

any succeeding fiscal years that the certificate must cover.

The certificate shall be signed by the treasurer and president of the board of education and the superintendent of the school district, unless the district is in a state of fiscal emergency declared under Chapter 3316. of the Revised Code. In that case, the certificate shall be signed by a member of the district's financial planning and supervision commission who is designated by the commission for this purpose.

(2) In lieu of the certificate required under division (B) of this section, an alternative certificate stating the following may be attached:

(a) The contract is a multi-year contract for materials, equipment, or nonpayroll services essential to the education program of the district;

(b) The multi-year contract demonstrates savings over the duration of the contract as compared to costs that otherwise would have been demonstrated in a single year contract, and the terms will allow the district to reduce the deficit it is currently facing in future years as demonstrated in its five-year forecast adopted in accordance with section 5705.391 of the Revised Code.

The certificate shall be signed by the treasurer and president of the board of education and the superintendent of the school district, unless the district is in a state of fiscal emergency declared under Chapter 3316. of the Revised Code. In that case, the certificate shall be signed by a member of the district's financial planning and supervision commission who is designated by the commission for this purpose.

(C) Every qualifying contract made or wage or salary schedule adopted or put into effect without such a certificate shall be void, and no payment of any amount due thereon shall be made.

(D) The department of education and workforce and the auditor of state jointly shall adopt rules governing the methods by which treasurers, presidents of boards of education, superintendents, and members of financial planning and supervision commissions shall estimate revenue and determine whether such revenue is sufficient to provide necessary operating revenue for the purpose of making certifications required by this section.

(E) The auditor of state shall be responsible for determining whether school districts are in compliance with this section. At the time a school district is audited pursuant to section 117.11 of the Revised Code, the auditor of state shall review each certificate issued under this section since the district's last audit, and the appropriation measure, contract, or wage and salary schedule to which such certificate was attached. If the auditor of state determines that a school district has not complied with this section with respect to any qualifying contract or wage or salary schedule, the auditor of

state shall notify the prosecuting attorney for the county, the city director of law, or other chief law officer of the school district. That officer may file a civil action in any court of appropriate jurisdiction to seek a declaration that the contract or wage or salary schedule is void, to recover for the school district from the payee the amount of payments already made under it, or both, except that the officer shall not seek to recover payments made under any collective bargaining agreement entered into under Chapter 4117. of the Revised Code. If the officer does not file such an action within one hundred twenty days after receiving notice of noncompliance from the auditor of state, any taxpayer may institute the action in the taxpayer's own name on behalf of the school district.

(F) This section does not apply to any contract or increase in any wage or salary schedule that is necessary in order to enable a board of education to comply with division (B) of section 3317.13 of the Revised Code, provided the contract or increase does not exceed the amount required to be paid to be in compliance with such division.

(G) Any officer, employee, or other person who expends or authorizes the expenditure of any public funds or authorizes or executes any contract or schedule contrary to this section, expends or authorizes the expenditure of any public funds on the void contract or schedule, or issues a certificate under this section which contains any false statements is liable to the school district for the full amount paid from the district's funds on the contract or schedule. The officer, employee, or other person is jointly and severally liable in person and upon any official bond that the officer, employee, or other person has given to the school district to the extent of any payments on the void claim, not to exceed ten thousand dollars. However, no officer, employee, or other person shall be liable for a mistaken estimate of available resources made in good faith and based upon reasonable grounds. If an officer, employee, or other person is found to have complied with rules jointly adopted by the department of education and workforce and the auditor of state under this section governing methods by which revenue shall be estimated and determined sufficient to provide necessary operating revenue for the purpose of making certifications required by this section, the officer, employee, or other person shall not be liable under this section if the estimates and determinations made according to those rules do not, in fact, conform with actual revenue. The prosecuting attorney of the county, the city director of law, or other chief law officer of the district shall enforce this liability by civil action brought in any court of appropriate jurisdiction in the name of and on behalf of the school district. If the prosecuting attorney, city director of law, or other chief law officer of the district fails,

upon the written request of any taxpayer, to institute action for the enforcement of the liability, the attorney general, or the taxpayer in the taxpayer's own name, may institute the action on behalf of the subdivision.

(H) This section does not require the attachment of an additional certificate beyond that required by section 5705.41 of the Revised Code for current payrolls of, or contracts of employment with, any employees or officers of the school district.

This section does not require the attachment of a certificate to a temporary appropriation measure if all of the following apply:

(1) The amount appropriated does not exceed twenty-five per cent of the total amount from all sources available for expenditure from any fund during the preceding fiscal year;

(2) The measure will not be in effect on or after the thirtieth day following the earliest date on which the district may pass an annual appropriation measure;

(3) An amended official certificate of estimated resources for the current year, if required, has not been certified to the board of education under division (B) of section 5705.36 of the Revised Code.

Sec. 5709.07. (A) The following property shall be exempt from taxation:

(1) Real property used by a school for primary or secondary educational purposes, including only so much of the land as is necessary for the proper occupancy, use, and enjoyment of such real property by the school for primary or secondary educational purposes. The exemption under division (A)(1) of this section does not apply to any portion of the real property not used for primary or secondary educational purposes.

For purposes of division (A)(1) of this section:

(a) "School" means a public or nonpublic school. "School" excludes home ~~instruction~~ education as authorized under section ~~3321.04~~ 3321.042 of the Revised Code.

(b) "Public school" includes schools of a school district, STEM schools established under Chapter 3326. of the Revised Code, community schools established under Chapter 3314. of the Revised Code, and educational service centers established under section 3311.05 of the Revised Code.

(c) "Nonpublic school" means a nonpublic school for which the ~~state board~~ director of education and workforce has issued a charter pursuant to section 3301.16 of the Revised Code and prescribes minimum standards under division (D)(2) of section 3301.07 of the Revised Code.

(2) Houses used exclusively for public worship, the books and furniture in them, and the ground attached to them that is not leased or otherwise used

with a view to profit and that is necessary for their proper occupancy, use, and enjoyment;

(3) Real property owned and operated by a church that is used primarily for church retreats or church camping, and that is not used as a permanent residence. Real property exempted under division (A)(3) of this section may be made available by the church on a limited basis to charitable and educational institutions if the property is not leased or otherwise made available with a view to profit.

(4) Public colleges and academies and all buildings connected with them, and all lands connected with public institutions of learning, not used with a view to profit, including those buildings and lands that satisfy all of the following:

(a) The buildings are used for housing for full-time students or housing-related facilities for students, faculty, or employees of a state university, or for other purposes related to the state university's educational purpose, and the lands are underneath the buildings or are used for common space, walkways, and green spaces for the state university's students, faculty, or employees. As used in this division, "housing-related facilities" includes both parking facilities related to the buildings and common buildings made available to students, faculty, or employees of a state university. The leasing of space in housing-related facilities shall not be considered an activity with a view to profit for purposes of division (A)(4) of this section.

(b) The buildings and lands are supervised or otherwise under the control, directly or indirectly, of an organization that is exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code of 1986, 100 Stat. 2085, 26 U.S.C. 1, as amended, and the state university has entered into a qualifying joint use agreement with the organization that entitles the students, faculty, or employees of the state university to use the lands or buildings;

(c) The state university has agreed, under the terms of the qualifying joint use agreement with the organization described in division (A)(4)(b) of this section, that the state university, to the extent applicable under the agreement, will make payments to the organization in amounts sufficient to maintain agreed-upon debt service coverage ratios on bonds related to the lands or buildings.

(B) This section shall not extend to leasehold estates or real property held under the authority of a college or university of learning in this state; but leaseholds, or other estates or property, real or personal, the rents, issues, profits, and income of which is given to a municipal corporation, school

district, or subdistrict in this state exclusively for the use, endowment, or support of schools for the free education of youth without charge shall be exempt from taxation as long as such property, or the rents, issues, profits, or income of the property is used and exclusively applied for the support of free education by such municipal corporation, district, or subdistrict. Division (B) of this section shall not apply with respect to buildings and lands that satisfy all of the requirements specified in divisions (A)(4)(a) to (c) of this section.

(C) For purposes of this section, if the requirements specified in divisions (A)(4)(a) to (c) of this section are satisfied, the buildings and lands with respect to which exemption is claimed under division (A)(4) of this section shall be deemed to be used with reasonable certainty in furthering or carrying out the necessary objects and purposes of a state university.

(D) As used in this section:

(1) "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 for the private profit of any person.

(2) "State university" has the same meaning as in section 3345.011 of the Revised Code.

(3) "Qualifying joint use agreement" means an agreement that satisfies all of the following:

(a) The agreement was entered into before June 30, 2004;

(b) The agreement is between a state university and an organization that is exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code of 1986, 100 Stat. 2085, 26 U.S.C. 1, as amended; and

(c) The state university that is a party to the agreement reported to the ~~Ohio board~~ chancellor of ~~regents~~ higher education that the university maintained a headcount of at least twenty-five thousand students on its main campus during the academic school year that began in calendar year 2003 and ended in calendar year 2004.

Sec. 5709.92. (A) As used in this section:

(1) "School district" means a city, local, or exempted village school district.

(2) "Joint vocational school district" means a joint vocational school district created under section 3311.16 of the Revised Code, and includes a cooperative education school district created under section 3311.52 or 3311.521 of the Revised Code and a county school financing district created under section 3311.50 of the Revised Code.

(3) "Total resources" means the sum of the amounts described in divisions (A)(3)(a) to (g) of this section less any reduction required under division (C)(3)(a) of this section.

(a) The state education aid for fiscal year 2015;

(b) The sum of the payments received in fiscal year 2015 for current expense levy losses under division (C)(3) of section 5727.85 and division (C)(12) of section 5751.21 of the Revised Code, as they existed at that time, 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 2015 under division (F)(1) of section 5727.85 and division (E)(1) of section 5751.21 of the Revised Code, as they existed at that time, for fixed-sum levies charged and payable for a purpose other than paying debt charges;

(d) The 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 2014, including taxes charged and payable from emergency levies charged and payable under sections 5705.194 to 5705.197 of the Revised Code, excluding taxes levied for joint vocational school district purposes or levied under section 5705.23 of the Revised Code;

(e) The amount certified for fiscal year 2015 under division (A)(2) of section 3317.08 of the Revised Code;

(f) Distributions received during calendar year 2014 from taxes levied under section 718.09 of the Revised Code;

(g) Distributions received during fiscal year 2015 from the gross casino revenue county student fund.

(4)(a) "State education aid" for a school district means the sum of state amounts computed for the district under sections 3317.022 and 3317.0212 of the Revised Code after any amounts are added or subtracted under Section 263.240 of Am. Sub. H.B. 59 of the 130th general assembly, entitled "TRANSITIONAL AID FOR CITY, LOCAL, AND EXEMPTED VILLAGE SCHOOL DISTRICTS."

(b) "State education aid" for a joint vocational district means the amount computed for the district under section 3317.16 of the Revised Code after any amounts are added or subtracted under Section 263.250 of Am. Sub. H.B. 59 of the 130th general assembly, entitled "TRANSITIONAL AID FOR JOINT VOCATIONAL SCHOOL DISTRICTS."

(5) "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.

(6) "Capacity quintile" means the capacity measure quintiles determined under division (B) of this section.

(7) "Threshold per cent" means the following:

(a) For a school district in the lowest capacity quintile, one per cent for fiscal year 2016 and two per cent for fiscal year 2017.

(b) For a school district in the second lowest capacity quintile, one and one-fourth per cent for fiscal year 2016 and two and one-half per cent for fiscal year 2017.

(c) For a school district in the third lowest capacity quintile, one and one-half per cent for fiscal year 2016 and three per cent for fiscal year 2017.

(d) For a school district in the second highest capacity quintile, one and three-fourths per cent for fiscal year 2016 and three and one-half per cent for fiscal year 2017.

(e) For a school district in the highest capacity quintile, two per cent for fiscal year 2016 and four per cent for fiscal year 2017.

(f) For a joint vocational school district, two per cent for fiscal year 2016 and four per cent for fiscal year 2017.

(8) "Current expense allocation" means the sum of the payments received by a school district or joint vocational school district in fiscal year 2015 for current expense levy losses under division (C)(3) of section 5727.85 and division (C)(12) of section 5751.21 of the Revised Code as they existed at that time, less any reduction required under division (C)(3)(b) of this section.

(9) "Non-current expense allocation" means the sum of the payments received by a school district or joint vocational school district in fiscal year 2015 for levy losses under division (C)(3)(c) of section 5727.85 and division (C)(12)(c) of section 5751.21 of the Revised Code, as they existed at that time, and levy losses in fiscal year 2015 under division (H) of section 5727.84 of the Revised Code as that section existed at that time attributable to levies for and payments received for losses on levies intended to generate money for maintenance of classroom facilities.

(10) "Operating TPP fixed-sum levy losses" means the sum of payments received by a school district in fiscal year 2015 for levy losses under division (E) of section 5751.21 of the Revised Code, excluding levy losses for debt purposes.

(11) "Operating S.B. 3 fixed-sum levy losses" means the sum of payments received by the school district in fiscal year 2015 for levy losses under division (H) of section 5727.84 of the Revised Code, excluding levy losses for debt purposes.

(12) "TPP fixed-sum debt levy losses" means the sum of payments received by a school district in fiscal year 2015 for levy losses under division (E) of section 5751.21 of the Revised Code for debt purposes.

(13) "S.B. 3 fixed-sum debt levy losses" means the sum of payments received by the school district in fiscal year 2015 for levy losses under division (H) of section 5727.84 of the Revised Code for debt purposes.

(14) "Qualifying levies" means qualifying levies described in section 5751.20 of the Revised Code as that section was in effect before July 1, 2015.

(15) "Total taxable value" has the same meaning as in section 3317.02 of the Revised Code.

(B) The department of education and workforce shall rank all school districts in the order of districts' capacity measures determined under former section 3317.018 of the Revised Code from lowest to highest, and divide such ranking into quintiles, with the first quintile containing the twenty per cent of school districts having the lowest capacity measure and the fifth quintile containing the twenty per cent of school districts having the highest capacity measure. This calculation and ranking shall be performed once, in fiscal year 2016.

(C)(1) In fiscal year 2016, payments shall be made to school districts and joint vocational school districts equal to the sum of the amounts described in divisions (C)(1)(a) or (b) and (C)(1)(c) of this section. In fiscal year 2017, payments shall be made to school districts and joint vocational school districts equal to the amount described in division (C)(1)(a) or (b) of this section.

(a) If the ratio of the current expense allocation to total resources is equal to or less than the district's threshold percent, zero;

(b) If the ratio of the current expense allocation to total resources is greater than the district's threshold per cent, the difference between the current expense allocation and the product of the threshold percentage and total resources;

(c) For fiscal year 2016, the product of the non-current expense allocation multiplied by fifty per cent.

(2) In fiscal year 2018 and subsequent fiscal years, payments shall be made to school districts and joint vocational school districts equal to the difference obtained by subtracting the amount described in division (C)(2)(b) of this section from the amount described in division (C)(2)(a) of this section, provided that such amount is greater than zero.

(a) The sum of the payments received by the district under division (C)(1)(b) or (C)(2) of this section for the immediately preceding fiscal year;

(b) One-sixteenth of one per cent of the average of the total taxable value of the district for tax years 2014, 2015, and 2016.

(3)(a) "Total resources" used to compute payments under division (C)(1) of this section shall be reduced to the extent that payments distributed in fiscal year 2015 were attributable to levies no longer charged and payable for tax year 2014.

(b) "Current expense allocation" used to compute payments under division (C)(1) of this section shall be reduced to the extent that the payments distributed in fiscal year 2015 were attributable to levies no longer charged and payable for tax year 2014.

(4) The department of education and workforce shall report to each school district and joint vocational school district the apportionment of the payments under division (C)(1) of this section among the district's funds based on qualifying levies.

(D)(1) Payments in the following amounts shall be made to school districts and joint vocational school districts in tax years 2016 through 2021:

(a) In tax year 2016, the sum of the district's operating TPP fixed-sum levy losses and operating S.B. 3 fixed-sum levy losses.

(b) In tax year 2017, the sum of the district's operating TPP fixed-sum levy losses and eighty per cent of operating S.B. 3 fixed-sum levy losses.

(c) In tax year 2018, the sum of eighty per cent of the district's operating TPP fixed-sum levy losses and sixty per cent of its operating S.B. 3 fixed-sum levy losses.

(d) In tax year 2019, the sum of sixty per cent of the district's operating TPP fixed-sum levy losses and forty per cent of its operating S.B. 3 fixed-sum levy losses.

(e) In tax year 2020, the sum of forty per cent of the district's operating TPP fixed-sum levy losses and twenty per cent of its operating S.B. 3 fixed-sum levy losses.

(f) In tax year 2021, twenty per cent of the district's operating TPP fixed-sum levy losses.

No payment shall be made under division (D)(1) of this section after tax year 2021.

(2) Amounts are payable under division (D) of this section for fixed-sum levy losses only to the extent of such losses for qualifying levies that remain in effect for the current tax year. For this purpose, a qualifying levy levied under section 5705.194 or 5705.213 of the Revised Code remains in effect for the current tax year only if a tax levied under either of those sections is charged and payable for the current tax year for an annual sum at least equal to the annual sum levied by the board of education for tax

year 2004 under those sections less the amount of the payment under this division.

(E)(1) For fixed-sum levies for debt purposes, payments shall be made to school districts and joint vocational school districts equal to one hundred per cent of the district's fixed-sum levy loss determined under division (E) of section 5751.20 and division (H) of section 5727.84 of the Revised Code as in effect before July 1, 2015, and paid in tax year 2014. No payment shall be made for qualifying levies that are no longer charged and payable.

(2) Beginning in 2016, by the thirty-first day of January of each year, the tax commissioner shall review the calculation of fixed-sum levy loss for debt purposes determined under division (E) of section 5751.20 and division (H) of section 5727.84 of the Revised Code as in effect before July 1, 2015. If the commissioner determines that a fixed-sum levy that had been scheduled to be reimbursed in the current year is no longer charged and payable, a revised calculation for that year and all subsequent years shall be made.

(F)(1) For taxes levied within the ten-mill limitation for debt purposes in tax year 1998 in the case of electric company tax value losses, and in tax year 1999 in the case of natural gas company tax value losses, payments shall be made to school districts and joint vocational school districts equal to one hundred per cent of the loss computed under division (D) of section 5727.85 of the Revised Code as in effect before July 1, 2015, as if the tax were a fixed-rate levy, but those payments shall extend through fiscal year 2016.

(2) For taxes levied within the ten-mill limitation for debt purposes in tax year 2005, payments shall be made to school districts and joint vocational school districts equal to one hundred per cent of the loss computed under division (D) of section 5751.21 of the Revised Code as in effect before July 1, 2015, as if the tax were a fixed-rate levy, but those payments shall extend through fiscal year 2018.

(G) If all 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 and workforce, 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, fixed-sum levy losses, total resources, current expense allocation, and non-current expense allocation of the successor district shall be the sum of 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 the total resources, current expense allocation, and non-current expense allocation that shall be transferred to the recipient district shall be an amount equal to the total resources, current expense allocation, and non-current expense allocation of the transferor district times a fraction, the numerator of which is the number of pupils being transferred to the recipient district, measured, in the case of a school district, by formula ADM as defined in section 3317.02 of the Revised Code or, in the case of a joint vocational school district, by formula ADM as defined for a joint vocational school district in that section, and the denominator of which is the formula ADM of the transferor district.

(3) After December 31, 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 total resources, current expense allocation, total allocation, or non-current expense allocation.

(4) If the recipient district under division (G)(2) of this section or the newly created district under division (G)(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 and workforce, in consultation with the tax commissioner, shall make an equitable division of the reimbursements for those losses.

(H) The payments required by divisions (C), (D), (E), (F), and (I) of this section shall be distributed periodically to each school and joint vocational school district by the department of education and workforce unless otherwise provided for. Except as provided in division (D) of this section, if a levy that is a qualifying levy is not charged and payable in any year after 2014, payments to the school district or joint vocational school district shall be reduced to the extent that the payments distributed in fiscal year 2015 were attributable to the levy loss of that levy.

(I) For fiscal years 2022 through 2026, if the total amount to be received under divisions (C) and (E) of this section by any school district that has a nuclear power plant located within its territory is less than the amount the district received under this section in fiscal year 2017, the district shall receive a supplemental payment equal to the difference between the amount to be received under those divisions for the fiscal year and the amount received under this section in fiscal year 2017.

Sec. 5715.26. (A)(1) Upon receiving the statement required by section 5715.25 of the Revised Code, the county auditor shall forthwith add to or

deduct from each tract, lot, or parcel of real property or class of real property the required percentage or amount of the valuation thereof, adding or deducting any sum less than five dollars so that the value of any separate tract, lot, or parcel of real property shall be ten dollars or some multiple thereof.

(2) After making the additions or deductions required by this section, the auditor shall transmit to the tax commissioner the appropriate adjusted abstract of the real property of each taxing district in the auditor's county in which an adjustment was required.

(3) If the commissioner increases or decreases the aggregate value of the real property or any class thereof in any county or taxing district thereof and does not receive within ninety days thereafter an adjusted abstract conforming to its statement for such county or taxing district therein, the commissioner shall withhold from such county or taxing district therein fifty per cent of its share in the distribution of state revenues to local governments pursuant to sections 5747.50 to 5747.55 of the Revised Code and shall direct the department of education and workforce to withhold therefrom fifty per cent of state revenues to school districts pursuant to Chapter 3317. of the Revised Code. The commissioner shall withhold the distribution of such funds until such county auditor has complied with this division, and the department shall withhold the distribution of such funds until the commissioner has notified the department that such county auditor has complied with this division.

(B)(1) If the commissioner's determination is appealed under section 5715.251 of the Revised Code, the county auditor, treasurer, and all other officers shall forthwith proceed with the levy and collection of the current year's taxes in the manner prescribed by law. The taxes shall be determined and collected as if the commissioner had determined under section 5715.24 of the Revised Code that the real property and the various classes thereof in the county as shown in the auditor's abstract were assessed for taxation and the true and agricultural use values were recorded on the agricultural land tax list as required by law.

(2) If as a result of the appeal to the board it is finally determined either that all real property and the various classes thereof have not been assessed as required by law or that the values set forth in the agricultural land tax list do not correctly reflect the true and agricultural use values of the lands contained therein, the county auditor shall forthwith add to or deduct from each tract, lot, or parcel of real property or class of real property the required percentage or amount of the valuation in accordance with the order of the board or judgment of the court to which the board's order was appealed, and

the taxes on each tract, lot, or parcel and the percentages required by section 319.301 of the Revised Code shall be recomputed using the valuation as finally determined. The order or judgment making the final determination shall prescribe the time and manner for collecting, crediting, or refunding the resultant increases or decreases in taxes.

Sec. 5715.34. (A) When a reassessment of all real property, or any class of property, situated in the county, township, municipal corporation, or other taxing district is ordered by the tax commissioner, the county auditor, within sixty days of the receipt of such order, shall commence the reassessment in the manner provided by law and by rules prescribed and issued by the commissioner.

(B) If a county auditor determines to reassess all real property situated in the county prior to the time ~~he~~ the auditor is ordered to do so in compliance with section 5713.01 of the Revised Code and division (A) of this section, certifies to the tax commissioner that ~~he~~ the auditor has sufficient moneys available to do so, and requests the commissioner to order the reassessment at a date earlier than would otherwise be required, the commissioner shall issue an order to the auditor to do so. The auditor shall commence the reassessment in the manner provided by law and by rules adopted by the commissioner, within sixty days after receiving the order.

(C) If the county auditor refuses, neglects, or fails to commence a reassessment within sixty days after receiving such order, or refuses, neglects, or fails to complete the reassessment within the time limit prescribed and set forth in such order, the tax commissioner shall withhold from such county its share in the distribution of state revenue to local government pursuant to section 5747.50 of the Revised Code and shall direct the department of education and workforce to withhold therefrom its share in the distribution of state revenue to school districts pursuant to Title XXXIII of the Revised Code. The commissioner shall withhold the distribution of such funds until such county auditor has complied with all the provisions of this section, and the department shall withhold the distribution of such funds until the commissioner has notified the department that such auditor has complied with all of the provisions of this section.

Sec. 5747.057. (A) As used in this section:

(1) "Eligible employee" means an employee who is nineteen years of age or younger and enrolled in a career-technical education program approved under section 3317.161 of the Revised Code.

(2) "Eligible compensation" means compensation paid on and after ~~the effective date of this section~~ March 23, 2022, from which the employer is

required to deduct and withhold income tax under section 5747.06 of the Revised Code.

(B) A nonrefundable credit is allowed against a taxpayer's aggregate tax liability under section 5747.02 of the Revised Code for a taxpayer that holds a tax credit certificate issued under this section. The credit equals the amount listed on the certificate and shall be claimed for the taxable year that includes the last day of the calendar year for which the certificate was issued. The credit shall be claimed in the order required under section 5747.98 of the Revised Code.

(C) An employer that is a taxpayer or a pass-through entity and that employs an eligible employee in fulfillment of a work-based learning experience, internship, or cooperative education program associated with the career-technical education program in which the eligible employee is enrolled may apply to the department of education and workforce for a tax credit certificate. The application shall be made on forms prescribed by the department, in consultation with the tax commissioner, on or after the first day of January and on or before the first day of February of each year. The application shall include all of the following information for the calendar year preceding the year in which the application is made:

(1) The amount of eligible compensation paid by the applicant to each of its eligible employees;

(2) The name, birth date, and social security number of each eligible employee employed by the applicant;

(3) The career-technical education program in which each eligible employee is enrolled;

(4) A description of each eligible employee's duties as part of the employee's work-based learning experience, internship, or cooperative education program;

(5) Any other information requested by the department.

(D)(1) After determining that the applicant satisfies the conditions described in division (C) of this section, the department of education and workforce shall issue, within sixty days after the receipt of a complete application under that division, a tax credit certificate to the applicant equal to the lesser of (a) fifteen per cent of the eligible compensation paid by the applicant to all eligible employees during the calendar year or (b) five thousand dollars per eligible employee, in either case subject to the limitations in division (D)(2) of this section.

(2) If the applicant pays eligible compensation to an employee who ceases to qualify as an eligible employee during the calendar year, only the eligible compensation paid to the employee while the employee qualified as

an eligible employee may be used to calculate the credit amount on a tax credit certificate issued under this section. The department shall not issue certificates in a total amount that would cause the tax credits claimed in any fiscal biennium to exceed five million dollars.

(3) Each tax credit certificate issued under this section shall include a unique identification number and shall state the amount of tax credit that may be claimed. A taxpayer claiming the credit allowed under this section shall submit a copy of the certificate with the taxpayer's return or report.

(E) If a tax credit certificate is issued to a pass-through entity under this section, any taxpayer that is a direct or indirect investor in the pass-through entity on the last day of the entity's taxable year ending in the calendar year for which the certificate was issued may claim the taxpayer's distributive or proportionate share of the credit against the taxpayer's aggregate tax liability under section 5747.02 of the Revised Code.

(F) For the purpose of issuing tax credit certificates under this section, the department of education and workforce may request from any of the following entities the data verification code assigned under division (D)(2) of section 3301.0714 of the Revised Code to any student who is included on an application made pursuant to division (C) of this section as an eligible employee:

- (1) The student's resident district;
- (2) The district or school offering the career-technical education program in which the student is enrolled;
- (3) The independent contractor engaged to create and maintain student data verification codes.

The department may not release a data verification code received under this division to any person except as authorized by law. Any document related to the tax credit authorized under this section that the department maintains in its files that contains both a student's name or other personally identifiable information and the student's data verification code is not a public record as defined in section 149.43 of the Revised Code.

Sec. 5747.72. (A) As used in this section:

(1) "Qualifying taxpayer" means a taxpayer that is an individual with a dependent who is a qualifying student.

(2) "Qualifying student" means a student who ~~was excused~~ is exempt from the compulsory attendance law for the purpose of home ~~instruction~~ education under section ~~3321.04~~ 3321.042 of the Revised Code for the school year.

(3) "Education expenses" means expenses or fees for any of the following items used directly for home ~~instruction~~ education of a qualifying

student: books, supplementary materials, supplies, computer software, applications, or subscriptions. "Education expenses" does not include expenses or fees for computers or similar electronic devices or accessories thereto.

(B) There is hereby allowed a nonrefundable credit against a qualifying taxpayer's aggregate tax liability under section 5747.02 of the Revised Code equal to the lesser of two hundred fifty dollars or the amount of education expenses incurred by the taxpayer in the taxable year for the benefit of one or more of the taxpayer's qualifying students. The credit shall be claimed in the order required under section 5747.98 of the Revised Code.

The tax commissioner may request that a qualifying taxpayer claiming a credit under this section furnish information as is necessary to support the claim for the credit under this section, and no credit shall be allowed unless the requested information is provided.

Sec. 5753.11. (A) As used in this section:

(1) "Public school district" means any city, local, exempted village, or joint vocational school district, community school established under Chapter 3314. of the Revised Code, STEM school established under Chapter 3326. of the Revised Code, or college-preparatory boarding school established under Chapter 3328. of the Revised Code. "Public school district" does not include any STEM school operated under section 3326.51 of the Revised Code.

(2) "Student population" means the number of students residing in a county who are enrolled in a public school district in grades kindergarten through twelve and the total number of preschool children with disabilities on the following dates:

(a) For the January distribution, the Friday of the first full school week in October;

(b) For the August distribution, the Friday of the first full school week in May.

(B) For the purpose of calculating student population, each public school district shall, twice annually, report to the department of education and workforce the students enrolled in the district on the days specified in division (A)(2) of this section. A student shall be considered to be enrolled in a public school district if the student is participating in education programs of the public school district and the public school district has not:

(1) Received documentation from a parent terminating enrollment of the student;

(2) Been provided documentation of a student's enrollment in another public or private school; or

(3) Ceased to offer education to the student.

If more than one public school district reports a student as enrolled, the department shall use procedures adopted by the department for the reconciliation of enrollment to determine the district of enrollment for purposes of this section. In the case of the dual enrollment of a student in a joint vocational school district and another public school district, the student shall be included in the enrollments for both schools. If the valid school district or enrollment cannot be determined in time for the certification, the count of these students shall be divided equally between the reporting districts.

(C) The department of education and workforce shall certify to the department of taxation the student population for each county and the student population for each public school district located in whole or in part in the county on or before the thirtieth day of December, for the January distribution and on or before the thirtieth day of July, for the August distribution. A student shall be included in the school district enrollment for a county only if a student resides in that county. The location of each community school shall be the enrollment area required to be defined by the community school and its sponsor in accordance with division (A)(19) of section 3314.03 of the Revised Code, the location of each STEM school shall be any county in which its enrolled students reside, and the location of the college-preparatory boarding schools shall be the territory of the school district in which the college-preparatory school is located or the territory of any city, exempted village, or local school district that has agreed to be a participating district under section 3328.04 of the Revised Code.

The student population count certified by the department of education and workforce to the department of taxation is final and shall not be adjusted by future updates to the counts.

(D) Not later than the thirty-first day of January and the thirty-first day of August of each year, the tax commissioner shall distribute funds in the gross casino revenue county student fund to public school districts. The commissioner shall calculate the amount of funds to distribute to each public school district as follows:

(1) The commissioner shall calculate the proportional share of the funds attributable to each county by dividing the total student population certified for each county by the sum of the total student population certified in all counties statewide.

(2) The commissioner shall multiply the amount in division (D)(1) of this section by the total amount of funds in the gross casino revenue county student fund to obtain the share of funds for each county.

(3) The commissioner shall multiply the amount in division (D)(2) of this section by the quotient of the student population certified for each individual district located in the county divided by the sum of the student population certified for all public school districts located in the county.

The commissioner shall distribute to each public school district the amount so calculated for each district.

Sec. 6109.21. (A) Except as provided in divisions (I) and (J) of this section, no person shall operate a public water system in this state without a license issued by the director of environmental protection.

(B) A person who proposes to operate a new public water system, in addition to complying with section 6109.07 of the Revised Code and rules adopted under it, shall obtain an initial license from the director. The person shall submit an application for the initial license at least forty-five days prior to commencing the operation of the system.

(C) A license shall expire on the thirtieth day of January in the year following its issuance.

(D) A license shall be renewed annually. A person proposing to continue operating a public water system shall apply for a license renewal at least thirty days prior to the expiration date of the license.

(E) Each application for a license or license renewal shall be accompanied by the appropriate fee established under division (M) of section 3745.11 of the Revised Code. However, an applicant for an initial license who is proposing to operate a new public water system shall submit a fee that equals a prorated amount of the appropriate fee established under that division for the remainder of the licensing year.

(F) Not later than thirty days after receiving a completed application and the appropriate license fee for a license or license renewal for a public water system, the director shall do one of the following:

- (1) Issue the license or license renewal for the public water system;
- (2) Issue the license or 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 or license renewal if the director finds that the public water system cannot be operated in substantial compliance with this chapter and rules adopted under it.

(G) The director may condition, suspend, or revoke a license or license renewal issued under this section at any time if the director finds that the public water system was not or will not be operated in substantial compliance with this chapter and rules adopted under it.

(H) The director shall adopt rules in accordance with Chapter 119. of

the Revised Code establishing procedures and requirements governing both of the following:

(1) Information to be included on applications for licenses and license renewals issued under this section;

(2) The issuance, conditioning, suspension, revocation, and denial of licenses and license renewals under this section.

(I)(1) As used in division (I) 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.

(J) This section does not apply to any public or nonpublic school that meets minimum standards of the ~~state board~~ director of education and workforce that operates or maintains a public water system solely to provide water for that school.

(K) The environmental protection agency shall collect well log filing fees on behalf of the division of 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. 6301.04. (A) The governor shall establish a state board. The state board shall consist of the following members:

(1) The governor;

(2) Two members of the house of representatives, appointed by the speaker of the house of representatives;

(3) Two members of the senate, appointed by the president of the senate;

(4) Members required under section 101(b)(1)(C) of the Workforce Innovation and Opportunity Act, 29 U.S.C. 3111(b)(1)(C);

(5) The deputy director of primary and secondary education and the deputy director of career-technical education appointed under section 3301.13 of the Revised Code;

(6) Any additional members appointed by the governor.

(B) The governor shall appoint members to the board, who serve at the governor's pleasure, to perform duties under the Workforce Innovation and Opportunity Act, as authorized by the governor.

(C) The board is not subject to sections 101.82 to 101.87 of the Revised

Code.

(D) All state agencies engaged in workforce development activities shall assist the board in the performance of its duties.

(E) The board shall have the power and authority to do all of the following:

(1) Develop, implement, and modify the state workforce development plan;

(2) Review statewide workforce policies and programs and recommendations on actions to be taken by the state to align workforce development programs to support a comprehensive and streamlined workforce development system;

(3) Recommend measures for the development and continuous improvement of the workforce development system in the state, including updating comprehensive state performance accountability measures, also known as workforce success measures;

(4) Continue to identify and disseminate information on promising practices in the area of workforce development;

(5) Perform other related work that is required of the board by the Workforce Innovation and Opportunity Act or requested by the governor.

Sec. 6301.11. (A) As used in this section, "public or private institution" means any of the following:

(1) A state institution of higher education, as defined in section 3345.011 of the Revised Code;

(2) A private, nonprofit institution in this state holding a certificate of authorization pursuant to Chapter 1713. of the Revised Code;

(3) An Ohio technical center that provides adult technical education services as recognized by the chancellor of higher education.

(B) The state board, in connection with the department of job and family services, the department of education and workforce, and public or private institutions, shall develop a methodology for identifying jobs that are in demand by employers operating in this state. The methodology for identifying in-demand jobs shall include an analysis of both of the following:

(1) Jobs that are in demand in each region of the state, as determined by the director of job and family services;

(2) Jobs that pay a wage rate that is equal to or greater than one hundred twenty-five per cent of the wage rate established under section 6 of the "Fair Labor Standards Act of 1938," 52 Stat. 1060, 29 U.S.C. 206, as amended, or its successor law.

(C) The department of job and family services, the department of

education and workforce, and the public or private institutions, in consultation with the state board, shall use the methodology to create a list of such in-demand jobs in the state and a list of such in-demand jobs in each region of the state. The department of job and family services and the department of education and workforce shall publish the lists on the web ~~site~~ sites of ~~the~~ each department. The ~~department~~ departments and public or private institutions shall periodically update the lists to reflect evolving workforce demands in this state and its regions.

(D) Local boards and other providers of workforce training shall use the lists of in-demand jobs to cultivate and prioritize workforce development activities that correspond to the employment needs of employers operating in this state and in each of its regions and to assist individuals in maximizing their employment opportunities.

Sec. 6301.111. The governor's office of workforce transformation, in conjunction with the department of job and family services and the department of education and workforce, shall conduct an electronic survey of employers in this state to identify jobs that are in demand by those employers. The office, in conjunction with the ~~department~~ departments, shall use the survey results to update the list of in-demand jobs required under section 6301.11 of the Revised Code, notwithstanding the requirement in that section that the ~~department~~ departments and public or private institutions, as defined in that section, periodically update that list. The office shall complete the initial survey and make the update required under this section not later than December 31, 2018. The office shall complete a subsequent survey and update not later than the last day of December every two years thereafter.

Sec. 6301.112. (A) The governor's office of workforce transformation, in collaboration with the departments of higher education ~~and~~ and job and family services, and education and workforce, shall create and publish on the OhioMeansJobs web site a workforce supply tool that uses real-time demand and supply data. The office shall provide all of the following through the tool:

(1) Businesses with historical information on graduates from high demand fields;

(2) Businesses with projections on future graduates;

(3) The number of skilled workers available for work in occupations included in the list of in-demand jobs created under section 6301.11 of the Revised Code.

(B) ~~Not later than January 1, 2018, the~~ The governor's office of workforce transformation, in collaboration with the departments of higher

education ~~and~~ job and family services, and education and workforce, shall include in the workforce supply tool created under division (A) of this section all in-demand jobs included in the list of in-demand jobs created under section 6301.11 of the Revised Code.

(C) ~~Not later than December 31, 2018, the~~ The governor's office of workforce transformation, in collaboration with the ~~departments~~ department of higher education and the department of education and workforce, shall establish design teams. The design teams shall do both of the following:

(1) Identify emerging skill needs based on predictive analytics and analysis of the data from the workforce supply tool created under division (A) of this section;

(2) Periodically recommend innovations for responding to emerging in-demand jobs and skills.

Sec. 6301.15. ~~Not later than September 1, 2014, the~~ The director of job and family services, in consultation with ~~the superintendent of public instruction and~~ the director of the governor's office of workforce transformation and the director of education and workforce, shall develop and maintain an online education and career planning tool to assist students in developing education and career plans. ~~The director of job and family services also shall provide information regarding the online planning tool and all appropriate web site links, including a link to the OhioMeansJobs web site, to the department of education not later than that date.~~ The director of job and family services shall periodically update the online education and career planning tool and other information as determined necessary by the director and shall provide the updates to the department of education and workforce.

The department of education and workforce shall post the information ~~received from the director of job and family services developed~~ under this section in a prominent location on the department's web site.

Sec. 6301.21. (A) ~~Not later than December 31, 2017, the~~ The governor's office of workforce transformation, the department of education and workforce, and the chancellor of higher education, in consultation with business and economic development stakeholder groups, shall develop a regional workforce collaboration model. The model shall provide guidance on how the JobsOhio regional network, local chambers of commerce, economic development organizations, business, business associations, secondary and post-secondary education organizations, and Ohio college tech prep regional centers, that are jointly managed by the department of education and workforce and the chancellor, shall collaborate to form a partnership that provides career services to students.

Career services to students may include, but are not limited to, job shadowing, internships, co-ops, apprenticeships, career exploration activities, and problem-based curriculum developed in alignment with in-demand jobs.

(B) The governor's office of workforce transformation shall oversee the creation of regional workforce collaboration partnerships based on the model created under division (A) of this section. The partnerships shall be located in each of the six different regions of the state, as determined by JobsOhio.

(C) As used in this section, "JobsOhio" has the same meaning as in section 187.01 of the Revised Code.

Sec. 6301.22. (A) With regard to industry-recognized credentials and certificate programs, the governor's office of workforce transformation shall act as a liaison between the business community and the department of education and workforce or the chancellor of higher education. In acting as a liaison, the governor's office of workforce transformation shall accept inquiries from the business community regarding all of the following:

(1) Industry-recognized credentials approved under section 3313.6113 of the Revised Code;

(2) Certificate programs and industry-recognized credentials included in the inventory prescribed under section 3333.94 of the Revised Code;

(3) Any other existing or proposed credential or certificate program necessary to meet the workforce needs of the state, as determined by the office.

(B) Based on inquiries submitted under division (A) of this section, the governor's office of workforce transformation shall do either of the following:

(1) Request information from the department of education and workforce regarding industry-recognized credentials approved under section 3313.6113 of the Revised Code;

(2) Request information from the chancellor regarding certificate programs and industry-recognized credentials included in the inventory prescribed under section 3333.94 of the Revised Code or offered by an institution that holds a certificate of authorization issued under Chapter 1713. of the Revised Code.

(C) Based on inquiries submitted under division (A) of this section, the governor's office of workforce transformation, in collaboration with the department of education and workforce, the chancellor, and other stakeholders, including regional education providers, determined appropriate by the office, shall convene a review of an existing or proposed

industry-recognized credential or certificate program. The office shall submit the findings of the department of education and workforce or the chancellor, as appropriate, to the business that submitted the inquiry for which the review was initiated.

(D) Nothing in this section shall affect the responsibilities assigned under division (B) of section 3313.6113 of the Revised Code to the committee established under division (A) of that section or the responsibilities assigned to the chancellor under division (B) of section 3333.94 of the Revised Code.

Sec. 6301.23. (A) As used in this section:

(1) "Ohio career-technical associations" includes all of the following:

- (a) The Ohio association of career and technical education;
- (b) The Ohio association of career-technical superintendents;
- (c) The Ohio association of comprehensive and compact career-technical schools.

(2) "Other public school" has the same meaning as in section 3301.0711 of the Revised Code.

(3) "State agency" has the same meaning as in section 1.60 of the Revised Code.

(B) ~~Not later than July 1, 2021, the~~ The governor's office of workforce transformation, the department of education, and workforce, and the chancellor of higher education, in consultation with Ohio career-technical associations and other appropriate stakeholders, shall develop model guidance for maintaining a statewide inventory of industry-recognized credentials. The guidance shall address the following:

(1) Methods for state agencies to efficiently and effectively organize the different categories of industry-recognized credentials in a manner that allows students, school districts, other public schools, chartered nonpublic schools, and institutions of higher education to easily understand available credentialing options, based on the unique circumstances of each individual student;

(2) The potential creation of a centralized, inter-agency database of information on all industry-recognized credentials that is accessible to the public;

(3) Methods to streamline the process to add career-technical programs to the various approved credentialing lists;

(4) Methods to increase transparency in the approval process for industry-recognized credentials.

SECTION 130.101. That existing sections 5.224, 5.281, 9.231, 9.55,

102.02, 109.57, 109.572, 109.64, 109.65, 109.71, 109.72, 109.746, 113.73, 117.46, 121.02, 121.03, 121.35, 121.37, 121.40, 121.95, 124.15, 124.382, 124.384, 125.05, 125.13, 133.06, 133.061, 135.142, 149.331, 175.30, 197.04, 319.301, 901.71, 921.06, 2151.011, 2151.353, 2151.357, 2151.362, 2305.111, 2901.01, 2903.13, 2907.03, 2917.31, 2917.46, 2923.122, 2925.01, 2950.11, 2953.34, 3301.01, 3301.07, 3301.071, 3301.072, 3301.075, 3301.076, 3301.078, 3301.079, 3301.0710, 3301.0711, 3301.0712, 3301.0713, 3301.0714, 3301.0715, 3301.0716, 3301.0717, 3301.0718, 3301.0719, 3301.0720, 3301.0721, 3301.0723, 3301.0725, 3301.0726, 3301.0728, 3301.0730, 3301.10, 3301.11, 3301.12, 3301.121, 3301.131, 3301.133, 3301.134, 3301.135, 3301.136, 3301.14, 3301.15, 3301.16, 3301.162, 3301.163, 3301.18, 3301.19, 3301.22, 3301.221, 3301.23, 3301.27, 3301.28, 3301.30, 3301.311, 3301.40, 3301.45, 3301.49, 3301.52, 3301.521, 3301.53, 3301.54, 3301.541, 3301.55, 3301.56, 3301.57, 3301.58, 3301.59, 3301.61, 3301.62, 3301.63, 3301.64, 3301.68, 3301.70, 3301.80, 3301.81, 3301.923, 3301.94, 3301.941, 3301.948, 3302.01, 3302.02, 3302.021, 3302.03, 3302.031, 3302.032, 3302.033, 3302.034, 3302.035, 3302.036, 3302.037, 3302.038, 3302.04, 3302.041, 3302.042, 3302.043, 3302.05, 3302.06, 3302.062, 3302.063, 3302.066, 3302.068, 3302.07, 3302.09, 3302.10, 3302.103, 3302.11, 3302.13, 3302.14, 3302.15, 3302.151, 3302.17, 3302.20, 3302.21, 3302.22, 3302.25, 3302.26, 3302.41, 3302.42, 3303.02, 3303.04, 3303.05, 3303.06, 3303.20, 3304.12, 3307.01, 3307.05, 3307.31, 3309.011, 3309.48, 3309.491, 3309.51, 3310.01, 3310.02, 3310.03, 3310.031, 3310.032, 3310.033, 3310.036, 3310.07, 3310.11, 3310.13, 3310.14, 3310.15, 3310.16, 3310.17, 3310.41, 3310.411, 3310.42, 3310.51, 3310.52, 3310.521, 3310.522, 3310.53, 3310.58, 3310.59, 3310.62, 3310.63, 3310.64, 3310.70, 3311.054, 3311.056, 3311.0510, 3311.08, 3311.16, 3311.17, 3311.19, 3311.191, 3311.213, 3311.214, 3311.217, 3311.218, 3311.29, 3311.521, 3311.53, 3311.60, 3311.71, 3311.74, 3311.741, 3311.76, 3311.86, 3311.87, 3312.01, 3312.02, 3312.04, 3312.07, 3312.08, 3312.09, 3312.13, 3313.03, 3313.25, 3313.30, 3313.413, 3313.472, 3313.48, 3313.483, 3313.484, 3313.487, 3313.488, 3313.489, 3313.4810, 3313.531, 3313.532, 3313.533, 3313.534, 3313.5310, 3313.5312, 3313.5314, 3313.56, 3313.57, 3313.60, 3313.603, 3313.605, 3313.608, 3313.6011, 3313.6013, 3313.6015, 3313.6016, 3313.6019, 3313.6020, 3313.6024, 3313.6027, 3313.61, 3313.611, 3313.612, 3313.614, 3313.615, 3313.618, 3313.619, 3313.6110, 3313.6111, 3313.6112, 3313.6113, 3313.6114, 3313.64, 3313.642, 3313.643, 3313.644, 3313.645, 3313.646, 3313.647, 3313.6410, 3313.65, 3313.66, 3313.662, 3313.671, 3313.674, 3313.71, 3313.7110,

3313.7111, 3313.7112, 3313.7113, 3313.7114, 3313.7115, 3313.7116, 3313.81, 3313.811, 3313.813, 3313.814, 3313.815, 3313.817, 3313.818, 3313.821, 3313.843, 3313.844, 3313.845, 3313.846, 3313.90, 3313.902, 3313.903, 3313.904, 3313.905, 3313.906, 3313.91, 3313.911, 3313.92, 3313.941, 3313.97, 3313.974, 3313.975, 3313.976, 3313.978, 3313.979, 3313.98, 3313.981, 3313.982, 3314.011, 3314.012, 3314.013, 3314.015, 3314.016, 3314.017, 3314.02, 3314.021, 3314.023, 3314.025, 3314.027, 3314.029, 3314.0211, 3314.03, 3314.032, 3314.034, 3314.035, 3314.038, 3314.039, 3314.041, 3314.05, 3314.06, 3314.072, 3314.074, 3314.08, 3314.081, 3314.083, 3314.087, 3314.091, 3314.10, 3314.101, 3314.11, 3314.12, 3314.143, 3314.144, 3314.147, 3314.17, 3314.18, 3314.19, 3314.191, 3314.20, 3314.21, 3314.22, 3314.232, 3314.24, 3314.26, 3314.27, 3314.271, 3314.28, 3314.29, 3314.35, 3314.351, 3314.353, 3314.354, 3314.36, 3314.38, 3314.50, 3314.51, 3315.18, 3315.181, 3315.33, 3315.34, 3315.35, 3316.03, 3316.031, 3316.04, 3316.041, 3316.042, 3316.043, 3316.05, 3316.06, 3316.061, 3316.08, 3316.20, 3317.01, 3317.011, 3317.012, 3317.014, 3317.015, 3317.017, 3317.019, 3317.02, 3317.021, 3317.022, 3317.023, 3317.024, 3317.025, 3317.026, 3317.028, 3317.0211, 3317.0212, 3317.0213, 3317.0214, 3317.0215, 3317.0217, 3317.03, 3317.031, 3317.032, 3317.033, 3317.036, 3317.037, 3317.05, 3317.051, 3317.06, 3317.061, 3317.062, 3317.063, 3317.064, 3317.07, 3317.071, 3317.072, 3317.08, 3317.081, 3317.082, 3317.09, 3317.10, 3317.11, 3317.12, 3317.13, 3317.14, 3317.141, 3317.15, 3317.16, 3317.161, 3317.164, 3317.18, 3317.19, 3317.201, 3317.23, 3317.231, 3317.24, 3317.25, 3317.40, 3317.50, 3317.51, 3318.011, 3318.033, 3318.051, 3318.08, 3318.084, 3318.18, 3318.363, 3318.42, 3319.02, 3319.073, 3319.074, 3319.077, 3319.111, 3319.112, 3319.113, 3319.143, 3319.151, 3319.16, 3319.161, 3319.22, 3319.221, 3319.224, 3319.228, 3319.229, 3319.231, 3319.234, 3319.235, 3319.236, 3319.25, 3319.262, 3319.263, 3319.28, 3319.291, 3319.292, 3319.316, 3319.319, 3319.33, 3319.35, 3319.361, 3319.39, 3319.391, 3319.393, 3319.40, 3319.44, 3319.46, 3319.51, 3319.55, 3319.56, 3319.57, 3319.60, 3319.61, 3319.611, 3319.612, 3321.01, 3321.03, 3321.04, 3321.07, 3321.09, 3321.12, 3321.13, 3321.18, 3321.19, 3321.191, 3323.01, 3323.011, 3323.02, 3323.021, 3323.022, 3323.03, 3323.04, 3323.041, 3323.05, 3323.051, 3323.052, 3323.06, 3323.07, 3323.08, 3323.09, 3323.091, 3323.13, 3323.14, 3323.141, 3323.142, 3323.15, 3323.17, 3323.19, 3323.20, 3323.25, 3323.251, 3323.32, 3323.33, 3324.01, 3324.02, 3324.03, 3324.04, 3324.05, 3324.06, 3324.07, 3324.08, 3324.09, 3324.10, 3324.11, 3325.01, 3325.011, 3325.02, 3325.03,

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SECTION 130.102. That sections 3301.13, 3302.101, and 3302.102 of the Revised Code are hereby repealed.

SECTION 130.103. That the versions of sections 921.06, 3301.071, 3309.011, 3319.22, 3319.229, 3319.262, 3319.28, 3319.361, 3327.10, 4709.07, 4709.10, 4732.10, 4735.09, and 4747.10 of the Revised Code that

are scheduled to take effect December 29, 2023, be amended to read as follows:

Sec. 921.06. (A)(1) No individual shall do any of the following without having a commercial applicator license issued by the director of agriculture:

- (a) Apply pesticides for a pesticide business without direct supervision;
- (b) Apply pesticides as part of the individual's duties while acting as an employee of the United States government, a state, county, township, or municipal corporation, or a park district, port authority, or sanitary district created under Chapter 1545., 4582., or 6115. of the Revised Code, respectively;
- (c) Apply restricted use pesticides. Division (A)(1)(c) of this section does not apply to a private applicator or an immediate family member or a subordinate employee of a private applicator who is acting under the direct supervision of that private applicator.
- (d) If the individual is the owner of a business other than a pesticide business or an employee of such an owner, apply pesticides at any of the following publicly accessible sites that are located on the property:
 - (i) Food service operations that are licensed under Chapter 3717. of the Revised Code;
 - (ii) Retail food establishments that are licensed under Chapter 3717. of the Revised Code;
 - (iii) Golf courses;
 - (iv) Rental properties of more than four apartment units at one location;
 - (v) Hospitals or medical facilities as defined in section 3701.01 of the Revised Code;
 - (vi) Child day-care centers or school child day-care centers as defined in section 5104.01 of the Revised Code;
 - (vii) Facilities owned or operated by a school district established under Chapter 3311. of the Revised Code, including an educational service center, a community school established under Chapter 3314. of the Revised Code, or a chartered or nonchartered nonpublic school that meets minimum standards established by the ~~state board~~ director of education and workforce;
 - (viii) State institutions of higher education as defined in section 3345.011 of the Revised Code, nonprofit institutions holding a certificate of authorization pursuant to Chapter 1713. of the Revised Code, institutions holding a certificate of registration from the state board of career colleges and schools and program authorization for an associate or bachelor's degree program issued under section 3332.05 of the Revised Code, and private institutions exempt from regulation under Chapter 3332. of the Revised

Code as prescribed in section 3333.046 of the Revised Code;

(ix) Food processing establishments as defined in section 3715.021 of the Revised Code;

(x) Any other site designated by rule.

(e) Conduct authorized diagnostic inspections.

(2) Divisions (A)(1)(a) to (d) of this section do not apply to an individual who is acting as a trained serviceperson under the direct supervision of a commercial applicator.

(3) Licenses shall be issued for a period of time established by rule and shall be renewed in accordance with deadlines established by rule. The fee for each such license shall be established by rule. If a license is not issued or renewed, the application fee shall be retained by the state as payment for the reasonable expense of processing the application. The director shall by rule classify by pesticide-use category licenses to be issued under this section. A single license may include more than one pesticide-use category. No individual shall be required to pay an additional license fee if the individual is licensed for more than one category.

The fee for each license or renewal does not apply to an applicant who is an employee of the department of agriculture whose job duties require licensure as a commercial applicator as a condition of employment.

(B) Application for a commercial applicator license shall be made on a form prescribed by the director. Each application for a license shall state the pesticide-use category or categories of license for which the applicant is applying and other information that the director determines essential to the administration of this chapter.

(C)(1) Except as provided in division (C)(2) of this section, if the director finds that the applicant is competent to apply pesticides and conduct diagnostic inspections and that the applicant has passed both the general examination and each applicable pesticide-use category examination as required under division (A) of section 921.12 of the Revised Code, the director shall issue a commercial applicator license limited to the pesticide-use category or categories for which the applicant is found to be competent. If the director rejects an application, the director may explain why the application was rejected, describe the additional requirements necessary for the applicant to obtain a license, and return the application. The applicant may resubmit the application without payment of any additional fee.

(2) The director shall issue a commercial applicator license in accordance with Chapter 4796. of the Revised Code to an individual if either of the following applies:

(a) The individual holds a commercial applicator license in another state.

(b) The individual has satisfactory work experience, a government certification, or a private certification as described in that chapter as a commercial applicator in a state that does not issue that license.

A license issued under this division shall be limited to the pesticide-use category or categories for which the applicant is licensed in another state or has satisfactory work experience, a government certification, or a private certification in that state.

(D)(1) A person who is a commercial applicator shall be deemed to hold a private applicator's license for purposes of applying pesticides on agricultural commodities that are produced by the commercial applicator.

(2) A commercial applicator shall apply pesticides only in the pesticide-use category or categories in which the applicator is licensed under this chapter.

(E) All money collected under this section shall be credited to the pesticide, fertilizer, and lime program fund created in section 921.22 of the Revised Code.

Sec. 3301.071. (A)(1) Except as provided in division (E) of this section, in the case of nontax-supported schools, standards for teacher certification prescribed under section 3301.07 of the Revised Code shall provide for certification, without further educational requirements, of any administrator, supervisor, or teacher who has attended and received a bachelor's degree from a college or university accredited by a national or regional association in the United States except that, at the discretion of the state board of education, this requirement may be met by having an equivalent degree from a foreign college or university of comparable standing.

(2) Except as provided in division (E) of this section, in the case of nonchartered, nontax-supported schools, the standards for teacher certification prescribed under section 3301.07 of the Revised Code shall provide for certification, without further educational requirements, of any administrator, supervisor, or teacher who has attended and received a diploma from a "bible college" or "bible institute" described in division (E) of section 1713.02 of the Revised Code.

(3) A certificate issued under division (A)(3) of this section shall be valid only for teaching foreign language, music, religion, computer technology, or fine arts.

Notwithstanding division (A)(1) of this section and except as provided in division (E) of this section, the standards for teacher certification prescribed under section 3301.07 of the Revised Code shall provide for

certification of a person as a teacher upon receipt by the state board of an affidavit signed by the chief administrative officer of a chartered nonpublic school seeking to employ the person, stating that the person meets one of the following conditions:

(a) The person has specialized knowledge, skills, or expertise that qualifies the person to provide instruction.

(b) The person has provided to the chief administrative officer evidence of at least three years of teaching experience in a public or nonpublic school.

(c) The person has provided to the chief administrative officer evidence of completion of a teacher training program named in the affidavit.

(B) Each person applying for a certificate under this section for purposes of serving in a nonpublic school chartered by the ~~state board~~ director of education and workforce under section 3301.16 of the Revised Code shall pay a fee in the amount established under division (A) of section 3319.51 of the Revised Code. Any fees received under this division shall be paid into the state treasury to the credit of the state board of education certification fund established under division (B) of section 3319.51 of the Revised Code.

(C) A person applying for or holding any certificate pursuant to this section for purposes of serving in a nonpublic school chartered by the ~~state board~~ director is subject to sections 3123.41 to 3123.50 of the Revised Code and any applicable rules adopted under section 3123.63 of the Revised Code and sections 3319.31 and 3319.311 of the Revised Code.

(D) Divisions (B) and (C) of this section and sections 3319.291, 3319.31, and 3319.311 of the Revised Code do not apply to any administrators, supervisors, or teachers in nonchartered, nontax-supported schools.

(E) The state board shall issue a certificate to serve in a nonpublic school as an administrator, supervisor, or teacher in accordance with Chapter 4796. of the Revised Code to an applicant if either of the following applies:

(1) The applicant holds a certificate in another state.

(2) The applicant has satisfactory work experience, a government certification, or a private certification as described in that chapter as a nonpublic school administrator, supervisor, or teacher in a state that does not issue one or more of those certificates.

Sec. 3309.011. "Employee" as defined in division (B) of section 3309.01 of the Revised Code, does not include any of the following:

(A) Any person having a license or registration issued pursuant to sections 3319.22 to 3319.31 of the Revised Code and employed in a public

school in this state in an educational position, as determined by the ~~state board~~ department of education and workforce, under programs provided for by federal acts or regulations and financed in whole or in part from federal funds, but for which no licensure requirements for the position can be made under the provisions of such federal acts or regulations;

(B) Any person who participates in an alternative retirement plan established under Chapter 3305. of the Revised Code;

(C) Any person who elects to transfer from the school employees retirement system to the public employees retirement system under section 3309.312 of the Revised Code;

(D) Any person whose full-time employment by the university of Akron as a state university law enforcement officer pursuant to section 3345.04 of the Revised Code commences on or after September 16, 1998;

(E) Any person described in division (B) of section 3309.013 of the Revised Code;

(F) Any person described in division (D) of section 145.011 of the Revised Code;

(G) Any person described in division (B)(1)(b) or (g) of section 3307.01 of the Revised Code.

Sec. 3319.22. (A)(1) The state board of education shall issue the following educator licenses:

(a) A resident educator license, which shall be valid for two years and shall be renewable for reasons specified by rules adopted by the state board pursuant to division (A)(3) of this section. The state board, on a case-by-case basis, may extend the license's duration as necessary to enable the license holder to complete the Ohio teacher residency program established under section 3319.223 of the Revised Code;

(b) A professional educator license, which shall be valid for five years and shall be renewable;

(c) A senior professional educator license, which shall be valid for five years and shall be renewable;

(d) A lead professional educator license, which shall be valid for five years and shall be renewable.

Licenses issued under division (A)(1) of this section on and after November 2, 2018, shall specify whether the educator is licensed to teach grades pre-kindergarten through five, grades four through nine, or grades seven through twelve. The changes to the grade band specifications under this amendment shall not apply to a person who holds a license under division (A)(1) of this section prior to November 2, 2018. Further, the changes to the grade band specifications under this amendment shall not

apply to any license issued to teach in the area of computer information science, bilingual education, dance, drama or theater, world language, health, library or media, music, physical education, teaching English to speakers of other languages, career-technical education, or visual arts or to any license issued to an intervention specialist, including a gifted intervention specialist, or to any other license that does not align to the grade band specifications.

(2)(a) Except as provided in division (A)(2)(b) of this section, the state board may issue any additional educator licenses of categories, types, and levels the board elects to provide.

(b) Not later than December 31, 2024, the state board shall cease licensing school psychologists. The state board shall coordinate with the state board of psychology to transition to licensure under Chapter 4732. of the Revised Code any school psychologists licensed under rules adopted in accordance with sections 3301.07 and 3319.22 of the Revised Code.

(3) Except as provided in division (I) of this section, the state board shall adopt rules establishing the standards and requirements for obtaining each educator license issued under this section. The rules shall also include the reasons for which a resident educator license may be renewed under division (A)(1)(a) of this section.

