Executive	As Passed By House

**DEVCD2** Rename agency as Department of Development

R.C. 121.02, 121.03, 122.01, 122.011, 122.60, 122.601, 122.603, 149.311, 166.01, 166.03, 174.01, 174.02, 184.01, 1551.01, 1551.33, 1551.35, Section 518.20, Repealed: R.C. 184.011, 3735.01, and 5701.15

Changes the name of the Development Services Agency and Director of Development Services back to the Department of Development and Director of Development, respectively.

R.C. 121.02, 121.03, 122.01, 122.011, 122.60, 122.601, 122.603, 149.311, 166.01, 166.03, 174.01, 174.02, 184.01, 1551.01, 1551.33, 1551.35, Section 518.20, Repealed: R.C. 184.011, 3735.01, and 5701.15

Same as the Executive.

Fiscal effect: None. Fiscal effect: Same as the Executive.

DEVCD4 Transfer of Equal Employment Opportunity Division from DAS to DEV

R.C. 121.07, 122.92, with conforming changes in numerous other RC sections; Sections 518.10-518.16

Transfers responsibility for administering the Minority Business Enterprise Program, the Encouraging Diversity, Growth, and Equity (EDGE) Program, the Women-Owned Business Enterprise Program, and the Veteran-Friendly Business Enterprise Program to the Director of Development and the Department of Development (DEV), rather than the Director of Administrative Services (DAS) and the Equal Opportunity Employment Coordinator within DAS.

Transfers the administration of these function effective July 1, 2021. Specifies that business related to these functions ongoing as of this date be completed by DEV in the same manner and with the same effect as being done by DAS. Provides for the continuation of DAS rules for these programs under DEV until modified or rescinded by the latter agency. Specifies that no judicial or administrative matter related to these programs pending on the transfer date is affected by the transfer of these programs from DAS to DEV.

R.C. 121.07, 122.92, with conforming changes in numerous other RC sections; Sections 518.10-518.16

Same as the Executive.

to DEV.

encumbrances. Specifies that all records, documents, files,

equipment, assets, and other materials are transferred from DAS

**Department of Development** 

Personnel Board of Review.

DAS to DEV.

Executive

Department of Development	Main Operating Appropriations Bill H.B. 110
Executive	As Passed By House
Requires the Director of the Legislative Service Commission to renumber the rules pertaining to the programs to move them from DAS to DEV.	Same as the Executive.
No provision.	Requires DEV, on September 1, 2023, and with the cooperation of DAS, to submit a report to the General Assembly and Governor regarding the effect of the transfer of these business certification programs from DAS to DEV and requires the report to include data comparing the efficiency of the two departments in administering the program on all of the following if available: (1) the number of businesses certified by DSA as compared to before by DAS, (2) the length of time required for DEV to process certifications compared to DAS, and (3) the number of complaints received from applicants regarding the certification process under DEV versus under DAS. Requires the report to also contain information about the transfer of employees to DEV from DAS.
Fiscal effect: Increases costs to the Minority Business Development Division within DEV for overseeing these additional programs, and simultaneously reduces costs for DAS. The executive provides funding for these purposes under GRF appropriation item 195405, Minority Business Development.	Fiscal effect: Same as the Executive with some additional administrative cost for preparing the report regarding the effect of transferring the business certification programs from DAS to DEV.
DEVCD40 Ohio Residential Broadband Expansion Grant Program	
	R.C. 122.401, 122.40, 122.403 through 122.4077; 133.13, 188.01 through 188.30; 303.251, 505.881, and 727.01; 4926.01 through 4926.60
No provision.	Does the following to address broadband expansion and infrastructure (these provisions are identical to those in H.B. 2 of the 134th G.A., As Passed by the House. See the LSC Bill Analysis for more details of these provisions at https://www.legislature.ohio.gov/legislation/legislation-documents?id=GA134-HB-2).

(7) No provision.

and townships of the county.

