



Ohio Revised Code

Section 122.18 Annual payments to landlord for projects creating new jobs.

Effective: June 30, 2005

Legislation: House Bill 66 - 126th General Assembly

(A) As used in this section:

(1) "Facility" means all real property and interests in real property owned by either of the following:

(a) A landlord and leased to a tenant pursuant to a project that is the subject of an agreement under this section;

(b) The United States or any department, agency, or instrumentality of the United States.

(2) "Full-time employee" has the same meaning as under section 122.17 of the Revised Code.

(3) "Landlord" means a county or municipal corporation, or a corporate entity that is an instrumentality of a county or municipal corporation and that is not subject to the tax imposed by section 5733.06 or 5747.02 of the Revised Code.

(4) "New employee" means a full-time employee first employed by, or under or pursuant to a contract with, the tenant in the project that is the subject of the agreement after a landlord enters into an agreement with the tax credit authority under this section.

(5) "New income tax revenue" means the total amount withheld under section 5747.06 of the Revised Code by the tenant or tenants at a facility during a year from the compensation of new employees for the tax levied under Chapter 5747. of the Revised Code.

(6) "Retained income tax revenue" means the total amount withheld under section 5747.06 of the Revised Code from employees retained at an existing facility recommended for closure to the base realignment and closure commission in the United States department of defense.

(7) "Tenant" means the United States, any department, agency, or instrumentality of the United



States, or any person under contract with the United States or any department, agency, or instrumentality of the United States.

(B) The tax credit authority may enter into an agreement with a landlord under which an annual payment equal to the new income tax revenue or retained income tax revenue, as applicable, or the amount called for under division (D)(3) or (4) of this section shall be made to the landlord from moneys of this state that were not raised by taxation, and shall be credited by the landlord to the rental owing from the tenant to the landlord for a facility.

(C) A landlord that proposes a project to create new jobs in this state or retain jobs in this state at an existing facility recommended for closure or realignment to the base realignment and closure commission in the United States department of defense may apply to the tax credit authority to enter into an agreement for annual payments under this section. The director of development shall prescribe the form of the application. After receipt of an application, the authority may enter into an agreement with the landlord for annual payments under this section if it determines all of the following:

(1) The project will create new jobs in this state or retain jobs at a facility recommended for closure or realignment to the base realignment and closure commission in the United States department of defense.

(2) The project is economically sound and will benefit the people of this state by increasing opportunities for employment and strengthening the economy of this state.

(3) Receiving the annual payments will be a major factor in the decision of the landlord and tenant to go forward with the project.

(D) An agreement with a landlord for annual payments shall include all of the following:

(1) A description of the project that is the subject of the agreement;

(2) The term of the agreement, which shall not exceed twenty years;



(3) Based on the estimated new income tax revenue or retained income tax revenue, as applicable, to be derived from the facility at the time the agreement is entered into, provision for a guaranteed payment to the landlord commencing with the issuance by the landlord of any bonds or other forms of financing for the construction of the facility and continuing for the term approved by the authority;

(4) Provision for offsets to this state of the annual payment in years in which such annual payment is greater than the guaranteed payment of amounts previously paid by this state to the landlord in excess of the new income tax revenue or retained income tax revenue, as applicable, by reason of the guaranteed payment;

(5) A specific method for determining how many new employees are employed during a year;

(6) A requirement that the landlord annually shall obtain from the tenant and report to the director of development the number of new employees and the new income tax revenue withheld in connection with the new employees, or the number of retained employees and the retained income tax revenue withheld in connection with the retained employees, as applicable, and any other information the director needs to perform the director's duties under this section;

(7) A requirement that the director of development annually shall verify the amounts reported under division (D)(6) of this section, and after doing so shall issue a certificate to the landlord stating that the amounts have been verified.

(E) The director of development, in accordance with Chapter 119. of the Revised Code, shall adopt rules necessary to implement this section.