(B) Except as provided in division (I) of this section, the rules adopted under this section shall require at least the following standards and qualifications for the educator licenses described in division (A)(1) of this section:

(1) An applicant for a resident educator license shall hold at least a bachelor's degree from an accredited teacher preparation program or be a participant in the teach for America program and meet the qualifications required under section 3319.227 of the Revised Code.

(2) An applicant for a professional educator license shall:

(a) Hold at least a bachelor's degree from an institution of higher education accredited by a regional accrediting organization;

(b) Have successfully completed the Ohio teacher residency program established under section 3319.223 of the Revised Code, if the applicant's current or most recently issued license is a resident educator license issued under this section or an alternative resident educator license issued under section 3319.26 of the Revised Code.

(3) An applicant for a senior professional educator license shall:

(a) Hold at least a master's degree from an institution of higher education accredited by a regional accrediting organization;

(b) Have previously held a professional educator license issued under

this section or section 3319.222 or under former section 3319.22 of the Revised Code;

(c) Meet the criteria for the accomplished or distinguished level of performance, as described in the standards for teachers adopted by the state board under section 3319.61 of the Revised Code.

(4) An applicant for a lead professional educator license shall:

(a) Hold at least a master's degree from an institution of higher education accredited by a regional accrediting organization;

(b) Have previously held a professional educator license or a senior professional educator license issued under this section or a professional educator license issued under section 3319.222 or former section 3319.22 of the Revised Code;

(c) Meet the criteria for the distinguished level of performance, as described in the standards for teachers adopted by the state board under section 3319.61 of the Revised Code;

(d) Either hold a valid certificate issued by the national board for professional teaching standards or meet the criteria for a master teacher or other criteria for a lead teacher adopted by the educator standards board under division (F)(4) or (5) of section 3319.61 of the Revised Code.

(C) The state board shall align the standards and qualifications for obtaining a principal license with the standards for principals adopted by the state board under section 3319.61 of the Revised Code.

(D) If the state board requires any examinations for educator licensure, the ~~department of education~~ state board shall provide the results of such examinations received by the ~~department~~ state board to the chancellor of higher education, in the manner and to the extent permitted by state and federal law.

(E) Any rules the state board of education adopts, amends, or rescinds for educator licenses under this section, ~~division (D) of section 3301.07 of the Revised Code~~, or any other law shall be adopted, amended, or rescinded under Chapter 119. of the Revised Code except as follows:

(1) Notwithstanding division (E) of section 119.03 and division (A)(1) of section 119.04 of the Revised Code, in the case of the adoption of any rule or the amendment or rescission of any rule that necessitates institutions' offering preparation programs for educators and other school personnel that are approved by the chancellor of higher education under section 3333.048 of the Revised Code to revise the curriculum of those programs, the effective date shall not be as prescribed in division (E) of section 119.03 and division (A)(1) of section 119.04 of the Revised Code. Instead, the effective date of such rules, or the amendment or rescission of such rules, shall be the

date prescribed by section 3333.048 of the Revised Code.

(2) Notwithstanding the authority to adopt, amend, or rescind emergency rules in division (G) of section 119.03 of the Revised Code, this authority shall not apply to the state board of education with regard to rules for educator licenses.

(F)(1) The rules adopted under this section establishing standards requiring additional coursework for the renewal of any educator license shall require a school district and a chartered nonpublic school to establish local professional development committees. In a nonpublic school, the chief administrative officer shall establish the committees in any manner acceptable to such officer. The committees established under this division shall determine whether coursework that a district or chartered nonpublic school teacher proposes to complete meets the requirement of the rules. ~~The department of education state board~~ shall provide technical assistance and support to committees as the committees incorporate the professional development standards adopted ~~by the state board of education~~ pursuant to section 3319.61 of the Revised Code into their review of coursework that is appropriate for license renewal. The rules shall establish a procedure by which a teacher may appeal the decision of a local professional development committee.

(2) In any school district in which there is no exclusive representative established under Chapter 4117. of the Revised Code, the professional development committees shall be established as described in division (F)(2) of this section.

Not later than the effective date of the rules adopted under this section, the board of education of each school district shall establish the structure for one or more local professional development committees to be operated by such school district. The committee structure so established by a district board shall remain in effect unless within thirty days prior to an anniversary of the date upon which the current committee structure was established, the board provides notice to all affected district employees that the committee structure is to be modified. Professional development committees may have a district-level or building-level scope of operations, and may be established with regard to particular grade or age levels for which an educator license is designated.

Each professional development committee shall consist of at least three classroom teachers employed by the district, one principal employed by the district, and one other employee of the district appointed by the district superintendent. For committees with a building-level scope, the teacher and principal members shall be assigned to that building, and the teacher

members shall be elected by majority vote of the classroom teachers assigned to that building. For committees with a district-level scope, the teacher members shall be elected by majority vote of the classroom teachers of the district, and the principal member shall be elected by a majority vote of the principals of the district, unless there are two or fewer principals employed by the district, in which case the one or two principals employed shall serve on the committee. If a committee has a particular grade or age level scope, the teacher members shall be licensed to teach such grade or age levels, and shall be elected by majority vote of the classroom teachers holding such a license and the principal shall be elected by all principals serving in buildings where any such teachers serve. The district superintendent shall appoint a replacement to fill any vacancy that occurs on a professional development committee, except in the case of vacancies among the elected classroom teacher members, which shall be filled by vote of the remaining members of the committee so selected.

Terms of office on professional development committees shall be prescribed by the district board establishing the committees. The conduct of elections for members of professional development committees shall be prescribed by the district board establishing the committees. A professional development committee may include additional members, except that the majority of members on each such committee shall be classroom teachers employed by the district. Any member appointed to fill a vacancy occurring prior to the expiration date of the term for which a predecessor was appointed shall hold office as a member for the remainder of that term.

The initial meeting of any professional development committee, upon election and appointment of all committee members, shall be called by a member designated by the district superintendent. At this initial meeting, the committee shall select a chairperson and such other officers the committee deems necessary, and shall adopt rules for the conduct of its meetings. Thereafter, the committee shall meet at the call of the chairperson or upon the filing of a petition with the district superintendent signed by a majority of the committee members calling for the committee to meet.

(3) In the case of a school district in which an exclusive representative has been established pursuant to Chapter 4117. of the Revised Code, professional development committees shall be established in accordance with any collective bargaining agreement in effect in the district that includes provisions for such committees.

If the collective bargaining agreement does not specify a different method for the selection of teacher members of the committees, the exclusive representative of the district's teachers shall select the teacher

members.

If the collective bargaining agreement does not specify a different structure for the committees, the board of education of the school district shall establish the structure, including the number of committees and the number of teacher and administrative members on each committee; the specific administrative members to be part of each committee; whether the scope of the committees will be district levels, building levels, or by type of grade or age levels for which educator licenses are designated; the lengths of terms for members; the manner of filling vacancies on the committees; and the frequency and time and place of meetings. However, in all cases, except as provided in division (F)(4) of this section, there shall be a majority of teacher members of any professional development committee, there shall be at least five total members of any professional development committee, and the exclusive representative shall designate replacement members in the case of vacancies among teacher members, unless the collective bargaining agreement specifies a different method of selecting such replacements.

(4) Whenever an administrator's coursework plan is being discussed or voted upon, the local professional development committee shall, at the request of one of its administrative members, cause a majority of the committee to consist of administrative members by reducing the number of teacher members voting on the plan.

(G)(1) The department of education and workforce, educational service centers, county boards of developmental disabilities, college and university departments of education, head start programs, and the Ohio education computer network may establish local professional development committees to determine whether the coursework proposed by their employees who are licensed or certificated under this section or section 3319.222 of the Revised Code, or under the former version of either section as it existed prior to October 16, 2009, meet the requirements of the rules adopted under this section. They may establish local professional development committees on their own or in collaboration with a school district or other agency having authority to establish them.

Local professional development committees established by county boards of developmental disabilities shall be structured in a manner comparable to the structures prescribed for school districts in divisions (F)(2) and (3) of this section, as shall the committees established by any other entity specified in division (G)(1) of this section that provides educational services by employing or contracting for services of classroom teachers licensed or certificated under this section or section 3319.222 of the Revised Code, or under the former version of either section as it existed

prior to October 16, 2009. All other entities specified in division (G)(1) of this section shall structure their committees in accordance with guidelines which shall be issued by the ~~state board~~ department.

(2) Educational service centers may establish local professional development committees to serve educators who are not employed in schools in this state, including pupil services personnel who are licensed under this section. Local professional development committees shall be structured in a manner comparable to the structures prescribed for school districts in divisions (F)(2) and (3) of this section.

These committees may agree to review the coursework, continuing education units, or other equivalent activities related to classroom teaching or the area of licensure that is proposed by an individual who satisfies both of the following conditions:

(a) The individual is licensed or certificated under this section or under the former version of this section as it existed prior to October 16, 2009.

(b) The individual is not currently employed as an educator or is not currently employed by an entity that operates a local professional development committee under this section.

Any committee that agrees to work with such an individual shall work to determine whether the proposed coursework, continuing education units, or other equivalent activities meet the requirements of the rules adopted by the state board under this section.

(3) Any public agency that is not specified in division (G)(1) or (2) of this section but provides educational services and employs or contracts for services of classroom teachers licensed or certificated under this section or section 3319.222 of the Revised Code, or under the former version of either section as it existed prior to October 16, 2009, may establish a local professional development committee, subject to the approval of the department of education and workforce. The committee shall be structured in accordance with guidelines issued by the ~~state board~~ department.

(H) Not later than July 1, 2016, the state board, in accordance with Chapter 119. of the Revised Code, shall adopt rules pursuant to division (A)(3) of this section that do both of the following:

(1) Exempt consistently high-performing teachers from the requirement to complete any additional coursework for the renewal of an educator license issued under this section or section 3319.26 of the Revised Code. The rules also shall specify that such teachers are exempt from any requirements prescribed by professional development committees established under divisions (F) and (G) of this section.

(2) For purposes of division (H)(1) of this section, the state board shall

define the term "consistently high-performing teacher."

(I) The state board shall issue a resident educator license, professional educator license, senior professional educator license, lead professional educator license, or any other educator license in accordance with Chapter 4796. of the Revised Code to an applicant if either of the following applies:

(1) The applicant holds a license in another state.

(2) The applicant has satisfactory work experience, a government certification, or a private certification as described in that chapter as a resident educator, professional educator, senior professional educator, lead professional educator, or any other type of educator in a state that does not issue one or more of those licenses.

Sec. 3319.229. (A)(1) Notwithstanding the repeal of former section 3319.229 of the Revised Code by S.B. 216 of the 132nd general assembly, the state board of education shall accept applications for new, and for renewal of, professional career-technical teaching licenses through June 30, 2019, and issue them on the basis of the applications received by that date in accordance with the rules described in that former section. Except as otherwise provided in divisions (A)(2) and (3) of this section, beginning July 1, 2019, the state board shall issue career-technical workforce development educator licenses only under this section.

(2) An individual who, on July 1, 2019, holds a professional career-technical teaching license issued under the rules described in former section 3319.229 of the Revised Code, may continue to renew that license in accordance with those rules for the remainder of the individual's teaching career. However, nothing in this division shall be construed to prohibit the individual from applying to the state board for a career-technical workforce development educator license under this section.

(3) An individual who, on July 1, 2019, holds an alternative resident educator license for teaching career-technical education issued under section 3319.26 of the Revised Code may, upon the expiration of the license, apply for a professional career-technical teaching license issued under the rules described in former section 3319.229 of the Revised Code. Such an individual may continue to renew the professional license in accordance with those rules for the remainder of the individual's teaching career. However, nothing in this division shall be construed to prohibit the individual from applying to the state board for a career-technical workforce development educator license under this section.

(B) Except as provided in division (G) of this section, the state board, in collaboration with the chancellor of higher education, shall adopt rules establishing standards and requirements for obtaining a two-year initial

career-technical workforce development educator license and a five-year advanced career-technical workforce development educator license. Each license shall be valid for teaching career-technical education or workforce development programs in grades four through twelve. The rules shall require applicants for either license to have a high school diploma or a certificate of high school equivalence as awarded under section 3301.80 of the Revised Code or as recognized as the equivalent of such certificate under division (C) of that section.

(C)(1) Except as provided in division (G) of this section, the state board shall issue an initial career-technical workforce development educator license to an applicant upon request from the superintendent of a school district that has agreed to employ the applicant. In making the request, the superintendent shall provide documentation, in accordance with procedures prescribed by the ~~department of education~~ state board, showing that the applicant has at least five years of work experience, or the equivalent, in the subject area in which the applicant will teach. The license shall be valid for teaching only in the requesting district. The superintendent also shall provide documentation, in accordance with procedures prescribed by the ~~department of education~~ state board, that the applicant is enrolled in a career-technical workforce development educator preparation program offered by an institution of higher education that has an existing teacher preparatory program in place that meets all of the following criteria:

(a) Is approved by the chancellor of higher education to provide instruction in teaching methods and principles;

(b) Provides classroom support to the license holder;

(c) Includes at least three semester hours of coursework in the teaching of reading in the subject area;

(d) Is aligned with career-technical education and workforce development competencies developed by the department of education and workforce;

(e) Uses a summative performance-based assessment developed by the program and aligned to the competencies described in division (C)(1)(d) of this section to evaluate the license holder's knowledge and skills;

(f) Consists of not less than twenty-four semester hours of coursework, or the equivalent.

(2) As a condition of continuing to hold the initial career-technical workforce development license, the holder of the license shall be participating in a career-technical workforce development educator preparation program described in division (C)(1) of this section.

(3) The state board shall renew an initial career-technical workforce

development educator license if the supervisor of the program described in division (C)(1) of this section and the superintendent of the employing school district indicate that the applicant is making sufficient progress in both the program and the teaching position.

(D) Except as provided in division (G) of this section, the state board shall issue an advanced career-technical workforce development educator license to an applicant who has successfully completed the program described in division (C)(1) of this section, as indicated by the supervisor of the program, and who demonstrates mastery of the applicable career-technical education and workforce development competencies described in division (C)(1)(d) of this section in the teaching position, as indicated by the superintendent of the employing school district.

(E) The holder of an advanced career-technical workforce development educator license shall work with a local professional development committee established under section 3319.22 of the Revised Code in meeting requirements for renewal of the license.

(F) Notwithstanding the provisions of section 3319.226 of the Revised Code, the state board shall not require any applicant for an educator license for substitute teaching who holds a license issued under this section to hold a post-secondary degree in order to be issued a license under section 3319.226 of the Revised Code to work as a substitute teacher for career-technical education classes.

(G) The state board shall issue a license to practice as an initial career-technical workforce development educator or advanced career-technical workforce development educator in accordance with Chapter 4796. of the Revised Code to an applicant if either of the following applies:

(1) The applicant holds a license in another state.

(2) The applicant has satisfactory work experience, a government certification, or a private certification as described in that chapter as a career-technical workforce development educator in a state that does not issue one or both of those licenses.

Sec. 3319.262. (A) Notwithstanding any other provision of the Revised Code or any rule adopted by the state board of education to the contrary and except as provided in division (C) of this section, the state board shall adopt rules establishing standards and requirements for obtaining a nonrenewable four-year initial early college high school educator license for teaching grades seven through twelve at an early college high school described in section 3313.6013 of the Revised Code to any applicant who meets the following conditions:

(1) Has a graduate or terminal degree from an accredited institution of higher education in a field related to the subject area to be taught, as determined by the ~~department of education~~ state board;

(2) Has obtained a passing score on an examination in the subject area to be taught, as prescribed by the state board;

(3) Has experience teaching students at any grade level, including post-secondary students;

(4) Has proof that an early college high school intends to employ the applicant pending a valid license under this section.

An individual licensed under this section shall be subject to sections 3319.291 and 3319.39 of the Revised Code. An initial educator license issued under division (A) of this section shall be valid for teaching only at the employing school described in division (A)(4) of this section.

(B) After four years of teaching under an initial early college high school educator license issued under this section, an individual may apply for a renewable five-year professional educator license in the same subject area named in the initial license. The state board shall issue the applicant a professional educator license if the applicant attains a passing score on an assessment of professional knowledge prescribed by the state board. Nothing in division (B) of this section shall be construed to prohibit an individual from applying for a professional educator license under section 3319.22 of the Revised Code.

(C) The state board shall issue an initial early college high school educator license in accordance with Chapter 4796. of the Revised Code to an applicant if either of the following applies:

(1) The applicant holds a license in another state.

(2) The applicant has satisfactory work experience, a government certification, or a private certification as described in that chapter as an early college high school educator in a state that does not issue that license.

Sec. 3319.28. (A) As used in this section, "STEM school" means a science, technology, engineering, and mathematics school established under Chapter 3326. of the Revised Code.

(B) Notwithstanding any other provision of the Revised Code or any rule adopted by the state board of education to the contrary and except as provided in division (F) of this section, the state board shall issue a two-year provisional educator license for teaching science, technology, engineering, or mathematics in grades six through twelve in a STEM school to any applicant who meets the following conditions:

(1) Holds a bachelor's degree from an accredited institution of higher education in a field related to the subject area to be taught;

(2) Has passed an examination prescribed by the state board in the subject area to be taught.

(C) The holder of a provisional educator license issued under this section shall complete a structured apprenticeship program provided by an educational service center or a teacher preparation program approved under section 3333.048 of the Revised Code, in partnership with the STEM school that employs the license holder. The apprenticeship program shall include the following:

(1) Mentoring by a teacher or administrator who regularly observes the license holder's classroom instruction, provides feedback on the license holder's teaching strategies and classroom management, and engages the license holder in discussions about methods for fostering and measuring student learning;

(2) Regularly scheduled seminars or meetings that address the following topics:

(a) The statewide academic standards adopted ~~by the state board~~ under section 3301.079 of the Revised Code and the importance of aligning curriculum with those standards;

(b) The achievement assessments prescribed by section 3301.0710 of the Revised Code;

(c) The school district and building accountability system established under Chapter 3302. of the Revised Code;

(d) Instructional methods and strategies;

(e) Student development;

(f) Assessing student progress and providing remediation and intervention, as necessary, to meet students' special needs;

(g) Classroom management and record keeping.

(D) After two years of teaching under a provisional educator license issued under this section, a person may apply for a five-year professional educator license in the same subject area named in the provisional license. The state board shall issue the applicant a professional educator license if the applicant meets the following conditions:

(1) The applicant completed the apprenticeship program described in division (C) of this section.

(2) The applicant receives a positive recommendation indicating that the applicant is an effective teacher from both of the following:

(a) The chief administrative officer of the STEM school that most recently employed the applicant as a classroom teacher;

(b) The educational service center or teacher preparation program administrator in charge of the apprenticeship program completed by the

applicant.

(3) The applicant meets all other requirements for a professional educator license adopted by the state board under section 3319.22 of the Revised Code.

(E) The ~~department of education~~ state board shall evaluate the experiences of STEM schools with classroom teachers holding provisional educator licenses issued under this section. The evaluation shall cover the first two school years for which licenses are issued and shall consider at least the schools' satisfaction with the teachers and the operation of the apprenticeship programs.

(F) The state board shall issue a provisional educator license for teaching in a STEM school in accordance with Chapter 4796. of the Revised Code to an applicant if either of the following applies:

(1) The applicant holds a license in another state.

(2) The applicant has satisfactory work experience, a government certification, or a private certification as described in that chapter as a STEM educator in a state that does not issue that license.

Sec. 3319.361. (A) Except as provided in division (F) of this section, the state board of education shall establish rules for the issuance of a supplemental teaching license. This license shall be issued at the request of the superintendent of a city, local, exempted village, or joint vocational school district, educational service center, or the governing authority of a STEM school, chartered nonpublic school, or community school to an individual who meets all of the following criteria:

(1) Holds a current professional or permanent Ohio teaching certificate or resident educator license, professional educator license, senior professional educator license, or lead professional educator license, as issued under section 3319.22 or 3319.26 of the Revised Code;

(2) Is of good moral character;

(3) Is employed in a supplemental licensure area or teaching field, as defined by the state board;

(4) Completes an examination prescribed by the state board in the licensure area;

(5) Completes, while employed under the supplemental teaching license and subsequent renewals thereof, additional coursework, if applicable, and testing requirements for full licensure in the supplemental area as a condition of holding and teaching under a supplemental teaching license.

(B) The employing school district, service center, or school shall assign a mentor to the individual holding a supplemental teaching license. The assigned mentor shall be an experienced teacher who currently holds a

license in the same, or a related, content area as the supplemental license.

(C) Before the ~~department of education~~ state board will issue an individual a supplemental teaching license in another area, the supplemental licensee must complete the supplemental licensure program, or its equivalent, and be issued a standard teaching license in the area of the currently held supplemental license.

(D) An individual may advance from a supplemental teaching license to a standard teaching license upon:

(1) Verification from the employing superintendent or governing authority that the individual holding the supplemental teaching license has taught successfully in the licensure area for a minimum of two years; and

(2) Completing requirements as applicable to the licensure area or teaching field as established by the state board.

(E) A licensee who has filed an application under this section may work in the supplemental licensure area for up to sixty school days while completing the requirements in division (A)(4) of this section. If the requirements are not completed within sixty days, the application shall be declined.

(F) The state board shall issue a supplemental teaching license in accordance with Chapter 4796. of the Revised Code to an applicant if either of the following applies:

(1) The applicant holds a license in another state.

(2) The applicant has satisfactory work experience, a government certification, or a private certification as described in that chapter as an educator providing supplemental instruction in a state that does not issue that license.

Sec. 3327.10. (A) Except as provided in division (L) of this section, no person shall be employed as driver of a school bus or motor van, owned and operated by any school district or educational service center or privately owned and operated under contract with any school district or service center in this state, who has not received a certificate from either the educational service center governing board that has entered into an agreement with the school district under section 3313.843 or 3313.845 of the Revised Code or the superintendent of the school district, certifying that such person is at least eighteen years of age and is qualified physically and otherwise for such position. The service center governing board or the superintendent, as the case may be, shall provide for an annual physical examination that conforms with rules adopted by the ~~state board~~ department of education and workforce of each driver to ascertain the driver's physical fitness for such employment. The examination shall be performed by one of the following:

(1) A person licensed under Chapter 4731. or 4734. of the Revised Code or by another state to practice medicine and surgery, osteopathic medicine and surgery, or chiropractic;

(2) A physician assistant;

(3) A certified nurse practitioner;

(4) A clinical nurse specialist;

(5) A certified nurse-midwife;

(6) A medical examiner who is listed on the national registry of certified medical examiners established by the federal motor carrier safety administration in accordance with 49 C.F.R. part 390.

Any certificate may be revoked by the authority granting the same on proof that the holder has been guilty of failing to comply with division (D)(1) of this section, or upon a conviction or a guilty plea for a violation, or any other action, that results in a loss or suspension of driving rights. Failure to comply with such division may be cause for disciplinary action or termination of employment under division (C) of section 3319.081, or section 124.34 of the Revised Code.

(B) Except as provided in division (L) of this section, no person shall be employed as driver of a school bus or motor van not subject to the rules of the department of education pursuant to division (A) of this section who has not received a certificate from the school administrator or contractor certifying that such person is at least eighteen years of age and is qualified physically and otherwise for such position. Each driver shall have an annual physical examination which conforms to the state highway patrol rules, ascertaining the driver's physical fitness for such employment. The examination shall be performed by one of the following:

(1) A person licensed under Chapter 4731. or 4734. of the Revised Code or by another state to practice medicine and surgery, osteopathic medicine and surgery, or chiropractic;

(2) A physician assistant;

(3) A certified nurse practitioner;

(4) A clinical nurse specialist;

(5) A certified nurse-midwife;

(6) A medical examiner who is listed on the national registry of certified medical examiners established by the federal motor carrier safety administration in accordance with 49 C.F.R. part 390.

Any written documentation of the physical examination shall be completed by the individual who performed the examination.

Any certificate may be revoked by the authority granting the same on proof that the holder has been guilty of failing to comply with division

(D)(2) of this section.

(C) Any person who drives a school bus or motor van must give satisfactory and sufficient bond except a driver who is an employee of a school district and who drives a bus or motor van owned by the school district.

(D) No person employed as driver of a school bus or motor van under this section who is convicted of a traffic violation or who has had the person's commercial driver's license suspended shall drive a school bus or motor van until the person has filed a written notice of the conviction or suspension, as follows:

(1) If the person is employed under division (A) of this section, the person shall file the notice with the superintendent, or a person designated by the superintendent, of the school district for which the person drives a school bus or motor van as an employee or drives a privately owned and operated school bus or motor van under contract.

(2) If employed under division (B) of this section, the person shall file the notice with the employing school administrator or contractor, or a person designated by the administrator or contractor.

(E) In addition to resulting in possible revocation of a certificate as authorized by divisions (A) and (B) of this section, violation of division (D) of this section is a minor misdemeanor.

(F)(1) Not later than thirty days after June 30, 2007, each owner of a school bus or motor van shall obtain the complete driving record for each person who is currently employed or otherwise authorized to drive the school bus or motor van. An owner of a school bus or motor van shall not permit a person to operate the school bus or motor van for the first time before the owner has obtained the person's complete driving record. Thereafter, the owner of a school bus or motor van shall obtain the person's driving record not less frequently than semiannually if the person remains employed or otherwise authorized to drive the school bus or motor van. An owner of a school bus or motor van shall not permit a person to resume operating a school bus or motor van, after an interruption of one year or longer, before the owner has obtained the person's complete driving record.

(2) The owner of a school bus or motor van shall not permit a person to operate the school bus or motor van for ten years after the date on which the person pleads guilty to or is convicted of a violation of section 4511.19 of the Revised Code or a substantially equivalent municipal ordinance.

(3) An owner of a school bus or motor van shall not permit any person to operate such a vehicle unless the person meets all other requirements contained in rules adopted by the ~~state board of education~~ department

prescribing qualifications of drivers of school buses and other student transportation.

(G) No superintendent of a school district, educational service center, community school, or public or private employer shall permit the operation of a vehicle used for pupil transportation within this state by an individual unless both of the following apply:

(1) Information pertaining to that driver has been submitted to the department of education, pursuant to procedures adopted by that department. Information to be reported shall include the name of the employer or school district, name of the driver, driver license number, date of birth, date of hire, status of physical evaluation, and status of training.

(2) The most recent criminal records check required by division (J) of this section has been completed and received by the superintendent or public or private employer.

(H) A person, school district, educational service center, community school, nonpublic school, or other public or nonpublic entity that owns a school bus or motor van, or that contracts with another entity to operate a school bus or motor van, may impose more stringent restrictions on drivers than those prescribed in this section, in any other section of the Revised Code, and in rules adopted by the ~~state board~~ department.

(I) For qualified drivers who, on July 1, 2007, are employed by the owner of a school bus or motor van to drive the school bus or motor van, any instance in which the driver was convicted of or pleaded guilty to a violation of section 4511.19 of the Revised Code or a substantially equivalent municipal ordinance prior to two years prior to July 1, 2007, shall not be considered a disqualifying event with respect to division (F) of this section.

(J)(1) This division applies to persons hired by a school district, educational service center, community school, chartered nonpublic school, or science, technology, engineering, and mathematics school established under Chapter 3326. of the Revised Code to operate a vehicle used for pupil transportation.

For each person to whom this division applies who is hired on or after November 14, 2007, the employer shall request a criminal records check in accordance with section 3319.39 of the Revised Code and every six years thereafter. For each person to whom this division applies who is hired prior to that date, the employer shall request a criminal records check by a date prescribed by the department of education and every six years thereafter.

(2) This division applies to persons hired by a public or private employer not described in division (J)(1) of this section to operate a vehicle

used for pupil transportation.

For each person to whom this division applies who is hired on or after November 14, 2007, the employer shall request a criminal records check prior to the person's hiring and every six years thereafter. For each person to whom this division applies who is hired prior to that date, the employer shall request a criminal records check by a date prescribed by the department and every six years thereafter.

(3) Each request for a criminal records check under division (J) of this section shall be made to the superintendent of the bureau of criminal identification and investigation in the manner prescribed in section 3319.39 of the Revised Code, except that if both of the following conditions apply to the person subject to the records check, the employer shall request the superintendent only to obtain any criminal records that the federal bureau of investigation has on the person:

(a) The employer previously requested the superintendent to determine whether the bureau of criminal identification and investigation has any information, gathered pursuant to division (A) of section 109.57 of the Revised Code, on the person in conjunction with a criminal records check requested under section 3319.39 of the Revised Code or under division (J) of this section.

(b) The person presents proof that the person has been a resident of this state for the five-year period immediately prior to the date upon which the person becomes subject to a criminal records check under this section.

Upon receipt of a request, the superintendent shall conduct the criminal records check in accordance with section 109.572 of the Revised Code as if the request had been made under section 3319.39 of the Revised Code. However, as specified in division (B)(2) of section 109.572 of the Revised Code, if the employer requests the superintendent only to obtain any criminal records that the federal bureau of investigation has on the person for whom the request is made, the superintendent shall not conduct the review prescribed by division (B)(1) of that section.

(K)(1) Until the effective date of the amendments to rule 3301-83-23 of the Ohio Administrative Code required by the second paragraph of division (E) of section 3319.39 of the Revised Code, any person who is the subject of a criminal records check under division (J) of this section and has been convicted of or pleaded guilty to any offense described in division (B)(1) of section 3319.39 of the Revised Code shall not be hired or shall be released from employment, as applicable, unless the person meets the rehabilitation standards prescribed for nonlicensed school personnel by rule 3301-20-03 of the Ohio Administrative Code.

(2) Beginning on the effective date of the amendments to rule 3301-83-23 of the Ohio Administrative Code required by the second paragraph of division (E) of section 3319.39 of the Revised Code, any person who is the subject of a criminal records check under division (J) of this section and has been convicted of or pleaded guilty to any offense that, under the rule, disqualifies a person for employment to operate a vehicle used for pupil transportation shall not be hired or shall be released from employment, as applicable, unless the person meets the rehabilitation standards prescribed by the rule.

(L) The superintendent of a school district or an educational service center governing board shall issue a certificate as a driver of a school bus or motor van or a certificate to operate a vehicle used for pupil transportation in accordance with Chapter 4796. of the Revised Code to an applicant if either of the following applies:

(1) The applicant holds a certificate in another state.

(2) The applicant has satisfactory work experience, a government certification, or a private certification as described in that chapter as a school bus or motor van driver or a pupil transportation vehicle operator in a state that does not issue one or both of those certificates.

Sec. 4709.07. (A) Each person who desires to obtain an initial license to practice barbering shall apply to the state cosmetology and barber board, on forms provided by the board. The application form shall include the name of the person applying for the license and evidence that the applicant meets all of the requirements of division (B) of this section. The application shall be accompanied by the examination application fee.

(B) In order to take the required barber examination and to qualify for licensure as a barber, an applicant must demonstrate that the applicant meets all of the following:

(1) Is at least eighteen years of age;

(2) Has an eighth grade education or an equivalent education as determined by the ~~state board~~ department of education and workforce, or equivalent organization in the state where the applicant resides;

(3) Has graduated with at least one thousand eight hundred hours of training from a board-approved barber school or has graduated with at least one thousand hours of training from a board-approved barber school in this state and has a current cosmetology or hair designer license issued pursuant to Chapter 4713. of the Revised Code. No hours of instruction earned by an applicant five or more years prior to the examination apply to the hours of study required by this division.

(C) Any applicant who meets all of the requirements of divisions (A)

and (B) of this section may take the barber examination at the time and place specified by the board. If the applicant fails to attain at least a seventy-five per cent pass rate on each part of the examination, the applicant is ineligible for licensure; however, the applicant may reapply for examination within ninety days after the date of the release of the examination scores by paying the required reexamination fee. An applicant is only required to take that part or parts of the examination on which the applicant did not receive a score of seventy-five per cent or higher. If the applicant fails to reapply for examination within ninety days or fails the second examination, in order to reapply for examination for licensure the applicant shall complete an additional course of study of not less than two hundred hours, in a board-approved barber school. The board shall provide to an applicant, upon request, a report which explains the reasons for the applicant's failure to pass the examination.

(D) The board shall issue a license to practice barbering to any applicant who, to the satisfaction of the board, meets the requirements of divisions (A) and (B) of this section, who passes the required examination, and pays the initial licensure fee. Every licensed barber shall display the certificate of licensure in a conspicuous place adjacent to or near the licensed barber's work chair.

(E) The board shall issue a license to practice barbering in accordance with Chapter 4796. of the Revised Code to an applicant if either of the following applies:

- (1) The applicant holds a license to practice barbering in another state.
- (2) The applicant has satisfactory work experience, a government certification, or a private certification as described in that chapter as a barber in a state that does not issue that license.

Sec. 4709.10. (A) Each person who desires to obtain a license to operate a barber school shall apply to the state cosmetology and barber board, on forms provided by the board. The board shall issue a barber school license to a person if the board determines that the person meets and will comply with all of the requirements of division (B) of this section and pays the required licensure and inspection fees.

(B) In order for a person to qualify for a license to operate a barber school, the barber school to be operated by the person must meet all of the following requirements:

- (1) Have a training facility sufficient to meet the required educational curriculum established by the board, including enough space to accommodate all the facilities and equipment required by rule by the board;
- (2) Provide sufficient licensed teaching personnel to meet the minimum

pupil-teacher ratio established by rule of the board;

(3) Have established and provide to the board proof that it has met all of the board requirements to operate a barber school, as adopted by rule of the board;

(4) File with the board a program of its curriculum, accounting for not less than one thousand eight hundred hours of instruction in the courses of theory and practical demonstration required by rule of the board;

(5) File with the board a surety bond in the amount of ten thousand dollars issued by a bonding company licensed to do business in this state. The bond shall be in the form prescribed by the board and conditioned upon the barber school's continued instruction in the theory and practice of barbering. The bond shall continue in effect until notice of its termination is provided to the board. In no event, however, shall the bond be terminated while the barber school is in operation. Any student who is injured or damaged by reason of a barber school's failure to continue instruction in the theory and practice of barbering may maintain an action on the bond against the barber school or the surety, or both, for the recovery of any money or tuition paid in advance for instruction in the theory and practice of barbering which was not received. The aggregate liability of the surety to all students shall not exceed the sum of the bond.

(6) Maintain adequate record keeping to ensure that it has met the requirements for records of student progress as required by board rule;

(7) Establish minimum standards for acceptance of student applicants for admission to the barber school. The barber school may establish entrance requirements which are more stringent than those prescribed by the board, but the requirements must at a minimum require the applicant to meet both of the following:

(a) Be at least seventeen years of age;

(b) Have an eighth grade education, or an equivalent education as determined by the ~~state board~~ department of education and workforce.

(8) Have a procedure to submit every student applicant's admission application to the board for the board's review and approval prior to the applicant's admission to the barber school;

(9) Operate in a manner which reflects credit upon the barbering profession;

(10) Offer a curriculum of study which covers all aspects of the scientific fundamentals of barbering as specified by rule of the board;

(11) Employ no more than two licensed assistant barber teachers for each licensed barber teacher employed or fewer than two licensed teachers or one licensed teacher and one licensed assistant teacher at each facility.

(C) Each person who desires to obtain a barber teacher or assistant barber teacher license shall apply to the board, on forms provided by the board. Except as provided in division (D) of this section, the board shall only issue a barber teacher license to a person who meets all of the following requirements:

(1) Holds a current barber license issued pursuant to this chapter and has at least eighteen months of work experience in a licensed barber shop or has been employed as an assistant barber teacher under the supervision of a licensed barber teacher for at least one year, unless, for good cause, the board waives this requirement;

(2) Meets such other requirements as adopted by rule by the board;

(3) Passes the required examination; and

(4) Pays the required fees.

Except as provided in division (D) of this section, the board shall only issue an assistant barber teacher license to a person who holds a current barber license issued pursuant to this chapter and pays the required fees.

(D) The board shall issue a barber teacher or assistant barber teacher license in accordance with Chapter 4796. of the Revised Code to an applicant if either of the following applies:

(1) The applicant holds a barber teacher or assistant barber teacher license, as applicable, in another state.

(2) The applicant has satisfactory work experience, a government certification, or a private certification as described in that chapter as a barber teacher or assistant barber teacher, as applicable, in a state that does not issue the applicable license.

(E) Any person who meets the qualifications of an assistant teacher pursuant to division (C) or (D) of this section, may be employed as an assistant teacher, provided that within five days after the commencement of the employment the barber school submits to the board, on forms provided by the board, the applicant's qualifications.

Sec. 4732.10. (A) The state board of psychology shall appoint an entrance examiner who shall determine the sufficiency of an applicant's qualifications for admission to the appropriate examination. A member of the board or the executive director may be appointed as the entrance examiner.

(B) Requirements for admission to examination for a psychologist license shall be that the applicant:

(1) Is at least twenty-one years of age;

(2) Meets one of the following requirements:

(a) Received an earned doctoral degree from an institution accredited or

recognized by a national or regional accrediting agency and a program accredited by any of the following:

(i) The American psychological association, office of program consultation and accreditation;

(ii) The accreditation office of the Canadian psychological association;

(iii) A program listed by the association of state and provincial psychology boards/national register designation committee;

(iv) The national association of school psychologists.

(b) Received an earned doctoral degree in psychology or school psychology from an institution accredited or recognized by a national or regional accrediting agency but the program does not meet the program accreditation requirements of division (B)(2)(a) of this section;

(c) Received from an academic institution outside of the United States or Canada a degree determined, under rules adopted by the board under division (F) of this section, to be equivalent to a doctoral degree in psychology from a program described in division (B)(2)(a) of this section;

(d) Held a psychologist license, certificate, or registration required for practice in a Canadian jurisdiction for a minimum of ten years and meets educational, experience, and professional requirements established under rules adopted by the board.

(3) Has had at least two years of supervised professional experience in psychological work of a type satisfactory to the board, at least one year of which must be a predoctoral internship. The board shall adopt guidelines for the kind of supervised professional experience that fulfill this requirement.

(4) If applying under division (B)(2)(b) or (c) of this section, has had at least two years of supervised professional experience in psychological work of a type satisfactory to the board, at least one year of which must be postdoctoral. The board shall adopt guidelines for the kind of supervised professional experience that fulfill this requirement.

(C) Requirements for admission to examination for an independent school psychologist license shall be that the applicant:

(1) Has received from an educational institution accredited or recognized by national or regional accrediting agencies as maintaining satisfactory standards, including those approved by the state board of education for the training of independent school psychologists, at least a master's degree in school psychology, or a degree considered equivalent by the board;

(2) Is at least twenty-one years of age;

(3) Has completed at least sixty quarter hours, or the semester hours equivalent, at the graduate level, of accredited study in course work relevant

to the study of school psychology;

(4) Has completed an internship in an educational institution approved by the ~~Ohio~~ department of education and workforce for school psychology supervised experience or one year of other training experience acceptable to the board, such as supervised professional experience under the direction of a licensed psychologist, licensed independent school psychologist, or licensed school psychologist;

(5) Furnishes proof of at least twenty-seven months, exclusive of internship, of full-time experience as a certificated school psychologist employed by a board of education or a private school meeting the standards prescribed by the ~~state board~~ director of education and workforce, or of experience that the board deems equivalent.

(D) Requirements for admission to examination for a school psychologist shall be that the applicant:

(1) Has received from an educational institution accredited or recognized by national or regional accrediting agencies as maintaining satisfactory standards, including those approved by the state board of education for the training of school psychologists, at least a master's degree in school psychology, or a degree considered equivalent by the board;

(2) Is at least twenty-one years of age;

(3) Has completed a nine month, full-time internship in an approved school setting as described in rules adopted by the board.

(E) If the entrance examiner finds that the applicant meets the requirements set forth in this section, the applicant shall be admitted to the appropriate examination.

(F) The board shall adopt under Chapter 119. of the Revised Code rules for determining for the purposes of division (B)(2)(c) of this section whether a degree is equivalent to a degree in psychology from an institution in the United States.

Sec. 4735.09. (A) Application for a license as a real estate salesperson shall be made to the superintendent of real estate on forms furnished by the superintendent and signed by the applicant. The application shall be in the form prescribed by the superintendent and shall contain such information as is required by this chapter and the rules of the Ohio real estate commission. The application shall be accompanied by the recommendation of the real estate broker with whom the applicant is associated or with whom the applicant intends to be associated, certifying that the applicant is honest and truthful, and has not been finally adjudged by a court to have violated any municipal, state, or federal civil rights laws relevant to the protection of purchasers or sellers of real estate, which conviction or adjudication the

applicant has not disclosed to the superintendent, and recommending that the applicant be admitted to the real estate salesperson examination.

(B) A fee of eighty-one dollars shall accompany the application, which fee includes the fee for the initial year of the licensing period, if a license is issued. The initial year of the licensing period commences at the time the license is issued and ends on the applicant's first birthday thereafter. The application fee shall be nonrefundable. A fee of eighty-one dollars shall be charged by the superintendent for each successive application made by the applicant. One dollar of each application fee shall be credited to the real estate education and research fund.

(C) There shall be no limit placed on the number of times an applicant may retake the examination.

(D) The superintendent, with the consent of the commission, may enter into an agreement with a recognized national testing service to administer the real estate salesperson's examination under the superintendent's supervision and control, consistent with the requirements of this chapter as to the contents of the examination.

If the superintendent, with the consent of the commission, enters into an agreement with a national testing service to administer the real estate salesperson's examination, the superintendent may require an applicant to pay the testing service's examination fee directly to the testing service. If the superintendent requires the payment of the examination fee directly to the testing service, each applicant shall submit to the superintendent a processing fee in an amount determined by the Ohio real estate commission pursuant to division (A)(1) of section 4735.10 of the Revised Code.

(E) The superintendent shall issue a real estate salesperson's license when satisfied that the applicant has received a passing score on each portion of the salesperson's examination as determined by rule by the real estate commission.

(F) No applicant for a salesperson's license shall take the salesperson's examination who has not established to the satisfaction of the superintendent that the applicant:

(1) Is honest and truthful;

(2)(a) Has not been convicted of a disqualifying offense as determined in accordance with section 9.79 of the Revised Code;

(b) Has not been finally adjudged by a court to have violated any municipal, state, or federal civil rights laws relevant to the protection of purchasers or sellers of real estate or, if the applicant has been so adjudged, at least two years have passed since the court decision and the superintendent has disregarded the adjudication because the applicant has

proven, by a preponderance of the evidence, that the applicant is honest and truthful, and there is no basis in fact for believing that the applicant again will violate the laws involved.

(3) Has not, during any period in which the applicant was licensed under this chapter, violated any provision of, or any rule adopted pursuant to this chapter, or, if the applicant has violated such provision or rule, has established to the satisfaction of the superintendent that the applicant will not again violate such provision or rule;

(4) Is at least eighteen years of age;

(5) If born after the year 1950, has a high school diploma or a certificate of high school equivalence issued ~~by the department of education~~ under section 3301.80 of the Revised Code;

(6) Has successfully completed at an institution of higher education all of the following credit-eligible courses by either classroom instruction or distance education:

(a) Forty hours of instruction in real estate practice;

(b) Forty hours of instruction that includes the subjects of Ohio real estate law, municipal, state, and federal civil rights law, new case law on housing discrimination, desegregation issues, and methods of eliminating the effects of prior discrimination. If feasible, the instruction in Ohio real estate law shall be taught by a member of the faculty of an accredited law school. If feasible, the instruction in municipal, state, and federal civil rights law, new case law on housing discrimination, desegregation issues, and methods of eliminating the effects of prior discrimination shall be taught by a staff member of the Ohio civil rights commission who is knowledgeable with respect to those subjects. The requirements of this division do not apply to an applicant who is admitted to practice before the supreme court.

(c) Twenty hours of instruction in real estate appraisal;

(d) Twenty hours of instruction in real estate finance.

(G)(1) Successful completion of the instruction required by division (F)(6) of this section shall be determined by the law in effect on the date the instruction was completed.

(2) Division (F)(6)(c) of this section does not apply to any new applicant who holds a valid Ohio real estate appraiser license or certificate issued prior to the date of application for a real estate salesperson's license.

(H) Only for noncredit course offerings, an institution of higher education shall obtain approval from the appropriate state authorizing entity prior to offering a real estate course that is designed and marketed as satisfying the salesperson license education requirements of division (F)(6) of this section. The state authorizing entity may consult with the

superintendent in reviewing the course for compliance with this section.

(I) Any person who has not been licensed as a real estate salesperson or broker within a four-year period immediately preceding the person's current application for the salesperson's examination shall have successfully completed the prelicensure instruction required by division (F)(6) of this section within a ten-year period immediately preceding the person's current application for the salesperson's examination.

(J) Not earlier than the date of issue of a real estate salesperson's license to a licensee, but not later than twelve months after the date of issue of a real estate salesperson license to a licensee, the licensee shall submit proof satisfactory to the superintendent, on forms made available by the superintendent, of the completion of twenty hours of instruction that shall be completed in schools, seminars, and educational institutions approved by the commission. The instruction shall include, but is not limited to, current practices relating to commercial real estate, property management, short sales, and land contracts; contract law; federal and state programs; economic conditions; and fiduciary responsibility. Approval of the curriculum and providers shall be granted according to rules adopted pursuant to section 4735.10 of the Revised Code and may be taken through classroom instruction or distance education.

If proof of completion of the required instruction is not submitted within twelve months of the date a license is issued under this section, the licensee's license is suspended automatically without the taking of any action by the superintendent. The superintendent immediately shall notify the broker with whom such salesperson is associated of the suspension of the salesperson's license. A salesperson whose license has been suspended under this division shall have twelve months after the date of the suspension of the salesperson's license to submit proof of successful completion of the instruction required under this division. No such license shall be reactivated by the superintendent until it is established, to the satisfaction of the superintendent, that the requirements of this division have been met and that the licensee is in compliance with this chapter. A licensee's license is revoked automatically without the taking of any action by the superintendent when the licensee fails to submit the required proof of completion of the education requirements under division (I) of this section within twelve months of the date the license is suspended.

(K) Examinations shall be administered with reasonable accommodations in accordance with the requirements of the "Americans with Disabilities Act of 1990," 104 Stat. 327, 42 U.S.C. 12189. The contents of an examination shall be consistent with the classroom instructional

requirements of division (F)(6) of this section. An applicant who has completed the classroom instructional requirements of division (F)(6) of this section at the time of application shall be examined no later than twelve months after the applicant is notified of the applicant's admission to the examination.

(L) Notwithstanding any provision of this chapter or Chapter 4796. of the Revised Code to the contrary, the superintendent shall issue a real estate salesperson's license in accordance with Chapter 4796. of the Revised Code to an applicant if both of the following apply:

(1) The applicant satisfies the requirements specified in section 4796.03, 4796.04, or 4796.05 of the Revised Code, as applicable.

(2) The applicant passes an examination on Ohio real estate law.

Sec. 4747.10. (A)(1) Each person currently engaged in training to become a licensed hearing aid dealer or fitter shall apply to the state speech and hearing professionals board for a hearing aid dealer's and fitter's trainee permit. The board shall issue to each applicant within thirty days of receipt of a properly completed application and payment of an application fee set by the board in rules adopted under section 4747.04 of the Revised Code, a trainee permit if such applicant meets all of the following criteria:

(a) Is at least eighteen years of age;

(b) Is the holder of a diploma from an accredited high school or a certificate of high school equivalence issued ~~by the department of education~~ under section 3301.80 of the Revised Code;

(c) Is free of contagious or infectious disease.

(2) The board shall issue a hearing aid dealer's and fitter's trainee permit in accordance with Chapter 4796. of the Revised Code to an applicant if either of the following applies:

(a) The applicant holds a permit or license in another state.

(b) The applicant has satisfactory work experience, a government certification, or a private certification as described in that chapter as a hearing aid dealer and fitter trainee in a state that does not issue that permit or license.

(B) The board shall not deny a trainee permit issued under this section to any individual based on the individual's past criminal history unless the denial is in accordance with section 9.79 of the Revised Code.

In considering a renewal of an individual's trainee permit, the board shall not consider any conviction or plea of guilty prior to the issuance of the initial trainee permit. However, the board may consider a conviction or plea of guilty if it occurred after the individual was initially granted the trainee permit, or after the most recent trainee permit renewal. The board

shall comply with Chapter 119. of the Revised Code when denying an individual for a trainee permit or renewal. Additionally, the board may grant an individual a conditional trainee permit that lasts for one year. After the one-year period has expired, the permit is no longer considered conditional, and the individual shall be considered to be granted a full trainee permit.

(C) Each trainee permit issued by the board expires one year from the date it was first issued, and may be renewed once if the trainee has not successfully completed the qualifying requirements for licensing as a hearing aid dealer or fitter before the expiration date of such permit. The board shall issue a renewed permit to each applicant upon receipt of a properly completed application and payment of a renewal fee set by the board in rules adopted under section 4747.04 of the Revised Code. No person holding a trainee permit shall engage in the practice of dealing in or fitting of hearing aids except while under supervision by a licensed hearing aid dealer or fitter.

SECTION 130.104. That the existing sections 921.06, 3301.071, 3309.011, 3319.22, 3319.229, 3319.262, 3319.28, 3319.361, 3327.10, 4709.07, 4709.10, 4732.10, 4735.09, and 4747.10 of the Revised Code that are scheduled to take effect December 29, 2023, are hereby repealed.

SECTION 130.105. Sections 130.103 and 130.104 of this act take effect December 29, 2023.

SECTION 130.106. (A) On the effective date of this section, the Department of Education is hereby renamed as the Department of Education and Workforce, as prescribed by new section 3301.13 of the Revised Code as enacted by this act.

(B) On and after the effective date of this section, all powers and duties vested in the State Board of Education and the Superintendent of Public Instruction terminate, except as described in section 3301.111 of the Revised Code. Any business commenced but not completed on the effective date of this section by the State Board of Education or the State Superintendent of Public Instruction shall be completed by the Department of Education and Workforce in the same manner, and with the same effect, as if completed by the State Board of Education or the State Superintendent of Public Instruction.

(C)(1) On or after the effective date of this section, all employees of the

Department of Education and Workforce necessary for the State Board of Education to perform its powers and duties, as described in section 3301.111 of the Revised Code, are hereby transferred to the State Board. Subject to the lay-off provisions of sections 124.321 to 124.328 of the Revised Code, employees who are transferred retain their same positions and all benefits accruing thereto. Once transferred to the State Board, changes to positions or benefits for employees not subject to Chapter 4117. of the Revised Code shall be controlled by Chapter 124. of the Revised Code, or other applicable revised and administrative code sections.

(2) On the effective date of this section, the assets, equipment, records, documents, files, and other materials, irrespective of form or medium, of the Department of Education and Workforce necessary for the State Board of Education to perform its duties and powers, as described in section 3301.111 of the Revised Code, are transferred to the State Board.

(D)(1) No validation, cure, right, privilege, remedy, obligation, or liability is lost or impaired by reason of the transfer required by this section but shall be administered by the Director of Education and Workforce or Department of Education and Workforce. Any action or proceeding pending on the effective date of this section may be prosecuted or defended in the name of the Department of Education and Workforce. In all such actions or proceedings, the Department of Education and Workforce shall be substituted as a party upon application to the court or other tribunal.

(2) Except with regard to matters related to the statutorily prescribed powers and duties of the State Board of Education as described in section 3301.111 of the Revised Code, whenever the Department of Education, the State Board of Education, or the Superintendent of Public Instruction is referred to in any law, contract, or other document, the reference shall be deemed to refer to the Department of Education and Workforce or the Director of Education and Workforce, whichever is appropriate in context.

(E) All rules, orders, and determinations made or undertaken by the Superintendent of Public Instruction or the State Board of Education relating to the powers and duties transferred to the Department or Director of Education and Workforce continue in effect as rules, orders, and determinations of the Department of Education and Workforce until modified or rescinded by the Director of Education and Workforce. On or after the effective date of this section, if necessary to ensure the integrity of the numbering of the Administrative Code, and to the extent permitted by statute, the Director of the Legislative Service Commission shall renumber the rules of the Department of Education, Superintendent of Public Instruction, or the State Board of Education to reflect its respective transfer

to the Department or Director of Education and Workforce pursuant to the provisions of law enacted herein.

This division does not affect the rules of the State Board of Education regarding the statutorily prescribed powers and duties of the State Board as described in section 3301.111 of the Revised Code.

(F) On or after the effective date of this section, pursuant to section 126.15 of the Revised Code, the Director of Budget and Management shall transfer the balance of all appropriations made related to the statutorily prescribed powers and duties of the State Board of Education, as described in section 3301.111 of the Revised Code, from the Department of Education and Workforce to the State Board for the same purpose as appropriated to the Department of Education and Workforce.

(G) Not later than ninety days after the effective date of this section, the Director of Education and Workforce, the Department of Education and Workforce, the State Board of Education, and the Superintendent of Public Instruction shall complete any action necessary to implement the provisions of this act regarding the transfer of powers described in this section.

(H) The Director of Education and Workforce shall, in a timely manner, schedule a list of regular meetings under section 3301.137 of the Revised Code for fiscal year 2024.

SECTION 130.107. The General Assembly, applying the principle stated in division (B) of section 1.52 of the Revised Code that amendments are to be harmonized if reasonably capable of simultaneous operation, finds that the following sections, presented in this act as composites of the sections as amended by the acts indicated, are the resulting versions of the sections in effect prior to the effective date of the sections as presented in this act:

Section 109.57 of the Revised Code as amended by both H.B. 405 and S.B. 288 of the 134th General Assembly.

Section 109.572 of the Revised Code as amended by both H.B. 509 and S.B. 288 of the 134th General Assembly.

Section 121.95 of the Revised Code as amended by both H.B. 29 and S.B. 9 of the 134th General Assembly.

Section 135.142 of the Revised Code as amended by both H.B. 197 and S.B. 276 of the 133rd General Assembly.

Section 2151.353 of the Revised Code as amended by H.B. 8 and H.B. 166, both of the 133rd General Assembly, H.B. 49 of the 132nd General Assembly, and H.B. 50 and H.B. 158, both of the 131st General Assembly.

Section 2901.01 of the Revised Code as amended by H.B. 462, S.B. 164, and S.B. 288, all of the 134th General Assembly.

Section 2903.13 of the Revised Code as amended by H.B. 281, S.B. 16, and S.B. 288, all of the 134th General Assembly.

Section 2925.01 of the Revised Code as amended by H.B. 281, H.B. 509, and S.B. 25, all of the 134th General Assembly.

Section 3301.0712 of the Revised Code as amended by both H.B. 82 and H.B. 110 of the 134th General Assembly.

Section 3301.0715 of the Revised Code as amended by both H.B. 82 and H.B. 110 of the 134th General Assembly.

Section 3302.03 of the Revised Code as amended by both S.B. 166 and S.B. 229 of the 134th General Assembly.

Section 3302.04 of the Revised Code as amended by both H.B. 82 and H.B. 110 of the 134th General Assembly.

Section 3310.41 of the Revised Code as amended by H.B. 509 and H.B. 554, both of the 134th General Assembly.

Section 3311.741 of the Revised Code as amended by both H.B. 82 and H.B. 110 of the 134th General Assembly.

Section 3313.25 of the Revised Code as amended by both H.B. 291 and H.B. 491 of the 132nd General Assembly.

Section 3313.6113 of the Revised Code as amended by H.B. 82, H.B. 110, and S.B. 166, all of the 134th General Assembly.

Section 3314.02 of the Revised Code as amended by both H.B. 82 and H.B. 110 of the 134th General Assembly.

Section 3319.02 of the Revised Code as amended by both H.B. 525 and S.B. 316 of the 129th General Assembly.

The version of section 3319.22 of the Revised Code that is scheduled to take effect December 29, 2023, as amended by both H.B. 509 and S.B. 131 of the 134th General Assembly.

Section 4141.01 of the Revised Code as amended by both H.B. 110 and H.B. 281 of the 134th General Assembly.

The version of section 4709.07 of the Revised Code that is scheduled to take effect December 29, 2023, as amended by both H.B. 509 and S.B. 131 of the 134th General Assembly.

The version of section 4709.10 of the Revised Code that is scheduled to take effect December 29, 2023, as amended by both H.B. 509 and S.B. 131 of the 134th General Assembly.

The version of section 4732.10 of the Revised Code that is scheduled to take effect December 29, 2023, as amended by both H.B. 509 and S.B. 131 of the 134th General Assembly.

SECTION 130.108. The amendment by Section 130.100 of this act of

section 3301.521 of the Revised Code does not prevent the repeal of section 3301.521 of the Revised Code, with delayed effective date, by Sections 130.14 and 130.15 of this act.

SECTION 130.110. That sections 113.05, 113.11, 113.12, 113.40, 125.30, 126.06, 127.14, 129.06, 129.09, 131.01, 135.01, 135.02, 135.04, 135.05, 135.06, 135.08, 135.10, 135.12, 135.14, 135.142, 135.143, 135.15, 135.182, 135.31, 135.35, 135.45, 135.46, 135.47, 718.01, 1111.04, 1112.12, 1315.54, 1345.01, 1501.10, 1503.05, 1509.07, 1509.225, 1514.04, 1514.05, 1521.061, 1548.06, 1733.04, 1733.24, 1735.03, 2109.37, 2109.372, 2109.44, 3314.50, 3366.05, 3737.945, 3903.73, 3905.32, 3916.01, 3925.26, 4141.241, 4505.06, 4509.62, 4509.63, 4509.65, 4509.67, 4710.03, 4749.01, 4763.13, 5725.17, 5725.22, 5727.25, 5727.31, 5727.311, 5727.42, 5727.47, 5727.53, 5727.81, 5727.811, 5727.82, 5727.83, 5733.022, 5735.03, 5735.062, 5739.031, 5739.032, 5739.07, 5743.05, 5743.051, 5743.15, 5745.03, 5745.04, 5745.041, 5747.059, 5747.07, 5747.072, 5747.42, 5747.44, 5747.451, 5815.26, and 5815.37 be amended and new sections 135.61, 135.62, 135.63, 135.64, 135.65, 135.66, 135.70, and 135.71 and sections 113.22, 135.621, 135.622, 135.623, 135.624, 135.625, 135.701, 135.702, 135.703, 135.704, 135.705, and 169.053 of the Revised Code be enacted to read as follows:

Sec. 113.05. (A) As used in sections 113.05 to 113.40 of the Revised Code:

(1) "Account," "appropriation," "disbursement," "electronic funds transfer," "fund," and "warrant" have the same meanings as in section 131.01 of the Revised Code.

(2) "Assets" has the same meaning as in section 131.01 of the Revised Code, but does not include items held in safekeeping by the treasurer of state including, but not limited to, collateral pledged to a state agency.

(3) "Custodial funds" do not include items held in safekeeping by the treasurer of state including, but not limited to, collateral pledged to a state agency.

(B) The state treasury consists of the moneys, claims, bonds, notes, other obligations, stocks, and other securities, receipts or other evidences of ownership, and other intangible assets of the state that are required by law to be deposited in the state treasury or are otherwise a part of the state treasury. All assets of the state treasury shall be kept in the rooms assigned the treasurer of state, with the vaults, safes, and other appliances therein; provided, that:

(1) Securities required by law to be deposited or kept in the state treasury may be deposited for safekeeping with the federal reserve bank of Cleveland, Ohio or secured and insured depositories in or out of this state as designated by the treasurer of state.

(2) Public moneys may be kept in constituted state depositories.

~~(B)~~(C) The custodial funds of the treasurer of state consist of the moneys, claims, bonds, notes, other obligations, stocks, and other securities, receipts or other evidences of ownership, and other intangible assets that are required by law to be kept in the custody of the treasurer of state but are not part of the state treasury. All assets of the custodial funds of the treasurer of state shall be kept in either or both of the following:

(1) The rooms assigned the treasurer of state, with the vaults, safes, and other appliances therein;

(2) The federal reserve bank of Cleveland, Ohio or secured and insured depositories in or out of this state as designated by the treasurer of state.

~~(C)~~(D) Assets of the state treasury shall not be commingled with assets of the custodial funds of the treasurer of state.

The repositing and deposit of payments pursuant to ~~sections~~ section 113.06 ~~and 113.07~~ of the Revised Code ~~are~~ is in compliance with this section.

Sec. 113.11. No money shall be paid out of the state treasury or transferred elsewhere except ~~on the warrant of~~ as ordered by the director of budget and management. No money shall be paid out of a custodial fund of the treasurer of state except ~~on proper order to the treasurer of state~~ as ordered by the officer authorized by law to pay money out of the fund.

The treasurer of state shall adopt rules prescribing the form and manner in which money may be paid out of the state treasury or a custodial fund of the treasurer of state.

Sec. 113.12. (A) As used in this section, "valid warrant" means a warrant that is not stopped, stale dated for age, voided, canceled, altered, or fictitious.

(B) The treasurer of state, on presentation, shall pay all valid warrants drawn on the ~~treasurer of state state treasury~~ by the director of budget and management. ~~At least once each month~~ On a daily basis, the treasurer of state shall ~~surrender~~ provide to the director electronic records of all warrants the treasurer of state has paid ~~and shall accept the receipt of the director therefor. The receipt shall be held by the treasurer of state in place of such warrants and as evidence of their payment until an audit of the state treasury and the custodial funds of the treasurer of state has been completed, adjusted, or returned.~~

Sec. 113.22. There is hereby created in the state treasury the treasurer's information technology reserve fund. The fund shall consist of unexpended amounts transferred from either or both of the following:

(A) The securities lending program fund created under section 135.47 of the Revised Code;

(B) The account created under section 3366.05 of the Revised Code that is in the custody of the treasurer of state and not part of the state treasury.

Moneys credited to the treasurer's information technology reserve fund shall be expended only to acquire or maintain hardware, software, or contract services for the efficient operation of the treasurer of state's office. Unexpended amounts shall be retained in the fund and reserved for such future technology needs.