(7) Permits a challenging provider to challenge, in writing, all or part of a completed application for a program grant not later than 65 days (or longer if an extension is granted) after the close

pole facilities through pole attachments.

epartment of Development	Main Operating Appropriations B H.B. 1
Executive	As Passed By House
	Fiscal effect: The bill appropriates \$170.0 million in FY 2022 and \$20.0 million in FY 2023 under DPF Ohio Residential Broadband Expansion Grant Program Fund (Fund 5XU0) line item 195567, Residential Broadband Expansion Grants, to awards grants under the Ohio Residential Broadband Expansion Grant Program. See also DEVCD41 and OBMCD39.
DEVCD3 Minority Development Financing Advisory Board authority	
R.C. 122.72, 122.73, 122.74, 122.78, 122.79, 122.82	R.C. 122.72, 122.73, 122.74, 122.78, 122.79, 122.82
Clarifies, by modifying several cross-references, that the responsibility for oversight of the diesel emissions reduction grant program and the motion picture and theatre tax credit and several other tax credits rests with the Director of Development, and not the Minority Development Financing Advisory Board.	Same as the Executive.
Fiscal effect: None.	Fiscal effect: Same as the Executive.
DEVCD5 Coal Research and Development Program	
Section: 259.20	Section: 259.20
Requires GRF appropriation item 195402, Coal Research and Development Program, to be used for the operating expenses of the Community Services Division in support of the Ohio Coal Development Office.	Same as the Executive.
DEVCD6 Minority Business Development	
Section: 259.20	Section: 259.20
Requires GRF appropriation item 195405, Minority Business Development, to support the activities of the Minority Business Development Division, including providing grants to local nonprofit organizations to support economic development activities that promote minority business development, in conjunction with local organizations funded through GRF appropriation item 195454, Small Business and Export Assistance.	Same as the Executive.

**LSC** | 6

Office of Research and Drafting

**Legislative Budget Office** 

**DEVCD7** Business Development Services

Section: 259.20 Section:

Requires GRF appropriation item 195415, Business Development Services, to be used for the operating expenses of the Office of Strategic Business Investments and the regional economic development offices.

Earmarks \$1,800,000 in each of FY 2022 and FY 2023 for

Development Projects, Inc. for various Department of Defenseand aerospace industry-related workforce economic

Same a

Same as the Executive.

Same as the Executive.

259.20

**DEVCD8** Redevelopment Assistance

development activities.

Section: 259.20 Section: 259.20

Requires GRF appropriation item 195426, Redevelopment Assistance, to be used to fund the costs of administering energy, redevelopment, and other revitalization programs that DEV may implement, and allows the line item to be used to match federal grant funding.

Same as the Executive.

**DEVCD9** Technology Programs and Grants

Section: 259.20 Section: 259.20

Requires GRF appropriation item 195453, Technology Programs and Grants, to be used for operating expenses incurred in administering the Ohio Third Frontier Programs and other technology focused programs that DEV may implement.

**DEVCD10** Small Business and Export Assistance

**Section: 259.20** 

Allows GRF appropriation item 195454, Small Business and Export Assistance, to be used to provide a range of business assistance, including grants to local organizations to support economic development activities that promote small business development, entrepreneurship, and exports of Ohio's goods and services, in conjunction with local organizations funded through GRF line item 195405, Minority Business Development.

Allows the line item to also be used to match grants from the U.S. Small Business Administration and other federal agencies.

Section: 259.20

Same as the Executive.

Same as the Executive.

**DEVCD11** Appalachia Assistance

Section: 259.20

- (1) Allows GRF appropriation item 195455, Appalachia Assistance, to be used for (A) the administrative costs of planning and liaison activities for the Governor's Office of Appalachia; (B) financial assistance to projects in Ohio's Appalachian counties; (C) support of the four local development districts; (D) payment of dues for the Appalachian Regional Commission; and (E) match of federal funding received from the Appalachian Regional Commission.
- (2) Requires that programs funded through the appropriation item be identified and recommended by the local development districts and approved by the Governor's Office of Appalachia.
- (3) Requires DEV to conduct compliance and regulatory review of the programs recommended by the local development districts, and allows moneys allocated under the appropriation item to be used to fund projects including, but not limited to, those designated by the local development districts as community investment and rapid response projects.

