Medicaid State Match	\$	218,034,162	\$	214,902,506
GRF 322451	Family Support Services	\$	5,932,758	\$	5,932,758
GRF 322501	County Boards Subsidies	\$	40,906,365	\$	44,449,280
GRF 322503	Tax Equity	\$	14,000,000	\$	14,000,000
TOTAL GRF General Revenue Fund		\$	303,865,155	\$	305,572,581

General Services Fund Group

1520 323609	Developmental Center and Residential Operating Services	\$	3,414,317	\$	3,414,317
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TOTAL GSF General Services Fund Group		\$	3,414,317	\$	3,414,317
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Federal Special Revenue Fund Group

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3A50	320613	DD Council	\$	3,341,572	\$	3,341,572
3250	322612	Community Social Service Programs	\$	11,017,754	\$	10,604,896
3DZ0	322648	Enhanced Medicaid - Federal	\$	10,000,000	\$	0
3G60	322639	Medicaid Waiver - Federal	\$	866,566,007	\$	985,566,007
3M70	322650	CAFS Medicaid	\$	29,349,502	\$	29,349,502
3A40	323605	Developmental Center and Residential Facility Services and Support	\$	180,266,029	\$	179,384,881
TOTAL FED Federal Special Revenue Fund Group			\$	1,100,540,864	\$	1,208,246,858
State Special Revenue Fund Group						
5GE0	320606	Operating and Services	\$	7,406,609	\$	7,407,297
2210	322620	Supplement Service Trust	\$	150,000	\$	150,000
4K80	322604	Medicaid Waiver - State Match	\$	12,000,000	\$	12,000,000
5CT0	322632	Intensive Behavioral Needs	\$	1,000,000	\$	1,000,000
5DJ0	322625	Targeted Case Management Match	\$	21,000,000	\$	24,000,000
5DJ0	322626	Targeted Case Management Services	\$	57,307,357	\$	66,000,000
5DK0	322629	Capital Replacement Facilities	\$	750,000	\$	750,000
5EV0	322627	Program Fees	\$	685,000	\$	685,000
5H00	322619	Medicaid Repayment	\$	160,000	\$	160,000
5JX0	322651	Interagency Workgroup - Autism	\$	45,000		45,000
5Z10	322624	County Board Waiver Match	\$	235,000,000	\$	290,000,000
4890	323632	Developmental Center Direct Care Support	\$	16,497,170	\$	16,497,169
5S20	590622	Medicaid Administration & Oversight	\$	20,875,567	\$	21,727,540
TOTAL SSR State Special Revenue Fund Group			\$	372,876,703	\$	440,422,006
TOTAL ALL BUDGET FUND GROUPS			\$	1,780,697,039	\$	1,957,655,762

SECTION 263.10.10. LEASE-RENTAL PAYMENTS

The foregoing appropriation item 320415, Lease-Rental Payments, shall be used to meet all payments at the times they are required to be made during the period from July 1, 2011, through June 30, 2013, by the Department of Developmental Disabilities under leases and agreements made under section 154.20 of the Revised Code. These appropriations are the source of funds pledged for bond service charges or obligations issued pursuant to Chapter 154. of the Revised Code.

SECTION 263.10.20. MEDICAID - STATE MATCH (GRF)

Except as otherwise provided in section 5123.0416 of the Revised Code, the purposes for which the foregoing appropriation item 322407, Medicaid

State Match, shall be used include the following:

(A) Home and community-based waiver services under Title XIX of the "Social Security Act," 49 Stat. 620 (1935), 42 U.S.C. 301, as amended.

(B) To pay the nonfederal share of the cost of one or more new intermediate care facilities for the mentally retarded certified beds, if the Director of Developmental Disabilities is required by this act to transfer cash from funds used by the Department to any fund used by the Department of Job and Family Services to pay such nonfederal share.

(C) To implement the requirements of the agreement settling the consent decree in *Sermak v. Manuel*, Case No. C-2-80-220, United States District Court for the Southern District of Ohio, Eastern Division.

(D) To implement the requirements of the agreement settling the consent decree in the *Martin v. Strickland*, Case No. 89-CV-00362, United States District Court for the Southern District of Ohio, Eastern Division.

(E) Developmental center and residential facilities services.

(F) Other programs as identified by the Director of Developmental Disabilities.

SECTION 263.10.30. FAMILY SUPPORT SERVICES SUBSIDY

(A) The foregoing appropriation item 322451, Family Support Services, may be used as follows in fiscal year 2012 and fiscal year 2013:

(1) The appropriation item may be used to provide a subsidy to county boards of developmental disabilities for family support services provided under section 5126.11 of the Revised Code. The subsidy shall be paid in quarterly installments and allocated to county boards according to a formula the Director of Developmental Disabilities shall develop in consultation with representatives of county boards. A county board shall use not more than seven per cent of its subsidy for administrative costs.

(2) The appropriation item may be used to distribute funds to county boards for the purpose of addressing economic hardships and to promote efficiency of operations. In consultation with representatives of county boards, the Director shall determine the amount of funds to distribute for these purposes and the criteria for distributing the funds.

(B) Each county board shall submit reports to the Department of Developmental Disabilities on the use of funds received under this section. The reports shall be submitted at the times and in the manner specified in rules the Director shall adopt in accordance with Chapter 119. of the Revised Code.

SECTION 263.10.40. STATE SUBSIDY TO COUNTY DD BOARDS

(A) Except as otherwise provided in the section of this act titled "NONFEDERAL SHARE OF NEW ICF/MR BEDS," the foregoing appropriation item 322501, County Boards Subsidies, shall be used for the following purposes:

(1) To provide a subsidy to county boards of developmental disabilities in quarterly installments and allocated according to a formula developed by the Director of Developmental Disabilities in consultation with representatives of county boards. Except as otherwise provided in section 5126.0511 of the Revised Code, or in division (B) of this section, county boards shall use the subsidy for early childhood services and adult services provided under section 5126.05 of the Revised Code, service and support administration provided under section 5126.15 of the Revised Code, or supported living as defined in section 5126.01 of the Revised Code.

(2) To provide funding, as determined necessary by the Director of Developmental Disabilities, for residential services, including room and board, and support service programs that enable individuals with developmental disabilities to live in the community.

(3) To distribute funds to county boards of developmental disabilities to address economic hardships and promote efficiency of operations. The Director shall determine, in consultation with representatives of county boards, the amount of funds to distribute for these purposes and the criteria for distributing the funds.

(B) In collaboration with the county's family and children first council, a county board of developmental disabilities may transfer portions of funds received under this section, to a flexible funding pool in accordance with the section of this act titled "FAMILY AND CHILDREN FIRST FLEXIBLE FUNDING POOL."

SECTION 263.10.50. COUNTY BOARD SHARE OF WAIVER SERVICES

As used in this section, "home and community-based services" has the same meaning as in section 5123.01 of the Revised Code.

The Director of Developmental Disabilities shall establish a methodology to be used in fiscal year 2012 and fiscal year 2013 to estimate the quarterly amount each county board of developmental disabilities is to pay of the nonfederal share of home and community-based services that section 5126.0510 of the Revised Code requires county boards to pay. Each

quarter, the Director shall submit to a county board written notice of the amount the county board is to pay for that quarter. The notice shall specify when the payment is due.

SECTION 263.10.60. TAX EQUITY

Notwithstanding section 5126.18 of the Revised Code, the foregoing appropriation item 322503, Tax Equity, may be used to distribute funds to county boards of developmental disabilities to address economic hardships and promote efficiency of operations. The Director shall determine, in consultation with representatives of county boards, the amount of funds to distribute for these purposes and the criteria for distributing the funds.

SECTION 263.10.70. MEDICAID WAIVER - STATE MATCH

The foregoing appropriation item 322604, Medicaid Waiver - State Match (Fund 4K80), shall be used as state matching funds for home and community-based waivers.

SECTION 263.10.80. ICF/MR CONVERSION

(A) As used in this section, "home and community-based services" has the same meaning as in section 5123.01 of the Revised Code.

(B) For each quarter of the biennium, the Director of Developmental Disabilities shall certify to the Director of Budget and Management the estimated amount needed to fund the provision of home and community-based services made available by the slots sought under section 5111.877 of the Revised Code. On receipt of certification, the Director of Budget and Management shall transfer the estimated amount in cash from the General Revenue Fund to the Home and Community-Based Services Fund (Fund 4K80), used by the Department of Developmental Disabilities. Upon completion of the transfer, appropriation item 600525, Health Care/Medicaid, is hereby reduced by the amount transferred under this section plus the corresponding federal share. The amount transferred to Fund 4K80 is hereby appropriated to appropriation item 322604, Medicaid Waiver - State Match.

(C) If receipts credited to the Medicaid Waiver Fund (Fund 3G60) exceed the amounts appropriated from the fund, the Director of Developmental Disabilities may request the Director of Budget and Management to authorize expenditures from the fund in excess of the amounts appropriated. Upon the approval of the Director of Budget and

Management, the additional amounts are hereby appropriated.

(D) If receipts credited to the Interagency Reimbursement Fund (Fund 3G50) exceed the amounts appropriated from the fund, the Director of Job and Family Services may request the Director of Budget and Management to authorize expenditures from the fund in excess of the amounts appropriated. Upon approval of the Director of Budget and Management, the additional amounts are hereby appropriated.

SECTION 263.10.90. TARGETED CASE MANAGEMENT SERVICES

County boards of developmental disabilities shall pay the nonfederal portion of targeted case management costs to the Department of Developmental Disabilities.

The Directors of Developmental Disabilities and Job and Family Services may enter into an interagency agreement under which the Department of Developmental Disabilities shall transfer cash from the Targeted Case Management Fund (Fund 5DJ0) to the Medicaid Program Support - State Fund (Fund 5C90) used by the Department of Job and Family Services in an amount equal to the nonfederal portion of the cost of targeted case management services paid by county boards, and the Department of Job and Family Services shall pay the total cost of targeted case management claims. The transfer shall be made using an intrastate transfer voucher.

