

As Introduced

133rd General Assembly

Regular Session

2019-2020

S. B. No. 276

Senators Roegner, Manning

Cosponsors: Senators Brenner, Hackett, Eklund

A BILL

To amend sections 111.16, 122.16, 122.173, 135.14, 1
135.142, 135.35, 150.05, 718.01, 1329.01, 2
1329.02, 1701.03, 1701.05, 1701.791, 1702.05, 3
1702.411, 1703.04, 1729.36, 1729.38, 1745.461, 4
1751.01, 1776.69, 1776.82, 1782.02, 1782.432, 5
1785.09, 3345.203, 3964.03, 3964.17, 4701.14, 6
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4715.431, 4717.06, 4723.16, 4725.33, 4729.161, 8
4729.541, 4731.226, 4731.228, 4732.28, 4733.16, 9
4734.17, 4755.111, 4755.471, 4757.37, 5701.14, 10
5715.19, 5733.04, 5733.33, 5733.42, 5747.01, and 11
5751.01; to enact sections 1706.01, 1706.02, 12
1706.03, 1706.04, 1706.05, 1706.06, 1706.061, 13
1706.07, 1706.08, 1706.081, 1706.082, 1706.09, 14
1706.16, 1706.161, 1706.17, 1706.171, 1706.172, 15
1706.173, 1706.174, 1706.175, 1706.18, 1706.19, 16
1706.20, 1706.26, 1706.27, 1706.28, 1706.281, 17
1706.29, 1706.30, 1706.31, 1706.311, 1706.32, 18
1706.33, 1706.331, 1706.332, 1706.34, 1706.341, 19
1706.342, 1706.41, 1706.411, 1706.412, 1706.46, 20
1706.461, 1706.47, 1706.471, 1706.472, 1706.473, 21
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1706.612, 1706.613, 1706.614, 1706.615,	24
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1706.762, 1706.763, 1706.764, 1706.765,	28
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1706.7610, 1706.7611, 1706.7612, 1706.7613,	30
1706.81, 1706.82, 1706.83, and 1706.84; and to	31
repeal sections 1705.01, 1705.02, 1705.03,	32
1705.031, 1705.04, 1705.05, 1705.06, 1705.07,	33
1705.08, 1705.081, 1705.09, 1705.10, 1705.11,	34
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1705.53, 1705.54, 1705.55, 1705.56, 1705.57,	45
1705.58, and 1705.61 of the Revised Code to	46
enact the Ohio Revised Limited Liability Company	47
Act.	48

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

Section 1. That sections 111.16, 122.16, 122.173, 135.14,	49
135.142, 135.35, 150.05, 718.01, 1329.01, 1329.02, 1701.03,	50

1701.05, 1701.791, 1702.05, 1702.411, 1703.04, 1729.36, 1729.38, 51
1745.461, 1751.01, 1776.69, 1776.82, 1782.02, 1782.432, 1785.09, 52
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4729.161, 4729.541, 4731.226, 4731.228, 4732.28, 4733.16, 55
4734.17, 4755.111, 4755.471, 4757.37, 5701.14, 5715.19, 5733.04, 56
5733.33, 5733.42, 5747.01, and 5751.01 be amended and sections 57
1706.01, 1706.02, 1706.03, 1706.04, 1706.05, 1706.06, 1706.061, 58
1706.07, 1706.08, 1706.081, 1706.082, 1706.09, 1706.16, 59
1706.161, 1706.17, 1706.171, 1706.172, 1706.173, 1706.174, 60
1706.175, 1706.18, 1706.19, 1706.20, 1706.26, 1706.27, 1706.28, 61
1706.281, 1706.29, 1706.30, 1706.31, 1706.311, 1706.32, 1706.33, 62
1706.331, 1706.332, 1706.34, 1706.341, 1706.342, 1706.41, 63
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1706.472, 1706.473, 1706.474, 1706.475, 1706.51, 1706.511, 65
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1706.612, 1706.613, 1706.614, 1706.615, 1706.616, 1706.617, 67
1706.618, 1706.71, 1706.711, 1706.712, 1706.713, 1706.72, 68
1706.721, 1706.722, 1706.723, 1706.73, 1706.74, 1706.76, 69
1706.761, 1706.762, 1706.763, 1706.764, 1706.765, 1706.766, 70
1706.767, 1706.768, 1706.769, 1706.7610, 1706.7611, 1706.7612, 71
1706.7613, 1706.81, 1706.82, 1706.83, and 1706.84 of the Revised 72
Code be enacted to read as follows: 73

Sec. 111.16. Except as provided in section 1701.041 of the 74
Revised Code, the secretary of state shall charge and collect, 75
for the benefit of the state, the following fees: 76

(A) For filing and recording articles of incorporation of 77
a domestic corporation, including designation of agent: 78

(1) Wherein the corporation shall not be authorized to 79
issue any shares of capital stock, ninety-nine dollars; 80

(2) Wherein the corporation shall be authorized to issue shares of capital stock, with or without par value:	81 82
(a) Ten cents for each share authorized up to and including one thousand shares;	83 84
(b) Five cents for each share authorized in excess of one thousand shares up to and including ten thousand shares;	85 86
(c) Two cents for each share authorized in excess of ten thousand shares up to and including fifty thousand shares;	87 88
(d) One cent for each share authorized in excess of fifty thousand shares up to and including one hundred thousand shares;	89 90
(e) One-half cent for each share authorized in excess of one hundred thousand shares up to and including five hundred thousand shares;	91 92 93
(f) One-quarter cent for each share authorized in excess of five hundred thousand shares; provided no fee shall be less than ninety-nine dollars or greater than one hundred thousand dollars.	94 95 96 97
(B) For filing and recording a certificate of amendment to or amended articles of incorporation of a domestic corporation, or for filing and recording a certificate of reorganization, a certificate of dissolution, or an amendment to a foreign license application:	98 99 100 101 102
(1) If the domestic corporation is not authorized to issue any shares of capital stock, fifty dollars;	103 104
(2) If the domestic corporation is authorized to issue shares of capital stock, fifty dollars, and in case of any increase in the number of shares authorized to be issued, a further sum computed in accordance with the schedule set forth	105 106 107 108

in division (A) (2) of this section less a credit computed in the	109
same manner for the number of shares previously authorized to be	110
issued by the corporation; provided no fee under division (B) (2)	111
of this section shall be greater than one hundred thousand	112
dollars;	113
(3) If the foreign corporation is not authorized to issue	114
any shares of capital stock, fifty dollars;	115
(4) If the foreign corporation is authorized to issue	116
shares of capital stock, fifty dollars.	117
(C) For filing and recording articles of incorporation of	118
a savings and loan association, ninety-nine dollars; and for	119
filing and recording a certificate of amendment to or amended	120
articles of incorporation of a savings and loan association,	121
fifty dollars;	122
(D) For filing and recording a certificate of conversion,	123
including a designation of agent, a certificate of merger, or a	124
certificate of consolidation, ninety-nine dollars and, in the	125
case of any new corporation resulting from a consolidation or	126
any surviving corporation that has an increased number of shares	127
authorized to be issued resulting from a merger, an additional	128
sum computed in accordance with the schedule set forth in	129
division (A) (2) of this section less a credit computed in the	130
same manner for the number of shares previously authorized to be	131
issued or represented in this state by each of the corporations	132
for which a consolidation or merger is effected by the	133
certificate;	134
(E) For filing and recording articles of incorporation of	135
a credit union or the American credit union guaranty	136
association, ninety-nine dollars, and for filing and recording a	137

certificate of increase in capital stock or any other amendment	138
of the articles of incorporation of a credit union or the	139
association, fifty dollars;	140
(F) For filing and recording articles of organization of a	141
limited liability company, for filing and recording an	142
application to become a registered foreign limited liability	143
company, for filing and recording a registration application to	144
become a domestic limited liability partnership, or for filing	145
and recording an application to become a registered foreign	146
limited liability partnership, ninety-nine dollars;	147
(G) For filing and recording a certificate of limited	148
partnership or an application for registration as a foreign	149
limited partnership, or for filing an initial statement of	150
partnership authority pursuant to section 1776.33 of the Revised	151
Code, ninety-nine dollars;	152
(H) For filing a copy of papers evidencing the	153
incorporation of a municipal corporation or of annexation of	154
territory by a municipal corporation, five dollars, to be paid	155
by the municipal corporation, the petitioners therefor, or their	156
agent;	157
(I) For filing and recording any of the following:	158
(1) A license to transact business in this state by a	159
foreign corporation for profit pursuant to section 1703.04 of	160
the Revised Code or a foreign nonprofit corporation pursuant to	161
section 1703.27 of the Revised Code, ninety-nine dollars;	162
(2) A biennial report or biennial statement pursuant to	163
section 1775.63, 1776.83, or 1785.06 of the Revised Code,	164
twenty-five dollars;	165
(3) Except as otherwise provided in this section or any	166

other section of the Revised Code, any other certificate or 167
paper that is required to be filed and recorded or is permitted 168
to be filed and recorded by any provision of the Revised Code 169
with the secretary of state, twenty-five dollars. 170

(J) For filing any certificate or paper not required to be 171
recorded, five dollars; 172

(K) (1) For making copies of any certificate or other paper 173
filed in the office of the secretary of state, a fee not to 174
exceed one dollar per page, except as otherwise provided in the 175
Revised Code, and for creating and affixing the seal of the 176
office of the secretary of state to any good standing or other 177
certificate, five dollars. For copies of certificates or papers 178
required by state officers for official purpose, no charge shall 179
be made. 180

(2) For creating and affixing the seal of the office of 181
the secretary of state to the certificates described in division 182
(E) of section 1701.81, division (E) of section 1701.811, 183
division (E) of section 1705.38, division (E) of section 184
1705.381, division (D) of section 1702.43, division (E) of 185
section 1775.47, division (E) of section 1775.55, division (E) 186
of section 1776.70, division (E) of section 1776.74, division 187
(E) of section 1782.433, or division (E) of section 1782.4310 of 188
the Revised Code, twenty-five dollars. 189

(L) For a minister's license to solemnize marriages, ten 190
dollars; 191

(M) For examining documents to be filed at a later date 192
for the purpose of advising as to the acceptability of the 193
proposed filing, fifty dollars; 194

(N) Fifty dollars for filing and recording any of the 195

following:	196
(1) A certificate of dissolution and accompanying documents, or a certificate of cancellation, under section 1701.86, 1702.47, 1705.43, <u>1706.471</u> , 1776.65, or 1782.10 of the Revised Code;	197 198 199 200
(2) A notice of dissolution of a foreign licensed corporation or a certificate of surrender of license by a foreign licensed corporation under section 1703.17 of the Revised Code;	201 202 203 204
(3) The withdrawal of registration of a foreign or domestic limited liability partnership under section 1775.61, 1775.64, 1776.81, or 1776.86 of the Revised Code, or the certificate of cancellation of registration of a foreign limited liability company under section 1705.57 <u>or 1706.515</u> of the Revised Code;	205 206 207 208 209 210
(4) The filing of a statement of denial under section 1776.34 of the Revised Code, a statement of dissociation under section 1776.57 of the Revised Code, a statement of disclaimer of general partner status under Chapter 1782. of the Revised Code, or a cancellation of disclaimer of general partner status under Chapter 1782. of the Revised Code.	211 212 213 214 215 216
(O) For filing a statement of continued existence by a nonprofit corporation, twenty-five dollars;	217 218
(P) For filing a restatement under section 1705.08, <u>1706.161</u> , or 1782.09 of the Revised Code, an amendment to a certificate of cancellation under section 1782.10 of the Revised Code, an amendment under section 1705.08, <u>1706.161</u> , or 1782.09 of the Revised Code, or a correction under section 1705.55, <u>1706.173, 1706.511, 1706.513, 1775.61, 1775.64, 1776.12, or</u>	219 220 221 222 223 224

1782.52 of the Revised Code, fifty dollars;	225
(Q) For filing for reinstatement of an entity cancelled by operation of law, by the secretary of state, by order of the department of taxation, or by order of a court, twenty-five dollars;	226 227 228 229
(R) For filing and recording any of the following:	230
(1) A change of agent, resignation of agent, or change of agent's address under section 1701.07, 1702.06, 1703.041, 1703.27, 1705.06, 1705.55, <u>1706.09</u> , 1746.04, 1747.03, 1776.07, or 1782.04 of the Revised Code, twenty-five dollars;	231 232 233 234
(2) A multiple change of agent name or address, standardization of agent address, or resignation of agent under section 1701.07, 1702.06, 1703.041, 1703.27, 1705.06, 1705.55, <u>1706.09</u> , 1746.04, 1747.03, 1776.07, or 1782.04 of the Revised Code, one hundred twenty-five dollars, plus three dollars per entity record being changed, by the multiple agent update.	235 236 237 238 239 240
(S) For filing and recording any of the following:	241
(1) An application for the exclusive right to use a name or an application to reserve a name for future use under section 1701.05, 1702.05, 1703.31, 1705.05, <u>1706.07</u> , or 1746.06 of the Revised Code, thirty-nine dollars;	242 243 244 245
(2) A trade name or fictitious name registration or report, thirty-nine dollars;	246 247
(3) An application to renew any item covered by division (S)(1) or (2) of this section that is permitted to be renewed, twenty-five dollars;	248 249 250
(4) An assignment of rights for use of a name covered by division (S)(1), (2), or (3) of this section, the cancellation	251 252

of a name registration or name reservation that is so covered, 253
or notice of a change of address of the registrant of a name 254
that is so covered, twenty-five dollars. 255

(T) For filing and recording a report to operate a 256
business trust or a real estate investment trust, either foreign 257
or domestic, ninety-nine dollars; and for filing and recording 258
an amendment to a report or associated trust instrument, or a 259
surrender of authority, to operate a business trust or real 260
estate investment trust, fifty dollars; 261

(U) (1) For filing and recording the registration of a 262
trademark, service mark, or mark of ownership, one hundred 263
twenty-five dollars; 264

(2) For filing and recording the change of address of a 265
registrant, the assignment of rights to a registration, a 266
renewal of a registration, or the cancellation of a registration 267
associated with a trademark, service mark, or mark of ownership, 268
twenty-five dollars. 269

(V) For filing a service of process with the secretary of 270
state, ~~five~~ thirty-five dollars, except as otherwise provided in 271
any section of the Revised Code; 272

(W) For making, recording, and forwarding a commission 273
under section 107.06 of the Revised Code, the applicable fee 274
specified in that section. 275

Fees specified in this section may be paid by cash, check, 276
or money order, by credit card in accordance with section 113.40 277
of the Revised Code, or by an alternative payment program in 278
accordance with division (B) of section 111.18 of the Revised 279
Code. Any credit card number or the expiration date of any 280
credit card is not subject to disclosure under Chapter 149. of 281

the Revised Code.	282
Sec. 122.16. (A) As used in this section:	283
(1) "Distressed area" means either a municipal corporation	284
that has a population of at least fifty thousand or a county,	285
that meets two of the following criteria:	286
(a) Its average rate of unemployment, during the most	287
recent five-year period for which data are available, is equal	288
to at least one hundred twenty-five per cent of the average rate	289
of unemployment for the United States for the same period.	290
(b) It has a per capita income equal to or below eighty	291
per cent of the median county per capita income of the United	292
States as determined by the most recently available figures from	293
the United States census bureau.	294
(c) (i) In the case of a municipal corporation, at least	295
twenty per cent of the residents have a total income for the	296
most recent census year that is below the official poverty line.	297
(ii) In the case of a county, in intercensal years, the	298
county has a ratio of transfer payment income to total county	299
income equal to or greater than twenty-five per cent.	300
(2) "Eligible area" means a distressed area, a labor	301
surplus area, an inner city area, or a situational distress	302
area.	303
(3) "Eligible costs associated with a voluntary action"	304
means costs incurred during the qualifying period in performing	305
a remedy or remedial activities, as defined in section 3746.01	306
of the Revised Code, and any costs incurred during the	307
qualifying period in performing both a phase I and phase II	308
property assessment, as defined in the rules adopted under	309

section 3746.04 of the Revised Code, provided that the 310
performance of the phase I and phase II property assessment 311
resulted in the implementation of the remedy or remedial 312
activities. 313

(4) "Inner city area" means, in a municipal corporation 314
that has a population of at least one hundred thousand and does 315
not meet the criteria of a labor surplus area or a distressed 316
area, targeted investment areas established by the municipal 317
corporation within its boundaries that are comprised of the most 318
recent census block tracts that individually have at least 319
twenty per cent of their population at or below the state 320
poverty level or other census block tracts contiguous to such 321
census block tracts. 322

(5) "Labor surplus area" means an area designated as a 323
labor surplus area by the United States department of labor. 324

(6) "Official poverty line" has the same meaning as in 325
division (A) of section 3923.51 of the Revised Code. 326

(7) "Partner" includes a member of a limited liability 327
company formed under Chapter 1705. or 1706. of the Revised Code 328
or under the laws of any other state if the limited liability 329
company is not treated as a corporation for purposes of Chapter 330
5733. of the Revised Code and is not classified as an 331
association taxable as a corporation for federal income tax 332
purposes. 333

(8) "Partnership" includes a limited liability company 334
formed under Chapter 1705. or 1706. of the Revised Code or under 335
the laws of any other state if the limited liability company is 336
not treated as a corporation for purposes of Chapter 5733. of 337
the Revised Code and is not classified as an association taxable 338

as a corporation for federal income tax purposes.	339
(9) "Qualifying period" means the period that begins July 1, 1996, and ends June 30, 1999.	340 341
(10) "S corporation" means a corporation that has made an election under subchapter S of chapter one of subtitle A of the Internal Revenue Code for its taxable year under the Internal Revenue Code;	342 343 344 345
(11) "Situational distress area" means a county or a municipal corporation that has experienced or is experiencing a closing or downsizing of a major employer that will adversely affect the economy of the county or municipal corporation. In order for a county or municipal corporation to be designated as a situational distress area, the governing body of the county or municipal corporation shall submit a petition to the director of development in the form prescribed by the director. A county or municipal corporation may be designated as a situational distress area for a period not exceeding thirty-six months.	346 347 348 349 350 351 352 353 354 355
The petition shall include written documentation that demonstrates all of the following:	356 357
(a) The number of jobs lost by the closing or downsizing;	358
(b) The impact that the job loss has on the unemployment rate of the county or municipal corporation as measured by the director of job and family services;	359 360 361
(c) The annual payroll associated with the job loss;	362
(d) The amount of state and local taxes associated with the job loss;	363 364
(e) The impact that the closing or downsizing has on the suppliers located in the county or municipal corporation.	365 366

(12) "Voluntary action" has the same meaning as in section 3746.01 of the Revised Code.	367 368
(13) "Taxpayer" means a corporation subject to the tax imposed by section 5733.06 of the Revised Code or any person subject to the tax imposed by section 5747.02 of the Revised Code.	369 370 371 372
(14) "Governing body" means the board of county commissioners of a county, the board of township trustees of a township, or the legislative authority of a municipal corporation.	373 374 375 376
(15) "Eligible site" means property for which a covenant not to sue has been issued under section 3746.12 of the Revised Code.	377 378 379
(B) (1) A taxpayer, partnership, or S corporation that has been issued, under section 3746.12 of the Revised Code, a covenant not to sue for a site by the director of environmental protection during the qualifying period may apply to the director of development, in the manner prescribed by the director, to enter into an agreement under which the applicant agrees to economically redevelop the site in a manner that will create employment opportunities and a credit will be granted to the applicant against the tax imposed by section 5733.06 or 5747.02 of the Revised Code. The application shall state the eligible costs associated with a voluntary action incurred by the applicant. The application shall be accompanied by proof, in a form prescribed by the director of development, that the covenant not to sue has been issued.	380 381 382 383 384 385 386 387 388 389 390 391 392 393
The applicant shall request the certified professional that submitted the no further action letter for the eligible	394 395

site under section 3746.11 of the Revised Code to submit an affidavit to the director of development verifying the eligible costs associated with the voluntary action at that site.

The director shall review the applications in the order they are received. If the director determines that the applicant meets the requirements of this section, the director may enter into an agreement granting a credit against the tax imposed by section 5733.06 or 5747.02 of the Revised Code. In making the determination, the director may consider the extent to which political subdivisions and other units of government will cooperate with the applicant to redevelop the eligible site. The agreement shall state the amount of the tax credit and the reporting requirements described in division (F) of this section.

(2) The maximum annual amount of credits the director of development may grant under such agreements shall be as follows:

- 1996 \$5,000,000
- 1997 \$10,000,000
- 1998 \$10,000,000
- 1999 \$5,000,000

For any year in which the director of development does not grant tax credits under this section equal to the maximum annual amount, the amount not granted for that year shall be added to the maximum annual amount that may be granted for the following year. However, the director shall not grant any tax credits under this section after June 30, 1999.

(C) (1) If the covenant not to sue was issued in connection with a site that is not located in an eligible area, the credit

amount is equal to the lesser of five hundred thousand dollars 424
or ten per cent of the eligible costs associated with a 425
voluntary action incurred by the taxpayer, partnership, or S 426
corporation. 427

(2) If a covenant not to sue was issued in connection with 428
a site that is located in an eligible area, the credit amount is 429
equal to the lesser of seven hundred fifty thousand dollars or 430
fifteen per cent of the eligible costs associated with a 431
voluntary action incurred by the taxpayer, partnership, or S 432
corporation. 433

(3) A taxpayer, partnership, or S corporation that has 434
been issued covenants not to sue under section 3746.12 of the 435
Revised Code for more than one site may apply to the director of 436
development to enter into more than one agreement granting a 437
credit against the tax imposed by section 5733.06 or 5747.02 of 438
the Revised Code. 439

(4) For each year for which a taxpayer, partnership, or S 440
corporation has been granted a credit under an agreement entered 441
into under this section, the director of development shall issue 442
a certificate to the taxpayer, partnership, or S corporation 443
indicating the amount of the credit the taxpayer, the partners 444
of the partnership, or the shareholders of the S corporation may 445
claim for that year, not including any amount that may be 446
carried forward from previous years under section 5733.34 of the 447
Revised Code. 448

(D) (1) Each agreement entered into under this section 449
shall incorporate a commitment by the taxpayer, partnership, or 450
S corporation not to permit the use of an eligible site to cause 451
the relocation of employment positions to that site from 452
elsewhere in this state, except as otherwise provided in 453

division (D) (2) of this section. The commitment shall be binding 454
on the taxpayer, partnership, or S corporation for the lesser of 455
five years from the date the agreement is entered into or the 456
number of years the taxpayer, partnership, or S corporation is 457
entitled to claim the tax credit under the agreement. 458

(2) An eligible site may be the site of employment 459
positions relocated from elsewhere in this state if the director 460
of development determines both of the following: 461

(a) That the site from which the employment positions 462
would be relocated is inadequate to meet market and industry 463
conditions, expansion plans, consolidation plans, or other 464
business considerations affecting the relocating employer; 465

(b) That the governing body of the county, township, or 466
municipal corporation from which the employment positions would 467
be relocated has been notified of the possible relocation. 468

For purposes of this section, the movement of an 469
employment position from one political subdivision to another 470
political subdivision shall be considered a relocation of an 471
employment position, but the transfer of an individual employee 472
from one political subdivision to another political subdivision 473
shall not be considered a relocation of an employment position 474
as long as the individual's employment position in the first 475
political subdivision is refilled. 476

(E) A taxpayer, partnership, or S corporation that has 477
entered into an agreement granting a credit against the tax 478
imposed by section 5733.06 or 5747.02 of the Revised Code that 479
subsequently recovers in a lawsuit or settlement of a lawsuit at 480
least seventy-five per cent of the eligible costs associated 481
with a voluntary action shall not claim any credit amount 482

remaining, including any amounts carried forward from prior 483
years, beginning with the taxable year in which the judgment in 484
the lawsuit is entered or the settlement is finally agreed to. 485

Any amount of credit that a taxpayer, partnership, or S 486
corporation may not claim by reason of this division shall not 487
be considered to have been granted for the purpose of 488
determining the total amount of credits that may be issued under 489
division (B) (2) of this section. 490

(F) Each year for which a taxpayer, partnership, or S 491
corporation claims a credit under section 5733.34 of the Revised 492
Code, the taxpayer, partnership, or S corporation shall report 493
the following to the director of development: 494

(1) The status of all cost recovery litigation described 495
in division (E) of this section to which it was a party during 496
the previous year; 497

(2) Confirmation that the covenant not to sue has not been 498
revoked or has not been voided; 499

(3) Confirmation that the taxpayer, partnership, or S 500
corporation has not permitted the eligible site to be used in 501
such a manner as to cause the relocation of employment positions 502
from elsewhere in this state in violation of the commitment 503
required under division (D) of this section; 504

(4) Any other information the director of development 505
requires to perform the director's duties under this section. 506

(G) The director of development shall annually certify, by 507
the first day of January of each year during the qualifying 508
period, the eligible areas for the calendar year that includes 509
that first day of January. 510

(H) The director of development, in accordance with 511
Chapter 119. of the Revised Code, shall adopt rules necessary to 512
implement this section, including rules prescribing forms 513
required for administering this section. 514

Sec. 122.173. (A) As used in this section: 515

(1) "Manufacturing machinery and equipment" means engines 516
and machinery, and tools and implements, of every kind used, or 517
designed to be used, in refining and manufacturing. 518

"Manufacturing machinery and equipment" does not include 519
property acquired after December 31, 1999, that is used: 520

(a) For the transmission and distribution of electricity; 521

(b) For the generation of electricity, if fifty per cent 522
or more of the electricity that the property generates is 523
consumed, during the one-hundred-twenty-month period commencing 524
with the date the property is placed in service, by persons that 525
are not related members to the person who generates the 526
electricity. 527

(2) "New manufacturing machinery and equipment" means 528
manufacturing machinery and equipment, the original use in this 529
state of which commences with the taxpayer or with a partnership 530
of which the taxpayer is a partner. "New manufacturing machinery 531
and equipment" does not include property acquired after December 532
31, 1999, that is used: 533

(a) For the transmission and distribution of electricity; 534

(b) For the generation of electricity, if fifty per cent 535
or more of the electricity that the property generates is 536
consumed, during the one-hundred-twenty-month period commencing 537
with the date the property is placed in service, by persons that 538
are not related members to the person who generates the 539

electricity.	540
(3) (a) "Purchase" has the same meaning as in section	541
179(d) (2) of the Internal Revenue Code.	542
(b) For purposes of this section, any property that is not	543
manufactured or assembled primarily by the taxpayer is	544
considered purchased at the time the agreement to acquire the	545
property becomes binding. Any property that is manufactured or	546
assembled primarily by the taxpayer is considered purchased at	547
the time the taxpayer places the property in service in the	548
county for which the taxpayer will calculate the county excess	549
amount.	550
(c) Notwithstanding section 179(d) of the Internal Revenue	551
Code, a taxpayer's direct or indirect acquisition of new	552
manufacturing machinery and equipment is not purchased on or	553
after July 1, 1995, if the taxpayer, or a person whose	554
relationship to the taxpayer is described in subparagraphs (A),	555
(B), or (C) of section 179(d) (2) of the Internal Revenue Code,	556
had directly or indirectly entered into a binding agreement to	557
acquire the property at any time prior to July 1, 1995.	558
(4) "Qualifying period" means the period that begins July	559
1, 1995, and ends June 30, 2005.	560
(5) "County average new manufacturing machinery and	561
equipment investment" means either of the following:	562
(a) The average annual cost of new manufacturing machinery	563
and equipment purchased for use in the county during baseline	564
years, in the case of a taxpayer that was in existence for more	565
than one year during baseline years.	566
(b) Zero, in the case of a taxpayer that was not in	567
existence for more than one year during baseline years.	568

(6) "Partnership" includes a limited liability company 569
formed under Chapter 1705. or 1706. of the Revised Code or under 570
the laws of any other state, provided that the company is not 571
classified for federal income tax purposes as an association 572
taxable as a corporation. 573

(7) "Partner" includes a member of a limited liability 574
company formed under Chapter 1705. or 1706. of the Revised Code 575
or under the laws of any other state, provided that the company 576
is not classified for federal income tax purposes as an 577
association taxable as a corporation. 578

(8) "Distressed area" means either a municipal corporation 579
that has a population of at least fifty thousand or a county 580
that meets two of the following criteria of economic distress, 581
or a municipal corporation the majority of the population of 582
which is situated in such a county: 583

(a) Its average rate of unemployment, during the most 584
recent five-year period for which data are available, is equal 585
to at least one hundred twenty-five per cent of the average rate 586
of unemployment for the United States for the same period; 587

(b) It has a per capita income equal to or below eighty 588
per cent of the median county per capita income of the United 589
States as determined by the most recently available figures from 590
the United States census bureau; 591

(c) (i) In the case of a municipal corporation, at least 592
twenty per cent of the residents have a total income for the 593
most recent census year that is below the official poverty line; 594

(ii) In the case of a county, in intercensal years, the 595
county has a ratio of transfer payment income to total county 596
income equal to or greater than twenty-five per cent. 597

(9) "Eligible area" means a distressed area, a labor surplus area, an inner city area, or a situational distress area. 598
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(10) "Inner city area" means, in a municipal corporation that has a population of at least one hundred thousand and does not meet the criteria of a labor surplus area or a distressed area, targeted investment areas established by the municipal corporation within its boundaries that are comprised of the most recent census block tracts that individually have at least twenty per cent of their population at or below the state poverty level or other census block tracts contiguous to such census block tracts. 601
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(11) "Labor surplus area" means an area designated as a labor surplus area by the United States department of labor. 610
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(12) "Official poverty line" has the same meaning as in division (A) of section 3923.51 of the Revised Code. 612
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(13) "Situational distress area" means a county or a municipal corporation that has experienced or is experiencing a closing or downsizing of a major employer that will adversely affect the county's or municipal corporation's economy. In order to be designated as a situational distress area, for a period not to exceed thirty-six months, the county or municipal corporation may petition the director of development. The petition shall include written documentation that demonstrates all of the following adverse effects on the local economy: 614
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(a) The number of jobs lost by the closing or downsizing; 623

(b) The impact that the job loss has on the county's or municipal corporation's unemployment rate as measured by the state director of job and family services; 624
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(c) The annual payroll associated with the job loss;	627
(d) The amount of state and local taxes associated with the job loss;	628 629
(e) The impact that the closing or downsizing has on suppliers located in the county or municipal corporation.	630 631
(14) "Cost" has the same meaning and limitation as in section 179(d) (3) of the Internal Revenue Code.	632 633
(15) "Baseline years" means:	634
(a) Calendar years 1992, 1993, and 1994, with regard to a grant claimed for the purchase during calendar year 1995, 1996, 1997, or 1998 of new manufacturing machinery and equipment;	635 636 637
(b) Calendar years 1993, 1994, and 1995, with regard to a grant claimed for the purchase during calendar year 1999 of new manufacturing machinery and equipment;	638 639 640
(c) Calendar years 1994, 1995, and 1996, with regard to a grant claimed for the purchase during calendar year 2000 of new manufacturing machinery and equipment;	641 642 643
(d) Calendar years 1995, 1996, and 1997, with regard to a grant claimed for the purchase during calendar year 2001 of new manufacturing machinery and equipment;	644 645 646
(e) Calendar years 1996, 1997, and 1998, with regard to a grant claimed for the purchase during calendar year 2002 of new manufacturing machinery and equipment;	647 648 649
(f) Calendar years 1997, 1998, and 1999, with regard to a grant claimed for the purchase during calendar year 2003 of new manufacturing machinery and equipment;	650 651 652
(g) Calendar years 1998, 1999, and 2000, with regard to a	653

grant claimed for the purchase during calendar year 2004 of new manufacturing machinery and equipment; 654
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(h) Calendar years 1999, 2000, and 2001, with regard to a grant claimed for the purchase on or after January 1, 2005, and on or before June 30, 2005, of new manufacturing machinery and equipment. 656
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(16) "Related member" has the same meaning as in section 5733.042 of the Revised Code. 660
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(17) "Qualifying controlled group" has the same meaning as in section 5733.04 of the Revised Code. 662
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(18) "Tax liability" has the same meaning as in section 122.172 of the Revised Code. 664
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(B) (1) Subject to divisions (I) and (J) of this section, a grant is allowed against the tax imposed by section 5733.06 or 5747.02 of the Revised Code for a taxpayer that purchases new manufacturing machinery and equipment during the qualifying period, provided that the new manufacturing machinery and equipment are installed in this state not later than June 30, 2006. 666
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(2) (a) Except as otherwise provided in division (B) (2) (b) of this section, a grant may be claimed under this section in excess of one million dollars only if the cost of all manufacturing machinery and equipment owned in this state by the taxpayer claiming the grant on the last day of the calendar year exceeds the cost of all manufacturing machinery and equipment owned in this state by the taxpayer on the first day of that calendar year. 673
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As used in division (B) (2) (a) of this section, "calendar year" means the calendar year in which the machinery and 681
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equipment for which the grant is claimed was purchased. 683

(b) Division (B) (2) (a) of this section does not apply if 684
the taxpayer claiming the grant applies for and is issued a 685
waiver of the requirement of that division. A taxpayer may apply 686
to the director of development for such a waiver in the manner 687
prescribed by the director, and the director may issue such a 688
waiver if the director determines that granting the grant is 689
necessary to increase or retain employees in this state, and 690
that the grant has not caused relocation of manufacturing 691
machinery and equipment among counties within this state for the 692
primary purpose of qualifying for the grant. 693

(C) (1) Except as otherwise provided in division (C) (2) and 694
division (I) of this section, the grant amount is equal to seven 695
and one-half per cent of the excess of the cost of the new 696
manufacturing machinery and equipment purchased during the 697
calendar year for use in a county over the county average new 698
manufacturing machinery and equipment investment for that 699
county. 700

(2) Subject to division (I) of this section, as used in 701
division (C) (2) of this section, "county excess" means the 702
taxpayer's excess cost for a county as computed under division 703
(C) (1) of this section. 704

Subject to division (I) of this section, a taxpayer with a 705
county excess, whose purchases included purchases for use in any 706
eligible area in the county, the grant amount is equal to 707
thirteen and one-half per cent of the cost of the new 708
manufacturing machinery and equipment purchased during the 709
calendar year for use in the eligible areas in the county, 710
provided that the cost subject to the thirteen and one-half per 711
cent rate shall not exceed the county excess. If the county 712

excess is greater than the cost of the new manufacturing 713
machinery and equipment purchased during the calendar year for 714
use in eligible areas in the county, the grant amount also shall 715
include an amount equal to seven and one-half per cent of the 716
amount of the difference. 717

(3) If a taxpayer is allowed a grant for purchases of new 718
manufacturing machinery and equipment in more than one county or 719
eligible area, it shall aggregate the amount of those grants 720
each year. 721

(4) Except as provided in division (J) of this section, 722
the taxpayer shall claim one-seventh of the grant amount for the 723
taxable year ending in the calendar year in which the new 724
manufacturing machinery and equipment is purchased for use in 725
the county by the taxpayer or partnership. One-seventh of the 726
taxpayer grant amount is allowed for each of the six ensuing 727
taxable years. Except for carried-forward amounts, the taxpayer 728
is not allowed any grant amount remaining if the new 729
manufacturing machinery and equipment is sold by the taxpayer or 730
partnership or is transferred by the taxpayer or partnership out 731
of the county before the end of the seven-year period unless, at 732
the time of the sale or transfer, the new manufacturing 733
machinery and equipment has been fully depreciated for federal 734
income tax purposes. 735

(5) (a) A taxpayer that acquires manufacturing machinery 736
and equipment as a result of a merger with the taxpayer with 737
whom commenced the original use in this state of the 738
manufacturing machinery and equipment, or with a taxpayer that 739
was a partner in a partnership with whom commenced the original 740
use in this state of the manufacturing machinery and equipment, 741
is entitled to any remaining or carried-forward grant amounts to 742

which the taxpayer was entitled. 743

(b) A taxpayer that enters into an agreement under 744
division (C) (3) of section 5709.62 of the Revised Code and that 745
acquires manufacturing machinery or equipment as a result of 746
purchasing a large manufacturing facility, as defined in section 747
5709.61 of the Revised Code, from another taxpayer with whom 748
commenced the original use in this state of the manufacturing 749
machinery or equipment, and that operates the large 750
manufacturing facility so purchased, is entitled to any 751
remaining or carried-forward grant amounts to which the other 752
taxpayer who sold the facility would have been entitled under 753
this section had the other taxpayer not sold the manufacturing 754
facility or equipment. 755

(c) New manufacturing machinery and equipment is not 756
considered sold if a pass-through entity transfers to another 757
pass-through entity substantially all of its assets as part of a 758
plan of reorganization under which substantially all gain and 759
loss is not recognized by the pass-through entity that is 760
transferring the new manufacturing machinery and equipment to 761
the transferee and under which the transferee's basis in the new 762
manufacturing machinery and equipment is determined, in whole or 763
in part, by reference to the basis of the pass-through entity 764
that transferred the new manufacturing machinery and equipment 765
to the transferee. 766

(d) Division (C) (5) of this section applies only if the 767
acquiring taxpayer or transferee does not sell the new 768
manufacturing machinery and equipment or transfer the new 769
manufacturing machinery and equipment out of the county before 770
the end of the seven-year period to which division (C) (4) of 771
this section refers. 772

(e) Division (C) (5) (b) of this section applies only to the 773
extent that the taxpayer that sold the manufacturing machinery 774
or equipment, upon request, timely provides to the tax 775
commissioner any information that the tax commissioner considers 776
to be necessary to ascertain any remaining or carried-forward 777
amounts to which the taxpayer that sold the facility would have 778
been entitled under this section had the taxpayer not sold the 779
manufacturing machinery or equipment. Nothing in division (C) (5) 780
(b) or (e) of this section shall be construed to allow a 781
taxpayer to claim any grant amount with respect to the acquired 782
manufacturing machinery or equipment that is greater than the 783
amount that would have been available to the other taxpayer that 784
sold the manufacturing machinery or equipment had the other 785
taxpayer not sold the manufacturing machinery or equipment. 786

(D) The taxpayer shall claim the grant allowed by this 787
section in the manner provided by section 122.172 of the Revised 788
Code. Any portion of the grant in excess of the taxpayer's tax 789
liability for the taxable year shall not be refundable but may 790
be carried forward for the next three consecutive taxable years. 791

(E) A taxpayer purchasing new manufacturing machinery and 792
equipment and intending to claim the grant shall file, with the 793
director of development, a notice of intent to claim the grant 794
on a form prescribed by the director of development. The 795
director of development shall inform the tax commissioner of the 796
notice of intent to claim the grant. No grant may be claimed 797
under this section for any manufacturing machinery and equipment 798
with respect to which a notice was not filed by the date of a 799
timely filed return, including extensions, for the taxable year 800
that includes September 30, 2005, but a notice filed on or 801
before such date under division (E) of section 5733.33 of the 802
Revised Code of the intent to claim the credit under that 803

section also shall be considered a notice of the intent to claim 804
a grant under this section. 805

(F) The director of development shall annually certify, by 806
the first day of January of each year during the qualifying 807
period, the eligible areas for the tax grant for the calendar 808
year that includes that first day of January. The director shall 809
send a copy of the certification to the tax commissioner. 810

(G) New manufacturing machinery and equipment for which a 811
taxpayer claims the credit under section 5733.31 or 5733.311 of 812
the Revised Code shall not be considered new manufacturing 813
machinery and equipment for purposes of the grant under this 814
section. 815

(H) (1) Notwithstanding sections 5733.11 and 5747.13 of the 816
Revised Code, but subject to division (H) (2) of this section, 817
the tax commissioner may issue an assessment against a person 818
with respect to a grant claimed under this section for new 819
manufacturing machinery and equipment described in division (A) 820
(1) (b) or (2) (b) of this section, if the machinery or equipment 821
subsequently does not qualify for the grant. 822

(2) Division (H) (1) of this section shall not apply after 823
the twenty-fourth month following the last day of the period 824
described in divisions (A) (1) (b) and (2) (b) of this section. 825

(I) Notwithstanding any other provision of this section to 826
the contrary, in the case of a qualifying controlled group, the 827
grant available under this section to a taxpayer or taxpayers in 828
the qualifying controlled group shall be computed as if all 829
corporations in the group were a single corporation. The grant 830
shall be allocated to such a taxpayer or taxpayers in the group 831
in any amount elected for the taxable year by the group. The 832

election shall be revocable and amendable during the period 833
described in division (B) of section 5733.12 of the Revised 834
Code. 835

This division applies to all purchases of new 836
manufacturing machinery and equipment made on or after January 837
1, 2001, and to all baseline years used to compute any grant 838
attributable to such purchases; provided, that this division may 839
be applied solely at the election of the qualifying controlled 840
group with respect to all purchases of new manufacturing 841
machinery and equipment made before that date, and to all 842
baseline years used to compute any grant attributable to such 843
purchases. The qualifying controlled group at any time may elect 844
to apply this division to purchases made prior to January 1, 845
2001, subject to the following: 846

(1) The election is irrevocable; 847

(2) The election need not accompany a timely filed report, 848
but the election may accompany a subsequently filed but timely 849
application for refund, a subsequently filed but timely amended 850
report, or a subsequently filed but timely petition for 851
reassessment. 852

(J) Except as provided in division (B) of section 122.172 853
of the Revised Code, no grant under this section may be claimed 854
for any taxable year for which a credit is allowed under section 855
5733.33 of the Revised Code. If the tax imposed by section 856
5733.06 of the Revised Code for which a grant is allowed under 857
this section has been prorated under division (G)(2) of section 858
5733.01 of the Revised Code, the grant shall be prorated by the 859
same percentage as the tax. 860

Sec. 135.14. (A) As used in this section: 861

(1) "Treasurer" does not include the treasurer of state, 862
and "governing board" does not include the state board of 863
deposit. 864

(2) "Other obligations" includes notes whether or not 865
issued in anticipation of the issuance of bonds. 866

(B) The treasurer or governing board may invest or deposit 867
any part or all of the interim moneys. The following 868
classifications of obligations shall be eligible for such 869
investment or deposit: 870

(1) United States treasury bills, notes, bonds, or any 871
other obligation or security issued by the United States 872
treasury or any other obligation guaranteed as to principal and 873
interest by the United States. 874

Nothing in the classification of eligible obligations set 875
forth in division (B) (1) of this section or in the 876
classifications of eligible obligations set forth in divisions 877
(B) (2) to (7) of this section shall be construed to authorize 878
any investment in stripped principal or interest obligations of 879
such eligible obligations. 880

(2) Bonds, notes, debentures, or any other obligations or 881
securities issued by any federal government agency or 882
instrumentality, including but not limited to, the federal 883
national mortgage association, federal home loan bank, federal 884
farm credit bank, federal home loan mortgage corporation, and 885
government national mortgage association. All federal agency 886
securities shall be direct issuances of federal government 887
agencies or instrumentalities. 888

(3) Interim deposits in the eligible institutions applying 889
for interim moneys as provided in section 135.08 of the Revised 890

Code. The award of interim deposits shall be made in accordance 891
with section 135.09 of the Revised Code and the treasurer or the 892
governing board shall determine the periods for which such 893
interim deposits are to be made and shall award such interim 894
deposits for such periods, provided that any eligible 895
institution receiving an interim deposit award may, upon 896
notification that the award has been made, decline to accept the 897
interim deposit in which event the award shall be made as though 898
the institution had not applied for such interim deposit. 899

(4) Bonds and other obligations of this state, or the 900
political subdivisions of this state, provided that, with 901
respect to bonds or other obligations of political subdivisions, 902
all of the following apply: 903

(a) The bonds or other obligations are payable from 904
general revenues of the political subdivision and backed by the 905
full faith and credit of the political subdivision. 906

(b) The bonds or other obligations are rated at the time 907
of purchase in the three highest classifications established by 908
at least one nationally recognized standard rating service and 909
purchased through a registered securities broker or dealer. 910

(c) The aggregate value of the bonds or other obligations 911
does not exceed twenty per cent of interim moneys available for 912
investment at the time of purchase. 913

(d) The treasurer or governing board is not the sole 914
purchaser of the bonds or other obligations at original 915
issuance. 916

(e) The bonds or other obligations mature within ten years 917
from the date of settlement. 918

No investment shall be made under division (B) (4) of this 919

section unless the treasurer or governing board has completed 920
additional training for making the investments authorized by 921
division (B) (4) of this section. The type and amount of 922
additional training shall be approved by the treasurer of state 923
and may be conducted by or provided under the supervision of the 924
treasurer of state. 925

(5) No-load money market mutual funds consisting 926
exclusively of obligations described in division (B) (1) or (2) 927
of this section and repurchase agreements secured by such 928
obligations, provided that investments in securities described 929
in this division are made only through eligible institutions 930
mentioned in section 135.03 of the Revised Code; 931

(6) The Ohio subdivision's fund as provided in section 932
135.45 of the Revised Code; 933

(7) Up to forty per cent of interim moneys available for 934
investment in either of the following: 935

(a) Commercial paper notes issued by an entity that is 936
defined in division (D) of section 1705.01 or division (E) of 937
section 1706.01 of the Revised Code and that has assets 938
exceeding five hundred million dollars, to which notes all of 939
the following apply: 940

(i) The notes are rated at the time of purchase in the 941
highest classification established by at least two nationally 942
recognized standard rating services. 943

(ii) The aggregate value of the notes does not exceed ten 944
per cent of the aggregate value of the outstanding commercial 945
paper of the issuing corporation. 946

(iii) The notes mature not later than two hundred seventy 947
days after purchase. 948

(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. 979

(D) Except as provided in division (B) (4) or (E) of this 980
section, any investment made pursuant to this section must 981
mature within five years from the date of settlement, unless the 982
investment is matched to a specific obligation or debt of the 983
subdivision. 984

(E) The treasurer or governing board may also enter into a 985
written repurchase agreement with any eligible institution 986
mentioned in section 135.03 of the Revised Code or any eligible 987
dealer pursuant to division (M) of this section, under the terms 988
of which agreement the treasurer or governing board purchases, 989
and such institution or dealer agrees unconditionally to 990
repurchase any of the securities listed in divisions (D) (1) to 991
(5), except letters of credit described in division (D) (2), of 992
section 135.18 of the Revised Code. The market value of 993
securities subject to an overnight written repurchase agreement 994
must exceed the principal value of the overnight written 995
repurchase agreement by at least two per cent. A written 996
repurchase agreement shall not exceed thirty days and the market 997
value of securities subject to a written repurchase agreement 998
must exceed the principal value of the written repurchase 999
agreement by at least two per cent and be marked to market 1000
daily. All securities purchased pursuant to this division shall 1001
be delivered into the custody of the treasurer or governing 1002
board or an agent designated by the treasurer or governing 1003
board. A written repurchase agreement with an eligible 1004
securities dealer shall be transacted on a delivery versus 1005
payment basis. The agreement shall contain the requirement that 1006
for each transaction pursuant to the agreement the participating 1007
institution or dealer shall provide all of the following 1008
information: 1009

- (1) The par value of the securities; 1010
- (2) The type, rate, and maturity date of the securities; 1011
- (3) A numerical identifier generally accepted in the securities industry that designates the securities. 1012
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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. 1014
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(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. 1019
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(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: 1023
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(1) The Ohio subdivision's fund pursuant to division (B) (6) of this section; 1029
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(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. 1031
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For purposes of division (G) of this section, "subdivision" includes a county. 1035
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(H) The use of leverage, in which the treasurer or 1037

governing board uses its current investment assets as collateral 1038
for the purpose of purchasing other assets, is prohibited. The 1039
issuance of taxable notes for the purpose of arbitrage is 1040
prohibited. Contracting to sell securities that have not yet 1041
been acquired by the treasurer or governing board, for the 1042
purpose of purchasing such securities on the speculation that 1043
bond prices will decline, is prohibited. 1044

(I) Whenever, during a period of designation, the 1045
treasurer classifies public moneys as interim moneys, the 1046
treasurer shall notify the governing board of such action. The 1047
notification shall be given within thirty days after such 1048
classification and in the event the governing board does not 1049
concur in such classification or in the investments or deposits 1050
made under this section, the governing board may order the 1051
treasurer to sell or liquidate any of such investments or 1052
deposits, and any such order shall specifically describe the 1053
investments or deposits and fix the date upon which they are to 1054
be sold or liquidated. Investments or deposits so ordered to be 1055
sold or liquidated shall be sold or liquidated for cash by the 1056
treasurer on the date fixed in such order at the then current 1057
market price. Neither the treasurer nor the members of the board 1058
shall be held accountable for any loss occasioned by sales or 1059
liquidations of investments or deposits at prices lower than 1060
their cost. Any loss or expense incurred in making such sales or 1061
liquidations is payable as other expenses of the treasurer's 1062
office. 1063

(J) If any investments or deposits purchased under the 1064
authority of this section are issuable to a designated payee or 1065
to the order of a designated payee, the name of the treasurer 1066
and the title of the treasurer's office shall be so designated. 1067
If any such securities are registrable either as to principal or 1068

interest, or both, then such securities shall be registered in 1069
the name of the treasurer as such. 1070

(K) The treasurer is responsible for the safekeeping of 1071
all documents evidencing a deposit or investment acquired by the 1072
treasurer under this section. Any securities may be deposited 1073
for safekeeping with a qualified trustee as provided in section 1074
135.18 of the Revised Code, except the delivery of securities 1075
acquired under any repurchase agreement under this section shall 1076
be made to a qualified trustee, provided, however, that the 1077
qualified trustee shall be required to report to the treasurer, 1078
governing board, auditor of state, or an authorized outside 1079
auditor at any time upon request as to the identity, market 1080
value, and location of the document evidencing each security, 1081
and that if the participating institution is a designated 1082
depository of the subdivision for the current period of 1083
designation, the securities that are the subject of the 1084
repurchase agreement may be delivered to the treasurer or held 1085
in trust by the participating institution on behalf of the 1086
subdivision. Interest earned on any investments or deposits 1087
authorized by this section shall be collected by the treasurer 1088
and credited by the treasurer to the proper fund of the 1089
subdivision. 1090

Upon the expiration of the term of office of a treasurer 1091
or in the event of a vacancy in the office of treasurer by 1092
reason of death, resignation, removal from office, or otherwise, 1093
the treasurer or the treasurer's legal representative shall 1094
transfer and deliver to the treasurer's successor all documents 1095
evidencing a deposit or investment held by the treasurer. For 1096
the investments and deposits so transferred and delivered, such 1097
treasurer shall be credited with and the treasurer's successor 1098
shall be charged with the amount of money held in such 1099

investments and deposits. 1100

(L) Whenever investments or deposits acquired under this 1101
section mature and become due and payable, the treasurer shall 1102
present them for payment according to their tenor, and shall 1103
collect the moneys payable thereon. The moneys so collected 1104
shall be treated as public moneys subject to sections 135.01 to 1105
135.21 of the Revised Code. 1106

(M) (1) All investments, except for investments in 1107
securities described in divisions (B) (5) and (6) of this section 1108
and for investments by a municipal corporation in the issues of 1109
such municipal corporation, shall be made only through a member 1110
of the financial industry regulatory authority (FINRA), through 1111
a bank, savings bank, or savings and loan association regulated 1112
by the superintendent of financial institutions, or through an 1113
institution regulated by the comptroller of the currency, 1114
federal deposit insurance corporation, or board of governors of 1115
the federal reserve system. 1116

(2) Payment for investments shall be made only upon the 1117
delivery of securities representing such investments to the 1118
treasurer, governing board, or qualified trustee. If the 1119
securities transferred are not represented by a certificate, 1120
payment shall be made only upon receipt of confirmation of 1121
transfer from the custodian by the treasurer, governing board, 1122
or qualified trustee. 1123

(N) In making investments authorized by this section, a 1124
treasurer or governing board may retain the services of an 1125
investment advisor, provided the advisor is licensed by the 1126
division of securities under section 1707.141 of the Revised 1127
Code or is registered with the securities and exchange 1128
commission, and possesses experience in public funds investment 1129

management, specifically in the area of state and local 1130
government investment portfolios, or the advisor is an eligible 1131
institution mentioned in section 135.03 of the Revised Code. 1132

(O) (1) Except as otherwise provided in divisions (O) (2) 1133
and (3) of this section, no treasurer or governing board shall 1134
make an investment or deposit under this section, unless there 1135
is on file with the auditor of state a written investment policy 1136
approved by the treasurer or governing board. The policy shall 1137
require that all entities conducting investment business with 1138
the treasurer or governing board shall sign the investment 1139
policy of that subdivision. All brokers, dealers, and financial 1140
institutions, described in division (M) (1) of this section, 1141
initiating transactions with the treasurer or governing board by 1142
giving advice or making investment recommendations shall sign 1143
the treasurer's or governing board's investment policy thereby 1144
acknowledging their agreement to abide by the policy's contents. 1145
All brokers, dealers, and financial institutions, described in 1146
division (M) (1) of this section, executing transactions 1147
initiated by the treasurer or governing board, having read the 1148
policy's contents, shall sign the investment policy thereby 1149
acknowledging their comprehension and receipt. 1150

(2) If a written investment policy described in division 1151
(O) (1) of this section is not filed on behalf of the subdivision 1152
with the auditor of state, the treasurer or governing board of 1153
that subdivision shall invest the subdivision's interim moneys 1154
only in interim deposits pursuant to division (B) (3) of this 1155
section or interim deposits pursuant to section 135.145 of the 1156
Revised Code and approved by the treasurer of state, no-load 1157
money market mutual funds pursuant to division (B) (5) of this 1158
section, or the Ohio subdivision's fund pursuant to division (B) 1159
(6) of this section. 1160

(3) Divisions (O) (1) and (2) of this section do not apply 1161
to a treasurer or governing board of a subdivision whose average 1162
annual portfolio of investments held pursuant to this section is 1163
one hundred thousand dollars or less, provided that the 1164
treasurer or governing board certifies, on a form prescribed by 1165
the auditor of state, that the treasurer or governing board will 1166
comply and is in compliance with the provisions of sections 1167
135.01 to 135.21 of the Revised Code. 1168

(P) A treasurer or governing board may enter into a 1169
written investment or deposit agreement that includes a 1170
provision under which the parties agree to submit to nonbinding 1171
arbitration to settle any controversy that may arise out of the 1172
agreement, including any controversy pertaining to losses of 1173
public moneys resulting from investment or deposit. The 1174
arbitration provision shall be set forth entirely in the 1175
agreement, and the agreement shall include a conspicuous notice 1176
to the parties that any party to the arbitration may apply to 1177
the court of common pleas of the county in which the arbitration 1178
was held for an order to vacate, modify, or correct the award. 1179
Any such party may also apply to the court for an order to 1180
change venue to a court of common pleas located more than one 1181
hundred miles from the county in which the treasurer or 1182
governing board is located. 1183

For purposes of this division, "investment or deposit 1184
agreement" means any agreement between a treasurer or governing 1185
board and a person, under which agreement the person agrees to 1186
invest, deposit, or otherwise manage a subdivision's interim 1187
moneys on behalf of the treasurer or governing board, or agrees 1188
to provide investment advice to the treasurer or governing 1189
board. 1190

(Q) An investment made by the treasurer or governing board 1191
pursuant to this section prior to September 27, 1996, that was a 1192
legal investment under the law as it existed before September 1193
27, 1996, may be held until maturity. 1194

Sec. 135.142. (A) In addition to the investments 1195
authorized by section 135.14 of the Revised Code, any board of 1196
education, by a two-thirds vote of its members, may authorize 1197
the treasurer of the board of education to invest up to forty 1198
per cent of the interim moneys of the board, available for 1199
investment at any one time, in either of the following: 1200

(1) Commercial paper notes issued by any entity that is 1201
defined in division (D) of section 1705.01 or division (E) of 1202
section 1706.01 of the Revised Code and has assets exceeding 1203
five hundred million dollars, and to which notes all of the 1204
following apply: 1205

(a) The notes are rated at the time of purchase in the 1206
highest classification established by at least two nationally 1207
recognized standard rating services. 1208

(b) The aggregate value of the notes does not exceed ten 1209
per cent of the aggregate value of the outstanding commercial 1210
paper of the issuing corporation. 1211

(c) The notes mature no later than two hundred seventy 1212
days after purchase. 1213

(d) The investment in commercial paper notes of a single 1214
issuer shall not exceed in the aggregate five per cent of 1215
interim moneys of the board available for investment at the time 1216
of purchase. 1217

(2) Bankers' acceptances of banks that are insured by the 1218
federal deposit insurance corporation and that mature no later 1219

than one hundred eighty days after purchase. 1220

(B) No investment authorized pursuant to division (A) of 1221
this section shall be made, whether or not authorized by a board 1222
of education, unless the treasurer of the board of education has 1223
completed additional training for making the types of 1224
investments authorized pursuant to division (A) of this section. 1225
The type and amount of such training shall be approved and may 1226
be conducted by or provided under the supervision of the 1227
treasurer of state. 1228

(C) The treasurer of the board of education shall prepare 1229
annually and submit to the board of education, the 1230
superintendent of public instruction, and the auditor of state, 1231
on or before the thirty-first day of August, a report listing 1232
each investment made pursuant to division (A) of this section 1233
during the preceding fiscal year, income earned from such 1234
investments, fees and commissions paid pursuant to division (D) 1235
of this section, and any other information required by the 1236
board, the superintendent, and the auditor of state. 1237

(D) A board of education may make appropriations and 1238
expenditures for fees and commissions in connection with 1239
investments made pursuant to division (A) of this section. 1240

(E) (1) In addition to the investments authorized by 1241
section 135.14 of the Revised Code and division (A) of this 1242
section, any board of education that is a party to an agreement 1243
with the treasurer of state pursuant to division (G) of section 1244
135.143 of the Revised Code and that has outstanding obligations 1245
issued under authority of section 133.10 or 133.301 of the 1246
Revised Code may authorize the treasurer of the board of 1247
education to invest interim moneys of the board in debt 1248
interests rated in either of the two highest rating 1249

classifications by at least two nationally recognized standard 1250
rating services and issued by entities that are defined in 1251
division (D) of section 1705.01 or division (E) of section 1252
1706.01 of the Revised Code. The debt interests purchased under 1253
authority of division (E) of this section shall mature not later 1254
than the latest maturity date of the outstanding obligations 1255
issued under authority of section 133.10 or 133.301 of the 1256
Revised Code. 1257

(2) If any of the debt interests acquired under division 1258
(E) (1) of this section ceases to be rated as there required, its 1259
issuer shall notify the treasurer of state of this fact within 1260
twenty-four hours. At any time thereafter the treasurer of state 1261
may require collateralization at the rate of one hundred two per 1262
cent of any remaining obligation of the entity, with securities 1263
authorized for investment under section 135.143 of the Revised 1264
Code. The collateral shall be delivered to and held by a 1265
custodian acceptable to the treasurer of state, marked to market 1266
daily, and any default to be cured within twelve hours. 1267
Unlimited substitution shall be allowed of comparable 1268
securities. 1269

Sec. 135.35. (A) The investing authority shall deposit or 1270
invest any part or all of the county's inactive moneys and shall 1271
invest all of the money in the county public library fund when 1272
required by section 135.352 of the Revised Code. The following 1273
classifications of securities and obligations are eligible for 1274
such deposit or investment: 1275

(1) United States treasury bills, notes, bonds, or any 1276
other obligation or security issued by the United States 1277
treasury, any other obligation guaranteed as to principal or 1278
interest by the United States, or any book entry, zero-coupon 1279

United States treasury security that is a direct obligation of 1280
the United States. 1281

Nothing in the classification of eligible securities and 1282
obligations set forth in divisions (A) (2) to (10) of this 1283
section shall be construed to authorize any investment in 1284
stripped principal or interest obligations of such eligible 1285
securities and obligations. 1286

(2) Bonds, notes, debentures, or any other obligations or 1287
securities issued by any federal government agency or 1288
instrumentality, including, but not limited to, the federal 1289
national mortgage association, federal home loan bank, federal 1290
farm credit bank, federal home loan mortgage corporation, and 1291
government national mortgage association. All federal agency 1292
securities shall be direct issuances of federal government 1293
agencies or instrumentalities. 1294

(3) Time certificates of deposit or savings or deposit 1295
accounts, including, but not limited to, passbook accounts, in 1296
any eligible institution mentioned in section 135.32 of the 1297
Revised Code; 1298

(4) Bonds and other obligations of this state or the 1299
political subdivisions of this state, provided the bonds or 1300
other obligations of political subdivisions mature within ten 1301
years from the date of settlement; 1302

(5) No-load money market mutual funds rated in the highest 1303
category at the time of purchase by at least one nationally 1304
recognized standard rating service or consisting exclusively of 1305
obligations described in division (A) (1), (2), or (6) of section 1306
135.143 of the Revised Code and repurchase agreements secured by 1307
such obligations, provided that investments in securities 1308

described in this division are made only through eligible 1309
institutions mentioned in section 135.32 of the Revised Code; 1310

(6) The Ohio subdivision's fund as provided in section 1311
135.45 of the Revised Code; 1312

(7) Securities lending agreements with any eligible 1313
institution mentioned in section 135.32 of the Revised Code that 1314
is a member of the federal reserve system or federal home loan 1315
bank or with any recognized United States government securities 1316
dealer meeting the description in division (J)(1) of this 1317
section, under the terms of which agreements the investing 1318
authority lends securities and the eligible institution or 1319
dealer agrees to simultaneously exchange similar securities or 1320
cash, equal value for equal value. 1321

Securities and cash received as collateral for a 1322
securities lending agreement are not inactive moneys of the 1323
county or moneys of a county public library fund. The investment 1324
of cash collateral received pursuant to a securities lending 1325
agreement may be invested only in instruments specified by the 1326
investing authority in the written investment policy described 1327
in division (K) of this section. 1328

(8) Up to forty per cent of the county's total average 1329
portfolio in either of the following investments: 1330

(a) Commercial paper notes issued by an entity that is 1331
defined in division (D) of section 1705.01 or division (E) of 1332
section 1706.01 of the Revised Code and that has assets 1333
exceeding five hundred million dollars, to which notes all of 1334
the following apply: 1335

(i) The notes are rated at the time of purchase in the 1336
highest classification established by at least two nationally 1337

recognized standard rating services. 1338

(ii) The aggregate value of the notes does not exceed ten 1339
per cent of the aggregate value of the outstanding commercial 1340
paper of the issuing corporation. 1341

(iii) The notes mature not later than two hundred seventy 1342
days after purchase. 1343

(iv) The investment in commercial paper notes of a single 1344
issuer shall not exceed in the aggregate five per cent of 1345
interim moneys available for investment at the time of purchase. 1346

(b) Bankers acceptances of banks that are insured by the 1347
federal deposit insurance corporation and that mature not later 1348
than one hundred eighty days after purchase. 1349

No investment shall be made pursuant to division (A) (8) of 1350
this section unless the investing authority has completed 1351
additional training for making the investments authorized by 1352
division (A) (8) of this section. The type and amount of 1353
additional training shall be approved by the treasurer of state 1354
and may be conducted by or provided under the supervision of the 1355
treasurer of state. 1356

(9) Up to fifteen per cent of the county's total average 1357
portfolio in notes issued by corporations that are incorporated 1358
under the laws of the United States and that are operating 1359
within the United States, or by depository institutions that are 1360
doing business under authority granted by the United States or 1361
any state and that are operating within the United States, 1362
provided both of the following apply: 1363

(a) The notes are rated in the three highest categories by 1364
at least two nationally recognized standard rating services at 1365
the time of purchase. 1366

(b) The notes mature not later than three years after 1367
purchase. 1368

(10) Debt interests rated at the time of purchase in the 1369
three highest categories by two nationally recognized standard 1370
rating services and issued by foreign nations diplomatically 1371
recognized by the United States government. All interest and 1372
principal shall be denominated and payable in United States 1373
funds. The investments made under division (A) (10) of this 1374
section shall not exceed in the aggregate two per cent of a 1375
county's total average portfolio. 1376

The investing authority shall invest under division (A) 1377
(10) of this section in a debt interest issued by a foreign 1378
nation only if the debt interest is backed by the full faith and 1379
credit of that foreign nation, there is no prior history of 1380
default, and the debt interest matures not later than five years 1381
after purchase. For purposes of division (A) (10) of this 1382
section, a debt interest is rated in the three highest 1383
categories by two nationally recognized standard rating services 1384
if either the debt interest itself or the issuer of the debt 1385
interest is rated, or is implicitly rated, at the time of 1386
purchase in the three highest categories by two nationally 1387
recognized standard rating services. 1388

(11) A current unpaid or delinquent tax line of credit 1389
authorized under division (G) of section 135.341 of the Revised 1390
Code, provided that all of the conditions for entering into such 1391
a line of credit under that division are satisfied, or bonds and 1392
other obligations of a county land reutilization corporation 1393
organized under Chapter 1724. of the Revised Code, if the county 1394
land reutilization corporation is located wholly or partly 1395
within the same county as the investing authority. 1396

(B) Nothing in the classifications of eligible obligations 1397
and securities set forth in divisions (A) (1) to (10) of this 1398
section shall be construed to authorize investment in a 1399
derivative, and no investing authority shall invest any county 1400
inactive moneys or any moneys in a county public library fund in 1401
a derivative. For purposes of this division, "derivative" means 1402
a financial instrument or contract or obligation whose value or 1403
return is based upon or linked to another asset or index, or 1404
both, separate from the financial instrument, contract, or 1405
obligation itself. Any security, obligation, trust account, or 1406
other instrument that is created from an issue of the United 1407
States treasury or is created from an obligation of a federal 1408
agency or instrumentality or is created from both is considered 1409
a derivative instrument. An eligible investment described in 1410
this section with a variable interest rate payment, based upon a 1411
single interest payment or single index comprised of other 1412
eligible investments provided for in division (A) (1) or (2) of 1413
this section, is not a derivative, provided that such variable 1414
rate investment has a maximum maturity of two years. A treasury 1415
inflation-protected security shall not be considered a 1416
derivative, provided the security matures not later than five 1417
years after purchase. 1418

(C) Except as provided in division (A) (4) or (D) of this 1419
section, any investment made pursuant to this section must 1420
mature within five years from the date of settlement, unless the 1421
investment is matched to a specific obligation or debt of the 1422
county or to a specific obligation or debt of a political 1423
subdivision of this state, and the investment is specifically 1424
approved by the investment advisory committee. 1425

(D) The investing authority may also enter into a written 1426
repurchase agreement with any eligible institution mentioned in 1427

section 135.32 of the Revised Code or any eligible securities 1428
dealer pursuant to division (J) of this section, under the terms 1429
of which agreement the investing authority purchases and the 1430
eligible institution or dealer agrees unconditionally to 1431
repurchase any of the securities listed in divisions (D) (1) to 1432
(5), except letters of credit described in division (D) (2), of 1433
section 135.18 of the Revised Code. The market value of 1434
securities subject to an overnight written repurchase agreement 1435
must exceed the principal value of the overnight written 1436
repurchase agreement by at least two per cent. A written 1437
repurchase agreement must exceed the principal value of the 1438
overnight written repurchase agreement, by at least two per 1439
cent. A written repurchase agreement shall not exceed thirty 1440
days, and the market value of securities subject to a written 1441
repurchase agreement must exceed the principal value of the 1442
written repurchase agreement by at least two per cent and be 1443
marked to market daily. All securities purchased pursuant to 1444
this division shall be delivered into the custody of the 1445
investing authority or the qualified custodian of the investing 1446
authority or an agent designated by the investing authority. A 1447
written repurchase agreement with an eligible securities dealer 1448
shall be transacted on a delivery versus payment basis. The 1449
agreement shall contain the requirement that for each 1450
transaction pursuant to the agreement the participating 1451
institution shall provide all of the following information: 1452

- (1) The par value of the securities; 1453
- (2) The type, rate, and maturity date of the securities; 1454
- (3) A numerical identifier generally accepted in the 1455
securities industry that designates the securities. 1456

No investing authority shall enter into a written 1457

repurchase agreement under the terms of which the investing 1458
authority agrees to sell securities owned by the county to a 1459
purchaser and agrees with that purchaser to unconditionally 1460
repurchase those securities. 1461

(E) No investing authority shall make an investment under 1462
this section, unless the investing authority, at the time of 1463
making the investment, reasonably expects that the investment 1464
can be held until its maturity. The investing authority's 1465
written investment policy shall specify the conditions under 1466
which an investment may be redeemed or sold prior to maturity. 1467

(F) No investing authority shall pay a county's inactive 1468
moneys or moneys of a county public library fund into a fund 1469
established by another subdivision, treasurer, governing board, 1470
or investing authority, if that fund was established by the 1471
subdivision, treasurer, governing board, or investing authority 1472
for the purpose of investing or depositing the public moneys of 1473
other subdivisions. This division does not apply to the payment 1474
of public moneys into either of the following: 1475

(1) The Ohio subdivision's fund pursuant to division (A) 1476
(6) of this section; 1477

(2) A fund created solely for the purpose of acquiring, 1478
constructing, owning, leasing, or operating municipal utilities 1479
pursuant to the authority provided under section 715.02 of the 1480
Revised Code or Section 4 of Article XVIII, Ohio Constitution. 1481

For purposes of division (F) of this section, 1482
"subdivision" includes a county. 1483

(G) The use of leverage, in which the county uses its 1484
current investment assets as collateral for the purpose of 1485
purchasing other assets, is prohibited. The issuance of taxable 1486

notes for the purpose of arbitrage is prohibited. Contracting to 1487
sell securities not owned by the county, for the purpose of 1488
purchasing such securities on the speculation that bond prices 1489
will decline, is prohibited. 1490

(H) Any securities, certificates of deposit, deposit 1491
accounts, or any other documents evidencing deposits or 1492
investments made under authority of this section shall be issued 1493
in the name of the county with the county treasurer or investing 1494
authority as the designated payee. If any such deposits or 1495
investments are registrable either as to principal or interest, 1496
or both, they shall be registered in the name of the treasurer. 1497

(I) The investing authority shall be responsible for the 1498
safekeeping of all documents evidencing a deposit or investment 1499
acquired under this section, including, but not limited to, 1500
safekeeping receipts evidencing securities deposited with a 1501
qualified trustee, as provided in section 135.37 of the Revised 1502
Code, and documents confirming the purchase of securities under 1503
any repurchase agreement under this section shall be deposited 1504
with a qualified trustee, provided, however, that the qualified 1505
trustee shall be required to report to the investing authority, 1506
auditor of state, or an authorized outside auditor at any time 1507
upon request as to the identity, market value, and location of 1508
the document evidencing each security, and that if the 1509
participating institution is a designated depository of the 1510
county for the current period of designation, the securities 1511
that are the subject of the repurchase agreement may be 1512
delivered to the treasurer or held in trust by the participating 1513
institution on behalf of the investing authority. 1514

Upon the expiration of the term of office of an investing 1515
authority or in the event of a vacancy in the office for any 1516

reason, the officer or the officer's legal representative shall 1517
transfer and deliver to the officer's successor all documents 1518
mentioned in this division for which the officer has been 1519
responsible for safekeeping. For all such documents transferred 1520
and delivered, the officer shall be credited with, and the 1521
officer's successor shall be charged with, the amount of moneys 1522
evidenced by such documents. 1523

(J) (1) All investments, except for investments in 1524
securities described in divisions (A) (5), (6), and (11) of this 1525
section, shall be made only through a member of the financial 1526
industry regulatory authority (FINRA), through a bank, savings 1527
bank, or savings and loan association regulated by the 1528
superintendent of financial institutions, or through an 1529
institution regulated by the comptroller of the currency, 1530
federal deposit insurance corporation, or board of governors of 1531
the federal reserve system. 1532

(2) Payment for investments shall be made only upon the 1533
delivery of securities representing such investments to the 1534
treasurer, investing authority, or qualified trustee. If the 1535
securities transferred are not represented by a certificate, 1536
payment shall be made only upon receipt of confirmation of 1537
transfer from the custodian by the treasurer, governing board, 1538
or qualified trustee. 1539

(K) (1) Except as otherwise provided in division (K) (2) of 1540
this section, no investing authority shall make an investment or 1541
deposit under this section, unless there is on file with the 1542
auditor of state a written investment policy approved by the 1543
investing authority. The policy shall require that all entities 1544
conducting investment business with the investing authority 1545
shall sign the investment policy of that investing authority. 1546

All brokers, dealers, and financial institutions, described in 1547
division (J) (1) of this section, initiating transactions with 1548
the investing authority by giving advice or making investment 1549
recommendations shall sign the investing authority's investment 1550
policy thereby acknowledging their agreement to abide by the 1551
policy's contents. All brokers, dealers, and financial 1552
institutions, described in division (J) (1) of this section, 1553
executing transactions initiated by the investing authority, 1554
having read the policy's contents, shall sign the investment 1555
policy thereby acknowledging their comprehension and receipt. 1556

(2) If a written investment policy described in division 1557
(K) (1) of this section is not filed on behalf of the county with 1558
the auditor of state, the investing authority of that county 1559
shall invest the county's inactive moneys and moneys of the 1560
county public library fund only in time certificates of deposits 1561
or savings or deposit accounts pursuant to division (A) (3) of 1562
this section, no-load money market mutual funds pursuant to 1563
division (A) (5) of this section, or the Ohio subdivision's fund 1564
pursuant to division (A) (6) of this section. 1565

(L) (1) The investing authority shall establish and 1566
maintain an inventory of all obligations and securities acquired 1567
by the investing authority pursuant to this section. The 1568
inventory shall include a description of each obligation or 1569
security, including type, cost, par value, maturity date, 1570
settlement date, and any coupon rate. 1571

(2) The investing authority shall also keep a complete 1572
record of all purchases and sales of the obligations and 1573
securities made pursuant to this section. 1574

(3) The investing authority shall maintain a monthly 1575
portfolio report and issue a copy of the monthly portfolio 1576

report describing such investments to the county investment 1577
advisory committee, detailing the current inventory of all 1578
obligations and securities, all transactions during the month 1579
that affected the inventory, any income received from the 1580
obligations and securities, and any investment expenses paid, 1581
and stating the names of any persons effecting transactions on 1582
behalf of the investing authority. 1583

(4) The monthly portfolio report shall be a public record 1584
and available for inspection under section 149.43 of the Revised 1585
Code. 1586

(5) The inventory and the monthly portfolio report shall 1587
be filed with the board of county commissioners. The monthly 1588
portfolio report also shall be filed with the treasurer of 1589
state. 1590

(M) An investing authority may enter into a written 1591
investment or deposit agreement that includes a provision under 1592
which the parties agree to submit to nonbinding arbitration to 1593
settle any controversy that may arise out of the agreement, 1594
including any controversy pertaining to losses of public moneys 1595
resulting from investment or deposit. The arbitration provision 1596
shall be set forth entirely in the agreement, and the agreement 1597
shall include a conspicuous notice to the parties that any party 1598
to the arbitration may apply to the court of common pleas of the 1599
county in which the arbitration was held for an order to vacate, 1600
modify, or correct the award. Any such party may also apply to 1601
the court for an order to change venue to a court of common 1602
pleas located more than one hundred miles from the county in 1603
which the investing authority is located. 1604

For purposes of this division, "investment or deposit 1605
agreement" means any agreement between an investing authority 1606

and a person, under which agreement the person agrees to invest, 1607
deposit, or otherwise manage, on behalf of the investing 1608
authority, a county's inactive moneys or moneys in a county 1609
public library fund, or agrees to provide investment advice to 1610
the investing authority. 1611

(N) (1) An investment held in the county portfolio on 1612
September 27, 1996, that was a legal investment under the law as 1613
it existed before September 27, 1996, may be held until 1614
maturity. 1615

(2) An investment held in the county portfolio on 1616
September 10, 2012, that was a legal investment under the law as 1617
it existed before September 10, 2012, may be held until 1618
maturity. 1619

Sec. 150.05. (A) The authority shall select, as program 1620
administrators, not more than two private, for-profit investment 1621
funds to acquire loans for the program fund and to invest money 1622
in the program fund as prescribed in the investment policy 1623
established or modified by the authority in accordance with 1624
sections 150.03 and 150.04 of the Revised Code. The authority 1625
shall give equal consideration, in selecting these program 1626
administrators, to minority owned and controlled investment 1627
funds, to funds owned and controlled by women, to ventures 1628
involving minority owned and controlled funds, and to ventures 1629
involving funds owned and controlled by women that otherwise 1630
meet the policies and criteria established by the authority. To 1631
be eligible for selection, an investment fund must be 1632
incorporated or organized under Chapter 1701., 1705., 1706., 1633
1775., 1776., 1782., or 1783. of the Revised Code, must have an 1634
established business presence in this state, and must be 1635
capitalized in accordance with any state and federal laws 1636

applicable to the issuance or sale of securities. 1637

The authority shall select program administrators only 1638
after soliciting and evaluating requests for proposals as 1639
prescribed in this section. The authority shall publish a notice 1640
of a request for proposals in newspapers of general circulation 1641
in this state once each week for two consecutive weeks before a 1642
date specified by the authority as the date on which it will 1643
begin accepting proposals. The notices shall contain a general 1644
description of the subject of the proposed agreement and the 1645
location where the request for proposals may be obtained. The 1646
request for proposals shall include all the following: 1647

(1) Instructions and information to respondents concerning 1648
the submission of proposals, including the name and address of 1649
the office where proposals are to be submitted; 1650

(2) Instructions regarding the manner in which respondents 1651
may communicate with the authority, including the names, titles, 1652
and telephone numbers of the individuals to whom such 1653
communications shall be directed; 1654

(3) Description of the performance criteria that will be 1655
used to evaluate whether a respondent selected by the authority 1656
is satisfying the authority's investment policy; 1657

(4) Description of the factors and criteria to be 1658
considered in evaluating respondents' proposals, the relative 1659
importance of each factor or criterion, and description of the 1660
authority's evaluation procedure; 1661

(5) Description of any documents that may be incorporated 1662
by reference into the request for proposals, provided that the 1663
request specifies where such documents may be obtained and such 1664
documents are readily available to all interested parties. 1665

After the date specified for receiving proposals, the authority shall evaluate submitted proposals. The authority may discuss a respondent's proposal with that respondent to clarify or revise a proposal or the terms of the agreement.