**Section: 259.20** 

- (2) Same as the Executive.
- (3) Same as the Executive.

#### **Executive**

# As Passed By House

(4) Earmarks the following amounts from the line item to support four local development districts in each fiscal year: (A) \$170,000 to Ohio Valley Regional Development Commission, (B) \$170,000 to Ohio Mid-Eastern Government Association, (C) \$170,000 to Buckeye Hills - Hocking Valley Regional Development District, and (D) \$70,000 to Eastgate Regional Council of Governments. Requires the districts receiving this funding to use the funds for the implementation and administration of programs and duties under RC 107.21.

(4) Same as the Executive, but increases the earmark under (D) for Eastgate Regional Council of Governments from \$70,000 to \$170,000.

## **DEVCD12** CDBG Operating Match

Section: 259.20

Requires GRF appropriation item 195497, CDBG Operating Match, to be used as matching state funds for federal assistance received from the U.S. Department of Housing and Urban Development according to the requirements of the Community Development Block Grant Program.

Section: 259.20

Same as the Executive.

## **DEVCD13** BSD Federal Programs Match

**Section: 259.20** 

Requires GRF appropriation item 195499, BSD Federal Programs Match, to be used as matching state funds for grants from the U.S. Department of Commerce, National Institute of Standards and Technology (NIST) Manufacturing Extension Partnership Program and Defense Logistics Agency Procurement Technical Assistance Program, and other federal agencies. Allows the appropriation item to be used for operating expenses of the Business Services Division.

**Section: 259.20** 

pilot program.

organizations. Requires the program to prioritize the demolition

of blighted or nuisance buildings as described in (8) above.

epartment of Development	Main Operating Appropriations I H.B. 1
Executive	As Passed By House
(10) No provision.	(10) \$50,000 in FY 2022 to the Adams County Community Foundation.
(11) No provision.	(11) \$100,000 in FY 2022 to Medina County Board of Commissioners to support the financing of a homeless shelter.
DEVCD38 Ohio-Israel Agricultural Initiative	
	Section: 259.20
No provision.	Requires GRF appropriation item 195537, Ohio-Israel Agricultural Initiative, to be used for the Ohio-Israel Agricultural Initiative and prohibits the appropriation from being used for travel and entertainment expenses incurred under the initiative.
DEVCD15 Industry Sector Partnerships	
Section: 259.20	Section: 259.20
Requires GRF appropriation item 195553, Industry Sector Partnerships, to be used for the grant program described in R.C. 122.179.	Same as the Executive, except requires the remainder of GRF appropriation item 195553 to be used for the grant program.
Reappropriates the unexpended, unencumbered balance of the appropriation in FY 2022 for the same purpose in FY 2023.	Same as the Executive.
No provision.	Earmarks, notwithstanding R.C. 122.179, \$46,250 in each fiscal year under GRF appropriation item 195553, Industry Sector Partnerships, for Jewish Vocational Service of Cincinnati to support workforce development costs involved with assisting in employment services for the financially indigent.
DEVCD47 TechCred Program	
	Section: 259.20
No provision.	Requires GRF appropriation item 195556, TechCred Program, to be used for the TechCred Program under R.C. 122.178.

Requires GRF appropriation item 195651, Residential Broadband Same as the Executive. Expansion Grants, to be used for grants to expand broadband service.

Allows up to \$2,000,000 in the biennium under the line item to be used for a statewide initiative to support providing behavioral health in schools through telehealth.

Executive	As Passed By House

## **DEVCD17** General Obligation bond debt service payments

Section: 259.25

- (1) Requires GRF appropriation item 195901, Coal Research and Development General Obligation Bond Debt Service, to be used to pay all debt service and related financing costs in FY 2022 and FY 2023 for obligations issued to fund the Coal Research and Development Program.
- (2) Requires GRF appropriation item 195905, Third Frontier Research and Development General Obligation Bond Debt Service, to be used to pay all debt service and related financing costs in FY 2022 and FY 2023 for obligations issued to fund the Third Frontier Program.
- (3) Requires GRF appropriation item 195912, Job Ready Site Development General Obligation Bond Debt Service, to be used to pay all debt service and related financing costs in FY 2022 and FY 2023 for obligations issued to fund the Job Ready Site Program.