SECTION 263.20.10. WITHHOLDING OF FUNDS OWED THE DEPARTMENT

If a county board of developmental disabilities does not fully pay any amount owed to the Department of Developmental Disabilities by the due date established by the Department, the Director of Developmental Disabilities may withhold the amount the county board did not pay from any amounts due to the county board. The Director may use any appropriation item or fund used by the Department to transfer cash to any other fund used by the Department in an amount equal to the amount owed the Department that the county board did not pay. Transfers under this section shall be made using an intrastate transfer voucher.

SECTION 263.20.20. TRANSFER TO MEDICAID REPAYMENT FUND

On July 1, 2011, or as soon as possible thereafter, the Director of

Developmental Disabilities shall request that the Director of Budget and Management transfer the cash balance in the Purchase of Service Fund (Fund 4880) to the Medicaid Repayment Fund (Fund 5H00). Upon completion of the transfer, Fund 4880 is hereby abolished. The Director of Developmental Disabilities shall cancel any existing encumbrances against appropriation item 322603, Provider Audit Refunds, and re-establish them against appropriation item 322619, Medicaid Repayment. The re-established encumbrances are hereby appropriated.

SECTION 263.20.30. DEVELOPMENTAL CENTER BILLING FOR SERVICES

Developmental centers of the Department of Developmental Disabilities may provide services to persons with mental retardation or developmental disabilities living in the community or to providers of services to these persons. The Department may develop a method for recovery of all costs associated with the provisions of these services.

SECTION 263.20.40. TRANSFER OF FUNDS FOR DEVELOPMENTAL CENTER PHARMACY PROGRAMS

The Director of Developmental Disabilities shall quarterly transfer cash from the Medicaid - Medicare Fund (Fund 3A40) to the Medicaid Program Support - State Fund (Fund 5C90) used by the Department of Job and Family Services, in an amount equal to the nonfederal share of Medicaid prescription drug claim costs for all developmental centers paid by the Department of Job and Family Services. The quarterly transfer shall be made using an intrastate transfer voucher.

SECTION 263.20.50. NONFEDERAL MATCH FOR ACTIVE TREATMENT SERVICES

Any county funds received by the Department of Developmental Disabilities from county boards for active treatment shall be deposited in the Developmental Disabilities Operating Fund (Fund 4890).

SECTION 263.20.60. NONFEDERAL SHARE OF NEW ICF/MR BEDS

(A) As used in this section, "intermediate care facility for the mentally retarded" has the same meaning as in section 5111.20 of the Revised Code.

(B) If the Department of Developmental Disabilities is required by section 5111.211 of the Revised Code to pay the nonfederal share of claims

submitted for services that are covered by the Medicaid program and provided to an eligible Medicaid recipient by an intermediate care facility for the mentally retarded, the Director of Developmental Disabilities shall transfer cash to the Department of Job and Family Services to pay the nonfederal share of the claims. The transfer shall be made using an intrastate transfer voucher. Except as otherwise provided in section 5123.0416 of the Revised Code, the Director shall use only the following appropriation items for the transfer:

- (1) Appropriation item 322407, Medicaid State Match;
- (2) Appropriation item 322501, County Boards Subsidies.

(C) If the intermediate care facility for the mentally retarded is located in a county served by a county board of developmental disabilities that initiates or supports the facility's certification as an intermediate care facility for the mentally retarded by the Director of Health, the cash that the Director transfers under division (B) of this section shall be moneys that the Director has allocated to the county board serving the county in which the facility is located unless the amount of the allocation is insufficient to pay the entire nonfederal share of the claims submitted by the facility. If the allocation is insufficient, the Director shall use as much of such moneys allocated to other counties as is needed to make up the difference.

SECTION 263.20.70. RATE INCREASE FOR WAIVER PROVIDERS SERVING FORMER RESIDENTS OF DEVELOPMENTAL CENTERS

Subject to approval by the Centers for Medicare and Medicaid Services, the Department of Job and Family Services shall increase the rate paid to a provider under the Individual Options Waiver by fifty-two cents for each fifteen minutes of routine homemaker/personal care provided to an individual for up to a year if all of the following apply:

(A) The individual was a resident of a developmental center immediately prior to enrollment in the waiver;

(B) The provider begins serving the individual on or after July 1, 2011;

(C) The Director of Developmental Disabilities determines that the increased rate is warranted by the individual's special circumstances, including the individual's diagnosis, service needs, or length of stay at the developmental center, and that serving the individual through the Individual Options Waiver is fiscally prudent for the Medicaid program.

SECTION 263.20.80. ODODD INNOVATIVE PILOT PROJECTS

(A) In fiscal year 2012 and fiscal year 2013, the Director of

Developmental Disabilities may authorize the implementation of one or more innovative pilot projects that, in the judgment of the Director, are likely to assist in promoting the objectives of Chapter 5123. or 5126. of the Revised Code. Subject to division (B) of this section and notwithstanding any provision of Chapters 5123. and 5126. of the Revised Code and any rule adopted under either chapter, a pilot project authorized by the Director may be implemented in a manner inconsistent with one or more provisions of Chapter 5123. or 5126. of the Revised Code or one or more rules adopted under either chapter. Before authorizing a pilot program, the Director shall consult with entities interested in the issue of developmental disabilities, including the Ohio Provider Resource Association, the Ohio Association of County Boards of Developmental Disabilities, and the ARC of Ohio.

(B) The Director may not authorize a pilot project to be implemented in a manner that would cause the state to be out of compliance with any requirements for a program funded in whole or in part with federal funds.

SECTION 263.20.90. OHIO DEVELOPMENTAL DISABILITIES
COUNCIL REMOTE ATTENDANCE PILOT PROGRAM

(A) The Ohio Developmental Disabilities Council may establish a pilot program to allow Council members to attend a public Council meeting by teleconference or video conference in lieu of physically attending the meeting. If the pilot program is established, it shall be operated until two years after the effective date of this section.

A member who attends a Council meeting by teleconference or video conference shall be counted for purposes of determining whether a quorum is present for the transaction of business. The member shall be permitted to vote at the meeting.

At each Council meeting that includes members in attendance by teleconference or video conference, at least three Council members shall be physically present. Any Council meeting may be held with members in attendance by teleconference or video conference, except that the Council shall hold at least one meeting during each year of the pilot program at which members are not permitted to attend by teleconference or video conference.

(B) If the pilot program is established, the Council shall submit a report to the General Assembly not later than one year after the effective date of this section to assist the General Assembly in determining whether legislation establishing remote attendance by teleconference or video conference for the meetings of other public bodies would be beneficial. The report shall be submitted in accordance with section 101.68 of the Revised

Code. The report shall include all of the following:

(1) A description of the effect of teleconferencing or video conferencing on the operation of the Council meetings;

(2) An accounting of any costs incurred or savings realized by the Council through the use of teleconferencing or video conferencing;

(3) Regarding the Council meetings held during the pilot program, all of the following:

(a) The notice of each meeting;

(b) Attendance records for all Council members;

(c) A description of public and media attendance;

(d) A summary or copy of any comments made by the public or media regarding the use of teleconferencing or video conferencing;

(e) A copy of the minutes for each meeting;

(f) An accounting of the costs incurred for each meeting;

(g) A description of any local media coverage of a teleconference or video conference meeting.

(C) The Ohio Developmental Disabilities Council may adopt any rules the Council considers necessary to implement this section. The rules shall be adopted in accordance with Chapter 119. of the Revised Code.

At a minimum, the rules shall do the following:

(1) Allow Council members to remotely attend a public Council meeting by teleconference or video conference in lieu of physically attending the meeting;

(2) Establish a method for verifying the identity of a member who remotely attends a meeting by teleconference or video conference;

(3) Establish a policy for distributing and circulating necessary documents to Council members, the public, and the media in advance of a meeting at which members are permitted to attend by teleconference or video conference.

SECTION 265.10. OBD OHIO BOARD OF DIETETICS

General Services Fund Group

4K90 860609	Operating Expenses	\$	355,789	\$	330,592
TOTAL GSF General Services Fund Group		\$	355,789	\$	330,592
TOTAL ALL BUDGET FUND GROUPS		\$	355,789	\$	330,592

SECTION 267.10. EDU DEPARTMENT OF EDUCATION

General Revenue Fund

GRF 200100	Personal Services	\$	8,579,178	\$	8,579,178
GRF 200320	Maintenance and Equipment	\$	2,830,407	\$	2,830,407

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GRF 200408	Early Childhood Education	\$	23,268,341	\$	23,268,341
GRF 200416	Career-Technical Education Match	\$	2,233,195	\$	2,233,195
GRF 200420	Computer/Application/Network Development	\$	4,241,296	\$	4,241,296
GRF 200421	Alternative Education Programs	\$	7,403,998	\$	7,403,998
GRF 200422	School Management Assistance	\$	2,842,812	\$	3,000,000
GRF 200424	Policy Analysis	\$	328,558	\$	328,558
GRF 200425	Tech Prep Consortia Support	\$	260,542	\$	260,542
GRF 200426	Ohio Educational Computer Network	\$	17,974,489	\$	17,974,489
GRF 200427	Academic Standards	\$	4,346,060	\$	3,700,000
GRF 200437	Student Assessment	\$	55,002,167	\$	55,002,167
GRF 200439	Accountability/Report Cards	\$	3,579,279	\$	3,579,279
GRF 200442	Child Care Licensing	\$	827,140	\$	827,140
GRF 200446	Education Management Information System	\$	6,833,070	\$	6,833,070
GRF 200447	GED Testing	\$	879,551	\$	879,551
GRF 200448	Educator Preparation	\$	786,737	\$	786,737
GRF 200455	Community Schools and Choice Programs	\$	2,200,000	\$	2,200,000
GRF 200502	Pupil Transportation	\$	438,248,936	\$	442,113,527
GRF 200505	School Lunch Match	\$	9,100,000	\$	9,100,000
GRF 200511	Auxiliary Services	\$	124,194,099	\$	126,194,099
GRF 200532	Nonpublic Administrative Cost Reimbursement	\$	56,164,384	\$	57,006,850
GRF 200540	Special Education Enhancements	\$	135,820,668	\$	135,820,668
GRF 200545	Career-Technical Education Enhancements	\$	8,802,699	\$	8,802,699
GRF 200550	Foundation Funding	\$	5,536,347,861	\$	5,610,290,686
GRF 200901	Property Tax Allocation - Education	\$	1,086,500,000	\$	1,095,000,000
TOTAL GRF General Revenue Fund		\$	7,539,595,467	\$	7,628,256,477
General Services Fund Group					
1380 200606	Computer Services-Operational Support	\$	7,600,090	\$	7,600,090
4520 200638	Miscellaneous Educational Services	\$	300,000	\$	300,000
4L20 200681	Teacher Certification and Licensure	\$	8,147,756	\$	8,147,756
5960 200656	Ohio Career Information System	\$	529,761	\$	529,761
5H30 200687	School District Solvency Assistance	\$	25,000,000	\$	25,000,000
TOTAL GSF General Services Fund Group		\$	41,577,607	\$	41,577,607
Federal Special Revenue Fund Group					
3090 200601	Neglected and Delinquent Education	\$	2,168,642	\$	2,168,642
3670 200607	School Food Services	\$	6,803,472	\$	6,959,906