Sec. 113.40. (A) As used in this section:

(1) "Financial transaction device" includes a credit card, debit card, charge card, prepaid or stored value card, or automated clearinghouse network credit, debit, or e-check entry that includes, but is not limited to, accounts receivable and internet-initiated, point of purchase, and telephone-initiated applications, or any other device or method for making an electronic payment or transfer of funds.

(2) "State expenses" includes fees, costs, taxes, assessments, fines, penalties, payments, or any other expense a person owes to a state office under the authority of a state elected official or to a state entity.

(3) "State elected official" means the governor, lieutenant governor, attorney general, secretary of state, treasurer of state, and auditor of state.

(4) "State entity" includes any state department, agency, board, or commission that deposits funds into the state treasury.

(B) Notwithstanding any other section of the Revised Code and subject to division (D) of this section, the board of deposit may adopt a resolution authorizing the acceptance of payments by financial transaction device to pay for state expenses. The resolution shall include all of the following:

(1) A designation of those state elected officials and state entities authorized to accept payments by financial transaction device;

(2) A list of state expenses that may be paid by the use of a financial transaction device;

(3) Specific identification of financial transaction devices that a state elected official or state entity may authorize as acceptable means of payment for state expenses. Division (B)(3) of this section does not require that the same financial transaction devices be accepted for the payment of different types of state expenses.

(4) The amount, if any, authorized as a surcharge or convenience fee

under division (E) of this section for persons using a financial transaction device. Division (B)(4) of this section does not require that the same surcharges or convenience fees be applied to the payment of different types of state expenses.

(5) A specific requirement, as provided in division (G) of this section, for the payment of a penalty if a payment made by means of a financial transaction device is returned or dishonored for any reason.

The board of deposit's resolution also shall designate the treasurer of state as the administrative agent to solicit proposals, within guidelines established by the board of deposit in the resolution and in compliance with the procedures provided in division (C) of this section, from financial institutions, issuers of financial transaction devices, and processors of financial transaction devices; to make recommendations about those proposals to the state elected officials; and to assist state offices in implementing the state's financial transaction device acceptance and processing program.

(C) The administrative agent shall follow the procedures provided in this division whenever it plans to contract with financial institutions, issuers of financial transaction devices, or processors of financial transaction devices for the purposes of this section. The administrative agent shall request proposals from at least three financial institutions, issuers of financial transaction devices, or processors of financial transaction devices, as appropriate in accordance with the resolution adopted under division (B) of this section. Prior to sending any financial institution, issuer, or processor a copy of any such request, the administrative agent shall advertise its intent to request proposals ~~in a newspaper of general circulation in the state once a week~~ for two consecutive weeks by electronic publication on a state agency web site made available to the general public. The notice shall state that the administrative agent intends to request proposals; specify the purpose of the request; indicate the date, which shall be at least ten days after the ~~second~~ publication, on which the request for proposals will be electronically mailed to financial institutions, issuers, or processors; and require that any financial institution, issuer, or processor, whichever is appropriate, interested in receiving the request for proposals submit written notice of this interest to the administrative agent not later than ~~noon~~ of the day on which the request for proposals will be electronically mailed.

Upon receiving the proposals, the administrative agent shall review them and make a recommendation to the board of deposit regarding which proposals to accept. The board of deposit shall consider the agent's recommendation and review all proposals submitted, and then may choose

to contract with any or all of the entities submitting proposals, as appropriate. The board of deposit shall provide any financial institution, issuer, or processor that submitted a proposal, but with which the board does not enter into a contract, notice that its proposal is rejected.

(D) The board of deposit shall send a copy of the resolution adopted under division (B) of this section to each state elected official and state entity authorized to accept payments for state expenses by financial transaction device. After receiving the resolution and before accepting such payments by financial transaction device, such a state elected official or state entity shall provide written notification to the administrative agent of the official's or entity's intent to implement the resolution within the official's or entity's office. Each state office or entity subject to the board's resolution adopted under division (B) of this section shall use only the financial institutions, issuers of financial transaction devices, and processors of financial transaction devices with which the board of deposit contracts, and each such office or entity is subject to the terms of those contracts.

If a state entity under the authority of a state elected official is directly responsible for collecting one or more state expenses and the state elected official determines not to accept payments by financial transaction device for one or more of those expenses, the office is not required to accept payments by financial transaction device for those expenses, notwithstanding the adoption of a resolution by the board of deposit under division (B) of this section.

~~Any state entity that prior to March 18, 1999, accepted financial transaction devices may continue to accept such devices until June 30, 2000, without being subject to any resolution adopted by the board of deposit under division (B) of this section, or any other oversight by the board of the entity's financial transaction device program. Any such entity may use surcharges or convenience fees in any manner the state elected official or other official in charge of the entity determines to be appropriate, and, if the administrative agent consents, may appoint the administrative agent to be the entity's administrative agent for purposes of accepting financial transaction devices. In order to be exempt from the resolution of the board of deposit under division (B) of this section, a state entity shall notify the board in writing within thirty days after March 18, 1999, that it accepted financial transaction devices prior to March 18, 1999. Each such notification shall explain how processing costs associated with financial transaction devices are being paid and shall indicate whether surcharge or convenience fees are being passed on to consumers.~~

(E) The board of deposit may establish a surcharge or convenience fee

that may be imposed upon a person making payment by a financial transaction device. The surcharge or convenience fee shall not be imposed unless authorized or otherwise permitted by the rules prescribed under a contract, between the financial institution, issuer, or processor and the administrative agent, governing the use and acceptance of the financial transaction device.

The establishment of a surcharge or convenience fee shall follow the guidelines of the financial institution, issuer of financial transaction devices, or processor of financial transaction devices with which the board of deposit contracts.

If a surcharge or convenience fee is imposed, every state entity accepting payment by a financial transaction device, regardless of whether that entity is subject to a resolution adopted by the board of deposit, shall clearly post a notice in the entity's office, and shall notify each person making a payment by such a device, about the surcharge or fee. Notice to each person making a payment shall be provided regardless of the medium used to make the payment and in a manner appropriate to that medium. Each notice shall include all of the following:

(1) A statement that there is a surcharge or convenience fee for using a financial transaction device;

(2) The total amount of the charge or fee expressed in dollars and cents for each transaction, or the rate of the charge or fee expressed as a percentage of the total amount of the transaction, whichever is applicable;

(3) A clear statement that the surcharge or convenience fee is nonrefundable.

(F) If a person elects to make a payment by a financial transaction device and a surcharge or convenience fee is imposed, the payment of the surcharge or convenience fee is not refundable.

(G) If a person makes payment by a financial transaction device and the payment is returned or dishonored for any reason, the person is liable to the state for the state expense and any reimbursable costs for collection, including banking charges, legal fees, or other expenses incurred by the state in collecting the returned or dishonored payment. The remedies and procedures provided in this section are in addition to any other available civil or criminal remedies provided by law.

(H) No person making any payment by a financial transaction device to a state office shall be relieved from liability for the underlying obligation, except to the extent that the state realizes final payment of the underlying obligation in cash or its equivalent. If final payment is not made by the financial transaction device issuer or other guarantor of payment in the

transaction, the underlying obligation survives and the state shall retain all remedies for enforcement that would have applied if the transaction had not occurred.

(I) A state entity or employee who accepts a financial transaction device payment in accordance with this section and any applicable state or local policies or rules is immune from personal liability for the final collection of such payments as specified in section 9.87 of the Revised Code.

(J) If the board of deposit determines that it is necessary and in the state's best interest to contract with an additional entity subsequent to the contract award made under division (C) of this section, the board may meet and choose to contract with one or more additional entities for the remainder of the period previously established by a contract award made under division (C) of this section.

(K) The administrative agent, in cooperation with the office of budget and management, may adopt, amend, and rescind rules in accordance with section 111.15 of the Revised Code to implement and administer this section.

Sec. 125.30. ~~(A)~~ The department of administrative services shall ~~do both of the following:~~

~~(1) Create a business reply form that is capable of containing information that a private business is required to provide to state agencies on a regular basis. The director of administrative services shall adopt rules in accordance with Chapter 119. of the Revised Code specifying the information that the form shall contain. Subject to division (E) of this section, state agencies shall use the business reply form to obtain information from private businesses.~~

~~(2) Create~~ create and administer an ~~on-line~~ online computer network system to allow private businesses that allows persons to electronically file the business reply form forms and, as authorized in the Revised Code, tax information with state agencies or political subdivisions.

~~In creating the business reply form described in division (A)(1) of this section, the director may consider the recommendations of interested parties from the small business community who have direct knowledge of and familiarity with the current state reporting requirements that apply to and the associated forms that are filed by small businesses.~~

~~(B) The director shall establish procedures by which state agencies may share the information that is collected through the form established under division (A) of this section. These procedures shall provide that information that has been designated as confidential by any state agency shall not be made available to the other state agencies having access to the business~~

~~reply form.~~

~~(C) Not later than September 30, 1999, the director may report to the director of budget and management and to the committees that handle finance and the committees that handle state government affairs in the house of representatives and the senate on the progress of state agencies in complying with division (A)(1) of this section. The director may recommend a five per cent reduction in the future appropriations of any state agency that has failed to comply with that division without good cause.~~

~~(D) As used in this section:~~

~~(1) "State agency" means the secretary of state, the department of job and family services regarding duties it performs pursuant to Title XLI of the Revised Code, the bureau of workers' compensation, the department of administrative services, and any other state agency that elects to participate in the pilot program as provided in division (E) of this section.~~

~~(2) "Form" has the same meaning as in division (B) of section 125.91 of the Revised Code.~~

~~(E) The provisions of this section pertaining to the business reply form constitute a two year pilot program. Not later than one year after January 21, 1998, the department of administrative services shall complete the planning and preparation that is necessary to implement the pilot program. The director of administrative services may request other state agencies, as defined in division (A) of section 125.91 of the Revised Code, to participate in the pilot program. If the director so requests, the state agency may participate in the program. The provisions of this section shall cease to have effect three years after January 21, 1998. Within ninety days after the completion of the pilot program, the director of administrative services shall report to the director of budget and management and the committees described in division (C) of this section on the effectiveness of the pilot program.~~

Sec. 126.06. The total operating fund consists of all funds in the state treasury except the auto registration distribution fund, local motor vehicle license tax fund, development bond retirement fund, facilities establishment fund, gasoline excise tax fund, higher education improvement fund, highway improvement bond retirement fund, highway capital improvement fund, improvements bond retirement fund, mental health facilities improvement fund, parks and recreation improvement fund, ~~public improvements bond retirement fund~~, school district income tax fund, state agency facilities improvement fund, public safety - highway purposes fund, Vietnam conflict compensation fund, any other fund determined by the director of budget and management to be a bond fund or bond retirement

fund, and such portion of the highway operating fund as is determined by the director of budget and management and the director of transportation to be restricted by Section 5a of Article XII, Ohio Constitution.

When determining the availability of money in the total operating fund to pay claims chargeable to a fund contained within the total operating fund, the director of budget and management shall use the same procedures and criteria the director employs in determining the availability of money in a fund contained within the total operating fund. The director may establish limits on the negative cash balance of the general revenue fund within the total operating fund, but in no case shall the negative cash balance of the general revenue fund exceed ten per cent of the total revenue of the general revenue fund in the preceding fiscal year.

Sec. 127.14. The controlling board may, at the request of any state agency or the director of budget and management, authorize, with respect to the provisions of any appropriation act:

(A) Transfers of all or part of an appropriation within but not between state agencies, except such transfers as the director of budget and management is authorized by law to make, provided that no transfer shall be made by the director for the purpose of effecting new or changed levels of program service not authorized by the general assembly;

(B) Transfers of all or part of an appropriation from one fiscal year to another;

(C) Transfers of all or part of an appropriation within or between state agencies made necessary by administrative reorganization or by the abolition of an agency or part of an agency;

(D) Transfers of all or part of cash balances in excess of needs from any fund of the state to the general revenue fund or to such other fund of the state to which the money would have been credited in the absence of the fund from which the transfers are authorized to be made, except that the controlling board may not authorize such transfers from the accrued leave liability fund, auto registration distribution fund, local motor vehicle license tax fund, budget stabilization fund, building improvement fund, development bond retirement fund, facilities establishment fund, gasoline excise tax fund, general revenue fund, higher education improvement fund, highway improvement bond retirement fund, highway capital improvement fund, highway operating fund, horse racing tax fund, improvements bond retirement fund, public library fund, liquor control fund, local government fund, local transportation improvement program fund, medicaid reserve fund, mental health facilities improvement fund, Ohio fairs fund, parks and recreation improvement fund, ~~public improvements bond retirement fund,~~

school district income tax fund, state agency facilities improvement fund, public safety - highway purposes fund, state lottery fund, undivided liquor permit fund, Vietnam conflict compensation bond retirement fund, volunteer fire fighters' dependents fund, waterways safety fund, wildlife fund, workers' compensation fund, or any fund not specified in this division that the director of budget and management determines to be a bond fund or bond retirement fund;

(E) Transfers of all or part of those appropriations included in the emergency purposes account of the controlling board;

(F) Temporary transfers of all or part of an appropriation or other moneys into and between existing funds, or new funds, as may be established by law when needed for capital outlays for which notes or bonds will be issued;

(G) Transfer or release of all or part of an appropriation to a state agency requiring controlling board approval of such transfer or release as provided by law;

(H) Temporary transfer of funds included in the emergency purposes appropriation of the controlling board. Such temporary transfers may be made subject to conditions specified by the controlling board at the time temporary transfers are authorized. No transfers shall be made under this division for the purpose of effecting new or changed levels of program service not authorized by the general assembly.

As used in this section, "request" means an application by a state agency or the director of budget and management seeking some action by the controlling board.

When authorizing the transfer of all or part of an appropriation under this section, the controlling board may authorize the transfer to an existing appropriation item and the creation of and transfer to a new appropriation item.

Whenever there is a transfer of all or part of funds included in the emergency purposes appropriation by the controlling board, pursuant to division (E) of this section, the state agency or the director of budget and management receiving such transfer shall keep a detailed record of the use of the transferred funds. At the earliest scheduled meeting of the controlling board following the accomplishment of the purposes specified in the request originally seeking the transfer, or following the total expenditure of the transferred funds for the specified purposes, the state agency or the director of budget and management shall submit a report on the expenditure of such funds to the board. The portion of any appropriation so transferred which is not required to accomplish the purposes designated in the original request to

the controlling board shall be returned to the proper appropriation of the controlling board at this time.

Notwithstanding any provisions of law providing for the deposit of revenues received by a state agency to the credit of a particular fund in the state treasury, whenever there is a temporary transfer of funds included in the emergency purposes appropriation of the controlling board pursuant to division (H) of this section, revenues received by any state agency receiving such a temporary transfer of funds shall, as directed by the controlling board, be transferred back to the emergency purposes appropriation.

The board may delegate to the director of budget and management authority to approve transfers among items of appropriation under division (A) of this section.

Sec. 129.06. Funds belonging to the sinking fund shall be applied to the payment of the principal and interest of the bonded debt of the state, and to the expenses of such payment. ~~When paid, bonds or certificates of the bonded debt of the state shall be canceled, and "paid" written on the face thereof with the date of payment, which inscription shall be signed by the board of commissioners of the sinking fund. Bonds or certificates so paid shall be taken from the proper accounts upon the individual and general stock ledgers and entered in the account of bonded debt paid, specifying the particular loan, the number and date of the certificate and bonds so paid, the amount, rate of interest, time at which it was redeemable, and in whose name it was standing when paid. All certificates or bonds so paid and canceled shall be filed in the office of the board.~~

Sec. 129.09. Interest on the bonded debt of the state shall be paid to the owner of bonds or certificates evidencing such debt, or to such owner's agent, attorney, or legal representative. ~~Written proof of the authority of such agent, attorney, or legal representative must be presented to and filed with the board of commissioners of the sinking fund.~~

Sec. 131.01. As used in Chapters 113., 117., 123., 124., 125., 126., 127., and 131. of the Revised Code, and any statute that uses the terms in connection with state accounting or budgeting:

(A) "Account" means any record, element, or summary in which financial transactions are identified and recorded as debit or credit transactions in order to summarize items of a similar nature or classification.

(B) "Accounting procedure" means the arrangement of all processes which discover, record, and summarize financial information to produce financial statements and reports and to provide internal control.

(C) "Accounting system" means the total structure of records and procedures which discover, record, classify, and report information on the

financial position and operations of a governmental unit or any of its funds and organizational components.

(D) "Allocation" means a portion of an appropriation which is designated for expenditure by specific organizational units or for special purposes, activities, or objects that do not relate to a period of time.

(E) "Allotment" means all or part of an appropriation which may be encumbered or expended within a specific period of time.

(F) "Appropriation" means an authorization granted by the general assembly to make expenditures and to incur obligations for specific purposes.

(G) "Assets" means resources owned, controlled, or otherwise used or held by the state which have monetary value.

(H) "Budget" means the plan of financial operation embodying an estimate of proposed expenditures and obligations for a given period and the proposed means of financing them.

(I) "Direct deposit" is a form of electronic funds transfer in which money is electronically deposited into the account of a person or entity at a financial institution.

(J) "Disbursement" means a payment made for any purpose.

(K) "Electronic benefit transfer" means the electronic delivery of benefits through automated teller machines, point of sale terminals, or other electronic media pursuant to section 5101.33 of the Revised Code.

(L) "Electronic funds transfer" means the electronic movement of funds via automated clearing house or wire transfer.

(M) "Encumbering document" means a document reserving all or part of an appropriation.

(N) "Expenditure" means a reduction of the balance of an appropriation after legal requirements have been met.

(O) "Fund" means an independent fiscal and accounting entity with a self-balancing set of accounts recording cash or other resources, together with all related liabilities, obligations, reserves, and fund balances which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special rules, restrictions, or limitations.

(P) "Lapse" means the automatic termination of an appropriation at the end of the fiscal period for which it was appropriated.

(Q) "Reappropriation" means an appropriation of a previous appropriation that is continued in force in a succeeding appropriation period. "Reappropriation" shall be equated with and incorporated in the term "appropriation."

(R) "Stored value card" means a payment card that may have money loaded and stored on the card and accessed through automated teller machines, point of sale terminals, or other electronic media. "Stored value card" does not include any payment card linked to, and that can access money in, an external account maintained by a financial institution.

(S) "Voucher" means the document used to transmit a claim for payment and evidentiary matter related to the claim.

~~(S)(T)~~ "Warrant" means an order drawn upon the treasurer of state by the director of budget and management, or an authorized person at a state entity that has a custodial account in the custody of the treasurer of state, directing the treasurer of state to pay a specified amount to one or more specified payees. A variety of payment instruments may be used, including an order to make a lump sum payment to a financial institution for the transfer of funds by but not limited to paper warrants, stored value cards, direct deposit to the payee's bank account, or the drawdown of funds by electronic benefit transfer, and the resulting electronic transfer to or by the ultimate payees.

The terms defined in this section shall be used, on all accounting forms, reports, formal rules, and budget requests produced by a state agency, only as defined in this section.

Sec. 135.01. Except as otherwise provided in sections 135.14, 135.143, 135.181, and 135.182 of the Revised Code, as used in sections 135.01 to 135.21 of the Revised Code:

(A) "Active deposit" means a public deposit necessary to meet current demands on the treasury, and that is deposited in any of the following:

(1) A commercial account that is payable or withdrawable, in whole or in part, on demand;

(2) A negotiable order of withdrawal account as authorized in the "Consumer Checking Account Equity Act of 1980," 94 Stat. 146, 12 U.S.C.A. 1832(a);

(3) A money market deposit account as authorized in the "Garn-St. Germain Depository Institutions Act of 1982," 96 Stat. 1501, 12 U.S.C. 3503.

(B) "Auditor" includes the auditor of state and the auditor, or officer exercising the functions of an auditor, of any subdivision.

(C) "Capital funds" means the sum of the following: the par value of the outstanding common capital stock, the par value of the outstanding preferred capital stock, the aggregate par value of all outstanding capital notes and debentures, and the surplus. In the case of an institution having offices in more than one county, the capital funds of such institution, for the purposes

of sections 135.01 to 135.21 of the Revised Code, relative to the deposit of the public moneys of the subdivisions in one such county, shall be considered to be that proportion of the capital funds of the institution that is represented by the ratio that the deposit liabilities of such institution originating at the office located in the county bears to the total deposit liabilities of the institution.

(D) "Governing board" means, in the case of the state, the state board of deposit; in the case of all school districts and educational service centers except as otherwise provided in this section, the board of education or governing board of a service center, and when the case so requires, the board of commissioners of the sinking fund; in the case of a municipal corporation, the legislative authority, and when the case so requires, the board of trustees of the sinking fund; in the case of a township, the board of township trustees; in the case of a union or joint institution or enterprise of two or more subdivisions not having a treasurer, the board of directors or trustees thereof; and in the case of any other subdivision electing or appointing a treasurer, the directors, trustees, or other similar officers of such subdivision. The governing board of a subdivision electing or appointing a treasurer shall be the governing board of all other subdivisions for which such treasurer is authorized by law to act. In the case of a county school financing district that levies a tax pursuant to section 5705.215 of the Revised Code, the county board of education that serves as its taxing authority shall operate as a governing board. Any other county board of education shall operate as a governing board unless it adopts a resolution designating the board of county commissioners as the governing board for the county school district.

(E) "Inactive deposit" means a public deposit other than an interim deposit or an active deposit.

(F) "Interim deposit" means a deposit of interim moneys. "Interim moneys" means public moneys in the treasury of ~~the state or~~ any subdivision after the award of inactive deposits has been made in accordance with section 135.07 of the Revised Code, which moneys are in excess of the aggregate amount of the inactive deposits as estimated by the governing board prior to the period of designation and which the ~~treasurer or~~ governing board finds should not be deposited as active or inactive deposits for the reason that such moneys will not be needed for immediate use but will be needed before the end of the period of designation. In the case of the state treasury, "interim moneys" means public moneys that are not active deposits and may be invested in accordance with section 135.143 of the Revised Code.

(G) "Permissible rate of interest" means a rate of interest that all eligible institutions mentioned in section 135.03 of the Revised Code are permitted to pay by law or valid regulations.

(H) "Warrant clearance account" means an account established by the treasurer of state for ~~the~~ either of the following purposes:

(a) The deposit of active state moneys outside the city of Columbus, such account being for the exclusive purpose purposes of clearing state paper warrants through the banking system to the treasurer, funding electronic benefit transfer cards, issuing stored value cards, or otherwise facilitating the settlement of state obligations;

(b) The deposit of custodial moneys from an account held in the custody of the treasurer of state to facilitate settlement of obligations of the custodial fund.

(I) "Public deposit" means public moneys deposited in a public depository pursuant to sections 135.01 to 135.21 of the Revised Code.

(J) "Public depository" means an institution which receives or holds any public deposits.

(K) "Public moneys" means all moneys in the treasury of the state or any subdivision of the state, or moneys coming lawfully into the possession or custody of the treasurer of state or of the treasurer of any subdivision. "Public moneys of the state" includes all such moneys coming lawfully into the possession of the treasurer of state; and "public moneys of a subdivision" includes all such moneys coming lawfully into the possession of the treasurer of the subdivision.

(L) "Subdivision" means any municipal corporation, except one which has adopted a charter under Article XVIII, Ohio Constitution, and the charter or ordinances of the chartered municipal corporation set forth special provisions respecting the deposit or investment of its public moneys, or any school district or educational service center, a county school financing district, township, municipal or school district sinking fund, special taxing or assessment district, or other district or local authority electing or appointing a treasurer, except a county. In the case of a school district or educational service center, special taxing or assessment district, or other local authority for which a treasurer, elected or appointed primarily as the treasurer of a subdivision, is authorized or required by law to act as ex officio treasurer, the subdivision for which such a treasurer has been primarily elected or appointed shall be considered to be the "subdivision." The term also includes a union or joint institution or enterprise of two or more subdivisions, that is not authorized to elect or appoint a treasurer, and for which no ex officio treasurer is provided by law.

(M) "Treasurer" means, in the case of the state, the treasurer of state and in the case of any subdivision, the treasurer, or officer exercising the functions of a treasurer, of such subdivision. In the case of a board of trustees of the sinking fund of a municipal corporation, the board of commissioners of the sinking fund of a school district, or a board of directors or trustees of any union or joint institution or enterprise of two or more subdivisions not having a treasurer, such term means such board of trustees of the sinking fund, board of commissioners of the sinking fund, or board of directors or trustees.

(N) "Treasury investment board" of a municipal corporation means the mayor or other chief executive officer, the village solicitor or city director of law, and the auditor or other chief fiscal officer.

(O) "No-load money market mutual fund" means a no-load money market mutual fund to which all of the following apply:

(1) The fund is registered as an investment company under the "Investment Company Act of 1940," 54 Stat. 789, 15 U.S.C.A. 80a-1 to 80a-64;

(2) The fund has the highest letter or numerical rating provided by at least one nationally recognized ~~standard~~ statistical rating ~~service~~ organization;

(3) The fund does not include any investment in a derivative. As used in division (O)(3) of this section, "derivative" means a financial instrument or contract or obligation whose value or return is based upon or linked to another asset or index, or both, separate from the financial instrument, contract, or obligation itself. Any security, obligation, trust account, or other instrument that is created from an issue of the United States treasury or is created from an obligation of a federal agency or instrumentality or is created from both is considered a derivative instrument. An eligible investment described in section 135.14 or 135.35 of the Revised Code with a variable interest rate payment, based upon a single interest payment or single index comprised of other investments provided for in division (B)(1) or (2) of section 135.14 of the Revised Code, is not a derivative, provided that such variable rate investment has a maximum maturity of two years.

(P) "Public depositor" means the state or a subdivision, as applicable, that deposits public moneys in a public depository pursuant to sections 135.01 to 135.21 of the Revised Code.

(Q) "Uninsured public deposit" means the portion of a public deposit that is not insured by the federal deposit insurance corporation or by any other agency or instrumentality of the federal government.

Sec. 135.02. There shall be a state board of deposit consisting of the

treasurer of state or an employee of the treasurer of state's department designated by the treasurer of state, the auditor of state or an employee of the auditor of state's department designated by the auditor of state, and the attorney general or an employee of the attorney general's department designated by the attorney general. The board shall meet on the call of the chairperson at least annually to perform the duties prescribed in sections 135.01 to 135.21 of the Revised Code. At any time, two members of the board may request that the chairperson call a meeting of the board, and the chairperson shall call the meeting within thirty days after receiving such requests. The treasurer of state or the treasurer of state's designated representative shall be chairperson of the board. The treasurer of state shall designate an employee of the treasurer of state's department to serve as the secretary of the board and keep its records. A certified copy of such records shall be prima-facie evidence of the matter appearing therein in any court of record.

The chairperson shall provide ~~a monthly report~~ notification to the board of deposit ~~consisting of the notifications that the reports~~ required under division (B) of section 135.143 of the Revised Code ~~and shall post that report monthly~~ have been posted to a web site maintained by the treasurer of state.

The necessary expenses of the board shall be paid from the state treasury from appropriations for that purpose upon the order of the board certified by the chairperson and the secretary.

Sec. 135.04. (A) Any institution mentioned in section 135.03 of the Revised Code is eligible to become a public depository of the active deposits, ~~inactive deposits~~, and interim deposits of public moneys of the state subject to the requirements of sections 135.01 to 135.21 of the Revised Code.

(B) To facilitate the ~~clearance of state warrants to~~ settlement of obligations of the state treasury and custodial funds in the custody of the treasurer of state, the state board of deposit may delegate the authority to the treasurer of state to establish warrant clearance accounts in any institution mentioned in section 135.03 of the Revised Code ~~located in areas where the volume of warrant clearances justifies the establishment of an account as determined by the treasurer of state~~. The balances maintained in such warrant clearance accounts shall be at sufficient levels to cover the activity generated by such accounts on an individual basis. Any financial institution in the state that has a warrant clearance account established by the treasurer of state shall, not more than ~~ten~~ fifteen days after the close of each ~~quarter~~ month, prepare and transmit to the treasurer of state an analysis statement of

such account for the ~~quarter~~ month then ended. Such statement shall contain such information as determined by the state board of deposit, ~~and this information shall be used in whole or in part by the treasurer of state in determining the level of balances to be maintained in such accounts.~~

(C) Each governing board shall award the active deposits of public moneys subject to its control to the eligible institutions in accordance with this section, except that no such public depository shall thereby be required to take or permitted to receive and have at any one time a greater amount of active deposits of such public moneys than that specified in the application of such depository. When, by reason of such limitation or otherwise, the amount of active public moneys deposited or to be deposited in a public depository, pursuant to an award made under this section, is reduced or withdrawn, as the case requires, the amount of such reduction or the sum so withdrawn shall be deposited in another eligible institution applying therefor, or if there is no such eligible institution, then the amount so withheld or withdrawn shall be awarded or deposited for the remainder of the period of designation in accordance with sections 135.01 to 135.21 of the Revised Code.

(D) Any institution mentioned in section 135.03 of the Revised Code is eligible to become a public depository of the inactive and interim deposits of public moneys of a subdivision. In case the aggregate amount of inactive or interim deposits applied for by such eligible institutions is less than the aggregate maximum amount of such inactive or interim deposits as estimated to be deposited pursuant to sections 135.01 to 135.21 of the Revised Code, the governing board of the subdivision may designate as a public depository of the inactive or interim deposits of the public moneys thereof, one or more institutions of a kind mentioned in section 135.03 of the Revised Code, subject to the requirements of sections 135.01 to 135.21 of the Revised Code.

(E) Any institution mentioned in section 135.03 of the Revised Code is eligible to become a public depository of the active deposits of public moneys of a subdivision. In case the aggregate amount of active deposits of the public moneys of the subdivision applied for by such eligible institutions is less than the aggregate maximum amount to be deposited as such, as estimated by the governing board, said board may designate as a public depository of the active deposits of the public moneys of the subdivision, one or more institutions of the kind mentioned in section 135.03 of the Revised Code, subject to the requirements of sections 135.01 to 135.21 of the Revised Code.

(F)(1) The governing board of the state or of a subdivision may

designate one or more minority banks as public depositories of its inactive, interim, or active deposits of public moneys designated as federal funds. Except for section 135.18, 135.181, or 135.182 of the Revised Code, Chapter 135. of the Revised Code does not apply to the application for, or the award of, such deposits. As used in this division, "minority bank" means a bank that is owned or controlled by one or more socially or economically disadvantaged persons. Such disadvantage may arise from cultural, ethnic, or racial background, chronic economic circumstances, or other similar cause. Such persons include, but are not limited to, Afro-Americans, Puerto Ricans, Spanish-speaking Americans, and American Indians.

(2) In enacting this division, the general assembly finds that:

(a) Certain commercial banks are owned or controlled by minority Americans;

(b) Minority banks are an important source of banking services in their communities;

(c) Minority banks have been unsuccessful in competing under Chapter 135. of the Revised Code for the award of federal funds;

(d) This division contains safeguards for the protection of the general public and the banking industry, since it provides the governing board of the state or political subdivision with permissive authority in the award of deposits; limits the authority of the governing board to the award of federal funds; and subjects minority banks to certain limitations of Chapter 135. of the Revised Code, including the requirement that, as in the case of every financial institution subject to Chapter 135. of the Revised Code, a minority bank pledge certain securities for repayment of the deposits.

(3) The purpose of this division is to recognize that the state has a substantial and compelling interest in encouraging the establishment, development, and stability of minority banks by facilitating their access to the award of federal funds, while ensuring the protection of the general public and the banking industry.

(G) The governing board of a subdivision shall award the first twenty-five thousand dollars of the active deposits of public moneys subject to its control to the eligible institution or institutions applying or qualifying therefor on the basis of the operating needs of the subdivision and shall award the active deposits of public moneys subject to its control in excess of twenty-five thousand dollars to the eligible institution or institutions applying or qualifying therefor.

Sec. 135.05. Each governing board of a subdivision shall, at least three weeks prior to the date when it is required by section 135.12 of the Revised Code to designate public depositories, by resolution, estimate the aggregate

maximum amount of public moneys subject to its control to be awarded and be on deposit as inactive deposits. ~~The state board of deposit shall cause a copy of such resolution, together with a notice of the date on which the meeting of the board for the designation of such depositories will be held and the period for which such inactive deposits will be awarded, to be published once a week for two consecutive weeks in two newspapers of general circulation in each of the three most populous counties.~~ The governing board of each subdivision shall cause a copy of such resolution, together with a notice of the date on which the meeting of the board for the designation of such depositories will be held and the period for which such inactive deposits will be awarded, 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. If a subdivision is located in more than one county, such publication shall be made in a newspaper of general circulation in the county in which the major part of such subdivision is located, and of general circulation in the subdivision. A written notice stating the aggregate maximum amount to be awarded as inactive deposits of the subdivision shall be given to each eligible depository by the governing board at the time the first publication is made in the newspaper.

All deposits of the public moneys of ~~the state or~~ any subdivision made during the period covered by the designation in excess of the aggregate amount so estimated shall be active deposits or interim deposits. Inactive, interim, and active deposits shall be separately awarded, made, and administered as provided by sections 135.01 to 135.21 of the Revised Code.

Sec. 135.06. Each eligible institution desiring to be a public depository of the inactive deposits of the public moneys of ~~the state or of the inactive deposits of the public moneys of~~ the subdivision shall, not more than thirty days prior to the date fixed by section 135.12 of the Revised Code for the designation of such public depositories, make application therefor in writing to the proper governing board. Such application shall specify the maximum amount of such public moneys which the applicant desires to receive and have on deposit as an inactive deposit at any one time during the period covered by the designation, provided that it shall not apply for more than thirty per cent of its total assets as revealed by its latest report to the superintendent of financial institutions, the comptroller of the currency, ~~the office of thrift supervision,~~ the federal deposit insurance corporation, or the board of governors of the federal reserve system, and the rate of interest which the applicant will pay thereon, subject to the limitations of sections 135.01 to 135.21 of the Revised Code. Each application shall be accompanied by a financial statement of the applicant, under oath of its

cashier, treasurer, or other officer, in such detail as to show the capital funds of the applicant, as of the date of its latest report to the superintendent of financial institutions, the comptroller of the currency, ~~the office of thrift supervision~~, the federal deposit insurance corporation, or the board of governors of the federal reserve system, and adjusted to show any changes therein made prior to the date of the application. Such application may be combined with an application for designation as a public depository of active deposits, interim deposits, or both.

Sec. 135.08. Each eligible institution desiring to be a public depository of interim deposits of the public moneys of the state or of the ~~interim deposits of the public moneys of the~~ subdivision shall, not more than ~~thirty~~ one hundred twenty days prior to the date fixed by section 135.12 of the Revised Code for the designation of public depositories, make application therefor in writing to the proper governing board. Such application shall specify the maximum amount of such public moneys which the applicant desires to receive and have on deposit as interim deposits at any one time during the period covered by the designation, provided that it shall not apply for more than thirty per cent of its total assets as revealed by its latest report to the superintendent of financial institutions, the comptroller of the currency, ~~the office of thrift supervision~~, the federal deposit insurance corporation, or the board of governors of the federal reserve system, and the rate of interest which the applicant will pay thereon, subject to the limitations of sections 135.01 to 135.21 of the Revised Code.

Each application shall be accompanied by a financial statement of the applicant, under oath of its cashier, treasurer, or other officer, in such detail as to show the capital funds of the applicant, as of the date of its latest report to the superintendent of financial institutions, the comptroller of the currency, ~~the office of thrift supervision~~, the federal deposit insurance corporation, or the board of governors of the federal reserve system, and adjusted to show any changes therein made prior to the date of the application. Such application may be combined with an application for designation as a public depository of inactive deposits, active deposits, or both.

Sec. 135.10. Each eligible institution desiring to be a public depository of the active deposits of the public moneys of the state or of a subdivision shall, not more than ~~thirty~~ one hundred twenty days prior to the date fixed by section 135.12 of the Revised Code for the designation of such public depositories, make application therefor in writing to the proper governing board. If desired, such application may specify the maximum amount of such public moneys which the applicant desires to receive and have on

deposit at any one time during the period covered by the designation. Each application shall be accompanied by a financial statement of the applicant, under oath of its cashier, treasurer, or other officer, in such detail as to show the capital funds of the applicant, as of the date of its latest report to the superintendent of ~~banks~~ financial institutions or comptroller of the currency, and adjusted to show any changes therein prior to the date of the application. Such application may be combined with an application for designation as a public depository of inactive deposits, interim deposits, or both.

Sec. 135.12. (A) Beginning in ~~2004~~ 2025 and every four years ~~thereafter~~, the state board of deposit shall meet on the third Monday of March ~~in the even-numbered years~~ for the purpose of designating the public depositories of the public moneys of the state, and at such meeting or any adjourned session thereof shall designate such public depositories and award the public moneys of the state to and among the public depositories so designated for the period of ~~two~~ four years commencing on the first Monday of July next following.

(B) Each governing board other than the state board of deposit shall meet every five years on the third Monday or such regularly scheduled meeting date of the month next preceding the date of the expiration of its designation of depositories for the purpose of designating the public depositories of the public moneys of the subdivision, and at such meeting or any adjourned session thereof, shall designate such public depositories and award the public moneys of the subdivision to and among the public depositories so designated for the period of five years commencing on the date of the expiration of the next preceding designation. The designation and award shall be made in duplicate; one copy shall be retained by the governing board of the subdivision and one copy shall be certified to the treasurer.

(C) If a governing board determines, during a designation period, that a public depository designated under this section is insolvent or operating in an unsound or unsafe manner, the governing board may meet and designate a different public depository of the public moneys of the state or of the subdivision for the remainder of the designation period.

(D) If a governing board determines during a designation period that it is necessary and in the state's or subdivision's best interests to appoint additional depositories, the governing board may meet and designate one or more additional public depositories of the public moneys of the state or of the subdivision for the remainder of the designation period.

(E) Whenever, by amendment or enactment of any state or federal law or the amendment or adoption of any valid regulation thereunder, the terms

of a designation or award, lawful at the beginning of any designation period, cease to be lawful during such period, and if the change of law or regulation requires, the designation period shall be limited so as not to extend beyond the date when that change becomes effective. In such case, the proper governing board shall meet and designate the public depositories of the public moneys of the state or of the subdivision for the remainder of the designation period.

(F) During a designation period, whenever a statute authorizes a new custodial fund to be created, the state board of deposit shall meet to award the public moneys associated with the new custodial fund to a designated public depository.

(G) During a designation period, whenever a state agency, as defined in section 1.60 of the Revised Code, requests to change its public depository, the state board of deposit shall meet to consider the request.

Sec. 135.14. (A) As used in this section:

(1) "Treasurer" does not include the treasurer of state, and "governing board" does not include the state board of deposit.

(2) "Other obligations" includes notes whether or not issued in anticipation of the issuance of bonds.

(B) The treasurer or governing board may invest or deposit any part or all of the interim moneys. The following classifications of obligations shall be eligible for such investment or deposit:

(1) United States treasury bills, notes, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States.

Nothing in the classification of eligible obligations set forth in division (B)(1) of this section or in the classifications of eligible obligations set forth in divisions (B)(2) to (7) of this section shall be construed to authorize any investment in stripped principal or interest obligations of such eligible obligations.

(2) Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, and government national mortgage association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities.

(3) Interim deposits in the eligible institutions applying for interim moneys as provided in section 135.08 of the Revised Code. The award of interim deposits shall be made in accordance with section 135.09 of the Revised Code and the treasurer or the governing board shall determine the

periods for which such interim deposits are to be made and shall award such interim deposits for such periods, provided that any eligible institution receiving an interim deposit award may, upon notification that the award has been made, decline to accept the interim deposit in which event the award shall be made as though the institution had not applied for such interim deposit.

(4) Bonds and other obligations of this state, or the political subdivisions of this state, provided that, with respect to bonds or other obligations of political subdivisions, all of the following apply:

(a) The bonds or other obligations are payable from general revenues of the political subdivision and backed by the full faith and credit of the political subdivision.

(b) The bonds or other obligations are rated at the time of purchase in the three highest classifications established by at least one nationally recognized ~~standard~~ statistical rating ~~service~~ organization and purchased through a registered securities broker or dealer.

(c) The aggregate value of the bonds or other obligations does not exceed twenty per cent of interim moneys available for investment at the time of purchase.

(d) The treasurer or governing board is not the sole purchaser of the bonds or other obligations at original issuance.

(e) The bonds or other obligations mature within ten years from the date of settlement.

No investment shall be made under division (B)(4) of this section unless the treasurer or governing board has completed additional training for making the investments authorized by division (B)(4) of this section. The type and amount of additional training shall be approved by the treasurer of state and may be conducted by or provided under the supervision of the treasurer of state.

(5) No-load money market mutual funds consisting exclusively of obligations described in division (B)(1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions mentioned in section 135.03 of the Revised Code;

(6) The Ohio subdivision's fund as provided in section 135.45 of the Revised Code;

(7) Up to forty per cent of interim moneys available for investment in either of the following:

(a) Commercial paper notes issued by an entity that is defined in ~~division (D) of section 1705.01 or division (E)(K) of section 1706.01 of the~~

Revised Code and that has assets exceeding five hundred million dollars, to which notes all of the following apply:

(i) The notes are rated at the time of purchase in the highest classification established by at least two nationally recognized ~~standard~~ statistical rating services organizations.

(ii) The aggregate value of the notes does not exceed ten per cent of the aggregate value of the outstanding commercial paper of the issuing corporation.

(iii) The notes mature not later than two hundred seventy days after purchase.

(iv) The investment in commercial paper notes of a single issuer shall not exceed in the aggregate five per cent of interim moneys available for investment at the time of purchase.

(b) Bankers acceptances of banks that are insured by the federal deposit insurance corporation and that mature not later than one hundred eighty days after purchase.

No investment shall be made pursuant to division (B)(7) of this section unless the treasurer or governing board has completed additional training for making the investments authorized by division (B)(7) of this section. The type and amount of additional training shall be approved by the treasurer of state and may be conducted by or provided under the supervision of the treasurer of state.

(C) Nothing in the classifications of eligible obligations set forth in divisions (B)(1) to (7) of this section shall be construed to authorize any investment in a derivative, and no treasurer or governing board shall invest in a derivative. For purposes of this division, "derivative" means a financial instrument or contract or obligation whose value or return is based upon or linked to another asset or index, or both, separate from the financial instrument, contract, or obligation itself. Any security, obligation, trust account, or other instrument that is created from an issue of the United States treasury or is created from an obligation of a federal agency or instrumentality or is created from both is considered a derivative instrument. An eligible investment described in this section with a variable interest rate payment, based upon a single interest payment or single index comprised of other eligible investments provided for in division (B)(1) or (2) of this section, is not a derivative, provided that such variable rate investment has a maximum maturity of two years.

(D) Except as provided in division (B)(4) or (E) of this section, any investment made pursuant to this section must mature within five years from the date of settlement, unless the investment is matched to a specific

obligation or debt of the subdivision.

(E) The treasurer or governing board may also enter into a written repurchase agreement with any eligible institution mentioned in section 135.03 of the Revised Code or any eligible dealer pursuant to division (M) of this section, under the terms of which agreement the treasurer or governing board purchases, and such institution or dealer agrees unconditionally to repurchase any of the securities listed in divisions (D)(1) to (5), except letters of credit described in division (D)(2), of section 135.18 of the Revised Code. The market value of securities subject to an overnight written repurchase agreement must exceed the principal value of the overnight written repurchase agreement by at least two per cent. A written repurchase agreement shall not exceed thirty days and the market value of securities subject to a written repurchase agreement must exceed the principal value of the written repurchase agreement by at least two per cent and be marked to market daily. All securities purchased pursuant to this division shall be delivered into the custody of the treasurer or governing board or an agent designated by the treasurer or governing board. A written repurchase agreement with an eligible securities dealer shall be transacted on a delivery versus payment basis. The agreement shall contain the requirement that for each transaction pursuant to the agreement the participating institution or dealer shall provide all of the following information:

- (1) The par value of the securities;
- (2) The type, rate, and maturity date of the securities;
- (3) A numerical identifier generally accepted in the securities industry that designates the securities.

No treasurer or governing board shall enter into a written repurchase agreement under the terms of which the treasurer or governing board agrees to sell securities owned by the subdivision to a purchaser and agrees with that purchaser to unconditionally repurchase those securities.

(F) No treasurer or governing board shall make an investment under this section, unless the treasurer or governing board, at the time of making the investment, reasonably expects that the investment can be held until its maturity.

(G) No treasurer or governing board shall pay interim moneys into a fund established by another subdivision, treasurer, governing board, or investing authority, if that fund was established for the purpose of investing the public moneys of other subdivisions. This division does not apply to the payment of public moneys into either of the following:

- (1) The Ohio subdivision's fund pursuant to division (B)(6) of this

section;

(2) A fund created solely for the purpose of acquiring, constructing, owning, leasing, or operating municipal utilities pursuant to the authority provided under section 715.02 of the Revised Code or Section 4 of Article XVIII, Ohio Constitution.

For purposes of division (G) of this section, "subdivision" includes a county.

(H) The use of leverage, in which the treasurer or governing board uses its current investment assets as collateral for the purpose of purchasing other assets, is prohibited. The issuance of taxable notes for the purpose of arbitrage is prohibited. Contracting to sell securities that have not yet been acquired by the treasurer or governing board, for the purpose of purchasing such securities on the speculation that bond prices will decline, is prohibited.

(I) Whenever, during a period of designation, the treasurer classifies public moneys as interim moneys, the treasurer shall notify the governing board of such action. The notification shall be given within thirty days after such classification and in the event the governing board does not concur in such classification or in the investments or deposits made under this section, the governing board may order the treasurer to sell or liquidate any of such investments or deposits, and any such order shall specifically describe the investments or deposits and fix the date upon which they are to be sold or liquidated. Investments or deposits so ordered to be sold or liquidated shall be sold or liquidated for cash by the treasurer on the date fixed in such order at the then current market price. Neither the treasurer nor the members of the board shall be held accountable for any loss occasioned by sales or liquidations of investments or deposits at prices lower than their cost. Any loss or expense incurred in making such sales or liquidations is payable as other expenses of the treasurer's office.

(J) If any investments or deposits purchased under the authority of this section are issuable to a designated payee or to the order of a designated payee, the name of the treasurer and the title of the treasurer's office shall be so designated. If any such securities are registrable either as to principal or interest, or both, then such securities shall be registered in the name of the treasurer as such.

(K) The treasurer is responsible for the safekeeping of all documents evidencing a deposit or investment acquired by the treasurer under this section. Any securities may be deposited for safekeeping with a qualified trustee as provided in section 135.18 of the Revised Code, except the delivery of securities acquired under any repurchase agreement under this section shall be made to a qualified trustee, provided, however, that the

qualified trustee shall be required to report to the treasurer, governing board, auditor of state, or an authorized outside auditor at any time upon request as to the identity, market value, and location of the document evidencing each security, and that if the participating institution is a designated depository of the subdivision for the current period of designation, the securities that are the subject of the repurchase agreement may be delivered to the treasurer or held in trust by the participating institution on behalf of the subdivision. Interest earned on any investments or deposits authorized by this section shall be collected by the treasurer and credited by the treasurer to the proper fund of the subdivision.

Upon the expiration of the term of office of a treasurer or in the event of a vacancy in the office of treasurer by reason of death, resignation, removal from office, or otherwise, the treasurer or the treasurer's legal representative shall transfer and deliver to the treasurer's successor all documents evidencing a deposit or investment held by the treasurer. For the investments and deposits so transferred and delivered, such treasurer shall be credited with and the treasurer's successor shall be charged with the amount of money held in such investments and deposits.

(L) Whenever investments or deposits acquired under this section mature and become due and payable, the treasurer shall present them for payment according to their tenor, and shall collect the moneys payable thereon. The moneys so collected shall be treated as public moneys subject to sections 135.01 to 135.21 of the Revised Code.

(M)(1) All investments, except for investments in securities described in divisions (B)(5) and (6) of this section and for investments by a municipal corporation in the issues of such municipal corporation, shall be made only through a member of the financial industry regulatory authority (FINRA), through a bank, savings bank, or savings and loan association regulated by the superintendent of financial institutions, or through an institution regulated by the comptroller of the currency, federal deposit insurance corporation, or board of governors of the federal reserve system.

(2) Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, governing board, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee.

(N) In making investments authorized by this section, a treasurer or governing board may retain the services of an investment advisor, provided the advisor is licensed by the division of securities under section 1707.141

of the Revised Code or is registered with the securities and exchange commission, and possesses experience in public funds investment management, specifically in the area of state and local government investment portfolios, or the advisor is an eligible institution mentioned in section 135.03 of the Revised Code.

(O)(1) Except as otherwise provided in divisions (O)(2) and (3) of this section, no treasurer or governing board shall make an investment or deposit under this section, unless there is on file with the auditor of state a written investment policy approved by the treasurer or governing board. The policy shall require that all entities conducting investment business with the treasurer or governing board shall sign the investment policy of that subdivision. All brokers, dealers, and financial institutions, described in division (M)(1) of this section, initiating transactions with the treasurer or governing board by giving advice or making investment recommendations shall sign the treasurer's or governing board's investment policy thereby acknowledging their agreement to abide by the policy's contents. All brokers, dealers, and financial institutions, described in division (M)(1) of this section, executing transactions initiated by the treasurer or governing board, having read the policy's contents, shall sign the investment policy thereby acknowledging their comprehension and receipt.

(2) If a written investment policy described in division (O)(1) of this section is not filed on behalf of the subdivision with the auditor of state, the treasurer or governing board of that subdivision shall invest the subdivision's interim moneys only in interim deposits pursuant to division (B)(3) of this section or interim deposits pursuant to section 135.145 of the Revised Code and approved by the treasurer of state, no-load money market mutual funds pursuant to division (B)(5) of this section, or the Ohio subdivision's fund pursuant to division (B)(6) of this section.

(3) Divisions (O)(1) and (2) of this section do not apply to a treasurer or governing board of a subdivision whose average annual portfolio of investments held pursuant to this section is one hundred thousand dollars or less, provided that the treasurer or governing board certifies, on a form prescribed by the auditor of state, that the treasurer or governing board will comply and is in compliance with the provisions of sections 135.01 to 135.21 of the Revised Code.

(P) A treasurer or governing board may enter into a written investment or deposit agreement that includes a provision under which the parties agree to submit to nonbinding arbitration to settle any controversy that may arise out of the agreement, including any controversy pertaining to losses of public moneys resulting from investment or deposit. The arbitration

provision shall be set forth entirely in the agreement, and the agreement shall include a conspicuous notice to the parties that any party to the arbitration may apply to the court of common pleas of the county in which the arbitration was held for an order to vacate, modify, or correct the award. Any such party may also apply to the court for an order to change venue to a court of common pleas located more than one hundred miles from the county in which the treasurer or governing board is located.

For purposes of this division, "investment or deposit agreement" means any agreement between a treasurer or governing board and a person, under which agreement the person agrees to invest, deposit, or otherwise manage a subdivision's interim moneys on behalf of the treasurer or governing board, or agrees to provide investment advice to the treasurer or governing board.

(Q) An investment made by the treasurer or governing board pursuant to this section prior to September 27, 1996, that was a legal investment under the law as it existed before September 27, 1996, may be held until maturity.

Sec. 135.142. (A) In addition to the investments authorized by section 135.14 of the Revised Code, any board of education, by a two-thirds vote of its members, may authorize the treasurer of the board of education to invest up to forty per cent of the interim moneys of the board, available for investment at any one time, in either of the following:

(1) Commercial paper notes issued by any entity that is defined in ~~division (D) of section 1705.01 or~~ division ~~(E)~~(K) of section 1706.01 of the Revised Code and has assets exceeding five hundred million dollars, and to which notes all of the following apply:

(a) The notes are rated at the time of purchase in the highest classification established by at least two nationally recognized ~~standard statistical~~ rating services organizations.

(b) The aggregate value of the notes does not exceed ten per cent of the aggregate value of the outstanding commercial paper of the issuing corporation.

(c) The notes mature no later than two hundred seventy days after purchase.

(d) The investment in commercial paper notes of a single issuer shall not exceed in the aggregate five per cent of interim moneys of the board available for investment at the time of purchase.

(2) Bankers' acceptances of banks that are insured by the federal deposit insurance corporation and that mature no later than one hundred eighty days after purchase.

(B) No investment authorized pursuant to division (A) of this section shall be made, whether or not authorized by a board of education, unless the

treasurer of the board of education has completed additional training for making the types of investments authorized pursuant to division (A) of this section. The type and amount of such training shall be approved and may be conducted by or provided under the supervision of the treasurer of state.

(C) The treasurer of the board of education shall prepare annually and submit to the board of education, the superintendent of public instruction, and the auditor of state, on or before the thirty-first day of August, a report listing each investment made pursuant to division (A) of this section during the preceding fiscal year, income earned from such investments, fees and commissions paid pursuant to division (D) of this section, and any other information required by the board, the superintendent, and the auditor of state.

(D) A board of education may make appropriations and expenditures for fees and commissions in connection with investments made pursuant to division (A) of this section.

(E)(1) In addition to the investments authorized by section 135.14 of the Revised Code and division (A) of this section, any board of education that is a party to an agreement with the treasurer of state pursuant to division (G) of section 135.143 of the Revised Code and that has outstanding obligations issued under authority of section 133.10 of the Revised Code may authorize the treasurer of the board of education to invest interim moneys of the board in debt interests rated in either of the two highest rating classifications by at least two nationally recognized ~~standard statistical~~ rating services organizations and issued by entities that are defined in ~~division (D) of section 1705.01 or division (E)(K) of section 1706.01~~ of the Revised Code. The debt interests purchased under authority of division (E) of this section shall mature not later than the latest maturity date of the outstanding obligations issued under authority of section 133.10 or 133.301 of the Revised Code.

(2) If any of the debt interests acquired under division (E)(1) of this section ceases to be rated as there required, its issuer shall notify the treasurer of state of this fact within twenty-four hours. At any time thereafter the treasurer of state may require collateralization at the rate of one hundred two per cent of any remaining obligation of the entity, with securities authorized for investment under section 135.143 of the Revised Code. The collateral shall be delivered to and held by a custodian acceptable to the treasurer of state, marked to market daily, and any default to be cured within twelve hours. Unlimited substitution shall be allowed of comparable securities.

Sec. 135.143. (A) The treasurer of state may invest or execute

transactions for any part or all of the interim funds of the state in the following classifications of obligations:

(1) United States treasury bills, notes, bonds, or any other obligations or securities issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;

(2) Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality;

(3)(a) Bonds, notes, and other obligations of the state of Ohio, including, but not limited to, any obligations issued by the treasurer of state, the Ohio public facilities commission, ~~the Ohio building authority~~, the Ohio housing finance agency, the Ohio water development authority, the Ohio turnpike infrastructure commission, the Ohio higher educational facility commission, and state institutions of higher education as defined in section 3345.011 of the Revised Code;

(b) Bonds, notes, and other obligations of any state or political subdivision thereof rated in the three highest categories by at least one nationally recognized ~~standard~~ statistical rating ~~service~~ organization and purchased through a registered securities broker or dealer, provided the treasurer of state is not the sole purchaser of the bonds, notes, or other obligations at original issuance.

(4)(a) Written repurchase agreements with any eligible Ohio financial institution that is a member of the federal reserve system or federal home loan bank, ~~or~~ any registered United States government securities dealer, or any counterparty rated in one of the three highest categories by at least one nationally recognized statistical rating organization or otherwise determined by the treasurer of state to have adequate capital and liquidity, under the terms of which agreement the treasurer of state purchases and the eligible financial institution ~~or~~ dealer, or counterparty agrees unconditionally to repurchase any of the securities that are listed in division (A)(1), (2), ~~or (3), (6), or (11)~~ of this section. The market value of securities subject to these transactions must exceed the principal value of the repurchase agreement by an amount specified by the treasurer of state, and the securities must be delivered into the custody of the treasurer of state or the qualified trustee or agent designated by the treasurer of state. The agreement shall contain the requirement that for each transaction pursuant to the agreement, the participating institution ~~or~~ dealer, or counterparty shall provide all of the following information:

- (i) The par value of the securities;
- (ii) The type, rate, and maturity date of the securities;
- (iii) A numerical identifier generally accepted in the securities industry

that designates the securities.

(b) The treasurer of state also may sell any securities, listed in division (A)(1), (2), ~~or (6), or (11)~~ of this section, regardless of maturity or time of redemption of the securities, under the same terms and conditions for repurchase, provided that the securities have been fully paid for and are owned by the treasurer of state at the time of the sale.

(c) For purposes of division (A)(4) of this section, the treasurer of state shall only buy or sell securities listed in division (A)(11) of this section issued by entities that are organized under the laws of this state, any other state, or the United States.

(5) Securities lending agreements with any eligible financial institution that is a member of the federal reserve system or federal home loan bank or any recognized United States government securities dealer, under the terms of which agreements the treasurer of state lends securities and the eligible financial institution or dealer agrees to simultaneously exchange similar securities or cash, equal value for equal value.

Securities and cash received as collateral for a securities lending agreement are not interim funds of the state. The investment of cash collateral received pursuant to a securities lending agreement may be invested only in such instruments specified by the treasurer of state in accordance with a written investment policy.

(6) Various forms of commercial paper issued by any entity that is organized under the laws of the United States or a state, which notes are rated in the two highest categories by two nationally recognized ~~standard statistical~~ rating ~~services organizations~~, provided that the total amount invested under this section in any commercial paper at any time shall not exceed forty per cent of the state's total average portfolio, as determined and calculated by the treasurer of state;

(7) Bankers acceptances, maturing in two hundred seventy days or less, provided that the total amount invested in bankers acceptances at any time shall not exceed ten per cent of the state's total average portfolio, as determined and calculated by the treasurer of state;

(8) Certificates of deposit, savings accounts, or deposit accounts in eligible institutions applying for interim moneys as provided in section 135.08 of the Revised Code, including linked deposits as provided in sections 135.61 to ~~135.67~~ 135.66 of the Revised Code, ~~agricultural linked deposits as provided in sections 135.71 to 135.76 of the Revised Code, business linked deposits as provided in sections 135.77 to 135.774 of the Revised Code, and housing linked deposits as provided in sections 135.81 to 135.87 of the Revised Code;~~

(9) Negotiable certificates of deposit denominated in United States dollars issued by a nationally or state-chartered bank, a savings association or a federal savings association, a state or federal credit union, or a federally licensed or state-licensed branch of a foreign bank, which are rated in the two highest categories by two nationally recognized ~~standard~~ statistical rating ~~services~~ organizations, provided that the total amount invested under this section in negotiable certificates of deposit at any time shall not exceed twenty-five per cent of the state's total average portfolio, as determined and calculated by the treasurer of state. Interim funds invested in accordance with division (A)(9) of this section are not limited to institutions applying for interim moneys under section 135.08 of the Revised Code, nor are they subject to any pledging requirements described in sections 135.18, 135.181, or 135.182 of the Revised Code.

(10) The state treasurer's investment pool authorized under section 135.45 of the Revised Code;

(11) Debt interests, other than commercial paper described in division (A)(6) of this section, rated in the three highest categories by two nationally recognized ~~standard~~ statistical rating ~~services~~ organizations and issued by entities that are organized under the laws of the United States or a state, or issued by foreign nations diplomatically recognized by the United States government, or any instrument based on, derived from, or related to such interests, provided that:

(a) The investments in debt interests other than commercial paper, when added to the investment in written repurchase agreements for securities listed in division (A)(3) or (11) of this section, shall not exceed in the aggregate twenty-five per cent of the state's portfolio.

(b) The investments in debt interests issued by foreign nations shall not exceed in the aggregate two per cent of the state's portfolio.

The treasurer of state shall invest under division (A)(11) of this section in a debt interest issued by a foreign nation only if the debt interest is backed by the full faith and credit of that foreign nation, and provided that all interest and principal shall be denominated and payable in United States funds.

(c) When added to the investment in commercial paper and negotiable certificates of deposit, the investments in the debt interests of a single issuer shall not exceed in the aggregate five per cent of the state's portfolio.

(d) For purposes of division (A)(11) of this section, a debt interest is rated in the three highest categories by two nationally recognized ~~standard~~ statistical rating ~~services~~ organizations if either the debt interest itself or the issuer of the debt interest is rated, or is implicitly rated, in the three highest

categories by two nationally recognized ~~standard~~ statistical rating ~~services~~ organizations.

(e) For purposes of division (A)(11) of this section, the "state's portfolio" means the state's total average portfolio, as determined and calculated by the treasurer of state.

(12) No-load money market mutual funds rated in the highest category by one nationally recognized ~~standard~~ statistical rating ~~service~~ organization or consisting exclusively of obligations described in division (A)(1), (2), or (6) of this section and repurchase agreements secured by such obligations;

(13) Obligations issued by, or on behalf of, an Ohio political subdivision under Chapter 133. of the Revised Code or Section 12 of Article XVIII, Ohio Constitution, and identified in an agreement described in division (G) of this section;

(14) Obligations issued by the state of Ohio, any political subdivision thereof, or by or on behalf of any nonprofit corporation or association doing business in this state rated in the four highest categories by at least one nationally recognized ~~standard~~ statistical rating ~~service~~ organization and identified in an agreement described in division (K) of this section.

(B) ~~Whenever, during a period of designation~~ On or before the tenth day of each month, the treasurer of state ~~classifies public moneys as interim moneys, the treasurer of state shall notify the state board of deposit of such action. The notification shall be given within thirty days after such classification and, in that the following reports pertaining to the immediately preceding month have been posted to the web site maintained by the treasurer of state:~~

(1) The daily ledger report of state funds prepared in accordance with section 113.13 of the Revised Code;

(2) The monthly portfolio report detailing the current inventory of all investments and deposits held within the classification of interim moneys;

(3) The monthly activity report within the classification of interim moneys summarized by type of investment or deposit.