Section: 259.25

(1) Same as the Executive.

(2) Same as the Executive.

(3) Same as the Executive.

# **DEVCD18** Minority Business Bonding Fund

Section: 259.30

- (1) Permits the DEV Director, upon the recommendation of the Minority Development Financing Advisory Board, to pledge up to \$10.0 million in unclaimed funds in the FY 2022-FY 2023 biennium allocated to the Minority Business Bonding Program.
- (2) Permits any transfer of unclaimed funds from the Unclaimed Funds Trust Fund (Fund 5430) to the Minority Bonding Fund (Fund 4490), but specifies that the transfer shall only occur after proceeds of the initial transfer of \$2.7 million authorized by the Controlling Board have been used for that purpose.

Section: 259.30

- (1) Same as the Executive.
- (2) Same as the Executive.

## **DEVCD22** Advanced Energy Loan Programs

**Section: 259.30** 

Requires Fund 5M50 appropriation item 195660, Advanced Energy Loan Programs, to be used to provide financial assistance to customers for eligible advanced energy projects for residential, commercial, and industrial businesses; local governments; educational institutions; nonprofits; and agriculture customers. Allows the line item to be used to match federal grant funding and to pay administrative costs of the program.

### Section: 259.30

Same as the Executive.

#### **DEVCD23** MBD Financial Assistance Fund

**Section: 259.30** 

Creates the MBD Financial Assistance Fund (Fund 5XHO) and permits the OBM Director on July 1, 2021, or as soon as possible thereafter, to transfer \$20,000,000 cash from the State Small Business Credit Initiative Fund (Fund 3FJO) to Fund 5XHO.

Requires Fund 5XHO appropriation item 195694, Micro-Enterprise Loan, to be used to operate the Minority Business Microloan Program.

Requires Fund 5XHO appropriation item 195632, Women-Owned Business Loan, to be used to operate the Women-Owned Business Loan Program.

**Section: 259.30** 

Same as the Executive.

Same as the Executive.

Same as the Executive.

#### **DEVCD42** Entertainment Venues

No provision.

**Section: 259.30** 

Requires Fund 5XM0 appropriation item 195608, Entertainment Venues, to be used for grants to entertainment venues impacted by the COVID-19 pandemic.

epartment of Development	Main Operating Appropriations I H.B. 1
Executive	As Passed By House
No provision.	Requires grants to be awarded in amounts of \$10,000, \$20,000, and \$30,000 and awarded based on factors such as demonstrated loss of revenue due to canceled events or performances.
DEVCD43 Bar and Restaurant Assistance	
	Section: 259.30
No provision.	Requires Fund 5XM0 appropriation item 195677, Bar and Restaurant Assistance, to be used for grants to bars and restaurants that have been impacted by the COVID-19 pandemic.
No provision.	Requires grants to be awarded in amounts of \$10,000, \$20,000, and \$30,000 and awarded based on factors such as demonstrated loss of revenue and the number of employees that eligible bars and restaurants employ.
DEVCD44 Lodging Industry Grants	
	Section: 259.30
No provision.	Requires Fund 5XM0 appropriation item 195685, Lodging Industry Grants, to be used for grants to lodging industry businesses impacted by the COVID-19 pandemic.
No provision.	Requires grants to be awarded in amounts of \$10,000, \$20,000, and \$30,000 and awarded based on factors such as a demonstrated loss of revenue and occupancy rates.
DEVCD45 New Business Relief Grant	
	Section: 259.30
No provision.	Requires Fund 5XM0 appropriation item 195697, New Business Relief Grant, to be used for relief grants of \$10,000 for new businesses in this state opening after January 1, 2020.