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3690	200616	Career-Technical Education	\$	5,000,000	\$	5,000,000
		Federal Enhancement				
3700	200624	Education of Exceptional	\$	1,905,000	\$	0
		Children				
3780	200660	Learn and Serve	\$	619,211	\$	619,211
3AF0	200603	Schools Medicaid	\$	639,000	\$	639,000
		Administrative Claims				
3AN0	200671	School Improvement Grants	\$	20,400,000	\$	20,400,000
3AX0	200698	Improving Health and	\$	630,954	\$	630,954
		Educational Outcomes of				
		Young People				
3BK0	200628	Longitudinal Data Systems	\$	500,000	\$	250,000
3C50	200661	Early Childhood Education	\$	14,554,749	\$	14,554,749
3CG0	200646	Teacher Incentive Fund	\$	1,925,881	\$	0
3D10	200664	Drug Free Schools	\$	1,500,000	\$	0
3D20	200667	Math Science Partnerships	\$	9,500,001	\$	9,500,001
3DG0	200630	Federal Stimulus - McKinney	\$	330,512	\$	0
		Vento Grants				
3DJ0	200699	IDEA Part B - Federal	\$	21,886,803	\$	0
		Stimulus				
3DK0	200642	Title 1A - Federal Stimulus	\$	18,633,673	\$	0
3DL0	200650	IDEA Preschool - Federal	\$	670,000	\$	0
		Stimulus				
3DM0	200651	Title IID Technology -	\$	1,195,100	\$	0
		Federal Stimulus				
3DP0	200652	Title I School Improvement -	\$	48,500,000	\$	30,000,000
		Federal Stimulus				
3EC0	200653	Teacher Incentive - Federal	\$	7,500,000	\$	7,500,000
		Stimulus				
3EH0	200620	Migrant Education	\$	2,645,905	\$	2,645,905
3EJ0	200622	Homeless Children Education	\$	1,759,782	\$	1,759,782
3EN0	200655	State Data Systems - Federal	\$	2,500,000	\$	2,500,000
		Stimulus				
3ES0	200657	General Supervisory	\$	500,000	\$	500,000
		Enhancement Grant				
3ET0	200658	Education Jobs Fund	\$	300,000,000	\$	50,000,000
3FD0	200665	Race to the Top	\$	100,000,000	\$	100,000,000
3FE0	200669	Striving Readers	\$	180,000	\$	100,000
3H90	200605	Head Start Collaboration	\$	225,000	\$	225,000
		Project				
3L60	200617	Federal School Lunch	\$	327,516,539	\$	337,323,792
3L70	200618	Federal School Breakfast	\$	87,596,850	\$	90,224,756
3L80	200619	Child/Adult Food Programs	\$	100,850,833	\$	103,876,359
3L90	200621	Career-Technical Education	\$	48,466,864	\$	48,466,864
		Basic Grant				
3M00	200623	ESEA Title 1A	\$	530,010,000	\$	530,010,000
3M20	200680	Individuals with Disabilities	\$	443,170,050	\$	443,170,050
		Education Act				
3S20	200641	Education Technology	\$	9,487,397	\$	9,487,397
3T40	200613	Public Charter Schools	\$	14,291,353	\$	14,291,353
3Y20	200688	21st Century Community	\$	43,720,462	\$	45,906,485
		Learning Centers				
3Y60	200635	Improving Teacher Quality	\$	101,900,000	\$	101,900,000
3Y70	200689	English Language	\$	8,373,995	\$	8,373,995

		Acquisition			
3Y80	200639	Rural and Low Income	\$	1,500,000	\$ 1,500,000
		Technical Assistance			
3Z20	200690	State Assessments	\$	11,882,258	\$ 11,882,258
3Z30	200645	Consolidated Federal Grant	\$	8,949,280	\$ 8,949,280
		Administration			
TOTAL FED Federal Special					
Revenue Fund Group			\$	2,310,389,566	\$ 2,011,315,739
State Special Revenue Fund Group					
4540	200610	Guidance and Testing	\$	1,050,000	\$ 1,050,000
4550	200608	Commodity Foods	\$	24,000,000	\$ 24,000,000
4R70	200695	Indirect Operational Support	\$	6,500,000	\$ 6,600,000
4V70	200633	Interagency Operational	\$	1,117,725	\$ 1,117,725
		Support			
5980	200659	Auxiliary Services	\$	1,328,910	\$ 1,328,910
		Reimbursement			
5BB0	200696	State Action for Education	\$	231,300	\$ 0
		Leadership			
5BJ0	200626	Half-Mill Maintenance	\$	17,300,000	\$ 18,000,000
		Equalization			
5U20	200685	National Education Statistics	\$	300,000	\$ 300,000
6200	200615	Educational Improvement	\$	3,000,000	\$ 3,000,000
		Grants			
TOTAL SSR State Special Revenue					
Fund Group			\$	54,827,935	\$ 55,396,635
Lottery Profits Education Fund Group					
7017	200612	Foundation Funding	\$	717,500,000	\$ 680,500,000
TOTAL LPE Lottery Profits					
Education Fund Group			\$	717,500,000	\$ 680,500,000
Revenue Distribution Fund Group					
7047	200909	School District Property Tax	\$	722,000,000	\$ 475,000,000
		Replacement-Business			
7053	200900	School District Property Tax	\$	34,000,000	\$ 30,000,000
		Replacement-Utility			
TOTAL RDF Revenue Distribution					
Fund Group			\$	756,000,000	\$ 505,000,000
TOTAL ALL BUDGET FUND GROUPS			\$	11,419,890,575	\$ 10,922,046,458

SECTION 267.10.10. EARLY CHILDHOOD EDUCATION

The Department of Education shall distribute the foregoing appropriation item 200408, Early Childhood Education, to pay the costs of early childhood education programs.

(A) As used in this section:

(1) "Provider" means a city, local, exempted village, or joint vocational school district, or an educational service center.

(2) In the case of a city, local, or exempted village school district, "new eligible provider" means a district that did not receive state funding for Early Childhood Education in the previous fiscal year or demonstrates a

need for early childhood programs as defined in division (D) of this section.

(3) "Eligible child" means a child who is at least three years of age as of the district entry date for kindergarten, is not of the age to be eligible for kindergarten, and whose family earns not more than two hundred per cent of the federal poverty guidelines as defined in division (A)(3) of section 5101.46 of the Revised Code. Children with an Individualized Education Program and where the Early Childhood Education program is the least restrictive environment may be enrolled on their third birthday.

(B) In each fiscal year, up to two per cent of the total appropriation may be used by the Department for program support and technical assistance. The Department shall distribute the remainder of the appropriation in each fiscal year to serve eligible children.

(C) The Department shall provide an annual report to the Governor, the Speaker of the House of Representatives, and the President of the Senate and post the report to the Department's web site, regarding early childhood education programs operated under this section and the early learning program guidelines.

(D) After setting aside the amounts to make payments due from the previous fiscal year, in fiscal year 2012, the Department shall distribute funds first to recipients of funds for early childhood education programs under Section 265.10.20 of Am. Sub. H.B. 1 of the 128th General Assembly in the previous fiscal year and the balance to new eligible providers of early childhood education programs under this section or to existing providers to serve more eligible children or for purposes of program expansion, improvement, or special projects to promote quality and innovation.

After setting aside the amounts to make payments due from the previous fiscal year, in fiscal year 2013, the Department shall distribute funds first to providers of early childhood education programs under this section in the previous fiscal year and the balance to new eligible providers or to existing providers to serve more eligible children or for purposes of program expansion, improvement, or special projects to promote quality and innovation.

Awards under this section shall be distributed on a per-pupil basis, and in accordance with division (H) of this section. The Department may adjust the per-pupil amount so that the per-pupil amount multiplied by the number of eligible children enrolled and receiving services on the first day of December or the business day closest to that date equals the amount allocated under this section.

(E) Costs for developing and administering an early childhood education program may not exceed fifteen per cent of the total approved

costs of the program.

All providers shall maintain such fiscal control and accounting procedures as may be necessary to ensure the disbursement of, and accounting for, these funds. The control of funds provided in this program, and title to property obtained, shall be under the authority of the approved provider for purposes provided in the program unless, as described in division (J) of this section, the program waives its right for funding or a program's funding is eliminated or reduced due to its inability to meet financial or early learning program guidelines. The approved provider shall administer and use such property and funds for the purposes specified.

(F) The Department may examine a provider's financial and program records. If the financial practices of the program are not in accordance with standard accounting principles or do not meet financial standards outlined under division (E) of this section, or if the program fails to substantially meet the early learning program guidelines or exhibits below average performance as measured against the guidelines, the early childhood education program shall propose and implement a corrective action plan that has been approved by the Department. The approved corrective action plan shall be signed by the chief executive officer and the executive of the official governing body of the provider. The corrective action plan shall include a schedule for monitoring by the Department. Such monitoring may include monthly reports, inspections, a timeline for correction of deficiencies, and technical assistance to be provided by the Department or obtained by the early childhood education program. The Department may withhold funding pending corrective action. If an early childhood education program fails to satisfactorily complete a corrective action plan, the Department may deny expansion funding to the program or withdraw all or part of the funding to the program and establish a new eligible provider through a selection process established by the Department.