In the event the state board of deposit does not concur in such classification or in the investments or deposits made under this section, the board may order the treasurer of state to sell or liquidate any of the investments or deposits, and any such order shall specifically describe the investments or deposits and fix the date upon which they are to be sold or liquidated. Investments or deposits so ordered to be sold or liquidated shall be sold or liquidated for cash by the treasurer of state on the date fixed in such order at the then current market price. Neither the treasurer of state nor the members of the state board of deposit shall be held accountable for any

loss occasioned by sales or liquidations of investments or deposits at prices lower than their cost. Any loss or expense incurred in making these sales or liquidations is payable as other expenses of the treasurer's office.

(C) If any securities or obligations invested in by the treasurer of state pursuant to this section are registrable either as to principal or interest, or both, such securities or obligations shall be registered in the name of the treasurer of state.

(D) The treasurer of state is responsible for the safekeeping of all securities or obligations under this section. Any such securities or obligations may be deposited for safekeeping as provided in section 113.05 of the Revised Code.

(E) Interest earned on any investments or deposits authorized by this section shall be collected by the treasurer of state and credited by the treasurer of state to the proper fund of the state.

(F) Whenever investments or deposits acquired under this section mature and become due and payable, the treasurer of state shall present them for payment according to their tenor, and shall collect the moneys payable thereon. The moneys so collected shall be treated as public moneys subject to sections 135.01 to 135.21 of the Revised Code.

(G) The treasurer of state and any entity issuing obligations referred to in division (A)(13) of this section, which obligations mature within one year from the original date of issuance, may enter into an agreement providing for:

(1) The purchase of those obligations by the treasurer of state on terms and subject to conditions set forth in the agreement;

(2) The payment to the treasurer of state of a reasonable fee as consideration for the agreement of the treasurer of state to purchase those obligations; provided, however, that the treasurer of state shall not be authorized to enter into any such agreement with a board of education of a school district that has an outstanding obligation with respect to a loan received under authority of section 3313.483 of the Revised Code.

(H) For purposes of division (G) of this section, a fee shall not be considered reasonable unless it is set to recover only the direct costs, a reasonable estimate of the indirect costs associated with the purchasing of obligations under division (G) of this section and any reselling of the obligations or any interest in the obligations, including interests in a fund comprised of the obligations, and the administration thereof. No money from the general revenue fund shall be used to subsidize the purchase or resale of these obligations.

(I) All money collected by the treasurer of state from the fee imposed by

division (G) of this section shall be deposited to the credit of the state political subdivision obligations fund, which is hereby created in the state treasury. Money credited to the fund shall be used solely to pay the treasurer of state's direct and indirect costs associated with purchasing and reselling obligations under division (G) of this section.

(J) As used in this section, "political subdivision" means a county, township, municipal corporation, school district, or other body corporate and politic responsible for governmental activities in a geographic area smaller than that of the state.

(K)(1) The treasurer of state and any entity issuing obligations referred to in division (A)(14) of this section, which obligations ~~have a demand feature to tender the obligation at par plus accrued interest~~ require a conditional liquidity requirement, may enter into an agreement providing for the following:

(a) The purchase of the obligations by the treasurer of state on terms and subject to conditions set forth in the agreement;

(b) Payment to the treasurer of state of a fee as consideration for the agreement of the treasurer of state to purchase the obligations.

(2) The treasurer of state shall not enter into agreements under division (K)(1) of this section for obligations that, in the aggregate, exceed ten per cent of the state's total average portfolio, as determined and calculated by the treasurer of state.

(3) For purposes of division (A)(14) of this section, an obligation is rated in the four highest categories by at least one nationally recognized ~~standard statistical rating service organization~~ standard statistical rating service organization if either the debt interest itself or the obligor of the debt interest is rated in the four highest categories by at least one nationally recognized ~~standard statistical rating service organization~~ standard statistical rating service organization.

(4) All money collected by the treasurer of state from the fee imposed by division (K) of this section shall be deposited to the credit of the state securities tender program fund, which is hereby created in the state treasury. The amount of income from the state securities tender program credited to the state securities tender program fund shall not exceed one per cent of the average par value of obligations subject to agreements under division (K)(1) of this section. All other such income shall be credited to the general revenue fund. The treasurer of state may use the state securities tender program fund solely for operations of the office of the treasurer of state.

(L)(1) The treasurer of state and a state university or college issuing obligations under section 3345.12 of the Revised Code may enter into an agreement providing for the following:

(a) The purchase of those obligations by the treasurer of state pursuant to division (A)(3)(a) of this section on terms and subject to conditions set forth in the agreement;

(b) The department of higher education to withhold, in the event the state university or college does not pay bond service charges on the obligations when due, appropriated funds allocated to the state university or college in an amount sufficient to pay bond service charges on the obligations, less any amounts deposited for that purpose under the bond proceedings. Upon the request of the treasurer of state, the department of higher education shall promptly pay to the treasurer of state the amounts withheld.

(2) For purposes of division (L)(1) of this section, "obligations," "state university or college," "bond service charges," and "bond proceedings" have the same meanings as in section 3345.12 of the Revised Code.

Sec. 135.15. Whenever the governing board, other than the state board of deposit, is of the opinion that the actual amount of active deposits is insufficient to meet the anticipated demands on such active deposits, it shall direct the treasurer to sell interim money investments or deposits or transfer from the inactive deposits to the active deposits an amount sufficient to meet such demands. The board shall designate in such order the depositories from which withdrawals for such purpose shall be made and the amounts to be withdrawn from each. The treasurer shall immediately give appropriate written notice of such withdrawal to each public depository affected thereby, and at the expiration of the period of such notice shall make such withdrawals by presentation of certificates of deposit, or otherwise, in such manner as the board provides by appropriate regulations. In case there are two or more public depositories subject to such withdrawal, the board shall make such withdrawals from the public depositories paying the lowest rates of interest and in proportional amounts as near as is practicable.

Whenever the state board of deposit is of the opinion that the actual amount of active deposits is insufficient to meet the anticipated demands on such active deposits, it shall direct the treasurer of state to sell interim money investments or to redeem negotiated deposits in an amount sufficient to meet such demands. The treasurer of state shall use the treasurer of state's discretion in selecting the instruments to be sold or redeemed.

Sec. 135.182. (A) As used in this section:

(1) "Public depository" means that term as defined in section 135.01 of the Revised Code, but also means an institution that receives or holds any public deposits as defined in section 135.31 of the Revised Code.

(2) "Public depositor" means that term as defined in section 135.01 of

the Revised Code, but also includes a county and any municipal corporation that has adopted a charter under Article XVIII, Ohio Constitution.

(3) "Public deposits," "public moneys," and "treasurer" mean those terms as defined in section 135.01 of the Revised Code, but also have the same meanings as are set forth in section 135.31 of the Revised Code, but for purposes of this section does not include the moneys of metropolitan housing authorities.

(B)(1) Not later than July 1, 2017, the treasurer of state shall create the Ohio pooled collateral program. Under this program, each institution designated as a public depository that selects the pledging method prescribed in division (A)(2) of section 135.18 or division (A)(2) of section 135.37 of the Revised Code shall pledge to the treasurer of state a single pool of eligible securities for the benefit of all public depositors at the public depository to secure the repayment of all uninsured public deposits at the public depository, provided that at all times the total market value of the securities so pledged is at least equal to either of the following:

(a) One hundred two per cent of the total amount of all uninsured public deposits;

(b) An amount determined by rules adopted by the treasurer of state that set forth the criteria for determining the aggregate market value of the pool of eligible securities pledged by a public depository pursuant to division (B) of this section. Such criteria shall include, but are not limited to, prudent capital and liquidity management by the public depository and the safety and soundness of the public depository as determined by a third-party rating organization.

(2) The treasurer of state shall monitor the eligibility, market value, and face value of the pooled securities pledged by the public depository. Each public depository shall carry in its accounting records at all times a general ledger or other appropriate account of the total amount of all public deposits to be secured by the pool, as determined at the opening of business each day, and the total market value of securities pledged to secure such deposits, and report such information to the treasurer of state in a manner and frequency as determined by the treasurer of state pursuant to rules adopted by the treasurer of state. A public depositor shall be responsible for periodically confirming the accuracy of its account balances with the treasurer of state; otherwise, the treasurer of state shall be the sole public depositor responsible for monitoring and ensuring the sufficiency of securities pledged under this section.

(3) If, on any day, the total market value of the securities pledged by the public depository is less than that specified in division (B)(1)(a) or (b) of

this section, whichever is applicable, the public depository shall have two business days to pledge additional eligible securities having a market value sufficient, when combined with the market value of eligible securities already pledged, to satisfy the requirement of division (B)(1)(a) or (b) of this section, as applicable, to secure the repayment of all uninsured public deposits at the public depository.

(C) The public depository shall designate a qualified trustee approved by the treasurer of state and place with such trustee for safekeeping the eligible securities pledged pursuant to division (B) of this section. The trustee shall hold the eligible securities in an account indicating the treasurer of state's security interest in the eligible securities. The treasurer of state shall give written notice of the trustee to all public depositors for which such securities are pledged. The trustee shall report to the treasurer of state information relating to the securities pledged to secure such public deposits in a manner and frequency as determined by the treasurer of state.

(D) In order for a public depository to receive public moneys under this section, the public depository and the treasurer of state shall first execute an agreement that sets forth the entire arrangement among the parties and that meets the requirements described in 12 U.S.C. 1823(e). In addition, the agreement shall authorize the treasurer of state to obtain control of the collateral pursuant to division (D) of section 1308.24 of the Revised Code.

(E) The securities or other obligations described in division (D) of section 135.18 of the Revised Code shall be eligible as collateral for the purposes of division (B) of this section, provided no such securities or obligations pledged as collateral are at any time in default as to either principal or interest.

(F) Any federal reserve bank or branch thereof located in this state or federal home loan bank, without compliance with Chapter 1111. of the Revised Code and without becoming subject to any other law of this state relative to the exercise by corporations of trust powers generally, is qualified to act as trustee for the safekeeping of securities, under this section. Any institution mentioned in section 135.03 or 135.32 of the Revised Code that holds a certificate of qualification issued by the superintendent of financial institutions or any institution complying with sections 1111.04, 1111.05, and 1111.06 of the Revised Code is qualified to act as trustee for the safekeeping of securities under this section, other than those belonging to itself or to an affiliate as defined in section 1101.01 of the Revised Code.

(G) The public depository may substitute, exchange, or release eligible securities deposited with the qualified trustee pursuant to this section, provided that such substitution, exchange, or release is effectuated pursuant

to written authorization from the treasurer of state, and such action does not reduce the total market value of the securities to an amount that is less than the amount established pursuant to division (B) of this section.

(H) Notwithstanding the fact that a public depository is required to pledge eligible securities in certain amounts to secure public deposits, a qualified trustee has no duty or obligation to determine the eligibility, market value, or face value of any securities deposited with the trustee by a public depository. This applies in all situations including, but not limited to, a substitution or exchange of securities, but excluding those situations effectuated by division (I) of this section in which the trustee is required to determine face and market value.

(I) The qualified trustee shall enter into a custodial agreement with the treasurer of state and public depository in which the trustee agrees to comply with entitlement orders originated by the treasurer of state without further consent by the public depository or, in the case of collateral held by the public depository in an account at a federal reserve bank, the treasurer of state shall have the treasurer's security interest marked on the books of the federal reserve bank where the account for the collateral is maintained. If the public depository fails to pay over any part of the public deposits made therein as provided by law and secured pursuant to division (B) of this section, the treasurer of state shall give written notice of this failure to the qualified trustee holding the pool of securities pledged against the public deposits, and at the same time shall send a copy of this notice to the public depository. Upon receipt of this notice, the trustee shall transfer to the treasurer of state for sale, the pooled securities that are necessary to produce an amount equal to the public deposits made by the public depositor and not paid over, less the portion of the deposits covered by any federal deposit insurance, plus any accrued interest due on the deposits. The treasurer of state shall sell any of the bonds or other securities so transferred. When a sale of bonds or other securities has been so made and upon payment to the public depositor of the purchase money, the treasurer of state shall transfer such bonds or securities whereupon the absolute ownership of such bonds or securities shall pass to the purchasers. Any surplus after deducting the amount due to the public depositor and expenses of sale shall be paid to the public depository.

(J) Any charges or compensation of a qualified trustee for acting as such under this section shall be paid by the public depository and in no event shall be chargeable to the public depositor or to any officer of the public depositor. The charges or compensation shall not be a lien or charge upon the securities deposited for safekeeping prior or superior to the rights to and

interests in the securities of the public depositor. The treasurer and the treasurer's bonders or surety shall be relieved from any liability to the public depositor or to the public depository for the loss or destruction of any securities deposited with a qualified trustee pursuant to this section.

(K) A public depositor, treasurer, or the public depositor's or treasurer's bonders or surety are not liable for the loss of funds if a public depository fails to comply with the terms set forth in the agreement provided for in division (D) of this section for the appropriate level of collateral, as required under division (B)(1)(a) or (b) of this section, to secure the public deposits made under that agreement.

(L)(1) The following information is confidential and not a public record under section 149.43 of the Revised Code:

(a) All reports or other information obtained or created about a public depository for purposes of division (B)(1)(b) of this section;

(b) The identity of a public depositor's public depository;

(c) The identity of a public depository's public depositors.

(2) Nothing in this section prevents the treasurer of state from releasing or exchanging such confidential information as required by law or for the operation of the pooled collateral program.

(M) The treasurer of state may impose reasonable fees, including late fees, upon public depositories participating in the pooled collateral program to defray the actual and necessary expenses incurred by the treasurer in connection with the program. All such fees collected by the treasurer shall be deposited into the state treasury to the credit of the administrative fund created in section 113.20 of the Revised Code.

(N) The treasurer of state may adopt rules necessary for the implementation of this section and sections 135.18 and 135.181 of the Revised Code. Such rules shall be adopted in accordance with Chapter 119. of the Revised Code.

Sec. 135.31. As used in sections 135.31 to 135.40 of the Revised Code:

(A) "Active moneys" means an amount of public moneys in public depositories determined to be necessary to meet current demands upon a county treasury, and deposited in any of the following:

(1) A commercial account and withdrawable, in whole or in part, on demand;

(2) A negotiable order of withdrawal account as authorized in the "Consumer Checking Account Equity Act of 1980," 94 Stat. 146, 12 U.S.C.A. 1832(a);

(3) A money market deposit account as authorized in the "Garn-St. Germain Depository Institutions Act of 1982," 96 Stat. 1501, 12 U.S.C.

3503.

(B) "Inactive moneys" means all public moneys in public depositories in excess of the amount determined to be needed as active moneys.

(C) "Investing authority" means the treasurer, except as provided in section 135.34 of the Revised Code.

(D) "Public deposits" means public moneys deposited in a public depository pursuant to sections 135.31 to 135.40 of the Revised Code.

(E) "Public moneys" means all moneys in the treasury of a county or moneys coming lawfully into the possession or custody of the treasurer.

(F) "Treasurer" means the county treasurer.

(G) "No-load money market mutual fund" means a no-load money market mutual fund that is registered as an investment company under the "Investment Company Act of 1940," 54 Stat. 789, 15 U.S.C.A. 80a-1 to 80a-64, and that has the highest letter or numerical rating provided by at least one nationally recognized ~~standard~~ statistical rating ~~service~~ organization.

Sec. 135.35. (A) The investing authority shall deposit or invest any part or all of the county's inactive moneys and shall invest all of the money in the county public library fund when required by section 135.352 of the Revised Code. The following classifications of securities and obligations are eligible for such deposit or investment:

(1) United States treasury bills, notes, bonds, or any other obligation or security issued by the United States treasury, any other obligation guaranteed as to principal or interest by the United States, or any book entry, zero-coupon United States treasury security that is a direct obligation of the United States.

Nothing in the classification of eligible securities and obligations set forth in divisions (A)(2) to (10) of this section shall be construed to authorize any investment in stripped principal or interest obligations of such eligible securities and obligations.

(2) Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, and government national mortgage association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities.

(3) Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts, in any eligible institution mentioned in section 135.32 of the Revised Code;

(4) Bonds and other obligations of this state or the political subdivisions

of this state, provided the bonds or other obligations of political subdivisions mature within ten years from the date of settlement;

(5) No-load money market mutual funds rated in the highest category at the time of purchase by at least one nationally recognized ~~standard~~ statistical rating ~~service~~ organization or consisting exclusively of obligations described in division (A)(1), (2), or (6) of section 135.143 of the Revised Code and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions mentioned in section 135.32 of the Revised Code;

(6) The Ohio subdivision's fund as provided in section 135.45 of the Revised Code;

(7) Securities lending agreements with any eligible institution mentioned in section 135.32 of the Revised Code that is a member of the federal reserve system or federal home loan bank or with any recognized United States government securities dealer meeting the description in division (J)(1) of this section, under the terms of which agreements the investing authority lends securities and the eligible institution or dealer agrees to simultaneously exchange similar securities or cash, equal value for equal value.

Securities and cash received as collateral for a securities lending agreement are not inactive moneys of the county or moneys of a county public library fund. The investment of cash collateral received pursuant to a securities lending agreement may be invested only in instruments specified by the investing authority in the written investment policy described in division (K) of this section.

(8) Up to forty per cent of the county's total average portfolio in either of the following investments:

(a) Commercial paper notes issued by an entity that is defined in division (D) of section 1705.01 or division (E) of section 1706.01 of the Revised Code and that has assets exceeding five hundred million dollars, to which notes all of the following apply:

(i) The notes are rated at the time of purchase in the highest classification established by at least two nationally recognized ~~standard~~ statistical rating ~~services~~ organizations.

(ii) The aggregate value of the notes does not exceed ten per cent of the aggregate value of the outstanding commercial paper of the issuing corporation.

(iii) The notes mature not later than two hundred seventy days after purchase.

(iv) The investment in commercial paper notes of a single issuer shall

not exceed in the aggregate five per cent of interim moneys available for investment at the time of purchase.

(b) Bankers acceptances of banks that are insured by the federal deposit insurance corporation and that mature not later than one hundred eighty days after purchase.

No investment shall be made pursuant to division (A)(8) of this section unless the investing authority has completed additional training for making the investments authorized by division (A)(8) of this section. The type and amount of additional training shall be approved by the treasurer of state and may be conducted by or provided under the supervision of the treasurer of state.

(9) Up to fifteen per cent of the county's total average portfolio in notes issued by corporations that are incorporated under the laws of the United States and that are operating within the United States, or by depository institutions that are doing business under authority granted by the United States or any state and that are operating within the United States, provided both of the following apply:

(a) The notes are rated in the three highest categories by at least two nationally recognized ~~standard~~ statistical rating ~~services~~ organizations at the time of purchase.

(b) The notes mature not later than three years after purchase.

(10) Debt interests rated at the time of purchase in the three highest categories by two nationally recognized ~~standard~~ statistical rating ~~services~~ organizations and issued by foreign nations diplomatically recognized by the United States government. All interest and principal shall be denominated and payable in United States funds. The investments made under division (A)(10) of this section shall not exceed in the aggregate two per cent of a county's total average portfolio.

The investing authority shall invest under division (A)(10) of this section in a debt interest issued by a foreign nation only if the debt interest is backed by the full faith and credit of that foreign nation, there is no prior history of default, and the debt interest matures not later than five years after purchase. For purposes of division (A)(10) of this section, a debt interest is rated in the three highest categories by two nationally recognized ~~standard~~ statistical rating ~~services~~ organizations if either the debt interest itself or the issuer of the debt interest is rated, or is implicitly rated, at the time of purchase in the three highest categories by two nationally recognized ~~standard~~ statistical rating ~~services~~ organizations.

(11) A current unpaid or delinquent tax line of credit authorized under division (G) of section 135.341 of the Revised Code, provided that all of the

conditions for entering into such a line of credit under that division are satisfied, or bonds and other obligations of a county land reutilization corporation organized under Chapter 1724. of the Revised Code, if the county land reutilization corporation is located wholly or partly within the same county as the investing authority.

(B) Nothing in the classifications of eligible obligations and securities set forth in divisions (A)(1) to (10) of this section shall be construed to authorize investment in a derivative, and no investing authority shall invest any county inactive moneys or any moneys in a county public library fund in a derivative. For purposes of this division, "derivative" means a financial instrument or contract or obligation whose value or return is based upon or linked to another asset or index, or both, separate from the financial instrument, contract, or obligation itself. Any security, obligation, trust account, or other instrument that is created from an issue of the United States treasury or is created from an obligation of a federal agency or instrumentality or is created from both is considered a derivative instrument. An eligible investment described in this section with a variable interest rate payment, based upon a single interest payment or single index comprised of other eligible investments provided for in division (A)(1) or (2) of this section, is not a derivative, provided that such variable rate investment has a maximum maturity of two years. A treasury inflation-protected security shall not be considered a derivative, provided the security matures not later than five years after purchase.

(C) Except as provided in division (A)(4) or (D) of this section, any investment made pursuant to this section must mature within five years from the date of settlement, unless the investment is matched to a specific obligation or debt of the county or to a specific obligation or debt of a political subdivision of this state, and the investment is specifically approved by the investment advisory committee.

(D) The investing authority may also enter into a written repurchase agreement with any eligible institution mentioned in section 135.32 of the Revised Code or any eligible securities dealer pursuant to division (J) of this section, under the terms of which agreement the investing authority purchases and the eligible institution or dealer agrees unconditionally to repurchase any of the securities listed in divisions (D)(1) to (5), except letters of credit described in division (D)(2), of section 135.18 of the Revised Code. The market value of securities subject to an overnight written repurchase agreement must exceed the principal value of the overnight written repurchase agreement by at least two per cent. A written repurchase agreement must exceed the principal value of the overnight written

repurchase agreement, by at least two per cent. A written repurchase agreement shall not exceed thirty days, and the market value of securities subject to a written repurchase agreement must exceed the principal value of the written repurchase agreement by at least two per cent and be marked to market daily. All securities purchased pursuant to this division shall be delivered into the custody of the investing authority or the qualified custodian of the investing authority or an agent designated by the investing authority. A written repurchase agreement with an eligible securities dealer shall be transacted on a delivery versus payment basis. The agreement shall contain the requirement that for each transaction pursuant to the agreement the participating institution shall provide all of the following information:

- (1) The par value of the securities;
- (2) The type, rate, and maturity date of the securities;
- (3) A numerical identifier generally accepted in the securities industry that designates the securities.

No investing authority shall enter into a written repurchase agreement under the terms of which the investing authority agrees to sell securities owned by the county to a purchaser and agrees with that purchaser to unconditionally repurchase those securities.

(E) No investing authority shall make an investment under this section, unless the investing authority, at the time of making the investment, reasonably expects that the investment can be held until its maturity. The investing authority's written investment policy shall specify the conditions under which an investment may be redeemed or sold prior to maturity.

(F) No investing authority shall pay a county's inactive moneys or moneys of a county public library fund into a fund established by another subdivision, treasurer, governing board, or investing authority, if that fund was established by the subdivision, treasurer, governing board, or investing authority for the purpose of investing or depositing the public moneys of other subdivisions. This division does not apply to the payment of public moneys into either of the following:

(1) The Ohio subdivision's fund pursuant to division (A)(6) of this section;

(2) A fund created solely for the purpose of acquiring, constructing, owning, leasing, or operating municipal utilities pursuant to the authority provided under section 715.02 of the Revised Code or Section 4 of Article XVIII, Ohio Constitution.

For purposes of division (F) of this section, "subdivision" includes a county.

(G) The use of leverage, in which the county uses its current investment

assets as collateral for the purpose of purchasing other assets, is prohibited. The issuance of taxable notes for the purpose of arbitrage is prohibited. Contracting to sell securities not owned by the county, for the purpose of purchasing such securities on the speculation that bond prices will decline, is prohibited.

(H) Any securities, certificates of deposit, deposit accounts, or any other documents evidencing deposits or investments made under authority of this section shall be issued in the name of the county with the county treasurer or investing authority as the designated payee. If any such deposits or investments are registrable either as to principal or interest, or both, they shall be registered in the name of the treasurer.

(I) The investing authority shall be responsible for the safekeeping of all documents evidencing a deposit or investment acquired under this section, including, but not limited to, safekeeping receipts evidencing securities deposited with a qualified trustee, as provided in section 135.37 of the Revised Code, and documents confirming the purchase of securities under any repurchase agreement under this section shall be deposited with a qualified trustee, provided, however, that the qualified trustee shall be required to report to the investing authority, auditor of state, or an authorized outside auditor at any time upon request as to the identity, market value, and location of the document evidencing each security, and that if the participating institution is a designated depository of the county for the current period of designation, the securities that are the subject of the repurchase agreement may be delivered to the treasurer or held in trust by the participating institution on behalf of the investing authority.

Upon the expiration of the term of office of an investing authority or in the event of a vacancy in the office for any reason, the officer or the officer's legal representative shall transfer and deliver to the officer's successor all documents mentioned in this division for which the officer has been responsible for safekeeping. For all such documents transferred and delivered, the officer shall be credited with, and the officer's successor shall be charged with, the amount of moneys evidenced by such documents.

(J)(1) All investments, except for investments in securities described in divisions (A)(5), (6), and (11) of this section, shall be made only through a member of the financial industry regulatory authority (FINRA), through a bank, savings bank, or savings and loan association regulated by the superintendent of financial institutions, or through an institution regulated by the comptroller of the currency, federal deposit insurance corporation, or board of governors of the federal reserve system.

(2) Payment for investments shall be made only upon the delivery of

securities representing such investments to the treasurer, investing authority, or qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee.

(K)(1) Except as otherwise provided in division (K)(2) of this section, no investing authority shall make an investment or deposit under this section, unless there is on file with the auditor of state a written investment policy approved by the investing authority. The policy shall require that all entities conducting investment business with the investing authority shall sign the investment policy of that investing authority. All brokers, dealers, and financial institutions, described in division (J)(1) of this section, initiating transactions with the investing authority by giving advice or making investment recommendations shall sign the investing authority's investment policy thereby acknowledging their agreement to abide by the policy's contents. All brokers, dealers, and financial institutions, described in division (J)(1) of this section, executing transactions initiated by the investing authority, having read the policy's contents, shall sign the investment policy thereby acknowledging their comprehension and receipt.

(2) If a written investment policy described in division (K)(1) of this section is not filed on behalf of the county with the auditor of state, the investing authority of that county shall invest the county's inactive moneys and moneys of the county public library fund only in time certificates of deposits or savings or deposit accounts pursuant to division (A)(3) of this section, no-load money market mutual funds pursuant to division (A)(5) of this section, or the Ohio subdivision's fund pursuant to division (A)(6) of this section.

(L)(1) The investing authority shall establish and maintain an inventory of all obligations and securities acquired by the investing authority pursuant to this section. The inventory shall include a description of each obligation or security, including type, cost, par value, maturity date, settlement date, and any coupon rate.

(2) The investing authority shall also keep a complete record of all purchases and sales of the obligations and securities made pursuant to this section.

(3) The investing authority shall maintain a monthly portfolio report and issue a copy of the monthly portfolio report describing such investments to the county investment advisory committee, detailing the current inventory of all obligations and securities, all transactions during the month that affected the inventory, any income received from the obligations and securities, and

any investment expenses paid, and stating the names of any persons effecting transactions on behalf of the investing authority.

(4) The monthly portfolio report shall be a public record and available for inspection under section 149.43 of the Revised Code.

(5) The inventory and the monthly portfolio report shall be filed with the board of county commissioners. The monthly portfolio report also shall be filed with the treasurer of state.

(M) An investing authority may enter into a written investment or deposit agreement that includes a provision under which the parties agree to submit to nonbinding arbitration to settle any controversy that may arise out of the agreement, including any controversy pertaining to losses of public moneys resulting from investment or deposit. The arbitration provision shall be set forth entirely in the agreement, and the agreement shall include a conspicuous notice to the parties that any party to the arbitration may apply to the court of common pleas of the county in which the arbitration was held for an order to vacate, modify, or correct the award. Any such party may also apply to the court for an order to change venue to a court of common pleas located more than one hundred miles from the county in which the investing authority is located.

For purposes of this division, "investment or deposit agreement" means any agreement between an investing authority and a person, under which agreement the person agrees to invest, deposit, or otherwise manage, on behalf of the investing authority, a county's inactive moneys or moneys in a county public library fund, or agrees to provide investment advice to the investing authority.

(N)(1) An investment held in the county portfolio on September 27, 1996, that was a legal investment under the law as it existed before September 27, 1996, may be held until maturity.

(2) An investment held in the county portfolio on September 10, 2012, that was a legal investment under the law as it existed before September 10, 2012, may be held until maturity.

Sec. 135.45. (A) Subject to division (B) of this section, a treasurer, governing board, or investing authority of a subdivision may pay public moneys of the subdivision into the Ohio subdivision's fund, which may be established in the custody of the treasurer of state. The treasurer of state shall invest the moneys in the fund in separately managed accounts and pooled accounts, including the state treasurer's investment pool, in the same manner, in the same types of instruments, and subject to the same limitations provided for the deposit and investment of interim moneys of the state, except that the fund shall not be invested in the linked deposits

authorized under sections 135.61 to ~~135.67~~ 135.66 of the Revised Code.

(B)(1) On and after July 1, 1997, a treasurer, governing board, or investing authority of a subdivision that has not entered into an agreement with the treasurer of state under division (C) of this section shall not invest public moneys of the subdivision in a pooled account of the Ohio subdivision's fund under division (B)(6) of section 135.14 of the Revised Code or division (A)(6) of section 135.35 of the Revised Code if the pool does not maintain the highest letter or numerical rating provided by at least one nationally recognized ~~standard~~ statistical rating ~~service~~ organization.

(2) Upon receipt of notice that the pool does not maintain the highest letter or numerical rating required under division (B)(1) of this section, the treasurer of state shall have ninety days to obtain the required highest letter or numerical rating. If the treasurer of state fails to obtain the required highest letter or numerical rating, the treasurer of state shall have an additional one hundred eighty days to develop a plan to dissolve the pool. The plan shall include reasonable standards for the equitable return of public moneys in the pool to those subdivisions participating in the pool.

(3) Treasurers, governing boards, or investing authorities of subdivisions participating in the pool shall not be required to divest in the pool during the initial one hundred eighty days following the treasurer of state's receipt of notice under division (B)(2) of this section.

(C) A treasurer, governing board, or investing authority of a subdivision that wishes to invest public moneys of the subdivision in a separately managed account or pooled account of the Ohio subdivision's fund may enter into an agreement with the treasurer of state that sets forth the manner in which the money is to be invested. The treasurer of state shall invest the moneys in accordance with the agreement, subject to the limitations set forth in division (A) of this section. For purposes of this division, the limitation on investments in debt interests provided in division (A)(11)(a) of section 135.143 of the Revised Code shall not apply to a subdivision's excess reserves.

(D) The treasurer of state shall adopt such rules as are necessary for the implementation of this section, including the efficient administration of and accounting for the separately managed accounts and pooled accounts, including the state treasurer's investment pool, and the specification of minimum amounts that may be paid into such pools and minimum periods of time for which such payments shall be retained in the pools. The rules shall provide for the administrative expenses of the separately managed accounts and pooled accounts, including the state treasurer's investment pool, to be paid from the earnings and for the interest earnings in excess of

such expenses to be credited to the several treasurers, governing boards, and investing authorities participating in a pool in a manner which equitably reflects the differing amounts of their respective investments in the pool and the differing periods of time for which such amounts are in the pool.

(E) The treasurer of state shall give bond with sufficient sureties, payable to the treasurers, governing boards, and investing authorities of subdivisions participating in the fund, for the benefit of the subdivisions whose moneys are paid into the fund for investment, in the total penal sum of two hundred fifty thousand dollars, conditioned for the faithful discharge of the treasurer of state's duties in relation to the fund.

(F) The treasurer of state and the treasurer of state's bonders or surety are liable for the loss of any interim moneys of the state and subdivisions invested under this section to the same extent the treasurer of state and the treasurer of state's bonders or surety are liable for the loss of public moneys under section 135.19 of the Revised Code.

(G) As used in this section:

(1) "Interim moneys" and "governing board" have the same meanings as in section 135.01 of the Revised Code.

(2)(a) "Subdivision" has the same meaning as in section 135.01 of the Revised Code, but also includes a county, a municipal corporation that has adopted a charter under Article XVIII, Ohio Constitution, or any government entity for which the fund is a permissible investment.

(b) "Public moneys of a subdivision" has the same meaning as in section 135.01 of the Revised Code, but also includes "public moneys" as defined in section 135.31 of the Revised Code, and funds held in the custody of the treasurer of state notwithstanding any limitations on the permissible investments of such funds.

(3) "Treasurer" has the same meaning as in sections 135.01 and 135.31 of the Revised Code.

(4) "Investing authority" has the same meaning as in section 135.31 of the Revised Code.

(5) "Excess reserves" means the amount of a subdivision's public moneys that exceed the average of a subdivision's annual operating expenses in the immediately preceding three fiscal years.

Sec. 135.46. (A) The treasurer of state may create a taxable investment pool or a tax-exempt investment pool, or both, for the purpose of providing a procedure for the temporary investment of bond proceeds. The pool shall be in the custody of the treasurer of state.

(B) A treasurer, governing board, or investing authority of a subdivision, or any agency of the state that has debt-issuing authority may

pay bond proceeds into either or both of the pools authorized under division (A) of this section.

(C) The treasurer of state shall invest the funds of the taxable investment pool authorized under division (A) of this section in the same manner, in the same types of instruments, and subject to the same limitations provided for the deposit and investment of interim moneys of the state and subdivisions under sections 135.14 and ~~135.141~~ 135.143 of the Revised Code. The treasurer also may invest in any other taxable obligations issued by any political subdivision of the state.

(D) The treasurer of state shall invest the funds of the tax-exempt investment pool in debt obligations and participation interests in such obligations, if all of the following apply:

(1) The obligations are issued by or on behalf of any state of the United States, or any political subdivision, agency, or instrumentality of any such state;

(2) The interest on such obligations is exempt from federal income taxation;

(3) The obligations are rated in either of the two highest classifications established by at least one nationally recognized ~~standard~~ statistical rating ~~service organization~~.

(E)(1) The treasurer of state shall, pursuant to Chapter 119. of the Revised Code, adopt such rules as are necessary to carry out the purposes of this section and for the efficient administration and accounting of a pool established pursuant to division (A) of this section.

(2) The rules shall provide for the administrative expenses of such pool to be paid from its earnings and for the interest earnings in excess of such expenses to be credited to the several treasurers, governing boards, investing authorities, and agencies of the state participating in the pool in a manner that equitably reflects the differing amounts of their respective investments in the pool and the differing periods of time for which such amounts are in the pool.

(3) The rules shall establish standards governing pools authorized under division (A) of this section, taking into consideration all federal rebate and yield restrictions and the objective of maintaining a high degree of safety and liquidity.

(F) Upon creating a pool authorized under division (A) of this section, the treasurer of state shall give bond with sufficient sureties, payable to the treasurers, governing boards, and investing authorities of subdivisions and agencies of the state participating in the pool, for the benefit of the participating subdivisions and agencies, in the total penal sum of two

hundred fifty thousand dollars, conditioned for the faithful discharge of ~~his~~ the treasurer of state's duties in relation to the pool.

(G) The treasurer of state and ~~his bondsmen~~ the treasurer of state's bonders or surety are liable for the loss of any moneys of the state invested under this section through a pool established under division (A) of this section to the same extent the treasurer of state and ~~his bondsmen~~ the treasurer of state's bonders or surety are liable for the loss of public moneys under section 135.19 of the Revised Code.

(H) As used in this section:

(1) "Governing board" has the same meaning as in section 135.01 of the Revised Code.

(2) "Interim moneys" has the same meaning as in section 135.01 of the Revised Code.

(3) "Investing authority" has the same meaning as in section 135.31 of the Revised Code.

(4) "Public moneys of a subdivision" has the same meaning as in section 135.01 of the Revised Code, but also includes "public moneys" as defined in section 135.31 of the Revised Code, and funds held in the custody of the treasurer of state notwithstanding any limitations on the permissible investments of such funds.

(5) "Subdivision" has the same meaning as in section 135.01 of the Revised Code, but also includes a county, or a municipal corporation that has adopted a charter under Article XVIII, Ohio Constitution.

(6) "Treasurer" has the same meaning as in sections 135.01 and 135.31 of the Revised Code.

Sec. 135.47. (A) There is hereby created the securities ~~lending~~ lending program.

(B) There is hereby created in the state treasury the securities lending program fund. Income from the interest earnings of the securities lending program in an amount calculated pursuant to division (D) of this section shall be credited to the fund. All other such income shall be credited to the general revenue fund.

(C) The treasurer of state may use the securities lending program fund ~~solely~~ for operations of the office of the treasurer of state or may transfer unexpended amounts in the fund to the treasurer's information technology reserve fund created under section 113.22 of the Revised Code.

(D) The amount of income from the interest earnings of the securities lending program that shall be paid into the securities lending program fund shall not exceed an amount based on an annual rate of one-quarter of one per cent of the total average daily par value of assets in the securities

lending program, as determined and calculated by the treasurer of state. Such income shall be paid on a monthly basis.

Sec. 135.61. (A) The treasurer of state may invest in linked deposits under this chapter, provided that at the time any such linked deposits are placed, purchased, or designated, the combined amount of investments of public money of the state in linked deposits of any kind is not more than twelve per cent of the state's total average investment portfolio, as determined by the treasurer of state. When deciding whether to invest in any linked deposits, the treasurer of state shall give priority to the investment, liquidity, and cash flow needs of the state.

(B) The treasurer of state may, in accordance with section 111.15 of the Revised Code, adopt rules necessary for the implementation and administration of linked deposits under this chapter, including, but not limited to, the manner in which an eligible lending institution, as defined in section 135.62 of the Revised Code, or eligible savings institution, as defined in section 135.70 of the Revised Code, is designated, and the manner in which linked deposits are placed, purchased, designated, held, and collateralized.

(C) Notwithstanding any contrary provision of the Revised Code, the treasurer of state may require an eligible credit union, as defined in section 135.62 of the Revised Code, that holds linked deposits under this chapter to pay interest at a rate not lower than the product of the prevailing interest rate multiplied by the sum of one plus the treasurer of state's assessment rate. The treasurer of state may, in accordance with section 119.03 of the Revised Code, adopt rules necessary for the implementation of this division.

Sec. 135.62. As used in sections 135.62 to 135.66 of the Revised Code:

(A) "Discount interest rate" means an interest rate below the prevailing interest rate that the treasurer of state determines eligible lending institutions are willing to pay to hold linked deposits.

(B) "Eligible borrower" means a borrower that has met all the requirements necessary to participate in the adoption linked deposit program under section 135.63 of the Revised Code, agricultural linked deposit program under section 135.64 of the Revised Code, small business linked deposit program under section 135.65 of the Revised Code, or home improvement linked deposit program under section 135.66 of the Revised Code.

(C) "Eligible credit union" means, notwithstanding any contrary provision of sections 135.01 to 135.21 of the Revised Code, a federal credit union, a foreign credit union licensed pursuant to section 1733.39 of the Revised Code, or a credit union as defined in section 1733.01 of the Revised

Code, located in this state.

(D) "Eligible lending institution" means a financial institution that is eligible to make loans, agrees to participate in the applicable linked deposit program, and is one of the following:

(1) A public depository of state funds, or an eligible credit union designated under division (A) of section 135.12 of the Revised Code;

(2) For the agricultural linked deposit program, notwithstanding any contrary provision of sections 135.01 to 135.21 of the Revised Code, an institution of the farm credit system organized under the federal "Farm Credit Act of 1971," 85 Stat. 583, 12 U.S.C. 2001, as amended.

(E) "Homestead" means a dwelling owned and occupied in this state as a single-family primary residence by an individual for the purpose of qualifying for the home improvement linked deposit program. "Homestead" includes a house, condo, a unit in a multiple-unit dwelling, manufactured home or mobile home taxed as real property pursuant to division (B) of section 4503.06 of the Revised Code, or any other building with a residential classification, as allowed by the treasurer of state. "Homestead" includes so much of the land surrounding the dwelling as is reasonably necessary for the use of the dwelling as a residence, as determined by the treasurer of state.

(F) "Linked deposit" means a certificate of deposit, a share certificate, other financial institution instrument, or portion of an existing deposit of interim funds made in accordance with section 135.09 of the Revised Code placed, purchased, or designated by the treasurer of state with an eligible lending institution; provided the institution agrees to lend up to the value of such certificate of deposit, share certificate, or other financial institution instrument, or designated portion of an existing deposit to eligible borrowers for applicable linked deposit programs at the rate established in division (A) of section 135.624 of the Revised Code, and in accordance with the deposit agreement provided in section 135.623 of the Revised Code.

(G) "Linked deposit program" means a program authorized under sections 135.61 to 135.66 of the Revised Code and established by the treasurer of state pursuant to such sections.

(H) "Loan" means a contractual agreement under which an eligible lending institution agrees to lend money to an eligible borrower in the form of an upfront lump sum, a line of credit, or any other reasonable arrangement approved by the treasurer of state.

(I) "Manufactured home" has the same meaning as in section 3781.06 of the Revised Code.

(J) "Mobile home" has the same meaning as in section 4501.01 of the

Revised Code.

(K) "Other financial institution instrument" means:

(1) For the agricultural linked deposit program under section 135.64 of the Revised Code, an investment by the treasurer of state in bonds, notes, debentures, or other obligations or securities issued by the federal farm credit bank with regard to an eligible lending institution;

(2) For all linked deposit programs other than the agricultural linked deposit program, a product that otherwise would pay the prevailing interest rate approved by the treasurer of state, for the purpose of providing eligible borrowers with the benefits of the applicable linked deposit program, and in accordance with the deposit agreement provided in section 135.623 of the Revised Code.

(L) "Owner" includes a holder of one of the several estates in fee, a vendee in possession under a purchase agreement or a land contract, a mortgagor, a life tenant, one or more tenants with a right of survivorship, tenants in common, a settlor of a revocable or irrevocable inter vivos trust holding the title to a homestead occupied by the settlor as of right under the trust, or any other determination as made by the treasurer of state.

(M) "Prevailing interest rate" means a current market interest rate selected by the treasurer of state that eligible lending institutions are willing to pay to hold deposits of the treasurer of state.

(N) "Qualifying adoption expense" means any expense incurred to legally adopt a child as described in division (C) of section 3107.055 of the Revised Code, including any costs incurred by the eligible borrower proximately relating to the completion and approval of the home study under section 3107.031 of the Revised Code, and any other expense as determined by the treasurer of state.

(O) "Treasurer of state's assessment rate" means a rate not exceeding ten per cent that is calculated in a manner determined by the treasurer of state and that seeks to account for the effect that varying tax treatment among different types of financial institutions has on the ability of financial institutions to pay competitive interest rates to hold deposits.

Sec. 135.621. (A) An eligible lending institution that desires to receive a linked deposit shall accept and review applications for loans from eligible borrowers for linked deposit programs in which the eligible lending institution participates. The eligible lending institution shall apply all usual lending standards to determine the credit worthiness of each eligible borrower. No loan shall exceed the amount determined by the treasurer of state.

(B) An eligible borrower shall certify on its loan application that the

reduced rate loan will be used exclusively for the purposes of the applicable linked deposit program, as described in section 135.63, 135.64, 135.65, or 135.66 of the Revised Code. Whoever knowingly makes a false statement concerning such application is guilty of the offense of falsification under section 2921.13 of the Revised Code.

(C) The eligible lending institution shall forward to the treasurer of state a linked deposit loan package, in the form and manner prescribed by the treasurer of state. The package shall include such information as required by the treasurer of state, including the amount of each loan requested by each eligible borrower and all other information as described in section 135.63, 135.64, 135.65, or 135.66 of the Revised Code for the applicable linked deposit program. The institution shall certify both of the following:

(1) That each applicant is an eligible borrower and, for each such eligible borrower, the present borrowing rate;

(2) That the eligible lending institution applied all of its usual lending standards to determine the credit worthiness of each eligible borrower.

(D) No fee shall be charged to any party for the preparation, processing, or reporting of any application to an eligible lending institution or the treasurer of state for participation in a linked deposit program.

Sec. 135.622. (A) The treasurer of state may accept or reject a linked deposit loan package, or any portion of it, based on the treasurer of state's evaluation of the eligible borrowers included in the package, the amount of individual loans in the package, and the amount of state funds to be deposited with an eligible lending institution.

(B) Upon acceptance of the linked deposit loan package or any portion of it, the treasurer of state may place, purchase, or designate a linked deposit with the eligible lending institution at the discount interest rate, and in accordance with the deposit agreement required under section 135.623 of the Revised Code and the procedures established by the treasurer of state.

(C) Eligible lending institutions shall fully comply with this chapter.

Sec. 135.623. (A) An eligible lending institution shall enter into a deposit agreement with the treasurer of state, which shall include requirements necessary to carry out the purposes of sections 135.62 to 135.66 of the Revised Code.

(B) The deposit agreement shall specify the maturity period of the linked deposit considered appropriate by the treasurer of state, which shall not exceed five years, as well as any other information, terms, or conditions the treasurer of state may require. Interest shall be paid by the eligible lending institution at times determined by the treasurer of state.

Sec. 135.624. (A) Upon the treasurer of state placing, purchasing, or

designating a linked deposit, the eligible lending institution shall lend the corresponding funds to each approved eligible borrower listed in the accepted linked deposit loan package, and in accordance with the deposit agreement required by section 135.623 of the Revised Code. Unless otherwise specified in the deposit agreement, the interest rates on the loans to such eligible borrowers shall be at a rate equal to or greater than the present borrowing rate applicable to each specific eligible borrower in the accepted linked deposit loan package minus the difference between the prevailing interest rate and the discount interest rate at which the linked deposits were placed, made, or designated.

(B) The eligible lending institution shall provide to the treasurer of state a certificate of compliance with division (A) of this section, in the form and manner prescribed by the treasurer of state.

(C) Upon the conclusion of the maturity period, the treasurer of state may allow for the renewal of an application for a linked deposit program with the same terms for one or more additional maturity periods if certain requirements are met, as determined by the treasurer of state. In the event the treasurer of state does not allow for renewal, the requirements are not met, or the eligible borrower is not eligible for a renewal, an eligible borrower may submit a new application to participate in a linked deposit program.

(D) At the time of maturity or upon the repayment of a loan in its entirety, whichever is earlier, the eligible lending institution shall return the amount of the corresponding linked deposit to the treasurer of state in a timely manner, as prescribed by the treasurer of state.

(E) The treasurer of state shall take any and all steps necessary to implement and administer the linked deposit programs, including the development of guidelines as necessary.

Sec. 135.625. (A) The state and the treasurer of state are not liable to any eligible lending institution or any eligible borrower in any manner for payment of the principal or interest on a loan to an eligible borrower. Any delay in payments, default on the part of an eligible borrower, or misuse or misconduct on the part of an eligible lending institution or eligible borrower does not in any manner affect the deposit agreement required by section 135.623 of the Revised Code between the eligible lending institution and the treasurer of state.

(B) If an eligible lending institution changes the terms of a loan to an eligible borrower because of a delay in payments or default, the amount of the linked deposit associated with the loan plus applicable interest and without early withdrawal penalties shall be returned to the treasurer of state

by the eligible lending institution in a timely manner as prescribed by the treasurer of state.

Sec. 135.63. (A) The general assembly finds that strengthening families across Ohio is critical toward ensuring the long-term prosperity of the state. However, the upfront financial costs associated with adoption often deter families from pursuing the adoption process. Accordingly, it is declared to be the public policy of the state through the adoption linked deposit program to create the availability of reduced rate loans to reduce the financial burden of adoption and to strengthen families in this state.

(B) An eligible borrower for the adoption linked deposit program is an individual who is a resident of this state and to whom either of the following applies:

(1) The individual completes a home study pursuant to section 3107.031 of the Revised Code and is approved to adopt.

(2) The individual is pursuing an adoption through the public foster care system and meets the requirements set by the department of job and family services.

(C) An eligible lending institution for the adoption linked deposit program must be able to make secured or unsecured personal loans.

(D) An eligible borrower shall certify on the loan application that the reduced rate loan will be used exclusively to pay for qualifying adoption expenses.

Sec. 135.64. (A) The general assembly finds that Ohio's agricultural industry has long served as a critical component of the state's overall economy. However, an inadequate supply of affordable financing options that meet the needs of Ohio's agricultural community and other various economic pressures pose an ongoing challenge for farmers, agribusiness, and agricultural cooperatives as they work to grow or maintain sufficient operations throughout the year. Accordingly, it is declared to be the public policy of the state through the agricultural linked deposit program to create the availability of reduced rate loans to inject needed capital into the agricultural community, sustain or improve agricultural economic growth and profitability, and protect a core driver of the state's economy.

(B) An eligible borrower for the agricultural linked deposit program is any person engaged in agriculture that has all the following characteristics:

(1) Is headquartered or domiciled in this state;

(2) Maintains land or facilities for agricultural purposes in this state, provided that the land or facilities within this state comprise not less than fifty-one per cent of the total of all lands or facilities maintained by the person;

(3) Is either organized for profit or as an agricultural cooperative as defined in section 1729.01 of the Revised Code.

(C) An eligible lending institution for the agricultural linked deposit program must be able to make commercial loans.

(D) An eligible borrower shall certify on the loan application that the reduced rate loan will be used exclusively for agricultural purposes on land or in facilities owned or operated by the eligible borrower in this state and that the loan will materially contribute to the preservation or growth of the business.

Sec. 135.65. (A) The general assembly finds that small businesses make significant contributions to the state's economic well-being. However, various economic challenges, such as tightened capital availability, inflationary pressures, or rising interest rates, can cause disproportionate harm to small businesses and discourage aspiring job creators from taking root in Ohio. Accordingly, it is declared to be the public policy of the state through the small business linked deposit program to create the availability of reduced rate loans to inject needed capital into the business community, sustain or improve small business growth profitability, protect the jobs of residents, and foster economic growth and development within Ohio's small businesses.

(B) An eligible borrower for the small business linked deposit program is any person, including a person engaged in agriculture, that has all the following characteristics:

(1) Is headquartered or domiciled in this state;

(2) Maintains offices or operating facilities in this state, provided that the offices or operating facilities within the state comprise not less than fifty-one per cent of the total of all offices and operating facilities maintained by the business;

(3) Employs fewer than one hundred fifty employees, not less than fifty-one per cent of whom are residents of this state;

(4) Is organized for profit.

(C) An eligible lending institution for the small business linked deposit program must be able to make commercial loans.

(D) An eligible borrower shall certify on the loan application that the reduced rate loan will be used exclusively in this state to create new jobs, preserve existing jobs and employment opportunities, or materially contribute to the preservation or growth of the business.

Sec. 135.66. (A) The general assembly finds that making homeownership and maintenance costs more affordable is an important part of fostering a robust and lasting population across the state. However,

homeowners often struggle to find adequate and affordable financing options to pursue home improvement, home restoration, or similar types of projects and upgrades aimed at maintaining or increasing the livability and value of a home. Accordingly, it is declared to be the public policy of the state through the home improvement linked deposit program to create the availability of reduced rate loans to improve, maintain, or restore an existing homestead.

(B) An eligible borrower for the home improvement linked deposit program is any individual who is a resident of this state and to whom both of the following apply:

(1) The individual is the owner of an existing homestead located in this state.

(2) The loan will be used to improve or maintain that existing homestead.

(C) An eligible lending institution for the home improvement linked deposit program must be able to make residential or secured or unsecured personal loans.

(D) An eligible borrower shall certify on the loan application that the reduced rate loan will be used exclusively to improve, maintain, or restore the eligible borrower's existing homestead, in accordance with the program goals outlined in division (A) of this section.

(E) An eligible borrower shall include in the loan application official estimates or receipts for the total amount of the loan.

Sec. 135.70. As used in sections 135.70 to 135.71 of the Revised Code:

(A) "Closing costs" means a disbursement listed on a closing disclosure for the purchase of a home by an eligible participant.

(B) "Closing disclosure" means the statement of receipts and disbursements for a transaction related to real estate, including a statement prescribed under the Real Estate Settlement Procedures Act of 1974, 12 U.S.C. 2601 et seq., as amended, and the regulations thereunder.

(C) "Discount interest rate" means an interest rate below the prevailing interest rate that the treasurer of state determines eligible savings institutions are willing to pay to hold linked deposits.

(D) "Eligible credit union" has the same meaning as in section 135.62 of the Revised Code.

(E) "Eligible home costs" means the down payment and closing costs for the purchase of a home by an eligible participant, or the transfer of funds from one homeownership savings account to another homeownership savings account at a different eligible savings institution.

(F) "Eligible participant" means an individual who has met all of the

requirements necessary to participate in the specific linked deposit program for they have applied.

(G) "Eligible program costs" means costs corresponding to the purpose of the eligible linked deposit program.

(H) "Eligible savings institution" means a financial institution that:

(1) Offers accounts to residents of this state to save for the purposes related to the applicable linked deposit program;

(2) Agrees to participate in the applicable linked deposit program;

(3) Is a public depository of state funds, or an eligible credit union designated under division (A) of section 135.12 of the Revised Code.

(I) "Home" means a dwelling in this state to be owned and occupied as a single-family primary residence by an eligible participant. "Home" includes a house, condo, unit in a multiple-unit dwelling, manufactured home or mobile home taxed as real property pursuant to division (B) of section 4503.06 of the Revised Code, or any other building with a residential classification, as allowed by the treasurer of state, and includes so much of the land surrounding the dwelling as is reasonably necessary for the use of the dwelling as a residence, as determined by the treasurer of state.

(J) "Homeownership savings account" means a linked deposit savings account opened exclusively for the purpose of paying eligible home costs and in compliance with the requirements of section 135.71 of the Revised Code.

(K) "Linked deposit" means a certificate of deposit, share certificate, other financial institution instrument, or portion of an existing deposit of interim funds made in accordance with section 135.09 of the Revised Code that is placed, purchased, or designated by the treasurer of state with an eligible savings institution; provided the institution agrees to pay the premium savings rate to approved eligible participants, in accordance with the deposit agreement required by section 135.703 of the Revised Code.

(L) "Linked deposit program" means a program authorized under section 135.61 and sections 135.70 to 135.71 of the Revised Code and established by the treasurer of state pursuant to those sections.

(M) "Linked deposit savings account" means an interest-bearing account that is opened by an eligible participant at an eligible savings institution exclusively for the purpose of the applicable linked deposit program.

(N) "Manufactured home" has the same meaning as in section 3781.06 of the Revised Code.

(O) "Mobile home" has the same meaning as in section 4501.01 of the Revised Code.

(P) "Other financial institution instrument" means a product that

otherwise would pay the prevailing interest rate approved by the treasurer of state, for the purpose of providing eligible participants with the benefits of the applicable linked deposit program, and in accordance with the deposit agreement under section 135.703 of the Revised Code.

(Q) "Premium savings rate" means a rate, established under section 135.704 of the Revised Code, that reflects the percentage rate increase above the present savings rate, as determined by the eligible savings institution, applicable to each eligible participant.

(R) "Prevailing interest rate" means a current market interest rate selected by the treasurer of state that eligible savings institutions are willing to pay to hold deposits of the treasurer of state.

(S) "Program period" means five years from the date the eligible participant opens a linked deposit savings account with the eligible savings institution.

(T) "Treasurer of state's assessment rate" has the same meaning as in section 135.62 of the Revised Code.

Sec. 135.701. (A) An eligible savings institution that desires to receive a linked deposit shall accept and review applications for a linked deposit savings account from eligible participants for linked deposit programs in which the eligible savings institution participates.

(B)(1) An eligible participant shall certify on its linked deposit savings account application all of the following:

(a) The eligible participant is a resident of this state.

(b) The funds in the linked deposit savings account shall be used exclusively for eligible program costs of the applicable linked deposit program.

(c) The eligible participant shall hold not more than one linked deposit savings account per program period at any eligible savings institution.

(2) Whoever knowingly makes a false statement concerning such application is guilty of the offense of falsification under section 2921.13 of the Revised Code.

(C) The eligible savings institution shall forward to the treasurer of state a linked deposit savings package, in the form and manner as prescribed by the treasurer of state. The package shall include such information as required by the treasurer of state. The institution shall certify that each applicant included in the linked deposit savings package is an eligible participant.

(D) No fee shall be charged to any party for the preparation, processing, or reporting of any application to an eligible savings institution for participation in a linked deposit program.

Sec. 135.702. (A) The treasurer of state may accept or reject a linked deposit savings package, or any portion of it, based on the treasurer of state's evaluation of the amount of state funds to be deposited with an eligible savings institution.

(B) Upon acceptance of the linked deposit savings package or any portion of it, the treasurer of state may place, purchase, or designate a linked deposit with the eligible savings institution at the discount interest rate, and in accordance with the deposit agreement required under section 135.703 of the Revised Code and the procedures established by the treasurer of state.

(C) Eligible savings institutions shall fully comply with this chapter.

Sec. 135.703. (A) An eligible savings institution shall enter into a deposit agreement with the treasurer of state, which shall include the requirements necessary to carry out the purposes of sections 135.70 to 135.71 of the Revised Code.

(B) The deposit agreement shall specify the maturity period of the linked deposit considered appropriate by the treasurer of state, which shall not exceed the length of the program period, as well as any other information, terms, or conditions the treasurer of state may require. Interest shall be paid by the eligible savings institution at the times determined by the treasurer of state.

Sec. 135.704. (A)(1) Upon the treasurer of state placing, purchasing, or designating a linked deposit, the eligible savings institution shall offer the premium savings rate on a linked deposit savings account to each approved eligible participant listed in the accepted linked deposit savings package, and in accordance with the deposit agreement required by section 135.703 of the Revised Code. The premium savings rate shall apply to a linked deposit savings account as determined by the treasurer of state. Unless otherwise specified in the deposit agreement, the premium savings rate shall be at a rate equal to or greater than the present savings rate applicable to each specific eligible participant in the accepted linked deposit savings package plus the difference between the prevailing interest rate and the discount interest rate at which the linked deposits were placed, made, or designated.

(2) The premium savings rate shall only apply to a linked deposit savings account for the duration of the program period. After such time, the eligible participant's savings account is no longer a linked deposit savings account, and the eligible savings institution may determine and apply a market interest rate to the account.

(B) The eligible savings institution shall provide to the treasurer of state a certificate of compliance with division (A) of this section in the form and

manner prescribed by the treasurer of state.

(C) At the time of maturity, the eligible savings institution shall return the amount of the corresponding linked deposit to the treasurer of state in a timely manner, as prescribed by the treasurer of state.

(D) The treasurer of state shall take any and all steps necessary to implement and administer the linked deposit programs, including the development of any guidelines as necessary.

Sec. 135.705. (A) The state and the treasurer of state are not liable to any eligible savings institution or any eligible participant in any manner for the terms associated with a linked deposit savings account. Any misuse or misconduct on the part of an eligible savings institution or eligible participant does not in any manner affect the deposit agreement required by section 135.703 of the Revised Code between the eligible savings institution and the treasurer of state.

(B) If an eligible savings institution changes the terms of an eligible participant's linked deposit savings account, the amount of the linked deposit associated with the linked deposit savings account plus applicable interest and without early withdrawal penalties shall be returned to the treasurer of state by the eligible savings institution in a timely manner, as prescribed by the treasurer of state.

Sec. 135.71. (A) The general assembly finds that making homeownership more attainable is an important part of fostering a robust and lasting population across the state. However, individuals often struggle to accumulate the financial resources needed to purchase a home. Accordingly, it is declared to be the public policy of the state through the homeownership savings linked deposit program to make available premium rate savings accounts for the down payment and closing costs associated with the purchase of a home.

(B) An eligible participant for the homeownership savings linked deposit program is an individual who is a resident of this state and has applied for a homeownership savings account at an eligible savings institution.

(C) An eligible participant shall certify on the application that the funds in the homeownership savings account shall be used exclusively for eligible home costs.

(D) A homeownership savings account shall be owned by not more than one eligible participant and an eligible participant shall hold not more than one homeownership savings account per program period at any eligible savings institution.

(E) Not later than January 31, 2027, the treasurer of state and the tax

commissioner shall issue a report regarding the efficacy of the homeownership savings linked deposit program. The report shall include all of the following:

- (1) The number of homeownership savings accounts created;
- (2) The number of participating eligible savings institutions;
- (3) The total amount contributed into the accounts;
- (4) The average yield on the accounts;
- (5) Any other information the treasurer of state or tax commissioner deems relevant.

The report shall be delivered to the governor, the speaker of the house of representatives, and the president of the senate.

Sec. 169.053. (A) As used in this section, "state of Ohio coupon bond" means property, tangible or intangible, in the form of a coupon bond and its related interest coupons issued by this state prior to 1985 and to which all of the following apply:

- (1) It has matured, been called and defeased, or otherwise become due and payable.
- (2) Either the treasurer of state or the trustee bank is the paying agent.
- (3) The owner has neither registered the bond or interest coupon nor claimed the bond's principal or interest.

(B) Notwithstanding any provision of the Revised Code to the contrary, state of Ohio coupon bonds held by any person, business, or state or other government, political subdivision, agency, or instrumentality, and all proceeds thereof, shall be presumed abandoned in this state and constitute unclaimed funds under this chapter if both of the following apply:

- (1) The owner of the state of Ohio coupon bond or interest coupon is unknown to the treasurer of state.
- (2) The state of Ohio coupon bond's principal or interest has remained unclaimed and unredeemed for three years after final maturity, call date, interest payment date, or other payment date.