**DEVCD25** Supportive Services Fund

**Section: 259.40** 

Permits the OBM Director on July 1, 2021 and July 1, 2022, or as soon as possible thereafter, to transfer up to \$2,000,000 from the State Special Projects Fund (Fund 4F20) to the Supportive Services Fund (Fund 1350).

**Section: 259.40** 

Same as the Executive.

**DEVCD26** Development Services Operations

**Section: 259.40** 

Authorizes the Director of Development Services to assess DEV's divisions for the costs of central service operations, requires assessments to contain the characteristics of administrative ease and uniform application, and requires such payments to be credited to the Supportive Services Fund (Fund 1350) using an intrastate transfer youcher.

Section: 259.40

Same as the Executive.

**DEVCD27** Development Services Reimbursable Expenditures

Section: 259.40

Requires Fund 6850 appropriation item 195636, Development Services Reimbursable Expenditures, to be used for reimbursable costs. Specifies that revenues to the General Reimbursement Fund (Fund 6850) consist of moneys charged for administrative costs that are not central service costs and repayment of loans, including the interest thereon, made from the Water and Sewer Fund (Fund 4440).

**Section: 259.40** 

**DEVCD28** Capital Access Loan Program

**Section: 259.50** 

Requires Fund 5S90 appropriation item 195628, Capital Access Loan Program, to be used for operating, program, and administrative expenses of the Capital Access Loan Program, and requires program funds to be used to assist participating financial institutions in making program loans to eligible businesses that face barriers in accessing working capital and obtaining fixed-asset financing.

Allows the OBM Director, with Controlling Board approval, to transfer of up to \$2,000,000 cash in each fiscal year from the Minority Business Enterprise Loan Fund (Fund 4W10) to the Capital Access Loan Fund (Fund 5S90).

**Section: 259.50** 

Same as the Executive.

Same as the Executive.

**DEVCD29** Innovation Ohio

Section: 259.50

Requires Fund 7009 appropriation item 195664, Innovation Ohio, to be used for Innovation Ohio Program loan guarantees and loans pursuant to RC 166.12 to 166.16.

**Section: 259.50** 

Same as the Executive.

**DEVCD30** Research and Development

Section: 259.50

Requires Fund 7010 appropriation item 195665, Research and Development, to be used for research and development purposes, including loans, pursuant to RC 166.17 to 166.21.

Section: 259.50

oparament of zeveropinone	H.B. 110
Executive	As Passed By House
DEVCD31 Facilities Establishment	
Section: 259.50	Section: 259.50
(1) Specifies that Fund 7037 appropriation item 195615, Facilities Establishment, be used for the purposes of the Facilities Establishment Fund (Fund 7037) under Chapter 166. of the Revised Code.	(1) Same as the Executive.
(2) Permits the Controlling Board, notwithstanding R.C. 127.14 and R.C. 131.35, in the FY 2022-FY 2023 biennium to authorize expenditures, in excess of the amount appropriated under Fund 7037 for purposes consistent with Chapter 166. of the Revised Code. Appropriates the authorized amounts.	(2) Same as the Executive.
(3) Allows the transfer of cash, with Controlling Board approval, from Fund 7037, in the following amounts:	(3) Same as the Executive, but also makes the following change:
Up to \$3,500,000 cash in each fiscal year to the Business Assistance Fund (Fund 4510).	Same as the Executive.
Up to \$2,000,000 cash in each fiscal year to the Capital Access Loan Fund (Fund 5S90)	Same as the Executive.
Up to \$5,000,000 cash in each fiscal year to the Minority Business Enterprise Loan Fund (Fund 4W10)	Same as the Executive.
No provision.	\$8,000,000 cash in FY 2022 to the Rural Industrial Park Loan Fund (Fund 4Z60).
DEVCD32 Third Frontier Operating Costs	
Section: 259.60	Section: 259.60
Requires appropriation items 195686 and 195620 to be used for Third Frontier Program operating expenses under RC 184.10 to 184.20.	Same as the Executive.
Restricts expenses paid from line item 195686 to costs related to the administration of projects funded from the Third Frontier	Same as the Executive.