(G) Each early childhood education program shall do all of the following:

- (1) Meet teacher qualification requirements prescribed by section 3301.311 of the Revised Code;

- (2) Align curriculum to the early learning content standards developed by the Department;

- (3) Meet any child or program assessment requirements prescribed by the Department;

- (4) Require teachers, except teachers enrolled and working to obtain a degree pursuant to section 3301.311 of the Revised Code, to attend a minimum of twenty hours every two years of professional development as

prescribed by the Department;

(5) Document and report child progress as prescribed by the Department;

(6) Meet and report compliance with the early learning program guidelines as prescribed by the Department.

(H) Per-pupil funding for programs subject to this section shall be sufficient to provide eligible children with services for a standard early childhood schedule which shall be defined in this section as a minimum of twelve and one-half hours per school week as defined in section 3313.62 of the Revised Code for the minimum school year as defined in sections 3313.48, 3313.481, and 3313.482 of the Revised Code. Nothing in this section shall be construed to prohibit program providers from utilizing other funds to serve eligible children in programs that exceed the twelve and one-half hours per week or that exceed the minimum school year. For any provider for which a standard early childhood education schedule creates a hardship or for which the provider shows evidence that the provider is working in collaboration with a preschool special education program, the provider may submit a waiver to the Department requesting an alternate schedule. If the Department approves a waiver for an alternate schedule that provides services for less time than the standard early childhood education schedule, the Department may reduce the provider's annual allocation proportionately. Under no circumstances shall an annual allocation be increased because of the approval of an alternate schedule.

(I) Each provider shall develop a sliding fee scale based on family incomes and shall charge families who earn more than two hundred per cent of the federal poverty guidelines, as defined in division (A)(3) of section 5101.46 of the Revised Code, for the early childhood education program.

The Department shall conduct an annual survey of each provider to determine whether the provider charges families tuition or fees, the amount families are charged relative to family income levels, and the number of families and students charged tuition and fees for the early childhood program.

(J) If an early childhood education program voluntarily waives its right for funding, or has its funding eliminated for not meeting financial standards or the early learning program guidelines, the provider shall transfer control of title to property, equipment, and remaining supplies obtained through the program to providers designated by the Department and return any unexpended funds to the Department along with any reports prescribed by the Department. The funding made available from a program that waives its right for funding or has its funding eliminated or reduced may be used by

the Department for new grant awards or expansion grants. The Department may award new grants or expansion grants to eligible providers who apply. The eligible providers who apply must do so in accordance with the selection process established by the Department.

(K) As used in this section, "early learning program guidelines" means the guidelines established by the Department pursuant to division (C)(3) of Section 206.09.54 of Am. Sub. H.B. 66 of the 126th General Assembly.

(L) Eligible expenditures for the Early Childhood Education program shall be claimed each fiscal year to help meet the state's TANF maintenance of effort requirement. The Superintendent of Public Instruction and the Director of Job and Family Services shall enter into an interagency agreement to carry out the requirements under this division, which shall include developing reporting guidelines for these expenditures.

SECTION 267.10.20. CAREER-TECHNICAL EDUCATION MATCH

The foregoing appropriation item 200416, Career-Technical Education Match, shall be used by the Department of Education to provide vocational administration matching funds under 20 U.S.C. 2311.

The Director of Budget and Management shall transfer any remaining appropriation from appropriation item 200416, Career-Technical Education Match, to appropriation item 200426, Ohio Educational Computer Network, to support the Ohio Educational Computer Network.

COMPUTER/APPLICATION/NETWORK DEVELOPMENT

The foregoing appropriation item 200420, Computer/Application/Network Development, shall be used to support the development and implementation of information technology solutions designed to improve the performance and services of the Department of Education. Funds may be used for personnel, maintenance, and equipment costs related to the development and implementation of these technical system projects. Implementation of these systems shall allow the Department to provide greater levels of assistance to school districts and to provide more timely information to the public, including school districts, administrators, and legislators. Funds may also be used to support data-driven decision-making and differentiated instruction, as well as to communicate academic content standards and curriculum models to schools through web-based applications.

SECTION 267.10.30. ALTERNATIVE EDUCATION PROGRAMS

The foregoing appropriation item 200421, Alternative Education

Programs, shall be used for the renewal of successful implementation grants and for competitive matching grants to school districts for alternative educational programs for existing and new at-risk and delinquent youth. Programs shall be focused on youth in one or more of the following categories: those who have been expelled or suspended, those who have dropped out of school or who are at risk of dropping out of school, those who are habitually truant or disruptive, or those on probation or on parole from a Department of Youth Services facility. Grants shall be awarded according to the criteria established by the Alternative Education Advisory Council in 1999. Grants shall be awarded only to programs in which the grant will not serve as the program's primary source of funding. These grants shall be administered by the Department of Education.

The Department of Education may waive compliance with any minimum education standard established under section 3301.07 of the Revised Code for any alternative school that receives a grant under this section on the grounds that the waiver will enable the program to more effectively educate students enrolled in the alternative school.

Of the foregoing appropriation item 200421, Alternative Education Programs, a portion may be used for program administration, monitoring, technical assistance, support, research, and evaluation.

SECTION 267.10.40. SCHOOL MANAGEMENT ASSISTANCE

Of the foregoing appropriation item 200422, School Management Assistance, \$1,000,000 in fiscal year 2012 and \$1,300,000 in fiscal year 2013 shall be used by the Auditor of State in consultation with the Department of Education for expenses incurred in the Auditor of State's role relating to fiscal caution, fiscal watch, and fiscal emergency activities as defined in Chapter 3316. of the Revised Code and may also be used by the Auditor of State to conduct performance audits of other school districts with priority given to districts in fiscal distress. Districts in fiscal distress shall be determined by the Auditor of State and shall include districts that the Auditor of State, in consultation with the Department of Education, determines are employing fiscal practices or experiencing budgetary conditions that could produce a state of fiscal watch or fiscal emergency.

The remainder of appropriation item 200422, School Management Assistance, shall be used by the Department of Education to provide fiscal technical assistance and inservice education for school district management personnel and to administer, monitor, and implement the fiscal caution, fiscal watch, and fiscal emergency provisions under Chapter 3316. of the Revised Code.

SECTION 267.10.50. POLICY ANALYSIS

The foregoing appropriation item 200424, Policy Analysis, shall be used by the Department of Education to support a system of administrative, statistical, and legislative education information to be used for policy analysis. Staff supported by this appropriation shall administer the development of reports, analyses, and briefings to inform education policymakers of current trends in education practice, efficient and effective use of resources, and evaluation of programs to improve education results. The database shall be kept current at all times. These research efforts shall be used to supply information and analysis of data to the General Assembly and other state policymakers, including the Office of Budget and Management, the Governor's Office of 21st Century Education, and the Legislative Service Commission.

The Department of Education may use funding from this appropriation item to purchase or contract for the development of software systems or contract for policy studies that will assist in the provision and analysis of policy-related information. Funding from this appropriation item also may be used to monitor and enhance quality assurance for research-based policy analysis and program evaluation to enhance the effective use of education information to inform education policymakers.

A portion of the foregoing appropriation item 200424, Policy Analysis, may be used in conjunction with appropriation item 200439, Accountability/Report Cards, to support a fiscal reporting dimension that shall contain fiscal data reported for the prior fiscal year. The fiscal information contained therein shall be updated and reported annually in a form and in a manner as determined by the Department.

TECH PREP CONSORTIA SUPPORT

The foregoing appropriation item 200425, Tech Prep Consortia Support, shall be used by the Department of Education to support state-level activities designed to support, promote, and expand tech prep programs. Use of these funds shall include, but not be limited to, administration of grants, program evaluation, professional development, curriculum development, assessment development, program promotion, communications, and statewide coordination of tech prep consortia.

SECTION 267.10.60. OHIO EDUCATIONAL COMPUTER NETWORK

The foregoing appropriation item 200426, Ohio Educational Computer Network, shall be used by the Department of Education to maintain a system

of information technology throughout Ohio and to provide technical assistance for such a system in support of the P-16 State Education Technology Plan developed under section 3353.09 of the Revised Code.

Of the foregoing appropriation item 200426, Ohio Educational Computer Network, up to \$10,705,569 in each fiscal year shall be used by the Department of Education to support connection of all public school buildings and participating chartered nonpublic schools to the state's education network, to each other, and to the Internet. In each fiscal year the Department of Education shall use these funds to assist information technology centers or school districts with the operational costs associated with this connectivity. The Department of Education shall develop a formula and guidelines for the distribution of these funds to information technology centers or individual school districts. As used in this section, "public school building" means a school building of any city, local, exempted village, or joint vocational school district, any community school established under Chapter 3314. of the Revised Code, any STEM school established under Chapter 3326. of the Revised Code, any educational service center building used for instructional purposes, the Ohio School for the Deaf and the Ohio School for the Blind, high schools chartered by the Ohio Department of Youth Services, or high schools operated by Ohio Department of Rehabilitation and Corrections' Ohio Central School System.

Of the foregoing appropriation item 200426, Ohio Educational Computer Network, up to \$1,440,000 in each fiscal year shall be used for the Union Catalog and InfOhio Network and to support the provision of electronic resources with priority given to resources that support the teaching of state academic content standards in all public schools. Consideration shall be given by the Department of Education to coordinating the allocation of these moneys with the efforts of Libraries Connect Ohio, whose members include OhioLINK, the Ohio Public Information Network, and the State Library of Ohio.

Of the foregoing appropriation item 200426, Ohio Educational Computer Network, up to \$5,220,000 in each fiscal year shall be used, through a formula and guidelines devised by the Department, to subsidize the activities of designated information technology centers, as defined by State Board of Education rules, to provide school districts and chartered nonpublic schools with computer-based student and teacher instructional and administrative information services, including approved computerized financial accounting, and to ensure the effective operation of local automated administrative and instructional systems.