The authority shall choose for review proposals from at least three respondents the authority considers qualified to operate the program in the best interests of the investment policy adopted by the authority. If three or fewer proposals are submitted, the authority shall review each proposal. The authority may cancel a request for proposals at any time before entering into an agreement with a respondent. The authority shall provide respondents fair and equal opportunity for such discussions. The authority may terminate discussions with any respondent upon written notice to the respondent.

(B) After reviewing the chosen proposals, the authority may select not more than two such respondents and enter into a written agreement with each of the selected respondents, provided that at no time shall there be agreements with more than two persons.

The agreement shall do all of the following:

(1) Specify that borrowing and investing by the program administrator will be budgeted to guarantee that no tax credits will be granted during the first four years of the Ohio venture capital program, and will be structured to ensure that payments of principal, interest, or interest equivalent due in any fiscal year, when added to such payments due from any other program administrator, does not exceed twenty million dollars;

(2) Require investment by the program administrator or the fund manager employed by the program administrator to be in

compliance with the investment policy established or modified in 1695
accordance with sections 150.03 and 150.04 of the Revised Code 1696
that is in effect at the time the investment is made, and 1697
prohibit the program administrator or fund manager from engaging 1698
in any investment activities other than activities to carry out 1699
that policy; 1700

(3) Require periodic financial reporting by the program 1701
administrator to the authority, which reporting shall include an 1702
annual audit by an independent auditor and such other financial 1703
reporting as is specified in the agreement or otherwise required 1704
by the authority for the purpose of ensuring that the program 1705
administrator is carrying out the investment policy; 1706

(4) Specify any like standards or general limitations in 1707
addition to or in furtherance of investment standards or 1708
limitations that apply pursuant to division (H) of section 1709
150.03 of the Revised Code; 1710

(5) Require the program administrator to apply program 1711
fund revenue first to the payment of principal borrowed by the 1712
program administrator for investment under the program, then to 1713
interest related to that principal, and then to amounts 1714
necessary to cover the program administrator's pro rata share 1715
required under division (B)(9) of this section; and require the 1716
program administrator to pay the authority not less than ninety 1717
per cent of the amount by which program fund revenue 1718
attributable to investments under the program administrator's 1719
investment authority exceeds amounts so applied; 1720

(6) Specify the procedures by which the program 1721
administrator shall certify immediately to the authority the 1722
necessity for the authority to issue tax credit certificates 1723
pursuant to contracts entered into under section 150.07 of the 1724

Revised Code; 1725

(7) Specify any general limitations regarding the 1726
employment of a fund manager by the program administrator, in 1727
addition to an express limitation that the fund manager be a 1728
person with demonstrated, substantial, successful experience in 1729
the design and management of seed and venture capital investment 1730
programs and in capital formation. The fund manager may be, but 1731
need not be, an equity owner or affiliate of the program 1732
administrator. 1733

(8) Specify the terms and conditions under which the 1734
authority or the program administrator may terminate the 1735
agreement, including in the circumstance that the program 1736
administrator or fund manager violates the investment policy; 1737

(9) Require the program administrator or fund manager 1738
employed by the program administrator to provide capital in the 1739
form of a loan equal to one per cent of the amount of 1740
outstanding loans by lenders to the program fund. The loan from 1741
the program administrator or fund manager shall be on the same 1742
terms and conditions as loans from other lenders, except that 1743
the loan from the program administrator or fund manager shall 1744
not be secured by the Ohio venture capital fund or tax credits 1745
available to other lenders under division (B) of section 150.04 1746
of the Revised Code. Such capital shall be placed at the same 1747
risk as the proceeds from such loans. The program administrator 1748
shall receive a pro rata share of the net income, including net 1749
loss, from the investment of money from the program fund, but is 1750
not entitled to the security against losses provided under 1751
section 150.04 of the Revised Code. 1752

Sec. 718.01. Any term used in this chapter that is not 1753
otherwise defined in this chapter has the same meaning as when 1754

used in a comparable context in laws of the United States 1755
relating to federal income taxation or in Title LVIII of the 1756
Revised Code, unless a different meaning is clearly required. 1757
Except as provided in section 718.81 of the Revised Code, if a 1758
term used in this chapter that is not otherwise defined in this 1759
chapter is used in a comparable context in both the laws of the 1760
United States relating to federal income tax and in Title LVIII 1761
of the Revised Code and the use is not consistent, then the use 1762
of the term in the laws of the United States relating to federal 1763
income tax shall control over the use of the term in Title LVIII 1764
of the Revised Code. 1765

Except as otherwise provided in section 718.81 of the 1766
Revised Code, as used in this chapter: 1767

(A) (1) "Municipal taxable income" means the following: 1768

(a) For a person other than an individual, income 1769
apportioned or situated to the municipal corporation under 1770
section 718.02 of the Revised Code, as applicable, reduced by 1771
any pre-2017 net operating loss carryforward available to the 1772
person for the municipal corporation. 1773

(b) (i) For an individual who is a resident of a municipal 1774
corporation other than a qualified municipal corporation, income 1775
reduced by exempt income to the extent otherwise included in 1776
income, then reduced as provided in division (A) (2) of this 1777
section, and further reduced by any pre-2017 net operating loss 1778
carryforward available to the individual for the municipal 1779
corporation. 1780

(ii) For an individual who is a resident of a qualified 1781
municipal corporation, Ohio adjusted gross income reduced by 1782
income exempted, and increased by deductions excluded, by the 1783

qualified municipal corporation from the qualified municipal 1784
corporation's tax. If a qualified municipal corporation, on or 1785
before December 31, 2013, exempts income earned by individuals 1786
who are not residents of the qualified municipal corporation and 1787
net profit of persons that are not wholly located within the 1788
qualified municipal corporation, such individual or person shall 1789
have no municipal taxable income for the purposes of the tax 1790
levied by the qualified municipal corporation and may be 1791
exempted by the qualified municipal corporation from the 1792
requirements of section 718.03 of the Revised Code. 1793

(c) For an individual who is a nonresident of a municipal 1794
corporation, income reduced by exempt income to the extent 1795
otherwise included in income and then, as applicable, 1796
apportioned or situated to the municipal corporation under 1797
section 718.02 of the Revised Code, then reduced as provided in 1798
division (A)(2) of this section, and further reduced by any pre- 1799
2017 net operating loss carryforward available to the individual 1800
for the municipal corporation. 1801

(2) In computing the municipal taxable income of a 1802
taxpayer who is an individual, the taxpayer may subtract, as 1803
provided in division (A)(1)(b)(i) or (c) of this section, the 1804
amount of the individual's employee business expenses reported 1805
on the individual's form 2106 that the individual deducted for 1806
federal income tax purposes for the taxable year, subject to the 1807
limitation imposed by section 67 of the Internal Revenue Code. 1808
For the municipal corporation in which the taxpayer is a 1809
resident, the taxpayer may deduct all such expenses allowed for 1810
federal income tax purposes. For a municipal corporation in 1811
which the taxpayer is not a resident, the taxpayer may deduct 1812
such expenses only to the extent the expenses are related to the 1813
taxpayer's performance of personal services in that nonresident 1814

municipal corporation. 1815

(B) "Income" means the following: 1816

(1) (a) For residents, all income, salaries, qualifying 1817
wages, commissions, and other compensation from whatever source 1818
earned or received by the resident, including the resident's 1819
distributive share of the net profit of pass-through entities 1820
owned directly or indirectly by the resident and any net profit 1821
of the resident, except as provided in division (D) (5) of this 1822
section. 1823

(b) For the purposes of division (B) (1) (a) of this 1824
section: 1825

(i) Any net operating loss of the resident incurred in the 1826
taxable year and the resident's distributive share of any net 1827
operating loss generated in the same taxable year and 1828
attributable to the resident's ownership interest in a pass- 1829
through entity shall be allowed as a deduction, for that taxable 1830
year and the following five taxable years, against any other net 1831
profit of the resident or the resident's distributive share of 1832
any net profit attributable to the resident's ownership interest 1833
in a pass-through entity until fully utilized, subject to 1834
division (B) (1) (d) of this section; 1835

(ii) The resident's distributive share of the net profit 1836
of each pass-through entity owned directly or indirectly by the 1837
resident shall be calculated without regard to any net operating 1838
loss that is carried forward by that entity from a prior taxable 1839
year and applied to reduce the entity's net profit for the 1840
current taxable year. 1841

(c) Division (B) (1) (b) of this section does not apply with 1842
respect to any net profit or net operating loss attributable to 1843

an ownership interest in an S corporation unless shareholders' 1844
distributive shares of net profits from S corporations are 1845
subject to tax in the municipal corporation as provided in 1846
division (C) (14) (b) or (c) of this section. 1847

(d) Any amount of a net operating loss used to reduce a 1848
taxpayer's net profit for a taxable year shall reduce the amount 1849
of net operating loss that may be carried forward to any 1850
subsequent year for use by that taxpayer. In no event shall the 1851
cumulative deductions for all taxable years with respect to a 1852
taxpayer's net operating loss exceed the original amount of that 1853
net operating loss available to that taxpayer. 1854

(2) In the case of nonresidents, all income, salaries, 1855
qualifying wages, commissions, and other compensation from 1856
whatever source earned or received by the nonresident for work 1857
done, services performed or rendered, or activities conducted in 1858
the municipal corporation, including any net profit of the 1859
nonresident, but excluding the nonresident's distributive share 1860
of the net profit or loss of only pass-through entities owned 1861
directly or indirectly by the nonresident. 1862

(3) For taxpayers that are not individuals, net profit of 1863
the taxpayer; 1864

(4) Lottery, sweepstakes, gambling and sports winnings, 1865
winnings from games of chance, and prizes and awards. If the 1866
taxpayer is a professional gambler for federal income tax 1867
purposes, the taxpayer may deduct related wagering losses and 1868
expenses to the extent authorized under the Internal Revenue 1869
Code and claimed against such winnings. 1870

(C) "Exempt income" means all of the following: 1871

(1) The military pay or allowances of members of the armed 1872

forces of the United States or members of their reserve 1873
components, including the national guard of any state; 1874

(2) (a) Except as provided in division (C) (2) (b) of this 1875
section, intangible income; 1876

(b) A municipal corporation that taxed any type of 1877
intangible income on March 29, 1988, pursuant to Section 3 of 1878
S.B. 238 of the 116th general assembly, may continue to tax that 1879
type of income if a majority of the electors of the municipal 1880
corporation voting on the question of whether to permit the 1881
taxation of that type of intangible income after 1988 voted in 1882
favor thereof at an election held on November 8, 1988. 1883

(3) Social security benefits, railroad retirement 1884
benefits, unemployment compensation, pensions, retirement 1885
benefit payments, payments from annuities, and similar payments 1886
made to an employee or to the beneficiary of an employee under a 1887
retirement program or plan, disability payments received from 1888
private industry or local, state, or federal governments or from 1889
charitable, religious or educational organizations, and the 1890
proceeds of sickness, accident, or liability insurance policies. 1891
As used in division (C) (3) of this section, "unemployment 1892
compensation" does not include supplemental unemployment 1893
compensation described in section 3402(o) (2) of the Internal 1894
Revenue Code. 1895

(4) The income of religious, fraternal, charitable, 1896
scientific, literary, or educational institutions to the extent 1897
such income is derived from tax-exempt real estate, tax-exempt 1898
tangible or intangible property, or tax-exempt activities. 1899

(5) Compensation paid under section 3501.28 or 3501.36 of 1900
the Revised Code to a person serving as a precinct election 1901

official to the extent that such compensation does not exceed 1902
one thousand dollars for the taxable year. Such compensation in 1903
excess of one thousand dollars for the taxable year may be 1904
subject to taxation by a municipal corporation. A municipal 1905
corporation shall not require the payer of such compensation to 1906
withhold any tax from that compensation. 1907

(6) Dues, contributions, and similar payments received by 1908
charitable, religious, educational, or literary organizations or 1909
labor unions, lodges, and similar organizations; 1910

(7) Alimony and child support received; 1911

(8) Compensation for personal injuries or for damages to 1912
property from insurance proceeds or otherwise, excluding 1913
compensation paid for lost salaries or wages or compensation 1914
from punitive damages; 1915

(9) Income of a public utility when that public utility is 1916
subject to the tax levied under section 5727.24 or 5727.30 of 1917
the Revised Code. Division (C) (9) of this section does not apply 1918
for purposes of Chapter 5745. of the Revised Code. 1919

(10) Gains from involuntary conversions, interest on 1920
federal obligations, items of income subject to a tax levied by 1921
the state and that a municipal corporation is specifically 1922
prohibited by law from taxing, and income of a decedent's estate 1923
during the period of administration except such income from the 1924
operation of a trade or business; 1925

(11) Compensation or allowances excluded from federal 1926
gross income under section 107 of the Internal Revenue Code; 1927

(12) Employee compensation that is not qualifying wages as 1928
defined in division (R) of this section; 1929

(13) Compensation paid to a person employed within the 1930
boundaries of a United States air force base under the 1931
jurisdiction of the United States air force that is used for the 1932
housing of members of the United States air force and is a 1933
center for air force operations, unless the person is subject to 1934
taxation because of residence or domicile. If the compensation 1935
is subject to taxation because of residence or domicile, tax on 1936
such income shall be payable only to the municipal corporation 1937
of residence or domicile. 1938

(14) (a) Except as provided in division (C) (14) (b) or (c) 1939
of this section, an S corporation shareholder's distributive 1940
share of net profits of the S corporation, other than any part 1941
of the distributive share of net profits that represents wages 1942
as defined in section 3121(a) of the Internal Revenue Code or 1943
net earnings from self-employment as defined in section 1402(a) 1944
of the Internal Revenue Code. 1945

(b) If, pursuant to division (H) of former section 718.01 1946
of the Revised Code as it existed before March 11, 2004, a 1947
majority of the electors of a municipal corporation voted in 1948
favor of the question at an election held on November 4, 2003, 1949
the municipal corporation may continue after 2002 to tax an S 1950
corporation shareholder's distributive share of net profits of 1951
an S corporation. 1952

(c) If, on December 6, 2002, a municipal corporation was 1953
imposing, assessing, and collecting a tax on an S corporation 1954
shareholder's distributive share of net profits of the S 1955
corporation to the extent the distributive share would be 1956
allocated or apportioned to this state under divisions (B) (1) 1957
and (2) of section 5733.05 of the Revised Code if the S 1958
corporation were a corporation subject to taxes imposed under 1959

Chapter 5733. of the Revised Code, the municipal corporation may 1960
continue to impose the tax on such distributive shares to the 1961
extent such shares would be so allocated or apportioned to this 1962
state only until December 31, 2004, unless a majority of the 1963
electors of the municipal corporation voting on the question of 1964
continuing to tax such shares after that date voted in favor of 1965
that question at an election held November 2, 2004. If a 1966
majority of those electors voted in favor of the question, the 1967
municipal corporation may continue after December 31, 2004, to 1968
impose the tax on such distributive shares only to the extent 1969
such shares would be so allocated or apportioned to this state. 1970

(d) A municipal corporation shall be deemed to have 1971
elected to tax S corporation shareholders' distributive shares 1972
of net profits of the S corporation in the hands of the 1973
shareholders if a majority of the electors of a municipal 1974
corporation voted in favor of a question at an election held 1975
under division (C) (14) (b) or (c) of this section. The municipal 1976
corporation shall specify by resolution or ordinance that the 1977
tax applies to the distributive share of a shareholder of an S 1978
corporation in the hands of the shareholder of the S 1979
corporation. 1980

(15) To the extent authorized under a resolution or 1981
ordinance adopted by a municipal corporation before January 1, 1982
2016, all or a portion of the income of individuals or a class 1983
of individuals under eighteen years of age. 1984

(16) (a) Except as provided in divisions (C) (16) (b), (c), 1985
and (d) of this section, qualifying wages described in division 1986
(B) (1) or (E) of section 718.011 of the Revised Code to the 1987
extent the qualifying wages are not subject to withholding for 1988
the municipal corporation under either of those divisions. 1989

(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 2019
circumstances: 2020

(i) The individual's base of operation is located in the 2021
municipal corporation. 2022

(ii) The individual is a professional athlete, 2023
professional entertainer, or public figure, and the compensation 2024
is paid for the performance of services in the individual's 2025
capacity as a professional athlete, professional entertainer, or 2026
public figure. For purposes of division (C) (17) (b) (ii) of this 2027
section, "professional athlete," "professional entertainer," and 2028
"public figure" have the same meanings as in section 718.011 of 2029
the Revised Code. 2030

(c) Compensation to which division (C) (17) of this section 2031
applies shall be treated as earned or received at the 2032
individual's base of operation. If the individual does not have 2033
a base of operation, the compensation shall be treated as earned 2034
or received where the individual is domiciled. 2035

(d) For purposes of division (C) (17) of this section, 2036
"base of operation" means the location where an individual owns 2037
or rents an office, storefront, or similar facility to which the 2038
individual regularly reports and at which the individual 2039
regularly performs personal services for compensation. 2040

(18) Compensation paid to a person for personal services 2041
performed for a political subdivision on property owned by the 2042
political subdivision, regardless of whether the compensation is 2043
received by an employee of the subdivision or another person 2044
performing services for the subdivision under a contract with 2045
the subdivision, if the property on which services are performed 2046
is annexed to a municipal corporation pursuant to section 2047

709.023 of the Revised Code on or after March 27, 2013, unless 2048
the person is subject to such taxation because of residence. If 2049
the compensation is subject to taxation because of residence, 2050
municipal income tax shall be payable only to the municipal 2051
corporation of residence. 2052

(19) In the case of a tax administered, collected, and 2053
enforced by a municipal corporation pursuant to an agreement 2054
with the board of directors of a joint economic development 2055
district under section 715.72 of the Revised Code, the net 2056
profits of a business, and the income of the employees of that 2057
business, exempted from the tax under division (Q) of that 2058
section. 2059

(20) All of the following: 2060

(a) Income derived from disaster work conducted in this 2061
state by an out-of-state disaster business during a disaster 2062
response period pursuant to a qualifying solicitation received 2063
by the business; 2064

(b) Income of a qualifying employee described in division 2065
(A) (14) (a) of section 5703.94 of the Revised Code, to the extent 2066
such income is derived from disaster work conducted in this 2067
state by the employee during a disaster response period pursuant 2068
to a qualifying solicitation received by the employee's 2069
employer; 2070

(c) Income of a qualifying employee described in division 2071
(A) (14) (b) of section 5703.94 of the Revised Code, to the extent 2072
such income is derived from disaster work conducted in this 2073
state by the employee during a disaster response period on 2074
critical infrastructure owned or used by the employee's 2075
employer. 2076

(21) Income the taxation of which is prohibited by the 2077
constitution or laws of the United States. 2078

Any item of income that is exempt income of a pass-through 2079
entity under division (C) of this section is exempt income of 2080
each owner of the pass-through entity to the extent of that 2081
owner's distributive or proportionate share of that item of the 2082
entity's income. 2083

(D) (1) "Net profit" for a person who is an individual 2084
means the individual's net profit required to be reported on 2085
schedule C, schedule E, or schedule F reduced by any net 2086
operating loss carried forward. For the purposes of division (D) 2087
(1) of this section, the net operating loss carried forward 2088
shall be calculated and deducted in the same manner as provided 2089
in division (D) (3) of this section. 2090

(2) "Net profit" for a person other than an individual 2091
means adjusted federal taxable income reduced by any net 2092
operating loss incurred by the person in a taxable year 2093
beginning on or after January 1, 2017, subject to the 2094
limitations of division (D) (3) of this section. 2095

(3) (a) The amount of such net operating loss shall be 2096
deducted from net profit to the extent necessary to reduce 2097
municipal taxable income to zero, with any remaining unused 2098
portion of the net operating loss carried forward to not more 2099
than five consecutive taxable years following the taxable year 2100
in which the loss was incurred, but in no case for more years 2101
than necessary for the deduction to be fully utilized. 2102

(b) No person shall use the deduction allowed by division 2103
(D) (3) of this section to offset qualifying wages. 2104

(c) (i) For taxable years beginning in 2018, 2019, 2020, 2105

2021, or 2022, a person may not deduct, for purposes of an 2106
income tax levied by a municipal corporation that levies an 2107
income tax before January 1, 2016, more than fifty per cent of 2108
the amount of the deduction otherwise allowed by division (D) (3) 2109
of this section. 2110

(ii) For taxable years beginning in 2023 or thereafter, a 2111
person may deduct, for purposes of an income tax levied by a 2112
municipal corporation that levies an income tax before January 2113
1, 2016, the full amount allowed by division (D) (3) of this 2114
section without regard to the limitation of division (D) (3) (b) 2115
(i) of this section. 2116

(d) Any pre-2017 net operating loss carryforward deduction 2117
that is available may be utilized before a taxpayer may deduct 2118
any amount pursuant to division (D) (3) of this section. 2119

(e) Nothing in division (D) (3) (c) (i) of this section 2120
precludes a person from carrying forward, for use with respect 2121
to any return filed for a taxable year beginning after 2018, any 2122
amount of net operating loss that was not fully utilized by 2123
operation of division (D) (3) (c) (i) of this section. To the 2124
extent that an amount of net operating loss that was not fully 2125
utilized in one or more taxable years by operation of division 2126
(D) (3) (c) (i) of this section is carried forward for use with 2127
respect to a return filed for a taxable year beginning in 2019, 2128
2020, 2021, or 2022, the limitation described in division (D) (3) 2129
(c) (i) of this section shall apply to the amount carried 2130
forward. 2131

(4) For the purposes of this chapter, and notwithstanding 2132
division (D) (2) of this section, net profit of a disregarded 2133
entity shall not be taxable as against that disregarded entity, 2134
but shall instead be included in the net profit of the owner of 2135

the disregarded entity. 2136

(5) For the purposes of this chapter, and notwithstanding 2137
any other provision of this chapter, the net profit of a 2138
publicly traded partnership that makes the election described in 2139
division (D) (5) of this section shall be taxed as if the 2140
partnership were a C corporation, and shall not be treated as 2141
the net profit or income of any owner of the partnership. 2142

A publicly traded partnership that is treated as a 2143
partnership for federal income tax purposes and that is subject 2144
to tax on its net profits in one or more municipal corporations 2145
in this state may elect to be treated as a C corporation for 2146
municipal income tax purposes. The publicly traded partnership 2147
shall make the election in every municipal corporation in which 2148
the partnership is subject to taxation on its net profits. The 2149
election shall be made on the annual tax return filed in each 2150
such municipal corporation. The publicly traded partnership 2151
shall not be required to file the election with any municipal 2152
corporation in which the partnership is not subject to taxation 2153
on its net profits, but division (D) (5) of this section applies 2154
to all municipal corporations in which an individual owner of 2155
the partnership resides. 2156

(E) "Adjusted federal taxable income," for a person 2157
required to file as a C corporation, or for a person that has 2158
elected to be taxed as a C corporation under division (D) (5) of 2159
this section, means a C corporation's federal taxable income 2160
before net operating losses and special deductions as determined 2161
under the Internal Revenue Code, adjusted as follows: 2162

(1) Deduct intangible income to the extent included in 2163
federal taxable income. The deduction shall be allowed 2164
regardless of whether the intangible income relates to assets 2165

used in a trade or business or assets held for the production of income.	2166 2167
(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;	2168 2169 2170 2171 2172
(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;	2173 2174 2175 2176
(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;	2177 2178 2179 2180 2181
(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.	2182 2183 2184
(5) Add taxes on or measured by net income allowed as a deduction in the computation of federal taxable income;	2185 2186
(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;	2187 2188 2189 2190 2191
(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	2192 2193 2194

under that agreement under section 4313.02 of the Revised Code;	2195
(8) Deduct exempt income to the extent not otherwise	2196
deducted or excluded in computing adjusted federal taxable	2197
income.	2198
(9) Deduct any net profit of a pass-through entity owned	2199
directly or indirectly by the taxpayer and included in the	2200
taxpayer's federal taxable income unless an affiliated group of	2201
corporations includes that net profit in the group's federal	2202
taxable income in accordance with division (E) (3) (b) of section	2203
718.06 of the Revised Code.	2204
(10) Add any loss incurred by a pass-through entity owned	2205
directly or indirectly by the taxpayer and included in the	2206
taxpayer's federal taxable income unless an affiliated group of	2207
corporations includes that loss in the group's federal taxable	2208
income in accordance with division (E) (3) (b) of section 718.06	2209
of the Revised Code.	2210
If the taxpayer is not a C corporation, is not a	2211
disregarded entity that has made the election described in	2212
division (L) (2) of this section, is not a publicly traded	2213
partnership that has made the election described in division (D)	2214
(5) of this section, and is not an individual, the taxpayer	2215
shall compute adjusted federal taxable income under this section	2216
as if the taxpayer were a C corporation, except guaranteed	2217
payments and other similar amounts paid or accrued to a partner,	2218
former partner, shareholder, former shareholder, member, or	2219
former member shall not be allowed as a deductible expense	2220
unless such payments are in consideration for the use of capital	2221
and treated as payment of interest under section 469 of the	2222
Internal Revenue Code or United States treasury regulations.	2223
Amounts paid or accrued to a qualified self-employed retirement	2224

plan with respect to a partner, former partner, shareholder, 2225
former shareholder, member, or former member of the taxpayer, 2226
amounts paid or accrued to or for health insurance for a 2227
partner, former partner, shareholder, former shareholder, 2228
member, or former member, and amounts paid or accrued to or for 2229
life insurance for a partner, former partner, shareholder, 2230
former shareholder, member, or former member shall not be 2231
allowed as a deduction. 2232

Nothing in division (E) of this section shall be construed 2233
as allowing the taxpayer to add or deduct any amount more than 2234
once or shall be construed as allowing any taxpayer to deduct 2235
any amount paid to or accrued for purposes of federal self- 2236
employment tax. 2237

(F) "Schedule C" means internal revenue service schedule C 2238
(form 1040) filed by a taxpayer pursuant to the Internal Revenue 2239
Code. 2240

(G) "Schedule E" means internal revenue service schedule E 2241
(form 1040) filed by a taxpayer pursuant to the Internal Revenue 2242
Code. 2243

(H) "Schedule F" means internal revenue service schedule F 2244
(form 1040) filed by a taxpayer pursuant to the Internal Revenue 2245
Code. 2246

(I) "Internal Revenue Code" has the same meaning as in 2247
section 5747.01 of the Revised Code. 2248

(J) "Resident" means an individual who is domiciled in the 2249
municipal corporation as determined under section 718.012 of the 2250
Revised Code. 2251

(K) "Nonresident" means an individual that is not a 2252
resident. 2253

(L) (1) "Taxpayer" means a person subject to a tax levied 2254
on income by a municipal corporation in accordance with this 2255
chapter. "Taxpayer" does not include a grantor trust or, except 2256
as provided in division (L) (2) (a) of this section, a disregarded 2257
entity. 2258

(2) (a) A single member limited liability company that is a 2259
disregarded entity for federal tax purposes may be a separate 2260
taxpayer from its single member in all Ohio municipal 2261
corporations in which it either filed as a separate taxpayer or 2262
did not file for its taxable year ending in 2003, if all of the 2263
following conditions are met: 2264

(i) The limited liability company's single member is also 2265
a limited liability company. 2266

(ii) The limited liability company and its single member 2267
were formed and doing business in one or more Ohio municipal 2268
corporations for at least five years before January 1, 2004. 2269

(iii) Not later than December 31, 2004, the limited 2270
liability company and its single member each made an election to 2271
be treated as a separate taxpayer under division (L) of this 2272
section as this section existed on December 31, 2004. 2273

(iv) The limited liability company was not formed for the 2274
purpose of evading or reducing Ohio municipal corporation income 2275
tax liability of the limited liability company or its single 2276
member. 2277

(v) The Ohio municipal corporation that was the primary 2278
place of business of the sole member of the limited liability 2279
company consented to the election. 2280

(b) For purposes of division (L) (2) (a) (v) of this section, 2281
a municipal corporation was the primary place of business of a 2282

limited liability company if, for the limited liability 2283
company's taxable year ending in 2003, its income tax liability 2284
was greater in that municipal corporation than in any other 2285
municipal corporation in Ohio, and that tax liability to that 2286
municipal corporation for its taxable year ending in 2003 was at 2287
least four hundred thousand dollars. 2288

(M) "Person" includes individuals, firms, companies, joint 2289
stock companies, business trusts, estates, trusts, partnerships, 2290
limited liability partnerships, limited liability companies, 2291
associations, C corporations, S corporations, governmental 2292
entities, and any other entity. 2293

(N) "Pass-through entity" means a partnership not treated 2294
as an association taxable as a C corporation for federal income 2295
tax purposes, a limited liability company not treated as an 2296
association taxable as a C corporation for federal income tax 2297
purposes, an S corporation, or any other class of entity from 2298
which the income or profits of the entity are given pass-through 2299
treatment for federal income tax purposes. "Pass-through entity" 2300
does not include a trust, estate, grantor of a grantor trust, or 2301
disregarded entity. 2302

(O) "S corporation" means a person that has made an 2303
election under subchapter S of Chapter 1 of Subtitle A of the 2304
Internal Revenue Code for its taxable year. 2305

(P) "Single member limited liability company" means a 2306
limited liability company that has one direct member. 2307

(Q) "Limited liability company" means a limited liability 2308
company formed under Chapter 1705. or 1706. of the Revised Code 2309
or under the laws of another state. 2310

(R) "Qualifying wages" means wages, as defined in section 2311

3121(a) of the Internal Revenue Code, without regard to any wage limitations, adjusted as follows:	2312 2313
(1) Deduct the following amounts:	2314
(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.	2315 2316 2317
(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.	2318 2319 2320 2321
(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.	2322 2323 2324 2325 2326 2327
(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.	2328 2329 2330 2331 2332 2333 2334
(e) Any amount included in wages that is exempt income.	2335
(2) Add the following amounts:	2336
(a) Any amount not included in wages solely because the employee was employed by the employer before April 1, 1986.	2337 2338
(b) Any amount not included in wages because the amount	2339

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	2369
constitute wages; and	2370
(iv) For any taxable year the amount has not otherwise	2371
been added to wages pursuant to either division (R) (2) of this	2372
section or section 718.03 of the Revised Code, as that section	2373
existed before the effective date of H.B. 5 of the 130th general	2374
assembly, March 23, 2015.	2375
(S) "Intangible income" means income of any of the	2376
following types: income yield, interest, capital gains,	2377
dividends, or other income arising from the ownership, sale,	2378
exchange, or other disposition of intangible property including,	2379
but not limited to, investments, deposits, money, or credits as	2380
those terms are defined in Chapter 5701. of the Revised Code,	2381
and patents, copyrights, trademarks, tradenames, investments in	2382
real estate investment trusts, investments in regulated	2383
investment companies, and appreciation on deferred compensation.	2384
"Intangible income" does not include prizes, awards, or other	2385
income associated with any lottery winnings, gambling winnings,	2386
or other similar games of chance.	2387
(T) "Taxable year" means the corresponding tax reporting	2388
period as prescribed for the taxpayer under the Internal Revenue	2389
Code.	2390
(U) "Tax administrator" means the individual charged with	2391
direct responsibility for administration of an income tax levied	2392
by a municipal corporation in accordance with this chapter, and	2393
also includes the following:	2394
(1) A municipal corporation acting as the agent of another	2395
municipal corporation;	2396
(2) A person retained by a municipal corporation to	2397

administer a tax levied by the municipal corporation, but only 2398
if the municipal corporation does not compensate the person in 2399
whole or in part on a contingency basis; 2400

(3) The central collection agency or the regional income 2401
tax agency or their successors in interest, or another entity 2402
organized to perform functions similar to those performed by the 2403
central collection agency and the regional income tax agency. 2404

"Tax administrator" does not include the tax commissioner. 2405

(V) "Employer" means a person that is an employer for 2406
federal income tax purposes. 2407

(W) "Employee" means an individual who is an employee for 2408
federal income tax purposes. 2409

(X) "Other payer" means any person, other than an 2410
individual's employer or the employer's agent, that pays an 2411
individual any amount included in the federal gross income of 2412
the individual. "Other payer" includes casino operators and 2413
video lottery terminal sales agents. 2414

(Y) "Calendar quarter" means the three-month period ending 2415
on the last day of March, June, September, or December. 2416

(Z) "Form 2106" means internal revenue service form 2106 2417
filed by a taxpayer pursuant to the Internal Revenue Code. 2418

(AA) "Municipal corporation" includes a joint economic 2419
development district or joint economic development zone that 2420
levies an income tax under section 715.691, 715.70, 715.71, or 2421
715.72 of the Revised Code. 2422

(BB) "Disregarded entity" means a single member limited 2423
liability company, a qualifying subchapter S subsidiary, or 2424
another entity if the company, subsidiary, or entity is a 2425

disregarded entity for federal income tax purposes.	2426
(CC) "Generic form" means an electronic or paper form that	2427
is not prescribed by a particular municipal corporation and that	2428
is designed for reporting taxes withheld by an employer, agent	2429
of an employer, or other payer, estimated municipal income	2430
taxes, or annual municipal income tax liability or for filing a	2431
refund claim.	2432
(DD) "Tax return preparer" means any individual described	2433
in section 7701(a) (36) of the Internal Revenue Code and 26	2434
C.F.R. 301.7701-15.	2435
(EE) "Ohio business gateway" means the online computer	2436
network system, created under section 125.30 of the Revised	2437
Code, that allows persons to electronically file business reply	2438
forms with state agencies and includes any successor electronic	2439
filing and payment system.	2440
(FF) "Local board of tax review" and "board of tax review"	2441
mean the entity created under section 718.11 of the Revised	2442
Code.	2443
(GG) "Net operating loss" means a loss incurred by a	2444
person in the operation of a trade or business. "Net operating	2445
loss" does not include unutilized losses resulting from basis	2446
limitations, at-risk limitations, or passive activity loss	2447
limitations.	2448
(HH) "Casino operator" and "casino facility" have the same	2449
meanings as in section 3772.01 of the Revised Code.	2450
(II) "Video lottery terminal" has the same meaning as in	2451
section 3770.21 of the Revised Code.	2452
(JJ) "Video lottery terminal sales agent" means a lottery	2453

sales agent licensed under Chapter 3770. of the Revised Code to 2454
conduct video lottery terminals on behalf of the state pursuant 2455
to section 3770.21 of the Revised Code. 2456

(KK) "Postal service" means the United States postal 2457
service. 2458

(LL) "Certified mail," "express mail," "United States 2459
mail," "postal service," and similar terms include any delivery 2460
service authorized pursuant to section 5703.056 of the Revised 2461
Code. 2462

(MM) "Postmark date," "date of postmark," and similar 2463
terms include the date recorded and marked in the manner 2464
described in division (B) (3) of section 5703.056 of the Revised 2465
Code. 2466

(NN) "Related member" means a person that, with respect to 2467
the taxpayer during all or any portion of the taxable year, is 2468
either a related entity, a component member as defined in 2469
section 1563(b) of the Internal Revenue Code, or a person to or 2470
from whom there is attribution of stock ownership in accordance 2471
with section 1563(e) of the Internal Revenue Code except, for 2472
purposes of determining whether a person is a related member 2473
under this division, "twenty per cent" shall be substituted for 2474
"5 percent" wherever "5 percent" appears in section 1563(e) of 2475
the Internal Revenue Code. 2476

(OO) "Related entity" means any of the following: 2477

(1) An individual stockholder, or a member of the 2478
stockholder's family enumerated in section 318 of the Internal 2479
Revenue Code, if the stockholder and the members of the 2480
stockholder's family own directly, indirectly, beneficially, or 2481
constructively, in the aggregate, at least fifty per cent of the 2482

value of the taxpayer's outstanding stock;	2483
(2) A stockholder, or a stockholder's partnership, estate,	2484
trust, or corporation, if the stockholder and the stockholder's	2485
partnerships, estates, trusts, or corporations own directly,	2486
indirectly, beneficially, or constructively, in the aggregate,	2487
at least fifty per cent of the value of the taxpayer's	2488
outstanding stock;	2489
(3) A corporation, or a party related to the corporation	2490
in a manner that would require an attribution of stock from the	2491
corporation to the party or from the party to the corporation	2492
under division (00) (4) of this section, provided the taxpayer	2493
owns directly, indirectly, beneficially, or constructively, at	2494
least fifty per cent of the value of the corporation's	2495
outstanding stock;	2496
(4) The attribution rules described in section 318 of the	2497
Internal Revenue Code apply for the purpose of determining	2498
whether the ownership requirements in divisions (00) (1) to (3)	2499
of this section have been met.	2500
(PP) (1) "Assessment" means a written finding by the tax	2501
administrator that a person has underpaid municipal income tax,	2502
or owes penalty and interest, or any combination of tax,	2503
penalty, or interest, to the municipal corporation that	2504
commences the person's time limitation for making an appeal to	2505
the local board of tax review pursuant to section 718.11 of the	2506
Revised Code, and has "ASSESSMENT" written in all capital	2507
letters at the top of such finding.	2508
(2) "Assessment" does not include an informal notice	2509
denying a request for refund issued under division (B) (3) of	2510
section 718.19 of the Revised Code, a billing statement	2511

notifying a taxpayer of current or past-due balances owed to the 2512
municipal corporation, a tax administrator's request for 2513
additional information, a notification to the taxpayer of 2514
mathematical errors, or a tax administrator's other written 2515
correspondence to a person or taxpayer that does meet the 2516
criteria prescribed by division (PP)(1) of this section. 2517

(QQ) "Taxpayers' rights and responsibilities" means the 2518
rights provided to taxpayers in sections 718.11, 718.12, 718.19, 2519
718.23, 718.36, 718.37, 718.38, 5717.011, and 5717.03 of the 2520
Revised Code and the responsibilities of taxpayers to file, 2521
report, withhold, remit, and pay municipal income tax and 2522
otherwise comply with Chapter 718. of the Revised Code and 2523
resolutions, ordinances, and rules adopted by a municipal 2524
corporation for the imposition and administration of a municipal 2525
income tax. 2526

(RR) "Qualified municipal corporation" means a municipal 2527
corporation that, by resolution or ordinance adopted on or 2528
before December 31, 2011, adopted Ohio adjusted gross income, as 2529
defined by section 5747.01 of the Revised Code, as the income 2530
subject to tax for the purposes of imposing a municipal income 2531
tax. 2532

(SS) (1) "Pre-2017 net operating loss carryforward" means 2533
any net operating loss incurred in a taxable year beginning 2534
before January 1, 2017, to the extent such loss was permitted, 2535
by a resolution or ordinance of the municipal corporation that 2536
was adopted by the municipal corporation before January 1, 2016, 2537
to be carried forward and utilized to offset income or net 2538
profit generated in such municipal corporation in future taxable 2539
years. 2540

(2) For the purpose of calculating municipal taxable 2541

income, any pre-2017 net operating loss carryforward may be 2542
carried forward to any taxable year, including taxable years 2543
beginning in 2017 or thereafter, for the number of taxable years 2544
provided in the resolution or ordinance or until fully utilized, 2545
whichever is earlier. 2546

(TT) "Small employer" means any employer that had total 2547
revenue of less than five hundred thousand dollars during the 2548
preceding taxable year. For purposes of this division, "total 2549
revenue" means receipts of any type or kind, including, but not 2550
limited to, sales receipts; payments; rents; profits; gains, 2551
dividends, and other investment income; compensation; 2552
commissions; premiums; money; property; grants; contributions; 2553
donations; gifts; program service revenue; patient service 2554
revenue; premiums; fees, including premium fees and service 2555
fees; tuition payments; unrelated business revenue; 2556
reimbursements; any type of payment from a governmental unit, 2557
including grants and other allocations; and any other similar 2558
receipts reported for federal income tax purposes or under 2559
generally accepted accounting principles. "Small employer" does 2560
not include the federal government; any state government, 2561
including any state agency or instrumentality; any political 2562
subdivision; or any entity treated as a government for financial 2563
accounting and reporting purposes. 2564

(UU) "Audit" means the examination of a person or the 2565
inspection of the books, records, memoranda, or accounts of a 2566
person for the purpose of determining liability for a municipal 2567
income tax. 2568

(VV) "Publicly traded partnership" means any partnership, 2569
an interest in which is regularly traded on an established 2570
securities market. A "publicly traded partnership" may have any 2571

number of partners.	2572
(WW) "Tax commissioner" means the tax commissioner appointed under section 121.03 of the Revised Code.	2573 2574
(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.	2575 2576 2577 2578
(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.	2579 2580 2581 2582 2583 2584 2585 2586 2587
(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.	2588 2589 2590 2591 2592 2593
Sec. 1329.01. (A) As used in sections 1329.01 to 1329.10 of the Revised Code:	2594 2595
(1) "Trade name" means a name used in business or trade to designate the business of the user and to which the user asserts a right to exclusive use.	2596 2597 2598
(2) "Fictitious name" means a name used in business or trade that is fictitious and that the user has not registered or	2599 2600

is not entitled to register as a trade name. It does not include 2601
the name of record of any domestic corporation that is formed 2602
under Chapter 1701. or 1702. of the Revised Code, any foreign 2603
corporation that is registered pursuant to Chapter 1703. of the 2604
Revised Code, any domestic or foreign limited liability company 2605
that is formed under or registered pursuant to Chapter 1705. or 2606
1706. of the Revised Code, any domestic or foreign limited 2607
partnership that is formed under or registered pursuant to 2608
Chapter 1782. of the Revised Code, or any domestic or foreign 2609
limited liability partnership that is formed under or registered 2610
pursuant to Chapter 1775. or 1776. of the Revised Code. 2611

(3) "Person" includes any individual, general partnership, 2612
limited partnership, limited liability partnership, corporation, 2613
association, professional association, limited liability 2614
company, society, foundation, federation, or organization formed 2615
under the laws of this state or any other state. 2616

(B) Except as provided in section 1701.041 of the Revised 2617
Code and subject to sections 1329.01 to 1329.10 of the Revised 2618
Code, any person may register with the secretary of state, on a 2619
form prescribed by the secretary of state, any trade name under 2620
which the person is operating, setting forth all of the 2621
following: 2622

(1) The name and business address of the applicant for 2623
registration and any of the following that is applicable: 2624

(a) If the applicant is a general partnership, the name 2625
and address of at least one partner or the identifying number 2626
the secretary of state assigns to the partnership pursuant to 2627
section 1776.05 of the Revised Code; 2628

(b) If the applicant is a limited partnership, a 2629

corporation, professional association, limited liability 2630
company, or other entity, the form of the entity and the state 2631
under the laws of which it was formed. 2632

(2) The trade name to be registered; 2633

(3) The general nature of the business conducted by the 2634
applicant; 2635

(4) The length of time during which the trade name has 2636
been used by the applicant in business operations in this state. 2637

(C) The trade name application shall be signed by the 2638
applicant or by any authorized representative of the applicant. 2639

A single trade name may be registered upon each trade name 2640
application submitted under sections 1329.01 to 1329.10 of the 2641
Revised Code. 2642

The trade name application shall be accompanied by a 2643
filing fee of thirty-nine dollars, payable to the secretary of 2644
state. 2645

(D) Any person who does business under a fictitious name 2646
and who has not registered and does not wish to register the 2647
fictitious name as a trade name or who cannot do so because the 2648
name is not available for registration shall report the use of 2649
the fictitious name to the secretary of state, on a form 2650
prescribed by the secretary of state, setting forth all of the 2651
following: 2652

(1) The name and business address of the user and any of 2653
the following that is applicable: 2654

(a) If the user is a general partnership, the name and 2655
address of at least one partner or the identifying number the 2656
secretary of state assigns to the partnership pursuant to 2657

section 1775.105 of the Revised Code; 2658

(b) If the user is a limited partnership, a corporation, 2659
professional association, limited liability company, or other 2660
entity, the form of the entity and the state under whose laws it 2661
was formed. 2662

(2) The fictitious name being used; 2663

(3) The general nature of the business conducted by the 2664
user. 2665

(E) The report of use of a fictitious name shall be signed 2666
by the user or by any authorized representative of the user. 2667

A single fictitious name may be registered upon each 2668
fictitious name report submitted under sections 1329.01 to 2669
1329.10 of the Revised Code. 2670

The fictitious name report shall be accompanied by a 2671
filing fee of thirty-nine dollars, payable to the secretary of 2672
state. 2673

A report under this division shall be made within thirty 2674
days after the date of the first use of the fictitious name. 2675

Sec. 1329.02. (A) The secretary of state shall not file an 2676
application for the registration of any trade name if the 2677
application indicates or implies that the trade name is 2678
connected with a government agency of this state, another state, 2679
or the United States and the trade name is not so connected or 2680
if the application indicates or implies that the applicant is 2681
incorporated and the application is not incorporated. 2682

Additionally, the secretary of state shall not file an 2683
application for the registration of any trade name if it is not 2684
distinguishable upon the records in the office of the secretary 2685

of state from any other trade name previously registered under 2686
sections 1329.01 to 1329.03 of the Revised Code, any corporate 2687
name, whether nonprofit or for profit and whether that of a 2688
domestic corporation or of a foreign corporation authorized to 2689
do business in this state, the name of any limited liability 2690
company registered in the office of the secretary of state 2691
pursuant to Chapter 1705. or 1706. of the Revised Code, whether 2692
domestic or foreign, the name of any limited liability 2693
partnership registered in the office of the secretary of state 2694
pursuant to Chapter 1775. or 1776. of the Revised Code, whether 2695
domestic or foreign, the name of any limited partnership 2696
registered in the office of the secretary of state pursuant to 2697
Chapter 1782. of the Revised Code, whether domestic or foreign, 2698
or any trademark, or service mark previously filed and recorded 2699
in the office of the secretary of state and not abandoned, 2700
unless the written consent of the corporation, limited liability 2701
company, limited liability partnership, or limited partnership, 2702
or the person to whom is registered the exclusive right to use 2703
the trade name is filed in accordance with division (C) of 2704
section 1701.05 of the Revised Code with the application or the 2705
written consent of the former registrant of the trademark or 2706
service mark is filed with the application. The application for 2707
the registration of a trade name and the consent form shall be 2708
on a form prescribed by the secretary of state. 2709

(B) The secretary of state shall determine for purposes of 2710
this section whether a name is distinguishable from another name 2711
in a manner consistent with the provisions of division (B) of 2712
section 1701.05 of the Revised Code. 2713

Sec. 1701.03. (A) A corporation may be formed under this 2714
chapter for any purpose or combination of purposes for which 2715
individuals lawfully may associate themselves, except that, if 2716

the Revised Code contains special provisions pertaining to the 2717
formation of any designated type of corporation other than a 2718
professional association, as defined in section 1785.01 of the 2719
Revised Code, a corporation of that type shall be formed in 2720
accordance with the special provisions. 2721

(B) On and after July 1, 1994, a corporation may be formed 2722
under this chapter for the purpose of carrying on the practice 2723
of any profession, including, but not limited to, a corporation 2724
for the purpose of providing public accounting or certified 2725
public accounting services, a corporation for the erection, 2726
owning, and conducting of a sanitarium for receiving and caring 2727
for patients, medical and hygienic treatment of patients, and 2728
instruction of nurses in the treatment of disease and in 2729
hygiene, a corporation for the purpose of providing 2730
architectural, landscape architectural, professional 2731
engineering, or surveying services or any combination of those 2732
types of services, and a corporation for the purpose of 2733
providing a combination of the professional services, as defined 2734
in section 1785.01 of the Revised Code, of optometrists 2735
authorized under Chapter 4725. of the Revised Code, 2736
chiropractors authorized under Chapter 4734. of the Revised Code 2737
to practice chiropractic or acupuncture, psychologists 2738
authorized under Chapter 4732. of the Revised Code, registered 2739
or licensed practical nurses authorized under Chapter 4723. of 2740
the Revised Code, pharmacists authorized under Chapter 4729. of 2741
the Revised Code, physical therapists authorized under sections 2742
4755.40 to 4755.56 of the Revised Code, occupational therapists 2743
authorized under sections 4755.04 to 4755.13 of the Revised 2744
Code, mechanotherapists authorized under section 4731.151 of the 2745
Revised Code, doctors of medicine and surgery, osteopathic 2746
medicine and surgery, or podiatric medicine and surgery 2747

authorized under Chapter 4731. of the Revised Code, and licensed 2748
professional clinical counselors, licensed professional 2749
counselors, independent social workers, social workers, 2750
independent marriage and family therapists, or marriage and 2751
family therapists authorized under Chapter 4757. of the Revised 2752
Code. 2753

This chapter does not restrict, limit, or otherwise affect 2754
the authority or responsibilities of any agency, board, 2755
commission, department, office, or other entity to license, 2756
register, and otherwise regulate the professional conduct of 2757
individuals or organizations of any kind rendering professional 2758
services, as defined in section 1785.01 of the Revised Code, in 2759
this state or to regulate the practice of any profession that is 2760
within the jurisdiction of the agency, board, commission, 2761
department, office, or other entity, notwithstanding that an 2762
individual is a director, officer, employee, or other agent of a 2763
corporation formed under this chapter and is rendering 2764
professional services or engaging in the practice of a 2765
profession through a corporation formed under this chapter or 2766
that the organization is a corporation formed under this 2767
chapter. 2768

(C) Nothing in division (A) or (B) of this section 2769
precludes the organization of a professional association in 2770
accordance with this chapter and Chapter 1785. of the Revised 2771
Code or the formation of a limited liability company under 2772
Chapter 1705. or 1706. of the Revised Code with respect to a 2773
~~business, as defined in section 1705.01 of the Revised~~ 2774
~~Code~~ trade, occupation, or profession. 2775

(D) No corporation formed for the purpose of providing a 2776
combination of the professional services, as defined in section 2777

1785.01 of the Revised Code, of optometrists authorized under 2778
Chapter 4725. of the Revised Code, chiropractors authorized 2779
under Chapter 4734. of the Revised Code to practice chiropractic 2780
or acupuncture, psychologists authorized under Chapter 4732. of 2781
the Revised Code, registered or licensed practical nurses 2782
authorized under Chapter 4723. of the Revised Code, pharmacists 2783
authorized under Chapter 4729. of the Revised Code, physical 2784
therapists authorized under sections 4755.40 to 4755.56 of the 2785
Revised Code, occupational therapists authorized under sections 2786
4755.04 to 4755.13 of the Revised Code, mechanotherapists 2787
authorized under section 4731.151 of the Revised Code, doctors 2788
of medicine and surgery, osteopathic medicine and surgery, or 2789
podiatric medicine and surgery authorized under Chapter 4731. of 2790
the Revised Code, and licensed professional clinical counselors, 2791
licensed professional counselors, independent social workers, 2792
social workers, independent marriage and family therapists, or 2793
marriage and family therapists authorized under Chapter 4757. of 2794
the Revised Code shall control the professional clinical 2795
judgment exercised within accepted and prevailing standards of 2796
practice of a licensed, certificated, or otherwise legally 2797
authorized optometrist, chiropractor, chiropractor practicing 2798
acupuncture through the state chiropractic board, psychologist, 2799
nurse, pharmacist, physical therapist, occupational therapist, 2800
mechanotherapist, doctor of medicine and surgery, osteopathic 2801
medicine and surgery, or podiatric medicine and surgery, 2802
licensed professional clinical counselor, licensed professional 2803
counselor, independent social worker, social worker, independent 2804
marriage and family therapist, or marriage and family therapist 2805
in rendering care, treatment, or professional advice to an 2806
individual patient. 2807

This division does not prevent a hospital, as defined in 2808

section 3727.01 of the Revised Code, insurer, as defined in 2809
section 3999.36 of the Revised Code, or intermediary 2810
organization, as defined in section 1751.01 of the Revised Code, 2811
from entering into a contract with a corporation described in 2812
this division that includes a provision requiring utilization 2813
review, quality assurance, peer review, or other performance or 2814
quality standards. Those activities shall not be construed as 2815
controlling the professional clinical judgment of an individual 2816
practitioner listed in this division. 2817

Sec. 1701.05. (A) Except as provided in this section, and 2818
in sections 1701.75, 1701.78, and 1701.82 of the Revised Code, 2819
which sections relate to the reorganization, merger, and 2820
consolidation of corporations, the corporate name of a domestic 2821
corporation shall comply with all of the following: 2822

(1) It shall end with or include the word or abbreviation 2823
"company," "co.," "corporation," "corp.," "incorporated," or 2824
"inc." 2825

(2) It shall be distinguishable upon the records in the 2826
office of the secretary of state from all of the following: 2827

(a) The name of any other corporation, whether nonprofit 2828
or for profit and whether that of a domestic or of a foreign 2829
corporation authorized to do business in this state; 2830

(b) The name of any limited liability company registered 2831
in the office of the secretary of state pursuant to Chapter 2832
1705. or 1706. of the Revised Code, whether domestic or foreign; 2833

(c) The name of any limited liability partnership 2834
registered in the office of the secretary of state pursuant to 2835
Chapter 1775. or 1776. of the Revised Code, whether domestic or 2836
foreign; 2837

(d) The name of any limited partnership registered in the office of the secretary of state pursuant to Chapter 1782. of the Revised Code, whether domestic or foreign;

(e) Any trade name the exclusive right to which is at the time in question registered in the office of the secretary of state pursuant to Chapter 1329. of the Revised Code.

(3) It shall not contain any language that indicates or implies that the corporation is connected with a government agency of this state, another state, or the United States.

(B) The secretary of state shall determine for purposes of this section whether a name is "distinguishable" from another name upon the secretary of state's records. Without excluding other names that may not constitute distinguishable names in this state, a name is not considered distinguishable from another name for purposes of this section solely because it differs from the other name in only one or more of the following manners:

(1) The use of the word "corporation," "company," "incorporated," "limited," or any abbreviation of any of those words;

(2) The use of any article, conjunction, contraction, abbreviation, or punctuation;

(3) The use of a different tense or number of the same word.

(C) A corporation may apply to the secretary of state for authorization to use a name that is not distinguishable upon the secretary of state's records from the name of any other corporation, limited liability company, limited liability partnership, or limited partnership, or from a registered trade

name, if there also is filed in the office of the secretary of 2867
state, on a form prescribed by the secretary of state, the 2868
consent of the other entity or, in the case of a registered 2869
trade name, the person in whose name is registered the exclusive 2870
right to use the name, which consent is evidenced in a writing 2871
signed by any authorized officer or any authorized 2872
representative of the other entity or person. 2873

(D) In case of judicial sale or judicial transfer, by sale 2874
or transfer of good will or otherwise, of the right to use the 2875
name of a corporation, whether nonprofit or for profit, and 2876
whether that of a domestic corporation or of a foreign 2877
corporation authorized to exercise its corporate privileges in 2878
this state or to do business in this state, the secretary of 2879
state, at the instance of the purchaser or transferee of such 2880
right, shall accept for filing articles of a corporation with a 2881
name the same as or similar to the name of such other 2882
corporation, if there also is filed in the office of the 2883
secretary of state a certified copy of the decree or order of 2884
court confirming or otherwise evidencing the purchase or 2885
transfer. 2886

(E) Any person who wishes to reserve a name for a proposed 2887
new corporation, or any corporation intending to change its 2888
name, may submit to the secretary of state a written 2889
application, on a form prescribed by the secretary of state, for 2890
the exclusive right to use a specified name as the name of a 2891
corporation. If the secretary of state finds that, under this 2892
section, the specified name is available for such use, the 2893
secretary of state shall file the application and, from the date 2894
of the filing, the applicant shall have the exclusive right for 2895
one hundred eighty days to use the specified name as the name of 2896
a corporation, counting the date of such filing as the first of 2897

one hundred eighty days. The right so obtained may be 2898
transferred by the applicant or other holder thereof by the 2899
filing in the office of the secretary of state of a written 2900
transfer, on a form prescribed by the secretary of state, 2901
stating the name and address of the transferee. 2902

Sec. 1701.791. (A) If the constituent entities in a merger 2903
or consolidation include entities that are not corporations, the 2904
constituent entities may be merged or consolidated into a 2905
surviving or new entity that is not a domestic corporation, as 2906
provided in this section. Pursuant to an agreement of merger or 2907
consolidation between the constituent entities as provided in 2908
this section, a domestic corporation and, if so provided, one or 2909
more additional domestic or foreign entities, may be merged into 2910
a surviving entity other than a domestic corporation, or a 2911
domestic corporation together with one or more additional 2912
domestic or foreign entities may be consolidated into a new 2913
entity other than a domestic corporation, to be formed by such 2914
consolidation. The merger or consolidation must be permitted by 2915
the chapter of the Revised Code under which each domestic 2916
constituent entity exists and by the laws under which each 2917
foreign constituent entity exists. 2918

(B) The agreement of merger or consolidation shall set 2919
forth all of the following: 2920

(1) The name and the form of entity of each constituent 2921
entity and the state under the laws of which each constituent 2922
entity exists; 2923

(2) In the case of a merger, that one or more specified 2924
constituent entities will be merged into a specified surviving 2925
foreign entity or surviving domestic entity other than a 2926
domestic corporation or, in the case of a consolidation, that 2927

the constituent entities will be consolidated into a new foreign 2928
entity or domestic entity other than a corporation. The name of 2929
such a surviving or new entity may be the same as or similar to 2930
that of any constituent corporation or constituent limited 2931
liability company. 2932

(3) The terms of the merger or consolidation, the mode of 2933
carrying them into effect, and the manner and basis of 2934
converting the shares or interests of the constituent entities 2935
into, or substituting the shares or interests of the constituent 2936
entities for, shares, interests, evidences of indebtedness, 2937
other securities, cash, rights, or any other property or any 2938
combination of shares, interests, evidences of indebtedness, 2939
securities, cash, rights, or any other property of the surviving 2940
entity, of the new entity, or of any other entity, including the 2941
parent of any constituent entity, or any other person. No 2942
conversion or substitution shall be effected if there are 2943
reasonable grounds to believe that the surviving or new entity 2944
would be rendered insolvent by the conversion or substitution. 2945

(4) If the surviving or new entity is a foreign 2946
corporation, all additional statements and matters, other than 2947
the name and address of the statutory agent, that would be 2948
required by section 1701.78 of the Revised Code if the surviving 2949
or new corporation were a domestic corporation; 2950

(5) The name and the form of entity of the surviving or 2951
new entity, the state under the laws of which the surviving 2952
entity exists or the new entity is to exist, and the location of 2953
the principal office of the surviving or new entity in that 2954
state; 2955

(6) All statements and matters required to be set forth in 2956
an agreement of merger or consolidation by the laws under which 2957

each constituent entity exists and, in the case of a 2958
consolidation, the new entity is to exist; 2959

(7) The consent of the surviving or the new entity to be 2960
sued and served with process in this state and the irrevocable 2961
appointment of the secretary of state as its agent to accept 2962
service of process in any proceeding in this state to enforce 2963
against the surviving or new entity any obligation of any 2964
domestic constituent corporation, or to enforce the rights of a 2965
dissenting shareholder of any domestic constituent corporation; 2966

(8) If the surviving or new entity is a foreign 2967
corporation that desires to transact business in this state as a 2968
foreign corporation, a statement to that effect, together with a 2969
statement regarding the appointment of a statutory agent and 2970
service of any process, notice, or demand upon that statutory 2971
agent or the secretary of state, as required when a foreign 2972
corporation applies for a license to transact business in this 2973
state; 2974

(9) If the surviving or new entity is a foreign limited 2975
partnership that desires to transact business in this state as a 2976
foreign limited partnership, a statement to that effect, 2977
together with all of the information required under section 2978
1782.49 of the Revised Code when a foreign limited partnership 2979
registers to transact business in this state; 2980

(10) If the surviving or new entity is a foreign limited 2981
liability company that desires to transact business in this 2982
state as a foreign limited liability company, a statement to 2983
that effect, together with all of the information required under 2984
section 1705.54 or 1706.511 of the Revised Code when a foreign 2985
limited liability company registers to transact business in this 2986
state. 2987

(C) The agreement of merger or consolidation also may set 2988
forth any additional provision permitted by the laws of any 2989
state under the laws of which any constituent entity exists, 2990
consistent with the laws under which the surviving entity exists 2991
or the new entity is to exist. 2992

(D) To effect the merger or consolidation, the agreement 2993
of merger or consolidation shall be approved by the directors of 2994
each domestic constituent corporation, and adopted by the 2995
shareholders of each domestic constituent corporation, in the 2996
same manner and with the same notice to and vote of shareholders 2997
or of holders of a particular class of shares as is required by 2998
section 1701.78 of the Revised Code. The agreement also shall be 2999
approved or otherwise authorized by or on behalf of each other 3000
constituent entity in accordance with the laws under which it 3001
exists. 3002

(E) At any time before the filing of the certificate of 3003
merger or consolidation under section 1701.81 of the Revised 3004
Code, the merger or consolidation may be abandoned by the 3005
directors of any constituent corporation, the general partners 3006
of any constituent partnership, or the comparable 3007
representatives of any other constituent entity if the 3008
directors, general partners, or comparable representatives are 3009
authorized to do so by the agreement of merger or consolidation. 3010

The agreement of merger or consolidation may contain a 3011
provision authorizing the directors of any constituent 3012
corporation, the general partners of any constituent 3013
partnership, or the comparable representatives of any other 3014
constituent entity to amend the agreement of merger or 3015
consolidation at any time before the filing of the certificate 3016
of merger or consolidation, except that, after the adoption of 3017

the agreement by the shareholders of any domestic constituent 3018
corporation, the directors shall not be authorized to amend the 3019
agreement to do any of the following: 3020

(1) Alter or change the amount or kind of shares, 3021
interests, evidences of indebtedness, other securities, cash, 3022
rights, or any other property to be received by shareholders of 3023
the domestic constituent corporation in conversion of, or in 3024
substitution for, their shares; 3025

(2) If the surviving or new entity is a foreign 3026
corporation, alter or change any term of the articles of the 3027
surviving or new foreign corporation, except for alterations or 3028
changes that could otherwise be adopted by the directors of the 3029
surviving or new foreign corporation; 3030

(3) If the surviving or new entity is a partnership or 3031
other entity other than a corporation, alter or change any term 3032
of the partnership agreement or comparable instrument of the 3033
surviving or new partnership or other entity, except for 3034
alterations or changes that otherwise could be adopted by the 3035
general partners or comparable representatives of the surviving 3036
or new partnership or other entity; 3037

(4) Alter or change any other terms and conditions of the 3038
agreement of merger or consolidation if any of the alterations 3039
or changes, alone or in the aggregate, would materially 3040
adversely affect the holders of any class or series of shares of 3041
the domestic constituent corporation. 3042

Sec. 1702.05. (A) Except as provided in this section and 3043
in sections 1702.41 and 1702.411 of the Revised Code, the 3044
secretary of state shall not accept for filing in the secretary 3045
of state's office any articles if the corporate name set forth 3046

in the articles is not distinguishable upon the secretary of 3047
state's records from any of the following: 3048

(1) The name of any other corporation, whether a nonprofit 3049
corporation or a business corporation and whether that of a 3050
domestic or of a foreign corporation authorized to do business 3051
in this state; 3052

(2) The name of any limited liability company registered 3053
in the office of the secretary of state pursuant to Chapter 3054
1705. or 1706. of the Revised Code, whether domestic or foreign; 3055

(3) The name of any limited liability partnership 3056
registered in the office of the secretary of state pursuant to 3057
Chapter 1775. or 1776. of the Revised Code, whether domestic or 3058
foreign; 3059

(4) The name of any limited partnership registered in the 3060
office of the secretary of state pursuant to Chapter 1782. of 3061
the Revised Code, whether domestic or foreign; 3062

(5) Any trade name, the exclusive right to which is at the 3063
time in question registered in the office of the secretary of 3064
state pursuant to Chapter 1329. of the Revised Code. 3065

(B) The secretary of state shall determine for purposes of 3066
this section whether a name is "distinguishable" from another 3067
name upon the secretary of state's records. Without excluding 3068
other names that may not constitute distinguishable names in 3069
this state, a name is not considered distinguishable from 3070
another name for purposes of this section solely because it 3071
differs from the other name in only one or more of the following 3072
manners: 3073

(1) The use of the word "corporation," "company," 3074
"incorporated," "limited," or any abbreviation of any of those 3075

words; 3076

(2) The use of any article, conjunction, contraction, 3077
abbreviation, or punctuation; 3078

(3) The use of a different tense or number of the same 3079
word. 3080

(C) A corporation may apply to the secretary of state for 3081
authorization to use a name that is not distinguishable upon the 3082
secretary of state's records from the name of any other 3083
corporation, any limited liability company, limited liability 3084
partnership, or limited partnership, or from a registered trade 3085
name, if there also is filed in the office of the secretary of 3086
state, on a form prescribed by the secretary of state, the 3087
consent of the other entity, or, in the case of a registered 3088
trade name, the person in whose name is registered the exclusive 3089
right to use the name, which consent is evidenced in a writing 3090
signed by any authorized officer or authorized representative of 3091
the other entity or person. 3092

(D) In case of judicial sale or judicial transfer, by sale 3093
or transfer of good will or otherwise, of the right to use the 3094
name of a nonprofit corporation or business corporation, whether 3095
that of a domestic corporation or of a foreign corporation 3096
authorized to exercise its corporate privileges in this state or 3097
to do business in this state, the secretary of state, at the 3098
instance of the purchaser or transferee of such right, shall 3099
accept for filing articles of a corporation with a name the same 3100
as or similar to the name of such other corporation, if there 3101
also is filed in the office of the secretary of state a 3102
certified copy of the decree or order of court confirming or 3103
otherwise evidencing the purchase or transfer. 3104

(E) Any person who wishes to reserve a name for a proposed new corporation, or any corporation intending to change its name, may submit to the secretary of state a written application, on a form prescribed by the secretary of state, for the exclusive right to use a specified name as the name of a corporation. If the secretary of state finds that, under this section, the specified name is available for such use, the secretary of state shall file such application, and, from the date of such filing, such applicant shall have the exclusive right for one hundred eighty days to use the specified name as the name of a corporation, counting the date of such filing as the first of the one hundred eighty days. The right so obtained may be transferred by the applicant or other holder of the right by the filing in the office of the secretary of state of a written transfer, on a form prescribed by the secretary of state, stating the name and address of the transferee.

Sec. 1702.411. (A) (1) Pursuant to an agreement of merger between the constituent entities as provided in this section, a domestic corporation and, if so provided, one or more additional domestic or foreign entities, may be merged into a surviving entity other than a domestic corporation. Pursuant to an agreement of consolidation, a domestic corporation together with one or more additional domestic or foreign entities may be consolidated into a new entity other than a domestic corporation, to be formed by that consolidation. The merger or consolidation must be permitted by the chapter of the Revised Code under which each domestic constituent entity exists and by the laws under which each foreign constituent entity exists. The name of the surviving or new entity may be the same as or similar to that of any constituent entity.