Research and Development Fund (Fund 7011), and expenses paid from line item 195620 to costs related the administration of projects funded from the Third Frontier Research & Development Taxable Bond Project Fund (Fund 7014).

## DEVCD33 Third Frontier Program funding for research and development projects

Section: 259.60 Section: 259.60

Requires appropriation items 195687 and 195692 to be used to fund selected projects, which may include the internship programs. Specifies that eligible costs are the costs of the projects to which the Third Frontier Research and Development Fund (Fund 7011) and the Research and Development Taxable Bond Project Fund (Fund 7014) are to be applied.

Same as the Executive.

## **DEVCD34** Transfers of appropriations supporting the Third Frontier Program

Section: 259.60 Section: 259.60

Permits OBM to approve written requests from DEV for the transfer of appropriations between appropriation items 195687 and 195692 based upon Third Frontier Program awards recommended by the Third Frontier Commission.

Authorizes DEV to request that OBM reappropriate any unexpended, unencumbered balance of the FY 2022 appropriations to line items 195687 and 195692 for the same purposes in FY 2023. Allows OBM to request additional information to evaluate the requests before making the cash transfers. Reappropriates the cash transfer amounts approved by OBM in FY 2023.

Same as the Executive.

**DEVCD35** HEAP Weatherization

Section: 259.70

Allows up to 25% of the federal funds credited to the Home Energy Assistance Block Grant Fund (Fund 3K90) to be spent from appropriation item 195614, HEAP Weatherization, to be used to provide home weatherization services as determined by DEV.

**Section: 259.70** 

Same as the Executive.

**DEVCD36** Ohio Incumbent Workforce Job Training Fund

**Section: 259.80** 

Requires the DEV Director, in consultation with the Treasurer of State, on July 1, 2021, or as soon as possible thereafter, to certify to the OBM Director the amount of bond proceeds collected under Chapter 3366. of the Revised Code in the semiannual period beginning January 1, 2021, and ending June 30, 2021.

Requires the OBM Director to transfer the amount of cash equal to the certified amount from the fund designated by the Treasurer of State to receive the bond proceeds to the Ohio Incumbent Workforce Job Training Fund (Fund 5HRO).

**Section: 259.80** 

Same as the Executive.

	п.р. 1
Executive	As Passed By House
AUDCD10 Compliance with terms of state economic development awards	
	R.C. 117.55, 125.112
No provision.	Transfers to the Auditor of State, from the Attorney General under current law, the duty to determine if an entity is in compliance with the terms and conditions of a state award for economic development.
No provision.	Requires the Department of Development (DEV), not later than 30 days after the end of the state fiscal year, to send the Auditor of State a list of state awards for economic development.
No provision.	Requires the Auditor of State to review each award and determine if an entity is in compliance with the terms and conditions of the award received by that entity and publish a report of its review within 90 days after receiving the list of awards from DEV.
No provision.	Requires the Auditor of State to report to the Attorney General that an award recipient is not in compliance with a performance metric specified in the terms and conditions of the award.
No provision.	Modifies the Attorney General's authority to pursue remedies and recoveries, available under current law, against and from a non-compliant entity by permitting, rather than requiring such actions, when the Attorney General determines appropriate and to the extent of the non-compliance.
No provision.	Requires, if the Auditor of State is authorized to conduct an audit of an entity that has received an award, that the audit be conducted in accordance with the Auditor of State law.
	Fiscal effect: The administrative costs for determine an entity's compliance with terms and conditions of state economic development incentives will shift from Attorney General to the

**Auditor of State.** 

epartment of Development	Main Operating Appropriations Bil H.B. 110
Executive	As Passed By House
OBMCD38 General Revenue Fund transfer to Tourism Ohio Fund	
Section: 512.10	Section: 512.10
Authorizes the Director of OBM, on July 1, 2021 or as soon as possible thereafter, to transfer up to \$20,000,000 cash from the GRF to the Tourism Ohio Fund (Fund 5MJ0).	Same as the Executive.
OBMCD49 GRF transfer to Meat Processing Investment Program Fund	
	Section: 512.100
No provision.	Creates the Meat Processing Investment Program Fund (Fund 5XX0) in the state treasury and requires the Director of OBM, on July 1, 2021, or as soon as possible thereafter, to transfer \$10,000,000 cash from the GRF to Fund 5XX0.