The remainder of appropriation item 200426, Ohio Educational

Computer Network, shall be used to support the work of the development, maintenance, and operation of a network of uniform and compatible computer-based information and instructional systems. This technical assistance shall include, but not be restricted to, development and maintenance of adequate computer software systems to support network activities. In order to improve the efficiency of network activities, the Department and information technology centers may jointly purchase equipment, materials, and services from funds provided under this appropriation for use by the network and, when considered practical by the Department, may utilize the services of appropriate state purchasing agencies.

SECTION 267.10.70. ACADEMIC STANDARDS

The foregoing appropriation item 200427, Academic Standards, shall be used by the Department of Education to develop, revise, and communicate to school districts academic content standards and curriculum models.

SECTION 267.10.80. STUDENT ASSESSMENT

Of the foregoing appropriation item 200437, Student Assessment, up to \$95,000 in each fiscal year may be used to support the assessments required under section 3301.0715 of the Revised Code.

The remainder of appropriation item 200437, Student Assessment, shall be used to develop, field test, print, distribute, score, report results, and support other associated costs for the tests required under sections 3301.0710, 3301.0711, and 3301.0712 of the Revised Code and for similar purposes as required by section 3301.27 of the Revised Code. If funds remain in this appropriation after these purposes have been fulfilled, the Department may use the remainder of the appropriation to develop end-of-course exams.

DEPARTMENT OF EDUCATION APPROPRIATION TRANSFERS FOR STUDENT ASSESSMENT

In fiscal year 2012 and fiscal year 2013, if the Superintendent of Public Instruction determines that additional funds are needed to fully fund the requirements of sections 3301.0710, 3301.0711, and 3301.27 of the Revised Code and this act for assessments of student performance, the Superintendent of Public Instruction may recommend the reallocation of unexpended and unencumbered General Revenue Fund appropriations within the Department of Education to appropriation item 200437, Student Assessment, to the Director of Budget and Management. If the Director of

Budget and Management determines that such a reallocation is required, the Director of Budget and Management may transfer unexpended and unencumbered appropriations within the Department of Education as necessary to appropriation item 200437, Student Assessment. If these transferred appropriations are not sufficient to fully fund the assessment requirements in fiscal year 2012 or fiscal year 2013, the Superintendent of Public Instruction may request that the Controlling Board transfer up to \$9,000,000 cash from the Lottery Profits Education Reserve Fund (Fund 7018) to the General Revenue Fund. Upon approval of the Controlling Board, the Director of Budget and Management shall transfer the cash. These transferred funds are hereby appropriated for the same purpose as appropriation item 200437, Student Assessment.

SECTION 267.10.90. (A) Notwithstanding anything to the contrary in section 3301.0710, 3301.0711, 3301.0715 or 3313.608 of the Revised Code, the administration of the English language arts assessments for elementary grades as a replacement for the separate reading and writing assessments prescribed by sections 3301.0710 and 3301.0711 of the Revised Code, as those sections were amended by Am. Sub. H.B. 1 of the 128th General Assembly, shall not be required until a date prescribed by rule of the State Board of Education. Until that date, the Department of Education and school districts and schools shall continue to administer separate reading assessments for elementary grades, as prescribed by the versions of sections 3301.0710 and 3301.0711 of the Revised Code that were in effect prior to the effective date of Section 265.20.15 of Am. Sub. H.B. 1 of the 128th General Assembly. The intent for delaying implementation of the replacement English language arts assessment is to provide adequate time for the complete development of the new assessment.

(B) Notwithstanding anything to the contrary in section 3301.0710 of the Revised Code, the State Board shall not prescribe the three ranges of scores for the assessments prescribed by division (A)(2) of section 3301.0710 of the Revised Code, as amended by Am. Sub. H.B. 1 of the 128th General Assembly, until the Board adopts the rule required by division (A) of this section. Until that date, the Board shall continue to prescribe the five ranges of scores required by the version of section 3301.0710 of the Revised Code in effect prior to the effective date of Section 265.20.15 of Am. Sub. H.B. 1 of the 128th General Assembly, and the following apply:

(1) The range of scores designated by the State Board as a proficient level of skill remains the passing score on the Ohio Graduation Tests for

purposes of sections 3313.61, 3313.611, 3313.612, and 3325.08 of the Revised Code;

(2) The range of scores designated as a limited level of skill remains the standard for applying the third-grade reading guarantee under division (A) of section 3313.608 of the Revised Code;

(3) The range of scores designated by the State Board as a proficient level of skill remains the standard for the summer remediation requirement of division (B)(2) of section 3313.608 of the Revised Code.

(C) This section is not subject to expiration after June 30, 2013, under Section 809.10 of this act.

SECTION 267.20.10. Notwithstanding anything to the contrary in sections 3301.0710 and 3301.0711 of the Revised Code, in the 2011-2012 and 2012-2013 school years, the Department of Education shall not furnish, and school districts and schools shall not administer, the elementary writing and social studies achievement assessments prescribed by section 3301.0710 of the Revised Code, unless the Superintendent of Public Instruction determines the Department has sufficient funds to pay the costs of furnishing and scoring those assessments.

SECTION 267.20.20. ACCOUNTABILITY/REPORT CARDS

Of the foregoing appropriation item 200439, Accountability/Report Cards, a portion in each fiscal year may be used to train district and regional specialists and district educators in the use of the value-added progress dimension and in the use of data as it relates to improving student achievement. This training may include teacher and administrator professional development in the use of data to improve instruction and student learning, and teacher and administrator training in understanding teacher value-added reports and how they can be used as a component in measuring teacher and administrator effectiveness. A portion of this funding may be provided to a credible nonprofit organization with expertise in value-added progress dimensions.

The remainder of appropriation item 200439, Accountability/Report Cards, shall be used by the Department to incorporate a statewide value-added progress dimension into performance ratings for school districts and for the development of an accountability system that includes the preparation and distribution of school report cards and funding and expenditure accountability reports under sections 3302.03 and 3302.031 of the Revised Code.

CHILD CARE LICENSING

The foregoing appropriation item 200442, Child Care Licensing, shall be used by the Department of Education to license and to inspect preschool and school-age child care programs under sections 3301.52 to 3301.59 of the Revised Code.

SECTION 267.20.30. EDUCATION MANAGEMENT INFORMATION SYSTEM

The foregoing appropriation item 200446, Education Management Information System, shall be used by the Department of Education to improve the Education Management Information System (EMIS).

Of the foregoing appropriation item 200446, Education Management Information System, up to \$729,000 in each fiscal year shall be distributed to designated information technology centers for costs relating to processing, storing, and transferring data for the effective operation of the EMIS. These costs may include, but are not limited to, personnel, hardware, software development, communications connectivity, professional development, and support services, and to provide services to participate in the State Education Technology Plan developed under section 3353.09 of the Revised Code.

The remainder of appropriation item 200446, Education Management Information System, shall be used to develop and support a common core of data definitions and standards as adopted by the Education Management Information System Advisory Board, including the ongoing development and maintenance of the data dictionary and data warehouse. In addition, such funds shall be used to support the development and implementation of data standards and the design, development, and implementation of a new data exchange system.

Any provider of software meeting the standards approved by the Education Management Information System Advisory Board shall be designated as an approved vendor and may enter into contracts with local school districts, community schools, STEMS schools, information technology centers, or other educational entities for the purpose of collecting and managing data required under Ohio's education management information system (EMIS) laws. On an annual basis, the Department of Education shall convene an advisory group of school districts, community schools, and other education-related entities to review the Education Management Information System data definitions and data format standards. The advisory group shall recommend changes and enhancements based upon surveys of its members, education agencies in other states, and current

industry practices, to reflect best practices, align with federal initiatives, and meet the needs of school districts.

School districts, STEMS schools, and community schools not implementing a common and uniform set of data definitions and data format standards for Education Management Information System purposes shall have all EMIS funding withheld until they are in compliance.

SECTION 267.20.40. GED TESTING

The foregoing appropriation item 200447, GED Testing, shall be used to provide General Educational Development (GED) testing under rules adopted by the State Board of Education.

SECTION 267.20.50. EDUCATOR PREPARATION

Of the foregoing appropriation item 200448, Educator Preparation, up to \$150,000 in each fiscal year may be used by the Department of Education to monitor and support Ohio's State System of Support in accordance with the "No Child Left Behind Act of 2011," 20 U.S.C. 6317.

The remainder of appropriation item 200448, Educator Preparation, may be used by the Department to support the Educator Standards Board under section 3319.61 of the Revised Code and reforms under sections 3302.042, 3302.06 through 3302.068, 3302.12, 3302.20 through 3302.22, and 3319.58 of the Revised Code.

SECTION 267.20.60. COMMUNITY SCHOOLS AND CHOICE PROGRAMS

The foregoing appropriation item 200455, Community Schools and Choice Programs, may be used by the Department of Education for additional services and responsibilities under section 3314.11 of the Revised Code and for operation of the school choice programs.

Of the foregoing appropriation item 200455, Community Schools and Choice Programs, a portion in each fiscal year may be used by the Department of Education for developing and conducting training sessions for community schools and sponsors and prospective sponsors of community schools as prescribed in division (A)(1) of section 3314.015 of the Revised Code, and other schools participating in school choice programs. In developing the community school training sessions, the Department shall collect and disseminate examples of best practices used by sponsors of independent charter schools in Ohio and other states.

SECTION 267.20.70. PUPIL TRANSPORTATION

Of the foregoing appropriation item 200502, Pupil Transportation, up to \$838,930 in each fiscal year may be used by the Department of Education for training prospective and experienced school bus drivers in accordance with training programs prescribed by the Department. Up to \$60,469,220 in each fiscal year may be used by the Department of Education for special education transportation reimbursements to school districts and county DD boards for transportation operating costs as provided in division (J) of section 3317.024 of the Revised Code. Up to \$650,000 in each fiscal year may be used to partially reimburse school districts for costs of providing transportation services to nontraditional schools when those schools are open on a day the traditional school district is not scheduled to open. Up to \$5,000,000 in each fiscal year may be used by the Department of Education to reimburse school districts that make payments to parents in lieu of transportation under section 3327.02 of the Revised Code and whose transportation is not funded under division (C) of section 3317.024 of the Revised Code.