(2) To effect a merger or consolidation under this

section, the directors of each constituent domestic corporation 3136
shall approve an agreement of merger or consolidation to be 3137
signed by the chairperson of the board of directors, the 3138
president, or a vice-president and by the secretary or an 3139
assistant secretary. The agreement of merger or consolidation 3140
shall be approved or otherwise authorized by or on behalf of 3141
each other constituent entity in accordance with the laws under 3142
which it exists. 3143

(3) The agreement of merger or consolidation shall set 3144
forth all of the following: 3145

(a) The name and the form of entity of each constituent 3146
entity and the state under the laws of which each constituent 3147
entity exists; 3148

(b) In the case of a merger, that one or more specified 3149
constituent entities will be merged into a specified surviving 3150
foreign entity or surviving domestic entity other than a 3151
domestic corporation or, in the case of a consolidation, that 3152
the constituent entities will be consolidated into a new foreign 3153
entity or domestic entity other than a domestic corporation. 3154

(c) The terms of the merger or consolidation and the mode 3155
of carrying those terms into effect; 3156

(d) If the surviving or new entity is a foreign 3157
corporation, all additional statements and matters, other than 3158
the name and address of the statutory agent, that would be 3159
required by section 1702.41 of the Revised Code if the surviving 3160
or new corporation were a domestic corporation; 3161

(e) The name and the form of entity of the surviving or 3162
new entity, the state under the laws of which the surviving 3163
entity exists or the new entity is to exist, and the location of 3164

the principal office of the surviving or new entity in that 3165
state; 3166

(f) All statements and matters required to be set forth in 3167
an agreement of merger or consolidation by the laws under which 3168
each constituent entity exists and, in the case of a 3169
consolidation, the new entity is to exist; 3170

(g) The consent of the surviving or the new entity to be 3171
sued and served with process in this state and the irrevocable 3172
appointment of the secretary of state as its agent to accept 3173
service of process in any proceeding in this state to enforce 3174
against the surviving or new entity any obligation of any 3175
domestic constituent corporation; 3176

(h) If the surviving or new entity is a foreign 3177
corporation that desires to transact business in this state as a 3178
foreign corporation, a statement to that effect, together with a 3179
statement regarding the appointment of a statutory agent and 3180
service of any process, notice, or demand upon that statutory 3181
agent or the secretary of state, as required when a foreign 3182
corporation applies for a license to transact business in this 3183
state; 3184

(i) If the surviving or new entity is a foreign limited 3185
partnership that desires to transact business in this state as a 3186
foreign limited partnership, a statement to that effect, 3187
together with all of the information required under section 3188
1782.49 of the Revised Code when a foreign limited partnership 3189
registers to transact business in this state; 3190

(j) If the surviving or new entity is a foreign limited 3191
liability company that desires to transact business in this 3192
state as a foreign limited liability company, a statement to 3193

that effect, together with all of the information required under 3194
section 1705.54 or 1706.511 of the Revised Code when a foreign 3195
limited liability company registers to transact business in this 3196
state; 3197

(k) If the surviving or new entity is a foreign 3198
unincorporated association that desires to transact business in 3199
this state as a foreign unincorporated association, a statement 3200
to that effect, together with all of the information required 3201
under section 1745.461 of the Revised Code when a foreign 3202
unincorporated association registers to transact business in 3203
this state. 3204

(4) The agreement of merger or consolidation also may set 3205
forth any additional provision permitted by the laws of any 3206
state under the laws of which any constituent entity exists, 3207
consistent with the laws under which the surviving entity exists 3208
or the new entity is to exist. 3209

(B) (1) A merger or consolidation in which a domestic 3210
public benefit corporation is one of the constituent entities 3211
shall be approved by the court of common pleas of the county in 3212
this state in which the principal office of the domestic public 3213
benefit corporation is located in a proceeding of which the 3214
attorney general's charitable law section has been given written 3215
notice by certified mail within three days of the initiation of 3216
the proceeding and in which proceeding the attorney general may 3217
intervene as of right. No approval by the court under division 3218
(B) (1) of this section is required if either of the following 3219
applies: 3220

(a) A public benefit entity is the surviving entity in the 3221
case of a merger and continues to be a public benefit entity or 3222
is the new entity in the case of a consolidation and continues 3223

to be a public benefit entity. 3224

(b) A public benefit entity is not the surviving entity in 3225
the case of a merger or is not the new entity in the case of a 3226
consolidation, and all of the following apply: 3227

(i) On or prior to the effective date of the merger or 3228
consolidation, assets with a value equal to the greater of the 3229
fair market value of the net tangible and intangible assets, 3230
including goodwill, of the domestic public benefit corporation 3231
or the fair market value of the domestic public benefit 3232
corporation if it is to be operated as a business concern are 3233
transferred or conveyed to one or more persons that would have 3234
received its assets under section 1702.49 of the Revised Code 3235
had it voluntarily dissolved. 3236

(ii) The domestic public benefit corporation returns, 3237
transfers, or conveys any assets held by it upon a condition 3238
requiring return, transfer, or conveyance, which condition 3239
occurs by reason of the merger or consolidation, in accordance 3240
with that condition. 3241

(iii) The merger or consolidation is approved by a 3242
majority of directors of the domestic public benefit corporation 3243
who will not receive any financial or other benefit, directly or 3244
indirectly, as a result of the merger or consolidation or by 3245
agreement, and who are not and will not as a result of the 3246
merger or consolidation become members, partners, or other 3247
owners, however denominated, of, shareholders in, directors, 3248
officers, managers, employees, agents, or other representatives 3249
of, or consultants to, the surviving or new entity. 3250

(2) At least twenty days before consummation of any merger 3251
or consolidation of a domestic public benefit corporation 3252

pursuant to division (B) (1) (b) of this section, written notice, 3253
including a copy of the proposed plan of merger or 3254
consolidation, shall be delivered to the attorney general's 3255
charitable law section. The attorney general's charitable law 3256
section may review a proposed merger or consolidation of a 3257
domestic public benefit corporation under division (B) (1) (b) of 3258
this section. The attorney general may require pursuant to 3259
section 109.24 of the Revised Code the production of the 3260
documents necessary for review of a proposed merger or 3261
consolidation under division (B) (1) (b) of this section. The 3262
attorney general may retain at the expense of the domestic 3263
public benefit corporation one or more experts, including an 3264
investment banker, actuary, appraiser, certified public 3265
accountant, or other expert, that the attorney general considers 3266
reasonably necessary to provide assistance in reviewing a 3267
proposed merger or consolidation under division (B) (1) (b) of 3268
this section. The attorney general may extend the date of any 3269
merger or consolidation of a domestic public benefit corporation 3270
under division (B) (1) (b) of this section for a period not to 3271
exceed sixty days and shall provide notice of that extension to 3272
the domestic public benefit corporation. The notice shall set 3273
forth the reasons necessitating the extension. 3274

(3) No member, other than a member that is a public 3275
benefit entity, or director of a domestic public benefit 3276
corporation in that person's capacity as a member or director 3277
may receive or keep anything as a result of a merger or 3278
consolidation other than membership or directorship in the 3279
surviving or new public benefit entity without the prior written 3280
consent of the attorney general or of the court of common pleas 3281
of the county in this state in which the principal office of the 3282
domestic public benefit corporation is located that is obtained 3283

in a proceeding in which the attorney general's charitable law 3284
section has been given written notice by certified mail within 3285
three days of the initiation of the proceeding and in which 3286
proceeding the attorney general may intervene as of right. The 3287
court shall approve the transaction if it is in the public 3288
interest. 3289

(4) The attorney general may institute a civil action to 3290
enforce the requirements of divisions (B) (1), (2), and (3) of 3291
this section in the court of common pleas of the county in this 3292
state in which the principal office of the domestic public 3293
benefit corporation is located or in the Franklin county court 3294
of common pleas. In addition to any civil remedies that may 3295
exist under common law or the Revised Code, a court may rescind 3296
the transaction or grant injunctive relief or impose any 3297
combination of these remedies. 3298

Sec. 1703.04. (A) To procure a license to transact 3299
business in this state, a foreign corporation for profit shall 3300
file with the secretary of state a certificate of good standing 3301
or subsistence, dated not earlier than ninety days prior to the 3302
filing of the application, under the seal of the secretary of 3303
state, or other proper official, of the state under the laws of 3304
which said corporation was incorporated, setting forth the exact 3305
corporate title and the fact that the corporation is in good 3306
standing or is a subsisting corporation. 3307

(B) To procure such a license, such corporation also shall 3308
file with the secretary of state an application in such form as 3309
the secretary of state prescribes, verified by the oath of any 3310
authorized officer of such corporation, setting forth, but not 3311
limited to: 3312

(1) The name of the corporation and, if its corporate name 3313

is not available, the trade name under which it will do business 3314
in this state; 3315

(2) The name of the state under the laws of which it was 3316
incorporated; 3317

(3) The location and complete address of its principal 3318
office; 3319

(4) The name of the county and the municipal corporation 3320
or township in which its principal office within this state, if 3321
any, is to be located; 3322

(5) The appointment of a designated agent and the complete 3323
address of such agent; 3324

(6) The irrevocable consent of such corporation to service 3325
of process on such agent so long as the authority of such agent 3326
continues and to service of process upon the secretary of state 3327
in the events provided for in section 1703.19 of the Revised 3328
Code; 3329

(7) A brief summary of the corporate purposes to be 3330
exercised within this state. 3331

(C) (1) No such application for a license shall be accepted 3332
for filing if it appears that the name of the foreign 3333
corporation is prohibited by law or is not distinguishable upon 3334
the records in the office of the secretary of state from the 3335
name of any other corporation, whether nonprofit or for profit 3336
and whether that of a domestic corporation or of a foreign 3337
corporation authorized to transact business in this state, the 3338
name of a limited liability company registered in the office of 3339
the secretary of state pursuant to Chapter 1705. or 1706. of the 3340
Revised Code, whether domestic or foreign, the name of any 3341
limited liability partnership registered in the office of the 3342

secretary of state pursuant to Chapter 1775. or 1776. of the 3343
Revised Code, whether domestic or foreign, the name of any 3344
limited partnership registered in the office of the secretary of 3345
state pursuant to Chapter 1782. of the Revised Code, whether 3346
domestic or foreign, or a trade name to which the exclusive 3347
right at the time in question is registered in the manner 3348
provided in Chapter 1329. of the Revised Code, unless there also 3349
is filed with the secretary of state, on a form prescribed by 3350
the secretary of state, the consent of the other entity or 3351
person to the use of the name, evidenced in a writing signed by 3352
any authorized officer of the other entity or authorized 3353
representative of the other person owning the exclusive right to 3354
the registered trade name. 3355

(2) Notwithstanding division (C)(1) of this section, if an 3356
application for a license is not acceptable for filing solely 3357
because the name of the foreign corporation is not 3358
distinguishable from the name of another entity or registered 3359
trade name, the foreign corporation may be authorized to 3360
transact business in this state by filing with the secretary of 3361
state, in addition to those items otherwise prescribed by this 3362
section, a statement signed by an authorized officer directing 3363
the foreign corporation to make application for a license to 3364
transact business in this state under an assumed business name 3365
or names that comply with the requirements of this division and 3366
stating that the foreign corporation will transact business in 3367
this state only under the assumed name or names. The application 3368
for a license shall be on a form prescribed by the secretary of 3369
state. 3370

Sec. 1706.01. As used in this chapter: 3371

(A) "Articles of organization" means the articles of 3372

organization described in section 1706.16 of the Revised Code, 3373
and those articles of organization as amended or restated. 3374

(B) "Assignment" means a transfer, conveyance, deed, bill 3375
of sale, lease, mortgage, security interest, encumbrance, gift, 3376
or transfer by operation of law. 3377

(C) "Constituent limited liability company" means a 3378
constituent entity that is a limited liability company. 3379

(D) "Constituent entity" means an entity that is party to 3380
a merger. 3381

(E) "Contribution" means anything of value including cash, 3382
property, or services rendered, or a promissory note or other 3383
binding obligation to contribute cash or property or to perform 3384
services, that a person contributes to a limited liability 3385
company, or a series thereof, in the person's capacity as a 3386
member. 3387

(F) "Converted entity" means the entity into which a 3388
converting entity converts pursuant to sections 1706.72 to 3389
1706.723 of the Revised Code. 3390

(G) "Converting limited liability company" means a 3391
converting entity that is a limited liability company. 3392

(H) "Converting entity" means an entity that converts into 3393
a converted entity pursuant to sections 1706.72 to 1706.723 of 3394
the Revised Code. 3395

(I) "Debtor in bankruptcy" means a person who is the 3396
subject of an order for relief under Title 11 of the United 3397
States Code, a comparable order under a successor statute of 3398
general application, or a comparable order under any federal, 3399
state, or foreign law governing insolvency. 3400

(J) "Distribution" means a transfer of money or other 3401
property from a limited liability company, or a series thereof, 3402
to another person on account of a membership interest. 3403

(K) "Entity" means a general partnership, limited 3404
partnership, limited liability partnership, limited liability 3405
company, association, corporation, professional corporation, 3406
professional association, nonprofit corporation, business trust, 3407
real estate investment trust, common law trust, statutory trust, 3408
cooperative association, or any similar organization that has a 3409
governing statute, in each case, whether foreign or domestic. 3410

(L) "Foreign limited liability company" means an entity 3411
that is all of the following: 3412

(1) An unincorporated association; 3413

(2) Organized under the laws of a state other than this 3414
state or under the laws of a foreign country; 3415

(3) Organized under a statute pursuant to which an 3416
association may be formed that affords to each of its members 3417
limited liability with respect to the liabilities of the entity; 3418

(4) Not required to be registered, qualified, or organized 3419
under any statute of this state other than this chapter. 3420

(M) "Governing statute" means the law that governs an 3421
entity's internal affairs. 3422

(N) "Limited liability company," except in the phrase 3423
"foreign limited liability company," means an entity formed or 3424
existing under this chapter. 3425

(O) "Manager" means any person designated by the limited 3426
liability company or its members with the authority to manage 3427
all or part of the activities or affairs of the limited 3428

liability company on behalf of the limited liability company, 3429
which person has agreed to serve in such capacity, whether such 3430
person is designated as a manager, director, officer, or 3431
otherwise. 3432

(P) "Member" means a person that has been admitted as a 3433
member of a limited liability company under section 1706.27 of 3434
the Revised Code and that has not dissociated as a member. 3435

(Q) "Membership interest" means a member's right to 3436
receive distributions from a limited liability company or series 3437
thereof. 3438

(R) "Operating agreement" means any valid agreement, 3439
written or oral, of the members, or any written declaration of 3440
the sole member, as to the affairs and activities of a limited 3441
liability company and any series thereof. "Operating agreement" 3442
includes any amendments to the operating agreement. 3443

(S) "Organizational documents" means any of the following: 3444

(1) For a general partnership or foreign general 3445
partnership, its partnership agreement; 3446

(2) For a limited partnership or foreign limited 3447
partnership, its certificate of limited partnership and 3448
partnership agreement; 3449

(3) For a limited liability limited partnership or foreign 3450
limited liability limited partnership, its certificate of 3451
limited partnership and partnership agreement; 3452

(4) For a limited liability company or foreign limited 3453
liability company, its articles of organization and operating 3454
agreement, or comparable records as provided in its governing 3455
statute; 3456

(5) For a business or statutory trust or foreign business or statutory trust, its trust instrument, or comparable records as provided in its governing statute; 3457
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(6) For a for-profit corporation or foreign for-profit corporation, its articles of incorporation, regulations, and other agreements among its shareholders that are authorized by its governing statute, or comparable records as provided in its governing statute; 3460
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(7) For a nonprofit corporation or foreign nonprofit corporation, its articles of incorporation, regulations, and other agreements that are authorized by its governing statute or comparable records as provided in its governing statute; 3465
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(8) For a professional association, its articles of incorporation, regulations, and other agreements among its shareholders that are authorized by its governing statute, or comparable records as provided in its governing statute; 3469
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(9) For any other entity, the basic records that create the entity, determine its internal governance, and determine the relations among the persons that own it, are members of it, or govern it. 3473
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(T) "Organizer" means a person executing the initial articles of organization filed by the secretary of state in accordance with section 1706.16 of the Revised Code. 3477
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(U) "Person" means an individual, entity, trust, estate, government, custodian, nominee, trustee, personal representative, fiduciary, or any other individual, entity, or series thereof in its own or any representative capacity, in each case, whether foreign or domestic. As used in this division, "government" includes a country, state, county, or 3480
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other political subdivision, agency, or instrumentality. 3486

(V) "Principal office" means the location specified by a 3487
limited liability company, foreign limited liability company, or 3488
other entity as its principal office in the last filed record in 3489
which the limited liability company, foreign limited liability 3490
company, or other entity specified its principal office on the 3491
records of the secretary of state. If no such location has 3492
previously been specified, then "principal office" means the 3493
location reasonably apparent to an unaffiliated person as the 3494
principal executive office of the limited liability company, 3495
foreign limited liability company, or other entity. 3496

(W) "Record" means information that is inscribed on a 3497
tangible medium or that is stored in an electronic or other 3498
medium and is retrievable in written or paper form through an 3499
automated process. 3500

(X) "Sign" means, with the present intent to authenticate 3501
or adopt a record, either of the following: 3502

(1) To execute or adopt a tangible symbol; 3503

(2) To attach to or logically associate with the record an 3504
electronic symbol, sound, or process. 3505

(Y) "State" means a state of the United States, the 3506
District of Columbia, Puerto Rico, the United States Virgin 3507
Islands, or any territory or insular possession subject to the 3508
jurisdiction of the United States. 3509

(Z) "Surviving entity" means an entity into which one or 3510
more other entities are merged, whether the entity pre-existed 3511
the merger or was created pursuant to the merger. 3512

(AA) "Tribunal" means a court or, if provided in the 3513

operating agreement or otherwise agreed, an arbitrator, 3514
arbitration panel, or other tribunal. 3515

Sec. 1706.02. This chapter may be cited as the "Ohio 3516
Revised Limited Liability Company Act." 3517

Sec. 1706.03. (A) A person knows a fact when either of the 3518
following is met: 3519

(1) The person has actual knowledge of the fact. 3520

(2) The person is deemed to know the fact under law other 3521
than this chapter. 3522

(B) A person has notice of a fact when any of the 3523
following is met: 3524

(1) The person knows of the fact. 3525

(2) The person receives notification of the fact. 3526

(3) The person has reason to know the fact from all the 3527
facts known to the person at the time. 3528

(4) The person is deemed to have notice of the fact under 3529
division (D) of this section. 3530

(C) A person notifies another of a fact by taking steps 3531
reasonably required to inform the other person in ordinary 3532
course, whether or not the other person knows the fact. 3533

(D) A person is deemed to have notice of the following: 3534

(1) The matters included in a limited liability company's 3535
articles of organization under divisions (A) (1) to (3) of 3536
section 1706.16 of the Revised Code, upon the filing of the 3537
articles; 3538

(2) A limited liability company's dissolution, ninety days 3539

after a certificate of dissolution under section 1706.471 of the 3540
Revised Code becomes effective; 3541

(3) A limited liability company's merger or conversion, 3542
ninety days after a certificate of merger under section 1706.712 3543
of the Revised Code or certificate of conversion under section 3544
1706.722 of the Revised Code becomes effective. 3545

(E) A member's knowledge, notice, or receipt of a 3546
notification of a fact relating to the limited liability company 3547
is not knowledge, notice, or receipt of a notification of a fact 3548
by the limited liability company solely by reason of the 3549
member's capacity as a member. 3550

Sec. 1706.04. (A) A limited liability company is a 3551
separate legal entity. A limited liability company's status for 3552
tax purposes shall not affect its status as a separate legal 3553
entity formed under this chapter. 3554

(B) A limited liability company has perpetual duration. 3555

Sec. 1706.05. (A) A limited liability company may carry on 3556
any lawful activity, whether or not for profit. 3557

(B) A limited liability company shall possess and may 3558
exercise all the powers and privileges granted by this chapter 3559
or by any other law or by its operating agreement, together with 3560
any powers incidental thereto, including those powers and 3561
privileges necessary or convenient to the conduct, promotion, or 3562
attainment of the business, purposes, or activities of the 3563
limited liability company. 3564

(C) Without limiting the general powers enumerated in 3565
division (B) of this section, a limited liability company shall 3566
have the power and authority to make contracts of guaranty and 3567
suretyship and enter into interest rate, basis, currency, hedge, 3568

or other swap agreements, or cap, floor, put, call, option, 3569
exchange, or collar agreements, derivative agreements, or other 3570
agreements similar to any of the foregoing. 3571

(D) A series established under this chapter has the power 3572
and capacity, in the series' own name, to do all of the 3573
following: 3574

(1) Sue and be sued; 3575

(2) Contract; 3576

(3) Hold and convey title to assets of the series, 3577
including real property, personal property, and intangible 3578
property; 3579

(4) Grant liens and security interests in assets of the 3580
series. 3581

Sec. 1706.06. (A) This chapter shall be construed to give 3582
maximum effect to the principles of freedom of contract and to 3583
the enforceability of operating agreements. 3584

(B) Unless displaced by particular provisions of this 3585
chapter, principles of law and equity supplement this chapter. 3586

(C) Rules that statutes in derogation of the common law 3587
are to be strictly construed shall have no application to this 3588
chapter. 3589

(D) Sections 1309.406 and 1309.408 of the Revised Code do 3590
not apply to any interest in a limited liability company, 3591
including all rights, powers, and interests arising under an 3592
operating agreement or this chapter. This division prevails over 3593
those sections, and is expressly intended to permit the 3594
enforcement of the provisions of an operating agreement that 3595
would otherwise be ineffective under those sections. 3596

(E) This chapter applies to all limited liability 3597
companies equally regardless of whether the limited liability 3598
company has one or more members or whether it is formed by a 3599
filing under section 1706.16 of the Revised Code or by merger, 3600
consolidation, conversion, or otherwise. 3601

Sec. 1706.061. The law of this state governs all of the 3602
following: 3603

(A) The organization and internal affairs of a limited 3604
liability company; 3605

(B) The liability of a member as a member for the debts, 3606
obligations, or other liabilities of a limited liability 3607
company; 3608

(C) The authority of the members and agents of a limited 3609
liability company; 3610

(D) The availability of the assets of a limited liability 3611
company or series thereof for the obligations of the limited 3612
liability company or another series thereof. 3613

Sec. 1706.07. (A) The name of a limited liability company 3614
shall contain the words "limited liability company" or the 3615
abbreviation "L.L.C.," "LLC," "limited," "ltd.," or "ltd." 3616

(B) Except as provided in this section and in sections 3617
1701.75, 1701.78, 1701.82, 1705.36, and 1705.37 of the Revised 3618
Code, the secretary of state shall not accept for filing in the 3619
secretary of state's office the articles of organization of a 3620
limited liability company if the company name set forth in the 3621
articles is not distinguishable on the records of the secretary 3622
of state from the name of any of the following: 3623

(1) Any other limited liability company, whether the name 3624

is of a domestic limited liability company or of a foreign 3625
limited liability company registered as a foreign limited 3626
liability company under this chapter; 3627

(2) Any corporation, whether the name is of a domestic 3628
corporation or of a foreign corporation holding a license as a 3629
foreign corporation under the laws of this state pursuant to 3630
Chapter 1701., 1702., or 1703. of the Revised Code; 3631

(3) Any limited liability partnership, whether the name is 3632
of a domestic limited liability partnership or a foreign limited 3633
liability partnership registered pursuant to Chapter 1775. or 3634
1776. of the Revised Code; 3635

(4) Any limited partnership, whether the name is of a 3636
domestic limited partnership or a foreign limited partnership 3637
registered pursuant to Chapter 1782. of the Revised Code; 3638

(5) Any trade name to which the exclusive right, at the 3639
time in question, is registered in the office of the secretary 3640
of state pursuant to Chapter 1329. of the Revised Code. 3641

(C) A limited liability company may apply to the secretary 3642
of state for authorization to use a name that is not 3643
distinguishable from the names identified in division (B) of of 3644
this section if there also is filed in the office of the 3645
secretary of state, on a form prescribed by the secretary of 3646
state, the consent of the other person or, in the case of a 3647
registered trade name, the person in whose name is registered 3648
the exclusive right to use the name, which consent is evidenced 3649
in a writing signed by any authorized officer or any authorized 3650
representative of the other person. 3651

(D) If a judicial sale or other transfer by order of a 3652
tribunal involves the right to use the name of a limited 3653

liability company or of a foreign limited liability company, 3654
then division (B) of this section shall not be applicable with 3655
respect to any person that is subject to the order. 3656

(E) Any person that wishes to reserve a name for a 3657
proposed new limited liability company, a limited liability 3658
company that intends to change its name, or an assumed name for 3659
a foreign limited liability company whose name is not available 3660
may submit to the secretary of state, on a form prescribed by 3661
the secretary of state, a written application for the exclusive 3662
right to use a specified name as the name of the company. If the 3663
secretary of state finds, consistent with this section, that the 3664
specified name is available for use, the secretary of state 3665
shall file the application. From the date of the filing, the 3666
applicant has the exclusive right for one hundred eighty days to 3667
use the specified name as the name of the limited liability 3668
company, counting the date of the filing as the first of the one 3669
hundred eighty days. The right so obtained may be transferred by 3670
the applicant or other holder of the right by filing in the 3671
office of the secretary of state a written transfer, on a form 3672
prescribed by the secretary of state, that states the name and 3673
address of the transferee. 3674

Sec. 1706.08. (A) Except as otherwise provided in 3675
divisions (B) and (C) of this section, both of the following 3676
apply: 3677

(1) An operating agreement governs relations among the 3678
members as members and between the members and the limited 3679
liability company. 3680

(2) To the extent that an operating agreement does not 3681
otherwise provide for a matter described in division (A) (1) of 3682
this section, this chapter governs the matter. 3683

(B) (1) To the extent that, at law or in equity, a member, manager, or other person has duties, including fiduciary duties, to the limited liability company, or to another member or to another person that is a party to or is otherwise bound by an operating agreement, those duties may be expanded or restricted or eliminated by a written operating agreement. However, an operating agreement may not eliminate the implied covenant of good faith and fair dealing. 3684
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(2) A written operating agreement may provide for the limitation or elimination of any and all liabilities for breach of contract and breach of duties, including breach of fiduciary duties, of a member, manager, or other person to a limited liability company or to another member or to another person that is a party to or is otherwise bound by an operating agreement. However, an operating agreement may not limit or eliminate liability for any act or omission that constitutes a bad faith violation of the implied covenant of good faith and fair dealing. 3692
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(3) A member, manager, or other person shall not be liable to a limited liability company or to another member or to another person that is a party to or is otherwise bound by an operating agreement for breach of fiduciary duty for the member's or other person's good faith reliance on the operating agreement. 3702
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(4) An operating agreement may provide either or both of the following: 3708
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(a) That, a member or assignee who fails to perform in accordance with, or to comply with the terms and conditions of, the operating agreement shall be subject to specified penalties or specified consequences; 3710
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(b) That at the time or upon the happening of events 3714
specified in the operating agreement, a member or assignee may 3715
be subject to specified penalties or consequences. 3716

(5) A penalty or consequence that may be specified under 3717
division (B) (4) of this section may include any of the 3718
following: 3719

(a) Reducing or eliminating the defaulting member's or 3720
assignee's proportionate interest in a limited liability 3721
company; 3722

(b) Subordinating the member's or assignee's membership 3723
interest to that of nondefaulting members or assignees; 3724

(c) Forcing a sale of the member's or assignee's 3725
membership interest; 3726

(d) Forfeiting the defaulting member's or assignee's 3727
membership interest; 3728

(e) The lending by other members or assignees of the 3729
amount necessary to meet the defaulting member's or assignee's 3730
commitment; 3731

(f) A fixing of the value of the defaulting member's or 3732
assignee's membership interest by appraisal or by formula and 3733
redemption or sale of the membership interest at that value; 3734

(g) Any other penalty or consequence. 3735

(C) An operating agreement shall not do any of the 3736
following: 3737

(1) Vary the nature of the limited liability company as a 3738
separate legal entity under division (A) of section 1706.04 of 3739
the Revised Code; 3740

(2) Except as otherwise provided in division (B) of section 1706.082 of the Revised Code, restrict the rights under this chapter of a person other than a member, dissociated member, or assignee; 3741
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(3) Vary the power of a court under section 1706.171 of the Revised Code; 3745
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(4) Eliminate the implied covenant of good faith and fair dealing; 3747
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(5) Eliminate or limit the liability of a member or other person for any act or omission that constitutes a bad faith violation of the implied covenant of good faith and fair dealing; 3749
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(6) Waive the requirements of division (A) of section 1706.281 of the Revised Code; 3753
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(7) Waive the prohibition on issuance of a certificate of a membership interest in bearer form under division (D) of section 1706.341 of the Revised Code; 3755
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(8) Waive the requirements of division (B) of section 1706.761 of the Revised Code. 3758
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Sec. 1706.081. (A) A limited liability company is bound by and may enforce its operating agreement, whether or not the limited liability company has itself manifested assent to its operating agreement. 3760
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(B) A person that is admitted as a member of a limited liability company becomes a party to and assents to the operating agreement subject to division (A) of section 1706.281 of the Revised Code. 3764
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(C) Two or more persons intending to be the initial 3768

members of a limited liability company may make an agreement 3769
providing that upon the formation of the limited liability 3770
company the agreement will become its operating agreement. One 3771
person intending to be the initial member of a limited liability 3772
company may assent to terms providing that upon the formation of 3773
the limited liability company the terms will become the 3774
operating agreement. 3775

(D) The operating agreement of a limited liability company 3776
having only one member shall not be unenforceable by reason of 3777
there being only one person who is a party to the operating 3778
agreement. 3779

Sec. 1706.082. (A) An operating agreement may be amended 3780
upon the consent of all the members of a limited liability 3781
company or in such other manner authorized by the operating 3782
agreement. If an operating agreement provides for the manner in 3783
which it may be amended, including by requiring the approval of 3784
a person who is not a party to the operating agreement or the 3785
satisfaction of conditions, it may be amended only in that 3786
manner or as otherwise permitted by law; except that the 3787
approval of any person may be waived by that person and any 3788
conditions may be waived by all persons for whose benefit those 3789
conditions were intended. 3790

(B) An operating agreement may provide rights to any 3791
person, including a person who is not a party to the operating 3792
agreement, to the extent set forth in the operating agreement. 3793

(C) The obligations of a limited liability company and its 3794
members to a person in the person's capacity as an assignee or 3795
dissociated member are governed by the operating agreement. An 3796
assignee and dissociated member are bound by the operating 3797
agreement. 3798

Sec. 1706.09. (A) Each limited liability company and 3799
foreign limited liability company that has an effective 3800
registration as a foreign limited liability company under 3801
section 1706.511 of the Revised Code shall maintain continuously 3802
in this state an agent for service of process on the company. 3803
The agent shall be one of the following: 3804

(1) A natural person who is a resident of this state; 3805

(2) A domestic or foreign corporation, nonprofit 3806
corporation, limited liability company, partnership, limited 3807
partnership, limited liability partnership, limited partnership 3808
association, professional association, business trust, or 3809
unincorporated nonprofit association that has a business address 3810
in this state. If the agent is an entity other than a domestic 3811
corporation, the agent shall meet the requirements of Title XVII 3812
of the Revised Code for an entity of the agent's type to 3813
transact business or exercise privileges in this state. 3814

(B) (1) The secretary of state shall not accept original 3815
articles of organization of a limited liability company or an 3816
original registration of a foreign limited liability company for 3817
filing unless both of the following accompany the articles or 3818
registration: 3819

(a) A written appointment of an agent as described in 3820
division (A) of this section that is signed by an authorized 3821
representative of the limited liability company or foreign 3822
limited liability company; 3823

(b) A written acceptance of the appointment that is signed 3824
by the designated agent on a form prescribed by the secretary of 3825
state. 3826

(2) In cases not covered by division (B) (1) of this 3827

section, the company shall appoint the agent described in 3828
division (A) of this section and shall file with the secretary 3829
of state, on a form prescribed by the secretary of state, a 3830
written appointment of that agent that is signed by an 3831
authorized representative of the company and a written 3832
acceptance of the appointment that is signed by the designated 3833
agent. 3834

(C) The written appointment of an agent shall set forth 3835
the name and address in this state of the agent, including the 3836
street and number or other particular description, and shall 3837
otherwise be in such form as the secretary of state prescribes. 3838
The secretary of state shall keep a record of the names of 3839
limited liability companies and foreign limited liability 3840
companies, and the names and addresses of their respective 3841
agents. 3842

(D) If any agent described in division (A) of this section 3843
dies, resigns, or moves outside of this state, the limited 3844
liability company or foreign limited liability company shall 3845
appoint forthwith another agent and file with the secretary of 3846
state, on a form prescribed by the secretary of state, a written 3847
appointment of the agent and acceptance of appointment as 3848
described in division (B)(2) of this section. 3849

(E) If the agent described in division (A) of this section 3850
changes the agent's address from the address stated in the 3851
records of the secretary of state, the agent or the limited 3852
liability company or foreign limited liability company shall 3853
file forthwith with the secretary of state, on a form prescribed 3854
by the secretary of state, a written statement setting forth the 3855
new address. 3856

(F) An agent described in division (A) of this section may 3857

resign by filing with the secretary of state, on a form 3858
prescribed by the secretary of state, a written notice of 3859
resignation that is signed by the agent and by mailing a copy of 3860
that notice to the limited liability company or foreign limited 3861
liability company at the current or last known address of its 3862
principal office. The notice shall be mailed to the company on 3863
or prior to the date that the notice is filed with the secretary 3864
of state and shall set forth the name of the company, the name 3865
and current address of the agent, the current or last known 3866
address, including the street and number or other particular 3867
description, of the company's principal office, a statement of 3868
the resignation of the agent, and a statement that a copy of the 3869
notice has been sent to the company within the time and in the 3870
manner specified in this division. The authority of the 3871
resigning agent terminates thirty days after the filing of the 3872
notice with the secretary of state. 3873

(G) A limited liability company or foreign limited 3874
liability company may revoke the appointment of its agent 3875
described in division (A) of this section by filing with the 3876
secretary of state, on a form prescribed by the secretary of 3877
state, a written appointment of another agent and an acceptance 3878
of appointment in the manner described in division (B) (2) of 3879
this section and a statement indicating that the appointment of 3880
the former agent is revoked. 3881

(H) (1) Any legal process, notice, or demand required or 3882
permitted by law to be served upon a limited liability company 3883
may be served upon the company as follows: 3884

(a) By delivering a copy of the process, notice, or demand 3885
to the address of the agent in this state as contained in the 3886
records of the secretary of state; 3887

(b) If the agent described in division (A) of this section 3888
is a natural person, by delivering a copy of the process, 3889
notice, or demand to the agent. 3890

(2) If the agent described in division (A) of this section 3891
cannot be found or no longer has the address that is stated in 3892
the records of the secretary of state or the limited liability 3893
company or foreign limited liability company has failed to 3894
maintain an agent as required by this section and if the party 3895
or the agent or representative of the party that desires service 3896
of the process, notice, or demand files with the secretary of 3897
state an affidavit that states that one of those circumstances 3898
exists and states the most recent address of the company that 3899
the party who desires service has been able to ascertain after a 3900
diligent search, then the service of the process, notice, or 3901
demand upon the secretary of state as the agent of the company 3902
may be initiated by delivering to the secretary of state four 3903
copies of the process, notice, or demand accompanied by a fee of 3904
five dollars. The secretary of state shall give forthwith notice 3905
of that delivery to the company at either its principal office 3906
as shown upon the secretary of state's records or at any 3907
different address specified in the affidavit of the party 3908
desiring service and shall forward to the company at either 3909
address by certified mail, return receipt requested, a copy of 3910
the process, notice, or demand. Service upon the company is made 3911
when the secretary of state gives the notice and forwards the 3912
process, notice, or demand as set forth in division (H) (2) of 3913
this section. 3914

(I) The secretary of state shall keep a record of each 3915
process, notice, and demand that pertains to a limited liability 3916
company or foreign limited liability company and that is 3917
delivered to the secretary of state's office under this section 3918

or another law of this state that authorizes service upon the 3919
secretary of state in connection with a limited liability 3920
company or foreign limited liability company. In that record, 3921
the secretary of state shall record the time of each delivery of 3922
that type and the secretary of state's subsequent action with 3923
respect to the process, notice, or demand. 3924

(J) This section does not limit or affect the right to 3925
serve any process, notice, or demand upon a limited liability 3926
company or foreign limited liability company in any other manner 3927
permitted by law. 3928

(K) A written appointment of an agent or a written 3929
statement filed by a limited liability company or foreign 3930
limited liability company with the secretary of state shall be 3931
signed by an authorized representative of the company. 3932

(L) Upon the failure of a limited liability company or 3933
foreign limited liability company to continuously maintain a 3934
statutory agent or file a change of name or address of a 3935
statutory agent, the secretary of state shall give notice 3936
thereof by ordinary or electronic mail to the company at the 3937
electronic mail address provided to the secretary of state, or 3938
at the address set forth in the notice of resignation. Unless 3939
the default is cured within thirty days after the mailing by the 3940
secretary of state of the notice or within any further period of 3941
time that the secretary of state grants, upon the expiration of 3942
that period of time from the date of the mailing, the articles 3943
of the limited liability company or the registration of the 3944
foreign limited liability company shall be canceled without 3945
further notice or action by the secretary of state. The 3946
secretary of state shall make a notation of the cancellation on 3947
the secretary of state's records. 3948

A limited liability company or foreign limited liability company whose articles or registration has been canceled may be reinstated by filing, on a form prescribed by the secretary of state, an application for reinstatement and the required appointment of agent or required statement, and by paying the filing fee specified in division (Q) of section 111.16 of the Revised Code. The rights and privileges of a limited liability company or foreign limited liability company whose articles or registration has been reinstated are subject to section 1706.46 of the Revised Code. The secretary of state shall furnish the tax commissioner a monthly list of all limited liability companies and foreign limited liability companies canceled and reinstated under this division. 3949
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Sec. 1706.16. (A) In order to form a limited liability company, one or more persons shall execute articles of organization and deliver the articles to the secretary of state for filing. The articles of organization shall set forth all of the following: 3962
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(1) The name of the limited liability company; 3967

(2) The name and street address of the limited liability company's statutory agent and a written acceptance of the appointment that is signed by the agent; 3968
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(3) If applicable, a statement as provided in division (B) (3) of section 1706.761 of the Revised Code; 3971
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(4) Any other matters the organizers or the members determine to include in the articles of organization. 3973
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(B) A limited liability company is formed when the articles of organization are filed by the secretary of state or at any later date or time specified in the articles of 3975
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3977

organization. 3978

(C) The fact that articles of organization are on file in 3979
the office of the secretary of state is notice of the matters 3980
required to be included by divisions (A) (1) to (3) of this 3981
section, but is not notice of any other fact. 3982

(D) An operating agreement may be entered into before, at 3983
the time of, or after the filing of the articles of 3984
organization. Regardless of when the operating agreement is 3985
entered into, it may be made effective as of the filing of the 3986
articles of organization or any other time provided in the 3987
operating agreement. 3988

Sec. 1706.161. (A) The articles of organization may be 3989
amended at any time. 3990

(B) The articles of organization may be restated with or 3991
without amendment at any time. 3992

(C) To amend its articles of organization, a limited 3993
liability company shall deliver to the secretary of state for 3994
filing, on a form prescribed by the secretary of state, a 3995
certificate of amendment containing both of the following 3996
information: 3997

(1) The name and registration number of the limited 3998
liability company; 3999

(2) The changes the amendment makes to the articles of 4000
organization as most recently amended or restated. 4001

(D) Restated articles of organization shall be delivered 4002
to the secretary of state for filing in the same manner as an 4003
amendment. Restated articles of organization shall be designated 4004
as such in the heading and state in the heading or in an 4005

introductory paragraph the limited liability company's name and 4006
the date of the filing of its articles of organization. Any 4007
amendment or change effected in connection with the restatement 4008
of the articles of organization shall be subject to any other 4009
provision of this chapter, not inconsistent with this section, 4010
which would apply if a separate certificate of amendment were 4011
filed to effect the amendment or change. 4012

(E) The original articles of organization, as amended or 4013
supplemented, shall be superseded by the restated articles of 4014
organization. Thereafter, the articles of organization, 4015
including any further amendment or changes made thereby, shall 4016
be the articles of organization of the limited liability 4017
company, but the original effective date of formation shall 4018
remain unchanged. 4019

Sec. 1706.17. (A) A record delivered to the secretary of 4020
state for filing pursuant to this chapter shall be signed as 4021
provided by this section. 4022

(1) A limited liability company's initial articles of 4023
organization shall be signed by at least one person. 4024

(2) A record signed on behalf of a limited liability 4025
company shall be signed by a person authorized by the limited 4026
liability company. 4027

(3) A record filed on behalf of a dissolved limited 4028
liability company that has no members shall be signed by the 4029
person winding up the limited liability company's activities 4030
under division (A) of section 1706.472 of the Revised Code or a 4031
person appointed under division (B) of section 1706.472 of the 4032
Revised Code to wind up those activities. 4033

(4) A statement of denial by a person under section 4034

1706.20 of the Revised Code shall be signed by that person. 4035

(5) Any other record shall be signed by the person on 4036
whose behalf the record is delivered to the secretary of state. 4037

(B) Any record to be filed under this chapter may be 4038
signed by an agent, including an attorney-in-fact. Powers of 4039
attorney relating to the signing of the record need not be 4040
delivered to the secretary of state. 4041

Sec. 1706.171. (A) If a person required by this chapter to 4042
sign a record or deliver a record to the secretary of state for 4043
filing under this chapter does not do so, any other person that 4044
is aggrieved by that failure to sign may petition the 4045
appropriate court to order any of the following: 4046

(1) The person to sign the record; 4047

(2) The person to deliver the record to the secretary of 4048
state for filing; 4049

(3) The secretary of state to file the record unsigned. 4050

(B) If a petitioner under division (A) of this section is 4051
not the limited liability company or foreign limited liability 4052
company to whom the record pertains, the petitioner shall make 4053
the limited liability company or foreign limited liability 4054
company a party to the action. A person aggrieved under division 4055
(A) of this section may seek the remedies provided in that 4056
division in a separate action against the person required to 4057
sign the record or as a part of any other action concerning the 4058
limited liability company in which the person required to sign 4059
the record is made a party. 4060

(C) A record filed unsigned pursuant to this section is 4061
effective without being signed. 4062

(D) A court may award reasonable expenses, including 4063
reasonable attorney's fees, to the prevailing party, in whole or 4064
in part, with respect to any claim made under division (A) of 4065
this section. 4066

Sec. 1706.172. (A) Each record authorized or required to 4067
be delivered to the secretary of state for filing under this 4068
chapter shall meet all of the following requirements: 4069

(1) The record shall contain all information required by 4070
the law of this state to be contained in the record but, unless 4071
otherwise provided by law, shall not be required to contain 4072
other information. 4073

(2) The record shall be on or in a medium and in such form 4074
acceptable to the secretary of state and from which the 4075
secretary of state may create a record that contains all of the 4076
information stated in the record. The secretary of state may 4077
require that the record be delivered by any one or more means or 4078
on or in any one or more media acceptable to the secretary of 4079
state. The secretary of state is not required to file a record 4080
that is not delivered by a means and in a medium that complies 4081
with the requirements then established by the secretary of state 4082
for the delivery and filing of records. If the secretary of 4083
state permits a record to be delivered on paper, the record 4084
shall be typewritten or machine printed, and the secretary of 4085
state may impose reasonable requirements upon the dimensions, 4086
legibility, quality, and color of the paper and typewriting or 4087
printing and upon the format and other attributes of any record 4088
that is delivered electronically. The secretary of state shall, 4089
at the earliest practicable time, allow for the delivery of a 4090
record for filing to be accomplished electronically, without the 4091
necessity for the delivery of a physical original record or the 4092

image thereof, if all required information is delivered and is 4093
readily retrievable from the data delivered. If the delivery of 4094
a record for filing is required to be accomplished 4095
electronically, that record shall not be accompanied by any 4096
physical record unless the secretary of state permits that 4097
accompaniment. 4098

(3) The record shall be in English. A person's name set 4099
forth in the record need not be in English if expressed in 4100
English letters or Arabic or Roman numerals. Records of a 4101
foreign person need not be in English if accompanied by a 4102
reasonably authenticated English translation. 4103

(B) Unless the secretary of state determines that a record 4104
does not comply with the filing requirements of this chapter, 4105
the secretary of state shall file the record and send a 4106
certificate and a receipt for the fees to the person who 4107
submitted the record. 4108

(C) Upon request and payment of the requisite fee, the 4109
secretary of state shall furnish to the requester a certified 4110
copy of a requested record. 4111

(D) Except as otherwise provided in division (F) of 4112
section 1706.09 and section 1706.173 of the Revised Code, a 4113
record delivered to the secretary of state for filing under this 4114
chapter may specify an effective time and a delayed effective 4115
date of not more than ninety days following the date of receipt 4116
by the secretary of state. Subject to division (F) of section 4117
1706.09 and section 1706.173 of the Revised Code, a record filed 4118
by the secretary of state is effective as follows: 4119

(1) If the record does not specify an effective time and 4120
does not specify a delayed effective date, on the date the 4121

record is filed as evidenced by the secretary of state's 4122
endorsement of the date on the record; 4123

(2) If the record specifies an effective time but not a 4124
delayed effective date, on the date the record is filed at the 4125
time specified in the record; 4126

(3) If the record specifies a delayed effective date but 4127
not an effective time, at 12:01 a.m. on the earlier of the 4128
following: 4129

(a) The specified date; 4130

(b) The ninetieth day after the record is filed. 4131

(4) If the record specifies an effective time and a 4132
delayed effective date, at the specified time on the earlier of 4133
the following: 4134

(a) The specified date; 4135

(b) The ninetieth day after the record is filed. 4136

Sec. 1706.173. (A) A limited liability company or foreign 4137
limited liability company may deliver to the secretary of state 4138
for filing a certificate of correction to correct a record 4139
previously delivered by the limited liability company or foreign 4140
limited liability company to the secretary of state and filed by 4141
the secretary of state if at the time of filing the record 4142
contained incorrect or inaccurate information or was defectively 4143
signed. 4144

(B) A certificate of correction under division (A) of this 4145
section shall not state a delayed effective date and shall do 4146
all of the following: 4147

(1) Describe the record to be corrected, including its 4148

filing date, or attach a copy of the record as filed; 4149

(2) Specify the inaccurate information or the defect in 4150
the signing; 4151

(3) Correct the incorrect or inaccurate information or 4152
defective signature. 4153

(C) When filed by the secretary of state, a certificate of 4154
correction is effective retroactively as of the effective date 4155
of the record the statement corrects, but the statement is 4156
effective when filed as to persons that previously relied on the 4157
uncorrected record and would be adversely affected by the 4158
correction. 4159

Sec. 1706.174. (A) A person who signs a record authorized 4160
or required to be filed under this chapter thereby affirms under 4161
the penalties of perjury that the facts stated in the record are 4162
true in all material respects. 4163

(B) If a record delivered to the secretary of state for 4164
filing under this chapter and filed by the secretary of state 4165
contains incorrect or inaccurate information, a person that 4166
suffers a loss by reasonable reliance on the information may 4167
recover damages for the loss from a person that signed the 4168
record, or caused another to sign it on the person's behalf, and 4169
knew the information to be incorrect or inaccurate at the time 4170
the record was signed. 4171

Sec. 1706.175. (A) The secretary of state, upon request 4172
and payment of the requisite fee, shall furnish to any person a 4173
certificate of full force and effect for a limited liability 4174
company if the records filed in the office of the secretary of 4175
state show that the limited liability company has been formed 4176
under the laws of this state. A certificate of full force and 4177

effect shall state all of the following: 4178

(1) The limited liability company's name; 4179

(2) The limited liability company's date of formation; 4180

(3) That the limited liability company is in full force 4181
and effect on the records of the secretary of state. 4182

(B) The secretary of state, upon request and payment of 4183
the requisite fee, shall furnish to any person a certificate of 4184
registration for a foreign limited liability company if the 4185
records filed in the office of the secretary of state show that 4186
the secretary of state has filed a certificate of registration 4187
for the foreign limited liability company, has not canceled the 4188
certificate of registration for the foreign limited liability 4189
company, and has not filed a statement of cancellation of the 4190
certificate of registration for the foreign limited liability 4191
company. A certificate of registration shall state both of the 4192
following: 4193

(1) The foreign limited liability company's name; 4194

(2) That the foreign limited liability company is 4195
authorized to transact business in this state. 4196

(C) Subject to any qualification stated in the 4197
certificate, a certificate of existence or certificate of 4198
registration issued by the secretary of state is, for a period 4199
of thirty days after the date of such certificate, conclusive 4200
evidence that the limited liability company is in existence or 4201
the foreign limited liability company is authorized to transact 4202
business in this state. 4203

Sec. 1706.18. No person shall have the power to bind the 4204
limited liability company, or a series thereof, except: 4205

(A) To the extent the person is authorized to act as the agent of the limited liability company or a series thereof under or pursuant to the operating agreement; 4206
4207
4208

(B) To the extent the person is authorized to act as the agent of the limited liability company or a series thereof pursuant to division (A) of section 1706.30 of the Revised Code; 4209
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(C) To the extent provided in section 1706.19 of the Revised Code; 4212
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(D) To the extent provided by law other than this chapter. 4214

Sec. 1706.19. (A) A limited liability company, on behalf of itself or a series thereof, may deliver to the secretary of state for filing on a form prescribed by the secretary of state a statement of authority. Such a statement: 4215
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(1) Shall include the name and registration number of the limited liability company; 4219
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(2) May state the authority of a specific person, or, with respect to any position that exists in or with respect to the limited liability company or series thereof, of all persons holding the position, to enter into transactions on behalf of the limited liability company or series thereof. 4221
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(B) To amend or cancel a statement of authority filed by the secretary of state, a limited liability company shall, on behalf of itself or a series thereof, deliver to the secretary of state for filing an amendment or cancellation on a form prescribed by the secretary of state stating all of the following: 4226
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4228
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(1) The name and registration number of the limited liability company; 4232
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(2) The date of filing of the statement of authority to 4234
which the amendment or cancellation statement pertains; 4235

(3) The contents of the amendment or a declaration that 4236
the statement to which it pertains is canceled. 4237

(C) An effective statement of authority is conclusive in 4238
favor of a person that gives value in reliance on the statement, 4239
except to the extent that when the person gives value the person 4240
has knowledge to the contrary. 4241

(D) Upon filing, a certificate of dissolution filed 4242
pursuant to division (B)(1) of section 1706.471 of the Revised 4243
Code operates as a cancellation, under division (B) of this 4244
section, of each statement of authority. 4245

(E) After a certificate of dissolution becomes effective, 4246
a limited liability company may, on behalf of itself or a series 4247
thereof, deliver to the secretary of state for filing a 4248
statement of authority that is designated as a post-dissolution 4249
or post-cancellation statement of authority. 4250

(F) Upon filing, a statement of denial filed pursuant to 4251
section 1706.20 of the Revised Code operates as an amendment, 4252
under division (B) of this section, of the statement of 4253
authority to which the statement of denial pertains. 4254

Sec. 1706.20. A person named in a filed statement of 4255
authority may deliver to the secretary of state for filing on a 4256
form prescribed by the secretary of state a statement of denial 4257
that does both of the following: 4258

(A) States the name and registration number of the limited 4259
liability company and the date of filing of the statement of 4260
authority to which the statement of denial pertains; 4261

(B) Denies the person's authority. 4262

Sec. 1706.26. A person who is a member of a limited 4263
liability company is not liable, solely by reason of being a 4264
member, for a debt, obligation, or liability of the limited 4265
liability company or a series thereof, whether arising in 4266
contract, tort, or otherwise; or for the acts or omissions of 4267
any other member, agent, or employee of the limited liability 4268
company or a series thereof. The failure of a limited liability 4269
company or any of its members to observe any formalities 4270
relating to the exercise of the limited liability company's 4271
powers or the management of its activities is not a factor to 4272
consider in, or a ground for, imposing liability on the members 4273
for the debts, obligations, or liability of the limited 4274
liability company. 4275

Sec. 1706.27. (A) In connection with the formation of a 4276
limited liability company, a person is admitted as a member of 4277
the limited liability company upon the occurrence of either of 4278
the following: 4279

(1) If the organizer was authorized by one or more persons 4280
intending to be members of the limited liability company to file 4281
the articles of organization on their behalf, the formation of 4282
the limited liability company; 4283

(2) If the organizer was not authorized by any other 4284
person intending to be members of the limited liability company, 4285
each organizer shall have the authority of a member of the 4286
limited liability company upon the formation of the limited 4287
liability company until the admission of the initial member of 4288
the limited liability company. 4289

(B) After formation of a limited liability company, a 4290

person may be admitted as a member of the limited liability 4291
company in any of the following manners: 4292

(1) As provided in the operating agreement; 4293

(2) As the result of a transaction effective under 4294
sections 1706.71 to 1706.74 of the Revised Code; 4295

(3) With the consent of all the members or in the case of 4296
a limited liability company having only one member, the consent 4297
of the member; 4298

(4) If, within ninety consecutive days after the 4299
occurrence of the dissociation of the last remaining member, 4300
both of the following occur: 4301

(a) All holders of the membership interest last assigned 4302
by the last person to have been a member consent to the 4303
designation of a person to be admitted as a member; 4304

(b) The designated person consents to be admitted as a 4305
member effective as of the date the last person to have been a 4306
member ceased to be a member. 4307

(C) A person may be admitted as a member without acquiring 4308
a membership interest and without making or being obligated to 4309
make a contribution to the limited liability company. A person 4310
may be admitted as the sole member without acquiring a 4311
membership interest and without making or being obligated to 4312
make a contribution to the limited liability company. 4313

Sec. 1706.28. A contribution of a member to a limited 4314
liability company, or a series thereof, may consist of cash, 4315
property, services rendered, or a promissory note or other 4316
binding obligation to contribute cash or property or to perform 4317
services. 4318

Sec. 1706.281. (A) A promise by a member to make a contribution to a limited liability company, or a series thereof, is not enforceable unless set forth in a writing signed by the member. 4319
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(B) A member's obligation to make a contribution to a limited liability company, or a series thereof, is not excused by the member's death, disability, or other inability to perform personally. If a member does not make a contribution required by an enforceable promise, the member or the member's estate is obligated, at the election of the limited liability company, or a series thereof, to contribute money equal to the value of the portion of the contribution that has not been made. The election shall be in addition to, and not in lieu of, any other rights, including the right to specific performance, that the limited liability company, or a series thereof, may have under the operating agreement or applicable law. 4323
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(C) (1) The obligation of a member to make a contribution to a limited liability company may be compromised only by consent of all the members. A conditional obligation of a member to make a contribution to a limited liability company may not be enforced unless the conditions of the obligation have been satisfied or waived as to or by that member. Conditional obligations include contributions payable upon a discretionary call of a limited liability company before the time the call occurs. 4335
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(2) The obligation of a member associated with a series to make a contribution to the series may be compromised only by consent of all the members associated with that series. A conditional obligation of a member to make a contribution to a series may not be enforced unless the conditions of the 4344
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obligation have been satisfied or waived as to or by that 4349
member. Conditional obligations include contributions payable 4350
upon a discretionary call of that series before the time the 4351
call occurs. 4352

(3) Division (C)(1) of this section shall not apply to a 4353
member's obligation to make a contribution to a series of a 4354
limited liability company. 4355

Sec. 1706.29. (A) (1) All members shall share equally in 4356
any distributions made by a limited liability company before its 4357
dissolution and winding up. 4358

(2) A member has a right to a distribution before the 4359
dissolution and winding up of a limited liability company as 4360
provided in the operating agreement. A decision to make a 4361
distribution before the dissolution and winding up of the 4362
limited liability company is a decision in the ordinary course 4363
of activities of the limited liability company. A member's 4364
dissociation does not entitle the dissociated member to a 4365
distribution. 4366

(3) A member does not have a right to demand and receive a 4367
distribution from a limited liability company in any form other 4368
than money. Except as otherwise provided in division (C) of 4369
section 1706.475 of the Revised Code, a limited liability 4370
company may distribute an asset in kind if each member receives 4371
a percentage of the asset in proportion to the member's share of 4372
contributions. 4373

(4) If a member becomes entitled to receive a 4374
distribution, the member has the status of, and is entitled to 4375
all remedies available to, a creditor of the limited liability 4376
company with respect to the distribution. 4377

(B) (1) All members associated with a series shall share 4378
equally in any distributions made by the series before its 4379
dissolution and winding up. 4380

(2) A member associated with a series has a right to a 4381
distribution before the dissolution and winding up of the series 4382
as provided in the operating agreement. A decision of the series 4383
to make a distribution before the dissolution and winding up of 4384
the series is a decision in the ordinary course of activities of 4385
the series. A member's dissociation from a series with which the 4386
member is associated does not entitle the dissociated member to 4387
a distribution from the series. 4388

(3) A member associated with a series does not have a 4389
right to demand and receive a distribution from the series in 4390
any form other than money. Except as otherwise provided in 4391
division (C) of section 1706.7613 of the Revised Code, a series 4392
may distribute an asset in kind if each member associated with 4393
the series receives a percentage of the asset in proportion to 4394
the member's share of distributions from the series. 4395

(4) If a member associated with a series becomes entitled 4396
to receive a distribution from the series, the member has the 4397
status of, and is entitled to all remedies available to, a 4398
creditor of the series with respect to the distribution. 4399

(C) Division (A) of this section does not apply to a 4400
distribution made by a series. 4401

Sec. 1706.30. (A) (1) The activities and affairs of the 4402
limited liability company shall be under the direction, and 4403
subject to the oversight, of its members. 4404

(2) The activities and affairs of a series shall be under 4405
the direction, and subject to the oversight, of the members 4406

associated with the series. 4407

(3) Division (A) (1) of this section shall not apply to the 4408
activities and affairs of a series. 4409

(B) (1) Except as provided in division (C) of this section, 4410
a matter in the ordinary course of activities of the limited 4411
liability company may be decided by a majority of the members. 4412

(2) Except as provided in division (C) of this section, a 4413
matter in the ordinary course of activities of a series may be 4414
decided by a majority of the members associated with the series. 4415

(3) Division (B) (1) of this section shall not apply to 4416
matters of a series. 4417

(C) (1) The consent of all members is required to do any of 4418
the following: 4419

(a) Amend the operating agreement; 4420

(b) File a petition of the limited liability company for 4421
relief under Title 11 of the United States Code, or a successor 4422
statute of general application, or a comparable federal, state, 4423
or foreign law governing insolvency; 4424

(c) Undertake any act outside the ordinary course of the 4425
limited liability company's activities; 4426

(d) Undertake, authorize, or approve any other act or 4427
matter for which this chapter requires the consent of all 4428
members. 4429

(2) The consent of all members associated with a series is 4430
required to do either of the following: 4431

(a) Undertake any act outside the ordinary course of the 4432
series' activities; 4433

(b) Undertake, authorize, or approve any other act or 4434
matter for which this chapter requires the consent of all the 4435
members associated with a series. 4436

(D) Any matter requiring the consent of members may be 4437
decided without a meeting, and a member may appoint a proxy or 4438
other agent to consent or otherwise act for the member by 4439
signing an appointing record, personally or by the member's 4440
agent. 4441

(E) This chapter does not entitle a member to remuneration 4442
for services performed for a limited liability company. 4443

Sec. 1706.31. (A) Unless either a written operating 4444
agreement for the limited liability company or a written 4445
agreement with a member establishes additional fiduciary duties, 4446
in the event that there have been designated one or more 4447
managers to supervise or manage the activities or affairs of the 4448
limited liability company, the only obligation a member owes, in 4449
the member's capacity as a member, to the limited liability 4450
company and the other members is to discharge the member's 4451
duties and obligations under this chapter and the operating 4452
agreement in accordance with division (E) of this section. 4453
Divisions (C) and (D) of this section shall not apply to such a 4454
member. 4455

(B) Unless either a written operating agreement for the 4456
limited liability company or a written agreement with a member 4457
establishes additional fiduciary duties or the duties of the 4458
member have been modified, waived, or eliminated as contemplated 4459
by section 1706.08 of the Revised Code, in the event that there 4460
have not been designated one or more managers to supervise or 4461
manage the activities of the limited liability company, the only 4462
fiduciary duties a member owes to the limited liability company 4463

and the other members is the duty of loyalty and the duty of 4464
care set forth in divisions (C) and (D) of this section. 4465

(C) A member's duty of loyalty to the limited liability 4466
company and the other members is limited to the following: 4467

(1) To account to the limited liability company and hold 4468
for it any property, profit, or benefit derived by the member in 4469
the conduct and winding up of the limited liability company 4470
business or derived from a use by the member of limited 4471
liability company property or from the appropriation of a 4472
limited liability company opportunity; 4473

(2) To refrain from dealing with the limited liability 4474
company in the conduct or winding up of the limited liability 4475
company business as or on behalf of a party having an interest 4476
adverse to the limited liability company. 4477

(D) A member's duty of care to the limited liability 4478
company and the other members in the conduct and winding up of 4479
the limited liability company business is limited to refraining 4480
from engaging in grossly negligent or reckless conduct, 4481
intentional misconduct, or a knowing violation of law. 4482

(E) A member shall discharge the member's duties to the 4483
limited liability company and the other members under this 4484
chapter and under the operating agreement and exercise any 4485
rights consistent with the implied covenant of good faith and 4486
fair dealing. 4487

(F) A member does not violate a duty or obligation under 4488
this chapter or under the operating agreement merely because the 4489
member's conduct furthers the member's own interest. 4490

(G) All the members of a limited liability company may 4491
authorize or ratify, after full disclosure of all material 4492

facts, a specific act or transaction that otherwise would 4493
violate the duty of loyalty. It is a defense to a claim under 4494
division (C)(2) of this section and any comparable claim in 4495
equity or at common law that the transaction was fair to the 4496
limited liability company. If, as permitted, by this division or 4497
the limited liability company's operating agreement, a member 4498
enters into a transaction with a limited liability company that 4499
otherwise would be prohibited by division (C)(2) of this 4500
section, the member's rights and obligations arising from the 4501
transaction are the same as those of a person that is not a 4502
member. 4503

(H) This section applies to a person winding up the 4504
limited liability company business as the personal or legal 4505
representative of the last surviving member as if the person 4506
were a member. 4507

Sec. 1706.311. (A) Unless either a written operating 4508
agreement for the limited liability company or a written 4509
agreement with a manager establishes additional fiduciary duties 4510
or the duties of the manager have been modified, waived, or 4511
eliminated as contemplated by section 1706.08 of the Revised 4512
Code, the only fiduciary duties of a manager to the limited 4513
liability company or its members are the duty of loyalty and the 4514
duty of care set forth in divisions (B) and (C) of this section. 4515

(B) A manager's duty of loyalty to the limited liability 4516
company and its members is limited to the following: 4517

(1) To account to the limited liability company and hold 4518
for it any property, profit, or benefit derived by the manager 4519
in the conduct and winding up of the limited liability company 4520
business or derived from a use by the manager of limited 4521
liability company property or from the appropriation of a 4522

limited liability company opportunity; 4523

(2) To refrain from dealing with the limited liability 4524
company in the conduct or winding up of the limited liability 4525
company business as or on behalf of a party having an interest 4526
adverse to the limited liability company. 4527

(C) A manager's duty of care to the limited liability 4528
company in the conduct and winding up of the limited liability 4529
company activities is limited to acting in good faith, in a 4530
manner the manager reasonably believes to be in or not opposed 4531
to the best interests of the limited liability company. 4532

(D) For purposes of division (C) of this section, both of 4533
the following apply: 4534

(1) A manager of a limited liability company shall not be 4535
determined to have violated the manager's duties under division 4536
(C) of this section unless it is proved that the manager has not 4537
acted in good faith, in a manner the manager reasonably believes 4538
to be in or not opposed to the best interests of the limited 4539
liability company. 4540

(2) A manager shall not be considered to be acting in good 4541
faith if the manager has knowledge concerning the matter in 4542
question that would cause reliance on information, opinions, 4543
reports, or statements that are prepared or presented by any of 4544
the persons described in section 1706.331 of the Revised Code to 4545
be unwarranted. 4546

(E) A manager shall be liable for monetary relief for a 4547
violation of the manager's duties under division (C) of this 4548
section only if it is proved that the manager's action or 4549
failure to act involved an act or omission undertaken with 4550
deliberate intent to cause injury to the limited liability 4551

company or undertaken with reckless disregard for the best 4552
interests of the company. This division does not apply if, and 4553
only to the extent that, at the time of a manager's act or 4554
omission that is the subject of complaint, either of the 4555
following is true: 4556

(1) The articles or the operating agreement of the limited 4557
liability company state by specific reference to division (E) of 4558
this section that the provisions of this division do not apply 4559
to the limited liability company. 4560

(2) A written agreement between the manager and the 4561
limited liability company states by specific reference to 4562
division (E) of this section that the provisions of this 4563
division do not apply to the manager. 4564

(F) All the members of a limited liability company may 4565
authorize or ratify, after full disclosure of all material 4566
facts, a specific act or transaction that would otherwise 4567
violate the duty of loyalty. It is a defense to a claim under 4568
division (B) (2) of this section and any comparable claim in 4569
equity or at common law that the transaction was fair to the 4570
limited liability company. If, as permitted by this division or 4571
the operating agreement, a manager enters into a transaction 4572
with the limited liability company that otherwise would be 4573
prohibited by division (B) (2) of this section, the manager's 4574
rights and obligations arising from the transaction are the same 4575
as those of a person that is not a manager. 4576

(G) A manager shall discharge the duties to the limited 4577
liability company and the members under this chapter and under 4578
the operating agreement and exercise any rights consistently 4579
with the implied covenant of good faith and fair dealing. 4580

(H) Nothing in this section affects the duties of a 4581
manager who acts in any capacity other than the manager's 4582
capacity as a manager. If a manager of a limited liability 4583
company also is a member of the limited liability company, the 4584
actions taken in the capacity as a member of the limited 4585
liability company shall be subject to section 1706.31 of the 4586
Revised Code. Nothing in this section affects any contractual 4587
obligations of a manager to the limited liability company. 4588

Sec. 1706.32. A limited liability company, or a series 4589
thereof, may indemnify and hold harmless a member or other 4590
person, pay in advance or reimburse expenses incurred by a 4591
member or other person, and purchase and maintain insurance on 4592
behalf of a member or other person. 4593

Sec. 1706.33. (A) Upon reasonable notice provided to the 4594
limited liability company, a member may inspect and copy during 4595
regular business hours, at a reasonable location specified by 4596
the limited liability company, any record maintained by the 4597
limited liability company, to the extent the information is 4598
material to the member's rights and duties under the operating 4599
agreement or this chapter. 4600

(B) A limited liability company may charge a person that 4601
makes a demand under this section the reasonable costs of labor 4602
and materials for copying. 4603

(C) A member or dissociated member may exercise rights 4604
under this section through an agent or, in the case of an 4605
individual under legal disability, a legal representative. Any 4606
restriction or condition imposed by the operating agreement or 4607
under division (E) of this section applies both to the agent or 4608
legal representative and the member or dissociated member. 4609

(D) The rights under this section do not extend to an 4610
assignee who is not admitted as a member. 4611

(E) In addition to any restriction or condition stated in 4612
its operating agreement, a limited liability company, as a 4613
matter within the ordinary course of its activities, may do 4614
either of the following: 4615

(1) Impose reasonable restrictions and conditions on 4616
access to and use of information to be furnished under this 4617
section, including designating information confidential and 4618
imposing nondisclosure and safeguarding obligations on the 4619
recipient; 4620

(2) Keep confidential from the members and any other 4621
persons, for such period of time as the limited liability 4622
company deems reasonable, any information that the limited 4623
liability company reasonably believes to be in the nature of 4624
trade secrets or other information the disclosure of which the 4625
limited liability company in good faith believes is not in the 4626
best interest of the limited liability company or could damage 4627
the limited liability company or its activities, or that the 4628
limited liability company is required by law or by agreement 4629
with a third party to keep confidential. 4630

Sec. 1706.331. Each member and agent of a limited 4631
liability company shall be fully protected in relying in good 4632
faith upon the records of the limited liability company and upon 4633
information, opinions, reports, or statements presented by 4634
another member or agent of the limited liability company, or by 4635
any other person as to matters the member or the agent 4636
reasonably believes are within that other person's professional 4637
or expert competence, including information, opinions, reports, 4638
or statements as to any of the following: 4639

(A) The value and amount of the assets, liabilities, profits, or losses of the limited liability company, or a series thereof; 4640
4641
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(B) The value and amount of assets or reserves or contracts, agreements, or other undertakings that would be sufficient to pay claims and obligations of the limited liability company, or series thereof, or to make reasonable provision to pay those claims and obligations; 4643
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(C) Any other facts pertinent to the existence and amount of assets from which distributions to members or creditors might properly be paid. 4648
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Sec. 1706.332. If a member dies, the deceased member's personal representative or other legal representative may, for purposes of settling the estate, exercise the rights of a current member under section 1706.33 of the Revised Code. 4651
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Sec. 1706.34. The only interest of a member that is assignable is the member's membership interest. A membership interest is personal property. 4655
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Sec. 1706.341. (A) An assignment, in whole or in part, of a membership interest: 4658
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(1) Is permissible; 4660

(2) (a) Does not by itself cause a member to cease to be a member of the limited liability company; 4661
4662

(b) Does not by itself cause a member to cease to be associated with a series of the limited liability company. 4663
4664

(3) Does not by itself cause a dissolution and winding up of the limited liability company, or a series thereof; 4665
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(4) Subject to section 1706.332 of the Revised Code, does 4667
not entitle the assignee to do either of the following: 4668

(a) Participate in the management or conduct of the 4669
activities of the limited liability company, or a series 4670
thereof; 4671

(b) Have access to records or other information concerning 4672
the activities of the limited liability company, or a series 4673
thereof. 4674

(B) An assignee has the right to receive, in accordance 4675
with the assignment, distributions to which the assignor would 4676
otherwise be entitled. 4677

(C) A membership interest may be evidenced by a 4678
certificate of membership interest issued by the limited 4679
liability company, or a series thereof. An operating agreement 4680
may provide for the assignment of the membership interest 4681
represented by the certificate and make other provisions with 4682
respect to the certificate. 4683

(D) A limited liability company, or a series thereof, 4684
shall not issue a certificate of membership interest in bearer 4685
form. 4686

(E) A limited liability company, or a series thereof, need 4687
not give effect to an assignee's rights under this section until 4688
the limited liability company, or a series thereof, has notice 4689
of the assignment. 4690

(F) Except as otherwise provided in division (J) of 4691
section 1706.411 of the Revised Code, when a member assigns a 4692
membership interest, the assignor retains the rights of a member 4693
other than the right to distributions assigned and retains all 4694
duties and obligations of a member. 4695

(G) When a member assigns a membership interest to a 4696
person that is admitted as a member with respect to the assigned 4697
interest, the assignee is only liable for the member's 4698
obligations under section 1706.281 of the Revised Code to the 4699
extent that the obligations are known to the assignee when the 4700
assignee voluntarily accepts admission as a member. 4701

Sec. 1706.342. (A) On application to a court of competent 4702
jurisdiction by any judgment creditor of a member or assignee, 4703
the court may charge the membership interest of the judgment 4704
debtor with payment of the unsatisfied amount of the judgment 4705
with interest. To the extent so charged and after the limited 4706
liability company has been served with the charging order, the 4707
judgment creditor has only the right to receive any distribution 4708
or distributions to which the judgment debtor would otherwise be 4709
entitled in respect of the membership interest. 4710

(B) After the limited liability company is served with a 4711
charging order, the limited liability company or any member 4712
shall be entitled to pay to or deposit with the clerk of the 4713
court so issuing the charging order any distribution or 4714
distributions to which the judgment debtor would otherwise be 4715
entitled in respect of the charged membership interest, and the 4716
payment or deposit shall discharge the limited liability company 4717
and the judgment debtor from liability for the amount so paid or 4718
deposited and any interest that might accrue thereon. Upon 4719
receipt of the payment or deposit, the clerk of the court shall 4720
notify the judgment creditor of the receipt of the payment or 4721
deposit. The judgment creditor shall, after any payment or 4722
deposit into the court, petition the court for payment of so 4723
much of the amount paid or deposited as may be necessary to pay 4724
the judgment creditor's judgment. To the extent the court has 4725
excess amounts paid or deposited on hand after the payment to 4726

the judgment creditor, the excess amounts paid or deposited 4727
shall be distributed to the judgment debtor, and the charging 4728
order shall be extinguished. The court may, in its discretion, 4729
order the clerk to deposit, pending the judgment creditor's 4730
petition, any money paid or deposited with the clerk, in an 4731
interest bearing account at a bank authorized to receive 4732
deposits of public funds. 4733

(C) A charging order constitutes a lien on the judgment 4734
debtor's membership interest. 4735

(D) Subject to division (C) of this section, both of the 4736
following apply: 4737

(1) A judgment debtor that is a member retains the rights 4738
of a member and remains subject to all duties and obligations of 4739
a member. 4740

(2) A judgment debtor that is an assignee retains the 4741
rights of an assignee and remains subject to all duties and 4742
obligations of an assignee. 4743

(E) This chapter does not deprive any member or assignee 4744
of the benefit of any exemption laws applicable to the member's 4745
or assignee's membership interest. 4746

(F) This section provides the sole and exclusive remedy by 4747
which a judgment creditor of a member or assignee may satisfy a 4748
judgment out of the judgment debtor's membership interest, and 4749
the judgment creditor shall have no right to foreclose, under 4750
this chapter or any other law, upon the charging order, the 4751
charging order lien, or the judgment debtor's membership 4752
interest. A judgment creditor of a member or assignee has no 4753
right to obtain possession of, or otherwise exercise legal or 4754
equitable remedies with respect to, the judgment debtor's 4755

membership interest or the property of a limited liability 4756
company. Court orders for actions or requests for accounts and 4757
inquiries that the judgment debtor might have made to the 4758
limited liability company are not available to a judgment 4759
creditor attempting to satisfy the judgment out of the judgment 4760
debtor's membership interest and may not be ordered by a court. 4761

Sec. 1706.41. (A) A person shall not voluntarily 4762
dissociate from a limited liability company. 4763

(B) A person's dissociation from a limited liability 4764
company is wrongful only if one of the following applies: 4765

(1) The dissociation is in breach of an express provision 4766
of the operating agreement. 4767

(2) The person is expelled as a member by a determination 4768
of a tribunal under division (D) of section 1706.411 of the 4769
Revised Code. 4770

(3) The person is dissociated by becoming a debtor in 4771
bankruptcy or making a general assignment for the benefit of 4772
creditors. 4773

(C) A person that wrongfully dissociates as a member is 4774
liable to the limited liability company and, subject to section 4775
1706.61 of the Revised Code, to the other members for damages 4776
caused by the dissociation. The liability is in addition to any 4777
other debt, obligation, or liability of the member to the 4778
limited liability company or the other members. 4779

Sec. 1706.411. A person is dissociated as a member from a 4780
limited liability company in any of the following circumstances: 4781

(A) An event stated in the operating agreement as causing 4782
the person's dissociation occurs. 4783

(B) The person is expelled as a member pursuant to the 4784
operating agreement. 4785

(C) The person is expelled as a member by the unanimous 4786
consent of the other members if any of the following apply: 4787

(1) It is unlawful to carry on the limited liability 4788
company's activities with the person as a member. 4789

(2) The person is an entity and, within ninety days after 4790
the limited liability company notifies the person that it will 4791
be expelled as a member because the person has filed a statement 4792
of dissolution or the equivalent, or its right to transact 4793
business has been suspended by its jurisdiction of formation, 4794
the statement of dissolution or the equivalent has not been 4795
revoked or its right to transact business has not been 4796
reinstated. 4797

(3) The person is an entity and, within ninety days after 4798
the limited liability company notifies the person that it will 4799
be expelled as a member because the person has been dissolved 4800
and its activities are being wound up, the entity has not been 4801
reinstated or the dissolution and winding up have not been 4802
revoked or canceled. 4803

(D) On application by the limited liability company, the 4804
person is expelled as a member by tribunal order for any of the 4805
following reasons: 4806

(1) The person has engaged, or is engaging, in wrongful 4807
conduct that has adversely and materially affected, or will 4808
adversely and materially affect, the limited liability company's 4809
activities. 4810

(2) The person has willfully or persistently committed, or 4811
is willfully or persistently committing, a material breach of 4812

the operating agreement or the person's duties or obligations 4813
under this chapter or other applicable law. 4814

(3) The person has engaged, or is engaging, in conduct 4815
relating to the limited liability company's activities that 4816
makes it not reasonably practicable to carry on the activities 4817
with the person as a member. 4818

(E) In the case of a person who is an individual, the 4819
person dies, a guardian or general conservator is appointed for 4820
the person, or a tribunal determines that the person has 4821
otherwise become incapable of performing the person's duties as 4822
a member under this chapter or the operating agreement. 4823

(F) The person becomes a debtor in bankruptcy, executes an 4824
assignment for the benefit of creditors, or seeks, consents, or 4825
acquiesces to the appointment of a trustee, receiver, or 4826
liquidator of the person or of all or substantially all of the 4827
person's property. This division shall not apply to a person who 4828
is the sole remaining member of a limited liability company. 4829

(G) In the case of a person that is a trust or is acting 4830
as a member by virtue of being a trustee of a trust, the trust's 4831
entire membership interest in the limited liability company is 4832
distributed, but not solely by reason of the substitution of a 4833
successor trustee. 4834

(H) In the case of a person that is an estate or is acting 4835
as a member by virtue of being a personal representative of an 4836
estate, the estate's entire membership interest in the limited 4837
liability company is distributed, but not solely by reason of 4838
the substitution of a successor personal representative. 4839

(I) In the case of a member that is not an individual, the 4840
legal existence of the person otherwise terminates. 4841

(J) There has been an assignment of all of the person's membership interest other than an assignment for security purposes. 4842
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Sec. 1706.412. (A) A person who has dissociated as a member shall have no right to participate as a member in the activities and affairs of the limited liability company and is entitled only to receive the distributions to which that member would have been entitled if the member had not dissociated. 4845
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(B) Upon a person's dissociation, the member's duty of loyalty and duty of care under divisions (C) and (D) of section 1706.31 of the Revised Code continue only with regard to matters arising and events occurring before the member's dissociation, unless the member participates in winding up the limited liability company's business pursuant to section 1706.472 of the Revised Code. 4850
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(C) A person's dissociation as a member does not of itself discharge the person from any debt, obligation, or liability to a limited liability company or the other members that the person incurred while a member. 4857
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Sec. 1706.46. (A) Except as otherwise provided in this division, upon reinstatement of a limited liability company's articles or a foreign limited liability company's registration in accordance with section 1706.09 of the Revised Code, the rights and privileges, including all real or personal property rights and credits and all contract and other rights, of the company existing at the time its articles or registration were canceled shall be fully vested in the company as if its articles or registration had not been canceled, and the company shall again be entitled to exercise the rights and privileges authorized by its articles. The name of a company whose articles 4861
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have been canceled shall be reserved for a period of one year 4872
after the date of cancellation. If the reinstatement is not made 4873
within one year after the date of the cancellation of its 4874
articles and it appears that a corporate name, limited liability 4875
company name, limited liability partnership name, limited 4876
partnership name, trade name, or assumed name has been filed, 4877
the name of which is not distinguishable upon the record as 4878
provided in section 1706.07 of the Revised Code, the secretary 4879
of state shall require the applicant for reinstatement, as a 4880
condition prerequisite to such reinstatement, to amend its 4881
articles or registration by changing its name. 4882

(B) Upon reinstatement in accordance with section 1706.09 4883
of the Revised Code, both of the following apply to the exercise 4884
of or an attempt to exercise any rights or privileges, including 4885
entering into or performing any contracts, on behalf of the 4886
company by an officer, agent, or employee of the company, after 4887
cancellation and prior to reinstatement of the articles or 4888
registration: 4889

(1) The exercise of or an attempt to exercise any rights 4890
or privileges on behalf of the company by the officer, agent, or 4891
employee of the company has the same force and effect that the 4892
exercise of or an attempt to exercise the right or privilege 4893
would have had if the company's articles or registration had not 4894
been canceled, if both of the following apply: 4895

(a) The exercise of or an attempt to exercise the right or 4896
privilege was within the scope of the company's articles that 4897
existed prior to cancellation; 4898

(b) The officer, agent, or employee had no knowledge that 4899
the company's articles or registration had been canceled. 4900

(2) The company is liable exclusively for the exercise of 4901
or an attempt to exercise any rights or privileges on behalf of 4902
the company by an officer, agent, or employee of the company, if 4903
the conditions set forth in divisions (B) (1) (a) and (b) of this 4904
section are met. 4905

(C) Upon reinstatement of a company's articles or 4906
registration in accordance with section 1706.09 of the Revised 4907
Code, the exercise of or an attempt to exercise any rights or 4908
privileges on behalf of the company by an officer, agent, or 4909
employee of the company, after cancellation and prior to 4910
reinstatement of the articles or registration, does not 4911
constitute a violation of section 1706.09 of the Revised Code, 4912
if the conditions set forth in divisions (B) (1) (a) and (b) of 4913
this section are met. 4914

(D) This section is remedial in nature and is to be 4915
construed liberally to accomplish the purpose of providing full 4916
reinstatement of a limited liability company's articles of 4917
organization or a foreign limited liability company's 4918
registration, in accordance with this section, to the time of 4919
the cancellation of the articles or registration. 4920

Sec. 1706.461. (A) (1) A limited liability company or 4921
foreign limited liability company may appeal a cancellation 4922
under division (L) of section 1706.09 of the Revised Code within 4923
thirty days after the effective date of the cancellation. The 4924
appeal shall be made to one of the following: 4925

(a) The court of common pleas of the county in which the 4926
street address of the limited liability company or foreign 4927
limited liability company's principal office is located; 4928

(b) If the limited liability company or foreign limited 4929

liability company has no principal office in this state, to the 4930
court of common pleas of the county in which the street address 4931
of its statutory agent is located; 4932

(c) If the limited liability company or foreign limited 4933
liability company has no statutory agent, to the Franklin county 4934
court of common pleas. 4935

(2) The limited liability company or foreign limited 4936
liability company shall commence its appeal by petitioning the 4937
appropriate court to set aside the cancellation or to determine 4938
that the limited liability company or foreign limited liability 4939
company has cured the grounds for cancellation and attaching to 4940
the petition copies of those records of the secretary of state 4941
as may be relevant. 4942

(B) The appropriate court may take, or may summarily order 4943
the secretary of state to take, whatever action the court 4944
considers appropriate. 4945

(C) The appropriate court's order or decision may be 4946
appealed as in any other civil proceeding. 4947

Sec. 1706.47. A limited liability company is dissolved, 4948
and its activities shall be wound up, upon the occurrence of any 4949
of the following: 4950

(A) An event or circumstance that the operating agreement 4951
states causes dissolution; 4952

(B) The consent of all the members; 4953

(C) A limited liability company with canceled articles has 4954
failed to cure the grounds for cancellation for three years or 4955
more and any member or person authorized pursuant to section 4956
1706.18 of the Revised Code consents to the dissolution; 4957

(D) The passage of ninety consecutive days after the 4958
occurrence of the dissociation of the last remaining member; 4959
provided that upon dissociation of the last remaining member 4960
pursuant to division (E) of section 1706.411 of the Revised 4961
Code, the limited liability company shall not be dissolved if 4962
either of the following applies: 4963

(1) The operating agreement provides for the admission of 4964
a substitute member effective prior to the passage of such time 4965
period; 4966

(2) A substitute member has been admitted, as evidenced by 4967
a written record, prior to the passage of such time period, 4968
which admission is to be effective as of the date of such 4969
dissociation. 4970

(E) On application by a member, the entry by the 4971
appropriate court of an order dissolving the limited liability 4972
company on the grounds that it is not reasonably practicable to 4973
carry on the limited liability company's activities in 4974
conformity with the operating agreement. 4975

Sec. 1706.471. (A) A dissolved limited liability company 4976
continues its existence as a limited liability company but may 4977
not carry on any activities except as is appropriate to wind up 4978
and liquidate its activities and affairs. Appropriate activities 4979
include all of the following: 4980

(1) Collecting its assets; 4981

(2) Disposing of its properties that will not be 4982
distributed in kind to persons owning membership interests; 4983

(3) Discharging or making provisions for discharging its 4984
liabilities; 4985

<u>(4) Distributing its remaining property in accordance with</u>	4986
<u>section 1706.475 of the Revised Code;</u>	4987
<u>(5) Doing every other act necessary to wind up and</u>	4988
<u>liquidate its activities and affairs.</u>	4989
<u>(B) In winding up its activities, a limited liability</u>	4990
<u>company may do any of the following:</u>	4991
<u>(1) Deliver to the secretary of state for filing, on a</u>	4992
<u>form prescribed by the secretary of state, a certificate of</u>	4993
<u>dissolution setting forth all of the following:</u>	4994
<u>(a) The name and registration number of the limited</u>	4995
<u>liability company;</u>	4996
<u>(b) That the limited liability company has dissolved;</u>	4997
<u>(c) The effective date of the certificate of dissolution</u>	4998
<u>if it is not to be effective upon the filing. Such an effective</u>	4999
<u>date shall be a date certain and shall not be a date prior to</u>	5000
<u>the date of filing.</u>	5001
<u>(d) A copy of the notice it will publish pursuant to</u>	5002
<u>division (A) of section 1706.474 of the Revised Code.</u>	5003
<u>(e) Any other information the limited liability company</u>	5004
<u>considers proper.</u>	5005
<u>(2) Preserve the limited liability company's activities</u>	5006
<u>and property as a going concern for a reasonable time;</u>	5007
<u>(3) Prosecute, defend, or settle actions or proceedings</u>	5008
<u>whether civil, criminal, or administrative;</u>	5009
<u>(4) Make an assignment of the limited liability company's</u>	5010
<u>property;</u>	5011
<u>(5) Resolve disputes by mediation or arbitration;</u>	5012