(C) State of Ohio coupon bonds that are presumed abandoned and constitute unclaimed funds under division (B) of this section, including bonds in the possession of the director of commerce, shall escheat to the state three years after becoming abandoned and unclaimed property. All property rights and legal title to and ownership of such bonds or interest coupons or proceeds from such bonds or interest coupons, including all rights, powers, and privileges of survivorship of any owner, co-owner, or beneficiary, shall vest solely in this state as provided in divisions (D) to (H) of this section.

- (D) If, within one hundred eighty days after the three-year period

prescribed under division (C) of this section, no claim has been filed under this chapter for the bond, the director shall commence a civil action in a court of competent jurisdiction for a determination that the bond escheats to the state. The director may postpone the commencement of an action until a sufficient number of bonds have accumulated in the director's custody to justify the expense of the proceedings.

(E) Service by publication shall be made in accordance with Rule 4.4 of the Rules of Civil Procedure.

(F) If no person files a claim or appears at the hearing to substantiate a claim or if the court determines that a claimant is not entitled to the property claimed, and if the court is satisfied by the evidence that the director has substantially complied with the laws of this state, the court shall enter a judgment that the bonds have escheated to the state and all property rights and legal title to and ownership of the bonds or the proceeds from the bonds, including all rights, powers, and privileges of survivorship of any owner, co-owner, or beneficiary, have vested solely in the state.

(G) The director shall redeem the state of Ohio coupon bonds escheated to the state by judgment of the court. When the proceeds that have escheated have been recovered by the director, the director shall pay all costs incident to the collection and recovery of the proceeds from the redemption of the bonds and disburse the remaining balance of the proceeds in the manner provided under section 169.05 of the Revised Code for all other unclaimed funds.

(H) Notwithstanding section 169.08 of the Revised Code, any person claiming a state of Ohio coupon bond that has escheated to the state under this section, or for the proceeds from the bond, may file a claim with the director. Upon providing sufficient proof of the validity of the person's claim, the director may, in the director's discretion, pay the claim less any expenses and costs incurred by the state in securing full title and ownership of the property by escheat. If payment has been made to a claimant, no action thereafter may be maintained by any other claimant against the state or any officer of the state, for or on account of the payment of the claim.

Sec. 718.01. Any term used in this chapter that is not otherwise defined in this chapter has the same meaning as when used in a comparable context in laws of the United States relating to federal income taxation or in Title LVII of the Revised Code, unless a different meaning is clearly required. Except as provided in section 718.81 of the Revised Code, if a term used in this chapter that is not otherwise defined in this chapter is used in a comparable context in both the laws of the United States relating to federal income tax and in Title LVII of the Revised Code and the use is not

consistent, then the use of the term in the laws of the United States relating to federal income tax shall control over the use of the term in Title LVII of the Revised Code.

Except as otherwise provided in section 718.81 of the Revised Code, as used in this chapter:

(A)(1) "Municipal taxable income" means the following:

(a) For a person other than an individual, income apportioned or sitused to the municipal corporation under section 718.02 of the Revised Code, as applicable, reduced by any pre-2017 net operating loss carryforward available to the person for the municipal corporation.

(b)(i) For an individual who is a resident of a municipal corporation other than a qualified municipal corporation, income reduced by exempt income to the extent otherwise included in income, then reduced as provided in division (A)(2) of this section, and further reduced by any pre-2017 net operating loss carryforward available to the individual for the municipal corporation.

(ii) For an individual who is a resident of a qualified municipal corporation, Ohio adjusted gross income reduced by income exempted, and increased by deductions excluded, by the qualified municipal corporation from the qualified municipal corporation's tax. If a qualified municipal corporation, on or before December 31, 2013, exempts income earned by individuals who are not residents of the qualified municipal corporation and net profit of persons that are not wholly located within the qualified municipal corporation, such individual or person shall have no municipal taxable income for the purposes of the tax levied by the qualified municipal corporation and may be exempted by the qualified municipal corporation from the requirements of section 718.03 of the Revised Code.

(c) For an individual who is a nonresident of a municipal corporation, income reduced by exempt income to the extent otherwise included in income and then, as applicable, apportioned or sitused to the municipal corporation under section 718.02 of the Revised Code, then reduced as provided in division (A)(2) of this section, and further reduced by any pre-2017 net operating loss carryforward available to the individual for the municipal corporation.

(2) In computing the municipal taxable income of a taxpayer who is an individual, the taxpayer may subtract, as provided in division (A)(1)(b)(i) or (c) of this section, the amount of the individual's employee business expenses reported on the individual's form 2106 that the individual deducted for federal income tax purposes for the taxable year, subject to the limitation imposed by section 67 of the Internal Revenue Code. For the municipal

corporation in which the taxpayer is a resident, the taxpayer may deduct all such expenses allowed for federal income tax purposes. For a municipal corporation in which the taxpayer is not a resident, the taxpayer may deduct such expenses only to the extent the expenses are related to the taxpayer's performance of personal services in that nonresident municipal corporation.

(B) "Income" means the following:

(1)(a) For residents, all income, salaries, qualifying wages, commissions, and other compensation from whatever source earned or received by the resident, including the resident's distributive share of the net profit of pass-through entities owned directly or indirectly by the resident and any net profit of the resident, except as provided in division (D)(5) of this section.

(b) For the purposes of division (B)(1)(a) of this section:

(i) Any net operating loss of the resident incurred in the taxable year and the resident's distributive share of any net operating loss generated in the same taxable year and attributable to the resident's ownership interest in a pass-through entity shall be allowed as a deduction, for that taxable year and the following five taxable years, against any other net profit of the resident or the resident's distributive share of any net profit attributable to the resident's ownership interest in a pass-through entity until fully utilized, subject to division (B)(1)(d) of this section;

(ii) The resident's distributive share of the net profit of each pass-through entity owned directly or indirectly by the resident shall be calculated without regard to any net operating loss that is carried forward by that entity from a prior taxable year and applied to reduce the entity's net profit for the current taxable year.

(c) Division (B)(1)(b) of this section does not apply with respect to any net profit or net operating loss attributable to an ownership interest in an S corporation unless shareholders' distributive shares of net profits from S corporations are subject to tax in the municipal corporation as provided in division (C)(14)(b) or (c) of this section.

(d) Any amount of a net operating loss used to reduce a taxpayer's net profit for a taxable year shall reduce the amount of net operating loss that may be carried forward to any subsequent year for use by that taxpayer. In no event shall the cumulative deductions for all taxable years with respect to a taxpayer's net operating loss exceed the original amount of that net operating loss available to that taxpayer.

(2) In the case of nonresidents, all income, salaries, qualifying wages, commissions, and other compensation from whatever source earned or received by the nonresident for work done, services performed or rendered,

or activities conducted in the municipal corporation, including any net profit of the nonresident, but excluding the nonresident's distributive share of the net profit or loss of only pass-through entities owned directly or indirectly by the nonresident.

(3) For taxpayers that are not individuals, net profit of the taxpayer;

(4) Lottery, sweepstakes, gambling and sports winnings, winnings from games of chance, and prizes and awards. If the taxpayer is a professional gambler for federal income tax purposes, the taxpayer may deduct related wagering losses and expenses to the extent authorized under the Internal Revenue Code and claimed against such winnings.

(C) "Exempt income" means all of the following:

(1) The military pay or allowances of members of the armed forces of the United States or members of their reserve components, including the national guard of any state;

(2)(a) Except as provided in division (C)(2)(b) of this section, intangible income;

(b) A municipal corporation that taxed any type of intangible income on March 29, 1988, pursuant to Section 3 of S.B. 238 of the 116th general assembly, may continue to tax that type of income if a majority of the electors of the municipal corporation voting on the question of whether to permit the taxation of that type of intangible income after 1988 voted in favor thereof at an election held on November 8, 1988.

(3) Social security benefits, railroad retirement benefits, unemployment compensation, pensions, retirement benefit payments, payments from annuities, and similar payments made to an employee or to the beneficiary of an employee under a retirement program or plan, disability payments received from private industry or local, state, or federal governments or from charitable, religious or educational organizations, and the proceeds of sickness, accident, or liability insurance policies. As used in division (C)(3) of this section, "unemployment compensation" does not include supplemental unemployment compensation described in section 3402(o)(2) of the Internal Revenue Code.

(4) The income of religious, fraternal, charitable, scientific, literary, or educational institutions to the extent such income is derived from tax-exempt real estate, tax-exempt tangible or intangible property, or tax-exempt activities.

(5) Compensation paid under section 3501.28 or 3501.36 of the Revised Code to a person serving as a precinct election official to the extent that such compensation does not exceed one thousand dollars for the taxable year. Such compensation in excess of one thousand dollars for the taxable

year may be subject to taxation by a municipal corporation. A municipal corporation shall not require the payer of such compensation to withhold any tax from that compensation.

(6) Dues, contributions, and similar payments received by charitable, religious, educational, or literary organizations or labor unions, lodges, and similar organizations;

(7) Alimony and child support received;

(8) Compensation for personal injuries or for damages to property from insurance proceeds or otherwise, excluding compensation paid for lost salaries or wages or compensation from punitive damages;

(9) Income of a public utility when that public utility is subject to the tax levied under section 5727.24 or 5727.30 of the Revised Code. Division (C)(9) of this section does not apply for purposes of Chapter 5745. of the Revised Code.

(10) Gains from involuntary conversions, interest on federal obligations, items of income subject to a tax levied by the state and that a municipal corporation is specifically prohibited by law from taxing, and income of a decedent's estate during the period of administration except such income from the operation of a trade or business;

(11) Compensation or allowances excluded from federal gross income under section 107 of the Internal Revenue Code;

(12) Employee compensation that is not qualifying wages as defined in division (R) of this section;

(13) Compensation paid to a person employed within the boundaries of a United States air force base under the jurisdiction of the United States air force that is used for the housing of members of the United States air force and is a center for air force operations, unless the person is subject to taxation because of residence or domicile. If the compensation is subject to taxation because of residence or domicile, tax on such income shall be payable only to the municipal corporation of residence or domicile.

(14)(a) Except as provided in division (C)(14)(b) or (c) of this section, an S corporation shareholder's distributive share of net profits of the S corporation, other than any part of the distributive share of net profits that represents wages as defined in section 3121(a) of the Internal Revenue Code or net earnings from self-employment as defined in section 1402(a) of the Internal Revenue Code.

(b) If, pursuant to division (H) of former section 718.01 of the Revised Code as it existed before March 11, 2004, a majority of the electors of a municipal corporation voted in favor of the question at an election held on November 4, 2003, the municipal corporation may continue after 2002 to

tax an S corporation shareholder's distributive share of net profits of an S corporation.

(c) If, on December 6, 2002, a municipal corporation was imposing, assessing, and collecting a tax on an S corporation shareholder's distributive share of net profits of the S corporation to the extent the distributive share would be allocated or apportioned to this state under divisions (B)(1) and (2) of section 5733.05 of the Revised Code if the S corporation were a corporation subject to taxes imposed under Chapter 5733. of the Revised Code, the municipal corporation may continue to impose the tax on such distributive shares to the extent such shares would be so allocated or apportioned to this state only until December 31, 2004, unless a majority of the electors of the municipal corporation voting on the question of continuing to tax such shares after that date voted in favor of that question at an election held November 2, 2004. If a majority of those electors voted in favor of the question, the municipal corporation may continue after December 31, 2004, to impose the tax on such distributive shares only to the extent such shares would be so allocated or apportioned to this state.

(d) A municipal corporation shall be deemed to have elected to tax S corporation shareholders' distributive shares of net profits of the S corporation in the hands of the shareholders if a majority of the electors of a municipal corporation voted in favor of a question at an election held under division (C)(14)(b) or (c) of this section. The municipal corporation shall specify by resolution or ordinance that the tax applies to the distributive share of a shareholder of an S corporation in the hands of the shareholder of the S corporation.

(15) To the extent authorized under a resolution or ordinance adopted by a municipal corporation before January 1, 2016, all or a portion of the income of individuals or a class of individuals under eighteen years of age.

(16)(a) Except as provided in divisions (C)(16)(b), (c), and (d) of this section, qualifying wages described in division (B)(1) or (E) of section 718.011 of the Revised Code to the extent the qualifying wages are not subject to withholding for the municipal corporation under either of those divisions.

(b) The exemption provided in division (C)(16)(a) of this section does not apply with respect to the municipal corporation in which the employee resided at the time the employee earned the qualifying wages.

(c) The exemption provided in division (C)(16)(a) of this section does not apply to qualifying wages that an employer elects to withhold under division (D)(2) of section 718.011 of the Revised Code.

(d) The exemption provided in division (C)(16)(a) of this section does

not apply to qualifying wages if both of the following conditions apply:

(i) For qualifying wages described in division (B)(1) of section 718.011 of the Revised Code, the employee's employer withholds and remits tax on the qualifying wages to the municipal corporation in which the employee's principal place of work is situated, or, for qualifying wages described in division (E) of section 718.011 of the Revised Code, the employee's employer withholds and remits tax on the qualifying wages to the municipal corporation in which the employer's fixed location is located;

(ii) The employee receives a refund of the tax described in division (C)(16)(d)(i) of this section on the basis of the employee not performing services in that municipal corporation.

(17)(a) Except as provided in division (C)(17)(b) or (c) of this section, compensation that is not qualifying wages paid to a nonresident individual for personal services performed in the municipal corporation on not more than twenty days in a taxable year.

(b) The exemption provided in division (C)(17)(a) of this section does not apply under either of the following circumstances:

(i) The individual's base of operation is located in the municipal corporation.

(ii) The individual is a professional athlete, professional entertainer, or public figure, and the compensation is paid for the performance of services in the individual's capacity as a professional athlete, professional entertainer, or public figure. For purposes of division (C)(17)(b)(ii) of this section, "professional athlete," "professional entertainer," and "public figure" have the same meanings as in section 718.011 of the Revised Code.

(c) Compensation to which division (C)(17) of this section applies shall be treated as earned or received at the individual's base of operation. If the individual does not have a base of operation, the compensation shall be treated as earned or received where the individual is domiciled.

(d) For purposes of division (C)(17) of this section, "base of operation" means the location where an individual owns or rents an office, storefront, or similar facility to which the individual regularly reports and at which the individual regularly performs personal services for compensation.

(18) Compensation paid to a person for personal services performed for a political subdivision on property owned by the political subdivision, regardless of whether the compensation is received by an employee of the subdivision or another person performing services for the subdivision under a contract with the subdivision, if the property on which services are performed is annexed to a municipal corporation pursuant to section 709.023 of the Revised Code on or after March 27, 2013, unless the person

is subject to such taxation because of residence. If the compensation is subject to taxation because of residence, municipal income tax shall be payable only to the municipal corporation of residence.

(19) In the case of a tax administered, collected, and enforced by a municipal corporation pursuant to an agreement with the board of directors of a joint economic development district under section 715.72 of the Revised Code, the net profits of a business, and the income of the employees of that business, exempted from the tax under division (Q) of that section.

(20) All of the following:

(a) Income derived from disaster work conducted in this state by an out-of-state disaster business during a disaster response period pursuant to a qualifying solicitation received by the business;

(b) Income of a qualifying employee described in division (A)(14)(a) of section 5703.94 of the Revised Code, to the extent such income is derived from disaster work conducted in this state by the employee during a disaster response period pursuant to a qualifying solicitation received by the employee's employer;

(c) Income of a qualifying employee described in division (A)(14)(b) of section 5703.94 of the Revised Code, to the extent such income is derived from disaster work conducted in this state by the employee during a disaster response period on critical infrastructure owned or used by the employee's employer.

(21) Income the taxation of which is prohibited by the constitution or laws of the United States.

Any item of income that is exempt income of a pass-through entity under division (C) of this section is exempt income of each owner of the pass-through entity to the extent of that owner's distributive or proportionate share of that item of the entity's income.

(D)(1) "Net profit" for a person who is an individual means the individual's net profit required to be reported on schedule C, schedule E, or schedule F reduced by any net operating loss carried forward. For the purposes of division (D)(1) of this section, the net operating loss carried forward shall be calculated and deducted in the same manner as provided in division (D)(3) of this section.

(2) "Net profit" for a person other than an individual means adjusted federal taxable income reduced by any net operating loss incurred by the person in a taxable year beginning on or after January 1, 2017, subject to the limitations of division (D)(3) of this section.

(3)(a) The amount of such net operating loss shall be deducted from net profit to the extent necessary to reduce municipal taxable income to zero,

with any remaining unused portion of the net operating loss carried forward to not more than five consecutive taxable years following the taxable year in which the loss was incurred, but in no case for more years than necessary for the deduction to be fully utilized.

(b) No person shall use the deduction allowed by division (D)(3) of this section to offset qualifying wages.

(c)(i) For taxable years beginning in 2018, 2019, 2020, 2021, or 2022, a person may not deduct, for purposes of an income tax levied by a municipal corporation that levies an income tax before January 1, 2016, more than fifty per cent of the amount of the deduction otherwise allowed by division (D)(3) of this section.

(ii) For taxable years beginning in 2023 or thereafter, a person may deduct, for purposes of an income tax levied by a municipal corporation that levies an income tax before January 1, 2016, the full amount allowed by division (D)(3) of this section without regard to the limitation of division (D)(3)(b)(i) of this section.

(d) Any pre-2017 net operating loss carryforward deduction that is available may be utilized before a taxpayer may deduct any amount pursuant to division (D)(3) of this section.

(e) Nothing in division (D)(3)(c)(i) of this section precludes a person from carrying forward, for use with respect to any return filed for a taxable year beginning after 2018, any amount of net operating loss that was not fully utilized by operation of division (D)(3)(c)(i) of this section. To the extent that an amount of net operating loss that was not fully utilized in one or more taxable years by operation of division (D)(3)(c)(i) of this section is carried forward for use with respect to a return filed for a taxable year beginning in 2019, 2020, 2021, or 2022, the limitation described in division (D)(3)(c)(i) of this section shall apply to the amount carried forward.

(4) For the purposes of this chapter, and notwithstanding division (D)(2) of this section, net profit of a disregarded entity shall not be taxable as against that disregarded entity, but shall instead be included in the net profit of the owner of the disregarded entity.

(5) For the purposes of this chapter, and notwithstanding any other provision of this chapter, the net profit of a publicly traded partnership that makes the election described in division (D)(5) of this section shall be taxed as if the partnership were a C corporation, and shall not be treated as the net profit or income of any owner of the partnership.

A publicly traded partnership that is treated as a partnership for federal income tax purposes and that is subject to tax on its net profits in one or more municipal corporations in this state may elect to be treated as a C

corporation for municipal income tax purposes. The publicly traded partnership shall make the election in every municipal corporation in which the partnership is subject to taxation on its net profits. The election shall be made on the annual tax return filed in each such municipal corporation. The publicly traded partnership shall not be required to file the election with any municipal corporation in which the partnership is not subject to taxation on its net profits, but division (D)(5) of this section applies to all municipal corporations in which an individual owner of the partnership resides.

(E) "Adjusted federal taxable income," for a person required to file as a C corporation, or for a person that has elected to be taxed as a C corporation under division (D)(5) of this section, means a C corporation's federal taxable income before net operating losses and special deductions as determined under the Internal Revenue Code, adjusted as follows:

(1) Deduct intangible income to the extent included in federal taxable income. The deduction shall be allowed regardless of whether the intangible income relates to assets used in a trade or business or assets held for the production of income.

(2) Add an amount equal to five per cent of intangible income deducted under division (E)(1) of this section, but excluding that portion of intangible income directly related to the sale, exchange, or other disposition of property described in section 1221 of the Internal Revenue Code;

(3) Add any losses allowed as a deduction in the computation of federal taxable income if the losses directly relate to the sale, exchange, or other disposition of an asset described in section 1221 or 1231 of the Internal Revenue Code;

(4)(a) Except as provided in division (E)(4)(b) of this section, deduct income and gain included in federal taxable income to the extent the income and gain directly relate to the sale, exchange, or other disposition of an asset described in section 1221 or 1231 of the Internal Revenue Code;

(b) Division (E)(4)(a) of this section does not apply to the extent the income or gain is income or gain described in section 1245 or 1250 of the Internal Revenue Code.

(5) Add taxes on or measured by net income allowed as a deduction in the computation of federal taxable income;

(6) In the case of a real estate investment trust or regulated investment company, add all amounts with respect to dividends to, distributions to, or amounts set aside for or credited to the benefit of investors and allowed as a deduction in the computation of federal taxable income;

(7) Deduct, to the extent not otherwise deducted or excluded in computing federal taxable income, any income derived from a transfer

agreement or from the enterprise transferred under that agreement under section 4313.02 of the Revised Code;

(8) Deduct exempt income to the extent not otherwise deducted or excluded in computing adjusted federal taxable income.

(9) Deduct any net profit of a pass-through entity owned directly or indirectly by the taxpayer and included in the taxpayer's federal taxable income unless an affiliated group of corporations includes that net profit in the group's federal taxable income in accordance with division (E)(3)(b) of section 718.06 of the Revised Code.

(10) Add any loss incurred by a pass-through entity owned directly or indirectly by the taxpayer and included in the taxpayer's federal taxable income unless an affiliated group of corporations includes that loss in the group's federal taxable income in accordance with division (E)(3)(b) of section 718.06 of the Revised Code.

If the taxpayer is not a C corporation, is not a disregarded entity that has made the election described in division (L)(2) of this section, is not a publicly traded partnership that has made the election described in division (D)(5) of this section, and is not an individual, the taxpayer shall compute adjusted federal taxable income under this section as if the taxpayer were a C corporation, except guaranteed payments and other similar amounts paid or accrued to a partner, former partner, shareholder, former shareholder, member, or former member shall not be allowed as a deductible expense unless such payments are a pension or retirement benefit payment paid to a retired partner, retired shareholder, or retired member or are in consideration for the use of capital and treated as payment of interest under section 469 of the Internal Revenue Code or United States treasury regulations. Amounts paid or accrued to a qualified self-employed retirement plan with respect to a partner, former partner, shareholder, former shareholder, member, or former member of the taxpayer, amounts paid or accrued to or for health insurance for a partner, former partner, shareholder, former shareholder, member, or former member, and amounts paid or accrued to or for life insurance for a partner, former partner, shareholder, former shareholder, member, or former member shall not be allowed as a deduction.

Nothing in division (E) of this section shall be construed as allowing the taxpayer to add or deduct any amount more than once or shall be construed as allowing any taxpayer to deduct any amount paid to or accrued for purposes of federal self-employment tax.

(F) "Schedule C" means internal revenue service schedule C (form 1040) filed by a taxpayer pursuant to the Internal Revenue Code.

(G) "Schedule E" means internal revenue service schedule E (form

1040) filed by a taxpayer pursuant to the Internal Revenue Code.

(H) "Schedule F" means internal revenue service schedule F (form 1040) filed by a taxpayer pursuant to the Internal Revenue Code.

(I) "Internal Revenue Code" has the same meaning as in section 5747.01 of the Revised Code.

(J) "Resident" means an individual who is domiciled in the municipal corporation as determined under section 718.012 of the Revised Code.

(K) "Nonresident" means an individual that is not a resident.

(L)(1) "Taxpayer" means a person subject to a tax levied on income by a municipal corporation in accordance with this chapter. "Taxpayer" does not include a grantor trust or, except as provided in division (L)(2)(a) of this section, a disregarded entity.

(2)(a) A single member limited liability company that is a disregarded entity for federal tax purposes may be a separate taxpayer from its single member in all Ohio municipal corporations in which it either filed as a separate taxpayer or did not file for its taxable year ending in 2003, if all of the following conditions are met:

(i) The limited liability company's single member is also a limited liability company.

(ii) The limited liability company and its single member were formed and doing business in one or more Ohio municipal corporations for at least five years before January 1, 2004.

(iii) Not later than December 31, 2004, the limited liability company and its single member each made an election to be treated as a separate taxpayer under division (L) of this section as this section existed on December 31, 2004.

(iv) The limited liability company was not formed for the purpose of evading or reducing Ohio municipal corporation income tax liability of the limited liability company or its single member.

(v) The Ohio municipal corporation that was the primary place of business of the sole member of the limited liability company consented to the election.

(b) For purposes of division (L)(2)(a)(v) of this section, a municipal corporation was the primary place of business of a limited liability company if, for the limited liability company's taxable year ending in 2003, its income tax liability was greater in that municipal corporation than in any other municipal corporation in Ohio, and that tax liability to that municipal corporation for its taxable year ending in 2003 was at least four hundred thousand dollars.

(M) "Person" includes individuals, firms, companies, joint stock

companies, business trusts, estates, trusts, partnerships, limited liability partnerships, limited liability companies, associations, C corporations, S corporations, governmental entities, and any other entity.

(N) "Pass-through entity" means a partnership not treated as an association taxable as a C corporation for federal income tax purposes, a limited liability company not treated as an association taxable as a C corporation for federal income tax purposes, an S corporation, or any other class of entity from which the income or profits of the entity are given pass-through treatment for federal income tax purposes. "Pass-through entity" does not include a trust, estate, grantor of a grantor trust, or disregarded entity.

(O) "S corporation" means a person that has made an election under subchapter S of Chapter 1 of Subtitle A of the Internal Revenue Code for its taxable year.

(P) "Single member limited liability company" means a limited liability company that has one direct member.

(Q) "Limited liability company" means a limited liability company formed under former Chapter 1705. ~~or of the Revised Code as that chapter existed prior to February 11, 2022, Chapter~~ 1706. of the Revised Code, or ~~under~~ the laws of another state.

(R) "Qualifying wages" means wages, as defined in section 3121(a) of the Internal Revenue Code, without regard to any wage limitations, adjusted as follows:

(1) Deduct the following amounts:

(a) Any amount included in wages if the amount constitutes compensation attributable to a plan or program described in section 125 of the Internal Revenue Code.

(b) Any amount included in wages if the amount constitutes payment on account of a disability related to sickness or an accident paid by a party unrelated to the employer, agent of an employer, or other payer.

(c) Any amount attributable to a nonqualified deferred compensation plan or program described in section 3121(v)(2)(C) of the Internal Revenue Code if the compensation is included in wages and the municipal corporation has, by resolution or ordinance adopted before January 1, 2016, exempted the amount from withholding and tax.

(d) Any amount included in wages if the amount arises from the sale, exchange, or other disposition of a stock option, the exercise of a stock option, or the sale, exchange, or other disposition of stock purchased under a stock option and the municipal corporation has, by resolution or ordinance adopted before January 1, 2016, exempted the amount from withholding and

tax.

(e) Any amount included in wages that is exempt income.

(2) Add the following amounts:

(a) Any amount not included in wages solely because the employee was employed by the employer before April 1, 1986.

(b) Any amount not included in wages because the amount arises from the sale, exchange, or other disposition of a stock option, the exercise of a stock option, or the sale, exchange, or other disposition of stock purchased under a stock option and the municipal corporation has not, by resolution or ordinance, exempted the amount from withholding and tax adopted before January 1, 2016. Division (R)(2)(b) of this section applies only to those amounts constituting ordinary income.

(c) Any amount not included in wages if the amount is an amount described in section 401(k), 403(b), or 457 of the Internal Revenue Code. Division (R)(2)(c) of this section applies only to employee contributions and employee deferrals.

(d) Any amount that is supplemental unemployment compensation benefits described in section 3402(o)(2) of the Internal Revenue Code and not included in wages.

(e) Any amount received that is treated as self-employment income for federal tax purposes in accordance with section 1402(a)(8) of the Internal Revenue Code.

(f) Any amount not included in wages if all of the following apply:

(i) For the taxable year the amount is employee compensation that is earned outside of the United States and that either is included in the taxpayer's gross income for federal income tax purposes or would have been included in the taxpayer's gross income for such purposes if the taxpayer did not elect to exclude the income under section 911 of the Internal Revenue Code;

(ii) For no preceding taxable year did the amount constitute wages as defined in section 3121(a) of the Internal Revenue Code;

(iii) For no succeeding taxable year will the amount constitute wages; and

(iv) For any taxable year the amount has not otherwise been added to wages pursuant to either division (R)(2) of this section or section 718.03 of the Revised Code, as that section existed before the effective date of H.B. 5 of the 130th general assembly, March 23, 2015.

(S) "Intangible income" means income of any of the following types: income yield, interest, capital gains, dividends, or other income arising from the ownership, sale, exchange, or other disposition of intangible property

including, but not limited to, investments, deposits, money, or credits as those terms are defined in Chapter 5701. of the Revised Code, and patents, copyrights, trademarks, tradenames, investments in real estate investment trusts, investments in regulated investment companies, and appreciation on deferred compensation. "Intangible income" does not include prizes, awards, or other income associated with any lottery winnings, gambling winnings, or other similar games of chance.

(T) "Taxable year" means the corresponding tax reporting period as prescribed for the taxpayer under the Internal Revenue Code.

(U)(1) "Tax administrator" means, subject to division (U)(2) of this section, the individual charged with direct responsibility for administration of an income tax levied by a municipal corporation in accordance with this chapter, and also includes the following:

(a) A municipal corporation acting as the agent of another municipal corporation;

(b) A person retained by a municipal corporation to administer a tax levied by the municipal corporation, but only if the municipal corporation does not compensate the person in whole or in part on a contingency basis;

(c) The central collection agency or the regional income tax agency or their successors in interest, or another entity organized to perform functions similar to those performed by the central collection agency and the regional income tax agency.

(2) "Tax administrator" does not include the tax commissioner.

(3) A private individual or entity serving in any position described in division (U)(1)(b) or (c) of this section shall have no access to criminal history record information.

(V) "Employer" means a person that is an employer for federal income tax purposes.

(W) "Employee" means an individual who is an employee for federal income tax purposes.

(X) "Other payer" means any person, other than an individual's employer or the employer's agent, that pays an individual any amount included in the federal gross income of the individual. "Other payer" includes casino operators and video lottery terminal sales agents.

(Y) "Calendar quarter" means the three-month period ending on the last day of March, June, September, or December.

(Z) "Form 2106" means internal revenue service form 2106 filed by a taxpayer pursuant to the Internal Revenue Code.

(AA) "Municipal corporation" includes a joint economic development district or joint economic development zone that levies an income tax under

section 715.691, 715.70, 715.71, or 715.72 of the Revised Code.

(BB) "Disregarded entity" means a single member limited liability company, a qualifying subchapter S subsidiary, or another entity if the company, subsidiary, or entity is a disregarded entity for federal income tax purposes.

(CC) "Generic form" means an electronic or paper form that is not prescribed by a particular municipal corporation and that is designed for reporting taxes withheld by an employer, agent of an employer, or other payer, estimated municipal income taxes, or annual municipal income tax liability or for filing a refund claim.

(DD) "Tax return preparer" means any individual described in section 7701(a)(36) of the Internal Revenue Code and 26 C.F.R. 301.7701-15.

(EE) "Ohio business gateway" means the online computer network system; created under section 125.30 of the Revised Code, ~~that allows persons to electronically file business reply forms with state agencies and includes or~~ any successor electronic filing and payment system.

(FF) "Local board of tax review" and "board of tax review" mean the entity created under section 718.11 of the Revised Code.

(GG) "Net operating loss" means a loss incurred by a person in the operation of a trade or business. "Net operating loss" does not include unutilized losses resulting from basis limitations, at-risk limitations, or passive activity loss limitations.

(HH) "Casino operator" and "casino facility" have the same meanings as in section 3772.01 of the Revised Code.

(II) "Video lottery terminal" has the same meaning as in section 3770.21 of the Revised Code.

(JJ) "Video lottery terminal sales agent" means a lottery sales agent licensed under Chapter 3770. of the Revised Code to conduct video lottery terminals on behalf of the state pursuant to section 3770.21 of the Revised Code.

(KK) "Postal service" means the United States postal service.

(LL) "Certified mail," "express mail," "United States mail," "postal service," and similar terms include any delivery service authorized pursuant to section 5703.056 of the Revised Code.

(MM) "Postmark date," "date of postmark," and similar terms include the date recorded and marked in the manner described in division (B)(3) of section 5703.056 of the Revised Code.

(NN) "Related member" means a person that, with respect to the taxpayer during all or any portion of the taxable year, is either a related entity, a component member as defined in section 1563(b) of the Internal

Revenue Code, or a person to or from whom there is attribution of stock ownership in accordance with section 1563(e) of the Internal Revenue Code except, for purposes of determining whether a person is a related member under this division, "twenty per cent" shall be substituted for "5 percent" wherever "5 percent" appears in section 1563(e) of the Internal Revenue Code.

(OO) "Related entity" means any of the following:

(1) An individual stockholder, or a member of the stockholder's family enumerated in section 318 of the Internal Revenue Code, if the stockholder and the members of the stockholder's family own directly, indirectly, beneficially, or constructively, in the aggregate, at least fifty per cent of the value of the taxpayer's outstanding stock;

(2) A stockholder, or a stockholder's partnership, estate, trust, or corporation, if the stockholder and the stockholder's partnerships, estates, trusts, or corporations own directly, indirectly, beneficially, or constructively, in the aggregate, at least fifty per cent of the value of the taxpayer's outstanding stock;

(3) A corporation, or a party related to the corporation in a manner that would require an attribution of stock from the corporation to the party or from the party to the corporation under division (OO)(4) of this section, provided the taxpayer owns directly, indirectly, beneficially, or constructively, at least fifty per cent of the value of the corporation's outstanding stock;

(4) The attribution rules described in section 318 of the Internal Revenue Code apply for the purpose of determining whether the ownership requirements in divisions (OO)(1) to (3) of this section have been met.

(PP)(1) "Assessment" means a written finding by the tax administrator that a person has underpaid municipal income tax, or owes penalty and interest, or any combination of tax, penalty, or interest, to the municipal corporation that commences the person's time limitation for making an appeal to the local board of tax review pursuant to section 718.11 of the Revised Code, and has "ASSESSMENT" written in all capital letters at the top of such finding.

(2) "Assessment" does not include an informal notice denying a request for refund issued under division (B)(3) of section 718.19 of the Revised Code, a billing statement notifying a taxpayer of current or past-due balances owed to the municipal corporation, a tax administrator's request for additional information, a notification to the taxpayer of mathematical errors, or a tax administrator's other written correspondence to a person or taxpayer that does not meet the criteria prescribed by division (PP)(1) of this section.

(QQ) "Taxpayers' rights and responsibilities" means the rights provided to taxpayers in sections 718.11, 718.12, 718.19, 718.23, 718.36, 718.37, 718.38, 5717.011, and 5717.03 of the Revised Code and the responsibilities of taxpayers to file, report, withhold, remit, and pay municipal income tax and otherwise comply with Chapter 718. of the Revised Code and resolutions, ordinances, and rules adopted by a municipal corporation for the imposition and administration of a municipal income tax.

(RR) "Qualified municipal corporation" means a municipal corporation that, by resolution or ordinance adopted on or before December 31, 2011, adopted Ohio adjusted gross income, as defined by section 5747.01 of the Revised Code, as the income subject to tax for the purposes of imposing a municipal income tax.

(SS)(1) "Pre-2017 net operating loss carryforward" means any net operating loss incurred in a taxable year beginning before January 1, 2017, to the extent such loss was permitted, by a resolution or ordinance of the municipal corporation that was adopted by the municipal corporation before January 1, 2016, to be carried forward and utilized to offset income or net profit generated in such municipal corporation in future taxable years.

(2) For the purpose of calculating municipal taxable income, any pre-2017 net operating loss carryforward may be carried forward to any taxable year, including taxable years beginning in 2017 or thereafter, for the number of taxable years provided in the resolution or ordinance or until fully utilized, whichever is earlier.

(TT) "Small employer" means any employer that had total revenue of less than five hundred thousand dollars during the preceding taxable year. For purposes of this division, "total revenue" means receipts of any type or kind, including, but not limited to, sales receipts; payments; rents; profits; gains, dividends, and other investment income; compensation; commissions; premiums; money; property; grants; contributions; donations; gifts; program service revenue; patient service revenue; premiums; fees, including premium fees and service fees; tuition payments; unrelated business revenue; reimbursements; any type of payment from a governmental unit, including grants and other allocations; and any other similar receipts reported for federal income tax purposes or under generally accepted accounting principles. "Small employer" does not include the federal government; any state government, including any state agency or instrumentality; any political subdivision; or any entity treated as a government for financial accounting and reporting purposes.

(UU) "Audit" means the examination of a person or the inspection of the books, records, memoranda, or accounts of a person for the purpose of

determining liability for a municipal income tax.

(VV) "Publicly traded partnership" means any partnership, an interest in which is regularly traded on an established securities market. A "publicly traded partnership" may have any number of partners.

(WW) "Tax commissioner" means the tax commissioner appointed under section 121.03 of the Revised Code.

(XX) "Out-of-state disaster business," "qualifying solicitation," "qualifying employee," "disaster work," "critical infrastructure," and "disaster response period" have the same meanings as in section 5703.94 of the Revised Code.

(YY) "Pension" means a retirement benefit plan, regardless of whether the plan satisfies the qualifications described under section 401(a) of the Internal Revenue Code, including amounts that are taxable under the "Federal Insurance Contributions Act," Chapter 21 of the Internal Revenue Code, excluding employee contributions and elective deferrals, and regardless of whether such amounts are paid in the same taxable year in which the amounts are included in the employee's wages, as defined by section 3121(a) of the Internal Revenue Code.

(ZZ) "Retirement benefit plan" means an arrangement whereby an entity provides benefits to individuals either on or after their termination of service because of retirement or disability. "Retirement benefit plan" does not include wage continuation payments, severance payments, or payments made for accrued personal or vacation time.

Sec. 1111.04. (A) Prior to soliciting or engaging in trust business in this state, a trust company shall pledge to the ~~treasurer of state~~ superintendent of financial institutions interest bearing securities authorized in division (B) of this section, having a par value, not including unaccrued interest, of one hundred thousand dollars, and approved by the superintendent ~~of financial institutions~~. The trust company may pledge the securities either by delivery to the ~~treasurer of state~~ superintendent or by placing the securities with a qualified trustee for safekeeping to the account of the ~~treasurer of state~~ superintendent of financial institutions, the corporate fiduciary, and any other person having an interest in the securities under Chapter 1109. of the Revised Code, as their respective interests may appear and be asserted by written notice to or demand upon the qualified trustee or by order of judgment of a court.

(B) Securities pledged by a trust company to satisfy the requirements of division (A) of this section shall be one or more of the following:

(1) Bonds, notes, or other obligations of or guaranteed by the United States or for which the full faith and credit of the United States is pledged

for the payment of principal and interest;

(2) Bonds, notes, debentures, or other obligations or securities issued by any agency or instrumentality of the United States;

(3) General obligations of this or any other state of the United States or any subdivision of this or any other state of the United States.

(C) The ~~treasurer of state~~ superintendent of financial institutions shall review, approve, and accept delivery of securities pursuant to this section ~~when accompanied by the superintendent's approval of the securities or the written receipt of a qualified trustee describing the securities and showing the superintendent's approval of the securities;~~ and shall issue a written acknowledgment of the delivery of the securities or the qualified trustee's receipt and the superintendent's approval to the trust company.

(D) The superintendent shall approve securities to be pledged by a trust company pursuant to this section if the securities are all of the following:

(1) Interest bearing and of the value required by division (A) of this section;

(2) Of one or more of the kinds authorized by division (B) of this section and not a derivative of or merely an interest in any of those securities;

(3) Not in default.

(E) The ~~treasurer of state~~ superintendent of financial institutions shall, ~~with the approval of the superintendent,~~ permit a trust company to pledge securities in substitution for securities pledged pursuant to this section and the withdrawal of the securities substituted for so long as the securities remaining pledged satisfy the requirements of division (A) of this section. The ~~treasurer of state~~ superintendent shall permit a trust company to collect interest paid on securities pledged pursuant to this section so long as the trust company is solvent. The ~~treasurer of state~~ superintendent shall, ~~with the approval of the superintendent,~~ permit a trust company to withdraw securities pledged pursuant to this section when the trust company has ceased to solicit or engage in trust business in this state.

(F) For purposes of this section, a qualified trustee is a federal reserve bank, a federal home loan bank, a trust company as defined in section 1101.01 of the Revised Code, or a national bank or federal savings association that has pledged securities pursuant to this section, is authorized to accept and execute trusts, and is doing business under authority granted by the office of the comptroller of the currency. However, a national bank or federal savings association doing business under authority granted by the office of the comptroller of the currency or a trust company may not act as a qualified trustee for securities it or any of its affiliates is pledging pursuant

to this section.

(G) The superintendent, with the approval of the ~~treasurer of state and~~ the attorney general, shall prescribe the form of all receipts and acknowledgments provided for by this section, and upon request shall furnish a copy of each form, with the superintendent's certification attached, to each qualified trustee eligible to hold securities for safekeeping under this section.

Sec. 1112.12. (A) Prior to transacting any business as a licensed family trust company, a family trust company shall pledge to the ~~treasurer of state~~ superintendent of financial institutions interest-bearing securities authorized in division (B) of this section, having a par value, not including unaccrued interest, of one hundred thousand dollars, and approved by the superintendent ~~of financial institutions~~. The family trust company may pledge the securities either by delivery to the ~~treasurer of state~~ superintendent or by placing the securities with a qualified trustee for safekeeping to the account of the ~~treasurer of state~~ superintendent of financial institutions.

(B) Securities pledged by a family trust company to satisfy the requirements of division (A) of this section shall be one or more of the following, provided that the bonds or other obligations are rated at the time of purchase in the three highest classifications established by at least one nationally recognized ~~standard~~ statistical rating ~~service~~ organization and purchased through a registered securities broker or dealer:

(1) Bonds, notes, or other obligations of or guaranteed by the United States or for which the full faith and credit of the United States is pledged for the payment of principal and interest;

(2) Bonds, notes, debentures, or other obligations or securities issued by any agency or instrumentality of the United States.

(C) The ~~treasurer of state~~ superintendent of financial institutions shall review, approve, and accept delivery of securities pursuant to this section ~~when accompanied by the superintendent's approval of the securities or the written receipt of a qualified trustee describing the securities and showing the superintendent's approval of the securities~~, and shall issue a written acknowledgment of the delivery of the securities or the qualified trustee's receipt and the superintendent's approval to the family trust company.

(D) The superintendent shall approve securities to be pledged by a family trust company pursuant to this section if the securities are all of the following:

(1) Interest-bearing and of the value required by division (A) of this section;

(2) Of one or more of the kinds authorized by division (B) of this section and not a derivative of or merely an interest in any of those securities;

(3) Not in default.

(E) The ~~treasurer of state~~ superintendent of financial institutions shall, ~~with the approval of the superintendent,~~ permit a family trust company to pledge securities in substitution for securities pledged pursuant to this section and the withdrawal of the securities substituted for so long as the securities remaining pledged satisfy the requirements of division (A) of this section. The ~~treasurer of state~~ superintendent shall permit a family trust company to collect interest paid on securities pledged pursuant to this section so long as the family trust company is solvent. The ~~treasurer of state~~ superintendent shall, ~~with the approval of the superintendent,~~ permit a licensed family trust company to withdraw securities pledged pursuant to this section when the family trust company has discontinued its business as a licensed family trust company in this state.

(F) For purposes of this section, a qualified trustee is a federal reserve bank, a federal home loan bank, a trust company as defined in section 1101.01 of the Revised Code, or a bank or savings association that has pledged securities pursuant to section 1111.04 of the Revised Code, is authorized to accept and execute trusts, and is doing business under authority granted by the comptroller of the currency.

(G) The superintendent, ~~with the approval of the treasurer of state,~~ shall prescribe the form of all receipts and acknowledgments provided for by this section, and upon request shall furnish a copy of each form, with the superintendent's certification attached, to each qualified trustee eligible to hold securities for safekeeping under this section.

Sec. 1315.54. (A) The attorney general may conduct investigations within or outside this state to determine if a money transmitter or person engaged in a trade or business has failed to file a report required by section 1315.53 of the Revised Code or has engaged or is engaging in an act, practice, or transaction that constitutes a violation of a provision of ~~section~~ sections 1315.51 to 1315.55 of the Revised Code.

(B) On request of the attorney general, a money transmitter shall make the money transmitter's books and records available to the attorney general during normal business hours for inspection and examination in connection with an investigation conducted under this section. No person shall purposely fail to comply with this division.

(C) Any record or other document or information obtained by the attorney general pursuant to an investigation conducted under this section is

not a public record subject to section 149.43 of the Revised Code and is not subject to disclosure.

(D) This section does not apply to any bank, bank holding company, or affiliate of a bank or bank holding company, or to any savings and loan association, savings and loan holding company, or affiliate of a savings and loan association or savings and loan holding company that is subject to examination by the comptroller of the currency, the federal reserve, or the federal deposit insurance corporation, ~~or to any savings and loan association, savings and loan holding company, or affiliate of a savings and loan association or savings and loan holding company, that is subject to examination by the office of thrift supervision.~~

Sec. 1345.01. As used in sections 1345.01 to 1345.13 of the Revised Code:

(A) "Consumer transaction" means a sale, lease, assignment, award by chance, or other transfer of an item of goods, a service, a franchise, or an intangible, to an individual for purposes that are primarily personal, family, or household, or solicitation to supply any of these things. "Consumer transaction" does not include transactions between persons, defined in sections 4905.03 and 5725.01 of the Revised Code, and their customers, except for transactions involving a loan made pursuant to sections 1321.35 to 1321.48 of the Revised Code and transactions in connection with residential mortgages between loan officers, mortgage brokers, or nonbank mortgage lenders and their customers; transactions involving a home construction service contract as defined in section 4722.01 of the Revised Code; transactions between certified public accountants or public accountants and their clients; transactions between attorneys, physicians, or dentists and their clients or patients; and transactions between veterinarians and their patients that pertain to medical treatment but not ancillary services.

(B) "Person" includes an individual, corporation, government, governmental subdivision or agency, business trust, estate, trust, partnership, association, cooperative, or other legal entity.

(C) "Supplier" means a seller, lessor, assignor, franchisor, or other person engaged in the business of effecting or soliciting consumer transactions, whether or not the person deals directly with the consumer. If the consumer transaction is in connection with a residential mortgage, "supplier" does not include an assignee or purchaser of the loan for value, except as otherwise provided in section 1345.091 of the Revised Code. For purposes of this division, in a consumer transaction in connection with a residential mortgage, "seller" means a loan officer, mortgage broker, or nonbank mortgage lender.

(D) "Consumer" means a person who engages in a consumer transaction with a supplier.

(E) "Knowledge" means actual awareness, but such actual awareness may be inferred where objective manifestations indicate that the individual involved acted with such awareness.

(F) "Natural gas service" means the sale of natural gas, exclusive of any distribution or ancillary service.

(G) "Public telecommunications service" means the transmission by electromagnetic or other means, other than by a telephone company as defined in section 4927.01 of the Revised Code, of signs, signals, writings, images, sounds, messages, or data originating in this state regardless of actual call routing. "Public telecommunications service" excludes a system, including its construction, maintenance, or operation, for the provision of telecommunications service, or any portion of such service, by any entity for the sole and exclusive use of that entity, its parent, a subsidiary, or an affiliated entity, and not for resale, directly or indirectly; the provision of terminal equipment used to originate telecommunications service; broadcast transmission by radio, television, or satellite broadcast stations regulated by the federal government; or cable television service.

(H)(1) "Loan officer" means an individual who for compensation or gain, or in anticipation of compensation or gain, takes or offers to take a residential mortgage loan application; assists or offers to assist a buyer in obtaining or applying to obtain a residential mortgage loan by, among other things, advising on loan terms, including rates, fees, and other costs; offers or negotiates terms of a residential mortgage loan; or issues or offers to issue a commitment for a residential mortgage loan. "Loan officer" also includes a mortgage loan originator as defined in section 1322.01 of the Revised Code.

(2) "Loan officer" does not include an employee of a bank, savings bank, savings and loan association, credit union, or credit union service organization organized under the laws of this state, another state, or the United States; an employee of a subsidiary of such a bank, savings bank, savings and loan association, or credit union; or an employee of an affiliate that (a) controls, is controlled by, or is under common control with, such a bank, savings bank, savings and loan association, or credit union and (b) is subject to examination, supervision, and regulation, including with respect to the affiliate's compliance with applicable consumer protection requirements, by the board of governors of the federal reserve system, the comptroller of the currency, ~~the office of thrift supervision~~, the federal deposit insurance corporation, or the national credit union administration.

(I) "Residential mortgage" or "mortgage" means an obligation to pay a

sum of money evidenced by a note and secured by a lien upon real property located within this state containing two or fewer residential units or on which two or fewer residential units are to be constructed and includes such an obligation on a residential condominium or cooperative unit.

(J)(1) "Mortgage broker" means any of the following:

(a) A person that holds that person out as being able to assist a buyer in obtaining a mortgage and charges or receives from either the buyer or lender money or other valuable consideration readily convertible into money for providing this assistance;

(b) A person that solicits financial and mortgage information from the public, provides that information to a mortgage broker or a person that makes residential mortgage loans, and charges or receives from either of them money or other valuable consideration readily convertible into money for providing the information;

(c) A person engaged in table-funding or warehouse-lending mortgage loans that are residential mortgage loans.

(2) "Mortgage broker" does not include a bank, savings bank, savings and loan association, credit union, or credit union service organization organized under the laws of this state, another state, or the United States; a subsidiary of such a bank, savings bank, savings and loan association, or credit union; an affiliate that (a) controls, is controlled by, or is under common control with, such a bank, savings bank, savings and loan association, or credit union and (b) is subject to examination, supervision, and regulation, including with respect to the affiliate's compliance with applicable consumer protection requirements, by the board of governors of the federal reserve system, the comptroller of the currency, ~~the office of~~ ~~thrift supervision~~, the federal deposit insurance corporation, or the national credit union administration; or an employee of any such entity.

(K) "Nonbank mortgage lender" means any person that engages in a consumer transaction in connection with a residential mortgage, except for a bank, savings bank, savings and loan association, credit union, or credit union service organization organized under the laws of this state, another state, or the United States; a subsidiary of such a bank, savings bank, savings and loan association, or credit union; or an affiliate that (1) controls, is controlled by, or is under common control with, such a bank, savings bank, savings and loan association, or credit union and (2) is subject to examination, supervision, and regulation, including with respect to the affiliate's compliance with applicable consumer protection requirements, by the board of governors of the federal reserve system, the comptroller of the currency, ~~the office of~~ ~~thrift supervision~~, the federal deposit insurance

corporation, or the national credit union administration.

(L) For purposes of divisions (H), (J), and (K) of this section:

(1) "Control" of another entity means ownership, control, or power to vote twenty-five per cent or more of the outstanding shares of any class of voting securities of the other entity, directly or indirectly or acting through one or more other persons.

(2) "Credit union service organization" means a CUSO as defined in 12 C.F.R. 702.2.

Sec. 1501.10. Advertisement for bids for the leasing of public service facilities in state parks shall be published in any newspaper of general circulation in Franklin county and each county in which the facility to be leased is situated. The publication shall be made once each week for four consecutive weeks prior to the date fixed for the acceptance of the bids. The notice shall set forth the pertinent facts concerning the facility to be leased and the periods of required operation during the year and shall refer to the terms and conditions that the lease shall include, which shall be on file in the office of the director of natural resources and open to public inspection, except that questionnaires and financial statements submitted under this section shall be confidential and shall not be open to public inspection.

The public service facilities may be leased for a period of years that may be determined by the director, provided that the director, at the expiration of the original lease, without advertisement for bids, may grant the lessee a renewal of the lease for an additional period not to exceed four years. Leases executed under this section may contain any provisions that the director considers necessary, provided that the following provisions shall be contained in the leases:

(A) The lessee shall be responsible for keeping the facilities in good condition and repair, reasonable wear and tear and damages caused by casualty or acts beyond the control of the lessee excepted.

(B) The lessee shall operate the facilities for periods during the year that the director determines are necessary to satisfy the needs of the people of the state, provided that the periods of required operation shall be set forth in the notice for the acceptance of bids.

(C) The lessee, upon the execution of the lease, shall furnish surety to ensure that the lessee shall perform fully all terms of the lease. The surety shall be in the form of a performance bond, an irrevocable letter of credit to the state, cash, or negotiable certificates of deposit of any bank or savings and loan association organized or transacting business in the United States. The cash, market value of the certificates of deposit, or face value of the irrevocable letter of credit shall be equal to or greater than the amount of the

bond prescribed by the director in the lease.

~~Immediately upon a deposit of~~ If the lessee deposits cash ~~or certificates of deposit, the director~~ cash shall deliver them to the treasurer of state, who shall be responsible for their safekeeping and hold them in trust for the purposes for which they have been deposited credited to the performance cash bond refunds fund created in section 1501.16 of the Revised Code. A lessee making a deposit of cash or certificates of deposit may withdraw and receive, from the ~~treasurer of state, on the written order of the~~ director, all or any portion of the cash or certificates of deposit upon depositing with the ~~treasurer of state cash or~~ director negotiable certificates of deposit issued by any bank organized or transacting business in this state equal in par value to the par value of the cash or certificates of deposit withdrawn. A lessee may demand and receive from the ~~treasurer of state~~ director all interest or other income from any such certificates as it becomes due.

The director may lease any public service facilities in state parks to the person who submits the highest and best bid under the terms set forth in this section and in accordance with the rules of the director, taking into account the financial responsibility and the ability of the lessee to operate the facilities. Bids shall be sealed and opened at a date and time certain, published in advance.

This section does not apply to a lease and contract executed under section 1501.012 of the Revised Code.

Sec. 1503.05. (A) The chief of the division of forestry may sell timber and other forest products from the state forest, state forest nurseries, and federal lands in accordance with the terms of an agreement under section 1503.271 of the Revised Code whenever the chief considers such a sale desirable. With the approval of the attorney general and the director of natural resources, the chief may sell portions of the state forest lands when such a sale is advantageous to the state.

(B) Except as otherwise provided in this section, a timber sale agreement shall not be executed unless the person or governmental entity bidding on the sale executes and files a surety bond conditioned on completion of the timber sale in accordance with the terms of the agreement in an amount determined by the chief. All bonds shall be given in a form prescribed by the chief and shall run to the state as obligee.

The chief shall not approve any bond until it is personally signed and acknowledged by both principal and surety, or as to either by the attorney in fact thereof, with a certified copy of the power of attorney attached. The chief shall not approve the bond unless there is attached a certificate of the superintendent of insurance that the company is authorized to transact a

fidelity and surety business in this state.

In lieu of a bond, the bidder may deposit ~~any of the following:~~

(1) ~~Cash in an amount equal to the amount of the bond;~~

(2) ~~United States government securities having a par value equal to or greater than the amount of the bond;~~

(3) ~~Negotiable~~ cash, negotiable certificates of deposit, or irrevocable letters of credit issued by any bank organized or transacting business in this state having a par value equal to or greater than the amount of the bond.

The cash or securities shall be deposited on the same terms as bonds. If one or more certificates of deposit are deposited in lieu of a bond, the chief shall require the bank that issued any of the certificates to pledge securities of the aggregate market value equal to the amount of the certificate or certificates that is in excess of the amount insured by the federal deposit insurance corporation. The securities to be pledged shall be those designated as eligible under section 135.18 of the Revised Code. The securities shall be security for the repayment of the certificate or certificates of deposit.

~~Immediately upon~~ Upon a deposit of cash, ~~securities,~~ certificates of deposit, or ~~irrevocable~~ letters of credit described in division (B) of this section, the chief shall ~~deliver them to the treasurer of state, who shall hold them in trust for the purposes for which they have been deposited. The treasurer of state is responsible for the safekeeping of the deposits. If the bidder deposits cash, the cash shall be credited to the performance cash bond refunds fund created in section 1501.16 of the Revised Code. If the bidder deposits certificates of deposit or letters of credit, the chief is responsible for the safekeeping of those certificates or letters.~~ A bidder making a deposit of cash, ~~securities,~~ certificates of deposit, or letters of credit may withdraw and receive, from the ~~treasurer of state, on the written order of the chief,~~ all or any portion of the cash, ~~securities,~~ certificates of deposit, or letters of credit upon depositing with the ~~treasurer of state cash, other United States government securities, or chief~~ other negotiable certificates of deposit or irrevocable letters of credit ~~issued by any bank organized or transacting business in this state, that are~~ equal in par value to the par value of the cash, ~~securities,~~ certificates of deposit, or letters of credit withdrawn.

A bidder ~~that deposits negotiable certificates of deposit~~ may demand and receive from the ~~treasurer of state chief~~ all interest or other income from any such ~~securities or certificates~~ certificate as it becomes due. If ~~securities certificates~~ so deposited with and in the possession of the ~~treasurer of state chief~~ mature or are called for payment by their issuer, the ~~treasurer of state chief~~, at the request of the bidder who deposited them, shall convert the proceeds ~~of the redemption or payment of the securities~~ into other ~~United~~

~~States government securities~~, negotiable certificates of deposit, or cash as the bidder designates.

When the chief finds that a person or ~~governmental~~ agency has failed to comply with the conditions of the person's or governmental agency's bond, the chief shall make a finding of that fact and declare the bond, cash, ~~securities~~, certificates, or letters of credit forfeited. The chief thereupon shall certify the total forfeiture to the attorney general, who shall proceed to collect the amount of the bond, cash, ~~securities~~, certificates, or letters of credit.

In lieu of total forfeiture, the surety, at its option, may cause the timber sale to be completed or pay to the ~~treasurer of state~~ chief the cost thereof.

All money collected as a result of forfeitures of bonds, cash, ~~securities~~, certificates, and letters of credit under this section shall be credited to the state forest fund created in this section.

(C) The chief may grant easements and leases on portions of the state forest lands and state forest nurseries under terms that are advantageous to the state, and the chief may grant mineral rights on a royalty basis on those lands and nurseries, with the approval of the attorney general and the director.

(D) All money received from the sale of state forest lands, or in payment for easements or leases on or as rents from those lands or from state forest nurseries, shall be paid into the state treasury to the credit of the state forest fund, which is hereby created. In addition, all money received from federal grants, payments, and reimbursements, from the sale of reforestation tree stock, from the sale of forest products, other than standing timber, and from the sale of minerals taken from the state forest lands and state forest nurseries, together with royalties from mineral rights, shall be paid into the state treasury to the credit of the state forest fund. Any other revenues derived from the operation of the state forests and related facilities or equipment also shall be paid into the state treasury to the credit of the state forest fund, as shall contributions received for the issuance of Smokey Bear license plates under section 4503.574 of the Revised Code and any other money required by law to be deposited in the fund. Any revenue generated from agreements entered into under section 1503.271 of the Revised Code shall be deposited in the fund.

The state forest fund shall not be expended for any purpose other than the administration, operation, maintenance, development, or utilization of the state forests, forest nurseries, and forest programs; for facilities or equipment incident to them; for the further purchase of lands for state forest or forest nursery purposes; for wildfire suppression payments; for fire

prevention purposes in the case of contributions received pursuant to section 4503.574 of the Revised Code; or for forest management projects associated with federal lands in the case of revenues received pursuant to agreements entered into under section 1503.271 of the Revised Code.

(E) All money received from the sale of standing timber taken from state forest lands and state forest nurseries shall be deposited into the state treasury to the credit of the forestry holding account redistribution fund, which is hereby created. The money shall remain in the fund until they are redistributed in accordance with this division.

The redistribution shall occur at least once each year. To begin the redistribution, the chief first shall determine the amount of all standing timber sold from state forest lands and state forest nurseries, together with the amount of the total sale proceeds, in each county, in each township within the county, and in each school district within the county. The chief next shall determine the amount of the direct costs that the division of forestry incurred in association with the sale of that standing timber. The amount of the direct costs shall be subtracted from the amount of the total sale proceeds and shall be transferred from the forestry holding account redistribution fund to the state forest fund.

The remaining amount of the total sale proceeds equals the net value of the standing timber that was sold. The chief shall determine the net value of standing timber sold from state forest lands and state forest nurseries in each county, in each township within the county, and in each school district within the county and shall send to each county treasurer a copy of the determination at the time that money is paid to the county treasurer under this division.

Thirty-five per cent of the net value of standing timber sold from state forest lands and state forest nurseries located in a county shall be transferred from the forestry holding account redistribution fund to the state forest fund. The remaining sixty-five per cent of the net value shall be transferred from the forestry holding account redistribution fund and paid to the county treasurer for the use of the general fund of that county.

The county auditor shall do all of the following:

(1) Retain for the use of the general fund of the county one-fourth of the amount received by the county under division (E) of this section;

(2) Pay into the general fund of any township located within the county and containing such lands and nurseries one-fourth of the amount received by the county from standing timber sold from lands and nurseries located in the township;

(3) Request the board of education of any school district located within

the county and containing such lands and nurseries to identify which fund or funds of the district should receive the money available to the school district under division (E)(3) of this section. After receiving notice from the board, the county auditor shall pay into the fund or funds so identified one-half of the amount received by the county from standing timber sold from lands and nurseries located in the school district, distributed proportionately as identified by the board.

The division of forestry shall not supply logs, lumber, or other forest products or minerals, taken from the state forest lands or state forest nurseries, to any other agency or subdivision of the state unless payment is made therefor in the amount of the actual prevailing value thereof. This section is applicable to the money so received.

(F) The chief may enter into a personal service contract for consulting services to assist the chief with the sale of timber or other forest products and related inventory. Compensation for consulting services shall be paid from the proceeds of the sale of timber or other forest products and related inventory that are the subject of the personal service contract.