The remainder of appropriation item 200502, Pupil Transportation, shall be used to distribute the amounts calculated for formula aid under Section 267.30.50 of this act.

SECTION 267.20.80. SCHOOL LUNCH MATCH

The foregoing appropriation item 200505, School Lunch Match, shall be used to provide matching funds to obtain federal funds for the school lunch program.

Any remaining appropriation after providing matching funds for the school lunch program may be used to partially reimburse school buildings within school districts that are required to have a school breakfast program under section 3313.813 of the Revised Code, at a rate decided by the Department.

SECTION 267.20.90. AUXILIARY SERVICES

The foregoing appropriation item 200511, Auxiliary Services, shall be used by the Department of Education for the purpose of implementing section 3317.06 of the Revised Code. Of the appropriation, up to \$1,789,943 in each fiscal year may be used for payment of the Post-Secondary Enrollment Options Program for nonpublic students. Notwithstanding

section 3365.10 of the Revised Code, the Department shall distribute funding according to rules adopted by the Department in accordance with Chapter 119. of the Revised Code.

SECTION 267.30.10. NONPUBLIC ADMINISTRATIVE COST REIMBURSEMENT

The foregoing appropriation item 200532, Nonpublic Administrative Cost Reimbursement, shall be used by the Department of Education for the purpose of implementing section 3317.063 of the Revised Code.

SECTION 267.30.20. SPECIAL EDUCATION ENHANCEMENTS

Of the foregoing appropriation item 200540, Special Education Enhancements, up to \$2,206,875 in each fiscal year shall be used for home instruction for children with disabilities.

Of the foregoing appropriation item 200540, Special Education Enhancements, up to \$45,282,959 in each fiscal year shall be used to fund special education and related services at county boards of developmental disabilities for eligible students under section 3317.20 of the Revised Code and at institutions for eligible students under section 3317.201 of the Revised Code. Notwithstanding the distribution formulas under sections 3317.20 and 3317.201 of the Revised Code, funding for DD boards and institutions for fiscal year 2012 and fiscal year 2013 shall be determined by providing the per pupil amount received by each DD board and institution for the prior fiscal year for each student served in the current fiscal year.

Of the foregoing appropriation item 200540, Special Education Enhancements, up to \$1,333,468 in each fiscal year shall be used for parent mentoring programs.

Of the foregoing appropriation item 200540, Special Education Enhancements, up to \$2,537,824 in each fiscal year may be used for school psychology interns.

The remainder of appropriation item 200540, Special Education Enhancements, shall be distributed by the Department of Education to county boards of developmental disabilities, educational service centers, and school districts for preschool special education units and preschool supervisory units under section 3317.052 of the Revised Code. To the greatest extent possible, the Department of Education shall allocate these units to school districts and educational service centers.

The Department may reimburse county DD boards, educational service centers, and school districts for services provided by instructional assistants,

related services as defined in rule 3301-51-11 of the Administrative Code, physical therapy services provided by a licensed physical therapist or physical therapist assistant under the supervision of a licensed physical therapist as required under Chapter 4755. of the Revised Code and Chapter 4755-27 of the Administrative Code and occupational therapy services provided by a licensed occupational therapist or occupational therapy assistant under the supervision of a licensed occupational therapist as required under Chapter 4755. of the Revised Code and Chapter 4755-7 of the Administrative Code. Nothing in this section authorizes occupational therapy assistants or physical therapist assistants to generate or manage their own caseloads.

The Department of Education shall require school districts, educational service centers, and county DD boards serving preschool children with disabilities to adhere to Ohio's Early Learning Program Guidelines and document child progress using research-based indicators prescribed by the Department and report results annually. The reporting dates and method shall be determined by the Department.

SECTION 267.30.30. CAREER-TECHNICAL EDUCATION ENHANCEMENTS

Of the foregoing appropriation item 200545, Career-Technical Education Enhancements, up to \$2,563,568 in each fiscal year shall be used to fund secondary career-technical education at institutions using a grant-based methodology, notwithstanding sections 3317.05, 3317.052, and 3317.053 of the Revised Code.

Of the foregoing appropriation item 200545, Career-Technical Education Enhancements, up to \$2,838,281 in each fiscal year shall be used by the Department of Education to fund competitive grants to tech prep consortia that expand the number of students enrolled in tech prep programs. These grant funds shall be used to directly support expanded tech prep programs provided to students enrolled in school districts, including joint vocational school districts, and affiliated higher education institutions. This support may include the purchase of equipment.

Of the foregoing appropriation item 200545, Career-Technical Education Enhancements, up to \$3,100,850 in each fiscal year shall be used by the Department of Education to support existing High Schools That Work (HSTW) sites, develop and support new sites, fund technical assistance, and support regional centers and middle school programs. The purpose of HSTW is to combine challenging academic courses and modern career-technical studies to raise the academic achievement of students.

HSTW provides intensive technical assistance, focused staff development, targeted assessment services, and ongoing communications and networking opportunities.

Of the foregoing appropriation item 200545, Career-Technical Education Enhancements, up to \$300,000 in each fiscal year shall be used by the Department of Education to enable students in agricultural programs to enroll in a fifth quarter of instruction based on the agricultural education model of delivering work-based learning through supervised agricultural experience. The Department of Education shall determine eligibility criteria and the reporting process for the Agriculture 5th Quarter Project and shall fund as many programs as possible given the set aside.

SECTION 267.30.40. FOUNDATION FUNDING

Of the foregoing appropriation item 200550, Foundation Funding, up to \$675,000 in each fiscal year shall be used to support the work of the College of Education and Human Ecology at the Ohio State University in reviewing and assessing the alignment of courses offered through the distance learning clearinghouse established in sections 3333.81 to 3333.88 of the Revised Code with the academic content standards adopted under division (A) of section 3301.079 of the Revised Code.

Of the foregoing appropriation item 200550, Foundation Funding, up to \$250,000 in each fiscal year may be used by the Department to fund a shared services pilot project involving at least two educational service centers. The pilot project shall focus on the design, implementation, and evaluation of a shared service delivery model. The educational service centers participating in the pilot project shall submit a report not later than September 1, 2013, to the Governor, members of the General Assembly, and members of the State Board of Education, reviewing the opportunities and challenges of implementing shared services initiatives as well as any real or projected cost efficiencies achieved through the pilot project.

Of the foregoing appropriation item 200550, Foundation Funding, up to \$50,000 shall be expended in each fiscal year for court payments under section 2151.362 of the Revised Code.

Of the foregoing appropriation item 200550, Foundation Funding, up to \$8,100,000 in each fiscal year shall be used to fund gifted education at educational service centers. Notwithstanding division (D)(5) of section 3317.018 of the Revised Code, the Department shall distribute the funding through the unit-based funding methodology in place under division (L) of section 3317.024, division (E) of section 3317.05, and divisions (A), (B), and (C) of section 3317.053 of the Revised Code as they existed prior to

fiscal year 2010.

Of the foregoing appropriation item 200550, Foundation Funding, up to \$10,000,000 in each fiscal year shall be used to provide additional state aid to school districts, joint vocational school districts, and community schools for special education students under division (C)(3) of section 3317.022 of the Revised Code, except that the Controlling Board may increase these amounts if presented with such a request from the Department of Education at the final meeting of the fiscal year; and up to \$2,000,000 in each fiscal year shall be reserved for Youth Services tuition payments under section 3317.024 of the Revised Code.

Of the foregoing appropriation item 200550, Foundation Funding, up to \$41,760,000 in fiscal year 2012 and up to \$35,496,000 in fiscal year 2013 shall be reserved to fund the state reimbursement of educational service centers under section 3317.11 of the Revised Code and the section of this act entitled "EDUCATIONAL SERVICE CENTERS FUNDING"; and up to \$3,545,752 in each fiscal year shall be distributed to educational service centers for School Improvement Initiatives. Educational service centers shall be required to support districts in the development and implementation of their continuous improvement plans as required in section 3302.04 of the Revised Code and to provide technical assistance and support in accordance with Title I of the "No Child Left Behind Act of 2001," 115 Stat. 1425, 20 U.S.C. 6317.

Of the foregoing appropriation item 200550, Foundation Funding, up to \$700,000 in each fiscal year shall be used by the Department of Education for a program to pay for educational services for youth who have been assigned by a juvenile court or other authorized agency to any of the facilities described in division (A) of the section of this act entitled "PRIVATE TREATMENT FACILITY PROJECT."

Of the foregoing appropriation item 200550, Foundation Funding, up to \$12,522,860 in each fiscal year shall be used to support the Cleveland school choice program.

Of the portion of the funds distributed to the Cleveland Municipal School District under this section, up to \$11,901,887 in each fiscal year shall be used to operate the school choice program in the Cleveland Municipal School District under sections 3313.974 to 3313.979 of the Revised Code. Notwithstanding divisions (B) and (C) of section 3313.978 and division (C) of section 3313.979 of the Revised Code, up to \$1,000,000 in each fiscal year of this amount shall be used by the Cleveland Municipal School District to provide tutorial assistance as provided in division (H) of section 3313.974 of the Revised Code. The Cleveland Municipal School District

shall report the use of these funds in the district's three-year continuous improvement plan as described in section 3302.04 of the Revised Code in a manner approved by the Department of Education.

Of the foregoing appropriation item 200550, Foundation Funding, an amount shall be available in each fiscal year to be paid to joint vocational school districts in accordance with the section of this act entitled "FUNDING FOR JOINT VOCATIONAL SCHOOL DISTRICTS."

Of the foregoing appropriation item 200550, Foundation Funding, a portion in each fiscal year shall be paid to city, exempted village, and local school districts in accordance with the section of this act entitled "SUPPLEMENTAL SCHOOL DISTRICT FUNDING."

Of the foregoing appropriation item 200550, Foundation Funding, a portion in each fiscal year shall be paid to school districts and community schools in accordance with the section of this act entitled "SUBSIDY FOR HIGH PERFORMING SCHOOL DISTRICTS."

The remainder of appropriation item 200550, Foundation Funding, shall be used to distribute the amounts calculated for formula aid under Section 267.30.50 of this act.