<u>(6) Merge or convert in accordance with sections 1706.71</u>	5013
<u>to 1706.74 of the Revised Code.</u>	5014
<u>(C) A limited liability company's dissolution, in itself:</u>	5015
<u>(1) Is not an assignment of the limited liability</u>	5016
<u>company's property;</u>	5017
<u>(2) Does not prevent the commencement of a proceeding by</u>	5018
<u>or against the limited liability company in its limited</u>	5019
<u>liability company name;</u>	5020
<u>(3) Does not abate or suspend a proceeding pending by or</u>	5021
<u>against the limited liability company on the effective date of</u>	5022
<u>dissolution;</u>	5023
<u>(4) Does not terminate the authority of its statutory</u>	5024
<u>agent;</u>	5025
<u>(5) Does not abate, suspend, or otherwise alter the</u>	5026
<u>application of section 1706.26 of the Revised Code.</u>	5027
Sec. 1706.472. <u>(A) Subject to division (C) (5) of section</u>	5028
<u>1706.471 of the Revised Code, after dissolution, the remaining</u>	5029
<u>members, if any, and if none, a person appointed by all holders</u>	5030
<u>of the membership interest last assigned by the last person to</u>	5031
<u>have been a member, may wind up the limited liability company's</u>	5032
<u>activities.</u>	5033
<u>(B) The appropriate tribunal may order supervision of the</u>	5034
<u>winding up of a dissolved limited liability company, including</u>	5035
<u>the appointment of a person to wind up the limited liability</u>	5036
<u>company's activities as follows:</u>	5037
<u>(1) On application of a member, if the applicant</u>	5038
<u>establishes good cause;</u>	5039

- (2) On application of an assignee, if both of the 5040
following apply: 5041
- (a) The limited liability company does not have any 5042
members; 5043
- (b) Within a reasonable time following the dissolution, a 5044
person has not been appointed pursuant to division (A) of this 5045
section. 5046
- (3) In connection with a proceeding under division (E) of 5047
section 1706.47 of the Revised Code. 5048
- Sec. 1706.473.** (A) A dissolved limited liability company 5049
may dispose of any known claims against it by following the 5050
procedures described in division (B) of this section at any time 5051
after the effective date of the dissolution of the limited 5052
liability company. 5053
- (B) A dissolved limited liability company may give notice 5054
of its dissolution in a record to the holder of any known claim. 5055
The notice shall do all of the following: 5056
- (1) Identify the dissolved limited liability company; 5057
- (2) Describe the information required to be included in a 5058
claim; 5059
- (3) Provide a mailing address to which the claim is to be 5060
sent; 5061
- (4) State the deadline, by which the dissolved limited 5062
liability company must receive the claim. The deadline shall not 5063
be sooner than ninety days from the effective date of the 5064
notice. 5065
- (5) State that if not sooner barred, the claim will be 5066

barred if not received by the deadline. 5067

(C) Unless sooner barred by any other statute limiting actions, a claim against a dissolved limited liability company is barred in either of the following circumstances: 5068
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(1) A claimant who was given notice under division (B) of this section does not deliver the claim to the dissolved limited liability company by the deadline. 5071
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(2) A claimant whose claim was rejected by the dissolved limited liability company does not commence a proceeding to enforce the claim within ninety days from the effective date of the rejected notice. 5074
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(D) For purposes of this section, "claim" includes an unliquidated claim, but does not include either of the following: 5078
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(1) A contingent liability that has not matured so that there is no immediate right to bring suit; 5081
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(2) A claim based on an event occurring after the effective date of dissolution. 5083
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(E) Nothing in this section shall be construed to extend any otherwise applicable statute or period of limitations. 5085
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Sec. 1706.474. (A) A dissolved limited liability company may publish notice of its dissolution and request that persons with claims against the dissolved limited liability company present them in accordance with the notice. 5087
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(B) The notice described in division (A) of this section shall meet all of the following requirements: 5091
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(1) It shall be posted prominently on the principal web 5093

site then maintained by the limited liability company, if any, 5094
and provided to the secretary of state to be posted on the web 5095
site maintained by the secretary of state in accordance with 5096
division (J) of this section. The notice shall be considered 5097
published when posted on both web sites or, if the limited 5098
liability company does not then maintain a web site, when posted 5099
on the web site maintained by the secretary of state. 5100

(2) It shall describe the information that must be 5101
included in a claim and provide a mailing address to which the 5102
claim must be sent. 5103

(3) It shall state that if not sooner barred, a claim 5104
against the dissolved limited liability company will be barred 5105
unless a proceeding to enforce the claim is commenced within two 5106
years after the publication of the notice. 5107

(C) If a dissolved limited liability company publishes a 5108
notice in accordance with division (B) of this section, unless 5109
sooner barred by any other statute limiting actions, the claim 5110
of each of the following claimants is barred unless the claimant 5111
commences a proceeding to enforce the claim against the 5112
dissolved limited liability company within two years after the 5113
publication of the notice: 5114

(1) A claimant who was not given notice under division (B) 5115
of section 1706.473 of the Revised Code; 5116

(2) A claimant whose claim was timely sent to the 5117
dissolved limited liability company but not acted on by the 5118
dissolved limited liability company; 5119

(3) A claimant whose claim is contingent at the effective 5120
date of the dissolution of the limited liability company, or is 5121
based on an event occurring after the effective date of the 5122

dissolution of the limited liability company. 5123

(D) A claim that is not barred under this section, any 5124
other statute limiting actions, or section 1706.473 of the 5125
Revised Code may be enforced as follows: 5126

(1) Against a dissolved limited liability company, to the 5127
extent of its undistributed assets; 5128

(2) Except as provided in division (H) of this section, if 5129
the assets of a dissolved limited liability company have been 5130
distributed after dissolution, against a member or assignee to 5131
the extent of that person's proportionate share of the claim or 5132
of the assets distributed to the member or assignee after 5133
dissolution, whichever is less. A person's total liability for 5134
all claims under division (D) of this section may not exceed the 5135
total amount of assets distributed to the person after 5136
dissolution of the limited liability company. 5137

(E) A dissolved limited liability company that published a 5138
notice under this section may file an application with the 5139
appropriate court in the county in which the dissolved limited 5140
liability company's principal office is located or, if it has 5141
none in this state, in the county in which the dissolved limited 5142
liability company's statutory agent is or was last located, for 5143
a determination of the amount and form of security to be 5144
provided for payment of the following claims: 5145

(1) Claims that are contingent; 5146

(2) Claims that have not been made known to the dissolved 5147
limited liability company; 5148

(3) Claims that are based on an event occurring after the 5149
effective date of the dissolution of the limited liability 5150
company but that, based on the facts known to the dissolved 5151

limited liability company, are reasonably estimated to arise 5152
after the effective date of the dissolution of the limited 5153
liability company. 5154

Provision need not be made for any claim that is or is 5155
reasonably anticipated to be barred under division (C) of this 5156
section. 5157

(F) Within ten days after the filing of the application 5158
provided for in division (E) of this section, notice of the 5159
proceeding shall be given by the dissolved limited liability 5160
company to each potential claimant as described in division (E) 5161
of this section. 5162

(G) The appropriate court may appoint a guardian ad litem 5163
to represent all claimants whose identities are unknown in any 5164
proceeding brought under this section. The reasonable fees and 5165
expenses of the guardian, including all reasonable expert 5166
witness fees, shall be paid by the dissolved limited liability 5167
company. 5168

(H) Provision by the dissolved limited liability company 5169
for security in the amount and the form ordered by the 5170
appropriate court under division (E) of this section shall 5171
satisfy the dissolved limited liability company's obligation 5172
with respect to claims that are contingent, have not been made 5173
known to the dissolved limited liability company, or are based 5174
on an event occurring after the effective date of the 5175
dissolution of the limited liability company. Such claims shall 5176
not be enforced against a person owning a membership interest to 5177
whom assets have been distributed by the dissolved limited 5178
liability company after the effective date of the dissolution of 5179
the limited liability company. 5180

(I) Nothing in this section shall be construed to extend 5181
any otherwise applicable statute of limitations. 5182

(J) (1) Except as provided in division (J) (2) of this 5183
section, the secretary of state shall make both of the following 5184
available to the public in a format that is searchable, 5185
viewable, and accessible through the internet: 5186

(a) A list of each limited liability companies that have 5187
filed certificates of dissolution; 5188

(b) For each dissolved limited liability company on the 5189
list described in division (J) (1) (a) of this section, a copy of 5190
both the certificate of dissolution and the notice delivered 5191
under division (B) of this section. 5192

(2) After the materials relating to any dissolved limited 5193
liability company have been posted for five years, the secretary 5194
of state may remove from the web site the information that the 5195
secretary posted pursuant to division (J) (1) of this section 5196
that relates to that dissolved company. 5197

Sec. 1706.475. (A) Upon the winding up of a limited 5198
liability company, payment or adequate provision for payment, 5199
shall be made to creditors, including members who are creditors, 5200
in satisfaction of liabilities of the limited liability company. 5201

(B) After a limited liability company complies with 5202
division (A) of this section, any surplus shall be distributed 5203
as follows: 5204

(1) First, to each person owning a membership interest 5205
that reflects contributions made on account of the membership 5206
interest and not previously returned, an amount equal to the 5207
value of the person's unreturned contributions; 5208

(2) Then to each person owning a membership interest in 5209
the proportions in which the owners of membership interests 5210
share in distributions before dissolution. 5211

(C) If the limited liability company does not have 5212
sufficient surplus to comply with division (B)(1) of this 5213
section, any surplus shall be distributed among the owners of 5214
membership interests in proportion to the value of their 5215
respective unreturned contributions. 5216

Sec. 1706.51. (A) The law of the state or other 5217
jurisdiction under which a foreign limited liability company is 5218
formed governs all of the following: 5219

(1) The organization and internal affairs of the foreign 5220
limited liability company; 5221

(2) The liability of a member as a member for the debts, 5222
obligations, or other liabilities of the foreign limited 5223
liability company or a series thereof; 5224

(3) The authority of the members and agents of a foreign 5225
limited liability company or a series thereof; 5226

(4) The liability of the following for the obligations of 5227
another series or the foreign limited liability company: 5228

(a) The assets of the foreign limited liability company; 5229

(b) The assets of a series thereof. 5230

(B) A foreign limited liability company's application for 5231
registration as a foreign limited liability company may not be 5232
denied by reason of any difference between the laws of the 5233
jurisdiction under which the limited liability company is formed 5234
and the laws of this state. 5235

(C) A foreign limited liability company, including a foreign limited liability company that has filed a registration as a foreign limited liability company, may not engage in any activities in this state that a limited liability company is forbidden to engage in by the laws of this state. 5236
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(D) A foreign limited liability company that has filed a registration as a foreign limited liability company shall in this state: 5241
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(1) Have the same but no greater rights than a limited liability company; 5244
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(2) Have the same but no greater privileges than a limited liability company; 5246
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(3) Except as otherwise provided by this chapter, be subject to the same duties, restrictions, penalties, and liabilities now or later imposed on a limited liability company. 5248
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Sec. 1706.511. (A) In order for a foreign limited liability company or any one or more of its series to transact business in this state, the foreign limited liability company shall register with the secretary of state. Neither a foreign limited liability company nor any one or more of its series may transact business in this state until the registration has been approved by the secretary of state and the foreign limited liability company or series is otherwise in compliance with sections 1706.51 to 1706.516 of the Revised Code. 5251
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(B) The registration as a foreign limited liability company shall state all of the following: 5260
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(1) The name of the foreign limited liability company and, if the name does not comply with section 1706.07 of the Revised Code, the assumed name adopted pursuant to division (A) of 5262
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<u>section 1706.513 of the Revised Code;</u>	5265
<u>(2) The foreign limited liability company's jurisdiction of formation;</u>	5266
<u>(3) The name and street address of the foreign limited liability company's statutory agent and a written acceptance of the appointment that is signed by the agent;</u>	5268
<u>(4) That the foreign limited liability company is a foreign limited liability company;</u>	5271
<u>(5) The information required by division (C) of this section, if applicable.</u>	5273
<u>(C) If a foreign limited liability company establishes or provides for the establishment of one or more series of assets, it shall state all of the following in the registration as a foreign limited liability company:</u>	5275
<u>(1) The fact that it provides for the establishment of one or more series of assets;</u>	5279
<u>(2) Whether the debts, liabilities, and obligations incurred, contracted for, or otherwise existing with respect to a particular series, if any, shall be enforceable against the assets of that series only, and not against the assets of the foreign limited liability company generally or any other series thereof;</u>	5281
<u>(3) Whether any of the debts, liabilities, obligations, and expenses incurred, contracted for, or otherwise existing with respect to the foreign limited liability company generally or any other series thereof shall be enforceable against the assets of that series.</u>	5287
<u>(D) Upon any change in circumstances that makes any</u>	5292

statement contained in its filed registration as a foreign 5293
limited liability company no longer true, a foreign limited 5294
liability company authorized to transact business in this state 5295
shall deliver to the secretary of state for filing an 5296
appropriate certificate of correction, on a form as prescribed 5297
by the secretary of state, so that its statement of foreign 5298
qualification is in all respects true. 5299

(E) A foreign limited liability company is authorized to 5300
transact business in this state from the effective date of its 5301
registration as a foreign limited liability company until the 5302
earlier of the effective date of its cancellation of foreign 5303
limited liability company or the effective date of the secretary 5304
of state's cancellation of the registration as a foreign limited 5305
liability company in accordance with section 1706.09 of the 5306
Revised Code. 5307

Sec. 1706.512. (A) A foreign limited liability company 5308
shall not be considered to be transacting business in this state 5309
within the meaning of sections 1706.51 to 1706.516 of the 5310
Revised Code by reason of its or any one or more of its series' 5311
carrying on in this state any of the following actions: 5312

(1) Maintaining, defending, or settling in its own behalf 5313
any proceeding or dispute; 5314

(2) Holding meetings or carrying on any other activities 5315
concerning its internal affairs; 5316

(3) Maintaining accounts in financial institutions; 5317

(4) Maintaining offices or agencies for the assignment, 5318
exchange, and registration of the foreign limited liability 5319
company's or its series' own securities or interests or 5320
maintaining trustees or depositories with respect to those 5321

<u>securities or interests;</u>	5322
<u>(5) Selling through independent contractors;</u>	5323
<u>(6) Soliciting or obtaining orders, whether by mail or</u>	5324
<u>electronic means or through employees or agents or otherwise, if</u>	5325
<u>the orders require acceptance outside this state before they</u>	5326
<u>become contracts;</u>	5327
<u>(7) Creating, as borrower or lender, or acquiring</u>	5328
<u>indebtedness, mortgages, or security interests in real or</u>	5329
<u>personal property;</u>	5330
<u>(8) Securing or collecting debts in its own behalf or</u>	5331
<u>enforcing mortgages or other security interests in real or</u>	5332
<u>personal property securing those debts, and holding, protecting,</u>	5333
<u>and maintaining property so acquired;</u>	5334
<u>(9) Owning real or personal property;</u>	5335
<u>(10) Conducting an isolated transaction that is not one in</u>	5336
<u>the course of repeated transactions of a like nature;</u>	5337
<u>(11) Transacting business in interstate commerce.</u>	5338
<u>(B) A foreign limited liability company shall not be</u>	5339
<u>considered to be transacting business in this state solely</u>	5340
<u>because it or any one or more of its series:</u>	5341
<u>(1) Owns a controlling interest in an entity that is</u>	5342
<u>transacting business in this state;</u>	5343
<u>(2) Is a limited partner of a limited partnership or</u>	5344
<u>foreign limited partnership that is transacting business in this</u>	5345
<u>state;</u>	5346
<u>(3) Is a member of a limited liability company or foreign</u>	5347
<u>limited liability company that is transacting business in this</u>	5348

state. 5349

(C) This section does not apply in determining the 5350
contacts or activities that may subject a foreign limited 5351
liability company, or a series thereof, to service of process, 5352
taxation, or regulation under laws of this state other than this 5353
chapter. 5354

(D) Nothing in this section shall limit or affect the 5355
right to subject a foreign limited liability company, or a 5356
series thereof, to the jurisdiction of the courts of this state 5357
or to serve upon any foreign limited liability company, or 5358
series thereof, any process, notice, or demand required or 5359
permitted by law to be served upon a foreign limited liability 5360
company, or series thereof, pursuant to any other provision of 5361
law or pursuant to the applicable rules of civil procedure. 5362

Sec. 1706.513. (A) A foreign limited liability company 5363
whose name does not comply with section 1706.07 of the Revised 5364
Code may not file a registration as a foreign limited liability 5365
company until it adopts, for the purpose of transacting business 5366
in this state, an assumed name that complies with section 5367
1706.07 of the Revised Code. A foreign limited liability company 5368
that adopts an assumed name under this division and then files a 5369
registration as a foreign limited liability company under that 5370
assumed name need not file a name registration when transacting 5371
business under that assumed name. After filing the registration 5372
as a foreign limited liability company under an assumed name, a 5373
foreign limited liability company shall transact business in 5374
this state under the assumed name unless the foreign limited 5375
liability company has filed a name registration under another 5376
name and is authorized to transact business in this state under 5377
such name. 5378

(B) If a foreign limited liability company to which a registration as a foreign limited liability company has been filed changes its name to one that does not comply with section 1706.07 of the Revised Code, it may not thereafter transact business in this state until it complies with division (A) of this section by filing a certificate of correction. 5379
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Sec. 1706.515. (A) A foreign limited liability company that has a registration as a foreign limited liability company in the records of the secretary of state may cancel its registration as a limited liability company by delivering for filing a certificate of cancellation of registration of a foreign limited liability company to the secretary of state. 5385
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(B) A certificate of cancellation of registration of a foreign limited liability company shall set forth all of the following: 5391
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(1) The name and registration number of the foreign limited liability company, any assumed name adopted for use in this state, and the name of the jurisdiction under whose law it is organized; 5394
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(2) The name and street address of the statutory agent, or if a statutory agent is no longer to be maintained, a statement that the foreign limited liability company will not maintain a statutory agent, and the street address to which service of process may be mailed pursuant to section 1706.09 of the Revised Code; 5398
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(3) That the foreign limited liability company, and all series thereof, will no longer transact business in this state and that it relinquishes its authority to transact business in this state; 5404
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(4) That the foreign limited liability company is 5408
canceling its registration as a foreign limited liability 5409
company; 5410

(5) That any statement of assumed name it has on file in 5411
the records of the secretary of state and any assumed name with 5412
respect to the foreign limited liability company, are withdrawn 5413
upon the effective date of the cancellation of registration of a 5414
foreign limited liability company. 5415

(C) The cancellation of registration of a foreign limited 5416
liability company shall be effective upon filing by the 5417
secretary of state, whereupon the registration as a foreign 5418
limited liability company shall be canceled and the foreign 5419
limited liability company, and all series thereof, shall be 5420
without authority to transact business in this state. 5421

(D) Cancellation of a registration as a foreign limited 5422
liability company shall not terminate the authority of any 5423
statutory agent appointed by the foreign limited liability 5424
company. 5425

Sec. 1706.516. (A) No foreign limited liability company, 5426
or a series thereof, transacting business in this state, nor 5427
anyone on its behalf, shall be permitted to maintain a 5428
proceeding in any court in this state for the collection of its 5429
debts unless an effective registration as a limited liability 5430
company for the foreign limited liability company is on file in 5431
the records of the secretary of state. 5432

(B) A court may stay a proceeding commenced by a foreign 5433
limited liability company, or series thereof, until it 5434
determines whether the foreign limited liability company should 5435
have a registration as a limited liability company on file in 5436

the records of the secretary of state. If the court determines 5437
that the foreign limited liability company should have a 5438
registration as a limited liability company on file in the 5439
records of the secretary of state, the court may further stay 5440
the proceeding until there is an effective registration as a 5441
limited liability company on file in the records of the 5442
secretary of state with respect to the foreign limited liability 5443
company. If a court determines that a foreign limited liability 5444
company should have a registration as a limited liability 5445
company on file in the records of the secretary of state, and 5446
the foreign limited liability company subsequently delivers for 5447
filing to the secretary of state a registration as a limited 5448
liability company, no proceeding in any court in this state to 5449
which the foreign limited liability company, or a series 5450
thereof, is a party shall, after the effective date of the 5451
registration as a foreign limited liability company, be 5452
dismissed by reason of the foreign limited liability company's 5453
prior noncompliance with section 1706.511 of the Revised Code. 5454

(C) If a foreign limited liability company, or a series 5455
thereof, conducts activities in this state without having on 5456
file in the records of the secretary of state a registration as 5457
a foreign limited liability company, the foreign limited 5458
liability company shall be liable to this state for an amount 5459
equal to the fee as prescribed by the secretary of state from 5460
time to time. 5461

No registration as a foreign limited liability company 5462
shall be filed until payment of the amounts due under this 5463
division is made. 5464

(D) The amounts due to this state under division (C) of 5465
this section may be recovered in an action brought by the 5466

attorney general. Upon a finding by the court that a foreign 5467
limited liability company, or series thereof, has conducted 5468
activities in this state in violation of sections 1706.51 to 5469
1706.516 of the Revised Code, the court may issue, in addition 5470
to or in lieu of the imposition of a civil penalty, an 5471
injunction restraining the further conducting of activities by 5472
the foreign limited liability company and all of its series, and 5473
the further exercise of any rights and privileges of a foreign 5474
limited liability company in this state until all amounts plus 5475
any interest and court costs that the court may assess have been 5476
paid, and until the foreign limited liability company has 5477
otherwise complied with sections 1706.51 to 1706.516 of the 5478
Revised Code. 5479

(E) Notwithstanding divisions (A) and (B) of this section, 5480
the conducting of activities in this state by a foreign limited 5481
liability company, or a series thereof, without having a 5482
registration as a foreign limited liability company on file in 5483
the records of the secretary of state does not impair the 5484
validity of the acts of the foreign limited liability company, 5485
or a series thereof, or prevent the foreign limited liability 5486
company, or a series thereof, from defending any proceeding in 5487
this state. 5488

(F) Neither a member nor agent of a foreign limited 5489
liability company nor a member associated with a series or agent 5490
of a series, is liable for the debts, obligations, or other 5491
liabilities of the foreign limited liability company, or a 5492
series thereof, solely because the foreign limited liability 5493
company, or a series thereof, conducted activities in this state 5494
without a registration as a foreign limited liability company 5495
being on file in the records of the secretary of state. 5496

Sec. 1706.61. (A) A member may commence or maintain a derivative action in the right of a limited liability company to recover a judgment in favor of the limited liability company by complying with sections 1706.61 to 1706.618 of the Revised Code.

(B) A member associated with a series of a limited liability company may commence or maintain a derivative action in the right of the series to recover a judgment in favor of the series by complying with sections 1706.61 to 1706.618 of the Revised Code.

Sec. 1706.611. (A) A member may commence or maintain a derivative action in the right of the limited liability company only if the member meets both of the following conditions:

(1) The member fairly and adequately represents the interests of the limited liability company in enforcing the right of the limited liability company.

(2) The member either:

(a) Was a member of the limited liability company at the time of the act or omission of which the member complains;

(b) Acquired a membership interest through assignment by operation of law from a person who was a member at the time of the act or omission of which the member complains.

(B) A member associated with a series of a limited liability company may commence or maintain a derivative action in the right of the series only if the member meets both of the following conditions:

(1) The member fairly and adequately represents the interests of the series in enforcing the right of the series.

(2) The member either:

(a) Was associated with the series at the time of the act 5525
or omission of which the member complains; 5526

(b) Acquired a membership interest through assignment by 5527
operation of law from a person who was a member associated with 5528
the series at the time of the act or omission of which the 5529
member complains. 5530

Sec. 1706.612. A member may not commence a derivative 5531
action in the right of the limited liability company, or a 5532
series thereof, until both of the following occur: 5533

(A) A written demand has been made upon the limited 5534
liability company or the series to take suitable action. 5535

(B) Ninety days have expired from the date the demand was 5536
made unless either of the following applies: 5537

(1) The member has earlier been notified that the demand 5538
has been rejected by the limited liability company or the 5539
series; 5540

(2) Irreparable injury to the limited liability company or 5541
the series would result by waiting for the expiration of the 5542
ninety-day period. 5543

Sec. 1706.613. For the purpose of allowing the limited 5544
liability company or the series thereof time to undertake an 5545
inquiry into the allegations made in the demand or complaint 5546
commenced pursuant to sections 1706.61 to 1706.618 of the 5547
Revised Code, the court may stay any derivative action for the 5548
period the court deems appropriate. 5549

Sec. 1706.614. (A) (1) A derivative action in the right of 5550
a limited liability company shall be dismissed by the court on 5551
motion by the limited liability company if one of the groups 5552

specified in division (A) (2) of this section has determined in 5553
good faith, after conducting a reasonable inquiry upon which its 5554
conclusions are based, that the maintenance of the derivative 5555
action is not in the best interests of the limited liability 5556
company. 5557

(2) Subject to the requirements of division (A) (3) of this 5558
section, the determination of whether the maintenance of a 5559
derivative action in the right of a limited liability company is 5560
in the best interests of the limited liability company shall be 5561
made by a majority vote of either of the following: 5562

(a) The independent members of the limited liability 5563
company; 5564

(b) The committee members of a committee consisting of 5565
independent members appointed by a majority of the independent 5566
members. 5567

(3) If the determination is not made pursuant to division 5568
(A) (1) of this section, the determination shall be made by the 5569
person, or, in the case of more than one person, by a majority 5570
of the persons, sitting upon a panel of one or more persons 5571
appointed by a court upon motion filed with the court by the 5572
limited liability company for those purposes. 5573

(B) (1) A derivative action in the right of a series of a 5574
limited liability company shall be dismissed on motion by the 5575
series if one of the groups specified in division (B) (2) of this 5576
section has determined in good faith, after conducting a 5577
reasonable inquiry upon which its conclusions are based that the 5578
maintenance of the derivative action is not in the best 5579
interests of the series. 5580

(2) Subject to the requirements of division (B) (3) of this 5581

section, the determination whether the maintenance of a 5582
derivative action on behalf of a series of a limited liability 5583
company is in the best interests of the series shall be made by 5584
a majority vote of either of the following: 5585

(a) The independent members associated with the series; 5586

(b) The committee members of a committee consisting of 5587
independent members associated with the series appointed by a 5588
majority of the independent members associated with the series. 5589

(3) If the determination is not made pursuant to division 5590
(B)(1) of this section, the determination shall be made by the 5591
person, or, in the case of more than one person, by a majority 5592
of the persons, sitting upon a panel of one or more persons 5593
appointed by a court upon motion filed with the court by the 5594
series for those purposes. 5595

(C) The court shall appoint only independent persons to 5596
the panel described in divisions (A)(3) and (B)(3) of this 5597
section. 5598

(D) The presence of one or more of the following 5599
circumstances, without more, shall not prevent a person from 5600
being considered independent for purposes of this section: 5601

(1) The naming of the person as a defendant in the 5602
derivative action or as a person against whom action is 5603
demand; 5604

(2) The approval by that person of the act being 5605
challenged in the derivative action or demand where the act did 5606
not result in personal benefit to that person; 5607

(3) The making of the demand pursuant to section 1706.612 5608
of the Revised Code or the commencement of the derivative action 5609

pursuant to sections 1706.61 to 1706.618 of the Revised Code. 5610

(E) Subject to section 1706.615 of the Revised Code, a 5611
panel appointed by the court pursuant to division (A) (3) or (B) 5612
(3) of this section shall have the authority to continue, 5613
settle, or discontinue the derivative proceeding as the court 5614
may confer upon the panel. 5615

(F) The plaintiff in the derivative action shall have the 5616
burden of proving that any of the requirements of division (A) 5617
or (B) of this section have not been met. 5618

Sec. 1706.615. A derivative action may not be discontinued 5619
or settled without the court's approval. If the court determines 5620
that a proposed discontinuance or settlement will substantially 5621
affect the interests of members of the limited liability 5622
company, or the interests of members associated with a series of 5623
the limited liability company, the court shall direct that 5624
notice be given to the members affected. 5625

Sec. 1706.616. On termination of the derivative action the 5626
court may do any of the following: 5627

(A) Order the limited liability company to pay the 5628
plaintiff's reasonable expenses, including attorney fees, 5629
incurred by the plaintiff in the derivative action if the court 5630
finds that the derivative action has resulted in a substantial 5631
benefit to the limited liability company; 5632

(B) Order a series to pay the plaintiff's reasonable 5633
expenses, including attorney fees, incurred by the plaintiff in 5634
the derivative action if the court finds that the derivative 5635
action has resulted in a substantial benefit to the series; 5636

(C) Order the plaintiff to pay any defendant's reasonable 5637
expenses, including attorney fees, incurred by the defendant in 5638

defending the derivative action if it finds that the derivative 5639
action was commenced or maintained without reasonable cause or 5640
for an improper purpose; 5641

(D) Order a party to pay an opposing party's expenses 5642
incurred because of the filing of a pleading, motion, or other 5643
paper, if it finds both of the following: 5644

(1) That the pleading, motion, or other paper was not well 5645
grounded in fact, after reasonable inquiry, or not warranted by 5646
existing law or a good faith argument for the extension, 5647
modification, or reversal of existing law. 5648

(2) That the pleading, motion, or other paper was 5649
interposed for an improper purpose, such as to harass or cause 5650
unnecessary delay or needless increase in the cost of 5651
litigation. 5652

Sec. 1706.617. In any derivative action in the right of a 5653
foreign limited liability company, or a series thereof, the 5654
right of a person to commence or maintain a derivative action in 5655
the right of a foreign limited liability company, or a series 5656
thereof, and any matters raised in the action covered by 5657
sections 1706.61 to 1706.616 of the Revised Code shall be 5658
governed by the law of the jurisdiction under which the foreign 5659
limited liability company was formed; except that any matters 5660
raised in the action covered by sections 1706.613, 1706.615, and 5661
1706.616 of the Revised Code shall be governed by the law of 5662
this state. 5663

Sec. 1706.618. (A) Subject to division (B) of this 5664
section, a member may maintain a direct action against another 5665
member or members or the limited liability company, or a series 5666
thereof, to enforce the member's rights and otherwise protect 5667

the member's interests, including rights and interests under the 5668
operating agreement or this chapter or arising independently of 5669
the membership relationship. 5670

(B) A member maintaining a direct action under division 5671
(A) of this section must plead and prove an actual or threatened 5672
injury that is not solely the result of an injury suffered or 5673
threatened to be suffered by the limited liability company, or 5674
series thereof. 5675

(C) (1) A member may maintain a direct action to enforce a 5676
right of a limited liability company if all members at the time 5677
of suit are parties to the action. 5678

(2) A member associated with a series may maintain a 5679
direct action to enforce a right of the series if all members 5680
associated with the series at the time of suit are parties to 5681
the action. 5682

Sec. 1706.71. (A) A limited liability company may merge 5683
with one or more other constituent entities pursuant to sections 5684
1706.71 to 1706.713 of the Revised Code and to an agreement of 5685
merger if all of the following conditions are met: 5686

(1) The governing statute of each of the other entities 5687
authorizes the merger. 5688

(2) The merger is not prohibited by the law of a 5689
jurisdiction that enacted any of the governing statutes. 5690

(3) Each of the other entities complies with its governing 5691
statute in effecting the merger. 5692

(B) An agreement of merger shall be in a record and shall 5693
include all of the following: 5694

(1) The name and form of each constituent entity; 5695

(2) The name and form of the surviving entity and, if the surviving entity is to be created pursuant to the merger, a statement to that effect; 5696
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(3) The terms and conditions of the merger, including the manner and basis for converting the interests in each constituent entity into any combination of money, interests in the surviving entity, and other consideration as permitted under division (C) of this section; 5699
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(4) If the surviving entity is to be created pursuant to the merger, the surviving entity's organizational documents that are proposed to be in a record; 5704
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(5) If the surviving entity is not to be created pursuant to the merger, any amendments to be made by the merger to the surviving entity's organizational documents that are, or are proposed to be, in a record. 5707
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(C) In connection with a merger, rights or securities of or interests in the constituent entity may be any of the following: 5711
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(1) Exchanged for or converted into cash, property, or rights or securities of or interests in the surviving entity; 5714
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(2) In addition to or in lieu of division (C) (1) of this section, exchanged for or converted into cash, property, or rights or securities of or interests in another entity; 5716
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(3) Canceled. 5719

Sec. 1706.711. (A) To be effective, an agreement of merger shall be consented to by all the members of a constituent limited liability company. 5720
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(B) After the agreement of merger is approved, and at any 5723

time before a certificate of merger is delivered to the 5724
secretary of state for filing under section 1706.712 of the 5725
Revised Code, a constituent limited liability company may amend 5726
the agreement or abandon the merger: 5727

(1) As provided in the agreement; or 5728

(2) Except as otherwise prohibited in the agreement, with 5729
the same consent as was required to approve the agreement. 5730

Sec. 1706.712. (A) After each constituent entity has 5731
approved the agreement of merger, a certificate of merger shall 5732
be signed on behalf of both of the following: 5733

(1) Each constituent limited liability company, as 5734
provided in division (A) of section 1706.17 of the Revised Code; 5735

(2) Each other constituent entity, as provided in its 5736
governing statute. 5737

(B) A certificate of merger under this section shall 5738
include all of the following: 5739

(1) The name and form of each constituent entity, the 5740
jurisdiction of its governing statute, and its registration 5741
number, if any, as it appears on the records of the secretary of 5742
state; 5743

(2) The name and form of the surviving entity, the 5744
jurisdiction of its governing statute, and, if the surviving 5745
entity is created pursuant to the merger, a statement to that 5746
effect; 5747

(3) The date the merger is effective under the governing 5748
statute of the surviving entity; 5749

(4) If the surviving entity is to be created pursuant to 5750

<u>the merger:</u>	5751
<u>(a) If it will be a limited liability company, the limited liability company's articles of organization;</u>	5752 5753
<u>(b) If it will be an entity other than a limited liability company, any organizational document that creates the entity that is required to be in a public record.</u>	5754 5755 5756
<u>(5) If the surviving entity exists before the merger, any amendments provided for in the agreement of merger for the organizational document that created the entity that are in a public record;</u>	5757 5758 5759 5760
<u>(6) A statement as to each constituent entity that the merger was approved as required by the entity's governing statute;</u>	5761 5762 5763
<u>(7) If the surviving entity is a foreign entity not authorized to transact business in this state, the street address of its statutory agent;</u>	5764 5765 5766
<u>(8) Any additional information required by the governing statute of any constituent entity.</u>	5767 5768
<u>(C) Each constituent limited liability company shall deliver the certificate of merger for filing in the office of the secretary of state.</u>	5769 5770 5771
<u>(D) A merger becomes effective under sections 1706.71 to 1706.74 of the Revised Code as follows:</u>	5772 5773
<u>(1) If the surviving entity is a limited liability company, upon the later of the following:</u>	5774 5775
<u>(a) Compliance with division (C) of this section;</u>	5776
<u>(b) As specified in the certificate of merger.</u>	5777

(2) If the surviving entity is not a limited liability company, as provided by the governing statute of the surviving entity. 5778
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Sec. 1706.713. (A) When a merger becomes effective, all of the following apply: 5781
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(1) The surviving entity continues or comes into existence. 5783
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(2) Each constituent entity that merges into the surviving entity ceases to exist as a separate entity. 5785
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(3) All property owned by each constituent entity, or series thereof, that ceases to exist vests in the surviving entity without reservation or impairment. 5787
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(4) All debts, obligations, or other liabilities of each constituent entity, or series thereof, that ceases to exist continue as debts, obligations, or other liabilities of the surviving entity. 5790
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(5) An action or proceeding pending by or against any constituent entity, or series thereof, that ceases to exist continues as if the merger had not occurred. 5794
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(6) Except as prohibited by other law, all of the rights, privileges, immunities, powers, and purposes of each constituent entity, or series thereof, that ceases to exist vest in the surviving entity. 5797
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(7) Except as otherwise provided in the agreement of merger, the terms and conditions of the agreement of merger take effect. 5801
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(8) Except as otherwise agreed, if a constituent limited liability company ceases to exist, the merger does not dissolve 5804
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the limited liability company for the purposes of sections 5806
1706.47 to 1706.475 of the Revised Code and does not dissolve a 5807
series for purposes of sections 1706.76 to 1706.7613 of the 5808
Revised Code. 5809

(9) If the surviving entity is created pursuant to the 5810
merger: 5811

(a) If it is a limited liability company, the articles of 5812
organization become effective; 5813

(b) If it is an entity other than a limited liability 5814
company, the organizational document that creates the entity 5815
becomes effective. 5816

(10) If the surviving entity existed before the merger, 5817
any amendments provided for in the certificate of merger for the 5818
organizational document that created the entity become 5819
effective. 5820

(B) A surviving entity that is a foreign entity consents 5821
to the jurisdiction of the courts of this state to enforce any 5822
debt, obligation, or other liability owed by a constituent 5823
entity, if before the merger the constituent entity was subject 5824
to suit in this state on the debt, obligation, or other 5825
liability. Service of process on a surviving entity that is a 5826
foreign entity and not authorized to transact business in this 5827
state for the purposes of enforcing a debt, obligation, or other 5828
liability may be made in the same manner and has the same 5829
consequences as provided in section 1706.09 of the Revised Code 5830
as if the surviving entity was a foreign limited liability 5831
company. 5832

Sec. 1706.72. (A) An entity other than a limited liability 5833
company may convert to a limited liability company, and a 5834

limited liability company may convert to an entity other than a 5835
limited liability company pursuant to sections 1706.72 to 5836
1706.723 of the Revised Code and a written declaration of 5837
conversion if all of the following apply: 5838

(1) The governing statute of the entity that is not a 5839
limited liability company authorizes the conversion; 5840

(2) The law of the jurisdiction governing the converting 5841
entity and the converted entity does not prohibit the 5842
conversion; 5843

(3) The converting entity and the converted entity comply 5844
with their respective governing statutes and organizational 5845
documents in effecting the conversion. 5846

(B) A written declaration of conversion shall be in a 5847
record and include all of the following: 5848

(1) The name and form of the converting entity before 5849
conversion; 5850

(2) The name and form of the converted entity after 5851
conversion; 5852

(3) The terms and conditions of the conversion, including 5853
the manner and basis for converting interests in the converting 5854
entity into any combination of money, interests in the converted 5855
entity, and other consideration allowed under division (C) of 5856
this section. 5857

(4) The organizational documents of the converted entity 5858
that are, or are proposed to be, in a record. 5859

(C) In connection with a conversion, rights or securities 5860
of or interests in the converting entity may be any of the 5861
following: 5862

(1) Exchanged for or converted into cash, property, or 5863
rights or securities of or interests in the converted entity; 5864

(2) In addition to or in lieu of division (C) (1) of this 5865
section, exchanged for or converted into cash, property, or 5866
rights or securities of or interests in another entity; 5867

(3) Canceled. 5868

Sec. 1706.721. (A) A declaration of conversion must be 5869
consented to by all the members of a converting limited 5870
liability company. 5871

(B) After a conversion is approved, and at any time before 5872
the certificate of conversion is delivered to the secretary of 5873
state for filing under section 1706.722 of the Revised Code, a 5874
converting limited liability company may amend the declaration 5875
or abandon the conversion: 5876

(1) As provided in the declaration; or 5877

(2) Except as otherwise prohibited in the declaration, by 5878
the same consent as was required to approve the declaration. 5879

Sec. 1706.722. (A) After a declaration of conversion is 5880
approved, both of the following apply: 5881

(1) A converting limited liability company shall deliver 5882
to the secretary of state for filing a certificate of 5883
conversion. The certificate of conversion shall be signed as 5884
provided in division (A) of section 1706.17 of the Revised Code 5885
and shall include all of the following: 5886

(a) A statement that the converting limited liability 5887
company has been converted into the converted entity; 5888

(b) The name and form of the converted entity and the 5889

<u>jurisdiction of its governing statute;</u>	5890
<u>(c) The date the conversion is effective under the governing statute of the converted entity;</u>	5891
<u>(d) A statement that the conversion was approved as required by this chapter;</u>	5892
<u>(e) A statement that the conversion was approved as required by the governing statute of the converted entity;</u>	5893
<u>(f) If the converted entity is a foreign entity not authorized to transact business in this state, the street address of its statutory agent for the purposes of division (B) of section 1706.723 of the Revised Code.</u>	5894
<u>(2) If the converted entity is a limited liability company, the converting entity shall deliver to the secretary of state for filing articles of organization which shall include, in addition to the information required by division (A) of section 1706.16 of the Revised Code, all of the following:</u>	5895
<u>(a) A statement that the converted entity was converted from the converting entity;</u>	5896
<u>(b) The name and form of the converting entity and the jurisdiction of the converting entity's governing statute;</u>	5907
<u>(c) A statement that the conversion was approved as required by the governing statute of the converting entity.</u>	5908
<u>(B) A conversion shall become effective as follows:</u>	5909
<u>(1) If the converted entity is a limited liability company, when the articles of organization take effect;</u>	5910
<u>(2) If the converted entity is not a limited liability company, as provided by the governing statute of the converted</u>	5911

entity. 5917

Sec. 1706.723. (A) When a conversion takes effect, all of 5918
the following apply: 5919

(1) All property owned by the converting entity, or series 5920
thereof, remains vested in the converted entity. 5921

(2) All debts, obligations, or other liabilities of the 5922
converting entity, or series thereof, continue as debts, 5923
obligations, or other liabilities of the converted entity. 5924

(3) An action or proceeding pending by or against the 5925
converting entity, or series thereof, continues as if the 5926
conversion had not occurred. 5927

(4) Except as prohibited by law other than this chapter, 5928
all of the rights, privileges, immunities, powers, and purposes 5929
of the converting entity, or series thereof, remain vested in 5930
the converted entity. 5931

(5) Except as otherwise provided in the plan of 5932
conversion, the terms and conditions of the declaration of 5933
conversion take effect. 5934

(6) Except as otherwise agreed, for all purposes of the 5935
laws of this state, the converting entity, and any series 5936
thereof, shall not be required to wind up its affairs or pay its 5937
liabilities and distribute its assets, and the conversion shall 5938
not be deemed to constitute a dissolution of the converting 5939
entity, or series thereof. 5940

(7) For all purposes of the laws of this state, the 5941
rights, privileges, powers, and interests in property of the 5942
converting entity, and all series thereof, as well as the debts, 5943
liabilities, and duties of the converting entity, and all series 5944

thereof, shall not be deemed to have been assigned to the 5945
converted entity as a consequence of the conversion. 5946

(8) If the converted entity is a limited liability 5947
company, for all purposes of the laws of this state, the limited 5948
liability company shall be deemed to be the same entity as the 5949
converting entity, and the conversion shall constitute a 5950
continuation of the existence of the converting entity in the 5951
form of a limited liability company. 5952

(9) If the converted entity is a limited liability 5953
company, the existence of the limited liability company shall be 5954
deemed to have commenced on the date the converting entity 5955
commenced its existence in the jurisdiction in which the 5956
converting entity was first created, formed, organized, 5957
incorporated, or otherwise came into being. 5958

(B) A converted entity that is a foreign entity consents 5959
to the jurisdiction of the courts of this state to enforce any 5960
debt, obligation, or other liability for which the converting 5961
limited liability company, or series thereof, is liable if, 5962
before the conversion, the converting limited liability company, 5963
or series thereof, was subject to suit in this state on the 5964
debt, obligation, or other liability. Service of process on a 5965
converted entity that is a foreign entity and not authorized to 5966
transact business in this state for purposes of enforcing a 5967
debt, obligation, or other liability under this division may be 5968
made in the same manner and has the same consequences as 5969
provided in section 1706.09 of the Revised Code, as if the 5970
converted entity were a foreign limited liability company. 5971

Sec. 1706.73. (A) If a member of a constituent or 5972
converting limited liability company will have personal 5973
liability with respect to a surviving or converted entity, 5974

approval or amendment of a plan of merger or a declaration of 5975
conversion are ineffective without the consent of the member, 5976
unless both of the following conditions are met: 5977

(1) The limited liability company's operating agreement 5978
provides for approval of a merger or conversion with the consent 5979
of fewer than all the members. 5980

(2) The member has consented to the provision of the 5981
operating agreement described in division (A) (1) of this 5982
section. 5983

(B) A member does not give the consent required by 5984
division (A) of this section merely by consenting to a provision 5985
of the operating agreement that permits the operating agreement 5986
to be amended with the consent of fewer than all the members. 5987

Sec. 1706.74. Sections 1706.71 to 1706.74 of the Revised 5988
Code do not preclude an entity from being merged or converted 5989
under law other than this chapter. 5990

Sec. 1706.76. (A) An operating agreement may establish or 5991
provide for the establishment of one or more designated series 5992
of assets that has both of the following: 5993

(1) Either or both of the following: 5994

(a) Separate rights, powers, or duties with respect to 5995
specified property or obligations of the limited liability 5996
company or profits and losses associated with specified property 5997
or obligations; 5998

(b) A separate purpose or investment objective. 5999

(2) At least one member associated with each series. 6000

(B) A series established in accordance with division (A) 6001

of this section may carry on any activity, whether or not for 6002
profit. 6003

Sec. 1706.761. (A) Subject to division (B) of this 6004
section, both of the following apply: 6005

(1) The debts, liabilities, obligations, and expenses 6006
incurred, contracted for, or otherwise existing with respect to 6007
a series shall be enforceable against the assets of that series 6008
only, and shall not be enforceable against the assets of the 6009
limited liability company generally or any other series thereof. 6010

(2) None of the debts, liabilities, obligations, and 6011
expenses incurred, contracted for, or otherwise existing with 6012
respect to the limited liability company generally or any other 6013
series thereof shall be enforceable against the assets of a 6014
series. 6015

(B) Division (A) of this section applies only if all of 6016
the following conditions are met: 6017

(1) The records maintained for that series account for the 6018
assets of that series separately from the other assets of the 6019
company or any other series. 6020

(2) The operating agreement contains a statement to the 6021
effect of the limitations provided in division (A) of this 6022
section. 6023

(3) The limited liability company's articles of 6024
organization contains a statement that the limited liability 6025
company may have one or more series of assets subject to the 6026
limitations provided in division (A) of this section. 6027

Sec. 1706.762. (A) Assets of a series may be held directly 6028
or indirectly, including being held in the name of the series, 6029

in the name of the limited liability company, through a nominee, 6030
or otherwise. 6031

(B) If the records of a series are maintained in a manner 6032
so that the assets of the series can be reasonably identified by 6033
specific listing, category, type, quantity, or computational or 6034
allocational formula or procedure, including a percentage or 6035
share of any assets, or by any other method in which the 6036
identity of the assets can be objectively determined, the 6037
records are considered to satisfy the requirement of division 6038
(B) (1) of section 1706.761 of the Revised Code. 6039

Sec. 1706.763. The statement of limitation on liabilities 6040
of a series required by division (B) (3) of section 1706.761 of 6041
the Revised Code is sufficient regardless of whether either of 6042
the following applies: 6043

(A) The limited liability company has established any 6044
series under this chapter when the statement of limitations is 6045
contained in the articles of organization; 6046

(B) The statement of limitations makes reference to a 6047
specific series of the limited liability company. 6048

Sec. 1706.764. (A) A person may not voluntarily dissociate 6049
as a member associated with a series. 6050

(B) A person's dissociation from a series is wrongful only 6051
if one of the following applies: 6052

(1) The person's dissociation is in breach of an express 6053
provision of the operating agreement. 6054

(2) The person is expelled as a member associated with the 6055
series by determination of a tribunal under division (E) of 6056
section 1706.765 of the Revised Code. 6057

(3) The person is dissociated as a member associated with a series by becoming a debtor in bankruptcy or making a general assignment for the benefit of creditors. 6058
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(C) A person that wrongfully dissociates as a member associated with a series is liable to the series and, subject to section 1706.61 of the Revised Code, to the other members associated with that series for damages caused by the dissociation. The liability is in addition to any other debt, obligation, or liability of the member associated with a series to the series or the other members associated with that series. 6061
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Sec. 1706.765. A person is dissociated as a member associated with a series when any of the following occurs: 6068
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(A) An event stated in the operating agreement as causing the person's dissociation from the series occurs. 6070
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(B) The person is dissociated as a member of the limited liability company pursuant to section 1706.411 of the Revised Code. 6072
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(C) The person is expelled as a member associated with that series pursuant to the operating agreement. 6075
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(D) The person is expelled as a member associated with the series by the unanimous consent of the other members associated with that series and if any of the following applies: 6077
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(1) It is unlawful to carry on the series' activities with the person as a member associated with that series. 6080
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(2) The person is an entity and, within ninety days after the series notifies the person that it will be expelled as a member associated with that series because the person has filed a certificate of dissolution or the equivalent, or its right to 6082
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transact business has been suspended by its jurisdiction of 6086
formation, the certificate of dissolution or the equivalent has 6087
not been revoked or its right to transact business has not been 6088
reinstated. 6089

(3) The person is an entity and, within ninety days after 6090
the series notifies the person that it will be expelled as a 6091
member associated with that series because the person has been 6092
dissolved and its activities are being wound up, the entity has 6093
not been reinstated or the dissolution and winding up have not 6094
been revoked or canceled. 6095

(E) On application by the series, the person is expelled 6096
as a member associated with that series by tribunal order for 6097
any of the following reasons: 6098

(1) The person has engaged, or is engaging, in wrongful 6099
conduct that has adversely and materially affected, or will 6100
adversely and materially affect, that series' activities. 6101

(2) The person has willfully or persistently committed, or 6102
is willfully or persistently committing, a material breach of 6103
the operating agreement or the person's duties or obligations 6104
under this chapter or other applicable law. 6105

(3) The person has engaged, or is engaging, in conduct 6106
relating to that series' activities that makes it not reasonably 6107
practicable to carry on the activities with the person as a 6108
member associated with that series. 6109

(F) In the case of a person who is an individual, the 6110
person dies, a guardian or general conservator is appointed for 6111
the person, or a tribunal determines that the person has 6112
otherwise become incapable of performing the person's duties as 6113
a member associated with a series under this chapter or the 6114

operating agreement. 6115

(G) The person becomes a debtor in bankruptcy, executes an assignment for the benefit of creditors, or seeks, consents, or acquiesces to the appointment of a trustee, receiver, or liquidator of the person or of all or substantially all of the person's property. This division shall not apply to a person who is the sole remaining member associated with a series. 6116
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(H) In the case of a person that is a trust or is acting as a member associated with a series by virtue of being a trustee of a trust, the trust's entire membership interest associated with the series is distributed, but not solely by reason of the substitution of a successor trustee. 6122
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(I) In the case of a person that is an estate or is acting as a member associated with a series by virtue of being a personal representative of an estate, the estate's entire membership interest associated with the series is distributed, but not solely by reason of the substitution of a successor personal representative. 6127
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(J) In the case of a member associated with a series that is not an individual, the legal existence of the person otherwise terminates. 6133
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Sec. 1706.766. (A) A person who has dissociated as a member associated with a series shall have no right to participate in the activities and affairs of that series and is entitled only to receive the distributions to which that member would have been entitled if the member had not dissociated from that series. 6136
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(B) A person's dissociation as a member associated with a series does not of itself discharge the person from any debt, 6142
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obligation, or liability to that series, the limited liability 6144
company, or the other members that the person incurred while a 6145
member associated with that series. 6146

(C) A member's dissociation from a series does not, in 6147
itself, cause the member to dissociate from any other series or 6148
require the winding up of the series. 6149

(D) A member's dissociation from a series does not, in 6150
itself, cause the member to dissociate from the limited 6151
liability company. 6152

Sec. 1706.767. A series may be dissolved and its 6153
activities and affairs may be wound up without causing the 6154
dissolution of the limited liability company. The dissolution 6155
and winding up of a series does not abate, suspend, or otherwise 6156
affect the limitation on liabilities of the series provided by 6157
section 1706.761 of the Revised Code. 6158

Sec. 1706.768. A series is dissolved and its activities 6159
and affairs shall be wound up upon the first to occur of the 6160
following: 6161

(A) The dissolution of the limited liability company under 6162
section 1706.47 of the Revised Code; 6163

(B) An event or circumstance that the operating agreement 6164
states causes dissolution of the series; 6165

(C) The consent of all of the members associated with the 6166
series; 6167

(D) The passage of ninety days after the occurrence of the 6168
dissociation of the last remaining member associated with the 6169
series; 6170

(E) On application by a member associated with the series, 6171

the entry by the appropriate court of an order dissolving the 6172
series on the grounds that it is not reasonably practicable to 6173
carry on the series' activities in conformity with the operating 6174
agreement. 6175

Sec. 1706.769. (A) A dissolved series continues its 6176
existence as a series but may not carry on any activities except 6177
as is appropriate to wind up and liquidate its activities and 6178
affairs. Appropriate activities include all of the following: 6179

(1) Collecting the assets of the series; 6180

(2) Disposing of the properties of the series that will 6181
not be distributed in kind to persons owning membership 6182
interests associated with the series; 6183

(3) Discharging or making provisions for discharging the 6184
liabilities of the series; 6185

(4) Distributing the remaining property of the series in 6186
accordance with section 1706.7613 of the Revised Code; 6187

(5) Doing any other act necessary to wind up and liquidate 6188
the series' activities and affairs. 6189

(B) In winding up a series' activities, a series may do 6190
any of the following: 6191

(1) Preserve the series' activities and property as a 6192
going concern for a reasonable time; 6193

(2) Prosecute, defend, or settle actions or proceedings 6194
whether civil, criminal, or administrative; 6195

(3) Make an assignment of the series' property; 6196

(4) Resolve disputes by mediation or arbitration. 6197

(C) A series' dissolution, in itself: 6198

<u>(1) Is not an assignment of the series' property;</u>	6199
<u>(2) Does not prevent the commencement of a proceeding by</u>	6200
<u>or against the series in the series' name;</u>	6201
<u>(3) Does not abate or suspend a proceeding pending by or</u>	6202
<u>against the series on the effective date of dissolution;</u>	6203
<u>(4) Does not abate, suspend, or otherwise alter the</u>	6204
<u>application of section 1706.7613 of the Revised Code.</u>	6205
<u>Sec. 1706.7610. (A) Subject to division (C) of section</u>	6206
<u>1706.769 of the Revised Code, after dissolution of a series, the</u>	6207
<u>remaining members associated with the series, if any, and if</u>	6208
<u>none, a person appointed by all holders of the membership</u>	6209
<u>interest last assigned by the last person to have been a member</u>	6210
<u>associated with the series, may wind up the series' activities.</u>	6211
<u>(B) The appropriate tribunal may order supervision of the</u>	6212
<u>winding up of a dissolved series, including the appointment of a</u>	6213
<u>person to wind up the series' activities for any of the</u>	6214
<u>following reasons:</u>	6215
<u>(1) On application of a member associated with the series,</u>	6216
<u>if the applicant establishes good cause;</u>	6217
<u>(2) On application of an assignee associated with a</u>	6218
<u>series, if both of the following apply:</u>	6219
<u>(a) There are no members associated with the series.</u>	6220
<u>(b) Within a reasonable time following the dissolution a</u>	6221
<u>person has not been appointed pursuant to division (A) of this</u>	6222
<u>section.</u>	6223
<u>(3) In connection with a proceeding under division (E) of</u>	6224
<u>section 1706.768 of the Revised Code.</u>	6225

Sec. 1706.7611. (A) A dissolved series may dispose of any known claims against it by following the procedures described in division (B) of this section, at any time after the effective date of the dissolution of the series. 6226
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(B) A dissolved series may give notice of the dissolution in a record to the holder of any known claim. The notice shall do all of the following: 6230
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(1) Identify the limited liability company and the dissolved series; 6233
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(2) Describe the information required to be included in a claim; 6235
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(3) Provide a mailing address to which the claim is to be sent; 6237
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(4) State the deadline by which the dissolved series must receive the claim. The deadline shall not be sooner than one hundred twenty days from the effective date of the notice. 6239
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(5) State that if not sooner barred, the claim will be barred if not received by the deadline. 6242
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(C) Unless sooner barred by any other statute limiting actions, a claim against a dissolved series is barred in either of the following circumstances: 6244
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(1) If a claimant who was given notice under division (B) of this section does not deliver the claim to the dissolved series by the deadline; 6247
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(2) If a claimant whose claim was rejected by the dissolved series does not commence a proceeding to enforce the claim within ninety days from the effective date of the rejected notice. 6250
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(D) For purposes of this section, "claim" includes an unliquidated claim, but does not include a contingent liability that has not matured so that there is no immediate right to bring suit or a claim based on an event occurring after the effective date of dissolution. 6254
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(E) Nothing in this section shall be construed to extend any otherwise applicable statute of limitations. 6259
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Sec. 1706.7612. (A) A dissolved series may publish notice of its dissolution and request that persons with claims against the dissolved series present them in accordance with the notice. 6261
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(B) The notice authorized by division (A) of this section shall meet all of the following criteria: 6264
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(1) It shall be posted prominently on the principal web site then maintained by the limited liability company, if any, and provided to the secretary of state to be posted on the web site maintained by the secretary of state in accordance with division (J) of section 1706.474 of the Revised Code. The notice shall be considered published when posted on the secretary of state's web site. 6266
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(2) It shall describe the information that must be included in a claim and provide a mailing address to which the claim must be sent. 6273
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(3) It shall state that if not sooner barred, a claim against the dissolved series will be barred unless a proceeding to enforce the claim is commenced within two years following the publication of the notice. 6276
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(C) If a dissolved series publishes a notice in accordance with division (B) of this section, unless sooner barred by any other statute limiting actions, the claim of each of the 6280
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following claimants is barred unless the claimant commences a 6283
proceeding to enforce the claim against the dissolved series 6284
within two years after the publication date of the notice: 6285

(1) A claimant who was not given notice under division (B) 6286
of section 1706.7611 of the Revised Code; 6287

(2) A claimant whose claim was timely sent to the 6288
dissolved series but not acted on by the dissolved series; 6289

(3) A claimant whose claim is contingent at the effective 6290
date of the dissolution of the series, or is based on an event 6291
occurring after the effective date of the dissolution of the 6292
series. 6293

(D) A claim that is not barred under this section, any 6294
other statute limiting actions, or section 1706.7611 of the 6295
Revised Code may be enforced against either of the following: 6296

(1) A dissolved series, to the extent of its undistributed 6297
assets associated with the series; 6298

(2) A member or assignee associated with the series to the 6299
extent of that person's proportionate share of the claim or of 6300
the assets of the series distributed to the member or assignee 6301
after dissolution, whichever is less, except as provided in 6302
division (H) of this section and only if the assets of a 6303
dissolved series have been distributed after dissolution. A 6304
person's total liability for all claims under division (D) of 6305
this section shall not exceed the total amount of assets of the 6306
series distributed to the person after dissolution of the 6307
series. 6308

(E) A dissolved series that published a notice under this 6309
section may file an application with the appropriate court in 6310
the county in which the limited liability company's principal 6311

office is located or, if it has none in this state, in the 6312
county in which the limited liability company's statutory agent 6313
is or was last located. The application shall be for a 6314
determination of the amount and form of security to be provided 6315
for payment of claims that are contingent or have not been made 6316
known to the dissolved series or that are based on an event 6317
occurring after the effective date of the dissolution of the 6318
series but that, based on the facts known to the dissolved 6319
series, are reasonably estimated to arise after the effective 6320
date of the dissolution of the series. Provision need not be 6321
made for any claim that is or is reasonably anticipated to be 6322
barred under division (C) of this section. 6323

(F) Within ten days after the filing of the application 6324
provided for in division (E) of this section, notice of the 6325
proceeding shall be given by the dissolved series to each 6326
potential claimant as described in that division. 6327

(G) The appropriate court may appoint a guardian ad litem 6328
to represent all claimants whose identities are unknown in any 6329
proceeding brought under this section. The reasonable fees and 6330
expenses of the guardian, including all reasonable expert 6331
witness fees, shall be paid by the dissolved series. 6332

(H) Provision by the dissolved series for security in the 6333
amount and the form ordered by the appropriate court under 6334
division (E) of this section shall satisfy the dissolved series' 6335
obligation with respect to claims that are contingent, have not 6336
been made known to the dissolved series, or are based on an 6337
event occurring after the effective date of the dissolution of 6338
the series. Those claims may not be enforced against a person 6339
owning a membership interest to whom assets have been 6340
distributed by the dissolved series after the effective date of 6341

the dissolution of the series. 6342

(I) Nothing in this section shall be construed to extend 6343
any otherwise applicable statute of limitations. 6344

Sec. 1706.7613. (A) Upon the winding up of a series, 6345
payment or adequate provision for payment shall be made to 6346
creditors of the series, including, to the extent permitted by 6347
law, members who are associated with the series and who are also 6348
creditors of the series, in satisfaction of liabilities of the 6349
series. 6350

(B) After a series complies with division (A) of this 6351
section, any surplus shall be distributed as follows: 6352

(1) First, to each person owning a membership interest 6353
associated with the series that reflects contributions made on 6354
account of that membership interest and not previously returned, 6355
an amount equal to the value of the person's unreturned 6356
contributions; 6357

(2) Then to each person owning a membership interest 6358
associated with the series in the proportions in which the 6359
owners of membership interests associated with the series share 6360
in distributions prior to dissolution of the series. 6361

(C) If the series does not have sufficient surplus to 6362
comply with division (B) (1) of this section, any surplus shall 6363
be distributed among the owners of membership interests 6364
associated with the series in proportion to the value of their 6365
respective unreturned contributions. 6366

Sec. 1706.81. This chapter modifies, limits, and 6367
supersedes the federal "Electronic Signatures in Global and 6368
National Commerce Act," 15 U.S.C. 7001 et seq., but does not 6369
modify, limit, or supersede 15 U.S.C. 7001(c) or authorize 6370

electronic delivery of any of the notices described in 15 U.S.C. 6371
7003(b). 6372

Sec. 1706.82. A limited liability company formed and 6373
existing under this chapter may conduct its activities and 6374
affairs, carry on its operations, and have and exercise the 6375
powers granted by this chapter in any state, foreign country, or 6376
other jurisdiction. 6377

Sec. 1706.83. (A) Prior to January 1, 2022, this chapter 6378
shall govern the following limited liability companies: 6379

(1) A limited liability company formed on or after January 6380
1, 2021, except a limited liability company that is continuing 6381
the business of a dissolved limited liability company under 6382
section 1705.44 of the Revised Code; 6383

(2) A limited liability company formed before January 1, 6384
2021, that elects, pursuant to division (C) of this section, to 6385
be governed by this chapter. 6386

(B) On and after January 1, 2022, this chapter shall 6387
govern all limited liability companies, including every foreign 6388
limited liability company that files an application for 6389
registration as a foreign limited liability company on or after 6390
January 1, 2022, every foreign limited liability company that 6391
registers a name in this state on or after January 1, 2022, 6392
every foreign limited liability company that has registered a 6393
name in this state prior to January 1, 2022, and every foreign 6394
limited liability company that has filed an application for 6395
registration as a foreign limited liability company prior to 6396
January 1, 2022, pursuant to Chapter 1705. of the Revised Code. 6397

(C) On and after January 1, 2021, but prior to January 1, 6398
2022, a limited liability company may elect, in the manner 6399

provided in its operating agreement or by law for amending the 6400
operating agreement, to be subject to this chapter. 6401

Sec. 1706.84. Unless expressly stated to the contrary in 6402
this chapter, all amendments of this chapter shall apply to 6403
limited liability companies and members and agents whether or 6404
not existing as such at the time of the enactment of any such 6405
amendment. 6406

Sec. 1729.36. (A) An association may merge or consolidate 6407
with one or more entities, if such merger or consolidation is 6408
permitted by the laws under which each constituent entity exists 6409
and the association complies with this section. 6410

(B) Each constituent association shall comply with section 6411
1729.35 of the Revised Code with respect to form and approval of 6412
an agreement of merger or consolidation, and each constituent 6413
entity shall comply with the applicable provisions of the laws 6414
under which it exists, except that the agreement of merger or 6415
consolidation, by whatever name designated, shall comply with 6416
divisions (C) and (D) of this section. 6417

(C) The agreement of merger or consolidation shall set 6418
forth all of the following: 6419

(1) The names of the states and the laws under which each 6420
constituent entity exists; 6421

(2) All statements and matters required to be set forth in 6422
agreements of merger or consolidation by the laws under which 6423
any constituent entity exists; 6424

(3) A statement that the surviving or new entity is to be 6425
an association, a foreign association, a corporation other than 6426
a cooperative, or a limited liability company; 6427

(4) If the surviving or new entity is to be a foreign entity: 6428
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(a) The place where the principal office of the surviving or new entity is to be located in the state in which the surviving or new entity is to exist; 6430
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(b) The consent by the surviving or new entity that it may be sued and served with process in this state in any proceeding for the enforcement of any obligation of any constituent association or domestic entity; 6433
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(c) The consent by the surviving or new entity that it shall be subject to the applicable provisions of Chapter 1703. of the Revised Code, if it is a foreign corporation or foreign association, or to sections 1705.53 to 1705.58 or 1706.51 to 1706.516 of the Revised Code, if it is a foreign limited liability company; 6437
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(d) If it is desired that the surviving or new entity exercise its corporate privileges in this state as a foreign entity. 6443
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(D) The agreement also may set forth other provisions permitted by the laws of any state in which any constituent entity exists. 6446
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(E) If the surviving or new entity is an association, the merger or consolidation shall take effect in accordance with sections 1729.37 and 1729.38 of the Revised Code. 6449
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(F) If the surviving or new entity is an entity other than an association, the merger or consolidation shall take effect in accordance with the applicable provisions of the laws under which it exists. 6452
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Sec. 1729.38. (A) (1) Upon adoption of an agreement of merger or consolidation under section 1729.35 or 1729.36 of the Revised Code, a certificate, signed by any authorized officer or representative of each constituent association or entity, shall be filed with the secretary of state on a form prescribed by the secretary of state that sets forth the following:

(a) The name and form of each constituent association or entity and the state law under which each constituent entity exists;

(b) A statement that each constituent association or entity has adopted the agreement of merger or consolidation, the manner of adoption, and that the agreement was adopted in compliance with the laws applicable to each constituent association or entity;

(c) The effective date of the merger or consolidation, which date may be on or after the date of filing of the certificate;

(d) In the case of a merger, a statement that one or more specified constituent associations or entities will be merged into a specified surviving association or entity or, in the case of a consolidation, a statement that the constituent associations or entities will be consolidated into a new association or entity;

(e) The name and address of the statutory agent upon whom any process, notice, or demand against any constituent association or entity, or the surviving or new association or entity, may be served.

