



Ohio Revised Code

Section 3314.074 Distributing assets of school permanently closed.

Effective: February 1, 2016

Legislation: House Bill 2 - 131st General Assembly

Divisions (A) and (B) of this section apply only to the extent permitted under Chapter 1702. of the Revised Code.

(A) If any community school established under this chapter permanently closes and ceases its operation as a community school, the assets of that school shall be distributed first to the retirement funds of employees of the school, employees of the school, and private creditors who are owed compensation, and then any remaining funds shall be paid to the department of education for redistribution to the school districts in which the students who were enrolled in the school at the time it ceased operation were entitled to attend school under section 3313.64 or 3313.65 of the Revised Code. The amount distributed to each school district shall be proportional to the district's share of the total enrollment in the community school.

(B) If a community school closes and ceases to operate as a community school and the school has received computer hardware or software from the former Ohio SchoolNet commission or the former eTech Ohio commission, such hardware or software shall be turned over to the department of education, which shall redistribute the hardware and software, to the extent such redistribution is possible, to school districts in conformance with the provisions of the programs as they were operated and administered by the former eTech Ohio commission.

(C) If the assets of the school are insufficient to pay all persons or entities to whom compensation is owed, the prioritization of the distribution of the assets to individual persons or entities within each class of payees may be determined by decree of a court in accordance with this section and Chapter 1702. of the Revised Code.

(D) A community school that engages in a merger or consolidation pursuant to division (B) of section 1702.41 of the Revised Code and becomes a single public benefit corporation shall not be required to distribute assets pursuant to divisions (A), (B), and (C) of this section, provided that the governing authority of the community school created by the merger or consolidation enters into a



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contract for sponsorship under section 3314.03 of the Revised Code with an entity rated "effective" or higher by the department of education pursuant to section 3314.016 of the Revised Code.