Appropriation items 200502, Pupil Transportation, 200540, Special Education Enhancements, and 200550, Foundation Funding, other than specific set-asides, are collectively used in each fiscal year to pay state formula aid obligations for school districts, community schools, STEM schools, and joint vocational school districts under this act. The first priority of these appropriation items, with the exception of specific set-asides, is to fund state formula aid obligations. It may be necessary to reallocate funds among these appropriation items or use excess funds from other general revenue fund appropriation items in the Department of Education's budget in each fiscal year, in order to meet state formula aid obligations. If it is determined that it is necessary to transfer funds among these appropriation items or to transfer funds from other General Revenue Fund appropriations in the Department of Education's budget to meet state formula aid obligations, the Department of Education shall seek approval from the Controlling Board to transfer funds as needed.

SECTION 267.30.50. FUNDING FOR CITY, EXEMPTED VILLAGE, AND LOCAL SCHOOL DISTRICTS

(A) For each of fiscal years 2012 and 2013, the Department of Education shall compute and pay operating funding for each city, exempted village, and local school district according to the following formula:

[(The final amount computed for fiscal year 2011 under

the line on the district's PASS form entitled "State Resources for the Foundation Funding Program" / the district's recalculated fiscal year 2011 formula ADM) X the district's current year formula ADM] - the district's adjustment amount

Where:

(1) "PASS form" means the form for calculating operating payments to school districts as prescribed by former section 3306.012 of the Revised Code.

(2) "Recalculated fiscal year 2011 formula ADM" means the district's average daily membership reported in October 2010 under division (A) of section 3317.03 of the Revised Code, as verified by the Superintendent of Public Instruction and adjusted if so ordered under division (K) of that section, and as further adjusted by the Department, as follows:

(a) Count only twenty per cent of the number of joint vocational school district students counted under division (A)(3) of section 3317.03 of the Revised Code;

(b) Add twenty per cent of the number of students who are entitled to attend school in the district under section 3313.64 or 3313.65 of the Revised Code and are enrolled in another school district under a career-technical educational compact.

(3) "Current year formula ADM" means the district's formula ADM for the current fiscal year as defined in section 3317.02 of the Revised Code.

(4) "The district's adjustment amount" means the amount computed under division (B)(5) of this section.

If the computation made under division (A) of this section results in a negative number, the district's funding under this section shall be zero.

(B) To make the computation required by division (A) of this section, the Department shall determine all of the following:

(1) Each district's charge-off valuation per pupil, which shall be the valuation used to determine the district's state share of the adequacy amount for fiscal year 2011, under former section 3306.13 of the Revised Code, divided by the district's recalculated fiscal year 2011 formula ADM;

(2) The statewide median charge-off valuation per pupil;

(3) Each district's charge-off valuation index, which shall be the district's charge-off valuation per pupil divided by the statewide median charge-off valuation per pupil;

(4) The statewide per pupil adjustment amount. The Department shall determine that amount so that the total statewide formula aid obligation for school districts does not exceed the aggregate amount appropriated for formula aid under line items 200502, 200550, and 200612.

(5) Each district's adjustment amount, which shall be the district's charge-off valuation index multiplied by the statewide per pupil adjustment amount multiplied by the district's current year formula ADM.

(C) On the form that the Department uses to compute funding for a school district in accordance with this section, the Department also shall indicate the amount of that funding allocated to special education and related services, the amount allocated to career-technical education, and the amount allocated to gifted education. The amounts allocated for special education and career-technical education shall be the amounts indicated on the PASS form for fiscal year 2011. Each school district that receives an allocation for career-technical education shall spend the funds only for purposes the Department of Education designates as approved for career-technical education expenses. Career-technical education expenses approved by the Department shall include only expenses connected to the delivery of career-technical programming to students enrolled in state-approved career-technical programs. If a school district informs the Department that it is unable to spend the full allocation on approved career-technical education expenses, the Department may reallocate the district's unexpended amount of the career-technical education allocation to other school districts. The overall funding levels calculated under division (A) of this section for districts affected by a reallocation under this division shall be adjusted accordingly. The Department shall first allocate the funds to school districts within the original school district's vocational education planning district that have growth in career-technical enrollment from the previous fiscal year. If there are no such districts, the Department shall allocate the funds to other school districts, with priority given to districts according to each district's growth in career-technical enrollment from the previous fiscal year. The amounts allocated to gifted education shall be the amounts districts received for gifted unit funding and supplemental identification funds in fiscal year 2009, either directly or through funds allocated to educational service centers. The Department shall require each school district to report data annually so that the Department may monitor and enforce the district's compliance with the requirements regarding the manner in which allocations for career-technical education and gifted education may be spent.

(D) For fiscal years 2012 and 2013, wherever a provision of law refers to payments or adjustments for a school district made in accordance with any section of Chapter 3317. of the Revised Code, that reference shall be construed to include payments or adjustments made under this section.

SECTION 267.30.53. SUPPLEMENTAL SCHOOL DISTRICT FUNDING

(A) For each of fiscal years 2012 and 2013, the Department of Education shall compute and pay supplemental operating funding for each city, exempted village, and local school district according to the following formula:

(The final amount computed for fiscal year 2011 under the line on the district's PASS form entitled "State Resources for the Foundation Funding Program" minus the portion of that amount paid from funds received under the American Recovery and Reinvestment Act State Fiscal Stabilization Fund) minus the amount computed for the district for the current fiscal year under Section 267.30.50 of this act.

(B) If the computation made under division (A) of this section results in a negative number, the district's funding under that division shall be zero.

SECTION 267.30.56. SUBSIDY FOR HIGH PERFORMING SCHOOL DISTRICTS

In addition to any other payments made under Sections 267.30.50 and 267.30.53 of this act or under Chapter 3317. of the Revised Code, for each of fiscal years 2012 and 2013, the Department of Education shall pay to each qualifying school district or community school, established under Chapter 3314. of the Revised Code, the amount prescribed by this section.

The Department shall pay to each school district or community school rated as "excellent with distinction" or "excellent" on the report card issued for the district or community school under sections 3302.03 and 3314.012 of the Revised Code for the prior school year an amount equal to \$17 times the district's current-year formula ADM, in the case of a school district, or the number of students in the community school's enrollment report for the current year, in the case of a community school.

As used in this section, "the number of students in the community school's enrollment report" means "the final number of students reported under divisions (B)(2)(a) and (b) of section 3314.08 of the Revised Code at the end of a fiscal year, as verified by the Department."

SECTION 267.30.60. FUNDING FOR JOINT VOCATIONAL SCHOOL DISTRICTS

The Department of Education shall distribute funds within appropriation

item 200550, Foundation Funding, for joint vocational funding in each fiscal year to each joint vocational school district that received joint vocational funding in fiscal year 2011. The Department shall distribute to each such district joint vocational funding in an amount equal to the district's total state foundation aid as reported on the final JVS payment report produced by the Department for the previous fiscal year.

The joint vocational funding for each fiscal year for each district is the amount specified in this section less any general revenue fund spending reductions ordered by the Governor under section 126.05 of the Revised Code.

SECTION 267.30.70. PROPERTY TAX ALLOCATION - EDUCATION

The Superintendent of Public Instruction shall not request, and the Controlling Board shall not approve, the transfer of appropriation from appropriation item 200901, Property Tax Allocation - Education, to any other appropriation item.

The appropriation item 200901, Property Tax Allocation - Education, is appropriated to pay for the state's costs incurred because of the homestead exemption, the property tax rollback, and payments required under division (C) of section 5705.2110 of the Revised Code. In cooperation with the Department of Taxation, the Department of Education shall distribute these funds directly to the appropriate school districts of the state, notwithstanding sections 321.24 and 323.156 of the Revised Code, which provide for payment of the homestead exemption and property tax rollback by the Tax Commissioner to the appropriate county treasurer and the subsequent redistribution of these funds to the appropriate local taxing districts by the county auditor.

Upon receipt of these amounts, each school district shall distribute the amount among the proper funds as if it had been paid as real or tangible personal property taxes. Payments for the costs of administration shall continue to be paid to the county treasurer and county auditor as provided for in sections 319.54, 321.26, and 323.156 of the Revised Code.

Any sums, in addition to the amount specifically appropriated in appropriation items 200901, Property Tax Allocation - Education, for the homestead exemption and the property tax rollback payments, and payments required under division (C) of section 5705.2110 of the Revised Code, which are determined to be necessary for these purposes, are hereby appropriated.

SECTION 267.30.80. TEACHER CERTIFICATION AND LICENSURE

The foregoing appropriation item 200681, Teacher Certification and Licensure, shall be used by the Department of Education in each year of the biennium to administer and support teacher certification and licensure activities.

SCHOOL DISTRICT SOLVENCY ASSISTANCE

(A) Of the foregoing appropriation item 200687, School District Solvency Assistance, \$20,000,000 in each fiscal year shall be allocated to the School District Shared Resource Account and \$5,000,000 in each fiscal year shall be allocated to the Catastrophic Expenditures Account. These funds shall be used to provide assistance and grants to school districts to enable them to remain solvent under section 3316.20 of the Revised Code. Assistance and grants shall be subject to approval by the Controlling Board. Except as provided under division (C) of this section, any required reimbursements from school districts for solvency assistance shall be made to the appropriate account in the School District Solvency Assistance Fund (Fund 5H30).

(B) Notwithstanding any provision of law to the contrary, upon the request of the Superintendent of Public Instruction, the Director of Budget and Management may make transfers to the School District Solvency Assistance Fund (Fund 5H30) from any fund used by the Department of Education or the General Revenue Fund to maintain sufficient cash balances in Fund 5H30 in fiscal years 2012 and 2013. Any cash transferred is hereby appropriated. The transferred cash may be used by the Department of Education to provide assistance and grants to school districts to enable them to remain solvent and to pay unforeseeable expenses of a temporary or emergency nature that the school district is unable to pay from existing resources. The Director of Budget and Management shall notify the members of the Controlling Board of any such transfers.