(2) In the case of a merger into an association or domestic entity, any amendments to the articles of incorporation

or the articles of organization of the surviving association or 6485
entity shall be filed with the certificate. 6486

(3) In the case of a consolidation to form a new domestic 6487
association or entity, the articles of incorporation or the 6488
articles of organization of the new association or entity shall 6489
be filed with the certificate. 6490

(4) If the surviving or new entity is a foreign entity 6491
that desires to transact business in this state as a foreign 6492
entity, the certificate shall be accompanied by the information 6493
required for qualification of a foreign entity in this state by 6494
Chapter 1703. of the Revised Code, in the case of a foreign 6495
corporation or foreign cooperative, or by sections 1705.53 and 6496
1705.54 or 1706.511 of the Revised Code, in the case of a 6497
foreign limited liability company. 6498

(B) A copy of the certificate of merger or consolidation, 6499
certified by the secretary of state, may be filed for record in 6500
the office of the county recorder of any county in this state. 6501
For such recording, the county recorder shall charge and collect 6502
the same fee as in the case of deeds. The certified copy of the 6503
certificate of merger or consolidation shall be recorded in the 6504
official records of the county recorder. 6505

(C) For purposes of this section, "domestic entity" means 6506
a corporation other than an association or a limited liability 6507
company organized under the laws of this state. 6508

Sec. 1745.461. (A) (1) Pursuant to an agreement of merger 6509
between the constituent entities as provided in this section, a 6510
domestic unincorporated nonprofit association and, if so 6511
provided, one or more additional domestic or foreign entities 6512
may be merged into a surviving entity other than a domestic 6513

unincorporated nonprofit association. Pursuant to an agreement 6514
of consolidation, a domestic unincorporated nonprofit 6515
association together with one or more additional domestic or 6516
foreign entities may be consolidated into a new entity other 6517
than a domestic unincorporated nonprofit association to be 6518
formed by that consolidation. The merger or consolidation must 6519
be permitted by the chapter of the Revised Code under which each 6520
domestic constituent entity exists and by the laws under which 6521
each foreign constituent entity exists. 6522

(2) To effect a merger or consolidation under this 6523
section, the manager or managers of each constituent 6524
unincorporated nonprofit association shall approve an agreement 6525
of merger or consolidation to be signed by the manager, the 6526
chairperson, the president, or a vice-president and by the 6527
secretary or an assistant secretary or, if there are no 6528
officers, by an authorized manager. The agreement of merger or 6529
consolidation shall be approved or otherwise authorized by or on 6530
behalf of each other constituent entity in accordance with the 6531
laws under which it exists. 6532

(3) The agreement of merger or consolidation shall set 6533
forth all of the following: 6534

(a) The name and the form of entity of each constituent 6535
entity and the state under the laws of which each constituent 6536
entity exists; 6537

(b) In the case of a merger, that one or more specified 6538
constituent entities will be merged into a specified surviving 6539
foreign entity or surviving domestic entity other than a 6540
domestic unincorporated nonprofit association or, in the case of 6541
a consolidation, that the constituent entities will be 6542
consolidated into a new foreign entity or domestic entity other 6543

than a domestic unincorporated nonprofit association. The name 6544
of the surviving or new entity may be the same as or similar to 6545
that of any constituent entity. 6546

(c) The terms of the merger or consolidation and the mode 6547
of carrying those terms into effect; 6548

(d) If the surviving or new entity is a foreign 6549
unincorporated nonprofit association, all additional statements 6550
and matters, other than the name and address of the statutory 6551
agent, that would be required by section 1745.46 of the Revised 6552
Code if the surviving or new unincorporated nonprofit 6553
association were a domestic unincorporated nonprofit 6554
association; 6555

(e) The name and the form of entity of the surviving or 6556
new entity, the state under the laws of which the surviving 6557
entity exists or the new entity is to exist, and the location of 6558
the principal office of the surviving or new entity in that 6559
state; 6560

(f) All statements and matters required to be set forth in 6561
an agreement of merger or consolidation by the laws under which 6562
each constituent entity exists and, in the case of a 6563
consolidation, the new entity is to exist; 6564

(g) The consent of the surviving or the new entity to be 6565
sued and served with process in this state and the irrevocable 6566
appointment of the secretary of state as its agent to accept 6567
service of process in any proceeding in this state to enforce 6568
against the surviving or new entity any obligation of any 6569
domestic constituent unincorporated nonprofit association. Such 6570
service shall be made upon the secretary of state by leaving 6571
duplicate copies of such process, together with an affidavit of 6572

the plaintiff or one of the plaintiff's attorneys, showing the 6573
last known address of such association, and a fee of up to five 6574
dollars that shall be included as taxable costs in the case of 6575
judicial proceedings. Upon receipt of such process, affidavit, 6576
and fee, the secretary of state shall immediately give notice to 6577
the association at the address specified in the affidavit and 6578
forward to such address by certified mail, with a request for 6579
return receipt, a copy of such process. 6580

(h) If the surviving or new entity is a foreign 6581
unincorporated nonprofit association that desires to transact 6582
business in this state as a foreign unincorporated nonprofit 6583
association, a statement to that effect, together with a 6584
statement regarding the appointment of a statutory agent and 6585
service of any process, notice, or demand upon that statutory 6586
agent or the secretary of state; 6587

(i) If the surviving or new entity is a foreign limited 6588
partnership that desires to transact business in this state as a 6589
foreign limited partnership, a statement to that effect, 6590
together with all of the information required under section 6591
1782.49 of the Revised Code when a foreign limited partnership 6592
registers to transact business in this state; 6593

(j) If the surviving or new entity is a foreign limited 6594
liability company that desires to transact business in this 6595
state as a foreign limited liability company, a statement to 6596
that effect, together with all of the information required under 6597
section 1705.54 or 1706.511 of the Revised Code when a foreign 6598
limited liability company registers to transact business in this 6599
state; 6600

(k) If the surviving or new entity is a foreign 6601
unincorporated association that desires to transact business in 6602

this state as a foreign unincorporated association, a statement 6603
to that effect, together with all of the information, if any, 6604
required by the secretary of state when a foreign unincorporated 6605
association registers to transact business in this state. 6606

(4) The agreement of merger or consolidation also may set 6607
forth any additional provision permitted by the laws of any 6608
state under the laws of which any constituent entity exists, 6609
consistent with the laws under which the surviving entity exists 6610
or the new entity is to exist. 6611

(B) A merger or consolidation pursuant to this section in 6612
which a public benefit association is one of the constituent 6613
entities shall be subject to, and shall comply with, the 6614
provisions of divisions (B) (1) (b), (2), (3), and (4) of section 6615
1745.46 of the Revised Code. 6616

Sec. 1751.01. As used in this chapter: 6617

(A) (1) "Basic health care services" means the following 6618
services when medically necessary: 6619

(a) Physician's services, except when such services are 6620
supplemental under division (B) of this section; 6621

(b) Inpatient hospital services; 6622

(c) Outpatient medical services; 6623

(d) Emergency health services; 6624

(e) Urgent care services; 6625

(f) Diagnostic laboratory services and diagnostic and 6626
therapeutic radiologic services; 6627

(g) Diagnostic and treatment services, other than 6628
prescription drug services, for biologically based mental 6629

illnesses; 6630

(h) Preventive health care services, including, but not 6631
limited to, voluntary family planning services, infertility 6632
services, periodic physical examinations, prenatal obstetrical 6633
care, and well-child care; 6634

(i) Routine patient care for patients enrolled in an 6635
eligible cancer clinical trial pursuant to section 3923.80 of 6636
the Revised Code. 6637

"Basic health care services" does not include experimental 6638
procedures. 6639

Except as provided by divisions (A) (2) and (3) of this 6640
section in connection with the offering of coverage for 6641
diagnostic and treatment services for biologically based mental 6642
illnesses, a health insuring corporation shall not offer 6643
coverage for a health care service, defined as a basic health 6644
care service by this division, unless it offers coverage for all 6645
listed basic health care services. However, this requirement 6646
does not apply to the coverage of beneficiaries enrolled in 6647
medicare pursuant to a medicare contract, or to the coverage of 6648
beneficiaries enrolled in the federal employee health benefits 6649
program pursuant to 5 U.S.C.A. 8905, or to the coverage of 6650
medicaid recipients, or to the coverage of beneficiaries under 6651
any federal health care program regulated by a federal 6652
regulatory body, or to the coverage of beneficiaries under any 6653
contract covering officers or employees of the state that has 6654
been entered into by the department of administrative services. 6655

(2) A health insuring corporation may offer coverage for 6656
diagnostic and treatment services for biologically based mental 6657
illnesses without offering coverage for all other basic health 6658

care services. A health insuring corporation may offer coverage 6659
for diagnostic and treatment services for biologically based 6660
mental illnesses alone or in combination with one or more 6661
supplemental health care services. However, a health insuring 6662
corporation that offers coverage for any other basic health care 6663
service shall offer coverage for diagnostic and treatment 6664
services for biologically based mental illnesses in combination 6665
with the offer of coverage for all other listed basic health 6666
care services. 6667

(3) A health insuring corporation that offers coverage for 6668
basic health care services is not required to offer coverage for 6669
diagnostic and treatment services for biologically based mental 6670
illnesses in combination with the offer of coverage for all 6671
other listed basic health care services if all of the following 6672
apply: 6673

(a) The health insuring corporation submits documentation 6674
certified by an independent member of the American academy of 6675
actuaries to the superintendent of insurance showing that 6676
incurred claims for diagnostic and treatment services for 6677
biologically based mental illnesses for a period of at least six 6678
months independently caused the health insuring corporation's 6679
costs for claims and administrative expenses for the coverage of 6680
basic health care services to increase by more than one per cent 6681
per year. 6682

(b) The health insuring corporation submits a signed 6683
letter from an independent member of the American academy of 6684
actuaries to the superintendent of insurance opining that the 6685
increase in costs described in division (A) (3) (a) of this 6686
section could reasonably justify an increase of more than one 6687
per cent in the annual premiums or rates charged by the health 6688

insuring corporation for the coverage of basic health care services. 6689
6690

(c) The superintendent of insurance makes the following determinations from the documentation and opinion submitted pursuant to divisions (A) (3) (a) and (b) of this section: 6691
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6693

(i) Incurred claims for diagnostic and treatment services for biologically based mental illnesses for a period of at least six months independently caused the health insuring corporation's costs for claims and administrative expenses for the coverage of basic health care services to increase by more than one per cent per year. 6694
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(ii) The increase in costs reasonably justifies an increase of more than one per cent in the annual premiums or rates charged by the health insuring corporation for the coverage of basic health care services. 6700
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Any determination made by the superintendent under this division is subject to Chapter 119. of the Revised Code. 6704
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(B) (1) "Supplemental health care services" means any health care services other than basic health care services that a health insuring corporation may offer, alone or in combination with either basic health care services or other supplemental health care services, and includes: 6706
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(a) Services of facilities for intermediate or long-term care, or both; 6711
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(b) Dental care services; 6713

(c) Vision care and optometric services including lenses and frames; 6714
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(d) Podiatric care or foot care services; 6716

(e) Mental health services, excluding diagnostic and treatment services for biologically based mental illnesses;	6717 6718
(f) Short-term outpatient evaluative and crisis-intervention mental health services;	6719 6720
(g) Medical or psychological treatment and referral services for alcohol and drug abuse or addiction;	6721 6722
(h) Home health services;	6723
(i) Prescription drug services;	6724
(j) Nursing services;	6725
(k) Services of a dietitian licensed under Chapter 4759. of the Revised Code;	6726 6727
(l) Physical therapy services;	6728
(m) Chiropractic services;	6729
(n) Any other category of services approved by the superintendent of insurance.	6730 6731
(2) If a health insuring corporation offers prescription drug services under this division, the coverage shall include prescription drug services for the treatment of biologically based mental illnesses on the same terms and conditions as other physical diseases and disorders.	6732 6733 6734 6735 6736
(C) "Specialty health care services" means one of the supplemental health care services listed in division (B) of this section, when provided by a health insuring corporation on an outpatient-only basis and not in combination with other supplemental health care services.	6737 6738 6739 6740 6741
(D) "Biologically based mental illnesses" means schizophrenia, schizoaffective disorder, major depressive	6742 6743

disorder, bipolar disorder, paranoia and other psychotic 6744
disorders, obsessive-compulsive disorder, and panic disorder, as 6745
these terms are defined in the most recent edition of the 6746
diagnostic and statistical manual of mental disorders published 6747
by the American psychiatric association. 6748

(E) "Closed panel plan" means a health care plan that 6749
requires enrollees to use participating providers. 6750

(F) "Compensation" means remuneration for the provision of 6751
health care services, determined on other than a fee-for-service 6752
or discounted-fee-for-service basis. 6753

(G) "Contractual periodic prepayment" means the formula 6754
for determining the premium rate for all subscribers of a health 6755
insuring corporation. 6756

(H) "Corporation" means a corporation formed under Chapter 6757
1701. or 1702. of the Revised Code or the similar laws of 6758
another state. 6759

(I) "Emergency health services" means those health care 6760
services that must be available on a seven-days-per-week, 6761
twenty-four-hours-per-day basis in order to prevent jeopardy to 6762
an enrollee's health status that would occur if such services 6763
were not received as soon as possible, and includes, where 6764
appropriate, provisions for transportation and indemnity 6765
payments or service agreements for out-of-area coverage. 6766

(J) "Enrollee" means any natural person who is entitled to 6767
receive health care benefits provided by a health insuring 6768
corporation. 6769

(K) "Evidence of coverage" means any certificate, 6770
agreement, policy, or contract issued to a subscriber that sets 6771
out the coverage and other rights to which such person is 6772

entitled under a health care plan. 6773

(L) "Health care facility" means any facility, except a 6774
health care practitioner's office, that provides preventive, 6775
diagnostic, therapeutic, acute convalescent, rehabilitation, 6776
mental health, intellectual disability, intermediate care, or 6777
skilled nursing services. 6778

(M) "Health care services" means basic, supplemental, and 6779
specialty health care services. 6780

(N) "Health delivery network" means any group of providers 6781
or health care facilities, or both, or any representative 6782
thereof, that have entered into an agreement to offer health 6783
care services in a panel rather than on an individual basis. 6784

(O) "Health insuring corporation" means a corporation, as 6785
defined in division (H) of this section, that, pursuant to a 6786
policy, contract, certificate, or agreement, pays for, 6787
reimburses, or provides, delivers, arranges for, or otherwise 6788
makes available, basic health care services, supplemental health 6789
care services, or specialty health care services, or a 6790
combination of basic health care services and either 6791
supplemental health care services or specialty health care 6792
services, through either an open panel plan or a closed panel 6793
plan. 6794

"Health insuring corporation" does not include a limited 6795
liability company formed pursuant to Chapter 1705. or 1706. of 6796
the Revised Code, an insurer licensed under Title XXXIX of the 6797
Revised Code if that insurer offers only open panel plans under 6798
which all providers and health care facilities participating 6799
receive their compensation directly from the insurer, a 6800
corporation formed by or on behalf of a political subdivision or 6801

a department, office, or institution of the state, or a public 6802
entity formed by or on behalf of a board of county 6803
commissioners, a county board of developmental disabilities, an 6804
alcohol and drug addiction services board, a board of alcohol, 6805
drug addiction, and mental health services, or a community 6806
mental health board, as those terms are used in Chapters 340. 6807
and 5126. of the Revised Code. Except as provided by division 6808
(D) of section 1751.02 of the Revised Code, or as otherwise 6809
provided by law, no board, commission, agency, or other entity 6810
under the control of a political subdivision may accept 6811
insurance risk in providing for health care services. However, 6812
nothing in this division shall be construed as prohibiting such 6813
entities from purchasing the services of a health insuring 6814
corporation or a third-party administrator licensed under 6815
Chapter 3959. of the Revised Code. 6816

(P) "Intermediary organization" means a health delivery 6817
network or other entity that contracts with licensed health 6818
insuring corporations or self-insured employers, or both, to 6819
provide health care services, and that enters into contractual 6820
arrangements with other entities for the provision of health 6821
care services for the purpose of fulfilling the terms of its 6822
contracts with the health insuring corporations and self-insured 6823
employers. 6824

(Q) "Intermediate care" means residential care above the 6825
level of room and board for patients who require personal 6826
assistance and health-related services, but who do not require 6827
skilled nursing care. 6828

(R) "Medical record" means the personal information that 6829
relates to an individual's physical or mental condition, medical 6830
history, or medical treatment. 6831

(S) (1) "Open panel plan" means a health care plan that 6832
provides incentives for enrollees to use participating providers 6833
and that also allows enrollees to use providers that are not 6834
participating providers. 6835

(2) No health insuring corporation may offer an open panel 6836
plan, unless the health insuring corporation is also licensed as 6837
an insurer under Title XXXIX of the Revised Code, the health 6838
insuring corporation, on June 4, 1997, holds a certificate of 6839
authority or license to operate under Chapter 1736. or 1740. of 6840
the Revised Code, or an insurer licensed under Title XXXIX of 6841
the Revised Code is responsible for the out-of-network risk as 6842
evidenced by both an evidence of coverage filing under section 6843
1751.11 of the Revised Code and a policy and certificate filing 6844
under section 3923.02 of the Revised Code. 6845

(T) "Osteopathic hospital" means a hospital registered 6846
under section 3701.07 of the Revised Code that advocates 6847
osteopathic principles and the practice and perpetuation of 6848
osteopathic medicine by doing any of the following: 6849

(1) Maintaining a department or service of osteopathic 6850
medicine or a committee on the utilization of osteopathic 6851
principles and methods, under the supervision of an osteopathic 6852
physician; 6853

(2) Maintaining an active medical staff, the majority of 6854
which is comprised of osteopathic physicians; 6855

(3) Maintaining a medical staff executive committee that 6856
has osteopathic physicians as a majority of its members. 6857

(U) "Panel" means a group of providers or health care 6858
facilities that have joined together to deliver health care 6859
services through a contractual arrangement with a health 6860

insuring corporation, employer group, or other payor. 6861

(V) "Person" has the same meaning as in section 1.59 of 6862
the Revised Code, and, unless the context otherwise requires, 6863
includes any insurance company holding a certificate of 6864
authority under Title XXXIX of the Revised Code, any subsidiary 6865
and affiliate of an insurance company, and any government 6866
agency. 6867

(W) "Premium rate" means any set fee regularly paid by a 6868
subscriber to a health insuring corporation. A "premium rate" 6869
does not include a one-time membership fee, an annual 6870
administrative fee, or a nominal access fee, paid to a managed 6871
health care system under which the recipient of health care 6872
services remains solely responsible for any charges accessed for 6873
those services by the provider or health care facility. 6874

(X) "Primary care provider" means a provider that is 6875
designated by a health insuring corporation to supervise, 6876
coordinate, or provide initial care or continuing care to an 6877
enrollee, and that may be required by the health insuring 6878
corporation to initiate a referral for specialty care and to 6879
maintain supervision of the health care services rendered to the 6880
enrollee. 6881

(Y) "Provider" means any natural person or partnership of 6882
natural persons who are licensed, certified, accredited, or 6883
otherwise authorized in this state to furnish health care 6884
services, or any professional association organized under 6885
Chapter 1785. of the Revised Code, provided that nothing in this 6886
chapter or other provisions of law shall be construed to 6887
preclude a health insuring corporation, health care 6888
practitioner, or organized health care group associated with a 6889
health insuring corporation from employing certified nurse 6890

practitioners, certified nurse anesthetists, clinical nurse 6891
specialists, certified nurse-midwives, pharmacists, dietitians, 6892
physician assistants, dental assistants, dental hygienists, 6893
optometric technicians, or other allied health personnel who are 6894
licensed, certified, accredited, or otherwise authorized in this 6895
state to furnish health care services. 6896

(Z) "Provider sponsored organization" means a corporation, 6897
as defined in division (H) of this section, that is at least 6898
eighty per cent owned or controlled by one or more hospitals, as 6899
defined in section 3727.01 of the Revised Code, or one or more 6900
physicians licensed to practice medicine or surgery or 6901
osteopathic medicine and surgery under Chapter 4731. of the 6902
Revised Code, or any combination of such physicians and 6903
hospitals. Such control is presumed to exist if at least eighty 6904
per cent of the voting rights or governance rights of a provider 6905
sponsored organization are directly or indirectly owned, 6906
controlled, or otherwise held by any combination of the 6907
physicians and hospitals described in this division. 6908

(AA) "Solicitation document" means the written materials 6909
provided to prospective subscribers or enrollees, or both, and 6910
used for advertising and marketing to induce enrollment in the 6911
health care plans of a health insuring corporation. 6912

(BB) "Subscriber" means a person who is responsible for 6913
making payments to a health insuring corporation for 6914
participation in a health care plan, or an enrollee whose 6915
employment or other status is the basis of eligibility for 6916
enrollment in a health insuring corporation. 6917

(CC) "Urgent care services" means those health care 6918
services that are appropriately provided for an unforeseen 6919
condition of a kind that usually requires medical attention 6920

without delay but that does not pose a threat to the life, limb, 6921
or permanent health of the injured or ill person, and may 6922
include such health care services provided out of the health 6923
insuring corporation's approved service area pursuant to 6924
indemnity payments or service agreements. 6925

Sec. 1776.69. (A) Pursuant to a written agreement of 6926
merger or consolidation between the constituent entities as this 6927
section provides, a domestic partnership and one or more 6928
additional domestic or foreign entities may merge into a 6929
surviving entity other than a domestic partnership, or a 6930
domestic partnership together with one or more additional 6931
domestic or foreign entities may consolidate into a new entity, 6932
other than a domestic partnership, that is formed by the 6933
consolidation. No merger or consolidation may be carried out 6934
pursuant to this section unless it is permitted by the Revised 6935
Code chapter under which each domestic constituent entity exists 6936
and by the laws under which each foreign constituent entity 6937
exists. 6938

(B) Any written agreement of any merger or consolidation 6939
shall set forth all of the following: 6940

(1) The name and the form of entity of each constituent 6941
entity and the state under the laws of which each constituent 6942
entity exists; 6943

(2) In the case of a merger, that one or more specified 6944
constituent domestic partnerships and other specified 6945
constituent entities will be merged into a specified surviving 6946
foreign entity or surviving domestic entity other than a 6947
domestic partnership, or, in the case of a consolidation, that 6948
the constituent entities will be consolidated into a new foreign 6949
entity or a new domestic entity other than a domestic 6950

partnership; 6951

(3) If the surviving or new entity is a foreign 6952
partnership, all statements and matters that section 1776.68 of 6953
the Revised Code would require if the surviving or new entity 6954
were a domestic partnership; 6955

(4) The name and the form of entity of the surviving or 6956
new entity, the state under the laws of which the surviving 6957
entity exists or the new entity is to exist, and the location of 6958
the principal office of the surviving or new entity; 6959

(5) Any additional statements and matters required to be 6960
set forth in an agreement of merger or consolidation by the laws 6961
under which each constituent entity exists and, in the case of a 6962
consolidation, the new entity is to exist; 6963

(6) If the surviving or new entity is a foreign entity, 6964
the consent of the surviving or new foreign entity to be sued 6965
and served with process in this state and the irrevocable 6966
appointment of the secretary of state as its agent to accept 6967
service of process in any proceeding in this state to enforce 6968
against the surviving or new foreign entity any obligation of 6969
any constituent domestic partnership or to enforce the rights of 6970
a dissenting partner of any constituent domestic partnership; 6971

(7) If the surviving or new entity is a foreign 6972
corporation that desires to transact business in this state as a 6973
foreign corporation, a statement to that effect, together with a 6974
statement regarding the appointment of a statutory agent and 6975
service of any process, notice, or demand upon that statutory 6976
agent or the secretary of state, as required when a foreign 6977
corporation applies for a license to transact business in this 6978
state; 6979

(8) If the surviving or new entity is a foreign limited partnership that desires to transact business in this state as a foreign limited partnership, a statement to that effect, together with all of the information required under section 1782.49 of the Revised Code when a foreign limited partnership registers to transact business in this state;

(9) If the surviving or new entity is a foreign limited liability company that desires to transact business in this state as a foreign limited liability company, a statement to that effect, together with all of the information required under section 1705.54 or 1706.511 of the Revised Code when a foreign limited liability company registers to transact business in this state;

(10) If the surviving or new entity is a foreign limited liability partnership that desires to transact business in this state as a foreign limited liability partnership, a statement to that effect, together with all of the information required under section 1776.86 of the Revised Code when a foreign limited liability partnership registers to transact business in this state.

(C) The written agreement of merger or consolidation also may set forth any additional provision permitted by the laws of any state under the laws of which any constituent entity exists, consistent with the laws under which the surviving entity exists or the new entity is to exist.

(D) To effect the merger or consolidation, the partners of each constituent domestic partnership shall adopt an agreement of merger or consolidation in the same manner and with the same notice to and vote or action of partners or of a particular class or group of partners as section 1776.68 of the Revised

Code requires. The agreement of merger or consolidation also 7010
shall be approved or otherwise authorized by or on behalf of 7011
each constituent entity in accordance with the laws under which 7012
it exists. An agreement of merger or consolidation is not 7013
effective against a person who would continue to be or who would 7014
become a general partner of an entity that is the surviving or 7015
new entity in a merger or consolidation unless that person 7016
specifically agrees in writing either to continue or to become, 7017
as the case may be, a general partner of the surviving or new 7018
entity. 7019

(E) (1) At any time before filing the certificate of merger 7020
or consolidation pursuant to section 1776.70 of the Revised 7021
Code, if the agreement of merger or consolidation permits, the 7022
partners of any constituent partnership, the directors of any 7023
constituent corporation, or the comparable representatives of 7024
any other constituent entity may abandon the merger or 7025
consolidation. 7026

(2) The agreement of merger or consolidation may authorize 7027
less than all of the partners of any constituent partnership, 7028
the directors of any constituent corporation, or the comparable 7029
representatives of any other constituent entity to amend the 7030
agreement of merger or consolidation at any time before the 7031
filing of the certificate of merger or consolidation, except 7032
that, after the adoption of the agreement of merger or 7033
consolidation by the partners of any constituent domestic 7034
partnership, only with the approval of all the partners may any 7035
agreement of merger or consolidation be amended to do any of the 7036
following: 7037

(a) Alter or change the amount or kind of interests, 7038
shares, evidences of indebtedness, other securities, cash, 7039

rights, or any other property to be received by partners of the 7040
constituent domestic partnership in conversion of or in exchange 7041
for their interests; 7042

(b) If the surviving or new entity is a partnership, alter 7043
or change any term of the partnership agreement of the surviving 7044
or new partnership, except for alterations or changes that could 7045
be adopted by those partners by the terms of the partnership 7046
agreement of the surviving or new partnership as would be in 7047
effect after the merger or consolidation; 7048

(c) If the surviving or new entity is a corporation or any 7049
other entity other than a partnership, alter or change any term 7050
of the articles or comparable instrument of the surviving or new 7051
corporation or entity, except for alterations or changes that 7052
otherwise could be adopted by the directors or comparable 7053
representatives of the surviving or new corporation or entity; 7054

(d) Alter or change any other terms and conditions of the 7055
agreement of merger or consolidation if any of the alterations 7056
or changes, alone or in the aggregate, would materially 7057
adversely affect the partners or any class or group of partners 7058
of the constituent domestic partnership. 7059

Sec. 1776.82. (A) The name of a limited liability 7060
partnership shall contain "registered limited liability 7061
partnership," "registered partnership having limited liability," 7062
"limited liability partnership," "R.L.L.P.," "P.L.L.," "L.L.P.," 7063
"RLLP," "PLL," or "LLP." 7064

(B) The name of a domestic registered limited liability 7065
partnership or foreign limited liability partnership shall be 7066
distinguishable upon the records in the office of the secretary 7067
of state from all of the following: 7068

(1) The name of any other limited liability partnership registered in the office of the secretary of state pursuant to this chapter or Chapter 1775. of the Revised Code, whether domestic or foreign;

(2) The name of any domestic corporation that is formed under Chapter 1701. or 1702. of the Revised Code or any foreign corporation that is registered pursuant to Chapter 1703. of the Revised Code;

(3) The name of any limited liability company registered in the office of the secretary of state pursuant to Chapter 1705. or 1706. of the Revised Code, whether domestic or foreign;

(4) The name of any limited partnership registered in the office of the secretary of state pursuant to Chapter 1782. of the Revised Code, whether domestic or foreign;

(5) Any trade name the exclusive right to which is at the time in question registered in the office of the secretary of state pursuant to Chapter 1329. of the Revised Code.

Sec. 1782.02. (A) The name of any limited partnership, as set forth in its certificate of limited partnership, shall include "Limited Partnership," "L.P.," "Limited," or "Ltd." and shall not contain the name of a limited partner unless either of the following are true:

(1) It is also the name of a general partner;

(2) The business of the limited partnership had been carried on under that name before the admission of that limited partner.

(B) The name of a limited partnership shall be distinguishable upon the records in the office of the secretary

of state from all of the following: 7097

(1) The name of any other limited partnership registered 7098
in the office of the secretary of state pursuant to this 7099
chapter, whether domestic or foreign; 7100

(2) The name of any domestic corporation that is formed 7101
under Chapter 1701. or 1702. of the Revised Code or any foreign 7102
corporation that is registered pursuant to Chapter 1703. of the 7103
Revised Code; 7104

(3) The name of any limited liability company registered 7105
in the office of the secretary of state pursuant to Chapter 7106
1705. or 1706. of the Revised Code, whether domestic or foreign; 7107

(4) The name of any limited liability partnership 7108
registered in the office of the secretary of state pursuant to 7109
Chapter 1775. or 1776. of the Revised Code, whether domestic or 7110
foreign; 7111

(5) Any trade name the exclusive right to which is at the 7112
time in question registered in the office of the secretary of 7113
state pursuant to Chapter 1329. of the Revised Code. 7114

Sec. 1782.432. (A) Pursuant to an agreement of merger or 7115
consolidation between the constituent entities as provided in 7116
this section, a domestic limited partnership and one or more 7117
additional domestic or foreign entities may be merged into a 7118
surviving entity other than a domestic limited partnership, or a 7119
domestic limited partnership together with one or more 7120
additional domestic or foreign entities may be consolidated into 7121
a new entity other than a domestic limited partnership to be 7122
formed by such consolidation. The merger or consolidation must 7123
be permitted by the chapter of the Revised Code under which each 7124
domestic constituent entity exists and by the laws under which 7125

each foreign constituent entity exists. 7126

(B) The agreement of merger or consolidation shall set 7127
forth all of the following: 7128

(1) The name and the form of entity of each constituent 7129
entity and the state under the laws of which each constituent 7130
entity exists; 7131

(2) In the case of a merger, that one or more specified 7132
constituent domestic limited partnerships and other specified 7133
constituent entities will be merged into a specified surviving 7134
foreign entity or surviving domestic entity other than a 7135
domestic limited partnership, or, in the case of a 7136
consolidation, that the constituent entities will be 7137
consolidated into a new foreign entity or a new domestic entity 7138
other than a domestic limited partnership; 7139

(3) If the surviving or new entity is a foreign limited 7140
partnership, all additional statements and matters, other than 7141
the name and address of the statutory agent, that would be 7142
required by section 1782.431 of the Revised Code if the 7143
surviving or new entity were a domestic limited partnership; 7144

(4) The name and the form of entity of the surviving or 7145
new entity, the state under the laws of which the surviving 7146
entity exists or the new entity is to exist, and the location of 7147
the principal office of the surviving or new entity; 7148

(5) All additional statements and matters required to be 7149
set forth in such an agreement of merger or consolidation by the 7150
laws under which each constituent entity exists and, in the case 7151
of a consolidation, the new entity is to exist; 7152

(6) The consent of the surviving or new entity to be sued 7153
and served with process in this state and the irrevocable 7154

appointment of the secretary of state as its agent to accept 7155
service of process in any proceeding in this state to enforce 7156
against the surviving or new entity any obligation of any 7157
constituent domestic limited partnership or to enforce the 7158
rights of a dissenting partner of any constituent domestic 7159
limited partnership; 7160

(7) If the surviving or new entity is a foreign 7161
corporation that desires to transact business in this state as a 7162
foreign corporation, a statement to that effect, together with a 7163
statement regarding the appointment of a statutory agent and 7164
service of any process, notice, or demand upon that statutory 7165
agent or the secretary of state, as required when a foreign 7166
corporation applies for a license to transact business in this 7167
state; 7168

(8) If the surviving or new entity is a foreign limited 7169
partnership that desires to transact business in this state as a 7170
foreign limited partnership, a statement to that effect, 7171
together with all of the information required under section 7172
1782.49 of the Revised Code when a foreign limited partnership 7173
registers to transact business in this state; 7174

(9) If the surviving or new entity is a foreign limited 7175
liability company that desires to transact business in this 7176
state as a foreign limited liability company, a statement to 7177
that effect, together with all of the information required under 7178
section 1705.54 or 1706.511 of the Revised Code when a foreign 7179
limited liability company registers to transact business in this 7180
state. 7181

(C) The agreement of merger or consolidation also may set 7182
forth any additional provision permitted by the laws of any 7183
state under the laws of which any constituent entity exists, 7184

consistent with the laws under which the surviving entity exists 7185
or the new entity is to exist. 7186

(D) To effect the merger or consolidation, the agreement 7187
of merger or consolidation shall be adopted by the general 7188
partners of each constituent domestic limited partnership, in 7189
the same manner and with the same notice to and vote or action 7190
of partners or of a particular class or group of partners as is 7191
required by section 1782.431 of the Revised Code. The agreement 7192
of merger or consolidation also shall be approved or otherwise 7193
authorized by or on behalf of each constituent entity in 7194
accordance with the laws under which it exists. Each person who 7195
will continue to be or who will become a general partner of a 7196
partnership that is the surviving or new entity in a merger or 7197
consolidation shall specifically agree to continue or to become, 7198
as the case may be, a general partner of the surviving or new 7199
entity. 7200

(E) At any time before the filing of the certificate of 7201
merger or consolidation pursuant to section 1782.433 of the 7202
Revised Code, the merger or consolidation may be abandoned by 7203
the general partners of any constituent partnership, the 7204
directors of any constituent corporation, or the comparable 7205
representatives of any other constituent entity if the general 7206
partners, directors, or comparable representatives are 7207
authorized to do so by the agreement of merger or consolidation. 7208
The agreement of merger or consolidation may contain a provision 7209
authorizing the general partners of any constituent partnership, 7210
the directors of any constituent corporation, or the comparable 7211
representatives of any other constituent entity to amend the 7212
agreement of merger or consolidation at any time before the 7213
filing of the certificate of merger or consolidation, except 7214
that after the adoption of the agreement of merger or 7215

consolidation by the limited partners of any constituent 7216
domestic limited partnership, the general partners shall not be 7217
authorized to amend the agreement of merger or consolidation to 7218
do any of the following: 7219

(1) Alter or change the amount or kind of interests, 7220
shares, evidences of indebtedness, other securities, cash, 7221
rights, or any other property to be received by limited partners 7222
of the constituent domestic limited partnership in conversion of 7223
or in substitution for their interests; 7224

(2) If the surviving or new entity is a partnership, alter 7225
or change any term of the partnership agreement of the surviving 7226
or new partnership, except for alterations or changes that 7227
otherwise could be adopted by the general partners of the 7228
surviving or new partnership; 7229

(3) If the surviving or new entity is a corporation or any 7230
other entity other than a partnership, alter or change any term 7231
of the articles or comparable instrument of the surviving or new 7232
corporation or entity, except for alterations or changes that 7233
otherwise could be adopted by the directors or comparable 7234
representatives of the surviving or new corporation or entity; 7235

(4) Alter or change any other terms and conditions of the 7236
agreement of merger or consolidation if any of the alterations 7237
or changes, alone or in the aggregate, would materially 7238
adversely affect the limited partners or any class or group of 7239
limited partners of the constituent domestic limited 7240
partnership. 7241

Sec. 1785.09. This chapter does not preclude the rendering 7242
of a professional service within this state by a corporation 7243
formed under division (B) of section 1701.03 of the Revised 7244

Code, a limited liability company formed under Chapter 1705. or 7245
1706. of the Revised Code, or a foreign limited liability 7246
company registered with the secretary of state and transacting 7247
business in this state in accordance with sections 1705.53 to 7248
1705.58 or 1706.51 to 1706.516 of the Revised Code. 7249

Sec. 3345.203. (A) As used in this section: 7250

(1) "Claims expenses" means payment of judgments, 7251
settlement of claims, expense, loss, and damage. 7252

(2) "State university or college" has the same meaning as 7253
in section 3345.12 of the Revised Code. 7254

(B) Regardless of whether a state university or college 7255
secures insurance coverages under division (B) (1), (2), or (3) 7256
of section 3345.202 of the Revised Code, the board of trustees 7257
of the state university or college may join with other state 7258
universities or colleges in establishing and maintaining a joint 7259
self-insurance pool to do both of the following: 7260

(1) Provide for payment of claims expenses that arise, or 7261
are claimed to have arisen, from an act or omission of the state 7262
university or college or any of its employees or other persons 7263
authorized by the board while doing either of the following: 7264

(a) Acting in the scope of their employment or official 7265
responsibilities; 7266

(b) Being engaged in activities undertaken at the request 7267
or direction, or for the benefit, of the state university or 7268
college. 7269

(2) Indemnify or hold harmless the state university's or 7270
college's employees against such loss or damage. 7271

The joint self-insurance pool shall be pursuant to a 7272

written agreement and to the extent that the board considers the pool to be necessary. 7273
7274

(C) All of the following apply to a joint self-insurance pool under this section: 7275
7276

(1) The funds shall be reserved as are necessary, in the exercise of sound and prudent actuarial judgment, to cover potential state university or college and employee liabilities, loss, and damage. A report of aggregate amounts so reserved and aggregate disbursements made from such funds shall be prepared and maintained in the office of the pool administrator described in division (C) (2) of this section. The report shall be prepared and maintained not later than ninety days after the close of the pool's fiscal year. 7277
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The report required by this division shall include, but not be limited to, the aggregate of disbursements made for the administration of the pool, including claims paid, costs of the legal representation of state universities or colleges and employees, and fees paid to consultants. The report also shall be accompanied by a written report of a member of the American academy of actuaries certifying whether the amounts reserved conform to the requirements of this division, are computed in accordance with accepted loss reserving standards, and are fairly stated in accordance with sound loss reserving principles. 7286
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The pool administrator described in division (C) (2) of this section shall make the report required by this division available for inspection by any person at all reasonable times during regular business hours. Upon the request of such person, the pool administrator shall make copies of the report available at cost within a reasonable period of time. The pool 7297
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administrator also shall submit a copy of the report to the 7303
auditor of state. The report required by this division is in 7304
lieu of the records required by division (A) of section 149.431 7305
of the Revised Code. 7306

(2) The board of trustees establishing a joint self- 7307
insurance pool may award a contract, without the necessity of 7308
competitive bidding, to a pool administrator for purposes of 7309
administration of the joint self-insurance pool. A "pool 7310
administrator" may be any person, political subdivision, limited 7311
liability company organized under Chapter 1705. or 1706. of the 7312
Revised Code, nonprofit corporation organized under Chapter 7313
1702. of the Revised Code, or regional council of governments 7314
created under Chapter 167. of the Revised Code. The board shall 7315
not enter into such a contract without full, prior, public 7316
disclosure of all terms and conditions. The disclosure shall 7317
include, at a minimum, a statement listing all representations 7318
made in connection with any possible savings and losses 7319
resulting from the contract, and potential liability of any 7320
state university or college or employee. The proposed contract 7321
and statement shall be disclosed and presented at a meeting of 7322
the board of trustees of the state university or college prior 7323
to the meeting at which the board of trustees of the state 7324
university or college authorizes the contract. 7325

(3) A joint self-insurance pool shall include a contract 7326
with a member of the American academy of actuaries for the 7327
preparation of the written evaluation of the reserve funds 7328
required under division (C)(1) of this section. 7329

(4) A joint self-insurance pool may allocate the costs of 7330
funding the pool among the funds or accounts in the treasuries 7331
of the state universities or colleges on the basis of their 7332

relative exposure and loss experience. A joint self-insurance 7333
program may require any deductible under the program to be paid 7334
from funds or accounts in the treasury of the state university 7335
or college from which a loss was directly attributable. 7336

(D) Two or more state universities or colleges may also 7337
authorize the establishment and maintenance of a joint risk- 7338
management program, including but not limited to the employment 7339
of risk managers and consultants, for the purpose of preventing 7340
and reducing the risks covered by insurance, self-insurance, or 7341
joint self-insurance programs. A joint risk-management program 7342
shall not include fidelity, surety, or guarantee bonding. 7343

(E) A state university or college is not liable under a 7344
joint self-insurance pool for any amount in excess of amounts 7345
payable pursuant to the written agreement for the participation 7346
of the state university or college in the joint self-insurance 7347
pool. Under a joint self-insurance pool agreement a state 7348
university or college may, to the extent permitted under the 7349
written agreement, assume the risks of any other state 7350
university or college, including the indemnification of its 7351
employees. A joint self-insurance pool, established under this 7352
section, is deemed a separate legal entity for the public 7353
purpose of enabling the members of the joint self-insurance pool 7354
to obtain insurance or to provide for a formalized, jointly 7355
administered self-insurance fund for its members. An entity 7356
created pursuant to this section is exempt from all state and 7357
local taxes. 7358

(F) (1) In the manner provided by and subject to the 7359
applicable provisions of section 3345.12 of the Revised Code, 7360
any state university or college may issue obligations and may 7361
also issue notes in anticipation of such obligations, pursuant 7362

to a resolution of its board of trustees or other governing body 7363
for the purpose of providing funds to do both of the following: 7364

(a) Pay claims expenses, whether by way of a reserve or 7365
otherwise; 7366

(b) Pay the state university or college's portion of the 7367
cost of establishing and maintaining a joint self-insurance pool 7368
or to provide for the reserve in a special fund authorized by 7369
division (C) (1) of this section. 7370

(2) Sections 9.98 to 9.983 of the Revised Code apply to 7371
bonds or notes authorized under this section. 7372

(G) (1) A joint self-insurance pool, in addition to its 7373
powers to provide self-insurance against any and all liabilities 7374
under this chapter, may also include any one or more of the 7375
following forms of property or casualty self-insurance for the 7376
purpose of covering any other liabilities or risks of the 7377
members of the pool: 7378

(a) Public general liability, professional liability, or 7379
employee liability; 7380

(b) Individual or fleet motor vehicle or automobile 7381
liability and protection against other liability and loss 7382
associated with the ownership, maintenance, and use of motor 7383
vehicles; 7384

(c) Aircraft liability and protection against other 7385
liability and loss associated with the ownership, maintenance, 7386
and use of aircraft; 7387

(d) Loss or damage to property and loss of use and 7388
occupancy of property by fire, lightning, hail, tempest, flood, 7389
earthquake, or snow, explosion, accident, or other risk; 7390

(e) Marine, inland transportation and navigation, boiler,	7391
containers, pipes, engines, flywheels, elevators, and machinery;	7392
(f) Environmental impairment;	7393
(g) Loss or damage by any hazard upon any other risk to	7394
which state universities or colleges are subject, which is not	7395
prohibited by statute or at common law from being the subject of	7396
casualty or property insurance.	7397
(2) A joint self-insurance pool is not an insurance	7398
company. Its operation does not constitute doing an insurance	7399
business and is not subject to the insurance laws of this state.	7400
(H) A public official or employee of a state university or	7401
college who is or becomes a member of the governing body of a	7402
joint self-insurance pool in which the state university or	7403
college participates is not in violation of any of the following	7404
as a result of the state university or college entering into the	7405
written agreement to participate in the pool or into any	7406
contract with the pool:	7407
(1) Division (D) or (E) of section 102.03 of the Revised	7408
Code;	7409
(2) Division (C) of section 102.04 of the Revised Code;	7410
(3) Section 2921.42 of the Revised Code.	7411
(I) This section shall not be construed to affect the	7412
ability of any state university or college to self-insure under	7413
the authority conferred by any other section of the Revised	7414
Code.	7415
(J) The establishment or participation in a joint self-	7416
insurance pool under this section shall not constitute a waiver	7417
of any immunity or defense available to the member state	7418

university or college or to any covered entity. 7419

(K) (1) Both of the following shall be determined in the 7420
court of claims pursuant to section 2743.02 of the Revised Code: 7421

(a) Any claims or litigation relating to the 7422
administration of a joint self-insurance pool created pursuant 7423
to this section, including any immunities or defenses; 7424

(b) Any claims relating to the scope of or denial of 7425
coverage under that pool or its administration. 7426

(2) The pool administrator described in division (C) (2) of 7427
this section and its employees, while in the course of 7428
administering a joint self-insurance pool under this section, 7429
shall: 7430

(a) Be deemed to be an instrumentality of the state for 7431
the purposes of Chapter 2743. of the Revised Code; 7432

(b) Be deemed to be performing a public duty, as defined 7433
in section 2743.01 of the Revised Code; and 7434

(c) Have the defenses to, and immunities from, civil 7435
liability provided in section 2743.02 of the Revised Code. 7436

Sec. 3964.03. (A) A captive insurance company shall be 7437
organized under Chapter 1701., 1702., ~~or 1705.~~ or 1706. of the 7438
Revised Code. 7439

(B) A captive insurance company shall not operate in this 7440
state unless all of the following are met: 7441

(1) The captive insurance company obtains from the 7442
superintendent a license to do the business of captive insurance 7443
in this state. 7444

(2) The captive insurance company's board of directors 7445

holds at least one meeting each year in this state. 7446

(3) The captive insurance company maintains its principal 7447
place of business in this state. 7448

(4) The person managing the captive insurance company is a 7449
resident of this state. 7450

(5) The captive insurance company appoints a registered 7451
agent to accept service of process and act on its behalf in this 7452
state. 7453

(C) Whenever an agent required under division (B) (5) of 7454
this section cannot, with reasonable diligence, be found at the 7455
registered office of the captive insurance company, the 7456
superintendent shall be an agent of such a captive insurance 7457
company upon whom any process, notice, or demand may be served. 7458

(D) A captive insurance company seeking a license to be a 7459
captive insurance company in this state shall file an 7460
application with the superintendent and shall submit all of the 7461
following along with the application: 7462

(1) A certified copy of its articles of incorporation, 7463
bylaws, or other organizational document and code of 7464
regulations; 7465

(2) A statement, made under oath by the president and 7466
secretary, in a form prescribed by the superintendent, showing 7467
the captive insurance company's financial condition; 7468

(3) A statement of the captive insurance company's assets 7469
relative to its risks, detailing the amount of assets and their 7470
liquidity; 7471

(4) An account of the adequacy of the expertise, 7472
experience, and character of the person or persons who will 7473

manage the captive insurance company; 7474

(5) An account of the loss prevention programs of the 7475
persons that the captive insurance company insures; 7476

(6) Actuarial assumptions and methodologies that will be 7477
utilized in calculating reserves; 7478

(7) Any other information considered necessary by the 7479
superintendent to determine whether the proposed captive 7480
insurance company will be able to meet its obligations. 7481

(E) (1) A special purpose financial captive insurance 7482
company shall follow the national association of insurance 7483
commissioner's accounting practices and procedures manual. 7484

(2) (a) Upon request, the superintendent may allow a 7485
special purpose financial captive insurance company to use a 7486
reserve basis other than that found in the national association 7487
of insurance commissioner's accounting practices and procedures 7488
manual. 7489

(b) The superintendent, in accordance with Chapter 119. of 7490
the Revised Code, shall adopt rules that define acceptable 7491
alternative reserve bases. 7492

(c) Such rules shall be adopted prior to availability for 7493
use of any such alternative reserve basis and shall ensure that 7494
the resulting reserves meet all of the following conditions: 7495

(i) Quantify the benefits and guarantees, and the funding, 7496
associated with the contracts and their risks at a level of 7497
conservatism that reflects conditions that include unfavorable 7498
events that have a reasonable probability of occurring during 7499
the lifetime of the contracts. For policies or contracts with 7500
significant tail risk, reflects conditions appropriately adverse 7501

to quantify the tail risk. 7502

(ii) Incorporate assumptions, risk analysis methods, and 7503
financial models and management techniques that are consistent 7504
with, but not necessarily identical to, those utilized within 7505
the company's overall risk assessment process, while recognizing 7506
potential differences in financial reporting structures and any 7507
prescribed assumptions or methods; 7508

(iii) Provide margins for uncertainty including adverse 7509
deviation and estimation error, such that the greater the 7510
uncertainty the larger the margin and resulting reserve. 7511

(d) An alternative basis for calculating a reserve 7512
approved by the superintendent shall be treated as a public 7513
document after the date the alternative basis for calculating 7514
the reserve has been approved, regardless of the application of 7515
the uniform trade secrets act set forth in sections 1333.61 to 7516
1333.69 of the Revised Code. 7517

(3) The special purpose financial captive insurance 7518
company shall submit a request for an alternative reserve basis 7519
in writing, and affirmed by the company's appointed actuary, 7520
that includes, at a minimum, the following information for the 7521
superintendent to consider in evaluating the request: 7522

(a) The reserves based on the national association of 7523
insurance commissioner's accounting practices and procedures 7524
manual and the reserves based on the proposed alternative method 7525
for calculation and the difference between these two 7526
calculations; 7527

(b) A detailed analysis of the proposed alternative method 7528
explaining why the use of an alternative basis for calculating 7529
the reserve is appropriate; 7530

(c) All assumptions utilized within the proposed 7531
alternative method, together with the source of the assumptions, 7532
as well as information, satisfactory to the superintendent, 7533
supporting the appropriateness of the assumptions and analysis 7534
and identifying the assumptions that result in the greatest 7535
variability in the reserve and how that analysis was used in 7536
setting those assumptions; 7537

(d) A detailed overview of the corporate governance and 7538
oversight of the actuarial valuation function; 7539

(e) Any other information the superintendent may require 7540
to assess the proposed alternative method for approval or 7541
disapproval. 7542

(4) At the expense of the special purpose financial 7543
captive insurance company, the superintendent may require the 7544
company to secure the affirmation of an independent qualified 7545
actuary in support of any alternative basis for calculating the 7546
reserve that is requested pursuant to this section or to assist 7547
the superintendent in the review of said request. 7548

(5) If the superintendent approves the use of an 7549
alternative basis for calculating a reserve, the special purpose 7550
financial captive insurance company, and the ceding insurer 7551
shall each include a note in its financial statements disclosing 7552
the use of a basis other than the national association of 7553
insurance commissioner's accounting practices and procedures 7554
manual and the difference between the reserve amount determined 7555
under the alternative basis and the reserve amount that would 7556
have been determined had the company utilized the national 7557
association of insurance commissioner's accounting practices and 7558
procedures manual. 7559

(6) (a) The superintendent shall establish an acceptable total capital and surplus requirement for each insurance company that will cede risks and obligations to a special purpose financial captive insurance company. The total capital and surplus requirement must be met at the time the special purpose financial captive insurance company applies for a license to do the business of captive insurance. The total capital and surplus requirement shall be determined in accordance with a minimum required total capital and surplus methodology that meets both of the following requirements:

(i) Is consistent with current risk-based capital principles;

(ii) Takes into account all material risks and obligations, as well as the assets, of the insurance company.

(b) An insurance company ceding risks and obligations to a special purpose financial captive insurance company shall fully disclose all material risks and obligations, as well as its assets and all affiliated captive insurance company risks. The ceding insurance company shall advise the superintendent whenever there is a material change to such risks, obligations, or assets.

(F) In determining whether to approve an application for a license, the superintendent shall consider all of the following:

(1) The character, reputation, financial standing, and purposes of the incorporators, or other founders, of the captive insurance company;

(2) The character, reputation, financial responsibility, experience relating to insurance, and business qualifications of the officers and directors of the captive insurance company;

(3) The amount of liquidity and assets of the captive insurance company relative to the risks to be assumed;	7589 7590
(4) The adequacy of the expertise, experience, and character of the person or persons who will manage the captive insurance company;	7591 7592 7593
(5) The overall soundness of the plan of operation;	7594
(6) The adequacy of the loss prevention programs of the persons that the captive insurance company insures.	7595 7596
(G) (1) Each captive insurance company that offers direct insurance to its parent shall submit to the superintendent for approval a detailed description of the coverages, deductibles, coverage limits, proposed rates or rating plans, documentation from a qualified actuary that demonstrates the actuarial soundness of the proposed rates or rating plans, and other such additional information as the superintendent may require.	7597 7598 7599 7600 7601 7602 7603
(2) (a) Any captive insurance company licensed under the provisions of this chapter that seeks to make any material change to any item described in division (G) (1) of this section shall submit to the superintendent for approval a detailed description of the revision, documentation from a qualified actuary that demonstrates the actuarial soundness of the revised rates or rating plans, and other such additional information as the superintendent may require.	7604 7605 7606 7607 7608 7609 7610 7611
(b) Each filing under division (G) (2) (a) of this section is deemed approved thirty days after the filing is received by the superintendent of insurance, unless the filing is disapproved by the superintendent during that thirty-day period.	7612 7613 7614 7615
(c) If at any time subsequent to the thirty-day review period the superintendent finds that a filing does not	7616 7617

demonstrate actuarial soundness, the superintendent shall hold a hearing requiring the captive insurance company to show cause why an order should not be made by the superintendent to disapprove the revised rates or rating plans.

(d) If, upon such a hearing, the superintendent finds that the captive insurance company failed to demonstrate the actuarial soundness of the rates or rating plans, the superintendent shall issue an order directing the captive insurance company to cease and desist from using the revised rates or rating plans and to use rates or rating plans as determined appropriate by the superintendent.

(H) Except as otherwise provided in this division, documents and information submitted by a captive insurance company pursuant to this section are not subject to section 149.43 of the Revised Code, and are confidential, and may not be disclosed by the superintendent or any employee of the department of insurance without the written consent of the company.

(1) Such documents and information may be discoverable in a civil action in which the captive insurance company filing the material is a party upon a finding by a court of competent jurisdiction that the information sought is relevant and necessary to the case and the information sought is unavailable from other, nonconfidential sources.

(2) The superintendent may, at the superintendent's sole discretion, share documents required under this section with the chief deputy rehabilitator, the chief deputy liquidator, other deputy rehabilitators and liquidators, and any other person employed by, or acting on behalf of the superintendent pursuant to Chapter 3901. or 3903. of the Revised Code, with other local,

state, federal, and international regulatory and law enforcement 7648
agencies, with local, state, and federal prosecutors, and with 7649
the national association of insurance commissioners and its 7650
affiliates and subsidiaries provided that the recipient agrees 7651
to maintain the confidential or privileged status of the 7652
documents and has authority to do so. 7653

(I) (1) Each applicant for a license to do the business of 7654
a captive insurance company in this state shall pay to the 7655
superintendent a nonrefundable fee of five hundred dollars for 7656
processing its application for a license. The superintendent is 7657
authorized to retain legal, financial, and examination services 7658
from outside the department, at the expense of the applicant. 7659
Each captive insurance company shall annually pay a license 7660
renewal fee of five hundred dollars. 7661

(2) The fees collected pursuant to division (I) (1) of this 7662
section shall be deposited into the state treasury to the credit 7663
of the captive insurance regulation and supervision fund created 7664
under section 3964.15 of the Revised Code. 7665

Sec. 3964.17. (A) As used in sections 3964.17 to 3964.1710 7666
of the Revised Code: 7667

(1) "Protected cell" means an incorporated cell that is 7668
organized pursuant to Chapter 1701., 1702., ~~or 1705.~~, or 1706. 7669
of the Revised Code and that has a separate legal identity from 7670
the protected cell captive insurance company of which it is a 7671
part. 7672

(2) "Protected cell captive insurance company" means a 7673
captive insurance company that meets all of the following 7674
requirements: 7675

(a) Is formed and licensed under the provisions of this 7676

chapter; 7677

(b) Insures or reinsures the risks of separate 7678
participants through a participant contract; 7679

(c) Segregates each participant's liability into a 7680
protected cell. 7681

(3) "Participant" means an individual, company, 7682
corporation, partnership, limited liability company, and their 7683
affiliated entities that insure or reinsure with a protected 7684
cell. "Participant" includes an insurance agent licensed in this 7685
state that accepts a stated percentage of risk on a pro rata 7686
basis within a defined category of business underwritten by a 7687
licensed insurance company that is domiciled in this state and 7688
that is affiliated with a protected cell captive insurance 7689
company. 7690

(4) "Participant contract" means a contract by which a 7691
protected cell insures or reinsures the risks of a participant. 7692

(a) A participant that is not an insurance agent licensed 7693
in this state shall insure or reinsure only its own risks 7694
through a protected cell. 7695

(b) If the participant is an insurance agent licensed in 7696
this state, the participant contract must define each risk 7697
covered by the contract with fixed and certain terms. 7698

(B) A captive insurance company may be organized as a 7699
protected cell captive insurance company and shall be permitted 7700
to form one or more protected cells under this section to insure 7701
or reinsure risks of one or more participants. 7702

(C) The assets and liabilities of each protected cell 7703
shall be held separately from the assets and liabilities of all 7704

other protected cells. 7705

(D) A protected cell of a protected cell captive insurance 7706
company shall be organized pursuant to Chapter 1701., 1702., ~~or~~ 7707
1705., or 1706. of the Revised Code. 7708

(E) A protected cell captive insurance company shall, at 7709
the time of paying the annual fee required under section 3964.13 7710
of the Revised Code, pay an additional annual fee for each 7711
protected cell in an amount to be established by the 7712
superintendent. 7713

(F) Each protected cell of a protected cell captive 7714
insurance company shall be treated as a captive insurance 7715
company for purposes of this chapter. 7716

(G) Unless otherwise permitted by the articles of 7717
incorporation, bylaws, code of regulations, or other 7718
organizational document of a protected cell captive insurance 7719
company, each protected cell of the protected cell captive 7720
insurance company shall have the same directors, secretary, and 7721
registered office as the protected cell captive insurance 7722
company. 7723

(H) A protected cell captive insurance company may provide 7724
in its articles of incorporation, bylaws, code of regulations, 7725
or other organizational documents that a protected cell it 7726
creates shall be wound up and dissolved upon any of the 7727
following: 7728

(1) The bankruptcy, death, expulsion, insanity, 7729
resignation, or retirement of any participant of the protected 7730
cell; 7731

(2) The happening of some event that is not the expiration 7732
of a fixed period of time; 7733

- (3) The expiration of a fixed period of time. 7734
- (I) (1) The articles of incorporation, bylaws, code of regulations, or other organizational documents, of a protected cell captive insurance company shall provide that a protected cell shall not own shares or membership interests in the protected cell captive insurance company of which it is a part. 7735
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7737
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7739
- (2) Such a document may provide that a protected cell may own shares or membership interests in any other protected cell of the protected cell captive insurance company of which it is a part. 7740
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7743
- (J) The name of a protected cell captive insurance company shall include the words "protected cell captive" or the abbreviation "PCC." 7744
7745
7746
- (K) A protected cell captive insurance company shall assign a distinctive name to each of its protected cells that meets all of the following: 7747
7748
7749
- (1) The name identifies the protected cell as being part of the protected cell captive insurance company. 7750
7751
- (2) The name distinguishes the protected cell from any other protected cell of the protected cell captive insurance company. 7752
7753
7754
- (3) The name includes the words "protected cell" or the abbreviation "PC." 7755
7756
- (L) A protected cell may enter into an agreement with its protected cell captive insurance company or with another protected cell of the same protected cell captive insurance company. 7757
7758
7759
7760
- (M) (1) The assets of a protected cell captive insurance 7761

company shall be either cell assets or general assets. 7762

(2) The cell assets comprise the assets of the protected 7763
cell captive insurance company that are held within or on behalf 7764
of its protected cells. 7765

(3) The general assets of a protected cell captive 7766
insurance company comprise the assets of the protected cell 7767
captive insurance company that are not cell assets. 7768

(N) (1) The liabilities of a protected cell captive 7769
insurance company shall be either cell liabilities or general 7770
liabilities. 7771

(2) The cell liabilities comprise the obligations of the 7772
protected cell captive insurance company attributable to its 7773
protected cells. 7774

(3) The general liabilities of a protected cell captive 7775
insurance company comprise the obligations of the protected cell 7776
captive insurance company that are not cell liabilities. 7777

(O) Each protected cell insurance company shall account 7778
separately on its books and records for each of its protected 7779
cells to reflect the financial condition and results of 7780
operations of the protected cell, including net income or loss, 7781
dividends or other distributions to participants, and such other 7782
factors as may be provided by participant contracts or required 7783
by the superintendent. 7784

(P) Each protected cell captive insurance company shall 7785
annually file with the superintendent such financial reports as 7786
the superintendent requires, which shall include financial 7787
statements detailing the financial experience of each protected 7788
cell and a statement regarding the adequacy of reserves kept to 7789
make full provision for the liabilities insured by each 7790

protected cell. 7791

(Q) An officer or manager of a protected cell captive 7792
insurance company shall immediately notify the superintendent if 7793
any protected cell of the protected cell captive insurance 7794
company or the protected cell captive insurance company itself 7795
is trending toward reserves that are inadequate, or if a 7796
protected cell or the protected cell captive insurance company 7797
becomes insolvent or is otherwise unable to meet its claims or 7798
other obligations. 7799

(R) The duties of a director of a protected cell captive 7800
insurance company under this chapter shall be in addition to, 7801
and not in lieu of, those under other applicable law. 7802

Sec. 4701.14. (A) Except as permitted by rules adopted by 7803
the accountancy board, no individual shall assume or use the 7804
title or designation "certified public accountant," "certified 7805
accountant," "chartered accountant," "enrolled accountant," 7806
"licensed accountant," or "registered accountant," or any other 7807
title or designation likely to be confused with "certified 7808
public accountant," or any of the abbreviations "CPA," "PA," 7809
"CA," "EA," "LA," or "RA," or similar abbreviations likely to be 7810
confused with "CPA," or any other title, designation, words, 7811
letters, abbreviation, sign, card, or device tending to indicate 7812
that the individual is a certified public accountant, unless the 7813
individual holds a CPA certificate and holds an Ohio permit. 7814
However, an individual who possesses a foreign certificate, has 7815
registered under section 4701.09 of the Revised Code, and holds 7816
an Ohio permit may use the title permitted under the laws of the 7817
individual's other licensing jurisdiction, followed by the name 7818
of the jurisdiction. 7819

(B) Except as permitted by rules adopted by the board, no 7820

individual shall assume or use the title or designation "public 7821
accountant," "certified public accountant," "certified 7822
accountant," "chartered accountant," "enrolled accountant," 7823
"registered accountant," or "licensed accountant," or any other 7824
title or designation likely to be confused with "public 7825
accountant," or any of the abbreviations "PA," "CPA," "CA," 7826
"EA," "LA," or "RA," or similar abbreviations likely to be 7827
confused with "PA," or any other title, designation, words, 7828
letters, abbreviation, sign, card, or device tending to indicate 7829
that the individual is a public accountant, unless the 7830
individual holds a PA registration and holds an Ohio permit, or 7831
unless the individual holds a CPA certificate. An individual who 7832
holds a PA registration and an Ohio permit may hold self out to 7833
the public as an "accountant" or "auditor." 7834

(C) Except as provided in divisions (C)(1), (2), (3), and 7835
(4) of this section, no partnership, professional association, 7836
corporation-for-profit, limited liability company, or other 7837
business organization not addressed in this section that is 7838
practicing public accounting in this state shall assume or use 7839
the title or designation "certified public accountant," "public 7840
accountant," "certified accountant," "chartered accountant," 7841
"enrolled accountant," "licensed accountant," "registered 7842
accountant," or any other title or designation likely to be 7843
confused with "certified public accountant" or "public 7844
accountant," or any of the abbreviations "CPA," "PA," "CA," 7845
"EA," "RA," or "LA," or similar abbreviations likely to be 7846
confused with "CPA" or "PA," or any other title, designation, 7847
words, letters, abbreviation, sign, card, or device tending to 7848
indicate that the business organization is a public accounting 7849
firm. 7850

(1) (a) A partnership may assume or use the title or 7851

designation "certified public accountant," the abbreviation 7852
"CPA," or any other title, designation, words, letters, 7853
abbreviation, sign, card, or device tending to indicate that the 7854
partnership is composed of certified public accountants if it is 7855
a registered firm, if a majority of its partners who are 7856
individuals hold a CPA certificate or a foreign certificate, and 7857
if a majority of the owners of any qualified firm that is a 7858
partner hold a CPA certificate or a foreign certificate. 7859

(b) A partnership may assume or use the title or 7860
designation "public accountant," the abbreviation "PA," or any 7861
other title, designation, words, letters, abbreviation, sign, 7862
card, or device tending to indicate that the partnership is 7863
composed of public accountants if it is a registered firm, if a 7864
majority of its partners who are individuals hold a PA 7865
registration, a CPA certificate, or a foreign certificate, and 7866
if a majority of the owners of any qualified firm that is a 7867
partner hold a PA registration, a CPA certificate, or a foreign 7868
certificate. 7869

(2) (a) A professional association incorporated under 7870
Chapter 1785. of the Revised Code may assume or use the title or 7871
designation "certified public accountant," the abbreviation 7872
"CPA," or any other title, designation, words, letters, 7873
abbreviation, sign, card, or device tending to indicate that the 7874
professional association is composed of certified public 7875
accountants if it is a registered firm, if a majority of its 7876
shareholders who are individuals hold a CPA certificate or a 7877
foreign certificate, and if a majority of the owners of any 7878
qualified firm that is a shareholder hold a CPA certificate or a 7879
foreign certificate. 7880

(b) A professional association incorporated under Chapter 7881

1785. of the Revised Code may assume or use the title or 7882
designation "public accountant," the abbreviation "PA," or any 7883
other title, designation, words, letters, abbreviation, sign, 7884
card, or device tending to indicate that the professional 7885
association is composed of public accountants if it is a 7886
registered firm, if a majority of its shareholders who are 7887
individuals hold a PA registration, a CPA certificate, or a 7888
foreign certificate, and if a majority of the owners of any 7889
qualified firm that is a shareholder hold a PA registration, a 7890
CPA certificate, or a foreign certificate. 7891

(3) (a) A corporation-for-profit incorporated under Chapter 7892
1701. of the Revised Code may assume or use the title or 7893
designation "certified public accountant," the abbreviation 7894
"CPA," or any other title, designation, words, letters, 7895
abbreviation, sign, card, or device tending to indicate that the 7896
corporation is composed of certified public accountants if it is 7897
a registered firm, if a majority of its shareholders who are 7898
individuals hold a CPA certificate or a foreign certificate, and 7899
if a majority of the owners of any qualified firm that is a 7900
shareholder hold a CPA certificate or a foreign certificate. 7901

(b) A corporation incorporated under Chapter 1701. of the 7902
Revised Code may assume or use the title or designation "public 7903
accountant," the abbreviation "PA," or any other title, 7904
designation, words, letters, abbreviation, sign, card, or device 7905
tending to indicate that the corporation is composed of public 7906
accountants if it is a registered firm, if a majority of the 7907
shareholders who are individuals hold a PA registration, a CPA 7908
certificate, or a foreign certificate, and if a majority of the 7909
owners of any qualified firm that is a shareholder hold a PA 7910
registration, a CPA certificate, or a foreign certificate. 7911

(4) (a) A limited liability company organized under Chapter 7912
1705. or 1706. of the Revised Code may assume or use the title 7913
or designation "certified public accountant," the abbreviation 7914
"CPA," or any other title, designation, words, letters, 7915
abbreviation, sign, card, or device tending to indicate that the 7916
limited liability company is composed of certified public 7917
accountants if it is a registered firm, if a majority of its 7918
members who are individuals hold a CPA certificate or a foreign 7919
certificate, and if a majority of the owners of any qualified 7920
firm that is a member hold a CPA certificate or a foreign 7921
certificate. 7922

(b) A limited liability company organized under Chapter 7923
1705. or 1706. of the Revised Code may assume or use the title 7924
or designation "public accountant," the abbreviation "PA," or 7925
any other title, designation, words, letters, abbreviation, 7926
sign, card, or device tending to indicate that the limited 7927
liability company is composed of public accountants if it is a 7928
registered firm, if a majority of the members who are 7929
individuals hold a PA registration, CPA certificate, or a 7930
foreign certificate, and if a majority of the owners of any 7931
qualified firm that is a member hold a PA registration, a CPA 7932
certificate, or a foreign certificate. 7933

(D) No individual shall sign, affix, or associate the 7934
individual's name or any trade or assumed name used by the 7935
individual in the individual's profession or business to any 7936
attest report with any wording indicating that the individual is 7937
an accountant or auditor, or with any wording accompanying or 7938
contained in the attest report that indicates that the 7939
individual has expert knowledge in accounting or auditing or 7940
expert knowledge regarding compliance with conditions 7941
established by law or contract, including, but not limited to, 7942

statutes, ordinances, regulations, grants, loans, and 7943
appropriations, unless the individual holds an Ohio permit. 7944
However, this division does not prohibit any officer, employee, 7945
partner, or principal of any organization from affixing the 7946
officer's, employee's, partner's, or principal's signature to 7947
any statement or report in reference to the financial affairs of 7948
that organization with any wording designating the position, 7949
title, or office that the individual holds in that organization. 7950
This division also does not prohibit any act of a public 7951
official or public employee in the performance of the public 7952
official's or public employee's duties. 7953

(E) No person shall sign, affix, or associate the name of 7954
a partnership, limited liability company, professional 7955
association, corporation-for-profit, or other business 7956
organization not addressed in this section to any attest report 7957
with any wording accompanying or contained in the attest report 7958
that indicates that the partnership, limited liability company, 7959
professional association, corporation-for-profit, or other 7960
business organization is composed of or employs accountants or 7961
auditors or persons having expert knowledge in accounting or 7962
auditing or expert knowledge regarding compliance with 7963
conditions established by law or contract, including, but not 7964
limited to, statutes, ordinances, regulations, grants, loans, 7965
and appropriations, unless the partnership, limited liability 7966
company, professional association, corporation-for-profit, or 7967
other business organization is a registered firm. 7968

(F) No individual who does not hold an Ohio permit shall 7969
hold self out to the public as an "accountant" or "auditor" by 7970
use of either or both of those words on any sign, card, or 7971
letterhead, in any advertisement or directory, or otherwise, 7972
without indicating on the sign, card, or letterhead, in the 7973

advertisement or directory, or in the other manner of holding 7974
out that the person does not hold an Ohio permit. An individual 7975
who holds a CPA certificate and an Ohio permit may hold self out 7976
to the public as an "accountant" or "auditor." However, this 7977
division does not prohibit any officer, employee, partner, or 7978
principal of any organization from describing self by the 7979
position, title, or office the person holds in that 7980
organization. This division also does not prohibit any act of a 7981
public official or public employee in the performance of the 7982
public official's or public employee's duties. 7983

(G) No partnership, professional association, corporation- 7984
for-profit, limited liability company, or other business 7985
organization not addressed in this section that is not entitled 7986
to assume or use the title "certified public accountant" or 7987
"public accountant" under division (C) of this section shall 7988
hold itself out to the public as a partnership, professional 7989
association, corporation-for-profit, limited liability company, 7990
or other business organization not addressed in this section as 7991
being composed of or employing "accountants" or "auditors" by 7992
use of either or both of those words on any sign, card, or 7993
letterhead, in any advertisement or directory, or otherwise, 7994
without indicating on the sign, card, or letterhead, in the 7995
advertisement or directory, or in the other manner of holding 7996
out that the partnership, professional association, corporation- 7997
for-profit, limited liability company, or other business 7998
organization is not a registered firm and is not permitted by 7999
law to practice as a public accounting firm. 8000

(H) No person shall assume or use the title or designation 8001
"certified public accountant" or "public accountant" in 8002
conjunction with names indicating or implying that there is a 8003
partnership or in conjunction with the designation "and Company" 8004

or "and Co." or a similar designation if, in any of those cases, 8005
there is in fact no bona fide partnership entitled to designate 8006
itself as a partnership of certified public accountants under 8007
division (C) (1) (a) of this section or as a partnership of public 8008
accountants under division (C) (1) (b) of this section. However, a 8009
sole proprietor or partnership that was on October 22, 1959, or 8010
a corporation that on or after September 30, 1974, has been, 8011
lawfully using a title or designation of those types in 8012
conjunction with names or designations of those types, may 8013
continue to do so if the sole proprietor, partnership, or 8014
corporation otherwise complies with this section. 8015

(I) (1) Notwithstanding any other provision of this 8016
chapter, an individual whose principal place of business is not 8017
in this state and who holds a valid foreign certificate as a 8018
certified public accountant shall be presumed to have 8019
qualifications substantially equivalent to this state's CPA 8020
requirements and shall have all of the privileges of a holder of 8021
a CPA certificate and an Ohio permit without the need to obtain 8022
a CPA certificate and an Ohio permit if the accountancy board 8023
has found and has specified in its rules adopted pursuant to 8024
division (A) of section 4701.03 of the Revised Code that the CPA 8025
requirements of the state that issued the individual's foreign 8026
certificate are substantially equivalent to this state's CPA 8027
requirements. 8028

(2) Any individual exercising the privilege afforded under 8029
division (I) (1) of this section hereby consents and is subject, 8030
as a condition of the grant of the privilege, to all of the 8031
following: 8032

(a) The personal and subject matter jurisdiction of the 8033
accountancy board; 8034

(b) All practice and disciplinary provisions of this 8035
chapter and the accountancy board's rules; 8036

(c) The appointment of the board that issued the 8037
individual's foreign certificate as the individual's agent upon 8038
whom process may be served in any action or proceeding by the 8039
accountancy board against the individual. 8040

(3) The holder of a CPA certificate and an Ohio permit who 8041
offers or renders attest services or uses the holder's CPA title 8042
in another state shall be subject to disciplinary action in this 8043
state for an act committed in the other state for which the 8044
holder of a foreign certificate issued by the other state would 8045
be subject to discipline in the other state. 8046

(4) The holder of a foreign certificate who offers or 8047
renders attest services or uses a CPA title or designation in 8048
this state pursuant to the privilege afforded by division (I) (1) 8049
of this section shall be subject to disciplinary action in this 8050
state for any act that would subject the holder of a CPA 8051
certificate and an Ohio permit to disciplinary action in this 8052
state. 8053

Sec. 4703.18. (A) No person shall enter upon the practice 8054
of architecture or hold forth as an architect or registered 8055
architect, unless the person has complied with sections 4703.01 8056
to 4703.19 of the Revised Code and is the holder of a 8057
certificate of qualification to practice architecture issued or 8058
renewed and registered under those sections. 8059

(B) Sections 4703.01 to 4703.19 of the Revised Code do not 8060
prevent persons other than architects from filing applications 8061
for building permits or obtaining those permits. 8062

(C) Sections 4703.01 to 4703.19 of the Revised Code do not 8063

prevent persons other than architects from preparing plans, 8064
drawings, specifications, or data, filing applications for 8065
building permits, or obtaining those permits for residential 8066
buildings, as defined by section 3781.06 of the Revised Code, or 8067
buildings erected as industrialized one-, two-, or three-family 8068
units or structures within the meaning of the term 8069
"industrialized unit" as provided in section 3781.06 of the 8070
Revised Code. 8071

(D) Sections 4703.01 to 4703.19 of the Revised Code do not 8072
prevent persons other than architects from preparing drawings or 8073
data, from filing applications for building permits, or from 8074
obtaining those permits for the installation of replacement 8075
equipment or systems that are similar in type or capacity to the 8076
equipment or systems being replaced, and for any improvement, 8077
alteration, repair, painting, decorating, or other modification 8078
of any buildings or structures subject to sections 3781.06 to 8079
3781.18 and 3791.04 of the Revised Code where the building 8080
official determines that no plans or specifications are required 8081
for approval. 8082

(E) Sections 4703.01 to 4703.19 of the Revised Code do not 8083
exclude a registered professional engineer from architectural 8084
practice that may be incident to the practice of engineering or 8085
exclude a registered architect from engineering practice that 8086
may be incident to the practice of architecture. 8087

(F) Sections 4703.01 to 4703.19 of the Revised Code do not 8088
prevent a firm, partnership, association, limited liability 8089
company, or corporation of architects registered under those 8090
sections from providing architectural services and do not 8091
prevent an individual registered as a landscape architect under 8092
sections 4703.30 to 4703.49 of the Revised Code or as a 8093

professional engineer under Chapter 4733. of the Revised Code 8094
from being a member or trustee of a firm, partnership, 8095
association, limited liability company, or corporation of that 8096
type, but a member or trustee of that type shall not engage in 8097
the practice of architecture or hold forth as an architect 8098
contrary to sections 4703.01 to 4703.19 of the Revised Code and 8099
shall not practice a profession in which the person is not 8100
licensed. 8101

(G) A firm, partnership, association, limited liability 8102
company, or corporation may provide architectural services in 8103
this state as long as the services are provided only through 8104
natural persons registered to provide those services in this 8105
state, subject to the exemptions in section 4703.17 of the 8106
Revised Code and subject otherwise to the requirements of 8107
sections 4703.01 to 4703.19 of the Revised Code. 8108

(H) No firm, partnership, association, limited liability 8109
company, or corporation shall provide architectural services, 8110
hold itself out to the public as providing architectural 8111
services, or use a name including the word "architect" or any 8112
modification or derivation of the word, unless the firm, 8113
partnership, association, limited liability company, or 8114
corporation files all information required to be filed under 8115
this section with the architects board and otherwise complies 8116
with all requirements of sections 4703.01 to 4703.19 of the 8117
Revised Code. A nonprofit membership corporation may use a name 8118
including the word "architect" or any modification or derivation 8119
of the word without complying with this section. 8120

(I) A corporation may be organized under Chapter 1701. of 8121
the Revised Code, a professional association may be organized 8122
under Chapter 1785. of the Revised Code, or a limited liability 8123

company may be formed under Chapter 1705. or 1706. of the 8124
Revised Code for the purpose of providing professional 8125
engineering, surveying, architectural, or landscape 8126
architectural services, or any combination of those services. A 8127
corporation organized under Chapter 1701. of the Revised Code 8128
for the purpose of providing those services also may be 8129
organized for any other purpose in accordance with that chapter. 8130

(J) No firm, partnership, association, limited liability 8131
company, or corporation shall provide or offer to provide 8132
architectural services in this state unless more than fifty per 8133
cent of the partners, members, or shareholders, more than fifty 8134
per cent of the directors in the case of a corporation or 8135
professional association, more than fifty per cent of the 8136
managers in the case of a limited liability company the 8137
management of which is not reserved to its members, and more 8138
than fifty per cent of the trustees in the case of an employee 8139
stock ownership plan, are professional engineers, surveyors, 8140
architects, or landscape architects or a combination of those 8141
professions, who are registered in this or any other state and 8142
who own more than fifty per cent of the interests in the firm, 8143
partnership, association, limited liability company, or 8144
corporation; unless the requirements of this division and of 8145
section 1785.02 of the Revised Code are satisfied with respect 8146
to any professional association organized under Chapter 1785. of 8147
the Revised Code; or unless the requirements of this division 8148
and of Chapter 1705. or 1706. of the Revised Code are satisfied 8149
with respect to a limited liability company formed under that 8150
chapter. 8151

A corporation is exempt from the requirements of division 8152
(J) of this section if the corporation was granted a charter 8153
prior to August 7, 1943, to engage in providing architectural 8154

services or was otherwise lawfully providing architectural 8155
services prior to November 15, 1982, in this state. 8156

(K) Each firm, partnership, association, limited liability 8157
company, or corporation through which architectural services are 8158
offered or provided in this state shall designate one or more 8159
trustees, partners, managers, members, officers, or directors as 8160
being in responsible charge of the professional architectural 8161
activities and decisions, and those designated persons shall be 8162
registered in this state. In the case of a corporation holding a 8163
certificate of authorization provided for in division (L) of 8164
this section, at least one of the persons so designated shall be 8165
a director of the corporation. Each firm, partnership, 8166
association, limited liability company, or corporation of that 8167
type shall annually file with the architects board the name and 8168
address of each trustee, partner, manager, officer, director, 8169
member, or shareholder, and each firm, partnership, association, 8170
limited liability company, or corporation of that type shall 8171
annually file with the board the name and address of all persons 8172
designated as being in responsible charge of the professional 8173
architectural activities and decisions and any other information 8174
the board may require. If there is a change in any such person 8175
in the interval between filings, the change shall be filed with 8176
the board in the manner and within the time that the board 8177
determines. 8178

(L) No corporation organized under Chapter 1701. of the 8179
Revised Code shall engage in providing architectural services in 8180
this state without obtaining a certificate of authorization from 8181
the architects board. A corporation desiring a certificate of 8182
authorization shall file with the board a copy of its articles 8183
of incorporation and a listing on the form that the board 8184
directs of the names and addresses of all trustees, officers, 8185

directors, and shareholders of the corporation, the names and 8186
addresses of any individuals providing professional services on 8187
behalf of the corporation who are registered to practice 8188
architecture in this state, and any other information the board 8189
requires. If all requirements of sections 4703.01 to 4703.19 of 8190
the Revised Code are met, the board may issue a certificate of 8191
authorization to the corporation. Except for a corporation that 8192
was granted a charter prior to August 7, 1943, to engage in 8193
providing architectural services or that was otherwise lawfully 8194
providing architectural services prior to November 15, 1982, no 8195
certificate of authorization shall be issued unless persons 8196
owning more than fifty per cent of the corporation's shares and 8197
more than fifty per cent of the interests in the corporation are 8198
professional engineers, surveyors, architects, or landscape 8199
architects, or a combination of those professions, who are 8200
registered in this or any other state. Any corporation that 8201
holds a certificate of authorization under this section and 8202
otherwise meets the requirements of sections 4703.01 to 4703.19 8203
of the Revised Code may be organized for any purposes for which 8204
corporations may be organized under Chapter 1701. of the Revised 8205
Code and shall not be limited to the purposes of providing 8206
professional engineering, surveying, architectural, or landscape 8207
architectural services or any combination of those professions. 8208
The board, by rules adopted in accordance with Chapter 119. of 8209
the Revised Code, may require any firm, partnership, 8210
association, or limited liability company not organized under 8211
Chapter 1701. of the Revised Code that provides architectural 8212
services to obtain a certificate of authorization. If the board 8213
so requires, no firm, partnership, association, or limited 8214
liability company shall engage in providing architectural 8215
services without obtaining the certificate and complying with 8216
the rules. 8217

(M) This section does not modify any law applicable to the 8218
relationship between a person furnishing a professional service 8219
and a person receiving that service, including liability arising 8220
out of that service. 8221

(N) Nothing in this section restricts or limits in any 8222
manner the authority or duty of the architects board with 8223
respect to natural persons providing professional services or 8224
any law or rule pertaining to standards of professional conduct. 8225

Sec. 4703.331. (A) A firm, partnership, association, 8226
limited liability company, or corporation may provide landscape 8227
architectural services in this state as long as the services are 8228
provided only through natural persons registered to provide 8229
those services in this state and subject to the requirements of 8230
this chapter. 8231

(B) No firm, partnership, association, limited liability 8232
company, or corporation shall provide landscape architectural 8233
services, hold itself out to the public as providing landscape 8234
architectural services, or use a name including the word 8235
"landscape architect," "professional landscape architect," or 8236
"registered landscape architect" or any modification or 8237
derivation of those words, unless the firm, partnership, 8238
association, limited liability company, or corporation files all 8239
information required to be filed under this section with the 8240
Ohio landscape architects board and otherwise complies with all 8241
requirements of this chapter. A nonprofit membership corporation 8242
may use a name including the word "landscape architect," 8243
"professional landscape architect," or "registered landscape 8244
architect" or any modification or derivation of those words 8245
without complying with this section. 8246

(C) A corporation may be organized under Chapter 1701. of 8247

the Revised Code, a professional association may be organized 8248
under Chapter 1785. of the Revised Code, or a limited liability 8249
company may be formed under Chapter 1705. or 1706. of the 8250
Revised Code for the purpose of providing professional 8251
engineering, surveying, architectural, or landscape 8252
architectural services, or any combination of those services. A 8253
corporation organized under Chapter 1701. of the Revised Code 8254
for the purpose of providing those services also may be 8255
organized for any other purpose in accordance with that chapter. 8256

(D) No firm, partnership, association, limited liability 8257
company, or corporation shall provide or offer to provide 8258
landscape architectural services in this state unless more than 8259
fifty per cent of the partners, members, or shareholders, more 8260
than fifty per cent of the directors in the case of a 8261
corporation or professional association, more than fifty per 8262
cent of the managers in the case of a limited liability company 8263
the management of which is not reserved to its members, and more 8264
than fifty per cent of the trustees in the case of an employee 8265
stock ownership plan, are professional engineers, surveyors, 8266
architects, or landscape architects or a combination of those 8267
professions, who are registered in this or any other state and 8268
who own more than fifty per cent of the interests in the firm, 8269
partnership, association, limited liability company, or 8270
corporation; unless the requirements of this division and of 8271
section 1785.02 of the Revised Code are satisfied with respect 8272
to any professional association organized under Chapter 1785. of 8273
the Revised Code; or unless the requirements of this division 8274
and of Chapter 1705. or 1706. of the Revised Code are satisfied 8275
with respect to a limited liability company formed under that 8276
chapter. 8277

(E) Each firm, partnership, association, limited liability 8278

company, or corporation through which landscape architectural 8279
services are offered or provided in this state shall designate 8280
one or more trustees, partners, managers, members, officers, or 8281
directors as being in responsible charge of the professional 8282
landscape architectural activities and decisions, and those 8283
designated persons shall be registered in this state. Each firm, 8284
partnership, association, limited liability company, or 8285
corporation of that type shall annually file with the board the 8286
name and address of each trustees, partner, manager, officer, 8287
director, member, or shareholder, and each firm, partnership, 8288
association, limited liability company, or corporation of that 8289
type shall annually file with the board the name and address of 8290
all persons designated as being in responsible charge of the 8291
professional landscape architectural activities and decisions 8292
and any other information the board may require. If there is a 8293
change in any such person in the interval between filings, the 8294
change shall be filed with the board in the manner and within 8295
the time that the board determines. 8296

(F) No corporation organized under Chapter 1701. of the 8297
Revised Code shall engage in providing landscape architectural 8298
services in this state without obtaining a certificate of 8299
authorization from the board. A corporation desiring a 8300
certificate of authorization shall file with the board a copy of 8301
its articles of incorporation and a listing on the form that the 8302
board directs of the names and addresses of all trustees, 8303
officers, directors, and shareholders of the corporation, the 8304
names and addresses of any individuals providing professional 8305
services on behalf of the corporation who are registered to 8306
practice landscape architecture in this state, and any other 8307
information the board requires. If all requirements of this 8308
chapter are met, the board may issue a certificate of 8309

authorization to the corporation. No certificate of 8310
authorization shall be issued unless persons owning more than 8311
fifty per cent of the corporation's shares and more than fifty 8312
per cent of the interests in the corporation are professional 8313
engineers, surveyors, architects, or landscape architects, or a 8314
combination of those professions, who are registered in this or 8315
any other state. Any corporation that holds a certificate of 8316
authorization under this section and otherwise meets the 8317
requirements of this chapter may be organized for any purposes 8318
for which corporations may be organized under Chapter 1701. of 8319
the Revised Code and shall not be limited to the purposes of 8320
providing professional engineering, surveying, architectural, or 8321
landscape architectural services or any combination of those 8322
services. The board, by rules adopted in accordance with Chapter 8323
119. of the Revised Code, may require any firm, partnership, 8324
association, or limited liability company not organized under 8325
Chapter 1701. of the Revised Code that provides landscape 8326
architectural services to obtain a certificate of authorization. 8327
If the board so requires, no firm, partnership, association, or 8328
limited liability company shall engage in providing landscape 8329
architectural services without obtaining the certificate and 8330
complying with the rules. 8331

(G) This section does not modify any law applicable to the 8332
relationship between a person furnishing a professional service 8333
and a person receiving that service, including liability arising 8334
out of that service. 8335

(H) Nothing in this section shall restrict or limit in any 8336
manner the authority or duty of the board with respect to 8337
natural persons providing professional services or any law or 8338
rule pertaining to standards of professional conduct. 8339

Sec. 4715.18. (A) No person shall practice or offer to
practice dentistry or dental surgery under the name of any
company, association, corporation, or other entity other than
one of the following:

(1) A corporation-for-profit formed under Chapter 1701. of
the Revised Code;

(2) A professional association established under Chapter
1785. of the Revised Code;

(3) A limited liability company formed under Chapter 1705.
or 1706. of the Revised Code;

(4) A federally qualified health center, federally
qualified health center look-alike, free clinic, nonprofit
shelter or health care facility, or nonprofit clinic that
provides health care services or dental services to indigent and
uninsured persons.

