



Ohio Revised Code

Section 5709.68 Report on all agreements in effect.

Effective: September 29, 2017

Legislation: House Bill 49 - 132nd General Assembly

(A) On or before the thirty-first day of March each year, a municipal corporation or county that has entered into an agreement with an enterprise under section 5709.62, 5709.63, or 5709.632 of the Revised Code shall submit to the director of development services and the board of education of each school district of which a municipal corporation or township to which such an agreement applies is a part a report on all of those agreements in effect during the preceding calendar year. The report shall include all of the following information:

(1) The designation, assigned by the director of development services, of each urban jobs and enterprise zone within the municipal corporation or county, the date each zone was certified, the name of each municipal corporation or township within each zone, and the total population of each zone according to the most recent data available;

(2) The number of enterprises that are subject to those agreements and the number of full-time employees subject to those agreements within each zone, each according to the most recent data available and identified and categorized by the appropriate standard industrial code, and the rate of unemployment in the municipal corporation or county in which the zone is located for each year since each zone was certified;

(3) The number of agreements approved and executed during the calendar year for which the report is submitted, the total number of agreements in effect on the thirty-first day of December of the preceding calendar year, the number of agreements that expired during the calendar year for which the report is submitted, and the number of agreements scheduled to expire during the calendar year in which the report is submitted. For each agreement that expired during the calendar year for which the report is submitted, the municipal corporation or county shall include the amount of taxes exempted and the estimated dollar value of any other incentives provided under the agreement.

(4) The number of agreements receiving compliance reviews by the tax incentive review council in the municipal corporation or county during the calendar year for which the report is submitted,



including all of the following information:

- (a) The number of agreements the terms of which an enterprise has complied with, indicating separately for each agreement the value of the real and personal property exempted pursuant to the agreement and a comparison of the stipulated and actual schedules for hiring new employees, for retaining existing employees, for the amount of payroll of the enterprise attributable to these employees, and for investing in establishing, expanding, renovating, or occupying a facility;
- (b) The number of agreements the terms of which an enterprise has failed to comply with, indicating separately for each agreement the value of the real and personal property exempted pursuant to the agreement and a comparison of the stipulated and actual schedules for hiring new employees, for retaining existing employees, for the amount of payroll of the enterprise attributable to these employees, and for investing in establishing, expanding, renovating, or occupying a facility;
- (c) The number of agreements about which the tax incentive review council made recommendations to the legislative authority of the municipal corporation or county, and the number of those recommendations that have not been followed;
- (d) The number of agreements rescinded during the calendar year for which the report is submitted.
- (5) The number of enterprises that are subject to agreements that expanded within each zone, including the number of new employees hired and existing employees retained by each enterprise, and the number of new enterprises that are subject to agreements and that established within each zone, including the number of new employees hired by each enterprise;
- (6)(a) The number of enterprises that are subject to agreements and that closed or reduced employment at any place of business within the state for the primary purpose of establishing, expanding, renovating, or occupying a facility, indicating separately for each enterprise the political subdivision in which the enterprise closed or reduced employment at a place of business and the number of full-time employees transferred and retained by each such place of business;
- (b) The number of enterprises that are subject to agreements and that closed or reduced employment at any place of business outside the state for the primary purpose of establishing, expanding,



renovating, or occupying a facility.

(7) For each agreement in effect during any part of the preceding year, the number of employees employed by the enterprise at the project site immediately prior to formal approval of the agreement, the number of employees employed by the enterprise at the project site on the thirty-first day of December of the preceding year, the payroll of the enterprise for the preceding year, the amount of taxes paid on tangible personal property situated at the project site and the amount of those taxes that were not paid because of the exemption granted under the agreement, and the amount of taxes paid on real property constituting the project site and the amount of those taxes that were not paid because of the exemption granted under the agreement. If an agreement was entered into under section 5709.632 of the Revised Code with an enterprise described in division (B)(2) of that section, the report shall include the number of employee positions at all of the enterprise's locations in this state. If an agreement is conditioned on a waiver issued under division (B) of section 5709.633 of the Revised Code on the basis of the circumstance described in division (B)(3)(a) or (b) of that section, the report shall include the number of employees at the facilities referred to in division (B)(3)(a)(i) or (b)(i) of that section, respectively.

(B) Upon the failure of a municipal corporation or county to comply with division (A) of this section:

(1) Beginning on the first day of April of the calendar year in which the municipal corporation or county fails to comply with that division, the municipal corporation or county shall not enter into any agreements with an enterprise under section 5709.62, 5709.63, or 5709.632 of the Revised Code until the municipal corporation or county has complied with division (A) of this section.

(2) On the first day of each ensuing calendar month until the municipal corporation or county complies with division (A) of this section, the director of development services shall either order the proper county auditor to deduct from the next succeeding payment of taxes to the municipal corporation or county under section 321.31, 321.32, 321.33, or 321.34 of the Revised Code an amount equal to one thousand dollars for each calendar month the municipal corporation or county fails to comply with that division, or order the county auditor to deduct that amount from the next succeeding payment to the municipal corporation or county from the undivided local government fund under section 5747.51 of the Revised Code. At the time such a payment is made, the county



auditor shall comply with the director's order by issuing a warrant, drawn on the fund from which the money would have been paid, to the director of development services, who shall deposit the warrant into the state enterprise zone program administration fund created in division (C) of this section.

(C) The director, by rule, shall establish the state's application fee for applications submitted to a municipal corporation or county to enter into an agreement under section 5709.62, 5709.63, or 5709.632 of the Revised Code. In establishing the amount of the fee, the director shall consider the state's cost of administering the enterprise zone program, including the cost of reviewing the reports required under division (A) of this section. The director may change the amount of the fee at the times and in the increments the director considers necessary. Any municipal corporation or county that receives an application shall collect the application fee and remit the fee for deposit in the state treasury to the credit of the tax incentives operating fund created in section 122.174 of the Revised Code.

(D) On or before the thirtieth day of June each year, the director of development services shall certify to the tax commissioner the information described under division (A)(7) of this section, derived from the reports submitted to the director under this section.

On the basis of the information certified under this division, the tax commissioner annually shall submit a report to the governor, the speaker of the house of representatives, the president of the senate, and the chairpersons of the ways and means committees of the respective houses of the general assembly, indicating for each enterprise zone the amount of state and local taxes that were not required to be paid because of exemptions granted under agreements entered into under section 5709.62, 5709.63, or 5709.632 of the Revised Code and the amount of additional taxes paid from the payroll of new employees.