(C) If the cash balance of the School District Solvency Assistance Fund (Fund 5H30) is insufficient to pay solvency assistance in fiscal years 2012 and 2013, at the request of the Superintendent of Public Instruction, and with the approval of the Controlling Board, the Director of Budget and Management may transfer cash from the Lottery Profits Education Reserve Fund (Fund 7018) to Fund 5H30 to provide assistance and grants to school districts to enable them to remain solvent and to pay unforeseeable expenses of a temporary nature that they are unable to pay from existing resources under section 3316.20 of the Revised Code. Such transfers are hereby appropriated to appropriation item 200670, School District Solvency

Assistance – Lottery. Any required reimbursements from school districts for solvency assistance granted from appropriation item 200670, School District Solvency Assistance – Lottery, shall be made to Fund 7018.

SECTION 267.30.90. SCHOOLS MEDICAID ADMINISTRATIVE CLAIMS

Upon the request of the Superintendent of Public Instruction, the Director of Budget and Management may transfer up to \$639,000 cash in each fiscal year from the General Revenue Fund to the Schools Medicaid Administrative Claims Fund (Fund 3AF0). The transferred cash is to be used by the Department of Education to pay the expenses the Department incurs in administering the Medicaid School Component of the Medicaid program established under sections 5111.71 to 5111.715 of the Revised Code. On June 1 of each fiscal year, or as soon as possible thereafter, the Director of Budget and Management shall transfer cash from Fund 3AF0 back to the General Revenue Fund in an amount equal to the total amount transferred to Fund 3AF0 in that fiscal year.

The money deposited into Fund 3AF0 under division (B) of section 5111.714 of the Revised Code is hereby appropriated for fiscal years 2012 and 2013 and shall be used in accordance with division (D) of section 5111.714 of the Revised Code.

SECTION 267.40.10. HALF-MILL MAINTENANCE EQUALIZATION

The foregoing appropriation item 200626, Half-Mill Maintenance Equalization, shall be used to make payments pursuant to section 3318.18 of the Revised Code.

SECTION 267.40.20. AUXILIARY SERVICES REIMBURSEMENT

Notwithstanding section 3317.064 of the Revised Code, if the unexpended, unencumbered cash balance is sufficient, the Treasurer of State shall transfer \$1,500,000 in fiscal year 2012 within thirty days after the effective date of this section, and \$1,500,000 in fiscal year 2013 by August 1, 2012, from the Auxiliary Services Personnel Unemployment Compensation Fund to the Auxiliary Services Reimbursement Fund (Fund 5980) used by the Department of Education.

SECTION 267.40.30. LOTTERY PROFITS EDUCATION FUND

Appropriation item 200612, Foundation Funding (Fund 7017), shall be

used in conjunction with appropriation item 200550, Foundation Funding (GRF), to provide state foundation payments to school districts.

The Department of Education, with the approval of the Director of Budget and Management, shall determine the monthly distribution schedules of appropriation item 200550, Foundation Funding (GRF), and appropriation item 200612, Foundation Funding (Fund 7017). If adjustments to the monthly distribution schedule are necessary, the Department of Education shall make such adjustments with the approval of the Director of Budget and Management.

SECTION 267.40.40. LOTTERY PROFITS EDUCATION RESERVE FUND

(A) There is hereby created the Lottery Profits Education Reserve Fund (Fund 7018) in the State Treasury. Investment earnings of the Lottery Profits Education Reserve Fund shall be credited to the fund.

(B) Notwithstanding any other provision of law to the contrary, the Director of Budget and Management may transfer cash from Fund 7018 to the Lottery Profits Education Fund (Fund 7017) in fiscal year 2012 and fiscal year 2013. Amounts transferred under this section are hereby appropriated.

(C) On July 15, 2011, or as soon as possible thereafter, the Director of the Ohio Lottery Commission shall certify to the Director of Budget and Management the amount by which lottery profit transfers received by Fund 7017 exceeded \$711,000,000 in fiscal year 2011. The Director of Budget and Management may transfer the amount so certified, plus the cash balance in Fund 7017, to Fund 7018.

(D) On July 15, 2012, or as soon as possible thereafter, the Director of the Ohio Lottery Commission shall certify to the Director of Budget and Management the amount by which lottery profit transfers received by Fund 7017 exceeded \$717,500,000 in fiscal year 2012. The Director of Budget and Management may transfer the amount so certified, plus the cash balance in Fund 7017, to Fund 7018.

SECTION 267.40.50. GENERAL REVENUE FUND TRANSFERS TO SCHOOL DISTRICT PROPERTY TAX REPLACEMENT - BUSINESS (FUND 7047)

Notwithstanding any provision of law to the contrary, in fiscal year 2012 and fiscal year 2013 the Director of Budget and Management may make temporary transfers between the General Revenue Fund and the

School District Property Tax Replacement – Business Fund (Fund 7047) in the Department of Education to ensure sufficient balances in Fund 7047 and to replenish the General Revenue Fund for such transfers.

SECTION 267.40.60. SCHOOL DISTRICT PROPERTY TAX REPLACEMENT - BUSINESS

The foregoing appropriation item 200909, School District Property Tax Replacement – Business, shall be used by the Department of Education, in consultation with the Department of Taxation, to make payments to school districts and joint vocational school districts under section 5751.21 of the Revised Code. If it is determined by the Director of Budget and Management that additional appropriations are necessary for this purpose, such amounts are hereby appropriated.

SCHOOL DISTRICT PROPERTY TAX REPLACEMENT - UTILITY

The foregoing appropriation item 200900, School District Property Tax Replacement-Utility, shall be used by the Department of Education, in consultation with the Department of Taxation, to make payments to school districts and joint vocational school districts under section 5727.85 of the Revised Code. If it is determined by the Director of Budget and Management that additional appropriations are necessary for this purpose, such amounts are hereby appropriated.

DISTRIBUTION FORMULAS

The Department of Education shall report the following to the Director of Budget and Management and the Legislative Service Commission:

(A) Changes in formulas for distributing state appropriations, including administratively defined formula factors;

(B) Discretionary changes in formulas for distributing federal appropriations;

(C) Federally mandated changes in formulas for distributing federal appropriations.

Any such changes shall be reported two weeks prior to the effective date of the change.

SECTION 267.40.70. EDUCATIONAL SERVICE CENTERS FUNDING

In fiscal year 2012, each Educational Service Center shall receive funding equal to ninety per cent of the amount received in fiscal year 2011 under section 3317.11 of the Revised Code and Section 265.50.10 of Am. Sub. H.B. 1 of the 128th General Assembly.

In fiscal year 2013, each Educational Service Center shall receive

funding equal to eighty-five per cent of the amount received in fiscal year 2012 under this section.

Notwithstanding any provision of law to the contrary, the Department of Education shall modify the payments under this section as follows:

(A) If an educational service center ceases operation, the Department shall redistribute that center's funding, as calculated under this section, to the remaining centers in proportion to each center's service center ADM as defined in section 3317.11 of the Revised Code.

(B) If two or more educational service centers merge operations to create a single service center, the Department shall distribute the sum of the original service centers' funding, as calculated under this section, to the new service center.

SECTION 267.40.80. PRIVATE TREATMENT FACILITY PROJECT

(A) As used in this section:

(1) The following are "participating residential treatment centers":

(a) Private residential treatment facilities that have entered into a contract with the Department of Youth Services to provide services to children placed at the facility by the Department and which, in fiscal year 2012 or fiscal year 2013 or both, the Department pays through appropriation item 470401, RECLAIM Ohio;

(b) Abraxas, in Shelby;

(c) Paint Creek, in Bainbridge;

(d) F.I.R.S.T., in Mansfield.

(2) "Education program" means an elementary or secondary education program or a special education program and related services.

(3) "Served child" means any child receiving an education program pursuant to division (B) of this section.

(4) "School district responsible for tuition" means a city, exempted village, or local school district that, if tuition payment for a child by a school district is required under law that existed in fiscal year 1998, is the school district required to pay that tuition.

(5) "Residential child" means a child who resides in a participating residential treatment center and who is receiving an educational program under division (B) of this section.

(B) A youth who is a resident of the state and has been assigned by a juvenile court or other authorized agency to a residential treatment facility specified in division (A) of this section shall be enrolled in an approved educational program located in or near the facility. Approval of the educational program shall be contingent upon compliance with the criteria

established for such programs by the Department of Education. The educational program shall be provided by a school district or educational service center, or by the residential facility itself. Maximum flexibility shall be given to the residential treatment facility to determine the provider. In the event that a voluntary agreement cannot be reached and the residential facility does not choose to provide the educational program, the educational service center in the county in which the facility is located shall provide the educational program at the treatment center to children under twenty-two years of age residing in the treatment center.

(C) Any school district responsible for tuition for a residential child shall, notwithstanding any conflicting provision of the Revised Code regarding tuition payment, pay tuition for the child for fiscal year 2012 and fiscal year 2013 to the education program provider and in the amount specified in this division. If there is no school district responsible for tuition for a residential child and if the participating residential treatment center to which the child is assigned is located in the city, exempted village, or local school district that, if the child were not a resident of that treatment center, would be the school district where the child is entitled to attend school under sections 3313.64 and 3313.65 of the Revised Code, that school district, notwithstanding any conflicting provision of the Revised Code, shall pay tuition for the child for fiscal year 2012 and fiscal year 2013 under this division unless that school district is providing the educational program to the child under division (B) of this section.

A tuition payment under this division shall be made to the school district, educational service center, or residential treatment facility providing the educational program to the child.

The amount of tuition paid shall be:

(1) The amount of tuition determined for the district under division (A) of section 3317.08 of the Revised Code;

(2) In addition, for any student receiving special education pursuant to an individualized education program as defined in section 3323.01 of the Revised Code, a payment for excess costs. This payment shall equal the actual cost to the school district, educational service center, or residential treatment facility of providing special education and related services to the student pursuant to the student's individualized education program, minus the tuition paid for the child under division (C)(1) of this section.

A school district paying tuition under this division shall not include the child for whom tuition is paid in the district's average daily membership certified under division (A) of section 3317.03 of the Revised Code.

(D) In each of fiscal years 2012 and 2013, the Department of Education