(B) Any person practicing or offering to practice
dentistry or dental surgery shall do so under the person's name,
the name of a professional association, professional
partnership, corporation-for-profit, or limited liability
company that includes the person's name, or the name of an
organization specified in division (A)(4) of this section.

(C) As used in this section:

(1) "Federally qualified health center" and "federally
qualified health center look-alike" have the same meanings as in
section 3701.047 of the Revised Code.

(2) "Free clinic" and "nonprofit shelter or health care
facility" have the same meanings as in section 3701.071 of the
Revised Code.

(3) "Nonprofit clinic" has the same meaning as in section 3715.87 of the Revised Code. 8368
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(4) "Indigent and uninsured person" has the same meaning as in section 2305.234 of the Revised Code. 8370
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Sec. 4715.22. (A) (1) This section applies only when a licensed dental hygienist is not practicing in accordance with either of the following: 8372
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(a) A permit issued pursuant to section 4715.363 of the Revised Code authorizing practice under the oral health access supervision of a dentist; 8375
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(b) Section 4715.431 of the Revised Code. 8378

(2) As used in this section, "health care facility" means either of the following: 8379
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(a) A hospital registered under section 3701.07 of the Revised Code; 8381
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(b) A home, as defined in section 3721.01 of the Revised Code. 8383
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(B) A licensed dental hygienist shall practice under the supervision, order, control, and full responsibility of a dentist licensed under this chapter. A dental hygienist may practice in a dental office, public or private school, health care facility, dispensary, or public institution. Except as provided in divisions (C) to (E) of this section, a dental hygienist may not provide dental hygiene services to a patient when the supervising dentist is not physically present at the location where the dental hygienist is practicing. 8385
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(C) A dental hygienist may provide, for not more than fifteen consecutive business days, dental hygiene services to a 8394
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patient when the supervising dentist is not physically present 8396
at the location where the services are provided if all of the 8397
following requirements are met: 8398

(1) The dental hygienist has at least one year and a 8399
minimum of one thousand five hundred hours of experience in the 8400
practice of dental hygiene. 8401

(2) The dental hygienist has successfully completed a 8402
course approved by the state dental board in the identification 8403
and prevention of potential medical emergencies. 8404

(3) The dental hygienist does not perform, while the 8405
supervising dentist is absent from the location, procedures 8406
while the patient is anesthetized, definitive root planing, 8407
definitive subgingival curettage, or other procedures identified 8408
in rules the state dental board adopts. 8409

(4) The supervising dentist has evaluated the dental 8410
hygienist's skills. 8411

(5) The supervising dentist examined the patient not more 8412
than one year prior to the date the dental hygienist provides 8413
the dental hygiene services to the patient. 8414

(6) The dental hygienist complies with written protocols 8415
or written standing orders that the supervising dentist 8416
establishes, including those established for emergencies. 8417

(7) The supervising dentist completed and evaluated a 8418
medical and dental history of the patient not more than one year 8419
prior to the date the dental hygienist provides dental hygiene 8420
services to the patient and, except when the dental hygiene 8421
services are provided in a health care facility, the supervising 8422
dentist determines that the patient is in a medically stable 8423
condition. 8424

(8) If the dental hygiene services are provided in a health care facility, a doctor of medicine and surgery or osteopathic medicine and surgery licensed under Chapter 4731. of the Revised Code or a registered nurse licensed under Chapter 4723. of the Revised Code is present in the health care facility when the services are provided.

(9) In advance of the appointment for dental hygiene services, the patient is notified that the supervising dentist will be absent from the location and that the dental hygienist cannot diagnose the patient's dental health care status.

(10) The dental hygienist is employed by, or under contract with, one of the following:

(a) The supervising dentist;

(b) A dentist licensed under this chapter who is one of the following:

(i) The employer of the supervising dentist;

(ii) A shareholder in a professional association formed under Chapter 1785. of the Revised Code of which the supervising dentist is a shareholder;

(iii) A member or manager of a limited liability company formed under Chapter 1705. or 1706. of the Revised Code of which the supervising dentist is a member or manager;

(iv) A shareholder in a corporation formed under division (B) of section 1701.03 of the Revised Code of which the supervising dentist is a shareholder;

(v) A partner or employee of a partnership or a limited liability partnership formed under Chapter 1775. or 1776. of the Revised Code of which the supervising dentist is a partner or

employee. 8453

(c) A government entity that employs the dental hygienist 8454
to provide dental hygiene services in a public school or in 8455
connection with other programs the government entity 8456
administers. 8457

(D) A dental hygienist may provide dental hygiene services 8458
to a patient when the supervising dentist is not physically 8459
present at the location where the services are provided if the 8460
services are provided as part of a dental hygiene program that 8461
is approved by the state dental board and all of the following 8462
requirements are met: 8463

(1) The program is operated through a school district 8464
board of education or the governing board of an educational 8465
service center; the board of health of a city or general health 8466
district or the authority having the duties of a board of health 8467
under section 3709.05 of the Revised Code; a national, state, 8468
district, or local dental association; or any other public or 8469
private entity recognized by the state dental board. 8470

(2) The supervising dentist is employed by or a volunteer 8471
for, and the patients are referred by, the entity through which 8472
the program is operated. 8473

(3) (a) Except as provided in division (D) (3) (b) of this 8474
section, the services are performed after examination and 8475
diagnosis by the dentist and in accordance with the dentist's 8476
written treatment plan. 8477

(b) The requirement in division (D) (3) (a) of this section 8478
does not apply when the only services to be provided by the 8479
dental hygienist are the placement of pit and fissure sealants 8480
and the application of fluoride varnish. 8481

(E) A dental hygienist may do any of the following when 8482
the supervising dentist is not physically present at the 8483
location where the services are provided, regardless of whether 8484
the dentist has examined the patient, if the dental hygienist is 8485
employed by, or under contract with, the supervising dentist or 8486
another person or government entity specified in division (C) 8487
(10) (b) or (c) of this section: 8488

(1) Apply fluoride varnish; 8489

(2) Apply desensitizing agents, excluding silver diamine 8490
fluoride; 8491

(3) Apply disclosing solutions; 8492

(4) Apply pit and fissure sealants; 8493

(5) Recement temporary crowns or recement crowns with 8494
temporary cement; 8495

(6) Conduct caries susceptibility testing; 8496

(7) Provide instruction on oral hygiene home care, 8497
including the use of toothbrushes and dental floss; 8498

(8) Discuss general nonmedical nutrition information for 8499
the purpose of maintaining good oral health. 8500

As used in division (E) (8) of this section, "general 8501
nonmedical nutrition information" means information on the 8502
following: principles of good nutrition and food preparation, 8503
food to be included in the normal daily diet, the essential 8504
nutrients needed by the body, recommended amounts of the 8505
essential nutrients, the actions of nutrients on the body, the 8506
effects of deficiencies or excesses of nutrients, or food and 8507
supplements that are good sources of essential nutrients. 8508

(F) No person shall do either of the following:	8509
(1) Practice dental hygiene in a manner that is separate	8510
or otherwise independent from the dental practice of a	8511
supervising dentist;	8512
(2) Establish or maintain an office or practice that is	8513
primarily devoted to the provision of dental hygiene services.	8514
(G) The state dental board shall adopt rules under	8515
division (C) of section 4715.03 of the Revised Code identifying	8516
procedures a dental hygienist may not perform when practicing in	8517
the absence of the supervising dentist pursuant to division (C)	8518
or (D) of this section.	8519
Sec. 4715.365. (A) A dentist who holds a current, valid	8520
oral health access supervision permit issued under section	8521
4715.362 of the Revised Code may authorize a dental hygienist	8522
who holds a current, valid permit issued under section 4715.363	8523
of the Revised Code to perform dental hygiene services at a	8524
facility when no dentist is physically present if all of the	8525
following conditions are met:	8526
(1) The authorizing dentist's authorization is in writing	8527
and includes, at a minimum, all of the following:	8528
(a) The authorizing dentist's name and permit number;	8529
(b) The dental hygienist's name and permit number;	8530
(c) The patient's name;	8531
(d) The name and address of the location where the dental	8532
hygiene services are to be provided;	8533
(e) The date of authorization;	8534
(f) A statement, signed by the dental hygienist, that the	8535

hygienist agrees to comply with section 4715.366 of the Revised Code. 8536
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(2) The authorizing dentist has personally evaluated the dental hygienist's skills prior to authorizing the dental hygienist to provide the dental hygiene services. 8538
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(3) Prior to authorizing the dental hygienist to perform the dental hygiene services, the patient's medical and dental history is made available to the authorizing dentist and the authorizing dentist reviews and evaluates the history and determines that the patient may safely receive dental hygiene services. 8541
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(4) Immediately prior to the provision of dental hygiene services, the patient or patient's representative verifies, by the signature or mark of the patient or representative, that no medically significant changes to the patient's medical or dental history have occurred since the authorizing dentist most recently reviewed and evaluated the history and determined that the patient could safely receive dental hygiene services. The signature or mark may be provided through reasonable accommodation, including the use of assistive technology or augmentative devices. 8547
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(5) Prior to receiving dental hygiene services, the patient and the operator of the facility where the dental hygiene services are to be provided are notified that no dentist will be present at the location and that the dental hygienist is prohibited from doing either of the following: 8557
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(a) Diagnosing the patient's oral health care status; 8562

(b) Providing dental hygiene services to the same patient on a subsequent occasion until the patient has received a 8563
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clinical evaluation performed by a dentist, except in instances 8565
described in division (D) (2) of this section. 8566

(6) The dental hygienist is employed by, or under contract 8567
with, one of the following: 8568

(a) The authorizing dentist; 8569

(b) A dentist who is any of the following: 8570

(i) The authorizing dentist's employer; 8571

(ii) A shareholder in a professional association, formed 8572
under Chapter 1785. of the Revised Code, of which the 8573
authorizing dentist is a shareholder; 8574

(iii) A member or manager of a limited liability company, 8575
formed under Chapter 1705. or 1706. of the Revised Code, of 8576
which the authorizing dentist is a member or manager; 8577

(iv) A shareholder in a corporation, formed under division 8578
(B) of section 1701.03 of the Revised Code, of which the 8579
authorizing dentist is a shareholder; 8580

(v) A partner or employee of a partnership, formed under 8581
Chapter 1775. of the Revised Code, of which the authorizing 8582
dentist is a partner or employee; 8583

(vi) A partner or employee of a limited liability 8584
partnership, formed under Chapter 1775. of the Revised Code, of 8585
which the authorizing dentist is a partner or employee. 8586

(c) A government entity that employs the dental hygienist 8587
to provide dental hygiene services; 8588

(d) An entity that employs the authorizing dentist so long 8589
as the dentist's practice is not in violation of section 4715.18 8590
of the Revised Code. 8591

(7) If the patient to whom the services are to be provided 8592
previously received dental hygiene services under this section, 8593
there is written evidence that the patient received a clinical 8594
evaluation after the most recent provision of those services. 8595

(B) No dentist shall authorize a dental hygienist to 8596
perform, and no dental hygienist shall perform, dental hygiene 8597
services on a patient under this section unless all of the 8598
conditions in division (A) of this section are met. 8599

(C) If a patient or patient's representative indicates, 8600
under division (A) (4) of this section, that a medically 8601
significant change has occurred in the patient's medical or 8602
dental history since the authorizing dentist's most recent 8603
review and evaluation of the medical and dental history required 8604
by division (A) (3) of this section, no dental hygiene services 8605
shall be provided under this section until the authorizing 8606
dentist completes another review and evaluation of the patient's 8607
medical and dental history. The authorizing dentist may complete 8608
the subsequent review and evaluation of the patient's medical 8609
and dental history by telephone, facsimile, electronic mail, 8610
video, or any other means of electronic communication. 8611

(D) (1) Except as provided in division (D) (2) of this 8612
section, no dentist shall authorize a dental hygienist to 8613
provide, and no dental hygienist shall provide, dental hygiene 8614
services under this section to the same patient on a subsequent 8615
occasion until the patient has received a clinical evaluation 8616
performed by a dentist. 8617

(2) Division (D) (1) of this section does not apply if the 8618
patient requires multiple visits to complete one or more 8619
procedures that could not be completed during the visit in which 8620
dental hygiene services were commenced. If the patient requires 8621

multiple visits to complete the one or more procedures that 8622
could not be completed during the visit in which dental hygiene 8623
services were commenced, the one or more procedures shall be 8624
completed not later than eight weeks after the visit in which 8625
the dental hygiene services were commenced. 8626

(E) No authorizing dentist shall authorize a dental 8627
hygienist to diagnose a patient's oral health care status. No 8628
dental hygienist practicing under a permit issued under section 8629
4715.363 of the Revised Code to practice under the oral health 8630
access supervision of a dentist shall diagnose a patient's oral 8631
health care status. 8632

Sec. 4715.431. (A) If all of the conditions in division 8633
(B) of this section are met, an authorizing dentist may do 8634
either of the following under a teledentistry permit without 8635
examining a patient in person: 8636

(1) Authorize a dental hygienist or expanded function 8637
dental auxiliary to perform services as set forth in division 8638
(E) or (F) of this section, as applicable, at a location where 8639
no dentist is physically present; 8640

(2) Prescribe a drug that is not a controlled substance 8641
for a patient who is at a location where no dentist is 8642
physically present. 8643

(B) The conditions that must be met under division (A) of 8644
this section are the following: 8645

(1) The authorizing dentist must prepare a written 8646
authorization that includes all of the following: 8647

(a) The authorizing dentist's name and permit number; 8648

(b) The name of the dental hygienist or expanded function 8649

dental auxiliary; 8650

(c) The patient's name; 8651

(d) The name and address of the location where the 8652
services are to be provided; 8653

(e) The date of the authorization; 8654

(f) A statement signed by the dental hygienist or expanded 8655
function dental auxiliary agreeing to comply with the written 8656
protocols or written standing orders the authorizing dentist 8657
establishes, including those for dealing with emergencies; 8658

(g) Any other information the dentist considers 8659
appropriate. 8660

(2) Before any dental services are provided all of the 8661
following must occur: 8662

(a) The patient is notified that an authorizing dentist 8663
will perform a clinical evaluation through teledentistry. 8664

(b) The patient is given an explanation of alternatives 8665
to, and the capabilities and limitations of, teledentistry. 8666

(c) (i) Subject to division (B) (2) (c) (ii) of this section, 8667
the patient consents to the provision of services through 8668
teledentistry and the consent is documented in the patient's 8669
record. 8670

(ii) If the services to be provided are the placement of 8671
interim therapeutic restorations or the application of silver 8672
diamine fluoride, the requirements for informed consent in rules 8673
adopted under division (C) of section 4715.436 of the Revised 8674
Code have been met. 8675

(3) The authorizing dentist establishes the patient's 8676

identity and physical location through synchronous, real-time 8677
communication. 8678

(4) The authorizing dentist provides dental services 8679
through teledentistry only as is appropriate for the patient and 8680
in accordance with appropriate standards of care. 8681

(5) The authorizing dentist establishes a diagnosis and 8682
treatment plan and documents it in the patient's record. 8683

(6) The authorizing dentist specifies the services the 8684
dental hygienist or expanded function dental auxiliary is 8685
authorized to provide to the patient. 8686

(7) The dental hygienist or expanded function dental 8687
auxiliary is employed by, or under contract with, one of the 8688
following: 8689

(a) The authorizing dentist; 8690

(b) A dentist who is any of the following: 8691

(i) The authorizing dentist's employer; 8692

(ii) A shareholder in a professional association formed 8693
under Chapter 1785. of the Revised Code of which the authorizing 8694
dentist is a shareholder; 8695

(iii) A member or manager of a limited liability company 8696
formed under Chapter 1705. or 1706. of the Revised Code of which 8697
the authorizing dentist is a member or manager; 8698

(iv) A shareholder in a corporation formed under division 8699
(B) of section 1701.03 of the Revised Code of which the 8700
authorizing dentist is a shareholder; 8701

(v) A partner or employee of a partnership, formed under 8702
Chapter 1775. of the Revised Code, of which the authorizing 8703

dentist is a partner or employee; 8704

(vi) A partner or employee of a limited liability 8705
partnership, formed under Chapter 1775. of the Revised Code, of 8706
which the authorizing dentist is a partner or employee. 8707

(C) A dentist retains responsibility for ensuring the 8708
safety and quality of services provided to patients through 8709
teledentistry. Services delivered through teledentistry must be 8710
consistent with in-person services. Persons involved with 8711
providing services through teledentistry must abide by laws 8712
addressing the privacy and security of the patient's dental and 8713
medical information. 8714

(D) An authorizing dentist may not have more than a total 8715
of three dental hygienists and expanded ~~dental~~-function dental 8716
auxiliaries working under the dentist's authorization pursuant 8717
to this section at any time. 8718

(E) (1) If authorized to do so by an authorizing dentist in 8719
accordance with this section, a dental hygienist may provide 8720
dental hygiene services at a location where no dentist is 8721
physically present if all of the following requirements are met: 8722

(a) The dental hygienist has at least one year and a 8723
minimum of one thousand five hundred hours of experience in the 8724
practice of dental hygiene. 8725

(b) The dental hygienist has completed a course described 8726
in division (C) (2) of section 4715.22 of the Revised Code on the 8727
identification and prevention of potential medical emergencies. 8728

(c) The authorizing dentist has evaluated the dental 8729
hygienist's skills. 8730

(d) The dental hygienist complies with written protocols 8731

or written standing orders established by the authorizing 8732
dentist, including written protocols established for 8733
emergencies. 8734

(2) If authorized to do so by an authorizing dentist in 8735
accordance with this section, a dental hygienist may place 8736
interim therapeutic restorations when a dentist is not 8737
physically present at the location where the dental hygienist is 8738
practicing if the requirements of division (E)(1) of this 8739
section are met and the dental hygienist has successfully 8740
completed a state dental board-approved course in the proper 8741
placement of interim therapeutic restorations. 8742

(3) If authorized to do so by an authorizing dentist in 8743
accordance with this section, a dental hygienist may apply 8744
silver diamine fluoride when a dentist is not physically present 8745
at the location where the dental hygienist is practicing if the 8746
requirements of division (E)(1) of this section are met and the 8747
dental hygienist has successfully completed a state dental 8748
board-approved course in the application of silver diamine 8749
fluoride. 8750

(F)(1) If authorized to do so by an authorizing dentist in 8751
accordance with this section, an expanded function dental 8752
auxiliary may provide the services listed in divisions (A)(2) to 8753
(10) of section 4715.64 of the Revised Code, and any additional 8754
procedures authorized pursuant to division (A)(11) of that 8755
section, when a dentist is not physically present at the 8756
location where the expanded function dental auxiliary is 8757
practicing if all of the following requirements are met: 8758

(a) The expanded function dental auxiliary has at least 8759
one year and a minimum of one thousand five hundred hours of 8760
experience practicing as an expanded function dental auxiliary. 8761

(b) The expanded function dental auxiliary has completed a course described in division (C) (2) of section 4715.64 of the Revised Code on the identification and prevention of potential medical emergencies.

(c) The authorizing dentist has evaluated the expanded function dental auxiliary's skills.

(d) The expanded function dental auxiliary complies with written protocols or written standing orders established by the authorizing dentist, including written protocols for emergencies.

(2) If authorized to do so by an authorizing dentist in accordance with this section, an expanded function dental auxiliary who meets the requirements of division (F) (1) of this section and has successfully completed a state dental board-approved course in the proper placement of interim therapeutic restorations may place interim therapeutic restorations when a dentist is not physically present at the location where the expanded function dental auxiliary is practicing.

(3) If authorized to do so by an authorizing dentist in accordance with this section, an expanded function dental auxiliary who meets the requirements of division (F) (1) of this section and has successfully completed a state dental board-approved course in the application of silver diamine fluoride may apply silver diamine fluoride when a dentist is not physically present at the location where the expanded function dental auxiliary is practicing.

(4) If authorized to do so by an authorizing dentist in accordance with this section, an expanded function dental auxiliary who meets the requirements of division (F) (1) of this

section and holds a current, valid dental x-ray machine operator 8791
certificate issued by the board pursuant to section 4715.53 of 8792
the Revised Code may perform, for the purpose of contributing to 8793
the provision of dental care to a dental patient, standard, 8794
diagnostic radiologic procedures when a dentist is not 8795
physically present at the location where the expanded function 8796
dental auxiliary is practicing. 8797

Sec. 4717.06. (A) (1) A licensed funeral director who 8798
desires to obtain a license to operate a funeral home, a 8799
licensed embalmer who desires to obtain a license to operate an 8800
embalming facility, or a holder of a crematory operator permit 8801
who desires to obtain a license to operate a crematory facility 8802
shall apply to the board of embalmers and funeral directors on a 8803
form prescribed by the board. The application shall include the 8804
initial license application fee set forth in section 4717.07 of 8805
the Revised Code and proof satisfactory to the board that the 8806
funeral home, embalming facility, or crematory facility is in 8807
compliance with rules adopted by the board under section 4717.04 8808
of the Revised Code, rules adopted by the board of building 8809
standards under Chapter 3781. of the Revised Code, and all other 8810
federal, state, and local requirements relating to the safety of 8811
the premises. 8812

(2) If the funeral home, embalming facility, or crematory 8813
facility to which the license application pertains is owned by a 8814
corporation or limited liability company, the application shall 8815
include the name and address of the corporation's or limited 8816
liability company's statutory agent appointed under section 8817
1701.07-~~or~~, 1705.06, or 1706.09 of the Revised Code or, in the 8818
case of a foreign corporation, the corporation's designated 8819
agent appointed under section 1703.041 of the Revised Code. If 8820
the funeral home, embalming facility, or crematory facility to 8821

which the application pertains is owned by a partnership, the 8822
application shall include the name and address of each of the 8823
partners. If, at any time after the submission of a license 8824
application or issuance of a license, the statutory or 8825
designated agent of a corporation or limited liability company 8826
owning a funeral home, embalming facility, or crematory facility 8827
or the address of the statutory or designated agent changes or, 8828
in the case of a partnership, any of the partners of the funeral 8829
home, embalming facility, or crematory facility or the address 8830
of any of the partners changes, the applicant for or holder of 8831
the license to operate the funeral home, embalming facility, or 8832
crematory facility shall submit written notice to the board, 8833
within thirty days after the change, informing the board of the 8834
change and of any name or address of a statutory or designated 8835
agent or partner that has changed from that contained in the 8836
application for the license or the most recent notice submitted 8837
under division (A) (2) of this section. 8838

(B) (1) The board of embalmers and funeral directors shall 8839
issue a license to operate a funeral home only to a licensed 8840
funeral director who is named in the application as the funeral 8841
director actually in charge and ultimately responsible for the 8842
funeral home. The board shall issue the license only for the 8843
address at which the funeral home is physically located and 8844
operated. The funeral home license and licenses of the embalmers 8845
and funeral directors employed by the funeral home shall be 8846
displayed in a conspicuous place within the funeral home. The 8847
name of the funeral director to whom the funeral home license 8848
has been issued shall be conspicuously displayed immediately on 8849
the outside or the inside of the primary entrance to the funeral 8850
home that is used by the public. 8851

(2) The funeral home shall have on the premises one of the 8852

following: 8853

(a) If embalming will take place at the funeral home, an 8854
embalming room that is adequately equipped and maintained. The 8855
embalming room shall be kept in a clean and sanitary manner and 8856
used only for the embalming, preparation, or holding of dead 8857
human bodies. The embalming room shall contain only the 8858
articles, facilities, and instruments necessary for those 8859
purposes. 8860

(b) If embalming will not take place at the funeral home, 8861
a holding room that is adequately equipped and maintained. The 8862
holding room shall be kept in a clean and sanitary manner and 8863
used only for the preparation, other than embalming, and holding 8864
of dead human bodies. The holding room shall contain only the 8865
articles and facilities necessary for those purposes. 8866

(3) Each funeral home shall be directly supervised by a 8867
funeral director licensed under this chapter, who may supervise 8868
more than one funeral home. 8869

(C) (1) The board shall issue a license to operate an 8870
embalming facility only to a licensed embalmer who is actually 8871
in charge of and ultimately responsible for the embalming 8872
facility. The board shall issue the license only for the address 8873
at which the embalming facility is physically located and 8874
operated. The license shall be displayed in a conspicuous place 8875
within the facility. The name of the embalmer to whom the 8876
embalming facility license has been issued shall be 8877
conspicuously displayed on the outside or inside of the primary 8878
entrance to the embalming facility. 8879

(2) The embalming facility shall be adequately equipped 8880
and maintained in a sanitary manner. The embalming room at such 8881

a facility shall contain only the articles, facilities, and 8882
instruments necessary for its stated purpose. The embalming room 8883
shall be kept in a clean and sanitary condition and used only 8884
for the care and preparation of dead human bodies. 8885

(D) (1) The board shall issue a license to operate a 8886
crematory facility only to a crematory operator who is actually 8887
in charge and ultimately responsible for the crematory facility. 8888
The board shall issue the license only for the address at which 8889
the crematory facility is physically located and operated. The 8890
license shall be displayed in a conspicuous place within the 8891
crematory facility. The name of the crematory operator to whom 8892
the crematory facility license has been issued shall be 8893
conspicuously displayed on the outside or inside of the primary 8894
entrance to the crematory facility. 8895

(2) The crematory facility shall be adequately equipped 8896
and maintained in a clean and sanitary manner. The crematory 8897
facility may be located in a funeral home, embalming facility, 8898
cemetery building, or other building in which the crematory 8899
facility may lawfully operate. If a crematory facility engages 8900
in the cremation of animals, the crematory facility shall 8901
cremate animals in a cremation chamber that also is not used to 8902
cremate dead human bodies or human body parts and shall not 8903
cremate animals in a cremation chamber used for the cremation of 8904
dead human bodies and human body parts. Cremation chambers that 8905
are used for the cremation of dead human bodies or human body 8906
parts and cremation chambers used for the cremation of animals 8907
may be located in the same area. Cremation chambers used for the 8908
cremation of animals shall have conspicuously displayed on the 8909
unit a notice that the unit is to be used for animals only. 8910

(3) A license to operate a crematory facility shall be 8911

issued to the person actually in charge of the crematory 8912
facility. This section does not require the individual who is 8913
actually in charge of the crematory facility to be an embalmer 8914
or funeral director licensed under this chapter. 8915

(4) Nothing in this section or rules adopted under section 8916
4717.04 of the Revised Code precludes the establishment and 8917
operation of a crematory facility on or adjacent to the property 8918
on which a cemetery, funeral home, or embalming facility is 8919
located. 8920

Sec. 4723.16. (A) An individual whom the board of nursing 8921
licenses or otherwise legally authorizes to engage in the 8922
practice of nursing as a registered nurse, advanced practice 8923
registered nurse, or licensed practical nurse may render the 8924
professional services of a registered, advanced practice 8925
registered, or licensed practical nurse within this state 8926
through a corporation formed under division (B) of section 8927
1701.03 of the Revised Code, a limited liability company formed 8928
under Chapter 1705. or 1706. of the Revised Code, a partnership, 8929
or a professional association formed under Chapter 1785. of the 8930
Revised Code. This division does not preclude an individual of 8931
that nature from rendering professional services as a 8932
registered, advanced practice registered, or licensed practical 8933
nurse through another form of business entity, including, but 8934
not limited to, a nonprofit corporation or foundation, or in 8935
another manner that is authorized by or in accordance with this 8936
chapter, another chapter of the Revised Code, or rules of the 8937
board of nursing adopted pursuant to this chapter. 8938

(B) A corporation, limited liability company, partnership, 8939
or professional association described in division (A) of this 8940
section may be formed for the purpose of providing a combination 8941

of the professional services of the following individuals who 8942
are licensed, certificated, or otherwise legally authorized to 8943
practice their respective professions: 8944

(1) Optometrists who are authorized to practice optometry 8945
under Chapter 4725. of the Revised Code; 8946

(2) Chiropractors who are authorized to practice 8947
chiropractic or acupuncture under Chapter 4734. of the Revised 8948
Code; 8949

(3) Psychologists who are authorized to practice 8950
psychology under Chapter 4732. of the Revised Code; 8951

(4) Registered, advanced practice registered, or licensed 8952
practical nurses who are authorized to practice nursing as 8953
registered nurses, advanced practice registered nurses, or 8954
licensed practical nurses under this chapter; 8955

(5) Pharmacists who are authorized to practice pharmacy 8956
under Chapter 4729. of the Revised Code; 8957

(6) Physical therapists who are authorized to practice 8958
physical therapy under sections 4755.40 to 4755.56 of the 8959
Revised Code; 8960

(7) Occupational therapists who are licensed to practice 8961
occupational therapy under sections 4755.04 to 4755.13 of the 8962
Revised Code; 8963

(8) Mechanotherapists who are authorized to practice 8964
mechanotherapy under section 4731.151 of the Revised Code; 8965

(9) Doctors of medicine and surgery, osteopathic medicine 8966
and surgery, or podiatric medicine and surgery who are licensed, 8967
certificated, or otherwise legally authorized for their 8968
respective practices under Chapter 4731. of the Revised Code; 8969

(10) Licensed professional clinical counselors, licensed 8970
professional counselors, independent social workers, social 8971
workers, independent marriage and family therapists, or marriage 8972
and family therapists who are authorized for their respective 8973
practices under Chapter 4757. of the Revised Code. 8974

This division shall apply notwithstanding a provision of a 8975
code of ethics applicable to a nurse that prohibits a 8976
registered, advanced practice registered, or licensed practical 8977
nurse from engaging in the practice of nursing as a registered 8978
nurse, advanced practice registered nurse, or licensed practical 8979
nurse in combination with a person who is licensed, 8980
certificated, or otherwise legally authorized to practice 8981
optometry, chiropractic, acupuncture through the state 8982
chiropractic board, psychology, pharmacy, physical therapy, 8983
occupational therapy, mechanotherapy, medicine and surgery, 8984
osteopathic medicine and surgery, podiatric medicine and 8985
surgery, professional counseling, social work, or marriage and 8986
family therapy, but who is not also licensed, certificated, or 8987
otherwise legally authorized to engage in the practice of 8988
nursing as a registered nurse, advanced practice registered 8989
nurse, or licensed practical nurse. 8990

Sec. 4725.33. (A) An individual whom the state vision 8991
professionals board licenses to engage in the practice of 8992
optometry may render the professional services of an optometrist 8993
within this state through a corporation formed under division 8994
(B) of section 1701.03 of the Revised Code, a limited liability 8995
company formed under Chapter 1705. or 1706. of the Revised Code, 8996
a partnership, or a professional association formed under 8997
Chapter 1785. of the Revised Code. This division does not 8998
preclude an optometrist from rendering professional services as 8999
an optometrist through another form of business entity, 9000

including, but not limited to, a nonprofit corporation or 9001
foundation, or in another manner that is authorized by or in 9002
accordance with this chapter, another chapter of the Revised 9003
Code, or rules of the state vision professionals board adopted 9004
pursuant to this chapter. 9005

(B) A corporation, limited liability company, partnership, 9006
or professional association described in division (A) of this 9007
section may be formed for the purpose of providing a combination 9008
of the professional services of the following individuals who 9009
are licensed, certificated, or otherwise legally authorized to 9010
practice their respective professions: 9011

(1) Optometrists who are authorized to practice optometry 9012
under Chapter 4725. of the Revised Code; 9013

(2) Chiropractors who are authorized to practice 9014
chiropractic or acupuncture under Chapter 4734. of the Revised 9015
Code; 9016

(3) Psychologists who are authorized to practice 9017
psychology under Chapter 4732. of the Revised Code; 9018

(4) Registered or licensed practical nurses who are 9019
authorized to practice nursing as registered nurses or as 9020
licensed practical nurses under Chapter 4723. of the Revised 9021
Code; 9022

(5) Pharmacists who are authorized to practice pharmacy 9023
under Chapter 4729. of the Revised Code; 9024

(6) Physical therapists who are authorized to practice 9025
physical therapy under sections 4755.40 to 4755.56 of the 9026
Revised Code; 9027

(7) Occupational therapists who are authorized to practice 9028

occupational therapy under sections 4755.04 to 4755.13 of the Revised Code; 9029
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(8) Mechanotherapists who are authorized to practice mechanotherapy under section 4731.151 of the Revised Code; 9031
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(9) Doctors of medicine and surgery, osteopathic medicine and surgery, or podiatric medicine and surgery who are authorized for their respective practices under Chapter 4731. of the Revised Code; 9033
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(10) Licensed professional clinical counselors, licensed professional counselors, independent social workers, social workers, independent marriage and family therapists, or marriage and family therapists who are authorized for their respective practices under Chapter 4757. of the Revised Code. 9037
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This division shall apply notwithstanding a provision of a code of ethics applicable to an optometrist that prohibits an optometrist from engaging in the practice of optometry in combination with a person who is licensed, certificated, or otherwise legally authorized to practice chiropractic, acupuncture through the state chiropractic board, psychology, nursing, pharmacy, physical therapy, occupational therapy, mechanotherapy, medicine and surgery, osteopathic medicine and surgery, podiatric medicine and surgery, professional counseling, social work, or marriage and family therapy, but who is not also licensed, certificated, or otherwise legally authorized to engage in the practice of optometry. 9042
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Sec. 4729.161. (A) An individual registered with the state board of pharmacy to engage in the practice of pharmacy may render the professional services of a pharmacist within this state through a corporation formed under division (B) of section 9054
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1701.03 of the Revised Code, a limited liability company formed 9058
under Chapter 1705. or 1706. of the Revised Code, a partnership, 9059
or a professional association formed under Chapter 1785. of the 9060
Revised Code. This division does not preclude an individual of 9061
that nature from rendering professional services as a pharmacist 9062
through another form of business entity, including, but not 9063
limited to, a nonprofit corporation or foundation, or in another 9064
manner that is authorized by or in accordance with this chapter, 9065
another chapter of the Revised Code, or rules of the state board 9066
of pharmacy adopted pursuant to this chapter. 9067

(B) A corporation, limited liability company, partnership, 9068
or professional association described in division (A) of this 9069
section may be formed for the purpose of providing a combination 9070
of the professional services of the following individuals who 9071
are licensed, certificated, or otherwise legally authorized to 9072
practice their respective professions: 9073

(1) Optometrists who are authorized to practice optometry 9074
under Chapter 4725. of the Revised Code; 9075

(2) Chiropractors who are authorized to practice 9076
chiropractic or acupuncture under Chapter 4734. of the Revised 9077
Code; 9078

(3) Psychologists who are authorized to practice 9079
psychology under Chapter 4732. of the Revised Code; 9080

(4) Registered or licensed practical nurses who are 9081
authorized to practice nursing as registered nurses or as 9082
licensed practical nurses under Chapter 4723. of the Revised 9083
Code; 9084

(5) Pharmacists who are authorized to practice pharmacy 9085
under Chapter 4729. of the Revised Code; 9086

(6) Physical therapists who are authorized to practice physical therapy under sections 4755.40 to 4755.56 of the Revised Code;	9087 9088 9089
(7) Occupational therapists who are authorized to practice occupational therapy under sections 4755.04 to 4755.13 of the Revised Code;	9090 9091 9092
(8) Mechanotherapists who are authorized to practice mechanotherapy under section 4731.151 of the Revised Code;	9093 9094
(9) Doctors of medicine and surgery, osteopathic medicine and surgery, or podiatric medicine and surgery who are authorized for their respective practices under Chapter 4731. of the Revised Code;	9095 9096 9097 9098
(10) Licensed professional clinical counselors, licensed professional counselors, independent social workers, social workers, independent marriage and family therapists, or marriage and family therapists who are authorized for their respective practices under Chapter 4757. of the Revised Code.	9099 9100 9101 9102 9103
This division shall apply notwithstanding a provision of a code of ethics applicable to a pharmacist that prohibits a pharmacist from engaging in the practice of pharmacy in combination with a person who is licensed, certificated, or otherwise legally authorized to practice optometry, chiropractic, acupuncture through the state chiropractic board, psychology, nursing, physical therapy, occupational therapy, mechanotherapy, medicine and surgery, osteopathic medicine and surgery, podiatric medicine and surgery, professional counseling, social work, or marriage and family therapy, but who is not also licensed, certificated, or otherwise legally authorized to engage in the practice of pharmacy.	9104 9105 9106 9107 9108 9109 9110 9111 9112 9113 9114 9115

Sec. 4729.541. (A) Except as provided in divisions (B) to 9116
(D) of this section, all of the following are exempt from 9117
licensure as a terminal distributor of dangerous drugs: 9118

(1) A licensed health professional authorized to prescribe 9119
drugs; 9120

(2) A business entity that is a corporation formed under 9121
division (B) of section 1701.03 of the Revised Code, a limited 9122
liability company formed under Chapter 1705. or 1706. of the 9123
Revised Code, or a professional association formed under Chapter 9124
1785. of the Revised Code if the entity has a sole shareholder 9125
who is a prescriber and is authorized to provide the 9126
professional services being offered by the entity; 9127

(3) A business entity that is a corporation formed under 9128
division (B) of section 1701.03 of the Revised Code, a limited 9129
liability company formed under Chapter 1705. or 1706. of the 9130
Revised Code, a partnership or a limited liability partnership 9131
formed under Chapter 1775. of the Revised Code, or a 9132
professional association formed under Chapter 1785. of the 9133
Revised Code, if, to be a shareholder, member, or partner, an 9134
individual is required to be licensed, certified, or otherwise 9135
legally authorized under Title XLVII of the Revised Code to 9136
perform the professional service provided by the entity and each 9137
such individual is a prescriber; 9138

(4) An individual who holds a current license, 9139
certificate, or registration issued under Title XLVII of the 9140
Revised Code and has been certified to conduct diabetes 9141
education by a national certifying body specified in rules 9142
adopted by the state board of pharmacy under section 4729.68 of 9143
the Revised Code, but only with respect to insulin that will be 9144
used for the purpose of diabetes education and only if diabetes 9145

education is within the individual's scope of practice under 9146
statutes and rules regulating the individual's profession; 9147

(5) An individual who holds a valid certificate issued by 9148
a nationally recognized S.C.U.B.A. diving certifying 9149
organization approved by the state board of pharmacy under rules 9150
adopted by the board, but only with respect to medical oxygen 9151
that will be used for the purpose of emergency care or treatment 9152
at the scene of a diving emergency; 9153

(6) With respect to epinephrine autoinjectors that may be 9154
possessed under section 3313.7110, 3313.7111, 3314.143, 3326.28, 9155
or 3328.29 of the Revised Code, any of the following: the board 9156
of education of a city, local, exempted village, or joint 9157
vocational school district; a chartered or nonchartered 9158
nonpublic school; a community school established under Chapter 9159
3314. of the Revised Code; a STEM school established under 9160
Chapter 3326. of the Revised Code; or a college-preparatory 9161
boarding school established under Chapter 3328. of the Revised 9162
Code; 9163

(7) With respect to epinephrine autoinjectors that may be 9164
possessed under section 5101.76 of the Revised Code, any of the 9165
following: a residential camp, as defined in section 2151.011 of 9166
the Revised Code; a child day camp, as defined in section 9167
5104.01 of the Revised Code; or a child day camp operated by any 9168
county, township, municipal corporation, township park district 9169
created under section 511.18 of the Revised Code, park district 9170
created under section 1545.04 of the Revised Code, or joint 9171
recreation district established under section 755.14 of the 9172
Revised Code; 9173

(8) With respect to epinephrine autoinjectors that may be 9174
possessed under Chapter 3728. of the Revised Code, a qualified 9175

entity, as defined in section 3728.01 of the Revised Code; 9176

(9) With respect to inhalers that may be possessed under 9177
section 3313.7113, 3313.7114, 3314.144, 3326.30, or 3328.30 of 9178
the Revised Code, any of the following: the board of education 9179
of a city, local, exempted village, or joint vocational school 9180
district; a chartered or nonchartered nonpublic school; a 9181
community school established under Chapter 3314. of the Revised 9182
Code; a STEM school established under Chapter 3326. of the 9183
Revised Code; or a college-preparatory boarding school 9184
established under Chapter 3328. of the Revised Code; 9185

(10) With respect to inhalers that may be possessed under 9186
section 5101.77 of the Revised Code, any of the following: a 9187
residential camp, as defined in section 2151.011 of the Revised 9188
Code; a child day camp, as defined in section 5104.01 of the 9189
Revised Code; or a child day camp operated by any county, 9190
township, municipal corporation, township park district created 9191
under section 511.18 of the Revised Code, park district created 9192
under section 1545.04 of the Revised Code, or joint recreation 9193
district established under section 755.14 of the Revised Code; 9194

(11) With respect to naloxone that may be possessed under 9195
section 2925.61 of the Revised Code, a law enforcement agency 9196
and its peace officers; 9197

(12) With respect to naloxone that may be possessed under 9198
section 4729.514 of the Revised Code, a service entity, as 9199
defined in that section; 9200

(13) A facility that is owned and operated by the United 9201
States department of defense, the United States department of 9202
veterans affairs, or any other federal agency. 9203

(B) If a person described in division (A) of this section 9204

is a pain management clinic or is operating a pain management 9205
clinic, the person shall hold a license as a terminal 9206
distributor of dangerous drugs with a pain management clinic 9207
classification issued under section 4729.552 of the Revised 9208
Code. 9209

(C) If a person described in division (A) of this section 9210
is operating a facility, clinic, or other location described in 9211
division (B) of section 4729.553 of the Revised Code that must 9212
hold a category III terminal distributor of dangerous drugs 9213
license with an office-based opioid treatment classification, 9214
the person shall hold a license with that classification. 9215

(D) Any of the persons described in divisions (A) (1) to 9216
(12) of this section shall hold a license as a terminal 9217
distributor of dangerous drugs in order to possess, have custody 9218
or control of, and distribute any of the following: 9219

(1) Dangerous drugs that are compounded or used for the 9220
purpose of compounding; 9221

(2) A schedule I, II, III, IV, or V controlled substance, 9222
as defined in section 3719.01 of the Revised Code. 9223

Sec. 4731.226. (A) (1) An individual whom the state medical 9224
board licenses, certificates, or otherwise legally authorizes to 9225
engage in the practice of medicine and surgery, osteopathic 9226
medicine and surgery, or podiatric medicine and surgery may 9227
render the professional services of a doctor of medicine and 9228
surgery, osteopathic medicine and surgery, or podiatric medicine 9229
and surgery within this state through a corporation formed under 9230
division (B) of section 1701.03 of the Revised Code, a limited 9231
liability company formed under Chapter 1705. or 1706. of the 9232
Revised Code, a partnership, or a professional association 9233

formed under Chapter 1785. of the Revised Code. Division (A) (1) 9234
of this section does not preclude an individual of that nature 9235
from rendering professional services as a doctor of medicine and 9236
surgery, osteopathic medicine and surgery, or podiatric medicine 9237
and surgery through another form of business entity, including, 9238
but not limited to, a nonprofit corporation or foundation, or in 9239
another manner that is authorized by or in accordance with this 9240
chapter, another chapter of the Revised Code, or rules of the 9241
state medical board adopted pursuant to this chapter. 9242

(2) An individual whom the state medical board authorizes 9243
to engage in the practice of mechanotherapy may render the 9244
professional services of a mechanotherapist within this state 9245
through a corporation formed under division (B) of section 9246
1701.03 of the Revised Code, a limited liability company formed 9247
under Chapter 1705. or 1706. of the Revised Code, a partnership, 9248
or a professional association formed under Chapter 1785. of the 9249
Revised Code. Division (A) (2) of this section does not preclude 9250
an individual of that nature from rendering professional 9251
services as a mechanotherapist through another form of business 9252
entity, including, but not limited to, a nonprofit corporation 9253
or foundation, or in another manner that is authorized by or in 9254
accordance with this chapter, another chapter of the Revised 9255
Code, or rules of the state medical board adopted pursuant to 9256
this chapter. 9257

(B) A corporation, limited liability company, partnership, 9258
or professional association described in division (A) of this 9259
section may be formed for the purpose of providing a combination 9260
of the professional services of the following individuals who 9261
are licensed, certificated, or otherwise legally authorized to 9262
practice their respective professions: 9263

(1) Optometrists who are authorized to practice optometry under Chapter 4725. of the Revised Code;	9264 9265
(2) Chiropractors who are authorized to practice chiropractic or acupuncture under Chapter 4734. of the Revised Code;	9266 9267 9268
(3) Psychologists who are authorized to practice psychology under Chapter 4732. of the Revised Code;	9269 9270
(4) Registered or licensed practical nurses who are authorized to practice nursing as registered nurses or as licensed practical nurses under Chapter 4723. of the Revised Code;	9271 9272 9273 9274
(5) Pharmacists who are authorized to practice pharmacy under Chapter 4729. of the Revised Code;	9275 9276
(6) Physical therapists who are authorized to practice physical therapy under sections 4755.40 to 4755.56 of the Revised Code;	9277 9278 9279
(7) Occupational therapists who are authorized to practice occupational therapy under sections 4755.04 to 4755.13 of the Revised Code;	9280 9281 9282
(8) Mechanotherapists who are authorized to practice mechanotherapy under section 4731.151 of the Revised Code;	9283 9284
(9) Doctors of medicine and surgery, osteopathic medicine and surgery, or podiatric medicine and surgery who are authorized for their respective practices under this chapter;	9285 9286 9287
(10) Licensed professional clinical counselors, licensed professional counselors, independent social workers, social workers, independent marriage and family therapists, or marriage and family therapists who are authorized for their respective	9288 9289 9290 9291

practices under Chapter 4757. of the Revised Code. 9292

(C) Division (B) of this section shall apply 9293
notwithstanding a provision of a code of ethics described in 9294
division (B)(18) of section 4731.22 of the Revised Code that 9295
prohibits either of the following: 9296

(1) A doctor of medicine and surgery, osteopathic medicine 9297
and surgery, or podiatric medicine and surgery from engaging in 9298
the doctor's authorized practice in combination with a person 9299
who is licensed, certificated, or otherwise legally authorized 9300
to engage in the practice of optometry, chiropractic, 9301
acupuncture through the state chiropractic board, psychology, 9302
nursing, pharmacy, physical therapy, occupational therapy, 9303
mechanotherapy, professional counseling, social work, or 9304
marriage and family therapy, but who is not also licensed, 9305
certificated, or otherwise legally authorized to practice 9306
medicine and surgery, osteopathic medicine and surgery, or 9307
podiatric medicine and surgery. 9308

(2) A mechanotherapist from engaging in the practice of 9309
mechanotherapy in combination with a person who is licensed, 9310
certificated, or otherwise legally authorized to engage in the 9311
practice of optometry, chiropractic, acupuncture through the 9312
state chiropractic board, psychology, nursing, pharmacy, 9313
physical therapy, occupational therapy, medicine and surgery, 9314
osteopathic medicine and surgery, podiatric medicine and 9315
surgery, professional counseling, social work, or marriage and 9316
family therapy, but who is not also licensed, certificated, or 9317
otherwise legally authorized to engage in the practice of 9318
mechanotherapy. 9319

Sec. 4731.228. (A) As used in this section: 9320

- (1) "Federally qualified health center" has the same meaning as in section 3701.047 of the Revised Code. 9321
9322
- (2) "Federally qualified health center look-alike" has the same meaning as in section 3701.047 of the Revised Code. 9323
9324
- (3) "Health care entity" means any of the following that employs a physician to provide physician services: 9325
9326
- (a) A hospital registered with the department of health under section 3701.07 of the Revised Code; 9327
9328
- (b) A corporation formed under division (B) of section 1701.03 of the Revised Code; 9329
9330
- (c) A corporation formed under Chapter 1702. of the Revised Code; 9331
9332
- (d) A limited liability company formed under Chapter 1705. or 1706. of the Revised Code; 9333
9334
- (e) A health insuring corporation holding a certificate of authority under Chapter 1751. of the Revised Code; 9335
9336
- (f) A partnership; 9337
- (g) A professional association formed under Chapter 1785. of the Revised Code. 9338
9339
- (4) "Physician" means an individual authorized under this chapter to practice medicine and surgery, osteopathic medicine and surgery, or podiatric medicine and surgery. 9340
9341
9342
- (5) "Physician services" means direct patient care services provided by a physician. 9343
9344
- (6) "Termination" means the end of a physician's employment with a health care entity for any reason. 9345
9346

(B) This section applies when a physician's employment with a health care entity to provide physician services is terminated for any reason, unless the physician continues to provide medical services for patients of the health care entity on an independent contractor basis.

(C) (1) Except as provided in division (C) (2) of this section, a health care entity shall send notice of the termination of a physician's employment to each patient who received physician services from the physician in the two-year period immediately preceding the date of employment termination. Only patients of the health care entity who received services from the physician are to receive the notice.

(2) If the health care entity provides to the physician a list of patients treated and patient contact information, the health care entity may require the physician to send the notice required by this section.

(D) The notice provided under division (C) of this section shall be provided not later than the date of termination or thirty days after the health care entity has actual knowledge of termination or resignation of the physician, whichever is later. The notice shall be provided in accordance with rules adopted by the state medical board under section 4731.05 of the Revised Code. The notice shall include at least all of the following:

(1) A notice to the patient that the physician will no longer be practicing medicine as an employee of the health care entity;

(2) Except in situations in which the health care entity has a good faith concern that the physician's conduct or the medical care provided by the physician would jeopardize the

health and safety of patients, the physician's name and, if 9376
known by the health care entity, information provided by the 9377
physician that the patient may use to contact the physician; 9378

(3) The date on which the physician ceased or will cease 9379
to practice as an employee of the health care entity; 9380

(4) Contact information for an alternative physician or 9381
physicians employed by the health care entity or contact 9382
information for a group practice that can provide care for the 9383
patient; 9384

(5) Contact information that enables the patient to obtain 9385
information on the patient's medical records. 9386

(E) The requirements of this section do not apply to any 9387
of the following: 9388

(1) A physician rendering services to a patient on an 9389
episodic basis or in an emergency department or urgent care 9390
center, when it should not be reasonably expected that related 9391
medical services will be rendered by the physician to the 9392
patient in the future; 9393

(2) A medical director or other physician providing 9394
services in a similar capacity to a medical director to patients 9395
through a hospice care program licensed pursuant to section 9396
3712.04 of the Revised Code. 9397

(3) Medical residents, interns, and fellows who work in 9398
hospitals, health systems, federally qualified health centers, 9399
and federally qualified health center look-alikes as part of 9400
their medical education and training. 9401

(4) A physician providing services to a patient through a 9402
community mental health services provider certified by the 9403

director of mental health and addiction services under section 9404
5119.36 of the Revised Code or a community addiction services 9405
provider certified by the director under that section. 9406

(5) A physician providing services to a patient through a 9407
federally qualified health center or a federally qualified 9408
health center look-alike. 9409

Sec. 4732.28. (A) An individual whom the state board of 9410
psychology licenses, certificates, or otherwise legally 9411
authorizes to engage in the practice of psychology may render 9412
the professional services of a psychologist within this state 9413
through a corporation formed under division (B) of section 9414
1701.03 of the Revised Code, a limited liability company formed 9415
under Chapter 1705. or 1706. of the Revised Code, a partnership, 9416
or a professional association formed under Chapter 1785. of the 9417
Revised Code. This division does not preclude an individual of 9418
that nature from rendering professional services as a 9419
psychologist through another form of business entity, including, 9420
but not limited to, a nonprofit corporation or foundation, or in 9421
another manner that is authorized by or in accordance with this 9422
chapter, another chapter of the Revised Code, or rules of the 9423
state board of psychology adopted pursuant to this chapter. 9424

(B) A corporation, limited liability company, partnership, 9425
or professional association described in division (A) of this 9426
section may be formed for the purpose of providing a combination 9427
of the professional services of the following individuals who 9428
are licensed, certificated, or otherwise legally authorized to 9429
practice their respective professions: 9430

(1) Optometrists who are authorized to practice optometry 9431
under Chapter 4725. of the Revised Code; 9432

(2) Chiropractors who are authorized to practice	9433
chiropractic or acupuncture under Chapter 4734. of the Revised	9434
Code;	9435
(3) Psychologists who are authorized to practice	9436
psychology under this chapter;	9437
(4) Registered or licensed practical nurses who are	9438
authorized to practice nursing as registered nurses or as	9439
licensed practical nurses under Chapter 4723. of the Revised	9440
Code;	9441
(5) Pharmacists who are authorized to practice pharmacy	9442
under Chapter 4729. of the Revised Code;	9443
(6) Physical therapists who are authorized to practice	9444
physical therapy under sections 4755.40 to 4755.56 of the	9445
Revised Code;	9446
(7) Occupational therapists who are authorized to practice	9447
occupational therapy under sections 4755.04 to 4755.13 of the	9448
Revised Code;	9449
(8) Mechanotherapists who are authorized to practice	9450
mechanotherapy under section 4731.151 of the Revised Code;	9451
(9) Doctors of medicine and surgery, osteopathic medicine	9452
and surgery, or podiatric medicine and surgery who are	9453
authorized for their respective practices under Chapter 4731. of	9454
the Revised Code;	9455
(10) Licensed professional clinical counselors, licensed	9456
professional counselors, independent social workers, social	9457
workers, independent marriage and family therapists, or marriage	9458
and family therapists who are authorized for their respective	9459
practices under Chapter 4757. of the Revised Code.	9460

This division shall apply notwithstanding a provision of a 9461
code of ethics applicable to a psychologist that prohibits a 9462
psychologist from engaging in the practice of psychology in 9463
combination with a person who is licensed, certificated, or 9464
otherwise legally authorized to practice optometry, 9465
chiropractic, acupuncture through the state chiropractic board, 9466
nursing, pharmacy, physical therapy, occupational therapy, 9467
mechanotherapy, medicine and surgery, osteopathic medicine and 9468
surgery, podiatric medicine and surgery, professional 9469
counseling, social work, or marriage and family therapy, but who 9470
is not also licensed, certificated, or otherwise legally 9471
authorized to engage in the practice of psychology. 9472

Sec. 4733.16. (A) A firm, partnership, association, 9473
limited liability company, or corporation may provide 9474
professional engineering or professional surveying services in 9475
this state as long as the services are provided only through 9476
natural persons registered to provide those services in the 9477
state, subject to the exemptions in sections 4733.17 and 4733.18 9478
of the Revised Code and subject otherwise to the requirements of 9479
this chapter. 9480

(B) No firm, partnership, association, limited liability 9481
company, or corporation, except a corporation that was granted a 9482
charter prior to August 7, 1943, to engage in providing 9483
professional engineering or professional surveying services in 9484
this state or that was otherwise lawfully providing engineering 9485
services in this state prior to November 15, 1982, shall engage 9486
in providing professional engineering or professional surveying 9487
services, hold itself out to the public as being engaged in 9488
providing professional engineering or professional surveying 9489
services, or use a name including one or more of the words 9490
"engineer," "engineering," "surveyor," or "surveying" or any 9491

modification or derivation of those words, unless the firm, 9492
partnership, association, limited liability company, or 9493
corporation obtains a certificate of authorization from the 9494
state board of registration for professional engineers and 9495
surveyors and files all information required to be filed under 9496
this section with the state board of registration for 9497
professional engineers and surveyors and otherwise complies with 9498
all requirements of this chapter. A nonprofit membership 9499
corporation may use a name including one or more of the words 9500
"engineer," "engineering," "surveyor," or "surveying" or any 9501
modification or derivation of those words without complying with 9502
this section. 9503

(C) A corporation may be organized under Chapter 1701. of 9504
the Revised Code, a professional association may be organized 9505
under Chapter 1785. of the Revised Code, or a limited liability 9506
company may be formed under Chapter 1705. or 1706. of the 9507
Revised Code for the purpose of providing professional 9508
engineering, professional surveying, architectural, or landscape 9509
architectural services or any combination of those services. A 9510
corporation organized under Chapter 1701. of the Revised Code 9511
for the purpose of providing those services also may be 9512
organized for any other purpose in accordance with that chapter. 9513

(D) Each firm, partnership, association, limited liability 9514
company, or corporation through which professional engineering 9515
or professional surveying services are offered or provided in 9516
this state shall designate one or more full-time partners, 9517
managers, members, officers, or directors as being responsible 9518
for and in responsible charge of the professional engineering or 9519
professional surveying activities and decisions, and those 9520
designated persons shall be registered in this state. Each firm, 9521
partnership, association, limited liability company, or 9522

corporation shall annually file with the state board of 9523
registration for professional engineers and surveyors the name 9524
and address of all owners and all persons designated as being in 9525
responsible charge of the professional engineering or 9526
professional surveying activities and decisions and any other 9527
information the board may require. 9528

(E) The state board of registration for professional 9529
engineers and surveyors shall issue a certificate of 9530
authorization to each firm, partnership, association, limited 9531
liability company, or corporation that satisfies the 9532
requirements of this chapter, including providing information 9533
that the board may require pursuant to division (D) of this 9534
section. 9535

(F) This section does not modify any law applicable to the 9536
relationship between a person furnishing a professional service 9537
and a person receiving that service, including liability arising 9538
out of that service. 9539

(G) Nothing in this section shall restrict or limit in any 9540
manner the authority or duty of the state board of registration 9541
for professional engineers and surveyors with respect to natural 9542
persons providing professional services or any law or rule 9543
pertaining to standards of professional conduct. 9544

(H) Corporations, partnerships, associations, limited 9545
liability companies, or firms organized under the laws of 9546
another state or country wishing to provide professional 9547
engineering or professional surveying services shall obtain a 9548
certificate of authorization and meet the applicable 9549
requirements of this section. 9550

Sec. 4734.17. (A) An individual whom the state 9551

chiropractic board licenses to engage in the practice of 9552
chiropractic or certifies to practice acupuncture may render the 9553
professional services of a chiropractor or chiropractor 9554
certified to practice acupuncture within this state through a 9555
corporation formed under division (B) of section 1701.03 of the 9556
Revised Code, a limited liability company formed under Chapter 9557
1705. or 1706. of the Revised Code, a partnership, or a 9558
professional association formed under Chapter 1785. of the 9559
Revised Code. This division does not preclude a chiropractor 9560
from rendering professional services as a chiropractor or 9561
chiropractor certified to practice acupuncture through another 9562
form of business entity, including, but not limited to, a 9563
nonprofit corporation or foundation, or in another manner that 9564
is authorized by or in accordance with this chapter, another 9565
chapter of the Revised Code, or rules of the state chiropractic 9566
board adopted pursuant to this chapter. 9567

(B) A corporation, limited liability company, partnership, 9568
or professional association described in division (A) of this 9569
section may be formed for the purpose of providing a combination 9570
of the professional services of the following individuals who 9571
are licensed, certificated, or otherwise legally authorized to 9572
practice their respective professions: 9573

(1) Optometrists who are authorized to practice optometry, 9574
under Chapter 4725. of the Revised Code; 9575

(2) Chiropractors who are authorized to practice 9576
chiropractic or acupuncture under this chapter; 9577

(3) Psychologists who are authorized to practice 9578
psychology under Chapter 4732. of the Revised Code; 9579

(4) Registered or licensed practical nurses who are 9580

authorized to practice nursing as registered nurses or as 9581
licensed practical nurses under Chapter 4723. of the Revised 9582
Code; 9583

(5) Pharmacists who are authorized to practice pharmacy 9584
under Chapter 4729. of the Revised Code; 9585

(6) Physical therapists who are authorized to practice 9586
physical therapy under sections 4755.40 to 4755.56 of the 9587
Revised Code; 9588

(7) Occupational therapists who are authorized to practice 9589
occupational therapy under sections 4755.04 to 4755.13 of the 9590
Revised Code; 9591

(8) Mechanotherapists who are authorized to practice 9592
mechanotherapy under section 4731.151 of the Revised Code; 9593

(9) Doctors of medicine and surgery, osteopathic medicine 9594
and surgery, or podiatric medicine and surgery who are 9595
authorized for their respective practices under Chapter 4731. of 9596
the Revised Code; 9597

(10) Licensed professional clinical counselors, licensed 9598
professional counselors, independent social workers, social 9599
workers, independent marriage and family therapists, or marriage 9600
and family therapists who are authorized for their respective 9601
practices under Chapter 4757. of the Revised Code. 9602

This division shall apply notwithstanding a provision of 9603
any code of ethics established or adopted under section 4734.16 9604
of the Revised Code that prohibits an individual from engaging 9605
in the practice of chiropractic or acupuncture in combination 9606
with an individual who is licensed, certificated, or otherwise 9607
authorized for the practice of optometry, psychology, nursing, 9608
pharmacy, physical therapy, occupational therapy, 9609

mechanotherapy, medicine and surgery, osteopathic medicine and 9610
surgery, podiatric medicine and surgery, professional 9611
counseling, social work, or marriage and family therapy, but who 9612
is not also licensed under this chapter to engage in the 9613
practice of chiropractic. 9614

Sec. 4755.111. (A) An individual whom the occupational 9615
therapy section of the Ohio occupational therapy, physical 9616
therapy, and athletic trainers board licenses, certificates, or 9617
otherwise legally authorizes to engage in the practice of 9618
occupational therapy may render the professional services of an 9619
occupational therapist within this state through a corporation 9620
formed under division (B) of section 1701.03 of the Revised 9621
Code, a limited liability company formed under Chapter 1705. or 9622
1706. of the Revised Code, a partnership, or a professional 9623
association formed under Chapter 1785. of the Revised Code. This 9624
division does not preclude an individual of that nature from 9625
rendering professional services as an occupational therapist 9626
through another form of business entity, including, but not 9627
limited to, a nonprofit corporation or foundation, or in another 9628
manner that is authorized by or in accordance with sections 9629
4755.04 to 4755.13 of the Revised Code, another chapter of the 9630
Revised Code, or rules of the Ohio occupational therapy, 9631
physical therapy, and athletic trainers board adopted pursuant 9632
to sections 4755.04 to 4755.13 of the Revised Code. 9633

(B) A corporation, limited liability company, partnership, 9634
or professional association described in division (A) of this 9635
section may be formed for the purpose of providing a combination 9636
of the professional services of the following individuals who 9637
are licensed, certificated, or otherwise legally authorized to 9638
practice their respective professions: 9639

(1) Optometrists who are authorized to practice optometry	9640
under Chapter 4725. of the Revised Code;	9641
(2) Chiropractors who are authorized to practice	9642
chiropractic or acupuncture under Chapter 4734. of the Revised	9643
Code;	9644
(3) Psychologists who are authorized to practice	9645
psychology under Chapter 4732. of the Revised Code;	9646
(4) Registered or licensed practical nurses who are	9647
authorized to practice nursing as registered nurses or as	9648
licensed practical nurses under Chapter 4723. of the Revised	9649
Code;	9650
(5) Pharmacists who are authorized to practice pharmacy	9651
under Chapter 4729. of the Revised Code;	9652
(6) Physical therapists who are authorized to practice	9653
physical therapy under sections 4755.40 to 4755.56 of the	9654
Revised Code;	9655
(7) Occupational therapists who are authorized to practice	9656
occupational therapy under sections 4755.04 to 4755.13 of the	9657
Revised Code;	9658
(8) Mechanotherapists who are authorized to practice	9659
mechanotherapy under section 4731.151 of the Revised Code;	9660
(9) Doctors of medicine and surgery, osteopathic medicine	9661
and surgery, or podiatric medicine and surgery who are	9662
authorized for their respective practices under Chapter 4731. of	9663
the Revised Code;	9664
(10) Licensed professional clinical counselors, licensed	9665
professional counselors, independent social workers, social	9666
workers, independent marriage and family therapists, or marriage	9667

and family therapists who are authorized for their respective 9668
practices under Chapter 4757. of the Revised Code. 9669

This division shall apply notwithstanding a provision of a 9670
code of ethics applicable to an occupational therapist that 9671
prohibits an occupational therapist from engaging in the 9672
practice of occupational therapy in combination with a person 9673
who is licensed, certificated, or otherwise legally authorized 9674
to practice optometry, chiropractic, acupuncture through the 9675
state chiropractic board, psychology, nursing, pharmacy, 9676
physical therapy, mechanotherapy, medicine and surgery, 9677
osteopathic medicine and surgery, podiatric medicine and 9678
surgery, professional counseling, social work, or marriage and 9679
family therapy but who is not also licensed, certificated, or 9680
otherwise legally authorized to engage in the practice of 9681
occupational therapy. 9682

Sec. 4755.471. (A) An individual whom the physical therapy 9683
section of the Ohio occupational therapy, physical therapy, and 9684
athletic trainers board licenses, certificates, or otherwise 9685
legally authorizes to engage in the practice of physical therapy 9686
may render the professional services of a physical therapist 9687
within this state through a corporation formed under division 9688
(B) of section 1701.03 of the Revised Code, a limited liability 9689
company formed under Chapter 1705. or 1706. of the Revised Code, 9690
a partnership, or a professional association formed under 9691
Chapter 1785. of the Revised Code. This division does not 9692
preclude an individual of that nature from rendering 9693
professional services as a physical therapist through another 9694
form of business entity, including, but not limited to, a 9695
nonprofit corporation or foundation, or in another manner that 9696
is authorized by or in accordance with sections 4755.40 to 9697
4755.53 of the Revised Code, another chapter of the Revised 9698

Code, or rules of the Ohio occupational therapy, physical 9699
therapy, and athletic trainers board adopted pursuant to 9700
sections 4755.40 to 4755.53 of the Revised Code. 9701

(B) A corporation, limited liability company, partnership, 9702
or professional association described in division (A) of this 9703
section may be formed for the purpose of providing a combination 9704
of the professional services of the following individuals who 9705
are licensed, certificated, or otherwise legally authorized to 9706
practice their respective professions: 9707

(1) Optometrists who are authorized to practice optometry 9708
under Chapter 4725. of the Revised Code; 9709

(2) Chiropractors who are authorized to practice 9710
chiropractic or acupuncture under Chapter 4734. of the Revised 9711
Code; 9712

(3) Psychologists who are authorized to practice 9713
psychology under Chapter 4732. of the Revised Code; 9714

(4) Registered or licensed practical nurses who are 9715
authorized to practice nursing as registered nurses or as 9716
licensed practical nurses under Chapter 4723. of the Revised 9717
Code; 9718

(5) Pharmacists who are authorized to practice pharmacy 9719
under Chapter 4729. of the Revised Code; 9720

(6) Physical therapists who are authorized to practice 9721
physical therapy under sections 4755.40 to 4755.56 of the 9722
Revised Code; 9723

(7) Occupational therapists who are authorized to practice 9724
occupational therapy under sections 4755.04 to 4755.13 of the 9725
Revised Code; 9726

(8) Mechanotherapists who are authorized to practice 9727
mechanotherapy under section 4731.151 of the Revised Code; 9728

(9) Doctors of medicine and surgery, osteopathic medicine 9729
and surgery, or podiatric medicine and surgery who are 9730
authorized for their respective practices under Chapter 4731. of 9731
the Revised Code; 9732

(10) Licensed professional clinical counselors, licensed 9733
professional counselors, independent social workers, social 9734
workers, independent marriage and family therapists, or marriage 9735
and family therapists who are authorized for their respective 9736
practices under Chapter 4757. of the Revised Code. 9737

This division shall apply notwithstanding a provision of a 9738
code of ethics applicable to a physical therapist that prohibits 9739
a physical therapist from engaging in the practice of physical 9740
therapy in combination with a person who is licensed, 9741
certificated, or otherwise legally authorized to practice 9742
optometry, chiropractic, acupuncture through the state 9743
chiropractic board, psychology, nursing, pharmacy, occupational 9744
therapy, mechanotherapy, medicine and surgery, osteopathic 9745
medicine and surgery, podiatric medicine and surgery, 9746
professional counseling, social work, or marriage and family 9747
therapy, but who is not also licensed, certificated, or 9748
otherwise legally authorized to engage in the practice of 9749
physical therapy. 9750

Sec. 4757.37. (A) An individual whom the counselor, social 9751
worker, and marriage and family therapist board licenses, 9752
certificates, or otherwise legally authorizes to engage in the 9753
practice of professional counseling, social work, or marriage 9754
and family therapy may render the professional services of a 9755
licensed professional clinical counselor, licensed professional 9756

counselor, independent social worker, social worker, independent
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marriage and family therapist, or marriage and family therapist
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within this state through a corporation formed under division
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(B) of section 1701.03 of the Revised Code, a limited liability
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company formed under Chapter 1705. or 1706. of the Revised Code,
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a partnership, or a professional association formed under
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Chapter 1785. of the Revised Code. This division does not
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preclude such an individual from rendering professional services
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as a licensed professional clinical counselor, licensed
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professional counselor, independent social worker, social
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worker, independent marriage and family therapist, or marriage
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and family therapist through another form of business entity,
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including, but not limited to, a nonprofit corporation or
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foundation, or in another manner that is authorized by or in
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accordance with this chapter, another chapter of the Revised
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Code, or rules of the counselor, social worker, and marriage and
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family therapist board adopted pursuant to this chapter.
9773

(B) A corporation, limited liability company, partnership,
9774
or professional association described in division (A) of this
9775
section may be formed for the purpose of providing a combination
9776
of the professional services of the following individuals who
9777
are licensed, certificated, or otherwise legally authorized to
9778
practice their respective professions:
9779

(1) Optometrists who are authorized to practice optometry
9780
under Chapter 4725. of the Revised Code;
9781

(2) Chiropractors who are authorized to practice
9782
chiropractic or acupuncture under Chapter 4734. of the Revised
9783
Code;
9784

(3) Psychologists who are authorized to practice
9785
psychology under Chapter 4732. of the Revised Code;
9786

(4) Registered or licensed practical nurses who are	9787
authorized to practice nursing as registered nurses or as	9788
licensed practical nurses under Chapter 4723. of the Revised	9789
Code;	9790
(5) Pharmacists who are authorized to practice pharmacy	9791
under Chapter 4729. of the Revised Code;	9792
(6) Physical therapists who are authorized to practice	9793
physical therapy under sections 4755.40 to 4755.56 of the	9794
Revised Code;	9795
(7) Occupational therapists who are authorized to practice	9796
occupational therapy under sections 4755.04 to 4755.13 of the	9797
Revised Code;	9798
(8) Mechanotherapists who are authorized to practice	9799
mechanotherapy under section 4731.151 of the Revised Code;	9800
(9) Doctors of medicine and surgery, osteopathic medicine	9801
and surgery, or podiatric medicine and surgery who are	9802
authorized for their respective practices under Chapter 4731. of	9803
the Revised Code;	9804
(10) Licensed professional clinical counselors, licensed	9805
professional counselors, independent social workers, social	9806
workers, independent marriage and family therapists, or marriage	9807
and family therapists who are authorized for their respective	9808
practices under this chapter.	9809
This division applies notwithstanding a provision of a	9810
code of ethics applicable to an individual who is a licensed	9811
professional clinical counselor, licensed professional	9812
counselor, independent social worker, social worker, independent	9813
marriage and family therapist, or marriage and family therapist	9814
that prohibits the individual from engaging in the individual's	9815

practice in combination with a person who is licensed, 9816
certificated, or otherwise legally authorized to practice 9817
optometry, chiropractic, acupuncture through the state 9818
chiropractic board, psychology, nursing, pharmacy, physical 9819
therapy, occupational therapy, mechanotherapy, medicine and 9820
surgery, osteopathic medicine and surgery, or podiatric medicine 9821
and surgery, but who is not also licensed, certificated, or 9822
otherwise legally authorized to engage in the practice of 9823
professional counseling, social work, or marriage and family 9824
therapy. 9825

Sec. 5701.14. For purposes of Title LVII of the Revised 9826
Code: 9827

(A) In order to determine a limited liability company's 9828
nonprofit status, an entity is operating with a nonprofit 9829
purpose under section 1705.02 of the Revised Code or carrying on 9830
any nonprofit activity under section 1706.05 of the Revised Code 9831
if that entity is organized other than for the pecuniary gain or 9832
profit of, and its net earnings or any part of its net earnings 9833
are not distributable to, its members, its directors, its 9834
officers, or other private persons, except that the payment of 9835
reasonable compensation for services rendered, payments and 9836
distributions in furtherance of its nonprofit purpose, and the 9837
distribution of assets on dissolution permitted by section 9838
1702.49 of the Revised Code are not pecuniary gain or profit or 9839
distribution of net earnings. In no event shall payments and 9840
distributions in furtherance of an entity's nonprofit purpose 9841
deprive the entity of its nonprofit status as long as all of the 9842
members of that entity are operating with a nonprofit purpose. 9843

(B) A single member limited liability company that 9844
operates with a nonprofit purpose, as described in division (A) 9845

of this section, shall be treated as part of the same legal 9846
entity as its nonprofit member, and all assets and liabilities 9847
of that single member limited liability company shall be 9848
considered to be that of the nonprofit member. Filings or 9849
applications for exemptions or other tax purposes may be made 9850
either by the single member limited liability company or its 9851
nonprofit member. 9852

Sec. 5715.19. (A) As used in this section, "member" has 9853
the same meaning as in section 1705.01 or 1706.01 of the Revised 9854
Code, as applicable, and "internet identifier of record" has the 9855
same meaning as in section 9.312 of the Revised Code. 9856

(1) Subject to division (A)(2) of this section, a 9857
complaint against any of the following determinations for the 9858
current tax year shall be filed with the county auditor on or 9859
before the thirty-first day of March of the ensuing tax year or 9860
the date of closing of the collection for the first half of real 9861
and public utility property taxes for the current tax year, 9862
whichever is later: 9863

(a) Any classification made under section 5713.041 of the 9864
Revised Code; 9865

(b) Any determination made under section 5713.32 or 9866
5713.35 of the Revised Code; 9867

(c) Any recoupment charge levied under section 5713.35 of 9868
the Revised Code; 9869

(d) The determination of the total valuation or assessment 9870
of any parcel that appears on the tax list, except parcels 9871
assessed by the tax commissioner pursuant to section 5727.06 of 9872
the Revised Code; 9873

(e) The determination of the total valuation of any parcel 9874

that appears on the agricultural land tax list, except parcels 9875
assessed by the tax commissioner pursuant to section 5727.06 of 9876
the Revised Code; 9877

(f) Any determination made under division (A) of section 9878
319.302 of the Revised Code. 9879

If such a complaint is filed by mail or certified mail, 9880
the date of the United States postmark placed on the envelope or 9881
sender's receipt by the postal service shall be treated as the 9882
date of filing. A private meter postmark on an envelope is not a 9883
valid postmark for purposes of establishing the filing date. 9884