Sec. 1509.07. (A)(1)(a) Except as provided in division (A)(1)(b) or (A)(2) of this section, an owner of any well, except an exempt Mississippian well or an exempt domestic well, shall obtain liability insurance coverage from a company authorized or approved to do business in this state in an amount of not less than one million dollars bodily injury coverage and property damage coverage to pay damages for injury to persons or damage to property caused by the drilling, operation, or plugging of all the owner's wells in this state. However, if any well is located within an urbanized area, the owner shall obtain liability insurance coverage in an amount of not less than three million dollars for bodily injury coverage and property damage coverage to pay damages for injury to persons or damage to property caused by the drilling, operation, or plugging of all of the owner's wells in this state.

(b) A board of county commissioners of a county that is an owner of a well or a board of township trustees of a township that is an owner of a well may elect to satisfy the liability coverage requirements specified in division (A)(1)(a) of this section by participating in a joint self-insurance pool in accordance with the requirements established under section 2744.081 of the Revised Code. Nothing in division (A)(1)(b) of this section shall be construed to allow an entity, other than a county or township, to participate in a joint self-insurance pool to satisfy the liability coverage requirements specified in division (A)(1)(a) of this section.

(2) An owner of a horizontal well shall obtain liability insurance coverage from an insurer authorized to write such insurance in this state or

from an insurer approved to write such insurance in this state under section 3905.33 of the Revised Code in an amount of not less than five million dollars bodily injury coverage and property damage coverage to pay damages for injury to persons or damage to property caused by the production operations of all the owner's wells in this state. The insurance policy shall include a reasonable level of coverage available for an environmental endorsement.

(3) An owner shall maintain the coverage required under division (A)(1) or (2) of this section until all the owner's wells are plugged and abandoned or are transferred to an owner who has obtained insurance as required under this section and who is not under a notice of material and substantial violation or under a suspension order. The owner shall provide proof of liability insurance coverage to the chief of the division of oil and gas resources management upon request. Upon failure of the owner to provide that proof when requested, the chief may order the suspension of any outstanding permits and operations of the owner until the owner provides proof of the required insurance coverage.

(B)(1) Except as otherwise provided in this section, an owner of any well, before being issued a permit under section 1509.06 of the Revised Code or before operating or producing from a well, shall execute and file with the division of oil and gas resources management a surety bond conditioned on compliance with the restoration requirements of section 1509.072, the plugging requirements of section 1509.12, the permit provisions of section 1509.13 of the Revised Code, and all rules and orders of the chief relating thereto, in an amount set by rule of the chief.

(2) The owner may deposit with the chief, instead of a surety bond, cash in an amount equal to the surety bond as prescribed pursuant to this section or negotiable certificates of deposit or irrevocable letters of credit, issued by any bank organized or transacting business in this state, having a cash value equal to or greater than the amount of the surety bond as prescribed pursuant to this section. Cash or certificates of deposit shall be deposited upon the same terms as those upon which surety bonds may be deposited. If the owner deposits cash, the cash shall be credited to the performance cash bond refunds fund created in section 1501.16 of the Revised Code. ~~If the owner deposits certificates of deposit are deposited with the chief instead of a surety bond, the chief shall require the bank that issued any such certificate to pledge securities of a cash value equal to the amount of the certificate that is in excess of the amount insured by any of the agencies and instrumentalities created under the "Federal Deposit Insurance Act," 64 Stat. 873 (1950), 12 U.S.C. 1811, as amended, and regulations adopted under it,~~

~~including at least~~ the federal deposit insurance corporation. The securities shall be security for the repayment of the certificate of deposit.

~~Immediately upon~~ Upon a deposit of cash, certificates of deposit, or letters of credit with the chief, the chief shall ~~deliver them to the treasurer of state who shall~~ hold them in trust for the purposes for which they have been deposited.

(3) Instead of a surety bond, the chief may accept proof of financial responsibility consisting of a sworn financial statement showing a net financial worth within this state equal to twice the amount of the bond for which it substitutes and, as may be required by the chief, a list of producing properties of the owner within this state or other evidence showing ability and intent to comply with the law and rules concerning restoration and plugging that may be required by rule of the chief. The owner of an exempt Mississippian well is not required to file scheduled updates of the financial documents, but shall file updates of those documents if requested to do so by the chief. The owner of a nonexempt Mississippian well shall file updates of the financial documents in accordance with a schedule established by rule of the chief. The chief, upon determining that an owner for whom the chief has accepted proof of financial responsibility instead of bond cannot demonstrate financial responsibility, shall order that the owner execute and file a bond or deposit cash, certificates of deposit, or irrevocable letters of credit as required by this section for the wells specified in the order within ten days of receipt of the order. If the order is not complied with, all wells of the owner that are specified in the order and for which no bond is filed or cash, certificates of deposit, or letters of credit are deposited shall be plugged. No owner shall fail or refuse to plug such a well. Each day on which such a well remains unplugged thereafter constitutes a separate offense.

(4) The surety bond provided for in this section shall be executed by a surety company authorized to do business in this state.

The chief shall not approve any bond until it is personally signed and acknowledged by both principal and surety, or as to either by the principal's or surety's attorney in fact, with a certified copy of the power of attorney attached thereto. The chief shall not approve a bond unless there is attached a certificate of the superintendent of insurance that the company is authorized to transact a fidelity and surety business in this state.

All bonds shall be given in a form to be prescribed by the chief and shall run to the state as obligee.

(5) An owner of an exempt Mississippian well or an exempt domestic well, in lieu of filing a surety bond, cash in an amount equal to the surety

bond, certificates of deposit, irrevocable letters of credit, or a sworn financial statement, may file a one-time fee of fifty dollars, which shall be deposited in the oil and gas well plugging fund created in section 1509.071 of the Revised Code.

(C) An owner, operator, producer, or other person shall not operate a well or produce from a well at any time if the owner, operator, producer, or other person has not satisfied the requirements established in this section.

Sec. 1509.225. (A) Before being issued a registration certificate under section 1509.222 of the Revised Code, an applicant shall execute and file with the division of oil and gas resources management a surety bond for fifteen thousand dollars to provide compensation for damage and injury resulting from transporters' violations of sections 1509.22, 1509.222, and 1509.223 of the Revised Code, all rules and orders of the chief of the division of oil and gas resources management relating thereto, and all terms and conditions of the registration certificate imposed thereunder. The applicant may deposit with the chief, in lieu of a surety bond, cash in an amount equal to the surety bond as prescribed in this section, or negotiable certificates of deposit issued by any bank organized or transacting business in this state having a cash value equal to or greater than the amount of the surety bond as prescribed in this section. Cash or certificates of deposit shall be deposited upon the same terms as those upon which surety bonds may be deposited, and the chief shall hold them in trust for the purposes for which they have been deposited. If the applicant deposits cash, the cash shall be credited to the performance cash bond refunds fund created in section 1501.16 of the Revised Code. If the applicant deposits certificates of deposit ~~are deposited with the chief in lieu of a surety bond, the chief shall require the bank that issued any such certificate to pledge securities of a cash value equal to the amount of the certificate that is in excess of the amount insured by any of the agencies and instrumentalities created under the "Federal Deposit Insurance Act," 64 Stat. 873 (1950), 12 U.S.C. 1811, as amended, and regulations adopted under it, including at least the federal deposit insurance corporation.~~

~~Such corporation. Such~~ securities shall be security for the repayment of the certificate of deposit. ~~Immediately upon a deposit of cash or certificates with the chief, the chief shall deliver it to the treasurer of state who shall hold it in trust for the purposes for which it has been deposited.~~

(B) The surety bond provided for in this section shall be executed by a surety company authorized to do business in this state. The chief shall not approve any bond until it is personally signed and acknowledged by both principal and surety, or as to either by an attorney in fact, with a certified

copy of the power of attorney attached thereto. The chief shall not approve the bond unless there is attached a certificate of the superintendent of insurance that the company is authorized to transact a fidelity and surety business in this state. All bonds shall be given in a form to be prescribed by the chief.

(C) If a registered transporter is found liable for a violation of section 1509.22, 1509.222, or 1509.223 of the Revised Code or a rule, order, or term or condition of a certificate involving, in any case, damage or injury to persons or property, or both, the court may order the forfeiture of any portion of the bond, cash, or other securities required by this section in full or partial payment of damages to the person to whom the damages are due. ~~The treasurer of state and the~~ chief shall deliver the bond or any cash or other securities deposited in lieu of bond, as specified in the court's order, to the person to whom the damages are due; however, execution against the bond, cash, or other securities, if necessary, is the responsibility of the person to whom the damages are due. The chief shall not release the bond, cash, or securities required by this section except by court order or until the registration is terminated.

Sec. 1514.04. (A) Upon receipt of notification from the chief of the division of mineral resources management of the chief's intent to issue an order granting a surface or in-stream mining permit to the applicant, the applicant shall file a surety bond, cash, an irrevocable letter of credit, or certificates of deposit in the amount, unless otherwise provided by rule, of ten thousand dollars. If the amount of land to be affected is more than twenty acres, the applicant also shall file a surety bond, cash, an irrevocable letter of credit, or certificates of deposit in the amount of five hundred dollars per acre of land to be affected that exceeds twenty acres. Upon receipt of notification from the chief of the chief's intent to issue an order granting an amendment to a surface or in-stream mining permit, the applicant shall file a surety bond, cash, an irrevocable letter of credit, or certificates of deposit in the amount required in this division.

In the case of a surface mining permit, the bond shall be filed based on the number of acres estimated to be affected during the first year of operation under the permit. In the case of an amendment to a surface mining permit, the bond shall be filed based on the number of acres estimated to be affected during the balance of the period until the next anniversary date of the permit.

In the case of an in-stream mining permit, the bond shall be filed based on the number of acres of land within the limits of the in-stream mining permit for the entire permit period. In the case of an amendment to an

in-stream mining permit, the bond shall be filed based on the number of any additional acres of land to be affected within the limits of the in-stream mining permit.

(B) A surety bond filed pursuant to this section and sections 1514.02 and 1514.03 of the Revised Code shall be upon the form that the chief prescribes and provides and shall be signed by the operator as principal and by a surety company authorized to transact business in the state as surety. The bond shall be payable to the state and shall be conditioned upon the faithful performance by the operator of all things to be done and performed by the operator as provided in this chapter and the rules and orders of the chief adopted or issued pursuant thereto.

The operator may deposit with the chief, in lieu of a surety bond, cash in an amount equal to the surety bond as prescribed in this section or an irrevocable letter of credit or negotiable certificates of deposit issued by any bank organized or transacting business in this state having a cash value equal to or greater than the amount of the surety bond as prescribed in this section. Cash or certificates of deposit shall be deposited upon the same terms as the terms upon which surety bonds may be deposited. If the operator deposits cash, the cash shall be credited to the performance cash bond refunds fund created in section 1501.16 of the Revised Code. If one or more the operator deposits certificates of deposit ~~are deposited with the chief in lieu of a surety bond~~, the chief shall require the bank that issued any such certificate to pledge securities of a cash value equal to the amount of the certificate, ~~or certificates~~, that is in excess of the amount insured by the federal deposit insurance corporation. The securities shall be security for the repayment of the certificate of deposit.

(C) ~~Immediately upon~~ Upon a deposit of cash, a letter of credit, or certificates with the chief, the chief shall ~~deliver it to the treasurer of state who shall~~ hold it in trust for the purposes for which it has been deposited. The ~~treasurer of state~~ chief shall be responsible for the safekeeping of such deposits. An operator making a deposit of cash, a letter of credit, or certificates of deposit may withdraw and receive, from the ~~treasurer of state~~, on the written order of the chief, all or any part of the cash, letter of credit, or certificates in the possession of the ~~treasurer of state~~, chief upon depositing with the ~~treasurer of state cash, or~~ chief an irrevocable letter of credit or negotiable certificates of deposit issued by any bank organized or transacting business in this state, equal in value to the value of the cash, letter of credit, or certificates withdrawn. An operator may demand and receive from the ~~treasurer of state~~ chief all interest or other income from any certificates as it becomes due. If certificates deposited with and in the

possession of the ~~treasurer of state~~ chief mature or are called for payment by the issuer thereof, the ~~treasurer of state~~ chief, at the request of the operator who deposited them, shall convert the proceeds of the redemption or payment of the certificates into such other negotiable certificates of deposit issued by any bank organized or transacting business in this state or cash, as may be designated by the operator.

(D) A governmental agency, as defined in division (A) of section 1514.022 of the Revised Code, or a board or commission that derives its authority from a governmental agency shall not require a surface or in-stream mining operator to file a surety bond or any other form of financial assurance for the reclamation of land to be affected by a surface or in-stream mining operation authorized under this chapter.

Sec. 1514.05. (A) At any time within the period allowed an operator by section 1514.02 of the Revised Code to reclaim an area of land affected by surface or in-stream mining, the operator may file a request, on a form provided by the chief of the division of mineral resources management, for inspection of the area of land upon which the reclamation, other than any required planting, is completed. The request shall include all of the following:

- (1) The location of the area and number of acres;
- (2) The permit number;
- (3) A map showing the location of the acres reclaimed, prepared and certified in accordance with division (A)(11) or (12) of section 1514.02 of the Revised Code, as appropriate. In the case of an in-stream mining operation, the map also shall include, as applicable, the information required under division (A)(18) of section 1514.02 of the Revised Code.

The chief shall make an inspection and evaluation of the reclamation of the area of land for which the request was submitted within ninety days after receipt of the request or, if the operator fails to complete the reclamation or file the request as required, as soon as the chief learns of the default. Thereupon, if the chief approves the reclamation, other than any required planting, as meeting the requirements of this chapter, rules adopted thereunder, any orders issued during the mining or reclamation, and the specifications of the plan for mining and reclaiming, the chief shall issue an order to the operator and the operator's surety releasing them from liability for one-half of the total amount of their surety bond on deposit to ensure reclamation for the area upon which reclamation is completed. If the operator has deposited cash, an irrevocable letter of credit, or certificates of deposit in lieu of a surety bond to ensure reclamation, the chief shall ~~issue an order~~ deliver to the operator ~~releasing or the operator's authorized agent~~

~~one-half of the amount so held and promptly shall transmit a certified copy of the order to the treasurer of state. Upon presentation of the order to the treasurer of state by the operator to whom it was issued, or by the operator's authorized agent, the treasurer of state shall deliver to the operator or the operator's authorized agent the cash, irrevocable letter of credit, or certificates of deposit designated in the order.~~

If the chief does not approve the reclamation, other than any required planting, the chief shall notify the operator by certified mail. The notice shall be an order stating the reasons for unacceptability, ordering further actions to be taken, and setting a time limit for compliance. If the operator does not comply with the order within the time limit specified, the chief may order an extension of time for compliance after determining that the operator's noncompliance is for good cause, resulting from developments partially or wholly beyond the operator's control. If the operator complies within the time limit or the extension of time granted for compliance, the chief shall order release of the performance bond in the same manner as in the case of approval of reclamation, other than any required planting, by the chief, and the ~~treasurer of state~~ chief shall proceed as in that case. If the operator does not comply within the time limit and the chief does not order an extension, or if the chief orders an extension of time and the operator does not comply within the extension of time granted for compliance, the chief shall issue another order declaring that the operator has failed to reclaim and, if the operator's permit has not already expired or been revoked, revoking the operator's permit. The chief shall thereupon proceed under division (C) of this section.

(B) At any time within the period allowed an operator by section 1514.02 of the Revised Code to reclaim an area affected by surface mining, the operator may file a request, on a form provided by the chief, for inspection of the area of land on which all reclamation, including the successful establishment of any required planting, is completed. The request shall include all of the following:

- (1) The location of the area and number of acres;
- (2) The permit number;
- (3) The type and date of any required planting of vegetative cover and the degree of success of growth;
- (4) A map showing the location of the acres reclaimed, prepared and certified in accordance with division (A)(11) or (12) of section 1514.02 of the Revised Code, as appropriate. In the case of an in-stream mining operation, the map also shall include the information required under division (A)(18) of section 1514.02 of the Revised Code.

The chief shall make an inspection and evaluation of the reclamation of the area of land for which the request was submitted within ninety days after receipt of the request or, if the operator fails to complete the reclamation or file the request as required, as soon as the chief learns of the default. Thereupon, if the chief finds that the reclamation meets the requirements of this chapter, rules adopted under it, any orders issued during the mining and reclamation, and the specifications of the plan for mining and reclaiming and decides to release any remaining performance bond on deposit to ensure reclamation of the area on which reclamation is completed, within ten days of completing the inspection and evaluation, the chief shall order release of the remaining performance bond in the same manner as in the case of approval of reclamation other than required planting, and the ~~treasurer of state~~ chief shall proceed as in that case.

If the chief does not approve the reclamation performed by the operator, the chief shall notify the operator by certified mail within ninety days of the filing of the application for inspection or of the date when the chief learns of the default. The notice shall be an order stating the reasons for unacceptability, ordering further actions to be taken, and setting a time limit for compliance. If the operator does not comply with the order within the time limit specified, the chief may order an extension of time for compliance after determining that the operator's noncompliance is for good cause, resulting from developments partially or wholly beyond the operator's control. If the operator complies within the time limit or the extension of time granted for compliance, the chief shall order release of the remaining performance bond in the same manner as in the case of approval of reclamation by the chief, and the ~~treasurer of state~~ chief shall proceed as in that case. If the operator does not comply within the time limit and the chief does not order an extension, or if the chief orders an extension of time and the operator does not comply within the extension of time granted for compliance, the chief shall issue another order declaring that the operator has failed to reclaim and, if the operator's permit has not already expired or been revoked, revoking the operator's permit. The chief then shall proceed under division (C) of this section.

(C) Upon issuing an order under division (A) or (B) of this section declaring that the operator has failed to reclaim, the chief shall make a finding as to the number and location of the acres of land that the operator has failed to reclaim in the manner required by this chapter. The chief shall order the release of the performance bond in the amount of five hundred dollars per acre for those acres that the chief finds to have been reclaimed in the manner required by this chapter. The release shall be ordered in the same

manner as in the case of other approval of reclamation by the chief, and the ~~treasurer of state~~ chief shall proceed as in that case. If the operator has on deposit cash, an irrevocable letter of credit, or certificates of deposit to ensure reclamation of the area of the land affected, the chief at the same time shall issue an order declaring that the remaining cash, irrevocable letter of credit, or certificates of deposit are the property of the state and are available for use by the chief in performing reclamation of the area and shall proceed in accordance with section 1514.06 of the Revised Code.

If the operator has on deposit a surety bond to ensure reclamation of the area of land affected, the chief shall notify the surety in writing of the operator's default and shall request the surety to perform the surety's obligation and that of the operator. The surety, within ten days after receipt of the notice, shall notify the chief as to whether it intends to perform those obligations.

If the surety chooses to perform, it shall arrange for work to begin within thirty days of the day on which it notifies the chief of its decision. If the surety completes the work as required by this chapter, the chief shall issue an order to the surety releasing the surety from liability under the bond in the same manner as if the surety were an operator proceeding under this section. If, after the surety begins the work, the chief determines that the surety is not carrying the work forward with reasonable progress, or that it is improperly performing the work, or that it has abandoned the work or otherwise failed to perform its obligation and that of the operator, the chief shall issue an order terminating the right of the surety to perform the work and demanding payment of the amount due as required by this chapter.

If the surety chooses not to perform and so notifies the chief, does not respond to the chief's notice within ten days of receipt thereof, or fails to begin work within thirty days of the day it timely notifies the chief of its decision to perform its obligation and that of the operator, the chief shall issue an order terminating the right of the surety to perform the work and demanding payment of the amount due, as required by this chapter.

Upon receipt of an order of the chief demanding payment of the amount due, the surety immediately shall deposit with the chief cash in the full amount due under the order for deposit with the ~~treasurer of state~~ chief. If the surety fails to make an immediate deposit, the chief shall certify it to the attorney general for collection. When the chief has issued an order terminating the right of the surety and has the cash on deposit, the cash is the property of the state and is available for use by the chief, who shall proceed in accordance with section 1514.06 of the Revised Code.

Sec. 1521.061. (A)(1) Except as otherwise provided in this section, the

chief of the division of water resources shall not issue a construction permit under section 1521.06 of the Revised Code unless the person or governmental agency applying for the permit executes and files a surety bond conditioned on completion of the dam or levee in accordance with the terms of the permit and the plans and specifications approved by the chief. Except as provided in division (A)(2) of this section, the surety bond shall equal:

(a) \$50,000 for the first \$500,000 of the estimated cost of the project; plus

(b) Twenty-five per cent of the estimated cost for the next \$4,500,000 of the estimated cost of the project; plus

(c) Ten per cent of the estimated cost that exceeds \$5,000,000.

(2) The chief may reduce the amount of the required surety bond to the amount equal to the cost estimate of construction activities necessary to render the dam nonhazardous if the cost estimate is provided by the applicant and approved by the chief.

(B) If a permittee requests an extension of the time period during which a construction permit is valid in accordance with rules adopted under section 1521.06 of the Revised Code, the chief shall determine whether the revised construction cost estimate provided with the request exceeds the original construction cost estimate that was filed with the chief by more than twenty-five per cent. If the revised construction cost estimate exceeds the original construction cost estimate by more than twenty-five per cent, the chief may require an additional surety bond to be filed in an amount determined in accordance with division (A) of this section based on the revised construction cost estimate.

(C) The chief shall not approve any bond until it is personally signed and acknowledged by both principal and surety, or as to either by the attorney in fact thereof, with a certified copy of the power of attorney attached. The chief shall not approve the bond unless there is attached a certificate of the superintendent of insurance that the company is authorized to transact a fidelity and surety business in this state.

All bonds shall be given in a form prescribed by the chief and shall run to the state as obligee.

(D)(1) The applicant may deposit, in lieu of a bond, cash in an amount equal to the amount of the bond or ~~United States government securities or~~ negotiable certificates of deposit issued by any bank organized or transacting business in this state having a par value equal to or greater than the amount of the bond. Such cash or securities shall be deposited upon the same terms as bonds. If one or more certificates of deposit are deposited in

lieu of a bond, the chief shall require the bank that issued any such certificate to pledge securities of the aggregate market value equal to the amount of the certificate that is in excess of the amount insured by the federal deposit insurance corporation. The securities to be pledged shall be those designated as eligible under section 135.18 of the Revised Code. The securities shall be security for the repayment of the certificate of deposit.

(2) ~~Immediately upon~~ Upon a deposit of cash, ~~securities~~, or certificates of deposit, the chief shall ~~deliver them to the treasurer of state, who shall hold them in trust for the purposes for which they have been deposited. The treasurer of state is responsible for the safekeeping of such deposits. If the applicant deposits cash, the cash shall be credited to the performance cash bond refunds fund created in section 1501.16 of the Revised Code.~~ An applicant making a deposit of cash, ~~securities~~, or certificates of deposit may withdraw and receive, from the ~~treasurer of state, on the written order of the chief~~, all or any portion of the cash, ~~securities~~, or certificates of deposit, upon depositing with the ~~treasurer of state cash, chief~~ other ~~United States government securities, or~~ negotiable certificates of deposit issued by any bank organized or transacting business in this state equal in par value to the par value of the cash, ~~securities~~, or certificates of deposit withdrawn. An applicant may demand and receive from the ~~treasurer of state chief~~ all interest or other income from any such ~~securities or~~ certificates as it becomes due. If ~~securities~~ certificates so deposited with and in the possession of the ~~treasurer of state chief~~ mature or are called for payment by the issuer thereof, the ~~treasurer of state chief~~, at the request of the applicant who deposited them, shall convert the proceeds of the redemption or payment of the ~~securities~~ certificates into ~~such other United States government securities,~~ negotiable certificates of deposit issued by any bank organized or transacting business in this state, or cash as the applicant designates.

(E)(1) When the chief finds that a person or governmental agency has failed to comply with the conditions of the person's or agency's bond, the chief shall make a finding of that fact and declare the bond, cash, ~~securities~~, or certificates of deposit forfeited in the amount set by rule of the chief. The chief shall thereupon certify the total forfeiture to the attorney general, who shall proceed to collect that amount.

(2) In lieu of total forfeiture, the surety, at its option, may cause the dam or levee to be completed as required by section 1521.06 of the Revised Code and rules of the chief, or otherwise rendered nonhazardous, or pay to the ~~treasurer of state chief~~ the cost thereof.

(F)(1) All moneys collected on account of forfeitures of bonds, cash,

~~securities~~, and certificates of deposit under this section shall be credited to the dam safety fund created in section 1521.06 of the Revised Code. The chief shall make expenditures from the fund to complete dams and levees for which bonds have been forfeited or to otherwise render them nonhazardous.

(2) Expenditures from the fund for those purposes shall be made pursuant to contracts entered into by the chief with persons who agree to furnish all of the materials, equipment, work, and labor as specified and provided in the contract.

(G) A surety bond shall not be required for a permit for a dam or levee that is to be designed and constructed by an agency of the United States government, if the agency files with the chief written assurance of the agency's financial responsibility for the structure for one year following the chief's approval of the completed construction provided for under division (E) of section 1521.06 of the Revised Code.

Sec. 1548.06. (A)(1) Application for a certificate of title for a watercraft or outboard motor shall be made upon a form prescribed by the chief of the division of parks and watercraft and shall be sworn to before a notary public or other officer empowered to administer oaths. The application shall be filed with the clerk of any court of common pleas. An application for a certificate of title may be filed electronically by any electronic means approved by the chief in any county with the clerk of the court of common pleas of that county. The application shall be accompanied by the fee prescribed in section 1548.10 of the Revised Code. The fee shall be retained by the clerk who issues the certificate of title and shall be distributed in accordance with that section. If a clerk of a court of common pleas, other than the clerk of the court of common pleas of an applicant's county of residence, issues a certificate of title to the applicant, the clerk shall transmit data related to the transaction to the automated title processing system.

(2) If a certificate of title previously has been issued for the watercraft or outboard motor, the application for a certificate of title also shall be accompanied by the certificate of title duly assigned unless otherwise provided in this chapter. If a certificate of title previously has not been issued for the watercraft or outboard motor in this state, the application, unless otherwise provided in this chapter, shall be accompanied by a manufacturer's or importer's certificate; by a sworn statement of ownership if the watercraft or outboard motor was purchased by the applicant on or before October 9, 1963, or if the watercraft is less than fourteen feet long with a permanently affixed mechanical means of propulsion and was purchased by the applicant on or before January 1, 2000; or by a certificate

of title, bill of sale, or other evidence of ownership required by the law of another state from which the watercraft or outboard motor was brought into this state. Evidence of ownership of a watercraft or outboard motor for which an Ohio certificate of title previously has not been issued and which watercraft or outboard motor does not have permanently affixed to it a manufacturer's serial number shall be accompanied by the certificate of assignment of a hull identification number assigned by the chief as provided in section 1548.07 of the Revised Code.

(3) The clerk shall retain the evidence of title presented by the applicant and on which the certificate of title is issued, except that, if an application for a certificate of title is filed electronically, by a vendor on behalf of a purchaser of a watercraft or outboard motor, the clerk shall retain the completed electronic record to which the vendor converted the certificate of title application and other required documents. The chief, after consultation with the attorney general, shall adopt rules that govern the location at which, and the manner in which, are stored the actual application and all other documents relating to the sale of a watercraft or outboard motor when a vendor files the application for a certificate of title electronically on behalf of a purchaser.

(B) The clerk shall use reasonable diligence in ascertaining whether the facts in the application are true by checking the application and documents accompanying it or the electronic record to which a vendor converted the application and accompanying documents with the records of watercraft and outboard motors in the clerk's office. If the clerk is satisfied that the applicant is the owner of the watercraft or outboard motor and that the application is in the proper form, the clerk shall issue a physical certificate of title over the clerk's signature and sealed with the clerk's seal unless the applicant specifically requests the clerk not to issue a physical certificate of title and instead to issue an electronic certificate of title. However, if the evidence indicates and an investigation shows that one or more Ohio titles already exist for the watercraft or outboard motor, the chief may cause the redundant title or titles to be canceled.

(C) In the case of the sale of a watercraft or outboard motor by a vendor to a general purchaser or user, the certificate of title shall be obtained in the name of the purchaser by the vendor upon application signed by the purchaser. In all other cases, the certificate shall be obtained by the purchaser. In all cases of transfer of watercraft or outboard motors, the application for certificate of title shall be filed within thirty days after the later of the date of purchase or assignment of ownership of the watercraft or outboard motor. If the application for certificate of title is not filed within

thirty days after the later of the date of purchase or assignment of ownership of the watercraft or outboard motor, the clerk shall charge a late penalty fee of five dollars in addition to the fee prescribed by section 1548.10 of the Revised Code. The clerk shall retain the entire amount of each late penalty fee.

(D) The clerk shall refuse to accept an application for certificate of title unless the applicant either tenders with the application payment of all taxes levied by or pursuant to Chapter 5739. or 5741. of the Revised Code based on the applicant's county of residence less, in the case of a sale by a vendor, any discount to which the vendor is entitled under section 5739.12 of the Revised Code, or submits any of the following:

(1) A receipt issued by the tax commissioner or a clerk of courts showing payment of the tax;

(2) A copy of the unit certificate of exemption completed by the purchaser at the time of sale as provided in section 5739.03 of the Revised Code;

(3) An exemption certificate, in a form prescribed by the tax commissioner, that specifies why the purchase is not subject to the tax imposed by Chapter 5739. or 5741. of the Revised Code.

Payment of the tax shall be in accordance with rules issued by the tax commissioner, and the clerk shall issue a receipt in the form prescribed by the tax commissioner to any applicant who tenders payment of the tax with the application for the certificate of title.

(E)(1) For receiving and disbursing the taxes paid to the clerk by a resident of the clerk's county, the clerk may retain a poundage fee of one and one one-hundredth per cent of the taxes collected, which shall be paid into the certificate of title administration fund created by section 325.33 of the Revised Code. The clerk shall not retain a poundage fee from payments of taxes by persons who do not reside in the clerk's county.

(2) A clerk, however, may retain from the taxes paid to the clerk an amount equal to the poundage fees associated with certificates of title issued by other clerks of courts of common pleas to applicants who reside in the first clerk's county. The chief of the division of parks and watercraft, in consultation with the tax commissioner and the clerks of the courts of common pleas, shall develop a report from the automated title processing system that informs each clerk of the amount of the poundage fees that the clerk is permitted to retain from those taxes because of certificates of title issued by the clerks of other counties to applicants who reside in the first clerk's county.

(F) In the case of casual sales of watercraft or outboard motors that are

subject to the tax imposed by Chapter 5739. or 5741. of the Revised Code, the purchase price for the purpose of determining the tax shall be the purchase price on an affidavit executed and filed with the clerk by the vendor on a form to be prescribed by the chief, which shall be prima-facie evidence of the price for the determination of the tax. In addition to the information required by section 1548.08 of the Revised Code, each certificate of title shall contain in bold lettering the following notification and statements: "WARNING TO TRANSFEROR AND TRANSFEREE (SELLER AND BUYER). You are required by law to state the true selling price. A false statement is a violation of section 2921.13 of the Revised Code and is punishable by six months imprisonment or a fine of up to one thousand dollars, or both. All transfers are audited by the department of taxation. The seller and buyer must provide any information requested by the department of taxation. The buyer may be assessed any additional tax found to be due."

(G) Each county clerk of courts shall forward to the ~~treasurer of state~~ tax commissioner all sales and use tax collections resulting from sales of titled watercraft and outboard motors during a calendar week on or before the Friday following the close of that week. If, on any Friday, the offices of the clerk of courts or the state are not open for business, the tax shall be forwarded to the ~~treasurer of state~~ tax commissioner on or before the next day on which the offices are open. Every remittance of tax under this division shall be accompanied by a remittance report in such form as the ~~tax~~ commissioner prescribes. ~~Upon receipt of a tax remittance and remittance report, the treasurer of state shall date stamp the report and forward it to the tax commissioner.~~ If the tax due for any week is not remitted by a clerk of courts as required under this division, the clerk shall forfeit the poundage fees for the sales made during that week. The ~~treasurer of state~~ tax commissioner may require the clerks of courts to transmit tax collections and remittance reports electronically.

(H) For purposes of a transfer of a certificate of title, if the clerk is satisfied that a secured party has discharged a lien but has not canceled the lien notation with a clerk, the clerk may cancel the lien notation on the automated title processing system and notify the clerk of the county of origin.

(I) Every clerk shall have the capability to transact by electronic means all procedures and transactions relating to the issuance of watercraft or outboard motor certificates of title that are described in the Revised Code as being accomplished by electronic means.

Sec. 1733.04. (A) In addition to the authority conferred by section

1701.13 of the Revised Code, but subject to any limitations contained in sections 1733.01 to 1733.45 of the Revised Code, and its articles and regulations, a credit union may do any of the following:

- (1) Make loans as provided in section 1733.25 of the Revised Code;
- (2) Invest its money as provided in section 1733.30 of the Revised Code;
- (3) If authorized by the code of regulations, rebate to the borrowing members a portion of the member's interest paid to the credit union;
- (4) If authorized by the regulations, charge a membership or entrance fee;
- (5) Purchase group savings life insurance and group credit life insurance;
- (6) Make reasonable contributions to any nonprofit civic, charitable, or service organizations;
- (7) Act as trustee or custodian, for which reasonable compensation may be received, under any written trust instrument or custodial agreement created or organized in the United States and forming part of a tax-advantaged savings plan that qualifies for specific tax treatment under sections 223, 401(d), 408, 408A, and 530 of the Internal Revenue Code, 26 U.S.C. 223, 401(d), 408, 408A, and 530, as amended, for its members or groups of its members, provided that the funds of such plans are invested in share accounts or share certificate accounts of the credit union. These services include, but are not limited to, acting as a trustee or custodian for member retirement, education, or health savings accounts.

(8) Participate in and pledge assets in connection with the ~~business linked deposit program programs~~ under sections ~~135.77 to 135.774~~ of the Revised Code, ~~the agricultural linked deposit program under sections 135.71 to 135.76 of the Revised Code, and the adoption linked deposit program under sections 135.79 to 135.796~~ 135.61 to 135.66 of the Revised Code and sections 135.70 to 135.71 of the Revised Code.

(B) The authority of a credit union shall be subject to the following:

(1) A credit union may not borrow money in excess of twenty-five per cent of its shares and undivided earnings, without prior specific authorization by the superintendent of credit unions.

(2) A credit union may not pay a commission or other compensation to any person for securing members or for the sale of its shares, except that reasonable incentives may be made available directly to members or potential members to promote thrift.

(C)(1) A credit union may have service facilities other than its home office.

(2) Real estate may be acquired by lease, purchase, or otherwise as necessary and to the extent required for use of the credit union presently and in the future operation of its office or headquarters, and in case of a purchase of real estate, the superintendent must first be notified in writing prior to the purchase of the real estate. Nothing herein contained shall be deemed to prohibit a credit union from taking title to real estate in connection with a default in the payment of a loan, provided that title to such real estate shall not be held by the credit union for more than two years without the prior written approval of the superintendent. A credit union also may lease space in any real estate it acquires in accordance with rules adopted by the superintendent.

(D)(1) As used in division (D) of this section:

(a) "School" means an elementary or secondary school.

(b) "Student" means a child enrolled in a school.

(c) "Student branch" means the designation provided to the credit union for the in-school services and financial education offered to students.

(2) A credit union, upon agreement with a school board, in the case of a public school, or the governing authority, in the case of a nonpublic school, and with the permission of the superintendent, may open and maintain a student branch.

(3) Notwithstanding any other provision of this section, any student enrolled in the school maintaining a student branch who is not otherwise qualified for membership in the credit union maintaining the student branch is qualified to be a member of that student branch.

(4) The student's membership in the student branch expires upon the student's graduation from secondary school.

(5) The student branch is for the express use of students and may not be used by faculty, staff, or lineal ancestors or ~~descendants~~ descendants of students.

(6) Faculty, staff, or lineal ancestors or ~~descendants~~ descendants of students are not eligible for membership in the credit union maintaining the student branch unless otherwise qualified by this section to be members.

(7) The superintendent may adopt rules appropriate to the formation and operation of student branches.

(E) A credit union may guarantee the signature of a member in connection with a transaction involving tangible or intangible property in which a member has or seeks to acquire an interest.

Sec. 1733.24. (A) A credit union is authorized to receive funds for deposit in share accounts, share draft accounts, and share certificates from its members, from other credit unions, and from an officer, employee, or

agent of the federal, state, or local governments, or political subdivisions of the state, in accordance with such terms, rates, and conditions as may be established by its board of directors, and for purposes of the ~~agricultural linked deposit program programs~~ created under sections ~~135.71 to 135.76 of the Revised Code, the business linked deposit program created under sections 135.77 to 135.774 of the Revised Code, and the adoption linked deposit program under sections 135.79 to 135.796~~ 135.61 to 135.66 of the Revised Code and sections 135.70 to 135.71 of the Revised Code.

(B) The shares and share accounts of the credit union may be of one or more classes, as designated by the board of directors, subject to approval of the superintendent of credit unions based on rules that shall assure equitable distribution of dividends among classes, considering costs and advantages of each class to the members of the credit union, including without limitation special services rendered, length of ownership, minimum investment, conditions of repurchase, and other appropriate standards or combinations thereof. In the event the articles of incorporation of the credit union indicate the authorized number of shares to be unlimited, the designation of classification of shares and share accounts of the credit union may be effected by the board of directors, subject to the approval of the superintendent, and does not require amendment of the articles of incorporation. All shares of the credit union shall have a par value per share as set by the board of directors. Redemptions and liquidating dividends shall be prorated to each member on the basis of the price paid the credit union for such share, irrespective of the class of such shares.

(C)(1) Each credit union shall have one class of shares designated as "membership share." The membership shares, or if a credit union has but one class of shares, then all of the shares of the credit union, shall have a par value as set by the board of directors.

(2) Two or more persons that are eligible for membership that have jointly subscribed for one or more shares under a joint account each may be admitted to membership.

(D) A credit union need not issue certificates for any or all of its classes of shares but irrespective of whether certificates are issued, a registry of shares must be kept, including all of the transactions of the credit union pertaining to such shares.

(E) A credit union is authorized to maintain share draft accounts in accordance with rules prescribed by the superintendent. The credit union may pay dividends on share draft accounts, may pay dividends at different rates on different types of share draft accounts, and may permit the owners of such share draft accounts to make withdrawals by negotiable or

transferable instruments or other orders for the purpose of making transfers to third parties.

(F) Unless otherwise provided by written agreement of the parties, the rights, responsibilities, and liabilities attaching to a share draft withdrawn from, transferred to, or otherwise handled by a credit union are defined in and governed by Chapters 1303. and 1304. of the Revised Code, as if the credit union were a bank.

(G) Unless otherwise provided in the articles or regulations, a member may designate any person or persons to own or hold shares, or share accounts with the member in joint tenancy with right of survivorship and not as tenants in common.

(H) Shares or share accounts may be issued in the name of a custodian under the Ohio transfers to minors act, a member in trust for a beneficiary, a fiduciary or custodian in trust for a member beneficiary, or a fiduciary or custodian in trust upon the death of a member. Redemption of such shares or payment of such share accounts to a member, to the extent of the payment, discharges the liability of the credit union to the member and the beneficiary, and the credit union shall be under no obligation to see to the application of the payment. Unless prior to the death of a member, the member has notified the credit union in writing in a form approved by the credit union of a different beneficiary to receive the proceeds of such shares or share accounts, then the proceeds shall be paid to the beneficiary or to the beneficiary's parent or legal representative. Any payment made pursuant to written instructions of the member or pursuant to the provisions herein contained shall be a valid and sufficient release and discharge of the credit union in connection with any such share or share accounts.

(I)(1) Except as otherwise provided in the articles or regulations, and subject to the provisions thereof, a minor may purchase shares, share accounts, or other depository instruments, and except for qualification as a voting member, the credit union may deal with the minor with respect to shares, share accounts, or other depository instruments owned by the minor as if the minor were a person of legal age.

(2) If shares, share accounts, or other depository instruments are issued in the name of a minor, redemption of any part or all of the shares or withdrawal of funds by payment to the minor of the shares or funds and any declared dividends or interest releases the credit union from all obligation to the minor as to the shares reduced or funds withdrawn.

(J) The regulations may require advance written notice of a member's intention to withdraw the member's shares. Such advance notice shall not exceed sixty days.

(K) Notwithstanding any provision of law to the contrary, funds deposited in a share account, share certificate, or in any other manner pursuant to a program offered by a credit union to promote consumer savings do not constitute valuable consideration for purposes of a scheme of chance under Chapter 2915. of the Revised Code.

Sec. 1735.03. No title guarantee and trust company shall do business until it has deposited with the ~~treasurer of state~~ superintendent of insurance fifty thousand dollars, in securities permitted by sections 3925.05, 3925.06, and 3925.08 of the Revised Code. The ~~treasurer of state~~ superintendent shall hold such securities deposited with ~~him~~ the treasurer of state as security for the faithful performance of all guarantees entered into and all trusts accepted by such company, but so long as it continues solvent ~~he~~ the treasurer of state shall permit it to collect the interest of, or dividends or distributions on, its securities so deposited, and to withdraw any of such securities on depositing with ~~him~~ the treasurer of state cash or other securities of the kind specified in this section so as to maintain the value of such deposit at fifty thousand dollars.

If such a company has made such deposits with the ~~treasurer of state~~ superintendent of insurance, it may request ~~him~~ the treasurer of state to return to it securities held by ~~him~~ the treasurer of state in such deposit in excess of the amount required, and ~~he~~ the treasurer of state shall then surrender such excess to the company, taking proper receipts therefor.

Sec. 2109.37. (A) Except as otherwise provided by law, including division (D) of this section, or by the instrument creating the trust, a fiduciary having funds belonging to a trust that are to be invested may invest them in the following:

- (1) Bonds or other obligations of the United States or of this state;
- (2) Bonds or other interest-bearing obligations of any county, municipal corporation, school district, or other legally constituted political taxing subdivision within the state, provided that the county, municipal corporation, school district, or other subdivision has not defaulted in the payment of the interest on any of its bonds or interest-bearing obligations, for more than one hundred twenty days during the ten years immediately preceding the investment by the fiduciary in the bonds or other obligations, and provided that the county, municipal corporation, school district, or other subdivision, is not, at the time of the investment, in default in the payment of principal or interest on any of its bonds or other interest-bearing obligations;
- (3) Bonds or other interest-bearing obligations of any other state of the United States which, within twenty years prior to the making of that

investment, has not defaulted for more than ninety days in the payment of principal or interest on any of its bonds or other interest-bearing obligations;

(4) Any bonds issued by or for federal land banks and any debentures issued by or for federal intermediate credit banks under the "Federal Farm Loan Act of 1916," 39 Stat. 360, 12 U.S.C.A. 641, as amended; or any debentures issued by or for banks for cooperatives under the "Farm Credit Act of 1933," 48 Stat. 257, 12 U.S.C.A. 131, as amended;

(5) Notes that are: (a) secured by a first mortgage on real property held in fee and located in the state, improved by a unit designed principally for residential use for not more than four families or by a combination of that dwelling unit and business property, the area designed or used for nonresidential purposes not to exceed fifty per cent of the total floor area; (b) secured by a first mortgage on real property held in fee and located in the state, improved with a building designed for residential use for more than four families or with a building used primarily for business purposes, if the unpaid principal of the notes secured by that mortgage does not exceed ten per cent of the value of the estate or trust or does not exceed five thousand dollars, whichever is greater; or (c) secured by a first mortgage on an improved farm held in fee and located in the state, provided that the mortgage requires that the buildings on the mortgaged property shall be well insured against loss by fire, and so kept, for the benefit of the mortgagee, until the debt is paid, and provided that the unpaid principal of the notes secured by the mortgage shall not exceed fifty per cent of the fair value of the mortgaged real property at the time the investment is made, and the notes shall be payable not more than five years after the date on which the investment in them is made; except that the unpaid principal of the notes may equal sixty per cent of the fair value of the mortgaged real property at the time the investment is made, and may be payable over a period of fifteen years following the date of the investment by the fiduciary if regular installment payments are required sufficient to amortize four per cent or more of the principal of the outstanding notes per annum and if the unpaid principal and interest become due and payable at the option of the holder upon any default in the payment of any installment of interest or principal upon the notes, or of taxes, assessments, or insurance premiums upon the mortgaged premises or upon the failure to cure any such default within any grace period provided in the notes not exceeding ninety days in duration;

(6) Life, endowment, or annuity contracts of legal reserve life insurance companies regulated by sections 3907.01 to 3907.21, 3909.01 to 3909.17, 3911.01 to 3911.24, 3913.01 to 3913.10, 3915.01 to 3915.15, and 3917.01 to 3917.05 of the Revised Code, and licensed by the superintendent of

insurance to transact business within the state, provided that the purchase of contracts authorized by this division shall be limited to executors or the successors to their powers when specifically authorized by will and to guardians and trustees, which contracts may be issued on the life of a ward, a beneficiary of a trust fund, or according to a will, or upon the life of a person in whom the ward or beneficiary has an insurable interest and the contracts shall be drawn by the insuring company so that the proceeds shall be the sole property of the person whose funds are so invested;

(7) Notes or bonds secured by mortgages and insured by the federal housing administrator or debentures issued by that administrator;

(8) Obligations issued by a federal home loan bank created under the "Federal Home Loan Bank Act of 1932," 47 Stat. 725, 12 U.S.C.A. 1421, as amended;

(9) Shares and certificates or other evidences of deposits issued by a federal savings and loan association organized and incorporated under the "Home Owners' Loan Act of 1933," 48 Stat. 128, 12 U.S.C.A. 1461, as amended, to the extent and only to the extent that those shares or certificates or other evidences of deposits are insured pursuant to the "Financial Institutions Reform, Recovery, and Enforcement Act of 1989," 103 Stat. 183, 12 U.S.C.A. 1811, as amended;

(10) Bonds issued by the home owners' loan corporation created under the "Home Owners' Act of 1933," 48 Stat. 128, 12 U.S.C.A. 1461, as amended;

(11) Obligations issued by the national mortgage association created under the "National Housing Act," 48 Stat. 1246 (1934), 12 U.S.C.A. 1701, as amended;

(12) Shares and certificates or other evidences of deposits issued by a domestic savings and loan association organized under the laws of the state, which association has obtained insurance of accounts pursuant to the "Financial Institutions Reform, Recovery, and Enforcement Act of 1989," 103 Stat. 183, 12 U.S.C.A. 1811, as amended, or as may be otherwise provided by law, only to the extent that the evidences of deposits are insured under that act, as amended;

(13) Shares and certificates or other evidences of deposits issued by a domestic savings and loan association organized under the laws of the state, provided that no fiduciary may invest the deposits except with the approval of the probate court, and then in an amount not to exceed the amount that the fiduciary is permitted to invest under division (A)(12) of this section;

(14) In savings accounts in, or certificates or other evidences of deposits issued by, a national bank located in the state or a state bank located in and

organized under the laws of the state or a state credit union located and organized under the laws of the state or a federal credit union located in the state by depositing the funds in the bank or credit union, and the national or state bank or the federal or state credit union when itself acting in a fiduciary capacity may deposit the funds in savings accounts in, or certificates or other evidences of deposits issued by, its own savings department or any bank subsidiary corporation owned or controlled by the bank holding company that owns or controls the national or state bank; provided that no deposit shall be made by any fiduciary, individual or corporate, unless the deposits of the depository bank are insured by the federal deposit insurance corporation created under the "Federal Deposit Insurance Corporation Act of 1933," 48 Stat. 162, 12 U.S.C. 264, as amended, or provided that no deposit shall be made by any fiduciary, individual or corporate, unless the deposits of the depository credit union are insured by the national credit union administration created under the "Federal Credit Union Act of 1934," 48 Stat. 1216, 12 U.S.C. 1751, as amended, or the deposits of the depository credit union are insured by a share guaranty corporation as defined in Chapter 1761. of the Revised Code, and provided that the deposit of the funds of any one trust in those savings accounts in, or certificates or other evidences of deposits issued by, any one bank or credit union shall not exceed the sum insured under those acts, as amended, or under Chapter 1761. of the Revised Code;

(15) Obligations consisting of notes, bonds, debentures, or equipment trust certificates issued under an indenture that are the direct obligations, or in the case of equipment trust certificates are secured by direct obligations, of a railroad or industrial corporation, or a corporation engaged directly and primarily in the production, transportation, distribution, or sale of electricity or gas, or the operation of telephone or telegraph systems or waterworks, or in some combination of them; provided that the obligor corporation is one that is incorporated under the laws of the United States, any state, the District of Columbia, or foreign government, and the obligations are rated at the time of purchase in the highest or next highest classification established by at least two ~~standard~~ statistical rating ~~services~~ organizations selected from a list of the ~~standard~~ statistical rating ~~services~~ organizations that shall be prescribed by the superintendent of financial institutions; provided that every such list shall be certified by the superintendent to the clerk of each probate court in the state, and shall continue in effect until a different list is prescribed and certified as provided in this division;

(16) Obligations issued, assumed, or guaranteed by the international finance corporation or by the international bank for reconstruction and

development, the Asian development bank, the inter-American development bank, the African development bank, or other similar development bank in which the president, as authorized by congress and on behalf of the United States, has accepted membership, provided that the obligations are rated at the time of purchase in the highest or next highest classification established by at least one ~~standard statistical~~ rating service organization selected from a list of ~~standard statistical~~ rating services organizations that shall be prescribed by the superintendent of financial institutions;

(17) Securities of any investment company, as defined in and registered under sections 3 and 8 of the "Investment Company Act of 1940," 54 Stat. 789, 15 U.S.C.A. 80a-3 and 80a-8, that are invested exclusively in forms of investment or in instruments that are fully collateralized by forms of investment in which the fiduciary is permitted to invest pursuant to divisions (A)(1) to (16) of this section, provided that, in addition to those forms of investment, the investment company may, for the purpose of reducing risk of loss or of stabilizing investment returns, engage in hedging transactions.

(B) No administrator or executor may invest funds belonging to an estate in any asset other than a direct obligation of the United States that has a maturity date not exceeding one year from the date of investment, or other than in a short-term investment fund that is invested exclusively in obligations of the United States or of its agencies, or primarily in those obligations and otherwise only in variable demand notes, corporate money market instruments including, but not limited to, commercial paper, or fully collateralized repurchase agreements or other evidences of indebtedness that are payable on demand or generally have a maturity date not exceeding ninety-one days from the date of investment, except with the approval of the probate court or with the permission of the instruments creating the trust.

(C)(1) In addition to the investments allowed by this section, a guardian or trustee, with the approval of the court, may invest funds belonging to the trust in productive real property located within the state, provided that neither the guardian nor the trustee nor any member of the family of either has any interest in the real property or in the proceeds of the purchase price. The title to any real property so purchased by a guardian shall be taken in the name of the ward.

(2) Notwithstanding the provisions of division (C)(1) of this section, the court may permit the funds to be used to purchase or acquire a home for the ward or an interest in a home for the ward in which a member of the ward's family may have an interest. After the filing of the petition by a guardian or a conservator for authority to purchase or acquire a home for the ward or an interest in a home for the ward in which a member of the ward's family may

have an interest, the matter shall be set for a hearing before the probate court.

(D) If the fiduciary is a trustee appointed by and accountable to the probate court, the fiduciary shall invest the trust's assets pursuant to the requirements and standards set forth in the Ohio Uniform Prudent Investor Act.

Sec. 2109.372. (A) As used in this section:

(1) "Short term trust-quality investment fund" means a short term investment fund that meets both of the following conditions:

(a) The fund may be either a collective investment fund established in accordance with section 1111.14 of the Revised Code or a registered investment company, including any affiliated investment company whether or not the fiduciary has invested other funds held by it in an agency or other nonfiduciary capacity in the securities of the same registered investment company or affiliated investment company.

(b) The fund is invested in any one or more of the following manners:

(i) In obligations of the United States or of its agencies;

(ii) In obligations of one or more of the states of the United States or their political subdivisions;

(iii) In obligations of foreign governments or states;

(iv) In variable demand notes, corporate money market instruments including, but not limited to, commercial paper rated at the time of purchase in either of the two highest classifications established by at least one nationally recognized ~~standard~~ statistical rating ~~service~~ organization;

(v) Deposits in banks, savings banks, or savings and loan associations, whose deposits are insured by the federal deposit insurance corporation, or in credit unions insured by the national credit union administration or by a credit union share guaranty corporation established under Chapter 1761. of the Revised Code, if the rate of interest paid on those deposits is at least equal to the rate of interest generally paid by those banks, savings banks, savings and loan associations, or credit unions on deposits of similar terms or amounts;

(vi) In fully collateralized repurchase agreements or other evidences of indebtedness that are of trust quality and are payable on demand or have a maturity date consistent with the purpose of the fund and the duty of fiduciary prudence.

(2) "Registered investment company" means any investment company that is defined in and registered under sections 3 and 8 of the "Investment Company Act of 1940," 54 Stat. 789, 15 U.S.C.A. 80a-3 and 80a-8.

(3) "Affiliated investment company" has the same meaning as in

division (E)(1) of section 1111.13 of the Revised Code.

(B) A fiduciary is not required to invest cash that belongs to the trust and may hold that cash for the period prior to distribution if either of the following applies:

(1) The fiduciary reasonably expects to do either of the following:

(a) Distribute the cash to beneficiaries of the trust on a quarterly or more frequent basis;

(b) Use the cash for the payment of debts, taxes, or expenses of administration within the ninety-day period following the receipt of the cash by the fiduciary.

(2) Determined on the basis of the facilities available to the fiduciary and the amount of the income that reasonably could be earned by the investment of the cash, the amount of the cash does not justify the administrative burden or expense associated with its investment.

(C) If a fiduciary wishes to hold funds that belong to the trust in liquid form and division (B) of this section does not apply, the fiduciary may so hold the funds as long as they are temporarily invested as described in division (D) of this section.

(D)(1) A fiduciary may make a temporary investment of cash that the fiduciary may hold uninvested in accordance with division (B) of this section, and shall make a temporary investment of funds held in liquid form pursuant to division (C) of this section, in any of the following investments, unless the governing instrument provides for other investments in which the temporary investment of cash or funds is permitted:

(a) A short term trust-quality investment fund;

(b) Direct obligations of the United States or of its agencies;

(c) A deposit with a bank, savings bank, savings and loan association, or credit union, including a deposit with the fiduciary itself or any bank subsidiary corporation owned or controlled by the bank holding company that owns or controls the fiduciary, whose deposits are insured by the federal deposit insurance corporation, if the rate of interest paid on that deposit is at least equal to the rate of interest generally paid by that bank, savings bank, savings and loan association, or credit union on deposits of similar terms or amounts.

(2) A fiduciary that makes a temporary investment of cash or funds pursuant to division (D)(1) of this section may charge a reasonable fee for the services associated with that investment. The fee shall be in addition to the compensation to which the fiduciary is entitled for ordinary fiduciary services.

(3) Fiduciaries that make one or more temporary investments of cash or

funds pursuant to division (D)(1) of this section shall provide to the beneficiaries of the trusts involved, that are currently receiving income or have a right to receive income, a written disclosure of their temporary investment practices and, if applicable, the method of computing reasonable fees for their temporary investment services pursuant to division (D)(2) of this section. Fiduciaries may comply with this requirement in any appropriate written document, including, but not limited to, any periodic statement or account.

(4) A fiduciary that makes a temporary investment of cash or funds in an affiliated investment company pursuant to division (D)(1)(a) of this section shall, when providing any periodic account statements of its temporary investment practices, report the net asset value of the shares comprising the investment in the affiliated investment company.

(5) If a fiduciary that makes a temporary investment of cash or funds in an affiliated investment company pursuant to division (D)(1)(a) of this section invests in any mutual fund, the fiduciary shall provide to the beneficiaries of the trust involved, that are currently receiving income or have a right to receive income, a written disclosure, in at least ten-point boldface type, that the mutual fund is not insured or guaranteed by the federal deposit insurance corporation or by any other government agency or government-sponsored agency of the federal government or of this state.

Sec. 2109.44. (A) Fiduciaries shall not buy from or sell to themselves and shall not have in their individual capacities any dealings with the estate, except as expressly authorized by the instrument creating the trust and then only with the approval of the probate court in each instance. No corporate fiduciary, as defined in section 1101.01 of the Revised Code, that is not subject to examination or regulatory oversight by the superintendent of financial institutions; or the comptroller of the currency, ~~or the office of thrift supervision~~ shall be permitted to deal with the estate, any power in the instrument creating the trust to the contrary notwithstanding. This section does not prohibit a fiduciary from making an advancement if the advancement has been expressly authorized by the instrument creating the trust or if the probate court approves or from engaging in any act authorized by this chapter.

(B) The fiduciary may petition the court for authority to purchase property of the estate if all of the following requirements are met:

(1) Written consent to the purchase is signed by the following:

(a) Each known heir whose interest in the estate would be affected by the proposed purchase;

(b) Each known devisee whose interest in the estate would be affected

by the proposed purchase.

(2) The written consents are filed with the court.

(3) The purchase is shown to be to the advantage of the estate.

(C) The court shall deliver notice of the hearing on the petition to the heirs, devisees, or legatees of the estate or any interested person.

Sec. 3314.50. No community school shall initiate operation, ~~on or after the effective date of this amendment,~~ unless the governing authority of the school has posted a bond in the amount of fifty thousand dollars with the auditor of state. The bond or cash guarantee shall be used, in the event the school closes, to pay the auditor of state any moneys owed or that become owed by the school for the costs of audits conducted by the auditor of state or a public accountant under Chapter 117. of the Revised Code.

The department of education shall notify the auditor of state of the proposed initiation of operations of any community school and shall provide the auditor of state with the certification of the sponsor of the community school of the compliance by the community school with all legal preconditions to the initiation of its operations, including compliance with this section.

In lieu of the bond, the ~~governing authority of the school,~~ the school's sponsor, or an operator that has a contract with the school may ~~deposit with the auditor of state cash in the amount of fifty thousand dollars as guarantee of payment under the provisions of this section. In lieu of a bond or a cash deposit, the school's sponsor or an operator that has a contract with the school may~~ provide a written guarantee of payment, which shall obligate the school's sponsor or the operator that provides the written guarantee to pay the cost of audits of the school under this section up to the amount of fifty thousand dollars. Any such written guarantee shall be binding upon any successor entity that enters into a contract to sponsor or to operate the school, and any such entity, as a condition of its undertaking shall acknowledge and accept such obligation.

In the event that a sponsor or operator has provided a written guarantee under this section, and, subsequent to the provision of the guarantee, the governing authority of the school posts a bond under this section, ~~or the governing authority of the school, a sponsor, or an operator provides a cash deposit of fifty thousand dollars as required,~~ the written guarantee shall cease to be of further effect.

~~As soon as it is practicable to do so after the filing of a bond or the deposit of cash, the auditor of state shall deliver the bond or cash to the treasurer of state, who shall hold it in trust for the purposes prescribed in this section. The treasurer of state shall be responsible for the safekeeping of all~~

~~bonds filed or cash deposited under this section.~~ The auditor of state shall notify the department of education when the school's governing authority has filed the bond, ~~deposited the cash guarantee,~~ or submitted a written guarantee of payment.

When the auditor of state conducts an audit of a community school that has closed and is subject to the requirements of this section, the auditor of state shall certify the amount of forfeiture to the ~~treasurer of state~~ attorney general, who shall assess the bond for the costs of the audit ~~or shall pay money from the named insurer or from the school's cash deposit for the costs of the audit~~ to reimburse the auditor of state or public accountant for costs incurred in conducting audits of the school.

To the extent that the amount of the bond ~~or the cash deposit~~ is not needed to cover audit costs, the bond shall be of no further effect; ~~and any cash balance shall be refunded by the treasurer of state to the entity which provided the bond.~~ When the auditor of state conducts an audit of a community school that has closed and is subject to the requirements of this section, and, as to which, a written guarantee has been given under this section, the entity that provided the guarantee shall be solely and fully liable for any such audit costs, and shall promptly pay the costs of the audit up to fifty thousand dollars.

No community school that is subject to the provisions of this section shall maintain or continue its operations absent the ongoing provision of a bond, ~~a cash deposit,~~ or a written guarantee as required by this section.

Sec. 3366.05. The issuing authority, as an eligible not-for-profit holder of federal education loans, may act as an eligible not-for-profit servicer of certain student loans owned by the federal government under Section 2212 of the "Health Care and Education Reconciliation Act of 2010," Pub. L. No. 111-152. The issuing authority is authorized to take such actions and to enter into such contracts and to execute all instruments necessary or appropriate to act as an eligible not-for-profit servicer. Notwithstanding division (C) of section 3366.03 and division (B) of section 3366.04 of the Revised Code, revenues received by the issuing authority under this section shall be deposited in an account in the custody of the treasurer of state that is not part of the state treasury and shall be used to pay administrative costs incurred by the issuing authority. Unexpended amounts shall be deposited in the state treasury and credited, as determined by the treasurer of state, to the treasurer of state's administrative fund created under section 113.20 of the Revised Code or the treasurer's information technology reserve fund created under section 113.22 of the Revised Code.

Sec. 3737.945. Moneys in the funds of the petroleum underground

storage tank release compensation board, except as otherwise provided in any resolution authorizing the issuance of its revenue bonds or in any trust agreement securing the same, in excess of current needs, may be invested by the board in notes, bonds, or other obligations of the United States, or of any agency or instrumentality thereof, or in obligations of this state or any political subdivision thereof, or the treasurer of state's investment pool authorized under section 135.45 of the Revised Code. Income from all such investments of moneys in any fund shall be credited to such funds as the board determines, subject to the provisions of any resolution or trust agreement, and the investments may be sold as the board determines.

Sec. 3903.73. All securities deposited with the superintendent of insurance shall be ~~deposited by him with the treasurer of state, and the treasurer of state shall not deliver such securities or coupons attached thereto, except upon the written order of~~ held by the superintendent for the purpose intended. No security shall be accepted for deposit by the superintendent unless it is of par value and market value of one thousand dollars or more.