## **Other Education Provisions**

EDUCD87 STEM schools - STEM Committee membership, grants, and recommendations

R.C. 3326.02, 3326.03, 3326.05 (Repealed)

Permits the Superintendent of Public Instruction, the Chancellor of Higher Education, and the Director of Development to appoint designees to participate in STEM Committee business on their behalf.

Repeals the requirement that the STEM Committee award grants to STEM schools.

Repeals the authority for the STEM Committee to make recommendations to the General Assembly and the Governor for the training of STEM educators.

R.C. 3326.02, 3326.03, 3326.05 (Repealed)

Same as the Executive.

Same as the Executive.

Same as the Executive.

Fiscal effect: None. Fiscal effect: Same as the Executive.

As Passed By House

# Personal Income Tax

Executive

TAXCD53 Venture capital gains income tax deduction

No provision.

No provision.

No provision.

## R.C. 5747.01, 122.851, 5703.21

Authorizes an income tax deduction, for taxable years beginning in and after 2026, for all or a portion of capital gains received by investors in certain Ohio-based "venture capital operating companies" (VCOCs) certified by the Director of Development.

Requires that a VCOC, in order to qualify for certification, must manage, or have capital commitments of, at least \$50 million in active assets and must have residents of Ohio constitute at least two-thirds of its managing and general partners. Limits deductibility of gains to those that occur during the period for which the company is certified as an Ohio VCOC.

Provides that the deduction equals 100% of the capital gain received by the taxpayer in the taxable year from a qualifying interest in an Ohio VCOC attributable to the company's investments in Ohio businesses and 50% of the capital gain received by the taxpayer from a qualifying interest in an Ohio VCOC attributable to the company's investments in all other businesses.

Fiscal effect: LBO staff is uncertain about the total amount of capital gains that will be generated by a VCOC after it is certified by the Development Services Agency. However, it is feasible to anticipate an income tax revenue loss of tens of millions per year beginning in FY 2027, albeit with substantial variability in revenue effects from year-to-year.

# **Commercial Activity Tax**

Development).

allotment for an existing income tax credit for investments in smaller businesses. (This credit is issued by the Director of

As Passed By House

Fiscal effect: The JCTC may be claimed against the commercial activity tax (CAT), the petroleum activity tax, the personal income tax, the financial institutions tax, the domestic and foreign insurance taxes, and the corporate franchise tax. The executive anticipates this provision would reduce CAT receipts to the GRF by \$10 million in FY 2023, the earliest expected revenue loss.

## **Property Taxes and Transfer Fees**

TAXCD50 Property tax exemption for qualified energy projects

No provision.

Executive

#### R.C. 5727.75

Extends, by two years, the deadline by which the owner or lessee of a qualified renewable energy project may apply for a property tax exemption.

Fiscal effect: Potential revenue losses to school districts and other political subdivisions, though revenue losses to counties are permissive in certain cases, as explained below. The provision applies to prospective renewable energy (e.g., wind and solar) facilities that will newly obtain the property tax exemption for the two-year period, tax year (TY) 2024-TY 2025. Once a renewable energy project qualifies for this certification, it is exempt from taxation in all ensuing tax years. Since this exemption was originally enacted in 2010, the Ohio **Development Services Agency has certified more than 60** renewable energy projects. The property tax exemption applies to real and tangible personal property used by the energy facility. If the nameplate capacity of a qualified energy project is 20 megawatts (MW) or greater, the local board of county commissioners must approve its tax-exempt status. In return for this approval, the owner or lessee of an energy project must make a payment in lieu of taxes (or "PILOT") ranging between \$6,000 and \$9,000 per each MW of nameplate capacity.