Any person owning taxable real property in the county or 9885
in a taxing district with territory in the county; such a 9886
person's spouse; an individual who is retained by such a person 9887
and who holds a designation from a professional assessment 9888
organization, such as the institute for professionals in 9889
taxation, the national council of property taxation, or the 9890
international association of assessing officers; a public 9891
accountant who holds a permit under section 4701.10 of the 9892
Revised Code, a general or residential real estate appraiser 9893
licensed or certified under Chapter 4763. of the Revised Code, 9894
or a real estate broker licensed under Chapter 4735. of the 9895
Revised Code, who is retained by such a person; if the person is 9896
a firm, company, association, partnership, limited liability 9897
company, or corporation, an officer, a salaried employee, a 9898
partner, or a member of that person; if the person is a trust, a 9899
trustee of the trust; the board of county commissioners; the 9900
prosecuting attorney or treasurer of the county; the board of 9901
township trustees of any township with territory within the 9902
county; the board of education of any school district with any 9903
territory in the county; or the mayor or legislative authority 9904

of any municipal corporation with any territory in the county 9905
may file such a complaint regarding any such determination 9906
affecting any real property in the county, except that a person 9907
owning taxable real property in another county may file such a 9908
complaint only with regard to any such determination affecting 9909
real property in the county that is located in the same taxing 9910
district as that person's real property is located. The county 9911
auditor shall present to the county board of revision all 9912
complaints filed with the auditor. 9913

(2) As used in division (A)(2) of this section, "interim 9914
period" means, for each county, the tax year to which section 9915
5715.24 of the Revised Code applies and each subsequent tax year 9916
until the tax year in which that section applies again. 9917

No person, board, or officer shall file a complaint 9918
against the valuation or assessment of any parcel that appears 9919
on the tax list if it filed a complaint against the valuation or 9920
assessment of that parcel for any prior tax year in the same 9921
interim period, unless the person, board, or officer alleges 9922
that the valuation or assessment should be changed due to one or 9923
more of the following circumstances that occurred after the tax 9924
lien date for the tax year for which the prior complaint was 9925
filed and that the circumstances were not taken into 9926
consideration with respect to the prior complaint: 9927

(a) The property was sold in an arm's length transaction, 9928
as described in section 5713.03 of the Revised Code; 9929

(b) The property lost value due to some casualty; 9930

(c) Substantial improvement was added to the property; 9931

(d) An increase or decrease of at least fifteen per cent 9932
in the property's occupancy has had a substantial economic 9933

impact on the property. 9934

(3) If a county board of revision, the board of tax 9935
appeals, or any court dismisses a complaint filed under this 9936
section or section 5715.13 of the Revised Code for the reason 9937
that the act of filing the complaint was the unauthorized 9938
practice of law or the person filing the complaint was engaged 9939
in the unauthorized practice of law, the party affected by a 9940
decrease in valuation or the party's agent, or the person owning 9941
taxable real property in the county or in a taxing district with 9942
territory in the county, may refile the complaint, 9943
notwithstanding division (A) (2) of this section. 9944

(4) (a) No complaint filed under this section or section 9945
5715.13 of the Revised Code shall be dismissed for the reason 9946
that the complaint fails to accurately identify the owner of the 9947
property that is the subject of the complaint. 9948

(b) If a complaint fails to accurately identify the owner 9949
of the property that is the subject of the complaint, the board 9950
of revision shall exercise due diligence to ensure the correct 9951
property owner is notified as required by divisions (B) and (C) 9952
of this section. 9953

(5) Notwithstanding division (A) (2) of this section, a 9954
person, board, or officer may file a complaint against the 9955
valuation or assessment of any parcel that appears on the tax 9956
list if it filed a complaint against the valuation or assessment 9957
of that parcel for any prior tax year in the same interim period 9958
if the person, board, or officer withdrew the complaint before 9959
the complaint was heard by the board. 9960

(B) Within thirty days after the last date such complaints 9961
may be filed, the auditor shall give notice of each complaint in 9962

which the stated amount of overvaluation, undervaluation, 9963
discriminatory valuation, illegal valuation, or incorrect 9964
determination is at least seventeen thousand five hundred 9965
dollars to each property owner whose property is the subject of 9966
the complaint, if the complaint was not filed by the owner or 9967
the owner's spouse, and to each board of education whose school 9968
district may be affected by the complaint. Within thirty days 9969
after receiving such notice, a board of education; a property 9970
owner; the owner's spouse; an individual who is retained by such 9971
an owner and who holds a designation from a professional 9972
assessment organization, such as the institute for professionals 9973
in taxation, the national council of property taxation, or the 9974
international association of assessing officers; a public 9975
accountant who holds a permit under section 4701.10 of the 9976
Revised Code, a general or residential real estate appraiser 9977
licensed or certified under Chapter 4763. of the Revised Code, 9978
or a real estate broker licensed under Chapter 4735. of the 9979
Revised Code, who is retained by such a person; or, if the 9980
property owner is a firm, company, association, partnership, 9981
limited liability company, corporation, or trust, an officer, a 9982
salaried employee, a partner, a member, or trustee of that 9983
property owner, may file a complaint in support of or objecting 9984
to the amount of alleged overvaluation, undervaluation, 9985
discriminatory valuation, illegal valuation, or incorrect 9986
determination stated in a previously filed complaint or 9987
objecting to the current valuation. Upon the filing of a 9988
complaint under this division, the board of education or the 9989
property owner shall be made a party to the action. 9990

(C) Each board of revision shall notify any complainant 9991
and also the property owner, if the property owner's address is 9992
known, when a complaint is filed by one other than the property 9993

owner, not less than ten days prior to the hearing, either by 9994
certified mail or, if the board has record of an internet 9995
identifier of record associated with the owner, by ordinary mail 9996
and by that internet identifier of record of the time and place 9997
the same will be heard. The board of revision shall hear and 9998
render its decision on a complaint within ninety days after the 9999
filing thereof with the board, except that if a complaint is 10000
filed within thirty days after receiving notice from the auditor 10001
as provided in division (B) of this section, the board shall 10002
hear and render its decision within ninety days after such 10003
filing. 10004

(D) The determination of any such complaint shall relate 10005
back to the date when the lien for taxes or recoupment charges 10006
for the current year attached or the date as of which liability 10007
for such year was determined. Liability for taxes and recoupment 10008
charges for such year and each succeeding year until the 10009
complaint is finally determined and for any penalty and interest 10010
for nonpayment thereof within the time required by law shall be 10011
based upon the determination, valuation, or assessment as 10012
finally determined. Each complaint shall state the amount of 10013
overvaluation, undervaluation, discriminatory valuation, illegal 10014
valuation, or incorrect classification or determination upon 10015
which the complaint is based. The treasurer shall accept any 10016
amount tendered as taxes or recoupment charge upon property 10017
concerning which a complaint is then pending, computed upon the 10018
claimed valuation as set forth in the complaint. If a complaint 10019
filed under this section for the current year is not determined 10020
by the board within the time prescribed for such determination, 10021
the complaint and any proceedings in relation thereto shall be 10022
continued by the board as a valid complaint for any ensuing year 10023
until such complaint is finally determined by the board or upon 10024

any appeal from a decision of the board. In such case, the 10025
original complaint shall continue in effect without further 10026
filing by the original taxpayer, the original taxpayer's 10027
assignee, or any other person or entity authorized to file a 10028
complaint under this section. 10029

(E) If a taxpayer files a complaint as to the 10030
classification, valuation, assessment, or any determination 10031
affecting the taxpayer's own property and tenders less than the 10032
full amount of taxes or recoupment charges as finally 10033
determined, an interest charge shall accrue as follows: 10034

(1) If the amount finally determined is less than the 10035
amount billed but more than the amount tendered, the taxpayer 10036
shall pay interest at the rate per annum prescribed by section 10037
5703.47 of the Revised Code, computed from the date that the 10038
taxes were due on the difference between the amount finally 10039
determined and the amount tendered. This interest charge shall 10040
be in lieu of any penalty or interest charge under section 10041
323.121 of the Revised Code unless the taxpayer failed to file a 10042
complaint and tender an amount as taxes or recoupment charges 10043
within the time required by this section, in which case section 10044
323.121 of the Revised Code applies. 10045

(2) If the amount of taxes finally determined is equal to 10046
or greater than the amount billed and more than the amount 10047
tendered, the taxpayer shall pay interest at the rate prescribed 10048
by section 5703.47 of the Revised Code from the date the taxes 10049
were due on the difference between the amount finally determined 10050
and the amount tendered, such interest to be in lieu of any 10051
interest charge but in addition to any penalty prescribed by 10052
section 323.121 of the Revised Code. 10053

(F) Upon request of a complainant, the tax commissioner 10054

shall determine the common level of assessment of real property 10055
in the county for the year stated in the request that is not 10056
valued under section 5713.31 of the Revised Code, which common 10057
level of assessment shall be expressed as a percentage of true 10058
value and the common level of assessment of lands valued under 10059
such section, which common level of assessment shall also be 10060
expressed as a percentage of the current agricultural use value 10061
of such lands. Such determination shall be made on the basis of 10062
the most recent available sales ratio studies of the 10063
commissioner and such other factual data as the commissioner 10064
deems pertinent. 10065

(G) A complainant shall provide to the board of revision 10066
all information or evidence within the complainant's knowledge 10067
or possession that affects the real property that is the subject 10068
of the complaint. A complainant who fails to provide such 10069
information or evidence is precluded from introducing it on 10070
appeal to the board of tax appeals or the court of common pleas, 10071
except that the board of tax appeals or court may admit and 10072
consider the evidence if the complainant shows good cause for 10073
the complainant's failure to provide the information or evidence 10074
to the board of revision. 10075

(H) In case of the pendency of any proceeding in court 10076
based upon an alleged excessive, discriminatory, or illegal 10077
valuation or incorrect classification or determination, the 10078
taxpayer may tender to the treasurer an amount as taxes upon 10079
property computed upon the claimed valuation as set forth in the 10080
complaint to the court. The treasurer may accept the tender. If 10081
the tender is not accepted, no penalty shall be assessed because 10082
of the nonpayment of the full taxes assessed. 10083

Sec. 5733.04. As used in this chapter: 10084

(A) "Issued and outstanding shares of stock" applies to 10085
nonprofit corporations, as provided in section 5733.01 of the 10086
Revised Code, and includes, but is not limited to, membership 10087
certificates and other instruments evidencing ownership of an 10088
interest in such nonprofit corporations, and with respect to a 10089
financial institution that does not have capital stock, "issued 10090
and outstanding shares of stock" includes, but is not limited 10091
to, ownership interests of depositors in the capital employed in 10092
such an institution. 10093

(B) "Taxpayer" means a corporation subject to the tax 10094
imposed by section 5733.06 of the Revised Code. 10095

(C) "Resident" means a corporation organized under the 10096
laws of this state. 10097

(D) "Commercial domicile" means the principal place from 10098
which the trade or business of the taxpayer is directed or 10099
managed. 10100

(E) "Taxable year" means the period prescribed by division 10101
(A) of section 5733.031 of the Revised Code upon the net income 10102
of which the value of the taxpayer's issued and outstanding 10103
shares of stock is determined under division (B) of section 10104
5733.05 of the Revised Code or the period prescribed by division 10105
(A) of section 5733.031 of the Revised Code that immediately 10106
precedes the date as of which the total value of the corporation 10107
is determined under division (A) or (C) of section 5733.05 of 10108
the Revised Code. 10109

(F) "Tax year" means the calendar year in and for which 10110
the tax imposed by section 5733.06 of the Revised Code is 10111
required to be paid. 10112

(G) "Internal Revenue Code" means the "Internal Revenue 10113

Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as amended. 10114

(H) "Federal income tax" means the income tax imposed by 10115
the Internal Revenue Code. 10116

(I) Except as provided in section 5733.058 of the Revised 10117
Code, "net income" means the taxpayer's taxable income before 10118
operating loss deduction and special deductions, as required to 10119
be reported for the taxpayer's taxable year under the Internal 10120
Revenue Code, subject to the following adjustments: 10121

(1) (a) Deduct any net operating loss incurred in any 10122
taxable years ending in 1971 or thereafter, but exclusive of any 10123
net operating loss incurred in taxable years ending prior to 10124
January 1, 1971. This deduction shall not be allowed in any tax 10125
year commencing before December 31, 1973, but shall be carried 10126
over and allowed in tax years commencing after December 31, 10127
1973, until fully utilized in the next succeeding taxable year 10128
or years in which the taxpayer has net income, but in no case 10129
for more than the designated carryover period as described in 10130
division (I) (1) (b) of this section. The amount of such net 10131
operating loss, as determined under the allocation and 10132
apportionment provisions of section 5733.051 and division (B) of 10133
section 5733.05 of the Revised Code for the year in which the 10134
net operating loss occurs, shall be deducted from net income, as 10135
determined under the allocation and apportionment provisions of 10136
section 5733.051 and division (B) of section 5733.05 of the 10137
Revised Code, to the extent necessary to reduce net income to 10138
zero with the remaining unused portion of the deduction, if any, 10139
carried forward to the remaining years of the designated 10140
carryover period as described in division (I) (1) (b) of this 10141
section, or until fully utilized, whichever occurs first. 10142

(b) For losses incurred in taxable years ending on or 10143

before December 31, 1981, the designated carryover period shall 10144
be the five consecutive taxable years after the taxable year in 10145
which the net operating loss occurred. For losses incurred in 10146
taxable years ending on or after January 1, 1982, and beginning 10147
before August 6, 1997, the designated carryover period shall be 10148
the fifteen consecutive taxable years after the taxable year in 10149
which the net operating loss occurs. For losses incurred in 10150
taxable years beginning on or after August 6, 1997, the 10151
designated carryover period shall be the twenty consecutive 10152
taxable years after the taxable year in which the net operating 10153
loss occurs. 10154

(c) The tax commissioner may require a taxpayer to furnish 10155
any information necessary to support a claim for deduction under 10156
division (I)(1)(a) of this section and no deduction shall be 10157
allowed unless the information is furnished. 10158

(2) Deduct any amount included in net income by 10159
application of section 78 or 951 of the Internal Revenue Code, 10160
amounts received for royalties, technical or other services 10161
derived from sources outside the United States, and dividends 10162
received from a subsidiary, associate, or affiliated corporation 10163
that neither transacts any substantial portion of its business 10164
nor regularly maintains any substantial portion of its assets 10165
within the United States. For purposes of determining net 10166
foreign source income deductible under division (I)(2) of this 10167
section, the amount of gross income from all such sources other 10168
than dividend income and income derived by application of 10169
section 78 or 951 of the Internal Revenue Code shall be reduced 10170
by: 10171

(a) The amount of any reimbursed expenses for personal 10172
services performed by employees of the taxpayer for the 10173

subsidiary, associate, or affiliated corporation; 10174

(b) Ten per cent of the amount of royalty income and 10175
technical assistance fees; 10176

(c) Fifteen per cent of the amount of all other income. 10177

The amounts described in divisions (I) (2) (a) to (c) of 10178
this section are deemed to be the expenses attributable to the 10179
production of deductible foreign source income unless the 10180
taxpayer shows, by clear and convincing evidence, less actual 10181
expenses, or the tax commissioner shows, by clear and convincing 10182
evidence, more actual expenses. 10183

(3) Add any loss or deduct any gain resulting from the 10184
sale, exchange, or other disposition of a capital asset, or an 10185
asset described in section 1231 of the Internal Revenue Code, to 10186
the extent that such loss or gain occurred prior to the first 10187
taxable year on which the tax provided for in section 5733.06 of 10188
the Revised Code is computed on the corporation's net income. 10189
For purposes of division (I) (3) of this section, the amount of 10190
the prior loss or gain shall be measured by the difference 10191
between the original cost or other basis of the asset and the 10192
fair market value as of the beginning of the first taxable year 10193
on which the tax provided for in section 5733.06 of the Revised 10194
Code is computed on the corporation's net income. At the option 10195
of the taxpayer, the amount of the prior loss or gain may be a 10196
percentage of the gain or loss, which percentage shall be 10197
determined by multiplying the gain or loss by a fraction, the 10198
numerator of which is the number of months from the acquisition 10199
of the asset to the beginning of the first taxable year on which 10200
the fee provided in section 5733.06 of the Revised Code is 10201
computed on the corporation's net income, and the denominator of 10202
which is the number of months from the acquisition of the asset 10203

to the sale, exchange, or other disposition of the asset. The 10204
adjustments described in this division do not apply to any gain 10205
or loss where the gain or loss is recognized by a qualifying 10206
taxpayer, as defined in section 5733.0510 of the Revised Code, 10207
with respect to a qualifying taxable event, as defined in that 10208
section. 10209

(4) Deduct the dividend received deduction provided by 10210
section 243 of the Internal Revenue Code. 10211

(5) Deduct any interest or interest equivalent on public 10212
obligations and purchase obligations to the extent included in 10213
federal taxable income. As used in divisions (I) (5) and (6) of 10214
this section, "public obligations," "purchase obligations," and 10215
"interest or interest equivalent" have the same meanings as in 10216
section 5709.76 of the Revised Code. 10217

(6) Add any loss or deduct any gain resulting from the 10218
sale, exchange, or other disposition of public obligations to 10219
the extent included in federal taxable income. 10220

(7) To the extent not otherwise allowed, deduct any 10221
dividends or distributions received by a taxpayer from a public 10222
utility, excluding an electric company and a combined company, 10223
and, for tax years 2005 and thereafter, a telephone company, if 10224
the taxpayer owns at least eighty per cent of the issued and 10225
outstanding common stock of the public utility. As used in 10226
division (I) (7) of this section, "public utility" means a public 10227
utility as defined in Chapter 5727. of the Revised Code, whether 10228
or not the public utility is doing business in the state. 10229

(8) To the extent not otherwise allowed, deduct any 10230
dividends received by a taxpayer from an insurance company, if 10231
the taxpayer owns at least eighty per cent of the issued and 10232

outstanding common stock of the insurance company. As used in 10233
division (I)(8) of this section, "insurance company" means an 10234
insurance company that is taxable under Chapter 5725. or 5729. 10235
of the Revised Code. 10236

(9) Deduct expenditures for modifying existing buildings 10237
or structures to meet American national standards institute 10238
standard A-117.1-1961 (R-1971), as amended; provided, that no 10239
deduction shall be allowed to the extent that such deduction is 10240
not permitted under federal law or under rules of the tax 10241
commissioner. Those deductions as are allowed may be taken over 10242
a period of five years. The tax commissioner shall adopt rules 10243
under Chapter 119. of the Revised Code establishing reasonable 10244
limitations on the extent that expenditures for modifying 10245
existing buildings or structures are attributable to the purpose 10246
of making the buildings or structures accessible to and usable 10247
by physically handicapped persons. 10248

(10) Deduct the amount of wages and salaries, if any, not 10249
otherwise allowable as a deduction but that would have been 10250
allowable as a deduction in computing federal taxable income 10251
before operating loss deduction and special deductions for the 10252
taxable year, had the targeted jobs credit allowed and 10253
determined under sections 38, 51, and 52 of the Internal Revenue 10254
Code not been in effect. 10255

(11) Deduct net interest income on obligations of the 10256
United States and its territories and possessions or of any 10257
authority, commission, or instrumentality of the United States 10258
to the extent the laws of the United States prohibit inclusion 10259
of the net interest for purposes of determining the value of the 10260
taxpayer's issued and outstanding shares of stock under division 10261
(B) of section 5733.05 of the Revised Code. As used in division 10262

(I) (11) of this section, "net interest" means interest net of 10263
any expenses taken on the federal income tax return that would 10264
not have been allowed under section 265 of the Internal Revenue 10265
Code if the interest were exempt from federal income tax. 10266

(12) (a) Except as set forth in division (I) (12) (d) of this 10267
section, to the extent not included in computing the taxpayer's 10268
federal taxable income before operating loss deduction and 10269
special deductions, add gains and deduct losses from direct or 10270
indirect sales, exchanges, or other dispositions, made by a 10271
related entity who is not a taxpayer, of the taxpayer's 10272
indirect, beneficial, or constructive investment in the stock or 10273
debt of another entity, unless the gain or loss has been 10274
included in computing the federal taxable income before 10275
operating loss deduction and special deductions of another 10276
taxpayer with a more closely related investment in the stock or 10277
debt of the other entity. The amount of gain added or loss 10278
deducted shall not exceed the product obtained by multiplying 10279
such gain or loss by the taxpayer's proportionate share, 10280
directly, indirectly, beneficially, or constructively, of the 10281
outstanding stock of the related entity immediately prior to the 10282
direct or indirect sale, exchange, or other disposition. 10283

(b) Except as set forth in division (I) (12) (e) of this 10284
section, to the extent not included in computing the taxpayer's 10285
federal taxable income before operating loss deduction and 10286
special deductions, add gains and deduct losses from direct or 10287
indirect sales, exchanges, or other dispositions made by a 10288
related entity who is not a taxpayer, of intangible property 10289
other than stock, securities, and debt, if such property was 10290
owned, or used in whole or in part, at any time prior to or at 10291
the time of the sale, exchange, or disposition by either the 10292
taxpayer or by a related entity that was a taxpayer at any time 10293

during the related entity's ownership or use of such property, 10294
unless the gain or loss has been included in computing the 10295
federal taxable income before operating loss deduction and 10296
special deductions of another taxpayer with a more closely 10297
related ownership or use of such intangible property. The amount 10298
of gain added or loss deducted shall not exceed the product 10299
obtained by multiplying such gain or loss by the taxpayer's 10300
proportionate share, directly, indirectly, beneficially, or 10301
constructively, of the outstanding stock of the related entity 10302
immediately prior to the direct or indirect sale, exchange, or 10303
other disposition. 10304

(c) As used in division (I)(12) of this section, "related 10305
entity" means those entities described in divisions (I)(12)(c) 10306
(i) to (iii) of this section: 10307

(i) An individual stockholder, or a member of the 10308
stockholder's family enumerated in section 318 of the Internal 10309
Revenue Code, if the stockholder and the members of the 10310
stockholder's family own, directly, indirectly, beneficially, or 10311
constructively, in the aggregate, at least fifty per cent of the 10312
value of the taxpayer's outstanding stock; 10313

(ii) A stockholder, or a stockholder's partnership, 10314
estate, trust, or corporation, if the stockholder and the 10315
stockholder's partnerships, estates, trusts, and corporations 10316
own directly, indirectly, beneficially, or constructively, in 10317
the aggregate, at least fifty per cent of the value of the 10318
taxpayer's outstanding stock; 10319

(iii) A corporation, or a party related to the corporation 10320
in a manner that would require an attribution of stock from the 10321
corporation to the party or from the party to the corporation 10322
under division (I)(12)(c)(iv) of this section, if the taxpayer 10323

owns, directly, indirectly, beneficially, or constructively, at 10324
least fifty per cent of the value of the corporation's 10325
outstanding stock. 10326

(iv) The attribution rules of section 318 of the Internal 10327
Revenue Code apply for purposes of determining whether the 10328
ownership requirements in divisions (I) (12) (c) (i) to (iii) of 10329
this section have been met. 10330

(d) For purposes of the adjustments required by division 10331
(I) (12) (a) of this section, the term "investment in the stock or 10332
debt of another entity" means only those investments where the 10333
taxpayer and the taxpayer's related entities directly, 10334
indirectly, beneficially, or constructively own, in the 10335
aggregate, at any time during the twenty-four month period 10336
commencing one year prior to the direct or indirect sale, 10337
exchange, or other disposition of such investment at least fifty 10338
per cent or more of the value of either the outstanding stock or 10339
such debt of such other entity. 10340

(e) For purposes of the adjustments required by division 10341
(I) (12) (b) of this section, the term "related entity" excludes 10342
all of the following: 10343

(i) Foreign corporations as defined in section 7701 of the 10344
Internal Revenue Code; 10345

(ii) Foreign partnerships as defined in section 7701 of 10346
the Internal Revenue Code; 10347

(iii) Corporations, partnerships, estates, and trusts 10348
created or organized in or under the laws of the Commonwealth of 10349
Puerto Rico or any possession of the United States; 10350

(iv) Foreign estates and foreign trusts as defined in 10351
section 7701 of the Internal Revenue Code. 10352

The exclusions described in divisions (I) (12) (e) (i) to 10353
(iv) of this section do not apply if the corporation, 10354
partnership, estate, or trust is described in any one of 10355
divisions (C) (1) to (5) of section 5733.042 of the Revised Code. 10356

(f) Nothing in division (I) (12) of this section shall 10357
require or permit a taxpayer to add any gains or deduct any 10358
losses described in divisions (I) (12) (f) (i) and (ii) of this 10359
section: 10360

(i) Gains or losses recognized for federal income tax 10361
purposes by an individual, estate, or trust without regard to 10362
the attribution rules described in division (I) (12) (c) of this 10363
section; 10364

(ii) A related entity's gains or losses described in 10365
division (I) (12) (b) of this section if the taxpayer's ownership 10366
of or use of such intangible property was limited to a period 10367
not exceeding nine months and was attributable to a transaction 10368
or a series of transactions executed in accordance with the 10369
election or elections made by the taxpayer or a related entity 10370
pursuant to section 338 of the Internal Revenue Code. 10371

(13) Any adjustment required by section 5733.042 of the 10372
Revised Code. 10373

(14) Add any amount claimed as a credit under section 10374
5733.0611 of the Revised Code to the extent that such amount 10375
satisfies either of the following: 10376

(a) It was deducted or excluded from the computation of 10377
the corporation's taxable income before operating loss deduction 10378
and special deductions as required to be reported for the 10379
corporation's taxable year under the Internal Revenue Code; 10380

(b) It resulted in a reduction of the corporation's 10381

taxable income before operating loss deduction and special 10382
deductions as required to be reported for any of the 10383
corporation's taxable years under the Internal Revenue Code. 10384

(15) Deduct the amount contributed by the taxpayer to an 10385
individual development account program established by a county 10386
department of job and family services pursuant to sections 10387
329.11 to 329.14 of the Revised Code for the purpose of matching 10388
funds deposited by program participants. On request of the tax 10389
commissioner, the taxpayer shall provide any information that, 10390
in the tax commissioner's opinion, is necessary to establish the 10391
amount deducted under division (I) (15) of this section. 10392

(16) Any adjustment required by section 5733.0510 or 10393
5733.0511 of the Revised Code. 10394

(17) (a) (i) Add five-sixths of the amount of depreciation 10395
expense allowed under subsection (k) of section 168 of the 10396
Internal Revenue Code, including a person's proportionate or 10397
distributive share of the amount of depreciation expense allowed 10398
by that subsection to any pass-through entity in which the 10399
person has direct or indirect ownership. 10400

(ii) Add five-sixths of the amount of qualifying section 10401
179 depreciation expense, including a person's proportionate or 10402
distributive share of the amount of qualifying section 179 10403
depreciation expense allowed to any pass-through entity in which 10404
the person has a direct or indirect ownership. For the purposes 10405
of this division, "qualifying section 179 depreciation expense" 10406
means the difference between (I) the amount of depreciation 10407
expense directly or indirectly allowed to the taxpayer under 10408
section 179 of the Internal Revenue Code, and (II) the amount of 10409
depreciation expense directly or indirectly allowed to the 10410
taxpayer under section 179 of the Internal Revenue Code as that 10411

section existed on December 31, 2002. 10412

The tax commissioner, under procedures established by the 10413
commissioner, may waive the add-backs related to a pass-through 10414
entity if the person owns, directly or indirectly, less than 10415
five per cent of the pass-through entity. 10416

(b) Nothing in division (I) (17) of this section shall be 10417
construed to adjust or modify the adjusted basis of any asset. 10418

(c) To the extent the add-back is attributable to property 10419
generating income or loss allocable under section 5733.051 of 10420
the Revised Code, the add-back shall be allocated to the same 10421
location as the income or loss generated by that property. 10422
Otherwise, the add-back shall be apportioned, subject to 10423
division (B) (2) (d) of section 5733.05 of the Revised Code. 10424

(18) (a) If a person is required to make the add-back under 10425
division (I) (17) (a) of this section for a tax year, the person 10426
shall deduct one-fifth of the amount added back for each of the 10427
succeeding five tax years. 10428

(b) If the amount deducted under division (I) (18) (a) of 10429
this section is attributable to an add-back allocated under 10430
division (I) (17) (c) of this section, the amount deducted shall 10431
be allocated to the same location. Otherwise, the amount shall 10432
be apportioned using the apportionment factors for the taxable 10433
year in which the deduction is taken, subject to division (B) (2) 10434
(d) of section 5733.05 of the Revised Code. 10435

(J) Except as otherwise expressly provided or clearly 10436
appearing from the context, any term used in this chapter has 10437
the same meaning as when used in a comparable context in the 10438
laws of the United States relating to federal income taxes. Any 10439
reference in this chapter to the Internal Revenue Code includes 10440

other laws of the United States relating to federal income taxes. 10441
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(K) "Financial institution" has the meaning given by section 5725.01 of the Revised Code but does not include a production credit association as described in 85 Stat. 597, 12 U.S.C.A. 2091. 10443
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(L) (1) A "qualifying holding company" is any corporation satisfying all of the following requirements: 10447
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(a) Subject to divisions (L) (2) and (3) of this section, the net book value of the corporation's intangible assets is greater than or equal to ninety per cent of the net book value of all of its assets and at least fifty per cent of the net book value of all of its assets represents direct or indirect investments in the equity of, loans and advances to, and accounts receivable due from related members; 10449
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(b) At least ninety per cent of the corporation's gross income for the taxable year is attributable to the following: 10456
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(i) The maintenance, management, ownership, acquisition, use, and disposition of its intangible property, its aircraft the use of which is not subject to regulation under 14 C.F.R. part 121 or part 135, and any real property described in division (L) (2) (c) of this section; 10458
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(ii) The collection and distribution of income from such property. 10463
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(c) The corporation is not a financial institution on the last day of the taxable year ending prior to the first day of the tax year; 10465
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(d) The corporation's related members make a good faith 10468

and reasonable effort to make timely and fully the adjustments 10469
required by division (D) of section 5733.05 of the Revised Code 10470
and to pay timely and fully all uncontested taxes, interest, 10471
penalties, and other fees and charges imposed under this 10472
chapter; 10473

(e) Subject to division (L)(4) of this section, the 10474
corporation elects to be treated as a qualifying holding company 10475
for the tax year. 10476

A corporation otherwise satisfying divisions (L)(1)(a) to 10477
(e) of this section that does not elect to be a qualifying 10478
holding company is not a qualifying holding company for the 10479
purposes of this chapter. 10480

(2)(a)(i) For purposes of making the ninety per cent 10481
computation under division (L)(1)(a) of this section, the net 10482
book value of the corporation's assets shall not include the net 10483
book value of aircraft or real property described in division 10484
(L)(1)(b)(i) of this section. 10485

(ii) For purposes of making the fifty per cent computation 10486
under division (L)(1)(a) of this section, the net book value of 10487
assets shall include the net book value of aircraft or real 10488
property described in division (L)(1)(b)(i) of this section. 10489

(b)(i) As used in division (L) of this section, 10490
"intangible asset" includes, but is not limited to, the 10491
corporation's direct interest in each pass-through entity only 10492
if at all times during the corporation's taxable year ending 10493
prior to the first day of the tax year the corporation's and the 10494
corporation's related members' combined direct and indirect 10495
interests in the capital or profits of such pass-through entity 10496
do not exceed fifty per cent. If the corporation's interest in 10497

the pass-through entity is an intangible asset for that taxable 10498
year, then the distributive share of any income from the pass- 10499
through entity shall be income from an intangible asset for that 10500
taxable year. 10501

(ii) If a corporation's and the corporation's related 10502
members' combined direct and indirect interests in the capital 10503
or profits of a pass-through entity exceed fifty per cent at any 10504
time during the corporation's taxable year ending prior to the 10505
first day of the tax year, "intangible asset" does not include 10506
the corporation's direct interest in the pass-through entity, 10507
and the corporation shall include in its assets its 10508
proportionate share of the assets of any such pass-through 10509
entity and shall include in its gross income its distributive 10510
share of the gross income of such pass-through entity in the 10511
same form as was earned by the pass-through entity. 10512

(iii) A pass-through entity's direct or indirect 10513
proportionate share of any other pass-through entity's assets 10514
shall be included for the purpose of computing the corporation's 10515
proportionate share of the pass-through entity's assets under 10516
division (L) (2) (b) (ii) of this section, and such pass-through 10517
entity's distributive share of any other pass-through entity's 10518
gross income shall be included for purposes of computing the 10519
corporation's distributive share of the pass-through entity's 10520
gross income under division (L) (2) (b) (ii) of this section. 10521

(c) For the purposes of divisions (L) (1) (b) (i), (1) (b) 10522
(ii), (2) (a) (i), and (2) (a) (ii) of this section, real property 10523
is described in division (L) (2) (c) of this section only if all 10524
of the following conditions are present at all times during the 10525
taxable year ending prior to the first day of the tax year: 10526

(i) The real property serves as the headquarters of the 10527

corporation's trade or business, or is the place from which the 10528
corporation's trade or business is principally managed or 10529
directed; 10530

(ii) Not more than ten per cent of the value of the real 10531
property and not more than ten per cent of the square footage of 10532
the building or buildings that are part of the real property is 10533
used, made available, or occupied for the purpose of providing, 10534
acquiring, transferring, selling, or disposing of tangible 10535
property or services in the normal course of business to persons 10536
other than related members, the corporation's employees and 10537
their families, and such related members' employees and their 10538
families. 10539

(d) As used in division (L) of this section, "related 10540
member" has the same meaning as in division (A)(6) of section 10541
5733.042 of the Revised Code without regard to division (B) of 10542
that section. 10543

(3) The percentages described in division (L)(1)(a) of 10544
this section shall be equal to the quarterly average of those 10545
percentages as calculated during the corporation's taxable year 10546
ending prior to the first day of the tax year. 10547

(4) With respect to the election described in division (L) 10548
(1)(e) of this section: 10549

(a) The election need not accompany a timely filed report; 10550

(b) The election need not accompany the report; rather, 10551
the election may accompany a subsequently filed but timely 10552
application for refund and timely amended report, or a 10553
subsequently filed but timely petition for reassessment; 10554

(c) The election is not irrevocable; 10555

(d) The election applies only to the tax year specified by the corporation; 10556
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(e) The corporation's related members comply with division (L) (1) (d) of this section. 10558
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Nothing in division (L) (4) of this section shall be construed to extend any statute of limitations set forth in this chapter. 10560
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(M) "Qualifying controlled group" means two or more corporations that satisfy the ownership and control requirements of division (A) of section 5733.052 of the Revised Code. 10563
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(N) "Limited liability company" means any limited liability company formed under Chapter 1705. or 1706. of the Revised Code or under the laws of any other state. 10566
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(O) "Pass-through entity" means a corporation that has made an election under subchapter S of Chapter 1 of Subtitle A of the Internal Revenue Code for its taxable year under that code, or a partnership, limited liability company, or any other person, other than an individual, trust, or estate, if the partnership, limited liability company, or other person is not classified for federal income tax purposes as an association taxed as a corporation. 10569
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(P) "Electric company," "combined company," and "telephone company" have the same meanings as in section 5727.01 of the Revised Code. 10577
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(Q) "Business income" means income arising from transactions, activities, and sources in the regular course of a trade or business and includes income from real property, tangible personal property, and intangible personal property if the acquisition, rental, management, and disposition of the 10580
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property constitute integral parts of the regular course of a 10585
trade or business operation. "Business income" includes income, 10586
including gain or loss, from a partial or complete liquidation 10587
of a business, including, but not limited to, gain or loss from 10588
the sale or other disposition of goodwill. 10589

(R) "Nonbusiness income" means all income other than 10590
business income. 10591

Sec. 5733.33. (A) As used in this section: 10592

(1) "Manufacturing machinery and equipment" means engines 10593
and machinery, and tools and implements, of every kind used, or 10594
designed to be used, in refining and manufacturing. 10595
"Manufacturing machinery and equipment" does not include 10596
property acquired after December 31, 1999, that is used: 10597

(a) For the transmission and distribution of electricity; 10598

(b) For the generation of electricity, if fifty per cent 10599
or more of the electricity that the property generates is 10600
consumed, during the one-hundred-twenty-month period commencing 10601
with the date the property is placed in service, by persons that 10602
are not related members to the person who generates the 10603
electricity. 10604

(2) "New manufacturing machinery and equipment" means 10605
manufacturing machinery and equipment, the original use in this 10606
state of which commences with the taxpayer or with a partnership 10607
of which the taxpayer is a partner. "New manufacturing machinery 10608
and equipment" does not include property acquired after December 10609
31, 1999, that is used: 10610

(a) For the transmission and distribution of electricity; 10611

(b) For the generation of electricity, if fifty per cent 10612

or more of the electricity that the property generates is 10613
consumed, during the one-hundred-twenty-month period commencing 10614
with the date the property is placed in service, by persons that 10615
are not related members to the person who generates the 10616
electricity. 10617

(3) (a) "Purchase" has the same meaning as in section 10618
179(d) (2) of the Internal Revenue Code. 10619

(b) For purposes of this section, any property that is not 10620
manufactured or assembled primarily by the taxpayer is 10621
considered purchased at the time the agreement to acquire the 10622
property becomes binding. Any property that is manufactured or 10623
assembled primarily by the taxpayer is considered purchased at 10624
the time the taxpayer places the property in service in the 10625
county for which the taxpayer will calculate the county excess 10626
amount. 10627

(c) Notwithstanding section 179(d) of the Internal Revenue 10628
Code, a taxpayer's direct or indirect acquisition of new 10629
manufacturing machinery and equipment is not purchased on or 10630
after July 1, 1995, if the taxpayer, or a person whose 10631
relationship to the taxpayer is described in subparagraphs (A), 10632
(B), or (C) of section 179(d) (2) of the Internal Revenue Code, 10633
had directly or indirectly entered into a binding agreement to 10634
acquire the property at any time prior to July 1, 1995. 10635

(4) "Qualifying period" means the period that begins July 10636
1, 1995, and ends June 30, 2005. 10637

(5) "County average new manufacturing machinery and 10638
equipment investment" means either of the following: 10639

(a) The average annual cost of new manufacturing machinery 10640
and equipment purchased for use in the county during baseline 10641

years, in the case of a taxpayer that was in existence for more than one year during baseline years. 10642
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(b) Zero, in the case of a taxpayer that was not in existence for more than one year during baseline years. 10644
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(6) "Partnership" includes a limited liability company formed under Chapter 1705. or 1706. of the Revised Code or under the laws of any other state, provided that the company is not classified for federal income tax purposes as an association taxable as a corporation. 10646
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(7) "Partner" includes a member of a limited liability company formed under Chapter 1705. or 1706. of the Revised Code or under the laws of any other state, provided that the company is not classified for federal income tax purposes as an association taxable as a corporation. 10651
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(8) "Distressed area" means either a municipal corporation that has a population of at least fifty thousand or a county that meets two of the following criteria of economic distress, or a municipal corporation the majority of the population of which is situated in such a county: 10656
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(a) Its average rate of unemployment, during the most recent five-year period for which data are available, is equal to at least one hundred twenty-five per cent of the average rate of unemployment for the United States for the same period; 10661
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(b) It has a per capita income equal to or below eighty per cent of the median county per capita income of the United States as determined by the most recently available figures from the United States census bureau; 10665
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(c) (i) In the case of a municipal corporation, at least twenty per cent of the residents have a total income for the 10669
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most recent census year that is below the official poverty line; 10671

(ii) In the case of a county, in intercensal years, the 10672
county has a ratio of transfer payment income to total county 10673
income equal to or greater than twenty-five per cent. 10674

(9) "Eligible area" means a distressed area, a labor 10675
surplus area, an inner city area, or a situational distress 10676
area. 10677

(10) "Inner city area" means, in a municipal corporation 10678
that has a population of at least one hundred thousand and does 10679
not meet the criteria of a labor surplus area or a distressed 10680
area, targeted investment areas established by the municipal 10681
corporation within its boundaries that are comprised of the most 10682
recent census block tracts that individually have at least 10683
twenty per cent of their population at or below the state 10684
poverty level or other census block tracts contiguous to such 10685
census block tracts. 10686

(11) "Labor surplus area" means an area designated as a 10687
labor surplus area by the United States department of labor. 10688

(12) "Official poverty line" has the same meaning as in 10689
division (A) of section 3923.51 of the Revised Code. 10690

(13) "Situational distress area" means a county or a 10691
municipal corporation that has experienced or is experiencing a 10692
closing or downsizing of a major employer, that will adversely 10693
affect the county's or municipal corporation's economy. In order 10694
to be designated as a situational distress area for a period not 10695
to exceed thirty-six months, the county or municipal corporation 10696
may petition the director of development. The petition shall 10697
include written documentation that demonstrates all of the 10698
following adverse effects on the local economy: 10699

(a) The number of jobs lost by the closing or downsizing;	10700
(b) The impact that the job loss has on the county's or municipal corporation's unemployment rate as measured by the state director of job and family services;	10701 10702 10703
(c) The annual payroll associated with the job loss;	10704
(d) The amount of state and local taxes associated with the job loss;	10705 10706
(e) The impact that the closing or downsizing has on the suppliers located in the county or municipal corporation.	10707 10708
(14) "Cost" has the same meaning and limitation as in section 179(d) (3) of the Internal Revenue Code.	10709 10710
(15) "Baseline years" means:	10711
(a) Calendar years 1992, 1993, and 1994, with regard to a credit claimed for the purchase during calendar year 1995, 1996, 1997, or 1998 of new manufacturing machinery and equipment;	10712 10713 10714
(b) Calendar years 1993, 1994, and 1995, with regard to a credit claimed for the purchase during calendar year 1999 of new manufacturing machinery and equipment;	10715 10716 10717
(c) Calendar years 1994, 1995, and 1996, with regard to a credit claimed for the purchase during calendar year 2000 of new manufacturing machinery and equipment;	10718 10719 10720
(d) Calendar years 1995, 1996, and 1997, with regard to a credit claimed for the purchase during calendar year 2001 of new manufacturing machinery and equipment;	10721 10722 10723
(e) Calendar years 1996, 1997, and 1998, with regard to a credit claimed for the purchase during calendar year 2002 of new manufacturing machinery and equipment;	10724 10725 10726

(f) Calendar years 1997, 1998, and 1999, with regard to a 10727
credit claimed for the purchase during calendar year 2003 of new 10728
manufacturing machinery and equipment; 10729

(g) Calendar years 1998, 1999, and 2000, with regard to a 10730
credit claimed for the purchase during calendar year 2004 of new 10731
manufacturing machinery and equipment; 10732

(h) Calendar years 1999, 2000, and 2001, with regard to a 10733
credit claimed for the purchase on or after January 1, 2005, and 10734
on or before June 30, 2005, of new manufacturing machinery and 10735
equipment. 10736

(16) "Related member" has the same meaning as in section 10737
5733.042 of the Revised Code. 10738

(B)(1) Subject to division (I) of this section, a 10739
nonrefundable credit is allowed against the tax imposed by 10740
section 5733.06 of the Revised Code for a taxpayer that 10741
purchases new manufacturing machinery and equipment during the 10742
qualifying period, provided that the new manufacturing machinery 10743
and equipment are installed in this state no later than June 30, 10744
2006. No credit shall be allowed under this section for taxable 10745
years ending on or after July 1, 2005. The elimination of the 10746
credit for those taxable years includes the elimination of any 10747
remaining one-sevenths of credit amounts for which a portion was 10748
allowed for prior taxable years and the elimination of any 10749
credit carry-forward, but the purchases on which the credits 10750
were based remain subject to grants under section 122.173 of the 10751
Revised Code for those remaining one-seventh amounts or carry- 10752
forward amounts. 10753

(2)(a) Except as otherwise provided in division (B)(2)(b) 10754
of this section, a credit may be claimed under this section in 10755

excess of one million dollars only if the cost of all 10756
manufacturing machinery and equipment owned in this state by the 10757
taxpayer claiming the credit on the last day of the calendar 10758
year exceeds the cost of all manufacturing machinery and 10759
equipment owned in this state by the taxpayer on the first day 10760
of that calendar year. 10761

As used in division (B) (2) (a) of this section, "calendar 10762
year" means the calendar year in which the machinery and 10763
equipment for which the credit is claimed was purchased. 10764

(b) Division (B) (2) (a) of this section does not apply if 10765
the taxpayer claiming the credit applies for and is issued a 10766
waiver of the requirement of that division. A taxpayer may apply 10767
to the director of development for such a waiver in the manner 10768
prescribed by the director, and the director may issue such a 10769
waiver if the director determines that granting the credit is 10770
necessary to increase or retain employees in this state, and 10771
that the credit has not caused relocation of manufacturing 10772
machinery and equipment among counties within this state for the 10773
primary purpose of qualifying for the credit. 10774

(C) (1) Except as otherwise provided in division (C) (2) and 10775
division (I) of this section, the credit amount is equal to 10776
seven and one-half per cent of the excess of the cost of the new 10777
manufacturing machinery and equipment purchased during the 10778
calendar year for use in a county over the county average new 10779
manufacturing machinery and equipment investment for that 10780
county. 10781

(2) Subject to division (I) of this section, as used in 10782
division (C) (2) of this section "county excess" means the 10783
taxpayer's excess cost for a county as computed under division 10784
(C) (1) of this section. 10785

Subject to division (I) of this section, a taxpayer with a county excess, whose purchases included purchases for use in any eligible area in the county, the credit amount is equal to thirteen and one-half per cent of the cost of the new manufacturing machinery and equipment purchased during the calendar year for use in the eligible areas in the county, provided that the cost subject to the thirteen and one-half per cent rate shall not exceed the county excess. If the county excess is greater than the cost of the new manufacturing machinery and equipment purchased during the calendar year for use in eligible areas in the county, the credit amount also shall include an amount equal to seven and one-half per cent of the amount of the difference.

(3) If a taxpayer is allowed a credit for purchases of new manufacturing machinery and equipment in more than one county or eligible area, it shall aggregate the amount of those credits each year.

(4) The taxpayer shall claim one-seventh of the credit amount for the tax year immediately following the calendar year in which the new manufacturing machinery and equipment is purchased for use in the county by the taxpayer or partnership. One-seventh of the taxpayer credit amount is allowed for each of the six ensuing tax years. Except for carried-forward amounts, the taxpayer is not allowed any credit amount remaining if the new manufacturing machinery and equipment is sold by the taxpayer or partnership or is transferred by the taxpayer or partnership out of the county before the end of the seven-year period unless, at the time of the sale or transfer, the new manufacturing machinery and equipment has been fully depreciated for federal income tax purposes.

(5) (a) A taxpayer that acquires manufacturing machinery and equipment as a result of a merger with the taxpayer with whom commenced the original use in this state of the manufacturing machinery and equipment, or with a taxpayer that was a partner in a partnership with whom commenced the original use in this state of the manufacturing machinery and equipment, is entitled to any remaining or carried-forward credit amounts to which the taxpayer was entitled.

(b) A taxpayer that enters into an agreement under division (C) (3) of section 5709.62 of the Revised Code and that acquires manufacturing machinery or equipment as a result of purchasing a large manufacturing facility, as defined in section 5709.61 of the Revised Code, from another taxpayer with whom commenced the original use in this state of the manufacturing machinery or equipment, and that operates the large manufacturing facility so purchased, is entitled to any remaining or carried-forward credit amounts to which the other taxpayer who sold the facility would have been entitled under this section had the other taxpayer not sold the manufacturing facility or equipment.

(c) New manufacturing machinery and equipment is not considered sold if a pass-through entity transfers to another pass-through entity substantially all of its assets as part of a plan of reorganization under which substantially all gain and loss is not recognized by the pass-through entity that is transferring the new manufacturing machinery and equipment to the transferee and under which the transferee's basis in the new manufacturing machinery and equipment is determined, in whole or in part, by reference to the basis of the pass-through entity which transferred the new manufacturing machinery and equipment to the transferee.

(d) Division (C) (5) of this section shall apply only if 10847
the acquiring taxpayer or transferee does not sell the new 10848
manufacturing machinery and equipment or transfer the new 10849
manufacturing machinery and equipment out of the county before 10850
the end of the seven-year period to which division (C) (4) of 10851
this section refers. 10852

(e) Division (C) (5) (b) of this section applies only to the 10853
extent that the taxpayer that sold the manufacturing machinery 10854
or equipment, upon request, timely provides to the tax 10855
commissioner any information that the tax commissioner considers 10856
to be necessary to ascertain any remaining or carried-forward 10857
amounts to which the taxpayer that sold the facility would have 10858
been entitled under this section had the taxpayer not sold the 10859
manufacturing machinery or equipment. Nothing in division (C) (5) 10860
(b) or (e) of this section shall be construed to allow a 10861
taxpayer to claim any credit amount with respect to the acquired 10862
manufacturing machinery or equipment that is greater than the 10863
amount that would have been available to the other taxpayer that 10864
sold the manufacturing machinery or equipment had the other 10865
taxpayer not sold the manufacturing machinery or equipment. 10866

(D) The taxpayer shall claim the credit in the order 10867
required under section 5733.98 of the Revised Code. Each year, 10868
any credit amount in excess of the tax due under section 5733.06 10869
of the Revised Code after allowing for any other credits that 10870
precede the credit under this section in that order may be 10871
carried forward for three tax years. 10872

(E) A taxpayer purchasing new manufacturing machinery and 10873
equipment and intending to claim the credit shall file, with the 10874
department of development, a notice of intent to claim the 10875
credit on a form prescribed by the department of development. 10876

The department of development shall inform the tax commissioner 10877
of the notice of intent to claim the credit. No credit may be 10878
claimed under this section for any manufacturing machinery and 10879
equipment with respect to which a notice was not filed by the 10880
date of a timely filed return, including extensions, for the 10881
taxable year that includes September 30, 2005. 10882

(F) The director of development shall annually certify, by 10883
the first day of January of each year during the qualifying 10884
period, the eligible areas for the tax credit for the calendar 10885
year that includes that first day of January. The director shall 10886
send a copy of the certification to the tax commissioner. 10887

(G) New manufacturing machinery and equipment for which a 10888
taxpayer claims the credit under section 5733.31 or 5733.311 of 10889
the Revised Code shall not be considered new manufacturing 10890
machinery and equipment for purposes of the credit under this 10891
section. 10892

(H) (1) Notwithstanding sections 5733.11 and 5747.13 of the 10893
Revised Code, but subject to division (H) (2) of this section, 10894
the tax commissioner may issue an assessment against a person 10895
with respect to a credit claimed under this section for new 10896
manufacturing machinery and equipment described in division (A) 10897
(1) (b) or (2) (b) of this section, if the machinery or equipment 10898
subsequently does not qualify for the credit. 10899

(2) Division (H) (1) of this section shall not apply after 10900
the twenty-fourth month following the last day of the period 10901
described in divisions (A) (1) (b) and (2) (b) of this section. 10902

(I) Notwithstanding any other provision of this section to 10903
the contrary, in the case of a qualifying controlled group, the 10904
credit available under this section to a taxpayer or taxpayers 10905

in the qualifying controlled group shall be computed as if all 10906
corporations in the group were a single corporation. The credit 10907
shall be allocated to such a taxpayer or taxpayers in the group 10908
in any amount elected for the taxable year by the group. Such 10909
election shall be revocable and amendable during the period 10910
described in division (B) of section 5733.12 of the Revised 10911
Code. 10912

This division applies to all purchases of new 10913
manufacturing machinery and equipment made on or after January 10914
1, 2001, and to all baseline years used to compute any credit 10915
attributable to such purchases; provided, that this division may 10916
be applied solely at the election of the qualifying controlled 10917
group with respect to all purchases of new manufacturing 10918
machinery and equipment made before that date, and to all 10919
baseline years used to compute any credit attributable to such 10920
purchases. The qualifying controlled group at any time may elect 10921
to apply this division to purchases made prior to January 1, 10922
2001, subject to the following: 10923

(1) The election is irrevocable; 10924

(2) The election need not accompany a timely filed report, 10925
but the election may accompany a subsequently filed but timely 10926
application for refund, a subsequently filed but timely amended 10927
report, or a subsequently filed but timely petition for 10928
reassessment. 10929

Sec. 5733.42. (A) As used in this section: 10930

(1) "Eligible training program" means a program to provide 10931
job skills to eligible employees who are unable effectively to 10932
function on the job due to skill deficiencies or who would 10933
otherwise be displaced because of their skill deficiencies or 10934

inability to use new technology, or to provide job skills to 10935
eligible employees that enable them to perform other job duties 10936
for the taxpayer. Eligible training programs do not include 10937
executive, management, or personal enrichment training programs, 10938
or training programs intended exclusively for personal career 10939
development. 10940

(2) "Eligible employee" means an individual who is 10941
employed in this state by a taxpayer and has been so employed by 10942
the same taxpayer for at least one hundred eighty consecutive 10943
days before the day an application for the credit is filed under 10944
this section. "Eligible employee" does not include any employee 10945
for which a credit is claimed pursuant to division (A) (5) of 10946
section 5709.65 of the Revised Code for all or any part of the 10947
same year, an employee who is not a full-time employee, or 10948
executive or managerial personnel, except for the immediate 10949
supervisors of nonexecutive, nonmanagerial personnel. 10950

(3) "Eligible training costs" means: 10951

(a) Direct instructional costs, such as instructor 10952
salaries, materials and supplies, textbooks and manuals, 10953
videotapes, and other instructional media and training equipment 10954
used exclusively for the purpose of training eligible employees; 10955

(b) Wages paid to eligible employees for time devoted 10956
exclusively to an eligible training program during normal paid 10957
working hours. 10958

(4) "Full-time employee" means an individual who is 10959
employed for consideration for at least thirty-five hours per 10960
week, or who renders any other standard of service generally 10961
accepted by custom or specified by contract as full-time 10962
employment. 10963

(5) "Partnership" includes a limited liability company 10964
formed under Chapter 1705. or 1706. of the Revised Code or under 10965
the laws of another state, provided that the company is not 10966
classified for federal income tax purposes as an association 10967
taxable as a corporation. 10968

(B) There is hereby allowed a nonrefundable credit against 10969
the tax imposed by section 5733.06 of the Revised Code for 10970
taxpayers for which a tax credit certificate is issued under 10971
division (C) of this section. The credit may be claimed for tax 10972
years 2004, 2005, 2006, 2007, and 2008. The amount of the credit 10973
for tax year 2004 shall equal one-half of the average of the 10974
eligible training costs paid or incurred by the taxpayer during 10975
calendar years 1999, 2000, and 2001, not to exceed one thousand 10976
dollars for each eligible employee on account of whom eligible 10977
training costs were paid or incurred by the taxpayer during 10978
those calendar years. The amount of the credit for tax year 2005 10979
shall equal one-half of the average of the eligible training 10980
costs paid or incurred by the taxpayer during calendar years 10981
2002, 2003, and 2004, not to exceed one thousand dollars for 10982
each eligible employee on account of whom eligible training 10983
costs were paid or incurred by the taxpayer during those 10984
calendar years. The amount of the credit for tax year 2006 shall 10985
equal one-half of the average of the eligible training costs 10986
paid or incurred by the taxpayer during calendar years 2003, 10987
2004, and 2005, not to exceed one thousand dollars for each 10988
eligible employee on account of whom eligible training costs 10989
were paid or incurred by the taxpayer during those calendar 10990
years. The amount of the credit for tax year 2007 shall equal 10991
one-half of the average of the eligible training costs paid or 10992
incurred by the taxpayer during calendar years 2004, 2005, and 10993
2006, not to exceed one thousand dollars for each eligible 10994

employee on account of whom eligible training costs were paid or 10995
incurred by the taxpayer during those calendar years. The amount 10996
of the credit for tax year 2008 shall equal one-half of the 10997
average of the eligible training costs paid or incurred by the 10998
taxpayer during calendar years 2005, 2006, and 2007, not to 10999
exceed one thousand dollars for each eligible employee on 11000
account of whom eligible training costs were paid or incurred by 11001
the taxpayer during those calendar years. 11002

The credit claimed by a taxpayer each tax year shall not 11003
exceed one hundred thousand dollars. 11004

(C) A taxpayer who proposes to conduct an eligible 11005
training program may apply to the director of job and family 11006
services for a tax credit certificate under this section. The 11007
taxpayer may apply for such a certificate for tax years 2004, 11008
2005, 2006, 2007, and 2008 subject to division (L) of this 11009
section. The director shall prescribe the form of the 11010
application, which shall require a detailed description of the 11011
proposed training program. The director may require applicants 11012
to remit an application fee with each application filed with the 11013
director. The fee shall not exceed the reasonable and necessary 11014
expenses incurred by the director in receiving, reviewing, and 11015
approving such applications and issuing tax credit certificates. 11016
Proceeds from fees shall be used solely for the purpose of 11017
receiving, reviewing, and approving such applications and 11018
issuing such certificates. 11019

After receipt of an application, the director shall 11020
authorize a credit under this section by issuing a tax credit 11021
certificate, in the form prescribed by the director, if the 11022
director determines all of the following: 11023

(1) The proposed training program is an eligible training 11024

program under this section; 11025

(2) The proposed training program is economically sound 11026
and will benefit the people of this state by improving workforce 11027
skills and strengthening the economy of this state; 11028

(3) Receiving the tax credit is a major factor in the 11029
taxpayer's decision to go forward with the training program; 11030

(4) Authorization of the credit is consistent with 11031
division (H) of this section. 11032

The credit also is allowed for a taxpayer that is a 11033
partner in a partnership that pays or incurs eligible training 11034
costs. Such a taxpayer shall determine the taxpayer's credit 11035
amount in the manner prescribed by division (K) of this section. 11036

(D) If the director of job and family services denies an 11037
application for a tax credit certificate, the director shall 11038
send notice of the denial and the reason for denial to the 11039
applicant by certified mail, return receipt requested. If the 11040
director determines that an authorized training program, as 11041
actually conducted, fails to meet the requirements of this 11042
section or to comply with any condition set forth in the 11043
authorization, the director may reduce the amount of the tax 11044
credit previously granted. If the director reduces a tax credit, 11045
the director shall send notice of the reduction and the reason 11046
for the reduction to the taxpayer by certified mail, return 11047
receipt requested, and shall certify the reduction to the tax 11048
commissioner or, in the case of the reduction of a credit 11049
claimed by an insurance company, the superintendent of 11050
insurance. The tax commissioner or superintendent of insurance 11051
shall reduce the credit that may be claimed by the taxpayer 11052
accordingly. Within sixty days after receiving a notice of 11053

denial or notice of reduction of the tax credit, an applicant or taxpayer may request, in writing, a hearing before the director to review the denial or reduction. Within sixty days after receiving a request that is filed within the prescribed time, the director shall hold such a hearing at a location to be determined by the director. Within thirty days after the hearing is adjourned, the director shall issue a redetermination affirming, reversing, or modifying the denial or reduction of the tax credit and send notice of the redetermination to the applicant or taxpayer by certified mail, return receipt requested, and shall issue a notice of the redetermination to the tax commissioner or superintendent of insurance. If an applicant or taxpayer is aggrieved by the director's redetermination, the applicant or taxpayer may appeal the redetermination to the board of tax appeals in the manner prescribed by section 5717.02 of the Revised Code.

(E) A taxpayer to which a tax credit certificate is issued shall retain records indicating the eligible training costs it pays or incurs for the eligible training program for which the certificate is issued for four years following the end of the tax year for which the credit is claimed. Such records shall be open to inspection by the director of job and family services upon the director's request during business hours.

Financial statements and other information submitted by an applicant to the director of job and family services for a tax credit under this section, and any information taken for any purpose from such statements or information, are not public records subject to section 149.43 of the Revised Code. However, the director of job and family services, the tax commissioner, or superintendent of insurance may make use of the statements and other information for purposes of issuing public reports or

in connection with court proceedings concerning tax credits 11085
allowed under this section and sections 5725.31 and 5729.07 of 11086
the Revised Code. 11087

(F) The director of job and family services, in accordance 11088
with Chapter 119. of the Revised Code, shall adopt rules 11089
necessary to implement this section and sections 5725.31 and 11090
5729.07 of the Revised Code. The rules shall be adopted after 11091
consultation with the tax commissioner and the superintendent of 11092
insurance. The rules shall require that if a taxpayer to which a 11093
tax credit certificate is issued under any of those sections 11094
permanently relocates or transfers employees trained under the 11095
tax credit certificate to another state or country within two 11096
years of receiving the certificate, the taxpayer shall repay the 11097
total amount of the tax credit received by the taxpayer for any 11098
employees permanently relocated or transferred. At the time the 11099
director gives public notice under division (A) of section 11100
119.03 of the Revised Code of the adoption of the rules, the 11101
director shall submit copies of the proposed rules to the 11102
chairpersons and ranking minority members of the standing 11103
committees in the senate and the house of representatives to 11104
which legislation on economic development matters are 11105
customarily referred. 11106

(G) On or before the thirtieth day of September of 2001, 11107
2003, 2004, 2005, 2006, 2007, and 2008 the director of job and 11108
family services shall submit a report to the governor, the 11109
president of the senate, and the speaker of the house of 11110
representatives on the tax credit program under this section and 11111
sections 5725.31 and 5729.07 of the Revised Code. The report 11112
shall include information on the number of training programs 11113
that were authorized under those sections during the preceding 11114
calendar year, a description of each authorized training 11115

program, the dollar amounts of the credits granted, and an 11116
estimate of the impact of the credits on the economy of this 11117
state. 11118

(H) The aggregate amount of credits authorized under this 11119
section and sections 5725.31 and 5729.07 of the Revised Code 11120
shall not exceed twenty million dollars per calendar year. No 11121
more than ten million dollars in credits per calendar year shall 11122
be authorized for persons engaged primarily in manufacturing. No 11123
less than five million dollars in credits per calendar year 11124
shall be set aside for persons engaged primarily in activities 11125
other than manufacturing and having fewer than five hundred 11126
employees. Subject to such limits, the director of job and 11127
family services shall adopt a rule under division (F) of this 11128
section that establishes criteria and procedures for 11129
distribution of the credits. 11130

(I) A nonrefundable credit allowed under this section 11131
shall be claimed in the order required under section 5733.98 of 11132
the Revised Code. 11133

(J) The taxpayer may carry forward any credit amount in 11134
excess of its tax due after allowing for any other credits that 11135
precede the credit under this section in the order required 11136
under section 5733.98 of the Revised Code. The excess credit may 11137
be carried forward for three years following the tax year for 11138
which it is first claimed under this section. 11139

(K) A taxpayer that is a partner in a partnership on the 11140
last day of the third calendar year of the three-year period 11141
during which the partnership pays or incurs eligible training 11142
costs may claim a credit under this section for the tax year 11143
immediately following that calendar year. The amount of a 11144
partner's credit equals the partner's interest in the 11145

partnership on the last day of such calendar year multiplied by 11146
the credit available to the partnership as computed by the 11147
partnership. 11148

(L) The director of job and family services shall not 11149
authorize any credits under this section and sections 5725.31 11150
and 5729.07 of the Revised Code for eligible training costs paid 11151
or incurred after December 31, 2007. 11152

Sec. 5747.01. Except as otherwise expressly provided or 11153
clearly appearing from the context, any term used in this 11154
chapter that is not otherwise defined in this section has the 11155
same meaning as when used in a comparable context in the laws of 11156
the United States relating to federal income taxes or if not 11157
used in a comparable context in those laws, has the same meaning 11158
as in section 5733.40 of the Revised Code. Any reference in this 11159
chapter to the Internal Revenue Code includes other laws of the 11160
United States relating to federal income taxes. 11161

As used in this chapter: 11162

(A) "Adjusted gross income" or "Ohio adjusted gross 11163
income" means federal adjusted gross income, as defined and used 11164
in the Internal Revenue Code, adjusted as provided in this 11165
section: 11166

(1) Add interest or dividends on obligations or securities 11167
of any state or of any political subdivision or authority of any 11168
state, other than this state and its subdivisions and 11169
authorities. 11170

(2) Add interest or dividends on obligations of any 11171
authority, commission, instrumentality, territory, or possession 11172
of the United States to the extent that the interest or 11173
dividends are exempt from federal income taxes but not from 11174

state income taxes. 11175

(3) Deduct interest or dividends on obligations of the 11176
United States and its territories and possessions or of any 11177
authority, commission, or instrumentality of the United States 11178
to the extent that the interest or dividends are included in 11179
federal adjusted gross income but exempt from state income taxes 11180
under the laws of the United States. 11181

(4) Deduct disability and survivor's benefits to the 11182
extent included in federal adjusted gross income. 11183

(5) Deduct benefits under Title II of the Social Security 11184
Act and tier 1 railroad retirement benefits to the extent 11185
included in federal adjusted gross income under section 86 of 11186
the Internal Revenue Code. 11187

(6) In the case of a taxpayer who is a beneficiary of a 11188
trust that makes an accumulation distribution as defined in 11189
section 665 of the Internal Revenue Code, add, for the 11190
beneficiary's taxable years beginning before 2002, the portion, 11191
if any, of such distribution that does not exceed the 11192
undistributed net income of the trust for the three taxable 11193
years preceding the taxable year in which the distribution is 11194
made to the extent that the portion was not included in the 11195
trust's taxable income for any of the trust's taxable years 11196
beginning in 2002 or thereafter. "Undistributed net income of a 11197
trust" means the taxable income of the trust increased by (a) (i) 11198
the additions to adjusted gross income required under division 11199
(A) of this section and (ii) the personal exemptions allowed to 11200
the trust pursuant to section 642(b) of the Internal Revenue 11201
Code, and decreased by (b) (i) the deductions to adjusted gross 11202
income required under division (A) of this section, (ii) the 11203
amount of federal income taxes attributable to such income, and 11204

(iii) the amount of taxable income that has been included in the 11205
adjusted gross income of a beneficiary by reason of a prior 11206
accumulation distribution. Any undistributed net income included 11207
in the adjusted gross income of a beneficiary shall reduce the 11208
undistributed net income of the trust commencing with the 11209
earliest years of the accumulation period. 11210

(7) Deduct the amount of wages and salaries, if any, not 11211
otherwise allowable as a deduction but that would have been 11212
allowable as a deduction in computing federal adjusted gross 11213
income for the taxable year, had the targeted jobs credit 11214
allowed and determined under sections 38, 51, and 52 of the 11215
Internal Revenue Code not been in effect. 11216

(8) Deduct any interest or interest equivalent on public 11217
obligations and purchase obligations to the extent that the 11218
interest or interest equivalent is included in federal adjusted 11219
gross income. 11220

(9) Add any loss or deduct any gain resulting from the 11221
sale, exchange, or other disposition of public obligations to 11222
the extent that the loss has been deducted or the gain has been 11223
included in computing federal adjusted gross income. 11224

(10) Deduct or add amounts, as provided under section 11225
5747.70 of the Revised Code, related to contributions to 11226
variable college savings program accounts made or tuition units 11227
purchased pursuant to Chapter 3334. of the Revised Code. 11228

(11) (a) Deduct, to the extent not otherwise allowable as a 11229
deduction or exclusion in computing federal or Ohio adjusted 11230
gross income for the taxable year, the amount the taxpayer paid 11231
during the taxable year for medical care insurance and qualified 11232
long-term care insurance for the taxpayer, the taxpayer's 11233

spouse, and dependents. No deduction for medical care insurance 11234
under division (A) (11) (a) of this section shall be allowed 11235
either to any taxpayer who is eligible to participate in any 11236
subsidized health plan maintained by any employer of the 11237
taxpayer or of the taxpayer's spouse, or to any taxpayer who is 11238
entitled to, or on application would be entitled to, benefits 11239
under part A of Title XVIII of the "Social Security Act," 49 11240
Stat. 620 (1935), 42 U.S.C. 301, as amended. For the purposes of 11241
division (A) (11) (a) of this section, "subsidized health plan" 11242
means a health plan for which the employer pays any portion of 11243
the plan's cost. The deduction allowed under division (A) (11) (a) 11244
of this section shall be the net of any related premium refunds, 11245
related premium reimbursements, or related insurance premium 11246
dividends received during the taxable year. 11247

(b) Deduct, to the extent not otherwise deducted or 11248
excluded in computing federal or Ohio adjusted gross income 11249
during the taxable year, the amount the taxpayer paid during the 11250
taxable year, not compensated for by any insurance or otherwise, 11251
for medical care of the taxpayer, the taxpayer's spouse, and 11252
dependents, to the extent the expenses exceed seven and one-half 11253
per cent of the taxpayer's federal adjusted gross income. 11254

(c) Deduct, to the extent not otherwise deducted or 11255
excluded in computing federal or Ohio adjusted gross income, any 11256
amount included in federal adjusted gross income under section 11257
105 or not excluded under section 106 of the Internal Revenue 11258
Code solely because it relates to an accident and health plan 11259
for a person who otherwise would be a "qualifying relative" and 11260
thus a "dependent" under section 152 of the Internal Revenue 11261
Code but for the fact that the person fails to meet the income 11262
and support limitations under section 152(d) (1) (B) and (C) of 11263
the Internal Revenue Code. 11264

(d) For purposes of division (A)(11) of this section, 11265
"medical care" has the meaning given in section 213 of the 11266
Internal Revenue Code, subject to the special rules, 11267
limitations, and exclusions set forth therein, and "qualified 11268
long-term care" has the same meaning given in section 7702B(c) 11269
of the Internal Revenue Code. Solely for purposes of divisions 11270
(A)(11)(a) and (c) of this section, "dependent" includes a 11271
person who otherwise would be a "qualifying relative" and thus a 11272
"dependent" under section 152 of the Internal Revenue Code but 11273
for the fact that the person fails to meet the income and 11274
support limitations under section 152(d)(1)(B) and (C) of the 11275
Internal Revenue Code. 11276

(12)(a) Deduct any amount included in federal adjusted 11277
gross income solely because the amount represents a 11278
reimbursement or refund of expenses that in any year the 11279
taxpayer had deducted as an itemized deduction pursuant to 11280
section 63 of the Internal Revenue Code and applicable United 11281
States department of the treasury regulations. The deduction 11282
otherwise allowed under division (A)(12)(a) of this section 11283
shall be reduced to the extent the reimbursement is attributable 11284
to an amount the taxpayer deducted under this section in any 11285
taxable year. 11286

(b) Add any amount not otherwise included in Ohio adjusted 11287
gross income for any taxable year to the extent that the amount 11288
is attributable to the recovery during the taxable year of any 11289
amount deducted or excluded in computing federal or Ohio 11290
adjusted gross income in any taxable year. 11291

(13) Deduct any portion of the deduction described in 11292
section 1341(a)(2) of the Internal Revenue Code, for repaying 11293
previously reported income received under a claim of right, that 11294

meets both of the following requirements: 11295

(a) It is allowable for repayment of an item that was 11296
included in the taxpayer's adjusted gross income for a prior 11297
taxable year and did not qualify for a credit under division (A) 11298
or (B) of section 5747.05 of the Revised Code for that year; 11299

(b) It does not otherwise reduce the taxpayer's adjusted 11300
gross income for the current or any other taxable year. 11301

(14) Deduct an amount equal to the deposits made to, and 11302
net investment earnings of, a medical savings account during the 11303
taxable year, in accordance with section 3924.66 of the Revised 11304
Code. The deduction allowed by division (A) (14) of this section 11305
does not apply to medical savings account deposits and earnings 11306
otherwise deducted or excluded for the current or any other 11307
taxable year from the taxpayer's federal adjusted gross income. 11308

(15) (a) Add an amount equal to the funds withdrawn from a 11309
medical savings account during the taxable year, and the net 11310
investment earnings on those funds, when the funds withdrawn 11311
were used for any purpose other than to reimburse an account 11312
holder for, or to pay, eligible medical expenses, in accordance 11313
with section 3924.66 of the Revised Code; 11314

(b) Add the amounts distributed from a medical savings 11315
account under division (A) (2) of section 3924.68 of the Revised 11316
Code during the taxable year. 11317

(16) Add any amount claimed as a credit under section 11318
5747.059 of the Revised Code to the extent that such amount 11319
satisfies either of the following: 11320

(a) The amount was deducted or excluded from the 11321
computation of the taxpayer's federal adjusted gross income as 11322
required to be reported for the taxpayer's taxable year under 11323

the Internal Revenue Code; 11324

(b) The amount resulted in a reduction of the taxpayer's 11325
federal adjusted gross income as required to be reported for any 11326
of the taxpayer's taxable years under the Internal Revenue Code. 11327

(17) Deduct the amount contributed by the taxpayer to an 11328
individual development account program established by a county 11329
department of job and family services pursuant to sections 11330
329.11 to 329.14 of the Revised Code for the purpose of matching 11331
funds deposited by program participants. On request of the tax 11332
commissioner, the taxpayer shall provide any information that, 11333
in the tax commissioner's opinion, is necessary to establish the 11334
amount deducted under division (A) (17) of this section. 11335

(18) Beginning in taxable year 2001 but not for any 11336
taxable year beginning after December 31, 2005, if the taxpayer 11337
is married and files a joint return and the combined federal 11338
adjusted gross income of the taxpayer and the taxpayer's spouse 11339
for the taxable year does not exceed one hundred thousand 11340
dollars, or if the taxpayer is single and has a federal adjusted 11341
gross income for the taxable year not exceeding fifty thousand 11342
dollars, deduct amounts paid during the taxable year for 11343
qualified tuition and fees paid to an eligible institution for 11344
the taxpayer, the taxpayer's spouse, or any dependent of the 11345
taxpayer, who is a resident of this state and is enrolled in or 11346
attending a program that culminates in a degree or diploma at an 11347
eligible institution. The deduction may be claimed only to the 11348
extent that qualified tuition and fees are not otherwise 11349
deducted or excluded for any taxable year from federal or Ohio 11350
adjusted gross income. The deduction may not be claimed for 11351
educational expenses for which the taxpayer claims a credit 11352
under section 5747.27 of the Revised Code. 11353

(19) Add any reimbursement received during the taxable 11354
year of any amount the taxpayer deducted under division (A) (18) 11355
of this section in any previous taxable year to the extent the 11356
amount is not otherwise included in Ohio adjusted gross income. 11357

(20) (a) (i) Subject to divisions (A) (20) (a) (iii), (iv), and 11358
(v) of this section, add five-sixths of the amount of 11359
depreciation expense allowed by subsection (k) of section 168 of 11360
the Internal Revenue Code, including the taxpayer's 11361
proportionate or distributive share of the amount of 11362
depreciation expense allowed by that subsection to a pass- 11363
through entity in which the taxpayer has a direct or indirect 11364
ownership interest. 11365

(ii) Subject to divisions (A) (20) (a) (iii), (iv), and (v) 11366
of this section, add five-sixths of the amount of qualifying 11367
section 179 depreciation expense, including the taxpayer's 11368
proportionate or distributive share of the amount of qualifying 11369
section 179 depreciation expense allowed to any pass-through 11370
entity in which the taxpayer has a direct or indirect ownership 11371
interest. 11372

(iii) Subject to division (A) (20) (a) (v) of this section, 11373
for taxable years beginning in 2012 or thereafter, if the 11374
increase in income taxes withheld by the taxpayer is equal to or 11375
greater than ten per cent of income taxes withheld by the 11376
taxpayer during the taxpayer's immediately preceding taxable 11377
year, "two-thirds" shall be substituted for "five-sixths" for 11378
the purpose of divisions (A) (20) (a) (i) and (ii) of this section. 11379

(iv) Subject to division (A) (20) (a) (v) of this section, 11380
for taxable years beginning in 2012 or thereafter, a taxpayer is 11381
not required to add an amount under division (A) (20) of this 11382
section if the increase in income taxes withheld by the taxpayer 11383

and by any pass-through entity in which the taxpayer has a 11384
direct or indirect ownership interest is equal to or greater 11385
than the sum of (I) the amount of qualifying section 179 11386
depreciation expense and (II) the amount of depreciation expense 11387
allowed to the taxpayer by subsection (k) of section 168 of the 11388
Internal Revenue Code, and including the taxpayer's 11389
proportionate or distributive shares of such amounts allowed to 11390
any such pass-through entities. 11391

(v) If a taxpayer directly or indirectly incurs a net 11392
operating loss for the taxable year for federal income tax 11393
purposes, to the extent such loss resulted from depreciation 11394
expense allowed by subsection (k) of section 168 of the Internal 11395
Revenue Code and by qualifying section 179 depreciation expense, 11396
"the entire" shall be substituted for "five-sixths of the" for 11397
the purpose of divisions (A) (20) (a) (i) and (ii) of this section. 11398

The tax commissioner, under procedures established by the 11399
commissioner, may waive the add-backs related to a pass-through 11400
entity if the taxpayer owns, directly or indirectly, less than 11401
five per cent of the pass-through entity. 11402

(b) Nothing in division (A) (20) of this section shall be 11403
construed to adjust or modify the adjusted basis of any asset. 11404

(c) To the extent the add-back required under division (A) 11405
(20) (a) of this section is attributable to property generating 11406
nonbusiness income or loss allocated under section 5747.20 of 11407
the Revised Code, the add-back shall be situated to the same 11408
location as the nonbusiness income or loss generated by the 11409
property for the purpose of determining the credit under 11410
division (A) of section 5747.05 of the Revised Code. Otherwise, 11411
the add-back shall be apportioned, subject to one or more of the 11412
four alternative methods of apportionment enumerated in section 11413