Sec. 3905.32. For each initial license issued under section 3905.30 of the Revised Code and renewal of that license, the superintendent of insurance shall collect one hundred dollars. ~~The renewal fee shall be paid to the treasurer of state.~~

Sec. 3916.01. As used in this chapter:

(A) "Advertising" means any written, electronic, or printed communication or any communication by means of recorded telephone messages or transmitted on radio, television, the internet, or similar communications media, including, but not limited to, film strips, motion pictures, and videos, that is published, disseminated, circulated, or placed directly or indirectly before the public in this state for the purpose of creating an interest in or inducing a person to purchase or sell, assign, devise, bequest, or transfer the death benefit or ownership of a policy pursuant to a viatical settlement contract.

(B) "Business of viatical settlements" means an activity involved, but not limited to, in the offering, solicitation, negotiation, procurement, effectuation, purchasing, investing, financing, monitoring, tracking, underwriting, selling, transferring, assigning, pledging, or hypothecating or in any other manner acquiring an interest in a policy by means of viatical settlement contracts.

(C) "Chronically ill" means having been certified within the preceding twelve-month period by a licensed health professional as:

(1) Being unable to perform, without substantial assistance from another

individual, at least two activities of daily living, including, but not limited to, eating, toileting, transferring, bathing, dressing, or continence for at least ninety days due to a loss of functional capacity; or

(2) Requiring substantial supervision to protect the individual from threats to health and safety due to severe cognitive impairment; or

(3) Having a level of disability similar to that described in division (C)(1) of this section, as determined under regulations prescribed by the United States secretary of the treasury in consultation with the United States secretary of health and human services.

(D) "Escrow agent" means an independent third-party person who, pursuant to a written agreement signed by the viatical settlement provider and viator, provides escrow services related to the acquisition of a policy pursuant to a viatical settlement contract. "Escrow agent" does not include any person associated with, affiliated with, or under the control of a person licensed under this chapter or described in division (C) of section 3916.02 of the Revised Code.

(E)(1) "Financing entity" means an underwriter, placement agent, lender, purchaser of securities, purchaser of a policy from a viatical settlement provider, credit enhancer, or any other person that has a direct ownership interest in a policy that is the subject of a viatical settlement contract and to which both of the following apply:

(a) Its principal activity related to the transaction is providing funds to effect the business of viatical settlements or the purchase of one or more viaticated policies.

(b) It has an agreement in writing with one or more licensed viatical settlement providers to finance the acquisition of viatical settlement contracts.

(2) "Financing entity" does not include a non-accredited investor or viatical settlement purchaser.

(F) "Recklessly" has the same meaning as in section 2901.22 of the Revised Code.

(G) "Defraud" has the same meaning as in section 2913.01 of the Revised Code.

(H) "Life expectancy" means an opinion or evaluation as to how long a particular person is going to live.

(I) Notwithstanding section 1.59 of the Revised Code, "person" means a natural person or a legal entity, including, but not limited to, an individual, partnership, limited liability company, limited liability partnership, association, trust, business trust, or corporation.

(J) "Policy" means an individual or group policy, group certificate, or

other contract or arrangement of life insurance affecting the rights of a resident of this state or bearing a reasonable relation to this state, regardless of whether delivered or issued for delivery in this state.

(K) "Related provider trust" means a titling trust or any other trust established by a licensed viatical settlement provider or a financing entity for the sole purpose of holding ownership or beneficial interest in purchased policies in connection with a financing transaction, provided that the trust has a written agreement with the licensed viatical settlement provider under which the licensed viatical settlement provider is responsible for ensuring compliance with all statutory and regulatory requirements and under which the trust agrees to make all records and files related to viatical settlement transactions available to the superintendent of insurance as if those records and files were maintained directly by the licensed viatical settlement provider.

(L) "Special purpose entity" means a corporation, partnership, trust, limited liability company or other similar entity formed solely for one of the following purposes:

(i) To provide access, either directly or indirectly, to institutional capital markets for a financing entity or licensed viatical settlement provider;

(ii) In connection with a transaction in which the securities in the special purpose entity are acquired by qualified institutional buyers.

(M) "Terminally ill" means certified by a physician as having an illness or physical condition that can reasonably be expected to result in death in twenty-four months or less.

(N) "Viatical settlement broker" means a person that, on behalf of a viator and for a fee, commission, or other valuable consideration, offers or attempts to negotiate viatical settlements between a viator and one or more viatical settlement providers or viatical settlement brokers. "Viatical settlement broker" does not include an attorney, a certified public accountant, or a financial planner accredited by a nationally recognized accreditation agency, who is retained to represent the viator, whose compensation is not paid directly or indirectly by the viatical settlement provider or purchaser.

(O)(1) "Viatical settlement contract" means any of the following:

(a) A written agreement between a viator and a viatical settlement provider that establishes the terms under which compensation or anything of value, that is less than the expected death benefit of the policy is or will be paid in return for the viator's present or future assignment, transfer, sale, release, devise, or bequest of the death benefit or ownership of any portion of the policy or any beneficial interest in the policy or its ownership;

(b) The transfer or acquisition for compensation or anything of value for ownership or beneficial interest in a trust or an interest in another person that owns such a policy if the trust or other person was formed or availed of for the principal purpose of acquiring one or more life insurance policies;

(c) A premium finance loan made for a policy by a lender to a viator on, before, or after the date of issuance of the policy in either of the following situations:

(i) The viator or the insured receives a guarantee of the viatical settlement value of the policy.

(ii) The viator or the insured agrees on, before, or after the issuance of the policy to sell the policy or any portion of the policy's death benefit.

(2) "Viatical settlement contracts" include but are not limited to contracts that are commonly termed "life settlement contracts" and "senior settlement contracts."

(3) "Viatical settlement contract" does not include any of the following unless part of a plan, scheme, device, or artifice to avoid the application of this chapter:

(a) A policy loan or accelerated death benefit made by the insurer pursuant to the policy's terms whether issued with the original policy or a rider;

(b) Loan proceeds that are used solely to pay premiums for the policy and the costs of the loan including interest, arrangement fees, utilization fees and similar fees, closing costs, legal fees and expenses, trustee fees and expenses, and third-party collateral provider fees and expenses, including fees payable to letter of credit issuers;

(c) A loan made by a regulated financial institution in which the lender takes an interest in a policy solely to secure repayment of a loan or, if there is a default on the loan and the policy is transferred, the transfer of such a policy by the lender, provided that neither the default itself nor the transfer is pursuant to an agreement or understanding with any other person for the purpose of evading regulation under this chapter;

(d) A premium finance loan made by a lender that does not violate sections 1321.71 to 1321.83 of the Revised Code, if the premium finance loan is not described in division (O)(1)(c) of this section;

(e) An agreement where all parties are closely related to the insured by blood or law or have a lawful substantial economic interest in the continued life, health, and bodily safety of the person insured, or are persons or trusts established primarily for the benefit of such parties;

(f) Any designation, consent, or agreement by an insured who is an employee of an employer in connection with the purchase by the employer,

or trust established by the employer, of life insurance on the life of the employee as described in section 3911.091 of the Revised Code;

(g) Any business succession planning arrangement including, but not limited to all of the following if the arrangements are bona fide arrangements:

(i) An arrangement between one or more shareholders in a corporation or between a corporation and one or more of its shareholders or one or more persons or trusts established by its shareholders;

(ii) An arrangement between one or more partners in a partnership or between a partnership and one or more of its partners or one or more trusts established by its partners;

(iii) An arrangement between one or more members in a limited liability company or between a limited liability company and one or more of its members or one or more trusts established by its members.

(h) An agreement entered into by a service recipient, a trust established by the service recipient and a service provider, or a trust established by the service provider who performs significant services for the service recipient's trade or business;

(i) An arrangement or agreement with a special purpose entity;

(j) Any other contract, transaction, or arrangement exempted from the definition of viatical settlement contract by rule adopted by the superintendent based on the superintendent's determination that the contract, transaction, or arrangement is not of the type regulated by this chapter.

(P)(1) "Viatical settlement provider" means a person, other than a viator, that enters into or effectuates a viatical settlement contract.

(2) "Viatical settlement provider" does not include any of the following:

(a) A bank, savings bank, savings and loan association, credit union, or other regulated financial institution that takes an assignment of a policy solely as a collateral for a loan;

(b) A premium finance company exempted under section 1321.72 of the Revised Code from the licensure requirements of section 3921.73 of the Revised Code that takes an assignment of a policy solely as collateral for a premium finance loan;

(c) The issuer of a policy;

(d) An individual who enters into or effectuates not more than one viatical settlement contract in any calendar year for the transfer of life insurance policies for any value less than the expected death benefit;

(e) An authorized or eligible insurer that provides stop loss coverage or financial guarantee insurance to a viatical settlement provider, purchaser, financing entity, special purpose entity, or related provider trust;

- (f) A financing entity;
- (g) A special purpose entity;
- (h) A related provider trust;
- (i) A viatical settlement purchaser;
- (j) Any other person the superintendent determines is not consistent with the definition of viatical settlement provider.

(Q) "Viaticated policy" means a policy that has been acquired by a viatical settlement provider pursuant to a viatical settlement contract.

(R) "Viator" means the owner of a policy or a certificate holder under a group policy that has not previously been viaticated who, in return for compensation or anything of value that is less than the expected death benefit of the policy or certificate, assigns, transfers, sells, releases, devises, or bequests the death benefit or ownership of any portion of the policy or certificate of insurance. For the purposes of this chapter, a "viator" is not limited to an owner of a policy or a certificate holder under a group policy insuring the life of an individual who is terminally or chronically ill except where specifically addressed. "Viator" does not include any of the following:

- (1) A licensee under this chapter;
- (2) A qualified institutional buyer;
- (3) A financing entity;
- (4) A special purpose entity;
- (5) A related provider trust.

(S) "Viatical settlement purchaser" means a person who provides a sum of money as consideration for a policy or an interest in the death benefits of a policy from a viatical settlement provider that is the subject of a viatical settlement contract, or a person who owns, acquires, or is entitled to a beneficial interest in a trust or person that owns a viatical settlement contract or is the beneficiary of a policy that is the subject of a viatical settlement contract, for the purpose of deriving an economic benefit. "Viatical settlement purchaser" does not include any of the following:

- (1) A licensee under this chapter;
- (2) A qualified institutional buyer;
- (3) A financing entity;
- (4) A special purpose entity;
- (5) A related provider trust.

(T) "Qualified institutional buyer" has the same meaning as in 17 C.F.R. 230.144A as that regulation exists on ~~the effective date of this amendment~~ September 11, 2008.

(U) "Licensee" means a person licensed as a viatical settlement provider

or viatical settlement broker under this chapter.

(V) "NAIC" means the national association of insurance commissioners.

(X) "Regulated financial institution" means a bank, a savings association, or credit union operating under authority granted by the superintendent of financial institutions, the regulatory authority of any other state of the United States, ~~the office of thrift supervision,~~ the national credit union administration, or the office of the comptroller of the currency.

(W)(1) "Stranger-originated life insurance," or "STOLI," means a practice, arrangement, or agreement initiated at or prior to the issuance of a policy that includes both of the following:

(a) The purchase or acquisition of a policy primarily benefiting one or more persons who, at the time of issuance of the policy, lack insurable interest in the person insured under the policy;

(b) The transfer at any time of the legal or beneficial ownership of the policy or benefits of the policy or both, in whole or in part, including through an assumption or forgiveness of a loan to fund premiums.

(2) "Stranger-originated life insurance" also includes trusts or other persons that are created to give the appearance of insurable interest and are used to initiate one or more policies for investors but violate insurable interest laws and the prohibition against wagering on life.

(3) "Stranger-originated life insurance" does not include viatical settlement transactions specifically described in division (O)(3) of this section.

Sec. 3925.26. When a company organized under section 3925.25 of the Revised Code desires to do business in another state, by the laws of which, to qualify it therefor, it must make a deposit of securities assigned in trust for the benefit of its policyholders with an officer of this state, ~~the treasurer of state~~ superintendent of insurance shall receive such deposit and issue therefor to the company ~~his~~ a receipt, giving a pertinent description of the securities and a certificate of their market value. ~~The treasurer of state shall issue a like certificate to the superintendent of insurance, who shall place it on file in his office.~~ Such company may exchange these securities for other like securities, in whole or in part, as far as its business requires, and it may wholly withdraw them if it discontinues business in such other state. ~~Such changes or withdrawals of securities shall at once be certified by the treasurer of state to the superintendent.~~

Sec. 4141.241. (A)(1) Any nonprofit organization described in division (X) of section 4141.01 of the Revised Code, which becomes subject to this chapter on or after January 1, 1972, shall pay contributions under section 4141.25 of the Revised Code, unless it elects, in accordance with this

division, to pay to the director of job and family services for deposit in the unemployment compensation fund an amount in lieu of contributions equal to the amount of regular benefits plus one half of extended benefits paid from that fund that is attributable to service in the employ of the nonprofit organization to individuals whose service, during the base period of the claims, was within the effective period of such election.

(2) Any nonprofit organization which becomes subject to this chapter after January 1, 1972, may elect to become liable for payments in lieu of contributions for a period of not less than the remainder of that calendar year and the next calendar year, beginning with the date on which such subjectivity begins, by filing a written notice of its election with the director not later than thirty days immediately following the date of the determination of such subjectivity.

(3) Any nonprofit organization which makes an election in accordance with this division will continue to be liable for payments in lieu of contributions for the period described in this division and until it files with the director a written notice terminating its election. The notice shall be filed not later than thirty days prior to the beginning of the calendar year for which the termination is to become effective.

(4) Any nonprofit organization which has been paying contributions for a period subsequent to January 1, 1972, may change to a reimbursable basis by filing with the director, not later than thirty days prior to the beginning of any calendar year, a written notice of election to become liable for payments in lieu of contributions. The election shall not be terminable by the organization during that calendar year and the next calendar year.

(5) The director, in accordance with any rules the director prescribes, shall notify each nonprofit organization of any determination which the director may make of its status as an employer and of the effective date of any election which it makes and of any termination of the election. Any determinations shall be subject to reconsideration, appeal, and review in accordance with section 4141.26 of the Revised Code.

(B) Except as provided in division (I) of section 4141.29 of the Revised Code, benefits based on service with a nonprofit organization granted a reimbursing status under this section shall be payable in the same amount, on the same terms, and subject to the same conditions, as benefits payable on the basis of other service subject to this chapter. Payments in lieu of contributions shall be made in accordance with this division and division (D) of section 4141.24 of the Revised Code.

(1)(a) At the end of each calendar quarter, or at the end of any other period as determined by the director under division (D)(4) of section

4141.24 of the Revised Code, the director shall bill each nonprofit organization or group of such organizations which has elected to make payments in lieu of contributions for an amount equal to the full amount of regular benefits plus one half of the amount of extended benefits paid during such quarter or other prescribed period which is attributable to service in the employ of such organization.

(b) In the computation of the amount of benefits to be charged to employers liable for payments in lieu of contributions, all benefits attributable to service described in division (B)(1)(a) of this section shall be computed and charged to such organization as described in division (D) of section 4141.24 of the Revised Code, and, except as provided in division (D)(2) of section 4141.24 of the Revised Code, no portion of the amount may be charged to the mutualized account established by division (B) of section 4141.25 of the Revised Code.

(c) The director may prescribe regulations under which organizations, which have elected to make payments in lieu of contributions, may request permission to make such payments in equal installments throughout the year with an adjustment at the end of the year for any excess or shortage of the amount of such installment payments compared with the total amount of benefits actually charged the organization's account during the year. In making any adjustment, where the total installment payments are less than the actual benefits charged, the organization shall be liable for payment of the unpaid balance in accordance with division (B)(2) of this section. If the total installment payments exceed the actual benefits charged, all or part of the excess may, at the discretion of the director, be refunded or retained in the fund as part of the payments which may be required in the next year.

(2) Payment of any bill rendered under division (B)(1) of this section shall be made not later than thirty days after the bill was mailed to the last known address of the organization or was otherwise delivered to it, unless there has been an application for review and redetermination in accordance with division (B)(4) of this section.

(3) Payments made by an organization under this section shall not be deducted or deductible, in whole or in part, from the remuneration of individuals in the employ of the organization.

(4) An organization may file an application for review and redetermination of the amounts appearing on any bill rendered to such organization under division (B)(1) of this section. The application shall be filed and determined under division (D)(4) of section 4141.24 of the Revised Code.

(5) Past-due payments of amounts in lieu of contributions shall be

subject to the same interest rates and collection procedures that apply to past-due contributions under sections 4141.23 and ~~414.27~~ 4141.27 of the Revised Code. In case of failure to file a required quarterly report within the time prescribed by the director, the nonprofit organization shall be subject to a forfeiture pursuant to section 4141.20 of the Revised Code for each quarterly report that is not timely filed.

All interest and forfeitures collected under this division shall be paid into the unemployment compensation special administrative fund as provided in section 4141.11 of the Revised Code.

(6) All payments in lieu of contributions collected under this section shall be paid into the unemployment compensation fund as provided in section 4141.09 of the Revised Code. Any refunds of such payments shall be paid from the unemployment compensation fund, as provided in section 4141.09 of the Revised Code.

(C)(1) Any nonprofit organization, or group of such organizations approved under division (D) of this section, that elects to become liable for payments in lieu of contributions shall be required within thirty days after the effective date of its election, to execute and file with the director a surety bond approved by the director ~~or it may elect instead to deposit with the director approved municipal or other bonds, or approved securities, or a combination thereof, or other forms of collateral security approved by the director.~~

(2)(a) The amount of the bond ~~or deposit~~ required shall be equal to three per cent of the organization's wages paid for employment as defined in section 4141.01 of the Revised Code that would have been taxable had the organization been a subject employer during the four calendar quarters immediately preceding the effective date of the election, or the amount established by the director within the limitation provided in division ~~(C)(2)(d)~~ (C)(2)(c) of this section, whichever is the less. The effective date of the amount of the bond ~~or other collateral security~~ required after the employer initially is determined by the director to be liable for payments in lieu of contributions shall be the renewal date ~~in the case of a the bond or the biennial anniversary of the effective date of election in the case of deposit of securities or other forms of collateral security approved by the director, whichever date shall be most recent and applicable.~~ If the nonprofit organization did not pay wages in each of such four calendar quarters, the amount of the bond or deposit shall be as determined by the director under regulations prescribed for this purpose.

(b) Any bond ~~or other form of collateral security approved by the director~~ deposited under this division shall be in force for a period of not

less than two calendar years and shall be renewed with the approval of the director, at such times as the director may prescribe, but not less frequently than at two-year intervals as long as the organization continues to be liable for payments in lieu of contributions. The director shall require adjustments to be made in a previously filed bond ~~or other form of collateral security~~ as the director considers appropriate. If the bond ~~or other form of collateral security~~ is to be increased, the adjusted bond ~~or collateral security~~ shall be filed by the organization within thirty days of the date that notice of the required adjustment was mailed or otherwise delivered to it. Failure by any organization covered by such bond ~~or collateral security~~ to pay the full amount of payments in lieu of contributions when due, together with any applicable interest provided for in division (B)(5) of this section, shall render the surety liable on the bond ~~or collateral security~~ to the extent of the bond ~~or collateral security~~, as though the surety was the organization.

~~(c) Any securities accepted in lieu of surety bond by the director shall be deposited with the treasurer of state who shall have custody thereof and retain the same in the treasurer of state's possession, or release them, according to conditions prescribed by regulations of the director. Income from the securities, held in custody by the treasurer of state, shall accrue to the benefit of the depositor and shall be distributed to the depositor in the absence of any notification from the director that the depositor is in default on any payment owed to the director. The director may require the sale of any such bonds to the extent necessary to satisfy any unpaid payments in lieu of contributions, together with any applicable interest or forfeitures provided for in division (B)(5) of this section. The director shall require the employer within thirty days following any sale of deposited securities, under this subdivision, to deposit additional securities, surety bond, or combination of both, to make whole the employer's security deposit at the approved level. Any cash remaining from the sale of such securities may, at the discretion of the director, be refunded in whole or in part, or be paid into the unemployment compensation fund to cover future payments required of the organization.~~

~~(d) The required bond or deposit for any nonprofit organization, or group of such organizations approved by the director under division (D) of this section, that is determined by the director to be liable for payments in lieu of contributions effective beginning on and after January 1, 1996, but prior to January 1, 1998, and the required bond or deposit for any renewed elections under division (C)(2)(b) of this section effective during that period shall not exceed one million two hundred fifty thousand dollars. The required bond or deposit for any nonprofit organization, or group of such~~

~~organizations approved by the director under division (D) of this section, that is determined to be liable for payments in lieu of contributions effective on and after January 1, 1998, and the required bond or deposit for any renewed elections effective on and after January 1, 1998, shall not exceed two million dollars.~~

(3) If any nonprofit organization fails to file a bond or ~~make a deposit, or to file a bond in an increased amount or to make whole the amount of a previously made deposit,~~ as provided under this division, the director may terminate the organization's election to make payments in lieu of contributions effective for the quarter following such failure and the termination shall continue for not less than the remainder of that calendar year and the next calendar year, beginning with the quarter in which the termination becomes effective; except that the director may extend for good cause the applicable filing, ~~deposit, or adjustment~~ period by not more than thirty days.

(D)(1) Two or more nonprofit organizations that have become liable for payments in lieu of contributions, in accordance with division (A) of this section, may file a joint application to the director for the establishment of the group account for the purpose of sharing the cost of benefits paid that are attributable to service in the employ of those employers. Notwithstanding division (E) of section 4141.242 of the Revised Code, hospitals operated by this state or a political subdivision may participate in a group account with nonprofit organizations under the procedures set forth in this section. Each application shall identify and authorize a group representative to act as the group's agent for the purposes of this division.

(2) Upon the director's approval of the application, the director shall establish a group account for the employers effective as of the beginning of the calendar quarter in which the director receives the application and shall notify the group's representative of the effective date of the account. The account shall remain in effect for not less than two years and thereafter until terminated by the director or upon application by the group.

(3) Upon establishment of the account, each member of the group shall be liable, in the event that the group representative fails to pay any bill issued to it pursuant to division (B) of this section, for payments in lieu of contributions with respect to each calendar quarter in the amount that bears the same ratio to the total benefits paid in the quarter that are attributable to service performed in the employ of all members of the group as the total wages paid for service in employment by the member in the quarter bear to the total wages paid during the quarter for service performed in the employ of all members of the group.

(4) The director shall adopt regulations as considered necessary with respect to the following: applications for establishment, bonding, maintenance, and termination of group accounts that are authorized by this section; addition of new members to and withdrawal of active members from such accounts; and the determination of the amounts that are payable under this division by the group representative and in the event of default in payment by the group representative, members of the group, and the time and manner of payments.

Sec. 4505.06. (A)(1) Application for a certificate of title shall be made in a form prescribed by the registrar of motor vehicles and shall be sworn to before a notary public or other officer empowered to administer oaths. The application shall be filed with the clerk of any court of common pleas. An application for a certificate of title may be filed electronically by any electronic means approved by the registrar in any county with the clerk of the court of common pleas of that county. Any payments required by this chapter shall be considered as accompanying any electronically transmitted application when payment actually is received by the clerk. Payment of any fee or taxes may be made by electronic transfer of funds.

(2) The application for a certificate of title shall be accompanied by the fee prescribed in section 4505.09 of the Revised Code. The fee shall be retained by the clerk who issues the certificate of title and shall be distributed in accordance with that section. If a clerk of a court of common pleas, other than the clerk of the court of common pleas of an applicant's county of residence, issues a certificate of title to the applicant, the clerk shall transmit data related to the transaction to the automated title processing system.

(3) If a certificate of title previously has been issued for a motor vehicle in this state, the application for a certificate of title also shall be accompanied by that certificate of title duly assigned, unless otherwise provided in this chapter. If a certificate of title previously has not been issued for the motor vehicle in this state, the application, unless otherwise provided in this chapter, shall be accompanied by a manufacturer's or importer's certificate or by a certificate of title of another state from which the motor vehicle was brought into this state. If the application refers to a motor vehicle last previously registered in another state, the application also shall be accompanied by the physical inspection certificate required by section 4505.061 of the Revised Code. If the application is made by two persons regarding a motor vehicle in which they wish to establish joint ownership with right of survivorship, they may do so as provided in section 2131.12 of the Revised Code. If the applicant requests a designation of the

motor vehicle in beneficiary form so that upon the death of the owner of the motor vehicle, ownership of the motor vehicle will pass to a designated transfer-on-death beneficiary or beneficiaries, the applicant may do so as provided in section 2131.13 of the Revised Code. A person who establishes ownership of a motor vehicle that is transferable on death in accordance with section 2131.13 of the Revised Code may terminate that type of ownership or change the designation of the transfer-on-death beneficiary or beneficiaries by applying for a certificate of title pursuant to this section. The clerk shall retain the evidence of title presented by the applicant and on which the certificate of title is issued, except that, if an application for a certificate of title is filed electronically by an electronic motor vehicle dealer on behalf of the purchaser of a motor vehicle, the clerk shall retain the completed electronic record to which the dealer converted the certificate of title application and other required documents. The registrar, after consultation with the attorney general, shall adopt rules that govern the location at which, and the manner in which, are stored the actual application and all other documents relating to the transfer of a motor vehicle when an electronic motor vehicle dealer files the application for a certificate of title electronically on behalf of the purchaser. Not later than December 31, 2017, the registrar shall arrange for a service that enables all electronic motor vehicle dealers to file applications for certificates of title on behalf of purchasers of motor vehicles electronically by transferring the applications directly from the computer systems of the dealers to the clerk.

The clerk shall use reasonable diligence in ascertaining whether or not the facts in the application for a certificate of title are true by checking the application and documents accompanying it or the electronic record to which a dealer converted the application and accompanying documents with the records of motor vehicles in the clerk's office. If the clerk is satisfied that the applicant is the owner of the motor vehicle and that the application is in the proper form, the clerk, within five business days after the application is filed and except as provided in section 4505.021 of the Revised Code, shall issue a physical certificate of title over the clerk's signature and sealed with the clerk's seal, unless the applicant specifically requests the clerk not to issue a physical certificate of title and instead to issue an electronic certificate of title. For purposes of the transfer of a certificate of title, if the clerk is satisfied that the secured party has duly discharged a lien notation but has not canceled the lien notation with a clerk, the clerk may cancel the lien notation on the automated title processing system and notify the clerk of the county of origin.

(4) In the case of the sale of a motor vehicle to a general buyer or user

by a dealer, by a motor vehicle leasing dealer selling the motor vehicle to the lessee or, in a case in which the leasing dealer subleased the motor vehicle, the sublessee, at the end of the lease agreement or sublease agreement, or by a manufactured housing broker, the certificate of title shall be obtained in the name of the buyer by the dealer, leasing dealer, or manufactured housing broker, as the case may be, upon application signed by the buyer. The certificate of title shall be issued, or the process of entering the certificate of title application information into the automated title processing system if a physical certificate of title is not to be issued shall be completed, within five business days after the application for title is filed with the clerk. If the buyer of the motor vehicle previously leased the motor vehicle and is buying the motor vehicle at the end of the lease pursuant to that lease, the certificate of title shall be obtained in the name of the buyer by the motor vehicle leasing dealer who previously leased the motor vehicle to the buyer or by the motor vehicle leasing dealer who subleased the motor vehicle to the buyer under a sublease agreement.

In all other cases, except as provided in section 4505.032 and division (D)(2) of section 4505.11 of the Revised Code, such certificates shall be obtained by the buyer.

(5)(a)(i) If the certificate of title is being obtained in the name of the buyer by a motor vehicle dealer or motor vehicle leasing dealer and there is a security interest to be noted on the certificate of title, the dealer or leasing dealer shall submit the application for the certificate of title and payment of the applicable tax to a clerk within seven business days after the later of the delivery of the motor vehicle to the buyer or the date the dealer or leasing dealer obtains the manufacturer's or importer's certificate, or certificate of title issued in the name of the dealer or leasing dealer, for the motor vehicle. Submission of the application for the certificate of title and payment of the applicable tax within the required seven business days may be indicated by postmark or receipt by a clerk within that period.

(ii) Upon receipt of the certificate of title with the security interest noted on its face, the dealer or leasing dealer shall forward the certificate of title to the secured party at the location noted in the financing documents or otherwise specified by the secured party.

(iii) A motor vehicle dealer or motor vehicle leasing dealer is liable to a secured party for a late fee of ten dollars per day for each certificate of title application and payment of the applicable tax that is submitted to a clerk more than seven business days but less than twenty-one days after the later of the delivery of the motor vehicle to the buyer or the date the dealer or leasing dealer obtains the manufacturer's or importer's certificate, or

certificate of title issued in the name of the dealer or leasing dealer, for the motor vehicle and, from then on, twenty-five dollars per day until the application and applicable tax are submitted to a clerk.

(b) In all cases of transfer of a motor vehicle except the transfer of a manufactured home or mobile home, the application for certificate of title shall be filed within thirty days after the assignment or delivery of the motor vehicle.

(c) An application for a certificate of title for a new manufactured home shall be filed within thirty days after the delivery of the new manufactured home to the purchaser. The date of the delivery shall be the date on which an occupancy permit for the manufactured home is delivered to the purchaser of the home by the appropriate legal authority.

(d) An application for a certificate of title for a used manufactured home or a used mobile home shall be filed as follows:

(i) If a certificate of title for the used manufactured home or used mobile home was issued to the motor vehicle dealer prior to the sale of the manufactured or mobile home to the purchaser, the application for certificate of title shall be filed within thirty days after the date on which an occupancy permit for the manufactured or mobile home is delivered to the purchaser by the appropriate legal authority.

(ii) If the motor vehicle dealer has been designated by a secured party to display the manufactured or mobile home for sale, or to sell the manufactured or mobile home under section 4505.20 of the Revised Code, but the certificate of title has not been transferred by the secured party to the motor vehicle dealer, and the dealer has complied with the requirements of division (A) of section 4505.181 of the Revised Code, the application for certificate of title shall be filed within thirty days after the date on which the motor vehicle dealer obtains the certificate of title for the home from the secured party or the date on which an occupancy permit for the manufactured or mobile home is delivered to the purchaser by the appropriate legal authority, whichever occurs later.

(6) If an application for a certificate of title is not filed within the period specified in division (A)(5)(b), (c), or (d) of this section, the clerk shall collect a fee of five dollars for the issuance of the certificate, except that no such fee shall be required from a motor vehicle salvage dealer, as defined in division (A) of section 4738.01 of the Revised Code, who immediately surrenders the certificate of title for cancellation. The fee shall be in addition to all other fees established by this chapter, and shall be retained by the clerk. The registrar shall provide, on the certificate of title form prescribed by section 4505.07 of the Revised Code, language necessary to give

evidence of the date on which the assignment or delivery of the motor vehicle was made.

(7) As used in division (A) of this section, "lease agreement," "lessee," and "sublease agreement" have the same meanings as in section 4505.04 of the Revised Code and "new manufactured home," "used manufactured home," and "used mobile home" have the same meanings as in section 5739.0210 of the Revised Code.

(B)(1) The clerk, except as provided in this section, shall refuse to accept for filing any application for a certificate of title and shall refuse to issue a certificate of title unless the dealer or the applicant, in cases in which the certificate shall be obtained by the buyer, submits with the application payment of the tax levied by or pursuant to Chapters 5739. and 5741. of the Revised Code based on the purchaser's county of residence. Upon payment of the tax in accordance with division (E) of this section, the clerk shall issue a receipt prescribed by the registrar and agreed upon by the tax commissioner showing payment of the tax or a receipt issued by the commissioner showing the payment of the tax. When submitting payment of the tax to the clerk, a dealer shall retain any discount to which the dealer is entitled under section 5739.12 of the Revised Code.

(2) For receiving and disbursing such taxes paid to the clerk by a resident of the clerk's county, the clerk may retain a poundage fee of one and one one-hundredth per cent, and the clerk shall pay the poundage fee into the certificate of title administration fund created by section 325.33 of the Revised Code. The clerk shall not retain a poundage fee from payments of taxes by persons who do not reside in the clerk's county.

A clerk, however, may retain from the taxes paid to the clerk an amount equal to the poundage fees associated with certificates of title issued by other clerks of courts of common pleas to applicants who reside in the first clerk's county. The registrar, in consultation with the tax commissioner and the clerks of the courts of common pleas, shall develop a report from the automated title processing system that informs each clerk of the amount of the poundage fees that the clerk is permitted to retain from those taxes because of certificates of title issued by the clerks of other counties to applicants who reside in the first clerk's county.

(3) In the case of casual sales of motor vehicles, as defined in section 4517.01 of the Revised Code, the price for the purpose of determining the tax shall be the purchase price on the assigned certificate of title, or assignment form prescribed by the registrar, executed by the seller and filed with the clerk by the buyer on a form to be prescribed by the registrar, which shall be prima-facie evidence of the amount for the determination of

the tax.

(4) Each county clerk shall forward to the ~~treasurer of state~~ registrar of motor vehicles all sales and use tax collections resulting from sales of motor vehicles, off-highway motorcycles, and all-purpose vehicles during a calendar week on or before the Friday following the close of that week. If, on any Friday, the offices of the clerk of courts or the state are not open for business, the tax shall be forwarded to the ~~treasurer of state~~ registrar on or before the next day on which the offices are open. Every remittance of tax under division (B)(4) of this section shall be accompanied by a remittance report in such form as the tax commissioner prescribes. Upon receipt of a tax remittance and remittance report, the ~~treasurer of state~~ registrar shall date stamp the report and forward it to the tax commissioner. If the tax due for any week is not remitted by a clerk of courts as required under division (B)(4) of this section, the commissioner may require the clerk to forfeit the poundage fees for the sales made during that week. The ~~treasurer of state~~ registrar may require the clerks of courts to transmit tax collections and remittance reports electronically.

(C)(1) If the transferor indicates on the certificate of title that the odometer reflects mileage in excess of the designed mechanical limit of the odometer, the clerk shall enter the phrase "exceeds mechanical limits" following the mileage designation. If the transferor indicates on the certificate of title that the odometer reading is not the actual mileage, the clerk shall enter the phrase "nonactual: warning - odometer discrepancy" following the mileage designation. The clerk shall use reasonable care in transferring the information supplied by the transferor, but is not liable for any errors or omissions of the clerk or those of the clerk's deputies in the performance of the clerk's duties created by this chapter.

The registrar shall prescribe an affidavit in which the transferor shall swear to the true selling price and, except as provided in this division, the true odometer reading of the motor vehicle. The registrar may prescribe an affidavit in which the seller and buyer provide information pertaining to the odometer reading of the motor vehicle in addition to that required by this section, as such information may be required by the United States secretary of transportation by rule prescribed under authority of subchapter IV of the "Motor Vehicle Information and Cost Savings Act," 86 Stat. 961 (1972), 15 U.S.C. 1981.

(2) Division (C)(1) of this section does not require the giving of information concerning the odometer and odometer reading of a motor vehicle when ownership of a motor vehicle is being transferred as a result of a bequest, under the laws of intestate succession, to a survivor pursuant to

section 2106.18, 2131.12, or 4505.10 of the Revised Code, to a transfer-on-death beneficiary or beneficiaries pursuant to section 2131.13 of the Revised Code, in connection with the creation of a security interest or for a vehicle with a gross vehicle weight rating of more than sixteen thousand pounds.

(D) When the transfer to the applicant was made in some other state or in interstate commerce, the clerk, except as provided in this section, shall refuse to issue any certificate of title unless the tax imposed by or pursuant to Chapter 5741. of the Revised Code based on the purchaser's county of residence has been paid as evidenced by a receipt issued by the tax commissioner, or unless the applicant submits with the application payment of the tax. Upon payment of the tax in accordance with division (E) of this section, the clerk shall issue a receipt prescribed by the registrar and agreed upon by the tax commissioner, showing payment of the tax.

For receiving and disbursing such taxes paid to the clerk by a resident of the clerk's county, the clerk may retain a poundage fee of one and one hundredth per cent. The clerk shall not retain a poundage fee from payments of taxes by persons who do not reside in the clerk's county.

A clerk, however, may retain from the taxes paid to the clerk an amount equal to the poundage fees associated with certificates of title issued by other clerks of courts of common pleas to applicants who reside in the first clerk's county. The registrar, in consultation with the tax commissioner and the clerks of the courts of common pleas, shall develop a report from the automated title processing system that informs each clerk of the amount of the poundage fees that the clerk is permitted to retain from those taxes because of certificates of title issued by the clerks of other counties to applicants who reside in the first clerk's county.

When the vendor is not regularly engaged in the business of selling motor vehicles, the vendor shall not be required to purchase a vendor's license or make reports concerning those sales.

(E) The clerk shall accept any payment of a tax in cash, or by cashier's check, certified check, draft, money order, or teller check issued by any insured financial institution payable to the clerk and submitted with an application for a certificate of title under division (B) or (D) of this section. The clerk also may accept payment of the tax by corporate, business, or personal check, credit card, electronic transfer or wire transfer, debit card, or any other accepted form of payment made payable to the clerk. The clerk may require bonds, guarantees, or letters of credit to ensure the collection of corporate, business, or personal checks. Any service fee charged by a third party to a clerk for the use of any form of payment may be paid by the clerk

from the certificate of title administration fund created in section 325.33 of the Revised Code, or may be assessed by the clerk upon the applicant as an additional fee. Upon collection, the additional fees shall be paid by the clerk into that certificate of title administration fund.

The clerk shall make a good faith effort to collect any payment of taxes due but not made because the payment was returned or dishonored, but the clerk is not personally liable for the payment of uncollected taxes or uncollected fees. The clerk shall notify the tax commissioner of any such payment of taxes that is due but not made and shall furnish the information to the commissioner that the commissioner requires. The clerk shall deduct the amount of taxes due but not paid from the clerk's periodic remittance of tax payments, in accordance with procedures agreed upon by the tax commissioner. The commissioner may collect taxes due by assessment in the manner provided in section 5739.13 of the Revised Code.

Any person who presents payment that is returned or dishonored for any reason is liable to the clerk for payment of a penalty over and above the amount of the taxes due. The clerk shall determine the amount of the penalty, and the penalty shall be no greater than that amount necessary to compensate the clerk for banking charges, legal fees, or other expenses incurred by the clerk in collecting the returned or dishonored payment. The remedies and procedures provided in this section are in addition to any other available civil or criminal remedies. Subsequently collected penalties, poundage fees, and title fees, less any title fee due the state, from returned or dishonored payments collected by the clerk shall be paid into the certificate of title administration fund. Subsequently collected taxes, less poundage fees, shall be sent by the clerk to the ~~treasurer of state~~ registrar of motor vehicles at the next scheduled periodic remittance of tax payments, with information as the commissioner may require. The clerk may abate all or any part of any penalty assessed under this division.

(F) In the following cases, the clerk shall accept for filing an application and shall issue a certificate of title without requiring payment or evidence of payment of the tax:

(1) When the purchaser is this state or any of its political subdivisions, a church, or an organization whose purchases are exempted by section 5739.02 of the Revised Code;

(2) When the transaction in this state is not a retail sale as defined by section 5739.01 of the Revised Code;

(3) When the purchase is outside this state or in interstate commerce and the purpose of the purchaser is not to use, store, or consume within the meaning of section 5741.01 of the Revised Code;

(4) When the purchaser is the federal government;

(5) When the motor vehicle was purchased outside this state for use outside this state;

(6) When the motor vehicle is purchased by a nonresident under the circumstances described in division (B)(1) of section 5739.029 of the Revised Code, and upon presentation of a copy of the statement provided by that section, and a copy of the exemption certificate provided by section 5739.03 of the Revised Code.

(G) An application, as prescribed by the registrar and agreed to by the tax commissioner, shall be filled out and sworn to by the buyer of a motor vehicle in a casual sale. The application shall contain the following notice in bold lettering: "WARNING TO TRANSFEROR AND TRANSFEREE (SELLER AND BUYER): You are required by law to state the true selling price. A false statement is in violation of section 2921.13 of the Revised Code and is punishable by six months' imprisonment or a fine of up to one thousand dollars, or both. All transfers are audited by the department of taxation. The seller and buyer must provide any information requested by the department of taxation. The buyer may be assessed any additional tax found to be due."

(H) For sales of manufactured homes or mobile homes occurring on or after January 1, 2000, the clerk shall accept for filing, pursuant to Chapter 5739. of the Revised Code, an application for a certificate of title for a manufactured home or mobile home without requiring payment of any tax pursuant to section 5739.02, 5741.021, 5741.022, or 5741.023 of the Revised Code, or a receipt issued by the tax commissioner showing payment of the tax. For sales of manufactured homes or mobile homes occurring on or after January 1, 2000, the applicant shall pay to the clerk an additional fee of five dollars for each certificate of title issued by the clerk for a manufactured or mobile home pursuant to division (H) of section 4505.11 of the Revised Code and for each certificate of title issued upon transfer of ownership of the home. The clerk shall credit the fee to the county certificate of title administration fund, and the fee shall be used to pay the expenses of archiving those certificates pursuant to division (A) of section 4505.08 and division (H)(3) of section 4505.11 of the Revised Code. The tax commissioner shall administer any tax on a manufactured or mobile home pursuant to Chapters 5739. and 5741. of the Revised Code.

(I) Every clerk shall have the capability to transact by electronic means all procedures and transactions relating to the issuance of motor vehicle certificates of title that are described in the Revised Code as being accomplished by electronic means.

Sec. 4509.62. ~~Proof~~ A person may effectuate proof of financial responsibility ~~may be evidenced by the certificate of the treasurer of state that the person named therein has deposited with him~~ depositing with the registrar of motor vehicles thirty thousand dollars in money ~~or bonds of the United States, of this state, or of a political subdivision of this state at their par or face value.~~ The ~~treasurer of state~~ registrar shall not accept any such deposit ~~and issue a certificate therefor and the registrar shall not accept such certificate~~ unless it is accompanied by evidence that there are no unsatisfied judgments against the depositor in the county where the depositor resides.

The financial responsibility custodial fund is created, which shall be in the custody of the treasurer of state but shall not be part of the state treasury. All money deposited under this section shall be credited to that fund.

Sec. 4509.63. The deposit provided for in section 4509.62 of the Revised Code shall be held by the ~~treasurer of state~~ registrar of motor vehicles to satisfy, in accordance with sections 4509.01 to 4509.78, inclusive, of the Revised Code, any execution on a judgment, against the person making the deposit, for damages, including damages for care and loss of services, because of bodily injury to or death of any person, or for damages because of injury to property, including the loss of use thereof, resulting from the ownership, maintenance, or use of a motor vehicle after such deposit was made. Money ~~or securities~~ so deposited shall not be subject to attachment or execution unless such attachment or execution arises out of a suit for damages as described in this section.

Sec. 4509.65. The registrar of motor vehicles shall consent to the cancellation of any bond or certificate of insurance or ~~the registrar shall direct and the treasurer of state shall~~ return any money ~~or securities~~ to the person entitled thereto upon the substitution and acceptance of other adequate proof of financial responsibility in accordance with sections 4509.01 to 4509.78, inclusive, of the Revised Code.

Sec. 4509.67. (A) The registrar of motor vehicles shall, upon request, consent to the immediate cancellation of any bond or certificate of insurance, ~~or shall direct and the treasurer of state shall~~ return to the person entitled any money ~~or securities~~ deposited under sections 4509.01 to 4509.78 of the Revised Code, as proof of financial responsibility, or ~~the registrar shall~~ waive the requirement of filing proof, in any of the following events:

(1) At any time after three years from the date such proof was required when, during the three years preceding the request, the registrar has not received record of a conviction or bail forfeiture which would require or permit the suspension or revocation of the license, registration or

nonresident's operating privilege of the person by or for whom such proof was furnished and the person's motor vehicle registration has not been suspended for a violation of section 4509.101 of the Revised Code;

(2) In the event of the death of the person on whose behalf such proof was filed or the permanent incapacity of such person to operate a motor vehicle;

(3) In the event the person who has given proof surrenders ~~his~~ the person's license and registration to the registrar.

(B) The registrar shall not consent to the cancellation of any bond or the return of any money ~~or securities~~ if any action for damages upon a liability covered by such proof is pending, or any judgment upon any such liability is unsatisfied, or in the event the person who has filed such bond or deposited such money ~~or securities~~ has within two years immediately preceding such request been involved as a driver or owner in any ~~motor vehicle~~ motor vehicle accident resulting in injury to the person or property of others. An affidavit of the applicant as to the nonexistence of such facts, or that ~~he~~ the applicant has been released from all liability, or has been finally adjudicated not liable, for such injury may be accepted as evidence thereof in the absence of evidence to the contrary in the records of the registrar.

(C) Whenever any person whose proof has been canceled or returned under division (A)(3) of this section applies for a license or registration within a period of three years from the date proof was originally required, any such application shall be refused unless the applicant re-establishes proof of financial responsibility for the remainder of the three-year period.

Sec. 4710.03. Nothing in this chapter applies to any of the following:

(A) The federal national mortgage association; the federal home loan mortgage corporation; a bank, bank holding company, trust company, savings and loan association, credit union, savings bank, or credit card bank, that is regulated by the office of the comptroller of currency, ~~office of thrift supervision~~, federal reserve, federal deposit insurance corporation, national credit union administration, or division of financial institutions; or to subsidiaries of any of these entities;

(B) Debt adjusting incurred in the practice of law in this state;

(C) A person that incidentally engages in debt adjusting to adjust the indebtedness owed to that person;

(D) A registrant as defined in section 1321.51 of the Revised Code;

(E) A registrant or licensee as both are defined in section 1322.01 of the Revised Code.

Sec. 4749.01. As used in this chapter:

(A) "Private investigator" means any person who engages in the

business of private investigation.

(B) "Business of private investigation" means, except when performed by one excluded under division (H) of this section, the conducting, for hire, in person or through a partner or employees, of any investigation relevant to any crime or wrong done or threatened, or to obtain information on the identity, habits, conduct, movements, whereabouts, affiliations, transactions, reputation, credibility, or character of any person, or to locate and recover lost or stolen property, or to determine the cause of or responsibility for any libel or slander, or any fire, accident, or damage to property, or to secure evidence for use in any legislative, administrative, or judicial investigation or proceeding.

(C) "Security guard provider" means any person who engages in the business of security services.

(D) "Business of security services" means either of the following:

(1) Furnishing, for hire, watchpersons, guards, private patrol officers, or other persons whose primary duties are to protect persons or property;

(2) Furnishing, for hire, guard dogs, or armored motor vehicle security services, in connection with the protection of persons or property.

(E) "Class A license" means a license issued under section 4749.03 of the Revised Code that qualifies the person issued the license to engage in the business of private investigation and the business of security services.

(F) "Class B license" means a license issued under section 4749.03 of the Revised Code that qualifies the person issued the license to engage only in the business of private investigation.

(G) "Class C license" means a license issued under section 4749.03 of the Revised Code that qualifies the person issued the license to engage only in the business of security services.

(H) "Private investigator," "business of private investigation," "security guard provider," and "business of security services" do not include:

(1) Public officers and employees whose official duties require them to engage in investigatory activities;

(2) Attorneys at law or any expert hired by an attorney at law for consultation or litigation purposes;

(3) A consumer reporting agency, as defined in the "Fair Credit Reporting Act," 84 Stat. 1128, 15 U.S.C.A. 1681a, as amended, provided that the consumer reporting agency is in compliance with the requirements of that act and that the agency's activities are confined to any of the following:

(a) The issuance of consumer credit reports;

(b) The conducting of limited background investigations that pertain

only to a client's prospective tenant and that are engaged in with the prior written consent of the prospective tenant;

(c) The business of pre-employment background investigation. As used in division (H)(3)(c) of this section, "business of pre-employment background investigation" means, and is limited to, furnishing for hire, in person or through a partner or employees, the conducting of limited background investigations, in-person interviews, telephone interviews, or written inquiries that pertain only to a client's prospective employee and the employee's employment and that are engaged in with the prior written consent of the prospective employee.

(4) Certified public insurance adjusters that hold a certificate of authority issued pursuant to sections 3951.01 to 3951.09 of the Revised Code, while the adjuster is investigating the cause of or responsibility for a fire, accident, or other damage to property with respect to a claim or claims for loss or damage under a policy of insurance covering real or personal property;

(5) Personnel placement services and persons who act as employees of such entities engaged in investigating matters related to personnel placement activities;

(6) An employee in the regular course of the employee's employment, engaged in investigating matters pertinent to the business of the employee's employer or protecting property in the possession of the employee's employer, provided the employer is deducting all applicable state and federal employment taxes on behalf of the employee and neither the employer nor the employee is employed by, associated with, or acting for or on behalf of any private investigator or security guard provider;

(7) Any better business bureau or similar organization or any of its employees while engaged in the maintenance of the quality of business activities relating to consumer sales and services;

(8) An accountant who is registered or certified under Chapter 4701. of the Revised Code or any of the accountant's employees while engaged in activities for which the accountant is certified or registered;

(9) Any person who, for hire or otherwise, conducts genealogical research in this state.

As used in division (H)(9) of this section, "genealogical research" means the determination of the origins and descent of families, including the identification of individuals, their family relationships, and the biographical details of their lives. "Genealogical research" does not include furnishing for hire services for locating missing persons or natural or birth parents or children.

(10) Any person residing in this state who conducts research for the purpose of locating the last known owner of unclaimed funds, provided that the person is in compliance with Chapter 169. of the Revised Code and rules adopted thereunder. The exemption set forth in division (H)(10) of this section applies only to the extent that the person is conducting research for the purpose of locating the last known owner of unclaimed funds.

As used in division (H)(10) of this section, "owner" and "unclaimed funds" have the same meanings as in section 169.01 of the Revised Code.

(11) A professional engineer who is registered under Chapter 4733. of the Revised Code or any of his employees.

As used in division (H)(11) of this section and notwithstanding division (I) of this section, "employee" has the same meaning as in section 4101.01 of the Revised Code.

(12) Any person residing in this state who, for hire or otherwise, conducts research for the purpose of locating persons to whom the state of Ohio owes money in the form of warrants, as defined in ~~division (S) of~~ section 131.01 of the Revised Code, that the state voided but subsequently reissues.

(13) An independent insurance adjuster who, as an individual, an independent contractor, an employee of an independent contractor, adjustment bureau association, corporation, insurer, partnership, local recording agent, managing general agent, or self-insurer, engages in the business of independent insurance adjustment, or any person who supervises the handling of claims except while acting as an employee of an insurer licensed in this state while handling claims pertaining to specific policies written by that insurer.

As used in division (H)(13) of this section, "independent insurance adjustment" means conducting investigations to determine the cause of or circumstances concerning a fire, accident, bodily injury, or damage to real or personal property; determining the extent of damage of that fire, accident, injury, or property damage; securing evidence for use in a legislative, administrative, or judicial investigation or proceeding, adjusting losses; and adjusting or settling claims, including the investigation, adjustment, denial, establishment of damages, negotiation, settlement, or payment of claims in connection with insurance contractors, self-insured programs, or other similar insurance programs. "Independent adjuster" does not include either of the following:

(a) An attorney who adjusts insurance losses incidental to the practice of law and who does not advertise or represent that the attorney is an independent insurance adjuster;

(b) A licensed agent or general agent of an insurer licensed in this state who processes undisputed or uncontested losses for insurers under policies issued by that agent or general agent.

(14) Except for a commissioned peace officer who engages in the business of private investigation or compensates others who engage in the business of private investigation or the business of security services or both, any commissioned peace officer as defined in division (B) of section 2935.01 of the Revised Code.

(I) "Employee" means every person who may be required or directed by any employer, in consideration of direct or indirect gain or profit, to engage in any employment, or to go, or work, or be at any time in any place of employment, provided that the employer of the employee deducts all applicable state and federal employment taxes on behalf of the employee.

Sec. 4763.13. (A) In engaging in appraisal activities, a person certified, registered, or licensed under this chapter shall comply with the applicable standards prescribed by the board of governors of the federal reserve system, the federal deposit insurance corporation, the comptroller of the currency, ~~the office of thrift supervision~~, the national credit union administration, and the resolution trust corporation in connection with federally related transactions under the jurisdiction of the applicable agency or instrumentality. A certificate holder, registrant, and licensee also shall comply with the uniform standards of professional appraisal practice, as adopted by the appraisal standards board of the appraisal foundation and such other standards adopted by the real estate appraiser board, to the extent that those standards do not conflict with applicable federal standards in connection with a particular federally related transaction.

(B) The terms "state-licensed residential real estate appraiser," "state-certified residential real estate appraiser," "state-certified general real estate appraiser," and "state-registered real estate appraiser assistant" shall be used to refer only to those persons who have been issued the applicable certificate, registration, or license or renewal certificate, registration, or license pursuant to this chapter. None of these terms shall be used following or in connection with the name or signature of a partnership, corporation, or association or in a manner that could be interpreted as referring to a person other than the person to whom the certificate, registration, or license has been issued. No person shall fail to comply with this division.

(C) No person, other than a certificate holder, a registrant, or a licensee, shall assume or use a title, designation, or abbreviation that is likely to create the impression that the person possesses certification, registration, or licensure under this chapter, provided that professional designations

containing the term "certified appraiser" and being used on or before July 26, 1989, shall not be construed as being misleading under this division. No person other than a person certified or licensed under this chapter shall describe or refer to an appraisal or other evaluation of real estate located in this state as being certified.

(D) The terms "state-certified or state-licensed real estate appraisal report," "state-certified or state-licensed appraisal report," or "state-certified or state-licensed appraisal" shall be used to refer only to those real estate appraisals conducted by a certificate holder or licensee as a disinterested and unbiased third party provided that the certificate holder or licensee provides certification with the appraisal report and provided further that if a licensee is providing the appraisal, such terms shall only be used if the licensee is acting within the scope of the licensee's license. No person shall fail to comply with this division.

(E) Nothing in this chapter shall preclude a partnership, corporation, or association which employs, retains, or engages the services of a certificate holder or licensee to advertise that the partnership, corporation, or association offers state-certified or state-licensed appraisals through a certificate holder or licensee if the advertisement clearly states such fact in accordance with guidelines for such advertisements established by rule of the real estate appraiser board.

(F) Except as otherwise provided in section 4763.19 of the Revised Code, nothing in this chapter shall preclude a person who is not licensed or certified under this chapter from appraising real estate for compensation.

Sec. 5725.17. (A) In addition to any other penalty imposed by this chapter or Chapter 5703. of the Revised Code, the following penalties shall apply:

(1) If a dealer in intangibles fails to make and furnish to the tax commissioner the report required by section 5725.14 of the Revised Code, within the time fixed by that section, a penalty shall be imposed equal to the greater of fifty dollars per month or fraction of a month, not to exceed five hundred dollars, or five per cent per month or fraction of a month, not to exceed fifty per cent, of the tax required to be shown on the report, for each month or fraction of a month elapsing between the due date, including extensions of the due date, and the date on which the report is filed.

(2) If a dealer in intangibles fails to pay any amounts of the tax levied by division (D) of section 5707.03 of the Revised Code by the dates prescribed for payment, a penalty shall be imposed equal to the greater of ~~the penalty due under division (F) of section 5725.22 of the Revised Code, for which this penalty shall be a substitute~~ (a) five per cent of the taxes due.

if payment is made within ten calendar days of the date shown on the tax bill, or ten per cent of the taxes due, if payment is not made within ten days of such date, or (b) two times the interest charged under section 5725.221 of the Revised Code for the delinquent payment.

(3) If a dealer in intangibles submits a report required by section 5725.14 of the Revised Code that is marked, defaced, or otherwise designed by the dealer to be a frivolous protest or an attempt to delay or impede the administration of the tax levied by division (D) of section 5707.03 of the Revised Code, a penalty shall be imposed equal to the greater of one hundred dollars or twenty-five per cent of the tax required to be shown on the report.

(4) If a dealer in intangibles makes a fraudulent attempt to evade the reporting or payment of the tax levied by division (D) of section 5707.03 of the Revised Code, a penalty shall be imposed equal to the greater of one thousand dollars or one hundred per cent of the tax required to be shown on the report required by section 5725.14 of the Revised Code.

(5) If any person makes a false or fraudulent claim for abatement or refund of the tax levied by division (D) of section 5707.03 of the Revised Code, a penalty shall be imposed equal to the greater of one thousand dollars or one hundred per cent of the claim. The penalty imposed by this division, any abatement or refund on the claim, and interest on any refund from the date of the refund, may be assessed under section 5725.15 of the Revised Code or added by the tax commissioner as tax, penalty, and interest due from the tax levied by division (D) of section 5707.03 of the Revised Code, without regard to whether the person making the claim is otherwise subject to the tax, and without regard to any time limitation for assessment.

(B) Each penalty imposed under division (A) of this section shall be in addition to any other penalty imposed under that division. All or part of any penalty imposed under division (A) of this section may be abated by the commissioner.

Sec. 5725.22. (A) The treasurer of state shall maintain ~~an intangible property tax list of taxes levied by section 5707.03 of the Revised Code and certified by the tax commissioner pursuant to sections 5711.13, 5725.08, 5725.16, and 5727.15 of the Revised Code, and a separate list of taxes levied by section 5725.18 of the Revised Code and certified for assessment~~ by the superintendent of insurance pursuant to section 5725.20 of the Revised Code.

~~(B)(1) With respect to taxes levied under section 5725.18 of the Revised Code, the treasurer of state, upon receipt of an assessment, shall compute the taxes at the rates prescribed by law and enter the taxes on the proper tax~~

~~list.~~(B) The treasurer of state shall collect, and the taxpayer shall pay, all ~~such~~ taxes levied under section 5725.18 of the Revised Code and any interest applicable thereto. Payments may be made ~~by mail, in person,~~ electronically or by any other means authorized by the treasurer of state. ~~The Whenever the superintendent of insurance submits an electronic call for data, the treasurer of state shall render a daily itemized statement electronically submit to the superintendent of insurance of the data requested, including the amount of taxes collected and the name of the domestic insurance company from whom collected. The treasurer of state may adopt rules concerning the methods and timeliness of payments under this division.~~

~~(2) With respect to taxes levied under section 5707.03 of the Revised Code, any assessment certified to the treasurer of state shall reflect the taxes computed at the rates prescribed by law. Upon receipt of such an assessment, the treasurer shall enter the taxes on the proper tax list. The tax commissioner shall collect, and the taxpayer shall pay, all such taxes and any interest applicable thereto. Payments may be made by mail, in person, or by any other means authorized by the commissioner. The commissioner shall immediately forward to the treasurer any payments received under this division, together with any information necessary for the treasurer to properly credit such payments. The commissioner may adopt rules concerning the method and timeliness of payments under this division.~~

(C) Each tax bill issued pursuant to this section shall separately reflect the taxes due, interest, if any, due date, and any other information considered necessary. ~~With respect to taxes levied under section 5725.18 of the Revised Code, the~~ The last day on which payment may be made without penalty shall be the fifteenth day of June, unless that day is not a business day as defined in section 5709.40 of the Revised Code, in which case the payment may be made on the next business day. ~~With respect to taxes levied under section 5707.03 of the Revised Code, the last day on which payment may be made without penalty shall be at least twenty but not more than thirty days from the date of mailing the tax bill.~~ The treasurer of state ~~or tax commissioner, as appropriate, shall issue the tax bill and, if the tax bill is issued by mail, the mailing thereof shall be prima facie evidence of receipt thereof by the taxpayer to the taxpayer electronically through the department of insurance's web site.~~

The treasurer ~~or commissioner, as appropriate,~~ of state shall refund taxes as provided in this section, but no refund shall be made to a taxpayer having a delinquent claim certified pursuant to this section that remains unpaid. The treasurer ~~or commissioner~~ of state may consult the attorney-

general regarding such claims. Refunds shall be paid from the tax refund fund created by section 5703.052 of the Revised Code.

(D)(1) ~~Within twenty days after receipt of any preliminary assessment of taxes levied under section 5725.18 of the Revised Code~~ Unless an exigency exists, the treasurer of state shall issue a tax bill within twenty days after receipt of an assessment certified by the superintendent of insurance under section 5725.20 of the Revised Code, but if such ~~preliminary~~ assessment reflects a late filed tax return, the treasurer of state shall add interest as provided in division (A) of section 5725.221 of the Revised Code and issue a tax bill. In the case of an exigency, the treasurer of state shall issue the tax bill as soon as possible and may extend the due date for payment of the tax prescribed by division (C) of this section.

(2) After receipt of any amended or final assessment of taxes ~~levied under section 5725.18 of the Revised Code~~ received from the superintendent of insurance pursuant to section 5725.20 of the Revised Code, the treasurer of state shall ascertain the difference between the total taxes computed on such assessment and the total taxes computed on the most recent assessment certified for the same tax year. If the difference is a deficiency, the treasurer of state shall add interest as provided in division (B)(1) of section 5725.221 of the Revised Code and issue a tax bill, with payment due thirty days after the date of the bill is issued. ~~Unless an exigency exists, the treasurer shall issue the tax bill on or before the fifteenth day of May. In the case of an exigency, the treasurer shall issue the tax bill as soon as possible after the fifteenth day of May and may extend the due date for payment of the tax prescribed by division (C) of this section.~~ If the difference is an excess, the treasurer of state shall add interest as provided in division (B)(2) of section 5725.221 of the Revised Code and certify the name of the taxpayer and the amount to be refunded to the director of budget and management for payment to the taxpayer. If the taxpayer has a deficiency for one tax year and an excess for another tax year, or any combination thereof for more than two tax years, the treasurer of state may determine the net result after adding interest, if applicable, and, depending on such result, proceed to issue a tax bill or certify a refund.