5747.21 of the Revised Code. 11414

(d) For the purposes of division (A) (20) (a) (v) of this 11415
section, net operating loss carryback and carryforward shall not 11416
include the allowance of any net operating loss deduction 11417
carryback or carryforward to the taxable year to the extent such 11418
loss resulted from depreciation allowed by section 168(k) of the 11419
Internal Revenue Code and by the qualifying section 179 11420
depreciation expense amount. 11421

(e) For the purposes of divisions (A) (20) and (21) of this 11422
section: 11423

(i) "Income taxes withheld" means the total amount 11424
withheld and remitted under sections 5747.06 and 5747.07 of the 11425
Revised Code by an employer during the employer's taxable year. 11426

(ii) "Increase in income taxes withheld" means the amount 11427
by which the amount of income taxes withheld by an employer 11428
during the employer's current taxable year exceeds the amount of 11429
income taxes withheld by that employer during the employer's 11430
immediately preceding taxable year. 11431

(iii) "Qualifying section 179 depreciation expense" means 11432
the difference between (I) the amount of depreciation expense 11433
directly or indirectly allowed to a taxpayer under section 179 11434
of the Internal Revised Code, and (II) the amount of 11435
depreciation expense directly or indirectly allowed to the 11436
taxpayer under section 179 of the Internal Revenue Code as that 11437
section existed on December 31, 2002. 11438

(21) (a) If the taxpayer was required to add an amount 11439
under division (A) (20) (a) of this section for a taxable year, 11440
deduct one of the following: 11441

(i) One-fifth of the amount so added for each of the five 11442

succeeding taxable years if the amount so added was five-sixths 11443
of qualifying section 179 depreciation expense or depreciation 11444
expense allowed by subsection (k) of section 168 of the Internal 11445
Revenue Code; 11446

(ii) One-half of the amount so added for each of the two 11447
succeeding taxable years if the amount so added was two-thirds 11448
of such depreciation expense; 11449

(iii) One-sixth of the amount so added for each of the six 11450
succeeding taxable years if the entire amount of such 11451
depreciation expense was so added. 11452

(b) If the amount deducted under division (A) (21) (a) of 11453
this section is attributable to an add-back allocated under 11454
division (A) (20) (c) of this section, the amount deducted shall 11455
be situated to the same location. Otherwise, the add-back shall 11456
be apportioned using the apportionment factors for the taxable 11457
year in which the deduction is taken, subject to one or more of 11458
the four alternative methods of apportionment enumerated in 11459
section 5747.21 of the Revised Code. 11460

(c) No deduction is available under division (A) (21) (a) of 11461
this section with regard to any depreciation allowed by section 11462
168(k) of the Internal Revenue Code and by the qualifying 11463
section 179 depreciation expense amount to the extent that such 11464
depreciation results in or increases a federal net operating 11465
loss carryback or carryforward. If no such deduction is 11466
available for a taxable year, the taxpayer may carry forward the 11467
amount not deducted in such taxable year to the next taxable 11468
year and add that amount to any deduction otherwise available 11469
under division (A) (21) (a) of this section for that next taxable 11470
year. The carryforward of amounts not so deducted shall continue 11471
until the entire addition required by division (A) (20) (a) of 11472

this section has been deducted. 11473

(d) No refund shall be allowed as a result of adjustments 11474
made by division (A) (21) of this section. 11475

(22) Deduct, to the extent not otherwise deducted or 11476
excluded in computing federal or Ohio adjusted gross income for 11477
the taxable year, the amount the taxpayer received during the 11478
taxable year as reimbursement for life insurance premiums under 11479
section 5919.31 of the Revised Code. 11480

(23) Deduct, to the extent not otherwise deducted or 11481
excluded in computing federal or Ohio adjusted gross income for 11482
the taxable year, the amount the taxpayer received during the 11483
taxable year as a death benefit paid by the adjutant general 11484
under section 5919.33 of the Revised Code. 11485

(24) Deduct, to the extent included in federal adjusted 11486
gross income and not otherwise allowable as a deduction or 11487
exclusion in computing federal or Ohio adjusted gross income for 11488
the taxable year, military pay and allowances received by the 11489
taxpayer during the taxable year for active duty service in the 11490
United States army, air force, navy, marine corps, or coast 11491
guard or reserve components thereof or the national guard. The 11492
deduction may not be claimed for military pay and allowances 11493
received by the taxpayer while the taxpayer is stationed in this 11494
state. 11495

(25) Deduct, to the extent not otherwise allowable as a 11496
deduction or exclusion in computing federal or Ohio adjusted 11497
gross income for the taxable year and not otherwise compensated 11498
for by any other source, the amount of qualified organ donation 11499
expenses incurred by the taxpayer during the taxable year, not 11500
to exceed ten thousand dollars. A taxpayer may deduct qualified 11501

organ donation expenses only once for all taxable years 11502
beginning with taxable years beginning in 2007. 11503

For the purposes of division (A) (25) of this section: 11504

(a) "Human organ" means all or any portion of a human 11505
liver, pancreas, kidney, intestine, or lung, and any portion of 11506
human bone marrow. 11507

(b) "Qualified organ donation expenses" means travel 11508
expenses, lodging expenses, and wages and salary forgone by a 11509
taxpayer in connection with the taxpayer's donation, while 11510
living, of one or more of the taxpayer's human organs to another 11511
human being. 11512

(26) Deduct, to the extent not otherwise deducted or 11513
excluded in computing federal or Ohio adjusted gross income for 11514
the taxable year, amounts received by the taxpayer as retired 11515
personnel pay for service in the uniformed services or reserve 11516
components thereof, or the national guard, or received by the 11517
surviving spouse or former spouse of such a taxpayer under the 11518
survivor benefit plan on account of such a taxpayer's death. If 11519
the taxpayer receives income on account of retirement paid under 11520
the federal civil service retirement system or federal employees 11521
retirement system, or under any successor retirement program 11522
enacted by the congress of the United States that is established 11523
and maintained for retired employees of the United States 11524
government, and such retirement income is based, in whole or in 11525
part, on credit for the taxpayer's uniformed service, the 11526
deduction allowed under this division shall include only that 11527
portion of such retirement income that is attributable to the 11528
taxpayer's uniformed service, to the extent that portion of such 11529
retirement income is otherwise included in federal adjusted 11530
gross income and is not otherwise deducted under this section. 11531

Any amount deducted under division (A) (26) of this section is 11532
not included in a taxpayer's adjusted gross income for the 11533
purposes of section 5747.055 of the Revised Code. No amount may 11534
be deducted under division (A) (26) of this section on the basis 11535
of which a credit was claimed under section 5747.055 of the 11536
Revised Code. 11537

(27) Deduct, to the extent not otherwise deducted or 11538
excluded in computing federal or Ohio adjusted gross income for 11539
the taxable year, the amount the taxpayer received during the 11540
taxable year from the military injury relief fund created in 11541
section 5902.05 of the Revised Code. 11542

(28) Deduct, to the extent not otherwise deducted or 11543
excluded in computing federal or Ohio adjusted gross income for 11544
the taxable year, the amount the taxpayer received as a veterans 11545
bonus during the taxable year from the Ohio department of 11546
veterans services as authorized by Section 2r of Article VIII, 11547
Ohio Constitution. 11548

(29) Deduct, to the extent not otherwise deducted or 11549
excluded in computing federal or Ohio adjusted gross income for 11550
the taxable year, any income derived from a transfer agreement 11551
or from the enterprise transferred under that agreement under 11552
section 4313.02 of the Revised Code. 11553

(30) Deduct, to the extent not otherwise deducted or 11554
excluded in computing federal or Ohio adjusted gross income for 11555
the taxable year, Ohio college opportunity or federal Pell grant 11556
amounts received by the taxpayer or the taxpayer's spouse or 11557
dependent pursuant to section 3333.122 of the Revised Code or 20 11558
U.S.C. 1070a, et seq., and used to pay room or board furnished 11559
by the educational institution for which the grant was awarded 11560
at the institution's facilities, including meal plans 11561

administered by the institution. For the purposes of this 11562
division, receipt of a grant includes the distribution of a 11563
grant directly to an educational institution and the crediting 11564
of the grant to the enrollee's account with the institution. 11565

(31) Deduct from the portion of an individual's federal 11566
adjusted gross income that is business income, to the extent not 11567
otherwise deducted or excluded in computing federal adjusted 11568
gross income for the taxable year, one hundred twenty-five 11569
thousand dollars for each spouse if spouses file separate 11570
returns under section 5747.08 of the Revised Code or two hundred 11571
fifty thousand dollars for all other individuals. 11572

(32) Deduct, as provided under section 5747.78 of the 11573
Revised Code, contributions to ABLE savings accounts made in 11574
accordance with sections 113.50 to 113.56 of the Revised Code. 11575

(33) (a) Deduct, to the extent not otherwise deducted or 11576
excluded in computing federal or Ohio adjusted gross income 11577
during the taxable year, all of the following: 11578

(i) Compensation paid to a qualifying employee described 11579
in division (A) (14) (a) of section 5703.94 of the Revised Code to 11580
the extent such compensation is for disaster work conducted in 11581
this state during a disaster response period pursuant to a 11582
qualifying solicitation received by the employee's employer; 11583

(ii) Compensation paid to a qualifying employee described 11584
in division (A) (14) (b) of section 5703.94 of the Revised Code to 11585
the extent such compensation is for disaster work conducted in 11586
this state by the employee during the disaster response period 11587
on critical infrastructure owned or used by the employee's 11588
employer; 11589

(iii) Income received by an out-of-state disaster business 11590

for disaster work conducted in this state during a disaster 11591
response period, or, if the out-of-state disaster business is a 11592
pass-through entity, a taxpayer's distributive share of the 11593
pass-through entity's income from the business conducting 11594
disaster work in this state during a disaster response period, 11595
if, in either case, the disaster work is conducted pursuant to a 11596
qualifying solicitation received by the business. 11597

(b) All terms used in division (A) (33) of this section 11598
have the same meanings as in section 5703.94 of the Revised 11599
Code. 11600

(34) For a taxpayer who is a qualifying Ohio educator, 11601
deduct, to the extent not otherwise deducted or excluded in 11602
computing federal or Ohio adjusted gross income for the taxable 11603
year, the lesser of two hundred fifty dollars or the amount of 11604
expenses described in subsections (a) (2) (D) (i) and (ii) of 11605
section 62 of the Internal Revenue Code paid or incurred by the 11606
taxpayer during the taxpayer's taxable year in excess of the 11607
amount the taxpayer is authorized to deduct for that taxable 11608
year under subsection (a) (2) (D) of that section. 11609

(B) "Business income" means income, including gain or 11610
loss, arising from transactions, activities, and sources in the 11611
regular course of a trade or business and includes income, gain, 11612
or loss from real property, tangible property, and intangible 11613
property if the acquisition, rental, management, and disposition 11614
of the property constitute integral parts of the regular course 11615
of a trade or business operation. "Business income" includes 11616
income, including gain or loss, from a partial or complete 11617
liquidation of a business, including, but not limited to, gain 11618
or loss from the sale or other disposition of goodwill. 11619

(C) "Nonbusiness income" means all income other than 11620

business income and may include, but is not limited to, 11621
compensation, rents and royalties from real or tangible personal 11622
property, capital gains, interest, dividends and distributions, 11623
patent or copyright royalties, or lottery winnings, prizes, and 11624
awards. 11625

(D) "Compensation" means any form of remuneration paid to 11626
an employee for personal services. 11627

(E) "Fiduciary" means a guardian, trustee, executor, 11628
administrator, receiver, conservator, or any other person acting 11629
in any fiduciary capacity for any individual, trust, or estate. 11630

(F) "Fiscal year" means an accounting period of twelve 11631
months ending on the last day of any month other than December. 11632

(G) "Individual" means any natural person. 11633

(H) "Internal Revenue Code" means the "Internal Revenue 11634
Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 1, as amended. 11635

(I) "Resident" means any of the following, provided that 11636
division (I)(3) of this section applies only to taxable years of 11637
a trust beginning in 2002 or thereafter: 11638

(1) An individual who is domiciled in this state, subject 11639
to section 5747.24 of the Revised Code; 11640

(2) The estate of a decedent who at the time of death was 11641
domiciled in this state. The domicile tests of section 5747.24 11642
of the Revised Code are not controlling for purposes of division 11643
(I)(2) of this section. 11644

(3) A trust that, in whole or part, resides in this state. 11645
If only part of a trust resides in this state, the trust is a 11646
resident only with respect to that part. 11647

For the purposes of division (I) (3) of this section: 11648

(a) A trust resides in this state for the trust's current 11649
taxable year to the extent, as described in division (I) (3) (d) 11650
of this section, that the trust consists directly or indirectly, 11651
in whole or in part, of assets, net of any related liabilities, 11652
that were transferred, or caused to be transferred, directly or 11653
indirectly, to the trust by any of the following: 11654

(i) A person, a court, or a governmental entity or 11655
instrumentality on account of the death of a decedent, but only 11656
if the trust is described in division (I) (3) (e) (i) or (ii) of 11657
this section; 11658

(ii) A person who was domiciled in this state for the 11659
purposes of this chapter when the person directly or indirectly 11660
transferred assets to an irrevocable trust, but only if at least 11661
one of the trust's qualifying beneficiaries is domiciled in this 11662
state for the purposes of this chapter during all or some 11663
portion of the trust's current taxable year; 11664

(iii) A person who was domiciled in this state for the 11665
purposes of this chapter when the trust document or instrument 11666
or part of the trust document or instrument became irrevocable, 11667
but only if at least one of the trust's qualifying beneficiaries 11668
is a resident domiciled in this state for the purposes of this 11669
chapter during all or some portion of the trust's current 11670
taxable year. If a trust document or instrument became 11671
irrevocable upon the death of a person who at the time of death 11672
was domiciled in this state for purposes of this chapter, that 11673
person is a person described in division (I) (3) (a) (iii) of this 11674
section. 11675

(b) A trust is irrevocable to the extent that the 11676

transferor is not considered to be the owner of the net assets 11677
of the trust under sections 671 to 678 of the Internal Revenue 11678
Code. 11679

(c) With respect to a trust other than a charitable lead 11680
trust, "qualifying beneficiary" has the same meaning as 11681
"potential current beneficiary" as defined in section 1361(e) (2) 11682
of the Internal Revenue Code, and with respect to a charitable 11683
lead trust "qualifying beneficiary" is any current, future, or 11684
contingent beneficiary, but with respect to any trust 11685
"qualifying beneficiary" excludes a person or a governmental 11686
entity or instrumentality to any of which a contribution would 11687
qualify for the charitable deduction under section 170 of the 11688
Internal Revenue Code. 11689

(d) For the purposes of division (I) (3) (a) of this 11690
section, the extent to which a trust consists directly or 11691
indirectly, in whole or in part, of assets, net of any related 11692
liabilities, that were transferred directly or indirectly, in 11693
whole or part, to the trust by any of the sources enumerated in 11694
that division shall be ascertained by multiplying the fair 11695
market value of the trust's assets, net of related liabilities, 11696
by the qualifying ratio, which shall be computed as follows: 11697

(i) The first time the trust receives assets, the 11698
numerator of the qualifying ratio is the fair market value of 11699
those assets at that time, net of any related liabilities, from 11700
sources enumerated in division (I) (3) (a) of this section. The 11701
denominator of the qualifying ratio is the fair market value of 11702
all the trust's assets at that time, net of any related 11703
liabilities. 11704

(ii) Each subsequent time the trust receives assets, a 11705
revised qualifying ratio shall be computed. The numerator of the 11706

revised qualifying ratio is the sum of (1) the fair market value 11707
of the trust's assets immediately prior to the subsequent 11708
transfer, net of any related liabilities, multiplied by the 11709
qualifying ratio last computed without regard to the subsequent 11710
transfer, and (2) the fair market value of the subsequently 11711
transferred assets at the time transferred, net of any related 11712
liabilities, from sources enumerated in division (I) (3) (a) of 11713
this section. The denominator of the revised qualifying ratio is 11714
the fair market value of all the trust's assets immediately 11715
after the subsequent transfer, net of any related liabilities. 11716

(iii) Whether a transfer to the trust is by or from any of 11717
the sources enumerated in division (I) (3) (a) of this section 11718
shall be ascertained without regard to the domicile of the 11719
trust's beneficiaries. 11720

(e) For the purposes of division (I) (3) (a) (i) of this 11721
section: 11722

(i) A trust is described in division (I) (3) (e) (i) of this 11723
section if the trust is a testamentary trust and the testator of 11724
that testamentary trust was domiciled in this state at the time 11725
of the testator's death for purposes of the taxes levied under 11726
Chapter 5731. of the Revised Code. 11727

(ii) A trust is described in division (I) (3) (e) (ii) of 11728
this section if the transfer is a qualifying transfer described 11729
in any of divisions (I) (3) (f) (i) to (vi) of this section, the 11730
trust is an irrevocable inter vivos trust, and at least one of 11731
the trust's qualifying beneficiaries is domiciled in this state 11732
for purposes of this chapter during all or some portion of the 11733
trust's current taxable year. 11734

(f) For the purposes of division (I) (3) (e) (ii) of this 11735

section, a "qualifying transfer" is a transfer of assets, net of 11736
any related liabilities, directly or indirectly to a trust, if 11737
the transfer is described in any of the following: 11738

(i) The transfer is made to a trust, created by the 11739
decedent before the decedent's death and while the decedent was 11740
domiciled in this state for the purposes of this chapter, and, 11741
prior to the death of the decedent, the trust became irrevocable 11742
while the decedent was domiciled in this state for the purposes 11743
of this chapter. 11744

(ii) The transfer is made to a trust to which the 11745
decedent, prior to the decedent's death, had directly or 11746
indirectly transferred assets, net of any related liabilities, 11747
while the decedent was domiciled in this state for the purposes 11748
of this chapter, and prior to the death of the decedent the 11749
trust became irrevocable while the decedent was domiciled in 11750
this state for the purposes of this chapter. 11751

(iii) The transfer is made on account of a contractual 11752
relationship existing directly or indirectly between the 11753
transferor and either the decedent or the estate of the decedent 11754
at any time prior to the date of the decedent's death, and the 11755
decedent was domiciled in this state at the time of death for 11756
purposes of the taxes levied under Chapter 5731. of the Revised 11757
Code. 11758

(iv) The transfer is made to a trust on account of a 11759
contractual relationship existing directly or indirectly between 11760
the transferor and another person who at the time of the 11761
decedent's death was domiciled in this state for purposes of 11762
this chapter. 11763

(v) The transfer is made to a trust on account of the will 11764

of a testator who was domiciled in this state at the time of the 11765
testator's death for purposes of the taxes levied under Chapter 11766
5731. of the Revised Code. 11767

(vi) The transfer is made to a trust created by or caused 11768
to be created by a court, and the trust was directly or 11769
indirectly created in connection with or as a result of the 11770
death of an individual who, for purposes of the taxes levied 11771
under Chapter 5731. of the Revised Code, was domiciled in this 11772
state at the time of the individual's death. 11773

(g) The tax commissioner may adopt rules to ascertain the 11774
part of a trust residing in this state. 11775

(J) "Nonresident" means an individual or estate that is 11776
not a resident. An individual who is a resident for only part of 11777
a taxable year is a nonresident for the remainder of that 11778
taxable year. 11779

(K) "Pass-through entity" has the same meaning as in 11780
section 5733.04 of the Revised Code. 11781

(L) "Return" means the notifications and reports required 11782
to be filed pursuant to this chapter for the purpose of 11783
reporting the tax due and includes declarations of estimated tax 11784
when so required. 11785

(M) "Taxable year" means the calendar year or the 11786
taxpayer's fiscal year ending during the calendar year, or 11787
fractional part thereof, upon which the adjusted gross income is 11788
calculated pursuant to this chapter. 11789

(N) "Taxpayer" means any person subject to the tax imposed 11790
by section 5747.02 of the Revised Code or any pass-through 11791
entity that makes the election under division (D) of section 11792
5747.08 of the Revised Code. 11793

(O) "Dependents" means one of the following:	11794
(1) For taxable years beginning on or after January 1, 2018, and before January 1, 2026, dependents as defined in the Internal Revenue Code;	11795 11796 11797
(2) For all other taxable years, dependents as defined in the Internal Revenue Code and as claimed in the taxpayer's federal income tax return for the taxable year or which the taxpayer would have been permitted to claim had the taxpayer filed a federal income tax return.	11798 11799 11800 11801 11802
(P) "Principal county of employment" means, in the case of a nonresident, the county within the state in which a taxpayer performs services for an employer or, if those services are performed in more than one county, the county in which the major portion of the services are performed.	11803 11804 11805 11806 11807
(Q) As used in sections 5747.50 to 5747.55 of the Revised Code:	11808 11809
(1) "Subdivision" means any county, municipal corporation, park district, or township.	11810 11811
(2) "Essential local government purposes" includes all functions that any subdivision is required by general law to exercise, including like functions that are exercised under a charter adopted pursuant to the Ohio Constitution.	11812 11813 11814 11815
(R) "Overpayment" means any amount already paid that exceeds the figure determined to be the correct amount of the tax.	11816 11817 11818
(S) "Taxable income" or "Ohio taxable income" applies only to estates and trusts, and means federal taxable income, as defined and used in the Internal Revenue Code, adjusted as	11819 11820 11821

follows: 11822

(1) Add interest or dividends, net of ordinary, necessary, 11823
and reasonable expenses not deducted in computing federal 11824
taxable income, on obligations or securities of any state or of 11825
any political subdivision or authority of any state, other than 11826
this state and its subdivisions and authorities, but only to the 11827
extent that such net amount is not otherwise includible in Ohio 11828
taxable income and is described in either division (S) (1) (a) or 11829
(b) of this section: 11830

(a) The net amount is not attributable to the S portion of 11831
an electing small business trust and has not been distributed to 11832
beneficiaries for the taxable year; 11833

(b) The net amount is attributable to the S portion of an 11834
electing small business trust for the taxable year. 11835

(2) Add interest or dividends, net of ordinary, necessary, 11836
and reasonable expenses not deducted in computing federal 11837
taxable income, on obligations of any authority, commission, 11838
instrumentality, territory, or possession of the United States 11839
to the extent that the interest or dividends are exempt from 11840
federal income taxes but not from state income taxes, but only 11841
to the extent that such net amount is not otherwise includible 11842
in Ohio taxable income and is described in either division (S) 11843
(1) (a) or (b) of this section; 11844

(3) Add the amount of personal exemption allowed to the 11845
estate pursuant to section 642(b) of the Internal Revenue Code; 11846

(4) Deduct interest or dividends, net of related expenses 11847
deducted in computing federal taxable income, on obligations of 11848
the United States and its territories and possessions or of any 11849
authority, commission, or instrumentality of the United States 11850

to the extent that the interest or dividends are exempt from 11851
state taxes under the laws of the United States, but only to the 11852
extent that such amount is included in federal taxable income 11853
and is described in either division (S) (1) (a) or (b) of this 11854
section; 11855

(5) Deduct the amount of wages and salaries, if any, not 11856
otherwise allowable as a deduction but that would have been 11857
allowable as a deduction in computing federal taxable income for 11858
the taxable year, had the targeted jobs credit allowed under 11859
sections 38, 51, and 52 of the Internal Revenue Code not been in 11860
effect, but only to the extent such amount relates either to 11861
income included in federal taxable income for the taxable year 11862
or to income of the S portion of an electing small business 11863
trust for the taxable year; 11864

(6) Deduct any interest or interest equivalent, net of 11865
related expenses deducted in computing federal taxable income, 11866
on public obligations and purchase obligations, but only to the 11867
extent that such net amount relates either to income included in 11868
federal taxable income for the taxable year or to income of the 11869
S portion of an electing small business trust for the taxable 11870
year; 11871

(7) Add any loss or deduct any gain resulting from sale, 11872
exchange, or other disposition of public obligations to the 11873
extent that such loss has been deducted or such gain has been 11874
included in computing either federal taxable income or income of 11875
the S portion of an electing small business trust for the 11876
taxable year; 11877

(8) Except in the case of the final return of an estate, 11878
add any amount deducted by the taxpayer on both its Ohio estate 11879
tax return pursuant to section 5731.14 of the Revised Code, and 11880

on its federal income tax return in determining federal taxable
income; 11881
11882

(9) (a) Deduct any amount included in federal taxable 11883
income solely because the amount represents a reimbursement or 11884
refund of expenses that in a previous year the decedent had 11885
deducted as an itemized deduction pursuant to section 63 of the 11886
Internal Revenue Code and applicable treasury regulations. The 11887
deduction otherwise allowed under division (S) (9) (a) of this 11888
section shall be reduced to the extent the reimbursement is 11889
attributable to an amount the taxpayer or decedent deducted 11890
under this section in any taxable year. 11891

(b) Add any amount not otherwise included in Ohio taxable 11892
income for any taxable year to the extent that the amount is 11893
attributable to the recovery during the taxable year of any 11894
amount deducted or excluded in computing federal or Ohio taxable 11895
income in any taxable year, but only to the extent such amount 11896
has not been distributed to beneficiaries for the taxable year. 11897

(10) Deduct any portion of the deduction described in 11898
section 1341(a) (2) of the Internal Revenue Code, for repaying 11899
previously reported income received under a claim of right, that 11900
meets both of the following requirements: 11901

(a) It is allowable for repayment of an item that was 11902
included in the taxpayer's taxable income or the decedent's 11903
adjusted gross income for a prior taxable year and did not 11904
qualify for a credit under division (A) or (B) of section 11905
5747.05 of the Revised Code for that year. 11906

(b) It does not otherwise reduce the taxpayer's taxable 11907
income or the decedent's adjusted gross income for the current 11908
or any other taxable year. 11909

(11) Add any amount claimed as a credit under section 11910
5747.059 of the Revised Code to the extent that the amount 11911
satisfies either of the following: 11912

(a) The amount was deducted or excluded from the 11913
computation of the taxpayer's federal taxable income as required 11914
to be reported for the taxpayer's taxable year under the 11915
Internal Revenue Code; 11916

(b) The amount resulted in a reduction in the taxpayer's 11917
federal taxable income as required to be reported for any of the 11918
taxpayer's taxable years under the Internal Revenue Code. 11919

(12) Deduct any amount, net of related expenses deducted 11920
in computing federal taxable income, that a trust is required to 11921
report as farm income on its federal income tax return, but only 11922
if the assets of the trust include at least ten acres of land 11923
satisfying the definition of "land devoted exclusively to 11924
agricultural use" under section 5713.30 of the Revised Code, 11925
regardless of whether the land is valued for tax purposes as 11926
such land under sections 5713.30 to 5713.38 of the Revised Code. 11927
If the trust is a pass-through entity investor, section 5747.231 11928
of the Revised Code applies in ascertaining if the trust is 11929
eligible to claim the deduction provided by division (S) (12) of 11930
this section in connection with the pass-through entity's farm 11931
income. 11932

Except for farm income attributable to the S portion of an 11933
electing small business trust, the deduction provided by 11934
division (S) (12) of this section is allowed only to the extent 11935
that the trust has not distributed such farm income. Division 11936
(S) (12) of this section applies only to taxable years of a trust 11937
beginning in 2002 or thereafter. 11938

(13) Add the net amount of income described in section 641(c) of the Internal Revenue Code to the extent that amount is not included in federal taxable income.	11939 11940 11941
(14) Add or deduct the amount the taxpayer would be required to add or deduct under division (A) (20) or (21) of this section if the taxpayer's Ohio taxable income were computed in the same manner as an individual's Ohio adjusted gross income is computed under this section. In the case of a trust, division (S) (14) of this section applies only to any of the trust's taxable years beginning in 2002 or thereafter.	11942 11943 11944 11945 11946 11947 11948
(T) "School district income" and "school district income tax" have the same meanings as in section 5748.01 of the Revised Code.	11949 11950 11951
(U) As used in divisions (A) (8), (A) (9), (S) (6), and (S) (7) of this section, "public obligations," "purchase obligations," and "interest or interest equivalent" have the same meanings as in section 5709.76 of the Revised Code.	11952 11953 11954 11955
(V) "Limited liability company" means any limited liability company formed under Chapter 1705. <u>or 1706.</u> of the Revised Code or under the laws of any other state.	11956 11957 11958
(W) "Pass-through entity investor" means any person who, during any portion of a taxable year of a pass-through entity, is a partner, member, shareholder, or equity investor in that pass-through entity.	11959 11960 11961 11962
(X) "Banking day" has the same meaning as in section 1304.01 of the Revised Code.	11963 11964
(Y) "Month" means a calendar month.	11965
(Z) "Quarter" means the first three months, the second	11966

three months, the third three months, or the last three months 11967
of the taxpayer's taxable year. 11968

(AA) (1) "Eligible institution" means a state university or 11969
state institution of higher education as defined in section 11970
3345.011 of the Revised Code, or a private, nonprofit college, 11971
university, or other post-secondary institution located in this 11972
state that possesses a certificate of authorization issued by 11973
the chancellor of higher education pursuant to Chapter 1713. of 11974
the Revised Code or a certificate of registration issued by the 11975
state board of career colleges and schools under Chapter 3332. 11976
of the Revised Code. 11977

(2) "Qualified tuition and fees" means tuition and fees 11978
imposed by an eligible institution as a condition of enrollment 11979
or attendance, not exceeding two thousand five hundred dollars 11980
in each of the individual's first two years of post-secondary 11981
education. If the individual is a part-time student, "qualified 11982
tuition and fees" includes tuition and fees paid for the 11983
academic equivalent of the first two years of post-secondary 11984
education during a maximum of five taxable years, not exceeding 11985
a total of five thousand dollars. "Qualified tuition and fees" 11986
does not include: 11987

(a) Expenses for any course or activity involving sports, 11988
games, or hobbies unless the course or activity is part of the 11989
individual's degree or diploma program; 11990

(b) The cost of books, room and board, student activity 11991
fees, athletic fees, insurance expenses, or other expenses 11992
unrelated to the individual's academic course of instruction; 11993

(c) Tuition, fees, or other expenses paid or reimbursed 11994
through an employer, scholarship, grant in aid, or other 11995

educational benefit program. 11996

(BB) (1) "Modified business income" means the business 11997
income included in a trust's Ohio taxable income after such 11998
taxable income is first reduced by the qualifying trust amount, 11999
if any. 12000

(2) "Qualifying trust amount" of a trust means capital 12001
gains and losses from the sale, exchange, or other disposition 12002
of equity or ownership interests in, or debt obligations of, a 12003
qualifying investee to the extent included in the trust's Ohio 12004
taxable income, but only if the following requirements are 12005
satisfied: 12006

(a) The book value of the qualifying investee's physical 12007
assets in this state and everywhere, as of the last day of the 12008
qualifying investee's fiscal or calendar year ending immediately 12009
prior to the date on which the trust recognizes the gain or 12010
loss, is available to the trust. 12011

(b) The requirements of section 5747.011 of the Revised 12012
Code are satisfied for the trust's taxable year in which the 12013
trust recognizes the gain or loss. 12014

Any gain or loss that is not a qualifying trust amount is 12015
modified business income, qualifying investment income, or 12016
modified nonbusiness income, as the case may be. 12017

(3) "Modified nonbusiness income" means a trust's Ohio 12018
taxable income other than modified business income, other than 12019
the qualifying trust amount, and other than qualifying 12020
investment income, as defined in section 5747.012 of the Revised 12021
Code, to the extent such qualifying investment income is not 12022
otherwise part of modified business income. 12023

(4) "Modified Ohio taxable income" applies only to trusts, 12024

and means the sum of the amounts described in divisions (BB) (4) 12025
(a) to (c) of this section: 12026

(a) The fraction, calculated under section 5747.013, and 12027
applying section 5747.231 of the Revised Code, multiplied by the 12028
sum of the following amounts: 12029

(i) The trust's modified business income; 12030

(ii) The trust's qualifying investment income, as defined 12031
in section 5747.012 of the Revised Code, but only to the extent 12032
the qualifying investment income does not otherwise constitute 12033
modified business income and does not otherwise constitute a 12034
qualifying trust amount. 12035

(b) The qualifying trust amount multiplied by a fraction, 12036
the numerator of which is the sum of the book value of the 12037
qualifying investee's physical assets in this state on the last 12038
day of the qualifying investee's fiscal or calendar year ending 12039
immediately prior to the day on which the trust recognizes the 12040
qualifying trust amount, and the denominator of which is the sum 12041
of the book value of the qualifying investee's total physical 12042
assets everywhere on the last day of the qualifying investee's 12043
fiscal or calendar year ending immediately prior to the day on 12044
which the trust recognizes the qualifying trust amount. If, for 12045
a taxable year, the trust recognizes a qualifying trust amount 12046
with respect to more than one qualifying investee, the amount 12047
described in division (BB) (4) (b) of this section shall equal the 12048
sum of the products so computed for each such qualifying 12049
investee. 12050

(c) (i) With respect to a trust or portion of a trust that 12051
is a resident as ascertained in accordance with division (I) (3) 12052
(d) of this section, its modified nonbusiness income. 12053

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

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

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

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

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

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

An upper level pass-through entity, whether or not it is also a qualifying investee, is deemed to own, on the last day of

the upper level pass-through entity's calendar or fiscal year, 12114
the proportionate share of the lower level pass-through entity's 12115
physical assets that the lower level pass-through entity 12116
directly or indirectly owns on the last day of the lower level 12117
pass-through entity's calendar or fiscal year ending within or 12118
with the last day of the upper level pass-through entity's 12119
fiscal or calendar year. If the upper level pass-through entity 12120
directly and indirectly owns less than fifty per cent of the 12121
equity of the lower level pass-through entity on each day of the 12122
upper level pass-through entity's calendar or fiscal year in 12123
which or with which ends the calendar or fiscal year of the 12124
lower level pass-through entity and if, based upon clear and 12125
convincing evidence, complete information about the location and 12126
cost of the physical assets of the lower pass-through entity is 12127
not available to the upper level pass-through entity, then 12128
solely for purposes of ascertaining if a gain or loss 12129
constitutes a qualifying trust amount, the upper level pass- 12130
through entity shall be deemed as owning no equity of the lower 12131
level pass-through entity for each day during the upper level 12132
pass-through entity's calendar or fiscal year in which or with 12133
which ends the lower level pass-through entity's calendar or 12134
fiscal year. Nothing in division (BB) (5) (a) (iii) of this section 12135
shall be construed to provide for any deduction or exclusion in 12136
computing any trust's Ohio taxable income. 12137

(b) With respect to a trust that is not a resident for the 12138
taxable year and with respect to a part of a trust that is not a 12139
resident for the taxable year, "qualifying investee" for that 12140
taxable year does not include a C corporation if both of the 12141
following apply: 12142

(i) During the taxable year the trust or part of the trust 12143
recognizes a gain or loss from the sale, exchange, or other 12144

disposition of equity or ownership interests in, or debt 12145
obligations of, the C corporation. 12146

(ii) Such gain or loss constitutes nonbusiness income. 12147

(6) "Available" means information is such that a person is 12148
able to learn of the information by the due date plus 12149
extensions, if any, for filing the return for the taxable year 12150
in which the trust recognizes the gain or loss. 12151

(CC) "Qualifying controlled group" has the same meaning as 12152
in section 5733.04 of the Revised Code. 12153

(DD) "Related member" has the same meaning as in section 12154
5733.042 of the Revised Code. 12155

(EE) (1) For the purposes of division (EE) of this section: 12156

(a) "Qualifying person" means any person other than a 12157
qualifying corporation. 12158

(b) "Qualifying corporation" means any person classified 12159
for federal income tax purposes as an association taxable as a 12160
corporation, except either of the following: 12161

(i) A corporation that has made an election under 12162
subchapter S, chapter one, subtitle A, of the Internal Revenue 12163
Code for its taxable year ending within, or on the last day of, 12164
the investor's taxable year; 12165

(ii) A subsidiary that is wholly owned by any corporation 12166
that has made an election under subchapter S, chapter one, 12167
subtitle A of the Internal Revenue Code for its taxable year 12168
ending within, or on the last day of, the investor's taxable 12169
year. 12170

(2) For the purposes of this chapter, unless expressly 12171

stated otherwise, no qualifying person indirectly owns any asset 12172
directly or indirectly owned by any qualifying corporation. 12173

(FF) For purposes of this chapter and Chapter 5751. of the 12174
Revised Code: 12175

(1) "Trust" does not include a qualified pre-income tax 12176
trust. 12177

(2) A "qualified pre-income tax trust" is any pre-income 12178
tax trust that makes a qualifying pre-income tax trust election 12179
as described in division (FF)(3) of this section. 12180

(3) A "qualifying pre-income tax trust election" is an 12181
election by a pre-income tax trust to subject to the tax imposed 12182
by section 5751.02 of the Revised Code the pre-income tax trust 12183
and all pass-through entities of which the trust owns or 12184
controls, directly, indirectly, or constructively through 12185
related interests, five per cent or more of the ownership or 12186
equity interests. The trustee shall notify the tax commissioner 12187
in writing of the election on or before April 15, 2006. The 12188
election, if timely made, shall be effective on and after 12189
January 1, 2006, and shall apply for all tax periods and tax 12190
years until revoked by the trustee of the trust. 12191

(4) A "pre-income tax trust" is a trust that satisfies all 12192
of the following requirements: 12193

(a) The document or instrument creating the trust was 12194
executed by the grantor before January 1, 1972; 12195

(b) The trust became irrevocable upon the creation of the 12196
trust; and 12197

(c) The grantor was domiciled in this state at the time 12198
the trust was created. 12199

(GG) "Uniformed services" has the same meaning as in 10 U.S.C. 101. 12200
12201

(HH) "Taxable business income" means the amount by which an individual's business income that is included in federal adjusted gross income exceeds the amount of business income the individual is authorized to deduct under division (A) (31) of this section for the taxable year. 12202
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(II) "Employer" does not include a franchisor with respect to the franchisor's relationship with a franchisee or an employee of a franchisee, unless the franchisor agrees to assume that role in writing or a court of competent jurisdiction determines that the franchisor exercises a type or degree of control over the franchisee or the franchisee's employees that is not customarily exercised by a franchisor for the purpose of protecting the franchisor's trademark, brand, or both. For purposes of this division, "franchisor" and "franchisee" have the same meanings as in 16 C.F.R. 436.1. 12207
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(JJ) "Modified adjusted gross income" means Ohio adjusted gross income plus any amount deducted under division (A) (31) of this section for the taxable year. 12217
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(KK) "Qualifying Ohio educator" means an individual who, for a taxable year, qualifies as an eligible educator, as that term is defined in section 62 of the Internal Revenue Code, and who holds a certificate, license, or permit described in Chapter 3319. or section 3301.071 of the Revised Code. 12220
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Sec. 5751.01. As used in this chapter: 12225

(A) "Person" means, but is not limited to, individuals, combinations of individuals of any form, receivers, assignees, trustees in bankruptcy, firms, companies, joint-stock companies, 12226
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business trusts, estates, partnerships, limited liability 12229
partnerships, limited liability companies, associations, joint 12230
ventures, clubs, societies, for-profit corporations, S 12231
corporations, qualified subchapter S subsidiaries, qualified 12232
subchapter S trusts, trusts, entities that are disregarded for 12233
federal income tax purposes, and any other entities. 12234

(B) "Consolidated elected taxpayer" means a group of two 12235
or more persons treated as a single taxpayer for purposes of 12236
this chapter as the result of an election made under section 12237
5751.011 of the Revised Code. 12238

(C) "Combined taxpayer" means a group of two or more 12239
persons treated as a single taxpayer for purposes of this 12240
chapter under section 5751.012 of the Revised Code. 12241

(D) "Taxpayer" means any person, or any group of persons 12242
in the case of a consolidated elected taxpayer or combined 12243
taxpayer treated as one taxpayer, required to register or pay 12244
tax under this chapter. "Taxpayer" does not include excluded 12245
persons. 12246

(E) "Excluded person" means any of the following: 12247

(1) Any person with not more than one hundred fifty 12248
thousand dollars of taxable gross receipts during the calendar 12249
year. Division (E)(1) of this section does not apply to a person 12250
that is a member of a consolidated elected taxpayer; 12251

(2) A public utility that paid the excise tax imposed by 12252
section 5727.24 or 5727.30 of the Revised Code based on one or 12253
more measurement periods that include the entire tax period 12254
under this chapter, except that a public utility that is a 12255
combined company is a taxpayer with regard to the following 12256
gross receipts: 12257

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

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

(c) Except for any differences resulting from the use of an accrual basis method of accounting for purposes of determining gross receipts under this chapter and the use of the cash basis method of accounting for purposes of determining gross receipts under section 5727.24 of the Revised Code, the gross receipts directly attributed to the activity of a natural gas company shall be determined in a manner consistent with division (D) of section 5727.03 of the Revised Code.

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

(3) A financial institution, as defined in section 5726.01 of the Revised Code, that paid the tax imposed by section 5726.02 of the Revised Code based on one or more taxable years that include the entire tax period under this chapter;

(4) A person directly or indirectly owned by one or more financial institutions, as defined in section 5726.01 of the Revised Code, that paid the tax imposed by section 5726.02 of the Revised Code based on one or more taxable years that include

the entire tax period under this chapter. 12287

For the purposes of division (E)(4) of this section, a 12288
person owns another person under the following circumstances: 12289

(a) In the case of corporations issuing capital stock, one 12290
corporation owns another corporation if it owns fifty per cent 12291
or more of the other corporation's capital stock with current 12292
voting rights; 12293

(b) In the case of a limited liability company, one person 12294
owns the company if that person's membership interest, as 12295
defined in section 1705.01 or 1706.01 of the Revised Code as 12296
applicable, is fifty per cent or more of the combined membership 12297
interests of all persons owning such interests in the company; 12298

(c) In the case of a partnership, trust, or other 12299
unincorporated business organization other than a limited 12300
liability company, one person owns the organization if, under 12301
the articles of organization or other instrument governing the 12302
affairs of the organization, that person has a beneficial 12303
interest in the organization's profits, surpluses, losses, or 12304
distributions of fifty per cent or more of the combined 12305
beneficial interests of all persons having such an interest in 12306
the organization. 12307

(5) A domestic insurance company or foreign insurance 12308
company, as defined in section 5725.01 of the Revised Code, that 12309
paid the insurance company premiums tax imposed by section 12310
5725.18 or Chapter 5729. of the Revised Code, or an unauthorized 12311
insurance company whose gross premiums are subject to tax under 12312
section 3905.36 of the Revised Code based on one or more 12313
measurement periods that include the entire tax period under 12314
this chapter; 12315

(6) A person that solely facilitates or services one or more securitizations of phase-in-recovery property pursuant to a final financing order as those terms are defined in section 4928.23 of the Revised Code. For purposes of this division, "securitization" means transferring one or more assets to one or more persons and then issuing securities backed by the right to receive payment from the asset or assets so transferred.

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

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

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

(1) The following are examples of gross receipts:	12346
(a) Amounts realized from the sale, exchange, or other disposition of the taxpayer's property to or with another;	12347 12348
(b) Amounts realized from the taxpayer's performance of services for another;	12349 12350
(c) Amounts realized from another's use or possession of the taxpayer's property or capital;	12351 12352
(d) Any combination of the foregoing amounts.	12353
(2) "Gross receipts" excludes the following amounts:	12354
(a) Interest income except interest on credit sales;	12355
(b) Dividends and distributions from corporations, and distributive or proportionate shares of receipts and income from a pass-through entity as defined under section 5733.04 of the Revised Code;	12356 12357 12358 12359
(c) Receipts from the sale, exchange, or other disposition of an asset described in section 1221 or 1231 of the Internal Revenue Code, without regard to the length of time the person held the asset. Notwithstanding section 1221 of the Internal Revenue Code, receipts from hedging transactions also are excluded to the extent the transactions are entered into primarily to protect a financial position, such as managing the risk of exposure to (i) foreign currency fluctuations that affect assets, liabilities, profits, losses, equity, or investments in foreign operations; (ii) interest rate fluctuations; or (iii) commodity price fluctuations. As used in division (F)(2)(c) of this section, "hedging transaction" has the same meaning as used in section 1221 of the Internal Revenue Code and also includes transactions accorded hedge accounting	12360 12361 12362 12363 12364 12365 12366 12367 12368 12369 12370 12371 12372 12373

treatment under statement of financial accounting standards 12374
number 133 of the financial accounting standards board. For the 12375
purposes of division (F) (2) (c) of this section, the actual 12376
transfer of title of real or tangible personal property to 12377
another entity is not a hedging transaction. 12378

(d) Proceeds received attributable to the repayment, 12379
maturity, or redemption of the principal of a loan, bond, mutual 12380
fund, certificate of deposit, or marketable instrument; 12381

(e) The principal amount received under a repurchase 12382
agreement or on account of any transaction properly 12383
characterized as a loan to the person; 12384

(f) Contributions received by a trust, plan, or other 12385
arrangement, any of which is described in section 501(a) of the 12386
Internal Revenue Code, or to which Title 26, Subtitle A, Chapter 12387
1, Subchapter (D) of the Internal Revenue Code applies; 12388

(g) Compensation, whether current or deferred, and whether 12389
in cash or in kind, received or to be received by an employee, 12390
former employee, or the employee's legal successor for services 12391
rendered to or for an employer, including reimbursements 12392
received by or for an individual for medical or education 12393
expenses, health insurance premiums, or employee expenses, or on 12394
account of a dependent care spending account, legal services 12395
plan, any cafeteria plan described in section 125 of the 12396
Internal Revenue Code, or any similar employee reimbursement; 12397

(h) Proceeds received from the issuance of the taxpayer's 12398
own stock, options, warrants, puts, or calls, or from the sale 12399
of the taxpayer's treasury stock; 12400

(i) Proceeds received on the account of payments from 12401
insurance policies, except those proceeds received for the loss 12402

of business revenue;	12403
(j) Gifts or charitable contributions received; membership dues received by trade, professional, homeowners', or condominium associations; and payments received for educational courses, meetings, meals, or similar payments to a trade, professional, or other similar association; and fundraising receipts received by any person when any excess receipts are donated or used exclusively for charitable purposes;	12404 12405 12406 12407 12408 12409 12410
(k) Damages received as the result of litigation in excess of amounts that, if received without litigation, would be gross receipts;	12411 12412 12413
(l) Property, money, and other amounts received or acquired by an agent on behalf of another in excess of the agent's commission, fee, or other remuneration;	12414 12415 12416
(m) Tax refunds, other tax benefit recoveries, and reimbursements for the tax imposed under this chapter made by entities that are part of the same combined taxpayer or consolidated elected taxpayer group, and reimbursements made by entities that are not members of a combined taxpayer or consolidated elected taxpayer group that are required to be made for economic parity among multiple owners of an entity whose tax obligation under this chapter is required to be reported and paid entirely by one owner, pursuant to the requirements of sections 5751.011 and 5751.012 of the Revised Code;	12417 12418 12419 12420 12421 12422 12423 12424 12425 12426
(n) Pension reversions;	12427
(o) Contributions to capital;	12428
(p) Sales or use taxes collected as a vendor or an out-of-state seller on behalf of the taxing jurisdiction from a consumer or other taxes the taxpayer is required by law to	12429 12430 12431

collect directly from a purchaser and remit to a local, state, 12432
or federal tax authority; 12433

(q) In the case of receipts from the sale of cigarettes, 12434
tobacco products, or vapor products by a wholesale dealer, 12435
retail dealer, distributor, manufacturer, vapor distributor, or 12436
seller, all as defined in section 5743.01 of the Revised Code, 12437
an amount equal to the federal and state excise taxes paid by 12438
any person on or for such cigarettes, tobacco products, or vapor 12439
products under subtitle E of the Internal Revenue Code or 12440
Chapter 5743. of the Revised Code; 12441

(r) In the case of receipts from the sale, transfer, 12442
exchange, or other disposition of motor fuel as "motor fuel" is 12443
defined in section 5736.01 of the Revised Code, an amount equal 12444
to the value of the motor fuel, including federal and state 12445
motor fuel excise taxes and receipts from billing or invoicing 12446
the tax imposed under section 5736.02 of the Revised Code to 12447
another person; 12448

(s) In the case of receipts from the sale of beer or 12449
intoxicating liquor, as defined in section 4301.01 of the 12450
Revised Code, by a person holding a permit issued under Chapter 12451
4301. or 4303. of the Revised Code, an amount equal to federal 12452
and state excise taxes paid by any person on or for such beer or 12453
intoxicating liquor under subtitle E of the Internal Revenue 12454
Code or Chapter 4301. or 4305. of the Revised Code; 12455

(t) Receipts realized by a new motor vehicle dealer or 12456
used motor vehicle dealer, as defined in section 4517.01 of the 12457
Revised Code, from the sale or other transfer of a motor 12458
vehicle, as defined in that section, to another motor vehicle 12459
dealer for the purpose of resale by the transferee motor vehicle 12460
dealer, but only if the sale or other transfer was based upon 12461

the transferee's need to meet a specific customer's preference 12462
for a motor vehicle; 12463

(u) Receipts from a financial institution described in 12464
division (E) (3) of this section for services provided to the 12465
financial institution in connection with the issuance, 12466
processing, servicing, and management of loans or credit 12467
accounts, if such financial institution and the recipient of 12468
such receipts have at least fifty per cent of their ownership 12469
interests owned or controlled, directly or constructively 12470
through related interests, by common owners; 12471

(v) Receipts realized from administering anti-neoplastic 12472
drugs and other cancer chemotherapy, biologicals, therapeutic 12473
agents, and supportive drugs in a physician's office to patients 12474
with cancer; 12475

(w) Funds received or used by a mortgage broker that is 12476
not a dealer in intangibles, other than fees or other 12477
consideration, pursuant to a table-funding mortgage loan or 12478
warehouse-lending mortgage loan. Terms used in division (F) (2) 12479
(w) of this section have the same meanings as in section 1322.01 12480
of the Revised Code, except "mortgage broker" means a person 12481
assisting a buyer in obtaining a mortgage loan for a fee or 12482
other consideration paid by the buyer or a lender, or a person 12483
engaged in table-funding or warehouse-lending mortgage loans 12484
that are first lien mortgage loans. 12485

(x) Property, money, and other amounts received by a 12486
professional employer organization, as defined in section 12487
4125.01 of the Revised Code, from a client employer, as defined 12488
in that section, in excess of the administrative fee charged by 12489
the professional employer organization to the client employer; 12490

(y) In the case of amounts retained as commissions by a permit holder under Chapter 3769. of the Revised Code, an amount equal to the amounts specified under that chapter that must be paid to or collected by the tax commissioner as a tax and the amounts specified under that chapter to be used as purse money;	12491 12492 12493 12494 12495
(z) Qualifying distribution center receipts.	12496
(i) For purposes of division (F) (2) (z) of this section:	12497
(I) "Qualifying distribution center receipts" means receipts of a supplier from qualified property that is delivered to a qualified distribution center, multiplied by a quantity that equals one minus the Ohio delivery percentage. If the qualified distribution center is a refining facility, "supplier" includes all dealers, brokers, processors, sellers, vendors, cosigners, and distributors of qualified property.	12498 12499 12500 12501 12502 12503 12504
(II) "Qualified property" means tangible personal property delivered to a qualified distribution center that is shipped to that qualified distribution center solely for further shipping by the qualified distribution center to another location in this state or elsewhere or, in the case of gold, silver, platinum, or palladium delivered to a refining facility solely for refining to a grade and fineness acceptable for delivery to a registered commodities exchange. "Further shipping" includes storing and repackaging property into smaller or larger bundles, so long as the property is not subject to further manufacturing or processing. "Refining" is limited to extracting impurities from gold, silver, platinum, or palladium through smelting or some other process at a refining facility.	12505 12506 12507 12508 12509 12510 12511 12512 12513 12514 12515 12516 12517
(III) "Qualified distribution center" means a warehouse, a facility similar to a warehouse, or a refining facility in this	12518 12519

state that, for the qualifying year, is operated by a person 12520
that is not part of a combined taxpayer group and that has a 12521
qualifying certificate. All warehouses or facilities similar to 12522
warehouses that are operated by persons in the same taxpayer 12523
group and that are located within one mile of each other shall 12524
be treated as one qualified distribution center. All refining 12525
facilities that are operated by persons in the same taxpayer 12526
group and that are located in the same or adjacent counties may 12527
be treated as one qualified distribution center. 12528

(IV) "Qualifying year" means the calendar year to which 12529
the qualifying certificate applies. 12530

(V) "Qualifying period" means the period of the first day 12531
of July of the second year preceding the qualifying year through 12532
the thirtieth day of June of the year preceding the qualifying 12533
year. 12534

(VI) "Qualifying certificate" means the certificate issued 12535
by the tax commissioner after the operator of a distribution 12536
center files an annual application with the commissioner. The 12537
application and annual fee shall be filed and paid for each 12538
qualified distribution center on or before the first day of 12539
September before the qualifying year or within forty-five days 12540
after the distribution center opens, whichever is later. 12541

The applicant must substantiate to the commissioner's 12542
satisfaction that, for the qualifying period, all persons 12543
operating the distribution center have more than fifty per cent 12544
of the cost of the qualified property shipped to a location such 12545
that it would be situated outside this state under the provisions 12546
of division (E) of section 5751.033 of the Revised Code. The 12547
applicant must also substantiate that the distribution center 12548
cumulatively had costs from its suppliers equal to or exceeding 12549

five hundred million dollars during the qualifying period. (For 12550
purposes of division (F) (2) (z) (i) (VI) of this section, 12551
"supplier" excludes any person that is part of the consolidated 12552
elected taxpayer group, if applicable, of the operator of the 12553
qualified distribution center.) The commissioner may require the 12554
applicant to have an independent certified public accountant 12555
certify that the calculation of the minimum thresholds required 12556
for a qualified distribution center by the operator of a 12557
distribution center has been made in accordance with generally 12558
accepted accounting principles. The commissioner shall issue or 12559
deny the issuance of a certificate within sixty days after the 12560
receipt of the application. A denial is subject to appeal under 12561
section 5717.02 of the Revised Code. If the operator files a 12562
timely appeal under section 5717.02 of the Revised Code, the 12563
operator shall be granted a qualifying certificate effective for 12564
the remainder of the qualifying year or until the appeal is 12565
finalized, whichever is earlier. If the operator does not 12566
prevail in the appeal, the operator shall pay the ineligible 12567
operator's supplier tax liability. 12568

(VII) "Ohio delivery percentage" means the proportion of 12569
the total property delivered to a destination inside Ohio from 12570
the qualified distribution center during the qualifying period 12571
compared with total deliveries from such distribution center 12572
everywhere during the qualifying period. 12573

(VIII) "Refining facility" means one or more buildings 12574
located in a county in the Appalachian region of this state as 12575
defined by section 107.21 of the Revised Code and utilized for 12576
refining or smelting gold, silver, platinum, or palladium to a 12577
grade and fineness acceptable for delivery to a registered 12578
commodities exchange. 12579

(IX) "Registered commodities exchange" means a board of 12580
trade, such as New York mercantile exchange, inc. or commodity 12581
exchange, inc., designated as a contract market by the commodity 12582
futures trading commission under the "Commodity Exchange Act," 7 12583
U.S.C. 1 et seq., as amended. 12584

(X) "Ineligible operator's supplier tax liability" means 12585
an amount equal to the tax liability of all suppliers of a 12586
distribution center had the distribution center not been issued 12587
a qualifying certificate for the qualifying year. Ineligible 12588
operator's supplier tax liability shall not include interest or 12589
penalties. The tax commissioner shall determine an ineligible 12590
operator's supplier tax liability based on information that the 12591
commissioner may request from the operator of the distribution 12592
center. An operator shall provide a list of all suppliers of the 12593
distribution center and the corresponding costs of qualified 12594
property for the qualifying year at issue within sixty days of a 12595
request by the commissioner under this division. 12596

(ii) (I) If the distribution center is new and was not open 12597
for the entire qualifying period, the operator of the 12598
distribution center may request that the commissioner grant a 12599
qualifying certificate. If the certificate is granted and it is 12600
later determined that more than fifty per cent of the qualified 12601
property during that year was not shipped to a location such 12602
that it would be situated outside of this state under the 12603
provisions of division (E) of section 5751.033 of the Revised 12604
Code or if it is later determined that the person that operates 12605
the distribution center had average monthly costs from its 12606
suppliers of less than forty million dollars during that year, 12607
then the operator of the distribution center shall pay the 12608
ineligible operator's supplier tax liability. (For purposes of 12609
division (F) (2) (z) (ii) of this section, "supplier" excludes any 12610

person that is part of the consolidated elected taxpayer group, 12611
if applicable, of the operator of the qualified distribution 12612
center.) 12613

(II) The commissioner may grant a qualifying certificate 12614
to a distribution center that does not qualify as a qualified 12615
distribution center for an entire qualifying period if the 12616
operator of the distribution center demonstrates that the 12617
business operations of the distribution center have changed or 12618
will change such that the distribution center will qualify as a 12619
qualified distribution center within thirty-six months after the 12620
date the operator first applies for a certificate. If, at the 12621
end of that thirty-six-month period, the business operations of 12622
the distribution center have not changed such that the 12623
distribution center qualifies as a qualified distribution 12624
center, the operator of the distribution center shall pay the 12625
ineligible operator's supplier tax liability for each year that 12626
the distribution center received a certificate but did not 12627
qualify as a qualified distribution center. For each year the 12628
distribution center receives a certificate under division (F) (2) 12629
(z) (ii) (II) of this section, the distribution center shall pay 12630
all applicable fees required under division (F) (2) (z) of this 12631
section and shall submit an updated business plan showing the 12632
progress the distribution center made toward qualifying as a 12633
qualified distribution center during the preceding year. 12634

(III) An operator may appeal a determination under 12635
division (F) (2) (z) (ii) (I) or (II) of this section that the 12636
ineligible operator is liable for the operator's supplier tax 12637
liability as a result of not qualifying as a qualified 12638
distribution center, as provided in section 5717.02 of the 12639
Revised Code. 12640

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

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

(II) The operator of a distribution center that receives a
qualifying certificate under division (F) (2) (z) (ii) (II) of this
section shall make a good faith estimate of the Ohio delivery
percentage that the operator estimates will apply to the
distribution center at the end of the thirty-six-month period
after the operator first applied for a qualifying certificate
under that division. The result of the estimate shall be
multiplied by a factor of one and seventy-five one-hundredths.
The product of that calculation shall be the Ohio delivery
percentage used by suppliers in their reports of taxable gross
receipts for each qualifying year that the distribution center
receives a qualifying certificate under division (F) (2) (z) (ii)
(II) of this section, except that, if the product is less than
five per cent, the Ohio delivery percentage used shall be five
per cent and that, if the product exceeds forty-nine per cent,
the Ohio delivery percentage used shall be forty-nine per cent.

(v) Qualifying certificates and Ohio delivery percentages
issued by the commissioner shall be open to public inspection
and shall be timely published by the commissioner. A supplier
relying in good faith on a certificate issued under this
division shall not be subject to tax on the qualifying
distribution center receipts under division (F) (2) (z) of this
section. An operator receiving a qualifying certificate is
liable for the ineligible operator's supplier tax liability for
each year the operator received a certificate but did not
qualify as a qualified distribution center.

(vi) The annual fee for a qualifying certificate shall be
one hundred thousand dollars for each qualified distribution
center. If a qualifying certificate is not issued, the annual
fee is subject to refund after the exhaustion of all appeals
provided for in division (F) (2) (z) (i) (VI) of this section. The

first one hundred thousand dollars of the annual application 12703
fees collected each calendar year shall be credited to the 12704
revenue enhancement fund. The remainder of the annual 12705
application fees collected shall be distributed in the same 12706
manner required under section 5751.20 of the Revised Code. 12707

(vii) The tax commissioner may require that adequate 12708
security be posted by the operator of the distribution center on 12709
appeal when the commissioner disagrees that the applicant has 12710
met the minimum thresholds for a qualified distribution center 12711
as set forth in division (F)(2)(z) of this section. 12712

(aa) Receipts of an employer from payroll deductions 12713
relating to the reimbursement of the employer for advancing 12714
moneys to an unrelated third party on an employee's behalf; 12715

(bb) Cash discounts allowed and taken; 12716

(cc) Returns and allowances; 12717

(dd) Bad debts from receipts on the basis of which the tax 12718
imposed by this chapter was paid in a prior quarterly tax 12719
payment period. For the purpose of this division, "bad debts" 12720
means any debts that have become worthless or uncollectible 12721
between the preceding and current quarterly tax payment periods, 12722
have been uncollected for at least six months, and that may be 12723
claimed as a deduction under section 166 of the Internal Revenue 12724
Code and the regulations adopted under that section, or that 12725
could be claimed as such if the taxpayer kept its accounts on 12726
the accrual basis. "Bad debts" does not include repossessed 12727
property, uncollectible amounts on property that remains in the 12728
possession of the taxpayer until the full purchase price is 12729
paid, or expenses in attempting to collect any account 12730
receivable or for any portion of the debt recovered; 12731

(ee) Any amount realized from the sale of an account 12732
receivable to the extent the receipts from the underlying 12733
transaction giving rise to the account receivable were included 12734
in the gross receipts of the taxpayer; 12735

(ff) Any receipts directly attributed to a transfer 12736
agreement or to the enterprise transferred under that agreement 12737
under section 4313.02 of the Revised Code. 12738

(gg) (i) As used in this division: 12739

(I) "Qualified uranium receipts" means receipts from the 12740
sale, exchange, lease, loan, production, processing, or other 12741
disposition of uranium within a uranium enrichment zone 12742
certified by the tax commissioner under division (F) (2) (gg) (ii) 12743
of this section. "Qualified uranium receipts" does not include 12744
any receipts with a situs in this state outside a uranium 12745
enrichment zone certified by the tax commissioner under division 12746
(F) (2) (gg) (ii) of this section. 12747

(II) "Uranium enrichment zone" means all real property 12748
that is part of a uranium enrichment facility licensed by the 12749
United States nuclear regulatory commission and that was or is 12750
owned or controlled by the United States department of energy or 12751
its successor. 12752

(ii) Any person that owns, leases, or operates real or 12753
tangible personal property constituting or located within a 12754
uranium enrichment zone may apply to the tax commissioner to 12755
have the uranium enrichment zone certified for the purpose of 12756
excluding qualified uranium receipts under division (F) (2) (gg) 12757
of this section. The application shall include such information 12758
that the tax commissioner prescribes. Within sixty days after 12759
receiving the application, the tax commissioner shall certify 12760

the zone for that purpose if the commissioner determines that 12761
the property qualifies as a uranium enrichment zone as defined 12762
in division (F) (2) (gg) of this section, or, if the tax 12763
commissioner determines that the property does not qualify, the 12764
commissioner shall deny the application or request additional 12765
information from the applicant. If the tax commissioner denies 12766
an application, the commissioner shall state the reasons for the 12767
denial. The applicant may appeal the denial of an application to 12768
the board of tax appeals pursuant to section 5717.02 of the 12769
Revised Code. If the applicant files a timely appeal, the tax 12770
commissioner shall conditionally certify the applicant's 12771
property. The conditional certification shall expire when all of 12772
the applicant's appeals are exhausted. Until final resolution of 12773
the appeal, the applicant shall retain the applicant's records 12774
in accordance with section 5751.12 of the Revised Code, 12775
notwithstanding any time limit on the preservation of records 12776
under that section. 12777

(hh) In the case of amounts collected by a licensed casino 12778
operator from casino gaming, amounts in excess of the casino 12779
operator's gross casino revenue. In this division, "casino 12780
operator" and "casino gaming" have the meanings defined in 12781
section 3772.01 of the Revised Code, and "gross casino revenue" 12782
has the meaning defined in section 5753.01 of the Revised Code. 12783

(ii) Receipts realized from the sale of agricultural 12784
commodities by an agricultural commodity handler, both as 12785
defined in section 926.01 of the Revised Code, that is licensed 12786
by the director of agriculture to handle agricultural 12787
commodities in this state. 12788

(jj) Qualifying integrated supply chain receipts. 12789

As used in division (F) (2) (jj) of this section: 12790

(i) "Qualifying integrated supply chain receipts" means 12791
receipts of a qualified integrated supply chain vendor from the 12792
sale of qualified property delivered to, or integrated supply 12793
chain services provided to, another qualified integrated supply 12794
chain vendor or to a retailer that is a member of the integrated 12795
supply chain. "Qualifying integrated supply chain receipts" does 12796
not include receipts of a person that is not a qualified 12797
integrated supply chain vendor from the sale of raw materials to 12798
a member of an integrated supply chain, or receipts of a member 12799
of an integrated supply chain from the sale of qualified 12800
property or integrated supply chain services to a person that is 12801
not a member of the integrated supply chain. 12802

(ii) "Qualified property" means any of the following: 12803

(I) Component parts used to hold, contain, package, or 12804
dispense qualified products, excluding equipment; 12805

(II) Work-in-process inventory that will become, comprise, 12806
or form a component part of a qualified product capable of being 12807
sold at retail, excluding equipment, machinery, furniture, and 12808
fixtures; 12809

(III) Finished goods inventory that is a qualified product 12810
capable of being sold at retail in the inventory's present form. 12811

(iii) "Qualified integrated supply chain vendor" means a 12812
person that is a member of an integrated supply chain and that 12813
provides integrated supply chain services within a qualified 12814
integrated supply chain district to a retailer that is a member 12815
of the integrated supply chain or to another qualified 12816
integrated supply chain vendor that is located within the same 12817
such district as the person but does not share a common owner 12818
with that person. 12819

(iv) "Qualified product" means a personal care, health, or beauty product or an aromatic product, including a candle. 12820
"Qualified product" does not include a drug that may be 12821
dispensed only pursuant to a prescription, durable medical 12822
equipment, mobility enhancing equipment, or a prosthetic device, 12823
as those terms are defined in section 5739.01 of the Revised 12824
Code. 12825
12826

(v) "Integrated supply chain" means two or more qualified 12827
integrated supply chain vendors certified on the most recent 12828
list certified to the tax commissioner under this division that 12829
systematically collaborate and coordinate business operations 12830
with a retailer on the flow of tangible personal property from 12831
material sourcing through manufacturing, assembly, packaging, 12832
and delivery to the retailer to improve long-term financial 12833
performance of each vendor and the supply chain that includes 12834
the retailer. 12835

For the purpose of the certification required under this 12836
division, the reporting person for each retailer, on or before 12837
the first day of October of each year, shall certify to the tax 12838
commissioner a list of the qualified integrated supply chain 12839
vendors providing or receiving integrated supply chain services 12840
within a qualified integrated supply chain district for the 12841
ensuing calendar year. On or before the following first day of 12842
November, the commissioner shall issue a certificate to the 12843
retailer and to each vendor certified to the commissioner on 12844
that list. The certificate shall include the names of the 12845
retailer and of the qualified integrated supply chain vendors. 12846

The retailer shall notify the commissioner of any changes 12847
to the list, including additions to or subtractions from the 12848
list or changes in the name or legal entity of vendors certified 12849

on the list, within sixty days after the date the retailer 12850
becomes aware of the change. Within thirty days after receiving 12851
that notification, the commissioner shall issue a revised 12852
certificate to the retailer and to each vendor certified on the 12853
list. The revised certificate shall include the effective date 12854
of the change. 12855

Each recipient of a certificate issued pursuant to this 12856
division shall maintain a copy of the certificate for four years 12857
from the date the certificate was received. 12858

(vi) "Integrated supply chain services" means procuring 12859
raw materials or manufacturing, processing, refining, 12860
assembling, packaging, or repackaging tangible personal property 12861
that will become finished goods inventory capable of being sold 12862
at retail by a retailer that is a member of an integrated supply 12863
chain. 12864

(vii) "Retailer" means a person primarily engaged in 12865
making retail sales and any member of that person's consolidated 12866
elected taxpayer group or combined taxpayer group, whether or 12867
not that member is primarily engaged in making retail sales. 12868

(viii) "Qualified integrated supply chain district" means 12869
the parcel or parcels of land from which a retailer's integrated 12870
supply chain that existed on September 29, 2015, provides or 12871
receives integrated supply chain services, and to which all of 12872
the following apply: 12873

(I) The parcel or parcels are located wholly in a county 12874
having a population of greater than one hundred sixty-five 12875
thousand but less than one hundred seventy thousand based on the 12876
2010 federal decennial census. 12877

(II) The parcel or parcels are located wholly in the 12878

corporate limits of a municipal corporation with a population 12879
greater than seven thousand five hundred and less than eight 12880
thousand based on the 2010 federal decennial census that is 12881
partly located in the county described in division (F) (2) (jj) 12882
(viii) (I) of this section, as those corporate limits existed on 12883
September 29, 2015. 12884

(III) The aggregate acreage of the parcel or parcels 12885
equals or exceeds one hundred acres. 12886

(kk) In the case of a railroad company described in 12887
division (D) (9) of section 5727.01 of the Revised Code that 12888
purchases dyed diesel fuel directly from a supplier as defined 12889
by section 5736.01 of the Revised Code, an amount equal to the 12890
product of the number of gallons of dyed diesel fuel purchased 12891
directly from such a supplier multiplied by the average 12892
wholesale price for a gallon of diesel fuel as determined under 12893
section 5736.02 of the Revised Code for the period during which 12894
the fuel was purchased multiplied by a fraction, the numerator 12895
of which equals the rate of tax levied by section 5736.02 of the 12896
Revised Code less the rate of tax computed in section 5751.03 of 12897
the Revised Code, and the denominator of which equals the rate 12898
of tax computed in section 5751.03 of the Revised Code. 12899

(ll) Receipts realized by an out-of-state disaster 12900
business from disaster work conducted in this state during a 12901
disaster response period pursuant to a qualifying solicitation 12902
received by the business. Terms used in division (F) (2) (ll) of 12903
this section have the same meanings as in section 5703.94 of the 12904
Revised Code. 12905

(mm) Any receipts for which the tax imposed by this 12906
chapter is prohibited by the constitution or laws of the United 12907
States or the constitution of this state. 12908

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

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

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

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

(1) Owns or uses a part or all of its capital in this state;

(2) Holds a certificate of compliance with the laws of this state authorizing the person to do business in this state;

(3) Has bright-line presence in this state;

(4) Otherwise has nexus with this state to an extent that the person can be required to remit the tax imposed under this chapter under the Constitution of the United States.

(I) A person has "bright-line presence" in this state for	12937
a reporting period and for the remaining portion of the calendar	12938
year if any of the following applies. The person:	12939
(1) Has at any time during the calendar year property in	12940
this state with an aggregate value of at least fifty thousand	12941
dollars. For the purpose of division (I) (1) of this section,	12942
owned property is valued at original cost and rented property is	12943
valued at eight times the net annual rental charge.	12944
(2) Has during the calendar year payroll in this state of	12945
at least fifty thousand dollars. Payroll in this state includes	12946
all of the following:	12947
(a) Any amount subject to withholding by the person under	12948
section 5747.06 of the Revised Code;	12949
(b) Any other amount the person pays as compensation to an	12950
individual under the supervision or control of the person for	12951
work done in this state; and	12952
(c) Any amount the person pays for services performed in	12953
this state on its behalf by another.	12954
(3) Has during the calendar year taxable gross receipts of	12955
at least five hundred thousand dollars.	12956
(4) Has at any time during the calendar year within this	12957
state at least twenty-five per cent of the person's total	12958
property, total payroll, or total gross receipts.	12959
(5) Is domiciled in this state as an individual or for	12960
corporate, commercial, or other business purposes.	12961
(J) "Tangible personal property" has the same meaning as	12962
in section 5739.01 of the Revised Code.	12963

(K) "Internal Revenue Code" means the Internal Revenue Code of 1986, 100 Stat. 2085, 26 U.S.C. 1, as amended. Any term used in this chapter that is not otherwise defined has the same meaning as when used in a comparable context in the laws of the United States relating to federal income taxes unless a different meaning is clearly required. Any reference in this chapter to the Internal Revenue Code includes other laws of the United States relating to federal income taxes. 12964
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(L) "Calendar quarter" means a three-month period ending on the thirty-first day of March, the thirtieth day of June, the thirtieth day of September, or the thirty-first day of December. 12972
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(M) "Tax period" means the calendar quarter or calendar year on the basis of which a taxpayer is required to pay the tax imposed under this chapter. 12975
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(N) "Calendar year taxpayer" means a taxpayer for which the tax period is a calendar year. 12978
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(O) "Calendar quarter taxpayer" means a taxpayer for which the tax period is a calendar quarter. 12980
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(P) "Agent" means a person authorized by another person to act on its behalf to undertake a transaction for the other, including any of the following: 12982
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(1) A person receiving a fee to sell financial instruments; 12985
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(2) A person retaining only a commission from a transaction with the other proceeds from the transaction being remitted to another person; 12987
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(3) A person issuing licenses and permits under section 1533.13 of the Revised Code; 12990
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(4) A lottery sales agent holding a valid license issued	12992
under section 3770.05 of the Revised Code;	12993
(5) A person acting as an agent of the division of liquor	12994
control under section 4301.17 of the Revised Code.	12995
(Q) "Received" includes amounts accrued under the accrual	12996
method of accounting.	12997
(R) "Reporting person" means a person in a consolidated	12998
elected taxpayer or combined taxpayer group that is designated	12999
by that group to legally bind the group for all filings and tax	13000
liabilities and to receive all legal notices with respect to	13001
matters under this chapter, or, for the purposes of section	13002
5751.04 of the Revised Code, a separate taxpayer that is not a	13003
member of such a group.	13004
Section 2. That existing sections 111.16, 122.16, 122.173,	13005
135.14, 135.142, 135.35, 150.05, 718.01, 1329.01, 1329.02,	13006
1701.03, 1701.05, 1701.791, 1702.05, 1702.411, 1703.04, 1729.36,	13007
1729.38, 1745.461, 1751.01, 1776.69, 1776.82, 1782.02, 1782.432,	13008
1785.09, 3345.203, 3964.03, 3964.17, 4701.14, 4703.18, 4703.331,	13009
4715.18, 4715.22, 4715.365, 4715.431, 4717.06, 4723.16, 4725.33,	13010
4729.161, 4729.541, 4731.226, 4731.228, 4732.28, 4733.16,	13011
4734.17, 4755.111, 4755.471, 4757.37, 5701.14, 5715.19, 5733.04,	13012
5733.33, 5733.42, 5747.01, and 5751.01 of the Revised Code are	13013
hereby repealed.	13014
Section 3. That sections 1705.01, 1705.02, 1705.03,	13015
1705.031, 1705.04, 1705.05, 1705.06, 1705.07, 1705.08, 1705.081,	13016
1705.09, 1705.10, 1705.11, 1705.12, 1705.13, 1705.14, 1705.15,	13017
1705.16, 1705.161, 1705.17, 1705.18, 1705.19, 1705.20, 1705.21,	13018
1705.22, 1705.23, 1705.24, 1705.25, 1705.26, 1705.27, 1705.28,	13019
1705.281, 1705.282, 1705.29, 1705.291, 1705.292, 1705.30,	13020

1705.31, 1705.32, 1705.33, 1705.34, 1705.35, 1705.36, 1705.361, 13021
1705.37, 1705.371, 1705.38, 1705.381, 1705.39, 1705.391, 13022
1705.40, 1705.41, 1705.42, 1705.43, 1705.44, 1705.45, 1705.46, 13023
1705.47, 1705.48, 1705.49, 1705.50, 1705.51, 1705.52, 1705.53, 13024
1705.54, 1705.55, 1705.56, 1705.57, 1705.58, and 1705.61 of the 13025
Revised Code are hereby repealed. 13026

Section 4. Section 3 of this act shall take effect on 13027
January 1, 2022. 13028

Section 5. The repeal of a statute by this act shall not 13029
affect an action commenced, proceeding brought, or right accrued 13030
prior to January 1, 2022. 13031

Section 6. The General Assembly, applying the principle 13032
stated in division (B) of section 1.52 of the Revised Code that 13033
amendments are to be harmonized if reasonably capable of 13034
simultaneous operation, finds that the following sections, 13035
presented in this act as composites of the sections as amended 13036
by the acts indicated, are the resulting versions of the 13037
sections in effect prior to the effective date of the sections 13038
as presented in this act: 13039

Section 111.16 of the Revised Code as amended by both Sub. 13040
H.B. 31 and Sub. H.B. 133 of the 132nd General Assembly. 13041

Section 135.35 of the Revised Code as amended by Am. Sub. 13042
H.B. 49, Sub. H.B. 251, and S.B. 163, all of the 132 General 13043
Assembly. 13044

Section 3345.203 of the Revised Code as amended by both 13045
Am. Sub. H.B. 384 and Sub. S.B. 3 of the 131st General Assembly. 13046