(E)(1) ~~Except as provided in division (E)(2) of this section, within twenty days after certifying to the treasurer of state an amended or final assessment, or a preliminary assessment of a dealer in intangibles that has failed to file a report or disclose taxable property, the tax commissioner shall ascertain the difference between the total taxes computed on such assessment and the total taxes computed on the most recent assessment certified for the same tax year, if any. If the difference is a deficiency, the~~

~~commissioner shall add interest as provided in division (B)(1) of section 5725.221 of the Revised Code and issue a tax bill. If the difference is an excess, the commissioner shall add interest as provided in division (B)(2) of section 5725.221 of the Revised Code and certify the name of the taxpayer and the amount to be refunded to the director of budget and management for payment to the taxpayer. If the taxpayer has a deficiency for one tax year and excess for another tax year, or any combination thereof for more than two tax years, the commissioner may determine the net result after adding interest, if applicable, and, depending on such result, proceed to mail a tax bill or certify a refund.~~

~~(2) The tax commissioner may issue a tax bill for any deficiency resulting from an assessment at the time the commissioner issues the assessment.~~

~~(F) With respect to taxes levied under section 5707.03 of the Revised Code, if a taxpayer fails to pay all taxes and interest, if any, on or before the due date shown on the tax bill but makes payment within ten calendar days of such date, the tax commissioner shall add a penalty equal to five per cent of the taxes due. If payment is not made within ten days of such date, the commissioner shall add a penalty equal to ten per cent of the taxes due. The commissioner shall prepare a delinquent claim for each tax bill on which penalties were added and certify such claims to the attorney general for collection. For each claim certified by the commissioner, the attorney general shall proceed to collect the delinquent taxes, penalties, and interest thereon in the manner prescribed by law.~~

~~(G) With respect to taxes levied under section 5725.18 of the Revised Code, if~~ (E) If a taxpayer fails to pay all taxes and interest, if any, on or before the due date shown on the tax bill issued by the treasurer of state, the treasurer of state shall add a penalty equal to five hundred dollars for each month the taxpayer fails to pay all taxes and interest due. The treasurer of state may add an additional penalty, not to exceed ten per cent of the taxes and interest due, if the taxpayer fails to demonstrate that the taxpayer made a good faith effort to pay all taxes and interest on or before the due date shown on the tax bill. The treasurer of state shall prepare a delinquent claim for each tax bill on which penalties were added and certify such claims to the attorney general for collection. The attorney general shall transmit a copy of each claim certified by the treasurer of state to the superintendent of insurance. For each claim certified by the treasurer of state, the attorney general shall proceed to collect the delinquent taxes, penalties, and interest thereon in the manner prescribed by law.

Sec. 5727.25. (A) Except as provided in division (B) of this section,

within forty-five days after the last day of March, June, September, and December, each natural gas company or combined company subject to the excise tax imposed by section 5727.24 of the Revised Code shall file a return with the tax commissioner, in such form as the ~~tax~~ commissioner prescribes, and pay the full amount of the tax due on its taxable gross receipts for the preceding calendar quarter, ~~except that the first payment of this tax shall be made on or before November 15, 2000, for the five-month period of May 1, 2000, to September 30, 2000.~~ All payments made under this division shall be made ~~by electronic funds transfer~~ electronically in accordance with section 5727.311 of the Revised Code.

(B) Any natural gas company or combined company subject to the excise tax imposed by this section that has an annual tax liability for the preceding calendar year ending on the thirty-first day of December of less than three hundred twenty-five thousand dollars may elect to file an annual return with the tax commissioner, in such form as the ~~tax~~ commissioner prescribes, for the next year. A company that elects to file an annual return for the calendar year shall file the return and remit the taxes due on its taxable gross receipts within forty-five days after the thirty-first day of December. ~~The first payment of the tax under this division shall be made on or before February 14, 2001, for the period of May 1, 2000, to December 31, 2000.~~ The minimum tax for a natural gas company or combined company subject to this division shall be fifty dollars, and the company shall not be required to remit the tax due ~~by electronic funds transfer~~ electronically.

(C) A return required to be filed under division (A) or (B) of this section shall show the amount of tax due from the company for the period covered by the return and any other information as prescribed by the tax commissioner. A return shall be considered filed when received by the ~~tax~~ commissioner. The commissioner may extend the time for making and filing returns and paying the tax.

(D) Any natural gas company or combined company that fails to file a return or pay the full amount of the tax due within the period prescribed under this section shall pay an additional charge of fifty dollars or ten per cent of the tax required to be paid for the reporting period, whichever is greater. If any tax due is not paid timely in accordance with this section, the company liable for the tax shall pay interest, calculated at the rate per annum prescribed by section 5703.47 of the Revised Code, from the date the tax payment was due to the date of payment or to the date an assessment was issued, whichever occurs first. The tax commissioner may collect any additional charge or interest imposed by this section by assessment in the manner provided in section 5727.26 of the Revised Code. The commissioner

may abate all or a portion of the additional charge and may adopt rules governing such abatements.

(E) ~~The tax commissioner shall immediately forward to the treasurer of state any amounts that the commissioner receives under this section.~~ The taxes, additional charges, penalties, and interest collected under sections 5727.24 to 5727.29 of the Revised Code shall be credited in accordance with section 5727.45 of the Revised Code.

Sec. 5727.31. (A) Each public utility subject to the excise tax imposed by section 5727.30 of the Revised Code, annually, on or before the first day of August, shall file with the tax commissioner a statement in such form as the commissioner prescribes and shall pay any amount due.

(B)(1) Annually, on or before the fifteenth day of October of the current year, each public utility whose estimated excise taxes for the current year as based upon the statement required to be filed in that year by division (A) of this section are one thousand dollars or more shall file with the commissioner a report, in such form as the commissioner prescribes, showing the amount of excise tax estimated to be charged or levied pursuant to law for the current year upon the basis of such annual statement, and shall remit a portion of the estimated excise taxes shown to be due by the report. The portion of the estimated excise taxes due at the time the report is filed shall be one-third of its total excise taxes estimated to be charged or levied for the current year based upon the annual statement filed under division (A) of this section.

(2) Annually, on or before the first day of March and June, each public utility whose excise taxes as based upon its last preceding annual statement filed under division (A) of this section prior to the first day of January were one thousand dollars or more shall file with the commissioner a report, in such form as the commissioner prescribes, showing the amount of excise tax charged or levied pursuant to law upon the basis of such annual statement, and shall remit a portion of the excise taxes shown to be due by each such report. The portion of the excise taxes due at the time each such report is filed shall be one-third of its total excise taxes so charged or levied based upon such annual statement.

(C) Any public utility subject to the excise taxes imposed by section 5727.30 of the Revised Code whose tax as certified under section 5727.38 of the Revised Code in a year equals or exceeds the amount specified for that year in section 5727.311 of the Revised Code shall make the payments required under this section in the second ensuing and each succeeding year in the manner prescribed by section 5727.311 of the Revised Code, except as otherwise prescribed by that section.

(D)(1) For purposes of this section, a report required to be filed under division (B) of this section is considered filed when it is received by the tax commissioner.

(2) For purposes of this section and sections 5727.311 and 5727.42 of the Revised Code, remittance of an excise tax required to be made under this section is considered to be made when the remittance is received by the ~~treasurer of state or~~ tax commissioner, or when credited to an account designated by the treasurer of state for the receipt of tax remittances.

Sec. 5727.311. (A) Any public utility subject to an excise tax imposed by section 5727.30 of the Revised Code whose tax equals or exceeds fifty thousand dollars shall make each payment required under division (B) of section 5727.31 of the Revised Code for the second ensuing and each succeeding year ~~by electronic funds transfer~~ electronically as prescribed by division (C) of this section.

If the tax in each of two consecutive years is less than fifty thousand dollars, the public utility is relieved of the requirement to remit taxes ~~by electronic funds transfer~~ electronically for the year that next follows the second of the consecutive years in which the tax certified is less than fifty thousand dollars, and is relieved of that requirement for each succeeding year unless the tax in a subsequent year equals or exceeds fifty thousand dollars.

(B) The tax commissioner shall notify each public utility required by this section or section 5727.25 of the Revised Code to remit taxes ~~by electronic funds transfer~~ electronically of the public utility's obligation to do so ~~and shall maintain an updated list of those public utilities.~~ Failure by the ~~tax~~ commissioner to notify a public utility subject to this section to remit taxes ~~by electronic funds transfer~~ electronically does not relieve the public utility of its obligation to remit taxes ~~by electronic funds transfer~~ in that manner.

(C) Public utilities required by this section or section 5727.25 of the Revised Code to remit periodic payments ~~by electronic funds transfer~~ electronically shall remit such payments ~~to the treasurer of state in the manner prescribed by rules adopted by the treasurer of state under section 113.061 of the Revised Code~~ in the manner prescribed by the tax commissioner. The electronic payment of public utility excise taxes ~~by electronic funds transfer~~ does not affect a public utility's obligation to file the annual statement and periodic reports in the manner and at the times prescribed by section 5727.31 of the Revised Code.

A public utility required by this section or section 5727.25 of the Revised Code to remit taxes ~~by electronic funds transfer~~ electronically may

apply to the ~~tax~~ commissioner in the manner prescribed by the commissioner to be excused from that requirement. The commissioner may excuse the public utility from electronic remittance ~~by electronic funds transfer~~ for good cause shown for the period of time requested by the public utility or for a portion of that period. The commissioner shall notify the public utility of the commissioner's decision as soon as is practicable.

(D) If a public utility required by this section or section 5727.25 of the Revised Code to remit taxes ~~by electronic funds transfer~~ electronically remits those taxes by some means other than ~~by electronic funds transfer~~ electronically as prescribed by this section ~~and the rules adopted by the treasurer of state~~, and the tax commissioner determines that the failure to remit taxes as required was not due to reasonable cause or was due to willful neglect, the commissioner may impose an additional charge on the public utility equal to five per cent of the amount of the taxes required to be paid ~~by electronic funds transfer~~ electronically, but not to exceed five thousand dollars. Any additional charge imposed under this section is in addition to any other penalty or charge imposed under this chapter, and shall be considered as revenue arising from excise taxes imposed by this chapter.

No additional charge shall be assessed under this division against a public utility that has been notified of its obligation to remit taxes electronically under this section and that remits its first two tax payments after such notification by some other means ~~other than electronic funds transfer~~. The additional charge may be assessed upon the remittance of any subsequent tax payment that the public utility remits by some means other than ~~electronic funds transfer~~ electronically.

Sec. 5727.42. (A) ~~The treasurer of state shall notify the tax commissioner of any payment of the excise tax imposed by section 5727.30 of the Revised Code.~~ The tax commissioner shall collect the excise tax imposed by section 5727.30 of the Revised Code and the taxpayer shall pay all taxes and any penalties thereon. Payments of the tax may be made by mail, in person, ~~by electronic funds transfer~~ electronically if required to do so by section 5727.311 of the Revised Code, or by any other means authorized by the commissioner. The commissioner may adopt rules concerning the methods and timeliness of payment.

(B) Each tax assessment issued pursuant to this section shall separately reflect the taxes and any penalty due, and any other information considered necessary. The commissioner shall mail the assessment to the taxpayer, and the mailing of it shall be prima-facie evidence of receipt thereof by the taxpayer.

(C) The commissioner shall refund taxes levied and payments made for

the tax imposed by section 5727.30 of the Revised Code as provided in this section, but no refund shall be made to a taxpayer having a delinquent claim certified pursuant to this section that remains unpaid. The commissioner may consult the attorney general regarding such claims.

(D) After receiving any excise tax annual statement for the tax imposed by section 5727.30 of the Revised Code, the commissioner shall:

(1) Ascertain the difference between the total taxes owed and the sum of all payments made for that year.

(2) If the difference is a deficiency, the commissioner shall issue an assessment.

(3) If the difference is an excess, the commissioner shall ~~notify the director of budget and management and~~ issue a refund of that amount to the taxpayer. If the amount of the refund is less than that claimed by the taxpayer, the taxpayer, within sixty days of the issuance of the refund, may provide to the commissioner additional information to support the claim or may request a hearing. Upon receiving such information or request within that time, the commissioner shall follow the same procedures set forth in divisions (C) and (D) of section 5703.70 of the Revised Code for the determination of refund applications.

If the taxpayer has a deficiency for one tax year and an excess for another tax year, or any combination thereof for more than two years, the commissioner may determine the net result and, depending on such result, proceed to issue an assessment or certify a refund.

(E) If a taxpayer fails to pay the amount of taxes required to be paid, or fails to make an estimated payment on or before the due date prescribed in division (B) of section 5727.31 of the Revised Code, the commissioner shall impose a penalty in the amount of fifteen per cent of the unpaid amount, and the commissioner shall issue an assessment for the unpaid amount and penalty. Unless a timely petition for reassessment is filed under section 5727.47 of the Revised Code, the attorney general shall proceed to collect the delinquent taxes and penalties thereon in the manner prescribed by law and notify the commissioner of all collections.

Sec. 5727.47. (A) Notice of each assessment certified or issued pursuant to section 5727.23 or 5727.38 of the Revised Code shall be mailed to the public utility, and its mailing shall be prima-facie evidence of its receipt by the public utility to which it is addressed. With the notice, the tax commissioner shall provide instructions on how to petition for reassessment and request a hearing on the petition. If a public utility objects to such an assessment, it may file with the commissioner, either personally or by certified mail, within sixty days after the mailing of the notice of assessment

a written petition for reassessment signed by the utility's authorized agent having knowledge of the facts. The date the commissioner receives the petition shall be considered the date of filing. The petition shall indicate the utility's objections, but additional objections may be raised in writing if received by the commissioner prior to the date shown on the final determination.

In the case of a petition seeking a reduction in taxable value filed with respect to an assessment certified under section 5727.23 of the Revised Code, the petitioner shall state in the petition the total amount of reduction in taxable value sought by the petitioner. If the petitioner objects to the percentage of true value at which taxable property is assessed by the commissioner, the petitioner shall state in the petition the total amount of reduction in taxable value sought both with and without regard to the objection pertaining to the percentage of true value at which its taxable property is assessed. If a petitioner objects to the commissioner's apportionment of the taxable value of the petitioner's taxable property, the petitioner shall distinctly state in the petition that the petitioner objects to the commissioner's apportionment, and, within forty-five days after filing the petition for reassessment, shall submit the petitioner's proposed apportionment of the taxable value of its taxable property among taxing districts. If a petitioner that objects to the commissioner's apportionment fails to state its objections to that apportionment in its petition for reassessment or fails to submit its proposed apportionment within forty-five days after filing the petition for reassessment, the commissioner shall dismiss the petitioner's objection to the commissioner's apportionment, and the taxable value of the petitioner's taxable property, subject to any adjustment to taxable value pursuant to the petition or appeal, shall be apportioned in the manner used by the commissioner in the preliminary or amended preliminary assessment certified under section 5727.23 of the Revised Code.

If an additional objection seeking a reduction in taxable value in excess of the reduction stated in the original petition is properly and timely raised with respect to an assessment issued under section 5727.23 of the Revised Code, the petitioner shall state the total amount of the reduction in taxable value sought in the additional objection both with and without regard to any reduction in taxable value pertaining to the percentage of true value at which taxable property is assessed. If a petitioner fails to state the reduction in taxable value sought in the original petition or in additional objections properly raised after the petition is filed, the commissioner shall notify the petitioner of the failure ~~by certified mail~~ in the manner provided in section

5703.37 of the Revised Code. If the petitioner fails to notify the commissioner in writing of the reduction in taxable value sought in the petition or in an additional objection within thirty days after receiving the commissioner's notice, the commissioner shall dismiss the petition or the additional objection in which that reduction is sought.

(B)(1) Subject to divisions (B)(2) and (3) of this section, a public utility filing a petition for reassessment regarding an assessment certified or issued under section 5727.23 or 5727.38 of the Revised Code shall pay the tax with respect to the assessment objected to as required by law. The acceptance of any tax payment by the ~~treasurer of state~~, tax commissioner, or any county treasurer shall not prejudice any claim for taxes on final determination by the commissioner or final decision by the board of tax appeals or any court.

(2) If a public utility properly and timely files a petition for reassessment regarding an assessment certified under section 5727.23 of the Revised Code, the petitioner shall pay the tax as prescribed by divisions (B)(2)(a), (b), and (c) of this section:

(a) If the petitioner does not object to the commissioner's apportionment of the taxable value of the petitioner's taxable property, the petitioner is not required to pay the part of the tax otherwise due on the taxable value that the petitioner seeks to have reduced, subject to division (B)(2)(c) of this section.

(b) If the petitioner objects to the commissioner's apportionment of the taxable value of the petitioner's taxable property, the petitioner is not required to pay the tax otherwise due on the part of the taxable value apportioned to any taxing district that the petitioner objects to, subject to division (B)(2)(c) of this section. If, pursuant to division (A) of this section, the petitioner has, in a proper and timely manner, apportioned taxable value to a taxing district to which the commissioner did not apportion the petitioner's taxable value, the petitioner shall pay the tax due on the taxable value that the petitioner has apportioned to the taxing district, subject to division (B)(2)(c) of this section.

(c) If a petitioner objects to the percentage of true value at which taxable property is assessed by the commissioner, the petitioner shall pay the tax due on the basis of the percentage of true value at which the public utility's taxable property is assessed by the commissioner. In any case, the petitioner's payment of tax shall not be less than the amount of tax due based on the taxable value reflected on the last appeal notice issued by the commissioner under division (C) of this section. Until the county auditor receives notification under division (E) of this section and proceeds under section 5727.471 of the Revised Code to issue any refund that is found to be due, the county auditor shall not issue a refund for any increase in the

reduction in taxable value that is sought by a petitioner later than forty-five days after the petitioner files the original petition as required under division (A) of this section.

(3) Any part of the tax that, under division (B)(2)(a) or (b) of this section, is not paid shall be collected upon receipt of the notification as provided in section 5727.471 of the Revised Code with interest thereon computed in the same manner as interest is computed under division (E) of section 5715.19 of the Revised Code, subject to any correction of the assessment by the commissioner under division (E) of this section or the final judgment of the board of tax appeals or a court to which the board's final judgment is appealed. The penalty imposed under section 323.121 of the Revised Code shall apply only to the unpaid portion of the tax if the petitioner's tax payment is less than the amount of tax due based on the taxable value reflected on the last appeal notice issued by the commissioner under division (C) of this section.

(C) Upon receipt of a properly filed petition for reassessment with respect to an assessment certified under section 5727.23 of the Revised Code, the tax commissioner shall notify the treasurer of state or the auditor of each county to which the assessment objected to has been certified. In the case of a petition with respect to an assessment certified under section 5727.23 of the Revised Code, the commissioner shall issue an appeal notice within thirty days after receiving the amount of the taxable value reduction and apportionment changes sought by the petitioner in the original petition or in any additional objections properly and timely raised by the petitioner. The appeal notice shall indicate the amount of the reduction in taxable value sought in the petition or in the additional objections and the extent to which the reduction in taxable value and any change in apportionment requested by the petitioner would affect the commissioner's apportionment of the taxable value among taxing districts in the county as shown in the assessment. If a petitioner is seeking a reduction in taxable value on the basis of a lower percentage of true value than the percentage at which the commissioner assessed the petitioner's taxable property, the appeal notice shall indicate the reduction in taxable value sought by the petitioner without regard to the reduction sought on the basis of the lower percentage and shall indicate that the petitioner is required to pay tax on the reduced taxable value determined without regard to the reduction sought on the basis of a lower percentage of true value, as provided under division (B)(2)(c) of this section. The appeal notice shall include a statement that the reduced taxable value and the apportionment indicated in the notice are not final and are subject to adjustment by the commissioner or by the board of tax appeals or a court on

appeal. If the commissioner finds an error in the appeal notice, the commissioner may amend the notice, but the notice is only for informational and tax payment purposes; the notice is not subject to appeal by any person. The commissioner also shall mail a copy of the appeal notice to the petitioner. Upon the request of a taxing authority, the county auditor may disclose to the taxing authority the extent to which a reduction in taxable value sought by a petitioner would affect the apportionment of taxable value to the taxing district or districts under the taxing authority's jurisdiction, but such a disclosure does not constitute a notice required by law to be given for the purpose of section 5717.02 of the Revised Code.

(D) If the petitioner requests a hearing on the petition, the tax commissioner shall assign a time and place for the hearing on the petition and notify the petitioner of such time and place, but the commissioner may continue the hearing from time to time as necessary.

(E) The tax commissioner may make corrections to the assessment as the commissioner finds proper. The commissioner shall serve a copy of the commissioner's final determination on the petitioner in the manner provided in section 5703.37 of the Revised Code. The commissioner's decision in the matter shall be final, subject to appeal under section 5717.02 of the Revised Code. With respect to a final determination issued for an assessment certified under section 5727.23 of the Revised Code, the commissioner also shall transmit a copy of the final determination to the applicable county auditor. In the absence of any further appeal, or when a decision of the board of tax appeals or of any court to which the decision has been appealed becomes final, the commissioner shall notify the public utility and, as appropriate, shall proceed under section 5727.42 of the Revised Code, or notify the applicable county auditor, who shall proceed under section 5727.471 of the Revised Code.

The notification made under this division is not subject to further appeal.

(F) On appeal, no adjustment shall be made in the tax commissioner's assessment certified under section 5727.23 of the Revised Code that reduces the taxable value of a petitioner's taxable property by an amount that exceeds the reduction sought by the petitioner in its petition for reassessment or in any additional objections properly and timely raised after the petition is filed with the commissioner.

Sec. 5727.53. The taxes, fees, and penalties provided by this chapter that are remitted to the ~~treasurer of state~~ tax commissioner may be recovered by an action brought in the name of the state in the court of common pleas of Franklin county, or of any county in which such public utility is doing

business, or in which the line of any railroad company is located, and such court of common pleas shall have jurisdiction of the action regardless of the amount involved. The attorney general, on request of the tax commissioner, shall institute such action in the court of common pleas of Franklin county or of any of such counties the commissioner directs. Sums recovered in any such action shall be paid into the state treasury in the same manner as the tax.

Sec. 5727.81. (A) For the purpose of raising revenue to fund the needs of this state and its local governments, an excise tax is hereby levied and imposed on an electric distribution company for all electricity distributed by such company at the following rates per kilowatt hour of electricity distributed in a thirty-day period by the company through a meter of an end user in this state:

KILOWATT HOURS DISTRIBUTED TO AN END USER	RATE PER KILOWATT HOUR
For the first 2,000	\$.00465
For the next 2,001 to 15,000	\$.00419
For 15,001 and above	\$.00363

If no meter is used to measure the kilowatt hours of electricity distributed by the company, the rates shall apply to the estimated kilowatt hours of electricity distributed to an unmetered location in this state.

The electric distribution company shall base the monthly tax on the kilowatt hours of electricity distributed to an end user through the meter of the end user that is not measured for a thirty-day period by dividing the days in the measurement period into the total kilowatt hours measured during the measurement period to obtain a daily average usage. The tax shall be determined by obtaining the sum of divisions (A)(1), (2), and (3) of this section and multiplying that amount by the number of days in the measurement period:

(1) Multiplying \$.00465 per kilowatt hour for the first sixty-seven kilowatt hours distributed using a daily average;

(2) Multiplying \$.00419 for the next sixty-eight to five hundred kilowatt hours distributed using a daily average;

(3) Multiplying \$.00363 for the remaining kilowatt hours distributed using a daily average.

Except as provided in division (C) of this section, the electric distribution company shall pay the tax to the tax commissioner in accordance with section 5727.82 of the Revised Code, unless required to remit each tax payment ~~by electronic funds transfer to the treasurer of state~~ electronically in accordance with section 5727.83 of the Revised Code.

Only the distribution of electricity through a meter of an end user in this state shall be used by the electric distribution company to compute the amount or estimated amount of tax due. In the event a meter is not actually read for a measurement period, the estimated kilowatt hours distributed by an electric distribution company to bill for its distribution charges shall be used.

(B) Except as provided in division (C) of this section, each electric distribution company shall pay the tax imposed by this section in all of the following circumstances:

(1) The electricity is distributed by the company through a meter of an end user in this state;

(2) The company is distributing electricity through a meter located in another state, but the electricity is consumed in this state in the manner prescribed by the tax commissioner;

(3) The company is distributing electricity in this state without the use of a meter, but the electricity is consumed in this state as estimated and in the manner prescribed by the tax commissioner.

(C)(1) As used in division (C) of this section:

(a) "Total price of electricity" means the aggregate value in money of anything paid or transferred, or promised to be paid or transferred, to obtain electricity or electric service, including but not limited to the value paid or promised to be paid for the transmission or distribution of electricity and for transition costs as described in Chapter 4928. of the Revised Code.

(b) "Package" means the provision or the acquisition, at a combined price, of electricity with other services or products, or any combination thereof, such as natural gas or other fuels; energy management products, software, and services; machinery and equipment acquisition; and financing agreements.

(c) "Single location" means a facility located on contiguous property separated only by a roadway, railway, or waterway.

(2) Division (C) of this section applies to any commercial or industrial purchaser's receipt of electricity through a meter of an end user in this state or through more than one meter at a single location in this state in a quantity that exceeds forty-five million kilowatt hours of electricity over the course of the preceding calendar year, or any commercial or industrial purchaser that will consume more than forty-five million kilowatt hours of electricity over the course of the succeeding twelve months as estimated by the tax commissioner. The tax commissioner shall make such an estimate upon the written request by an applicant for registration as a self-assessing purchaser under this division. ~~For the meter reading period including July 1, 2008,~~

~~through the meter reading period including December 31, 2010, such a purchaser may elect to self-assess the excise tax imposed by this section at the rate of \$.00075 per kilowatt hour on the first five hundred four million kilowatt hours distributed to that meter or location during the registration year, and a percentage of the total price of all electricity distributed to that meter or location equal to three and one-half per cent. For the meter reading period including January 1, 2011, and thereafter, such~~ Such a purchaser may elect to self-assess the excise tax imposed by this section at the rate of \$.00257 per kilowatt hour for the first five hundred million kilowatt hours, and \$.001832 per kilowatt hour for each kilowatt hour in excess of five hundred million kilowatt hours, distributed to that meter or location during the registration year.

A qualified end user that receives electricity through a meter of an end user in this state or through more than one meter at a single location in this state and that consumes, over the course of the previous calendar year, more than forty-five million kilowatt hours in other than its qualifying manufacturing process, may elect to self-assess the tax as allowed by this division with respect to the electricity used in other than its qualifying manufacturing process.

Payment of the tax shall be made directly to the tax commissioner in accordance with divisions (A)(4) and (5) of section 5727.82 of the Revised Code, or ~~the treasurer of state~~ in accordance with section 5727.83 of the Revised Code. If the electric distribution company serving the self-assessing purchaser is a municipal electric utility and the purchaser is within the municipal corporation's corporate limits, payment shall be made to such municipal corporation's general fund and reports shall be filed in accordance with divisions (A)(4) and (5) of section 5727.82 of the Revised Code, except that "municipal corporation" shall be substituted for ~~"treasurer of state"~~ and "tax commissioner." A self-assessing purchaser that pays the excise tax as provided in this division shall not be required to pay the tax to the electric distribution company from which its electricity is distributed. If a self-assessing purchaser's receipt of electricity is not subject to the tax as measured under this division, the tax on the receipt of such electricity shall be measured and paid as provided in division (A) of this section.

(3) In the case of the acquisition of a package, unless the elements of the package are separately stated isolating the total price of electricity from the price of the remaining elements of the package, the tax imposed under this section applies to the entire price of the package. If the elements of the package are separately stated, the tax imposed under this section applies to the total price of the electricity.

(4) Any electric supplier that sells electricity as part of a package shall separately state to the purchaser the total price of the electricity and, upon request by the tax commissioner, the total price of each of the other elements of the package.

(5) The tax commissioner may adopt rules relating to the computation of the total price of electricity with respect to self-assessing purchasers, which may include rules to establish the total price of electricity purchased as part of a package.

(6) An annual application for registration as a self-assessing purchaser shall be made for each qualifying meter or location on a form prescribed by the tax commissioner. The registration year begins on the first day of May and ends on the following thirtieth day of April. Persons may apply after the first day of May for the remainder of the registration year. In the case of an applicant applying on the basis of an estimated consumption of forty-five million kilowatt hours over the course of the succeeding twelve months, the applicant shall provide such information as the tax commissioner considers to be necessary to estimate such consumption. At the time of making the application and by the first day of May of each year, a self-assessing purchaser shall pay a fee of five hundred dollars to the tax commissioner, ~~or to the treasurer of state as provided in section 5727.83 of the Revised Code,~~ for each qualifying meter or location. The tax commissioner shall immediately pay to the treasurer of state all amounts that the tax commissioner receives under this section. The treasurer of state shall deposit such amounts into the kilowatt hour excise tax administration fund, which is hereby created in the state treasury. Money in the fund shall be used to defray the tax commissioner's cost in administering the tax owed under section 5727.81 of the Revised Code by self-assessing purchasers. After the application is approved by the tax commissioner, the registration shall remain in effect for the current registration year, or until canceled by the registrant upon written notification to the commissioner of the election to pay the tax in accordance with division (A) of this section, or until canceled by the tax commissioner for not paying the tax or fee under division (C) of this section or for not meeting the qualifications in division (C)(2) of this section. The tax commissioner shall give written notice to the electric distribution company from which electricity is delivered to a self-assessing purchaser of the purchaser's self-assessing status, and the electric distribution company is relieved of the obligation to pay the tax imposed by division (A) of this section for electricity distributed to that self-assessing purchaser until it is notified by the tax commissioner that the self-assessing purchaser's registration is canceled. Within fifteen days of notification of the

canceled registration, the electric distribution company shall be responsible for payment of the tax imposed by division (A) of this section on electricity distributed to a purchaser that is no longer registered as a self-assessing purchaser. A self-assessing purchaser with a canceled registration must file a report and remit the tax imposed by division (A) of this section on all electricity it receives for any measurement period prior to the tax being reported and paid by the electric distribution company. A self-assessing purchaser whose registration is canceled by the tax commissioner is not eligible to register as a self-assessing purchaser for two years after the registration is canceled.

(7) If the tax commissioner cancels the self-assessing registration of a purchaser registered on the basis of its estimated consumption because the purchaser does not consume at least forty-five million kilowatt hours of electricity over the course of the twelve-month period for which the estimate was made, the tax commissioner shall assess and collect from the purchaser the difference between (a) the amount of tax that would have been payable under division (A) of this section on the electricity distributed to the purchaser during that period and (b) the amount of tax paid by the purchaser on such electricity pursuant to division (C)(2) of this section. The assessment shall be paid within sixty days after the tax commissioner issues it, regardless of whether the purchaser files a petition for reassessment under section 5727.89 of the Revised Code covering that period. If the purchaser does not pay the assessment within the time prescribed, the amount assessed is subject to the additional charge and the interest prescribed by divisions (B) and (C) of section 5727.82 of the Revised Code, and is subject to assessment under section 5727.89 of the Revised Code. If the purchaser is a qualified end user, division (C)(7) of this section applies only to electricity it consumes in other than its qualifying manufacturing process.

(D) The tax imposed by this section does not apply to:

(1) The distribution or obtaining of any kilowatt hours of electricity to or by any of the following:

- (a) The federal government;
- (b) An end user located at a federal facility that uses electricity for the enrichment of uranium;
- (c) A qualified regeneration meter;
- (d) An end user for any day the end user is a qualified end user;
- (e) An end user if the electricity is generated by an electric generation facility that is primarily dedicated to providing electricity to the electric-consuming facilities of the end user, that is sized so as to not exceed one hundred per cent of the customer-generator's annual requirements for

electric energy at the time of interconnection, that is physically interconnected and integrated with the electric-consuming facilities of the end user, and that is located on the same property on which the end user's electric-consuming facilities are situated or on property that is contiguous to the property on which the end user's electric-consuming facilities are situated.

(2) Kilowatt hours of electricity generated by a self-generator if the electric generating facility is sized so as not to exceed one hundred per cent of the customer-generator's annual requirements for electric energy at the time of interconnection.

The exemption under division (D)(1)(d) of this section for a qualified end user only applies to the manufacturing location where the qualified end user uses electricity in a chlor-alkali manufacturing process or where the qualified end user uses more than three million kilowatt hours per day in an electrochemical manufacturing process. As used in division (D) of this section, "customer-generator" and "self-generator" have the same meanings as in section 4928.01 of the Revised Code.

(E) All revenue arising from the tax imposed by this section shall be credited to the general revenue fund except as provided by division (C) of this section and section 5727.82 of the Revised Code.

Sec. 5727.811. (A) For the purpose of raising revenue to fund the needs of this state and its local governments, an excise tax is hereby levied on every natural gas distribution company for all natural gas volumes billed by, or on behalf of, the company ~~beginning with the measurement period that includes July 1, 2001~~. Except as provided in divisions (C) or (D) of this section, the tax shall be levied at the following rates per MCF of natural gas distributed by the company through a meter of an end user in this state:

MCF DISTRIBUTED TO AN END USER	RATE PER MCF
For the first 100 MCF per month	\$.1593
For the next 101 to 2000 MCF per month	\$.0877
For 2001 and above MCF per month	\$.0411

If no meter is used to measure the MCF of natural gas distributed by the company, the rates shall apply to the estimated MCF of natural gas distributed to an unmetered location in this state.

(B) A natural gas distribution company shall base the tax on the MCF of natural gas distributed to an end user through the meter of the end user in this state that is estimated to be consumed by the end user as reflected on the end user's customer statement from the natural gas distribution company. ~~Until January 1, 2003, the natural gas distribution company shall pay the tax~~

~~levied by this section to the treasurer of state in accordance with section 5727.82 of the Revised Code. Beginning January 1, 2003, the~~ The natural gas distribution company shall pay the tax levied by this section to the tax commissioner in accordance with section 5727.82 of the Revised Code unless required to remit payment ~~to the treasurer of state~~ in accordance with section 5727.83 of the Revised Code.

(C) A natural gas distribution company with seventy thousand customers or less may elect to apply the rates specified in division (A) of this section to the aggregate of the natural gas distributed by the company through the meter of all its customers in this state, and upon such election, this method shall be used to determine the amount of tax to be paid by such company.

(D) A natural gas distribution company shall pay the tax imposed by this section at the rate of \$.02 per MCF of natural gas distributed by the company through the meter of a flex customer. The natural gas distribution company correspondingly shall reduce the per MCF rate that it charges the flex customer for natural gas distribution services by \$.02 per MCF of natural gas distributed to the flex customer.

(E) Except as provided in division (F) of this section, each natural gas distribution company shall pay the tax imposed by this section in all of the following circumstances:

(1) The natural gas is distributed by the company through a meter of an end user in this state;

(2) The natural gas distribution company is distributing natural gas through a meter located in another state, but the natural gas is consumed in this state in the manner prescribed by the tax commissioner;

(3) The natural gas distribution company is distributing natural gas in this state without the use of a meter, but the natural gas is consumed in this state as estimated and in the manner prescribed by the tax commissioner.

(F) The tax levied by this section does not apply to the distribution of natural gas to the federal government, or natural gas produced by an end user in this state that is consumed by that end user or its affiliates and is not distributed through the facilities of a natural gas company.

(G) All revenue arising from the tax imposed by this section shall be credited to the general revenue fund.

Sec. 5727.82. (A)(1) Except as provided in divisions (A)(3) and (D) of this section, by the twentieth day of each month, each electric distribution company required to pay the tax imposed by section 5727.81 of the Revised Code shall file with the tax commissioner a return as prescribed by the tax commissioner and shall make payment of the full amount of tax due for the

preceding month. ~~The first payment of this tax shall be made on or before June 20, 2001.~~ The electric distribution company shall make payment to the tax commissioner unless required to remit ~~each tax~~ the payment by electronic funds transfer to the treasurer of state electronically as provided in section 5727.83 of the Revised Code.

(2) By the twentieth day of May, August, November, and February, each natural gas distribution company required to pay the tax imposed by section 5727.811 of the Revised Code shall file with the tax commissioner a return as prescribed by the tax commissioner and shall make payment to the tax commissioner, ~~or to the treasurer of state as provided in section 5727.83 of the Revised Code,~~ of the full amount of tax due for the preceding quarter. ~~The first payment of this tax shall be made on or before November 20, 2001, for the quarter ending September 30, 2001.~~

(3) If the electric distribution company required to pay the tax imposed by section 5727.81 of the Revised Code is a municipal electric utility, it may retain in its general fund that portion of the tax on the kilowatt hours distributed to end users located within the boundaries of the municipal corporation. However, the municipal electric utility shall make payment in accordance with division (A)(1) of this section of the tax due on the kilowatt hours distributed to end users located outside the boundaries of the municipal corporation.

(4) By the twentieth day of each month, each self-assessing purchaser that under division (C) of section 5727.81 of the Revised Code pays directly to the tax commissioner ~~or the treasurer of state~~ the tax imposed by section 5727.81 of the Revised Code shall file with the tax commissioner a return as prescribed by the tax commissioner and shall make payment of the full amount of the tax due for the preceding month.

(5) As prescribed by the tax commissioner, a return shall be signed by the company or self-assessing purchaser required to file it, or an authorized employee, officer, or agent of the company or purchaser. The return shall be deemed filed when received by the tax commissioner.

(B) Any natural gas distribution company, electric distribution company, or self-assessing purchaser required by this section to file a return who fails to file it and pay the tax within the period prescribed shall pay an additional charge of fifty dollars or ten per cent of the tax required to be paid for the reporting period, whichever is greater. The tax commissioner may collect the additional charge by assessment pursuant to section 5727.89 of the Revised Code. The commissioner may abate all or a portion of the additional charge and may adopt rules governing such abatements.

(C) If any tax due is not paid timely in accordance with this section, the

natural gas distribution company, electric distribution company, or self-assessing purchaser liable for the tax shall pay interest, calculated at the rate per annum prescribed by section 5703.47 of the Revised Code, from the date the tax payment was due to the date of payment or to the date an assessment is issued, whichever occurs first. Interest shall be paid in the same manner as the tax, and the commissioner may collect the interest by assessment pursuant to section 5727.89 of the Revised Code.

(D) Not later than the tenth day of each month, a qualified end user not making the election to self-assess under division (C) of section 5727.81 of the Revised Code shall report in writing to the electric distribution company that distributes electricity to the end user the kilowatt hours that were consumed as a qualified end user in a qualifying manufacturing process for the prior month and the number of days, if any, on which the end user was not a qualified end user. For each calendar day during that month, a qualified end user shall report the kilowatt hours that were not used in a qualifying manufacturing process. For each calendar day the end user was not a qualified end user, the end user shall report in writing to the electric distribution company the total number of kilowatt hours used on that day, and the electric distribution company shall pay the tax imposed under section 5727.81 of the Revised Code on each kilowatt hour that was not distributed to a qualified end user in a qualifying manufacturing process. The electric distribution company may rely in good faith on a qualified end user's report filed under this division. If it is determined that the end user was not a qualified end user for any calendar day or the quantity of electricity used by the qualified end user in a qualifying manufacturing process was overstated, the tax commissioner shall assess and collect any tax imposed under section 5727.81 of the Revised Code directly from the qualified end user. As requested by the commissioner, each end user reporting to an electric distribution company that it is a qualified end user shall provide documentation to the commissioner that establishes the volume of electricity consumed daily by the qualified end user and the total number of kilowatt hours consumed in a qualifying manufacturing process.

~~(E) The tax commissioner shall immediately pay to the treasurer of state all amounts that the tax commissioner receives under this section. The treasurer of state shall credit such amounts in accordance with this chapter.~~

Sec. 5727.83. (A) A natural gas distribution company, an electric distribution company, or a self-assessing purchaser shall remit each tax payment ~~by electronic funds transfer~~ electronically as prescribed by divisions (B) and (C) of this section.

The tax commissioner shall notify each natural gas distribution

company, electric distribution company, and self-assessing purchaser of the obligation to remit taxes ~~by electronic funds transfer~~, ~~shall maintain an updated list of those companies and purchasers, and shall timely certify to the treasurer of state the list and any additions thereto or deletions therefrom electronically by using the Ohio business gateway, as defined in section 718.01 of the Revised Code, or another means of electronic payment.~~ Failure by the ~~tax~~ commissioner to notify a company or self-assessing purchaser subject to this section to remit taxes ~~by electronic funds transfer electronically~~ does not relieve the company or self-assessing purchaser of its obligation to remit taxes in that manner.

(B) A natural gas distribution company, an electric distribution company, or a self-assessing purchaser required by this section to remit payments ~~by electronic funds transfer electronically~~ shall remit such payments ~~to the treasurer of state in the manner prescribed by rules adopted by the treasurer of state under section 113.061 of the Revised Code, and on or before the dates specified under section 5727.82 of the Revised Code.~~ The payment of taxes ~~by electronic funds transfer electronically~~ does not affect a company's or self-assessing purchaser's obligation to file a return as required under section 5727.82 of the Revised Code.

(C) A natural gas distribution company, an electric distribution company, or a self-assessing purchaser required by this section to remit taxes ~~by electronic funds transfer electronically~~ may apply to the ~~treasurer of state~~ tax commissioner in the manner prescribed by the ~~treasurer of state commissioner~~ to be excused from that requirement. The ~~treasurer of state commissioner~~ may excuse the company or self-assessing purchaser from ~~electronic remittance by electronic funds transfer~~ for good cause shown for the period of time requested by the company or self-assessing purchaser or for a portion of that period. The ~~treasurer of state~~ commissioner shall notify the ~~tax commissioner and the~~ company or self-assessing purchaser of the ~~treasurer of state's~~ commissioner's decision as soon as is practicable.

(D) If a natural gas distribution company, an electric distribution company, or a self-assessing purchaser required by this section to remit taxes ~~by electronic funds transfer electronically~~ remits those taxes by some means other than ~~by electronic funds transfer electronically~~ as prescribed by this section ~~and the rules adopted by the treasurer of state, and the treasurer of state~~ tax commissioner determines that such failure was not due to reasonable cause or was due to willful neglect, the ~~treasurer of state shall notify the tax commissioner of the failure to remit by electronic funds transfer and shall provide the commissioner with any information used in making that determination.~~ The ~~tax~~ commissioner may collect an additional

charge by assessment in the manner prescribed by section 5727.89 of the Revised Code. The additional charge shall equal five per cent of the amount of the taxes required to be paid ~~by electronic funds transfer~~ electronically, but shall not exceed five thousand dollars. Any additional charge assessed under this section is in addition to any other penalty or charge imposed under this chapter, and shall be considered as revenue arising from the tax imposed under this chapter. The tax commissioner may abate all or a portion of such a charge and may adopt rules governing such abatements.

No additional charge shall be assessed under this division against a natural gas distribution company, an electric distribution company, or a self-assessing purchaser that has been notified of its obligation to remit taxes electronically under this section and that remits its first two tax payments after such notification by some other means ~~other than electronic funds transfer~~. The additional charge may be assessed upon the remittance of any subsequent tax payment that the company or purchaser remits by some means other than ~~electronic funds transfer~~ electronically.

Sec. 5733.022. (A) Subject to division (C) of this section, if a taxpayer's total liability for taxes imposed by section 5733.06 of the Revised Code, after reduction for all nonrefundable credits allowed the taxpayer, ~~for tax year 1992 or 1993 exceeds one hundred thousand dollars, the taxpayer shall remit each tax payment for tax year 1994 to the treasurer of state by electronic funds transfer as prescribed by divisions (B) and (C) of this section. Subject to division (C) of this section, if a taxpayer's total liability for taxes, after reduction for all nonrefundable credits allowed the taxpayer, exceeds one hundred thousand dollars for tax year 1993, the taxpayer shall remit each tax payment for tax year 1995 by electronic funds transfer as prescribed by divisions (B) and (C) of this section. If a taxpayer's total liability for taxes, after reduction for all nonrefundable credits allowed the taxpayer, exceeds seventy five thousand dollars for tax year 1994, the taxpayer shall remit each tax payment for tax year 1996 by electronic funds transfer as prescribed by divisions (B) and (C) of this section. For tax year 1997 and any succeeding tax year, if a taxpayer's total liability for taxes, after reduction for all nonrefundable credits allowed the taxpayer, exceeds fifty thousand dollars for the second preceding tax year, the taxpayer shall remit each tax payment for the tax year by electronic funds transfer~~ electronically as prescribed by divisions (B) and (C) of this section.

The tax commissioner shall notify each taxpayer required to remit taxes ~~by electronic funds transfer~~ electronically of the taxpayer's obligation to do so, ~~shall maintain an updated list of those taxpayers, and shall provide the list and any additions thereto or deletions therefrom to the treasurer of state.~~

Failure by the ~~tax~~ commissioner to notify a taxpayer subject to this section to remit taxes ~~by electronic funds transfer~~ electronically does not relieve the taxpayer of its obligation to remit taxes ~~by electronic funds transfer in that manner.~~

(B) Taxpayers required by this section to remit payments ~~by electronic funds transfer~~ electronically shall remit such payments ~~to the treasurer of state~~ in the manner prescribed by ~~rules adopted by the treasurer under section 113.061 of the Revised Code~~ the tax commissioner.

Except as otherwise provided in this paragraph, the electronic payment of taxes ~~by electronic funds transfer~~ does not affect a taxpayer's obligation to file the annual corporation report or the declaration of estimated tax report as required under sections 5733.02 and 5733.021 of the Revised Code. ~~If the taxpayer remits estimated tax payments in a manner, designated by rule of the treasurer of state, that permits the inclusion of all information necessary for the treasurer of state to process the tax payment, the taxpayer need not file the declaration of estimated tax report as required by section 5733.021 of the Revised Code.~~

(C) If two or more taxpayers have elected or are required to file a combined report under section 5733.052 of the Revised Code, the tax liability of those taxpayers for purposes of division (A) of this section is the aggregate tax liability of those taxpayers after reduction for nonrefundable credits allowed the taxpayers.

(D) A taxpayer required by this section to remit taxes ~~by electronic funds transfer~~ electronically may apply to the ~~treasurer of state~~ tax commissioner in the manner prescribed by the ~~treasurer~~ commissioner to be excused from that requirement. The ~~treasurer of state~~ commissioner may excuse the taxpayer from electronic remittance ~~by electronic funds transfer~~ for good cause shown for the period of time requested by the taxpayer or for a portion of that period. The ~~treasurer~~ commissioner shall notify the ~~tax commissioner and the~~ taxpayer of the ~~treasurer's~~ commissioner's decision as soon as is practicable.

(E) If a taxpayer required by this section to remit taxes ~~by electronic funds transfer~~ electronically remits those taxes by some means other than ~~by electronic funds transfer~~ electronically as prescribed by this section ~~and the rules adopted by the treasurer of state~~, and the ~~treasurer~~ tax commissioner determines that such failure was not due to reasonable cause or was due to willful neglect, the ~~treasurer shall notify the tax commissioner of the failure to remit by electronic funds transfer and shall provide the commissioner with any information used in making that determination.~~ The tax commissioner may collect an additional charge by assessment in the manner

prescribed by section 5733.11 of the Revised Code. The additional charge shall equal five per cent of the amount of the taxes or estimated tax payments required to be paid ~~by electronic funds transfer~~ electronically, but shall not exceed five thousand dollars. Any additional charge assessed under this section is in addition to any other penalty or charge imposed under this chapter, and shall be considered as revenue arising from the taxes imposed under this chapter. The ~~tax~~ commissioner may remit all or a portion of such a charge and may adopt rules governing such remission.

No additional charge shall be assessed under this division against a taxpayer that has been notified of its obligation to remit taxes electronically under this section and that remits its first two tax payments after such notification by some other means ~~other than electronic funds transfer~~. The additional charge may be assessed upon the remittance of any subsequent tax payment that the taxpayer remits by some means other than ~~electronic funds transfer~~ electronically.

Sec. 5735.03. Except as provided in division (C)(2) of section 5735.02 of the Revised Code, every motor fuel dealer shall file with the tax commissioner a surety bond of not less than five thousand dollars, but may be required by the tax commissioner to submit a surety bond equal to three months' average tax liability, on a form approved by and with a surety satisfactory to the commissioner, upon which the motor fuel dealer shall be the principal obligor and the state shall be the obligee, conditioned upon the prompt filing of true reports and the payment by the motor fuel dealer to the ~~treasurer of state~~ commissioner of all motor fuel excise taxes levied by the state, provided that after notice is received from the state by the surety of the delinquency of any taxes, if the surety pays the taxes within thirty days after the receipt of the notice no penalties or interest shall be charged against the surety. If the surety does not pay the taxes within thirty days, but does pay within ninety days from the date of the receipt of notice from the state by the surety, no penalty shall be assessed against the surety but the surety shall pay interest at the rate of six per cent per annum on the unpaid taxes from the date the taxes are due and payable. If the surety does not pay within ninety days then the surety shall be liable for interest and penalties, and the tax commissioner may cancel all bonds issued by the surety.

The commissioner may increase or reduce the amount of the bond required to be filed by any licensed motor fuel dealer. If the commissioner finds that it is necessary to increase the bond to assure payment of the tax, the bond may be increased to an amount equal to three months/average liability or fifty thousand dollars, whichever is greater.

If liability upon the bond thus filed by the motor fuel dealer with the

commissioner is discharged or reduced, whether by judgment rendered, payment made, or otherwise, or if, in the opinion of the commissioner any surety on the bond theretofore given has become unsatisfactory or unacceptable, the commissioner may require the motor fuel dealer to file a new bond with satisfactory sureties in the same amount, and if a new bond is not filed the commissioner shall forthwith cancel the license of the motor fuel dealer. If a new bond is furnished by the motor fuel dealer, the commissioner shall cancel and surrender the bond of the motor fuel dealer for which the new bond is substituted.

A surety on a bond furnished by a motor fuel dealer shall be released from all liability to the state accruing on the bond after the expiration of sixty days from the date upon which the surety lodges with the commissioner a written request to be released. The request shall not operate to release the surety from any liability already accrued, or which accrues before the expiration of the sixty-day period. The commissioner shall promptly on receipt of notice of the request notify the motor fuel dealer who furnished the bond and, unless the motor fuel dealer on or before the expiration of the sixty-day period files with the commissioner a new bond with a surety satisfactory to the commissioner in the amount and form provided in this section, the commissioner shall forthwith cancel the license of the motor fuel dealer. If the new bond is furnished by said motor fuel dealer, the commissioner shall cancel and surrender the bond of the motor fuel dealer for which the new bond is substituted.

The commissioner, in lieu of any surety bond required by this section, may accept a deposit by a motor fuel dealer of cash. Any cash thus accepted shall be deposited with the ~~treasurer of state~~ commissioner to be held ~~by the treasurer of state, in the same manner as other cash required to be deposited with the treasurer of state under the laws of the state,~~ for the account of such motor fuel dealer and subject to any lawful claim of the state for any excise tax upon motor fuel, and penalties and interest thereon levied by the laws of this state. The state shall have a lien upon cash thus deposited for the amount of any motor fuel excise taxes and penalty and interest due to the state from the motor fuel dealer in whose behalf they were deposited. The amount of cash to be thus accepted shall in all respects be determined in the same manner as provided in this section for the amount of surety bonds. Any cash deposited shall be subject to levy upon execution to satisfy any judgment secured in any action by the state to recover any motor fuel excise taxes, and penalties and interest found to be due to the state from such motor fuel dealer. The cash shall be released by the ~~treasurer of state~~ commissioner upon ~~certificate of the commissioner~~ a determination that the license of the

motor fuel dealer in whose behalf they have been deposited has been canceled or that other security has been accepted in lieu thereof, and that the state asserts no claim thereto.

Sec. 5735.062. (A) If the tax commissioner so requires, the dealer shall remit each monthly tax payment electronically as prescribed by division (B) of this section.

The commissioner shall notify each dealer required to remit taxes electronically of the dealer's obligation to do so. Failure by the commissioner to notify a dealer subject to this section to remit taxes electronically does not relieve the dealer of its obligation to remit taxes electronically.

(B) Dealers required by division (A) of this section to remit payments electronically shall remit such payments ~~to the treasurer of state in the manner prescribed by rules adopted by the treasurer under section 113.061 of the Revised Code~~ or through the department of taxation's web site Ohio business gateway, as defined in section 718.01 of the Revised Code, or in another manner as prescribed by the commissioner. Required payments shall be remitted on or before the dates specified under section 5735.06 of the Revised Code. The payment of taxes electronically does not affect a dealer's obligation to file the monthly return as required under section 5735.06 of the Revised Code.

A dealer required by this section to remit taxes electronically may apply to the commissioner to be excused from that requirement. The commissioner may excuse the dealer from the electronic remittance requirement for good cause shown for the period of time requested by the dealer or for a portion of that period.

(C) If a dealer required by this section to remit taxes electronically fails to do so, the commissioner may impose a penalty on the dealer not to exceed one of the following:

(1) For the first return period the dealer fails to remit taxes electronically, the greater of twenty-five dollars or five per cent of the amount of the payment required to be remitted;

(2) For the second or any subsequent return period the dealer fails to remit taxes electronically, the greater of fifty dollars or ten per cent of the amount of the payment required to be remitted.

The penalty imposed under division (C) of this section is in addition to any other penalty imposed under this chapter and shall be considered as revenue arising from the taxes imposed under this chapter. A penalty may be collected by assessment in the manner prescribed by section 5735.12 of the Revised Code. The commissioner may abate all or a portion of a penalty.

(D) The commissioner may adopt rules necessary to administer this section.

Sec. 5739.031. (A) Upon application, the tax commissioner may issue a direct payment permit that authorizes a consumer to pay the sales tax levied by or pursuant to section 5739.02, 5739.021, 5739.023, or 5739.026 of the Revised Code or the use tax levied by or pursuant to section 5741.02, 5741.021, 5741.022, or 5741.023 of the Revised Code directly to the state and waives the collection of the tax by the vendor or seller if payment directly to the state would improve compliance and increase the efficiency of the administration of the tax. The commissioner may adopt rules establishing the criteria for the issuance of such permits.

(B) Each permit holder, on or before the twenty-third day of each month, shall make and file with the ~~treasurer of state~~ tax commissioner a return for the preceding month in such form as is prescribed by the ~~tax~~ commissioner and shall pay the tax shown on the return to be due. The return shall show the sum of the prices of taxable merchandise used and taxable services received, the amount of tax due from the permit holder, and such other information as the commissioner deems necessary. The commissioner, upon written request by the permit holder, may extend the time for making and filing returns and paying the tax. If the commissioner determines that a permit holder's tax liability is not such as to merit monthly filing, the commissioner may authorize the permit holder to file returns and pay the tax at less frequent intervals. ~~The treasurer of state shall show on the return the date it was filed and the amount of the payment remitted to the treasurer. Thereafter, the treasurer immediately shall transmit all returns filed under this section to the tax commissioner.~~

Any permit holder required to file a return and pay the tax under this section whose total payment for any calendar year equals or exceeds the amount shown in section 5739.032 of the Revised Code shall make each payment required by this section in the second ensuing and each succeeding year ~~by electronic funds transfer~~ electronically as prescribed by, and on or before the dates specified in, section 5739.032 of the Revised Code, except as otherwise prescribed by that section.

(C) For purposes of reporting and remitting the tax, the price of tangible personal property or services purchased by, or of tangible personal property produced by, the permit holder shall be determined under division (G) of section 5741.01 of the Revised Code. Except as otherwise provided in division (E) of section 5739.033 of the Revised Code, the situs of any purchase transaction made by the permit holder is the location where the tangible personal property or service is received by the permit holder.

(D) It shall be the duty of every permit holder required to make a return and pay its tax under this section to keep and preserve suitable records of purchases together with invoices of purchases, bills of lading, asset ledgers, depreciation schedules, transfer journals, and such other primary and secondary records and documents in such form as the commissioner requires. All such records and other documents shall be open during business hours to the inspection of the tax commissioner, and shall be preserved for a period of four years, unless the commissioner, in writing, has authorized their destruction or disposal at an earlier date, or by order or by reason of a waiver of the four-year time limitation pursuant to section 5739.16 of the Revised Code requires that they be kept longer.

(E) A permit granted pursuant to this section shall continue to be valid until surrendered by the holder or canceled for cause by the tax commissioner.

(F) Persons who hold a direct payment permit that has not been canceled shall not be required to issue exemption certificates and shall not be required to pay the tax as prescribed in sections 5739.03, 5739.033, and 5741.12 of the Revised Code. Such persons shall notify vendors and sellers from whom purchases of tangible personal property or services are made, of their direct payment permit number and that the tax is being paid directly to the state. Upon receipt of such notice, such vendor or seller shall be absolved from all duties and liabilities imposed by section 5739.03 or 5741.04 of the Revised Code with respect to sales of tangible personal property or services to such permit holder.

Vendors and sellers who make sales upon which the tax is not collected by reason of the provisions of this section shall maintain records in such manner that the amount involved and identity of the purchaser may be ascertained. The receipts from such sales shall not be subject to the tax levied in section 5739.10 of the Revised Code.

Upon the cancellation or surrender of a direct payment permit, the provisions of sections 5739.03, 5741.04, and 5741.12 of the Revised Code shall immediately apply to all purchases made subsequent to such cancellation or surrender by the person who previously held such permit, and such person shall so notify vendors and sellers from whom purchases of tangible personal property or services are made, in writing, prior to or at the time of the first purchase after such cancellation or surrender. Upon receipt of such notice, the vendor shall be subject to the provisions of sections 5739.03 and 5739.10 of the Revised Code and the seller shall be subject to the provisions of section 5741.04 of the Revised Code, with respect to all sales subsequently made to such person. Failure of any such person to notify

vendors or sellers from whom purchases of tangible personal property or services are made of the cancellation or surrender of a direct payment permit shall be considered as a refusal to pay the tax by the person required to issue such notice.

Sec. 5739.032. (A) If the total amount of tax required to be paid by a permit holder under section 5739.031 of the Revised Code for any calendar year equals or exceeds seventy-five thousand dollars, the permit holder shall remit each monthly tax payment in the second ensuing and each succeeding year ~~by electronic funds transfer~~ electronically as prescribed by division (B) of this section.

If a permit holder's tax payment for each of two consecutive years is less than seventy-five thousand dollars, the permit holder is relieved of the requirement to remit taxes ~~by electronic funds transfer~~ electronically for the year that next follows the second of the consecutive years in which the tax payment is less than that amount, and is relieved of that requirement for each succeeding year, unless the tax payment in a subsequent year equals or exceeds seventy-five thousand dollars.

~~The tax commissioner shall notify each permit holder required to remit taxes by electronic funds transfer of the permit holder's obligation to do so, shall maintain an updated list of those permit holders, and shall timely certify the list and any additions thereto or deletions therefrom to the treasurer of state. Failure by the tax commissioner to notify a permit holder subject to this section to remit taxes by electronic funds transfer electronically does not relieve the permit holder of its obligation to remit taxes by electronic funds transfer in that manner.~~

(B) Permit holders required by division (A) of this section to remit payments ~~by electronic funds transfer~~ electronically shall remit such payments ~~to the treasurer of state in the manner prescribed by this section and rules adopted by the treasurer of state under section 113.061 of the Revised Code by using the Ohio business gateway, as defined in section 718.01 of the Revised Code, or another means of electronic payment,~~ and as follows:

(1) On or before the twenty-third day of each month, a permit holder shall remit an amount equal to seventy-five per cent of the anticipated tax liability for that month.

(2) On or before the twenty-third day of each month, a permit holder shall report the taxes due for the previous month and shall remit that amount, less any amounts paid for that month as required by division (B)(1) of this section.

The electronic payment of taxes ~~by electronic funds transfer~~ does not

affect a permit holder's obligation to file the monthly return as required under section 5739.031 of the Revised Code.

~~(C) A permit holder required by this section to remit taxes by electronic funds transfer may apply to the treasurer of state in the manner prescribed by the treasurer of state to be excused from that requirement. The treasurer of state may excuse the permit holder from remittance by electronic funds transfer for good cause shown for the period of time requested by the permit holder or for a portion of that period. The treasurer of state shall notify the tax commissioner and the permit holder of the treasurer of state's decision as soon as is practicable.~~

~~(D)(1)(a)(C)(1)(a)~~ If a permit holder that is required to remit payments under division (B) of this section fails to make a payment, or makes a payment under division (B)(1) of this section that is less than seventy-five per cent of the actual liability for that month, the commissioner may impose an additional charge not to exceed five per cent of that unpaid amount.

(b) Division ~~(D)(1)(a)(C)(1)(a)~~ of this section does not apply if the permit holder's payment under division (B)(1) of this section is equal to or greater than seventy-five per cent of the permit holder's reported liability for the same month in the immediately preceding calendar year.

(2) If a permit holder required by this section to remit taxes ~~by electronic funds transfer~~ electronically remits those taxes by some means other than ~~by electronic funds transfer~~ electronically as prescribed by this section ~~and the rules adopted by the treasurer of state~~, and the tax commissioner determines that such failure was not due to reasonable cause or was due to willful neglect, the commissioner may impose an additional charge not to exceed the lesser of five per cent of the amount of the taxes required to be paid ~~by electronic funds transfer~~ electronically or five thousand dollars.

(3) Any additional charge imposed under division ~~(D)(1)(C)(1)~~ or (2) of this section is in addition to any other penalty or charge imposed under this chapter, and shall be considered as revenue arising from taxes imposed under this chapter. An additional charge may be collected by assessment in the manner prescribed by section 5739.13 of the Revised Code. The tax commissioner may waive all or a portion of such a charge and may adopt rules governing such waiver.

No additional charge shall be imposed under division ~~(D)(2)(C)(2)~~ of this section against a permit holder that has been notified of its obligation to remit taxes electronically under this section and that remits its first two tax payments after such notification by some other means ~~other than electronic funds transfer~~. The additional charge may be imposed upon the remittance