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## DEVELOPMENT SERVICES AGENCY

### Alternative Fuel Transportation Program

- Allows the Director of Development Services, under the Alternative Fuel Transportation Program, to make grants and loans to businesses, nonprofit organizations, public school systems, or local governments to pay fleet conversion costs in addition to the ongoing uses of the funds.
- Specifies that the Alternative Fuel Transportation Fund is also to consist of all money received from the repayment of loans made from the Fund or in the event of a default on any such loan.
- Provides that Program rules must require the recipient of a grant or loan to incur at least 20% of the total cost of the purchase and installation of an alternative fuel refueling or distribution facility or terminal.

### Technology development assistance

- Terminates the Industrial Technology and Enterprise Advisory Council, which was created to:
  - (1) Review applications for, and make final determinations regarding, the issuance of technology investment tax credits; and
  - (2) Make recommendations to the Director as to applications for other industrial technology and enterprise development assistance.
- Eliminates the Technology Investment Tax Credit Program, which was established to benefit Ohio taxpayers who invested in certain research and development or technology-oriented businesses.

### Community Services Division

- Changes the name of the Office of Community Services within the Development Services Agency to the Community Services Division.
- Prohibits a person or government entity from soliciting, releasing, disclosing, receiving, using, or knowingly permitting or participating in the use of any information regarding an individual receiving assistance from a Division program.
- Specifies the circumstances under which the Division, and any entity receiving funds from the Division, must provide information about individual assistance recipients to:



--A government entity;

--A law enforcement agency; or

--A government entity administering a children's protective services program.

- Permits the release of individual assistance recipient information upon written authorization voluntarily given by the recipient and requires the Division, or entity administering a Division program, to provide a copy of each written authorization to the individual who signed it.
- Permits the release of individual assistance recipient information to a state, federal, or federally assisted program that directly provides cash or in-kind assistance or services to individuals based on need.
- Requires the Division, and any entity administering a Division program, to provide access to individual assistance recipient information to:
  - The recipient;
  - The recipient's legal guardian;
  - The recipient's attorney; and
  - The authorized representative of the recipient (as may be defined by the Agency by rule).

### **Other provisions**

- Expands the bribery provision that applies to JobsOhio personnel to also prohibit a JobsOhio director, officer, or employee, either before or after being appointed, qualified, or employed in that capacity, from knowingly soliciting or accepting for self or another person any valuable thing or valuable benefit to corrupt or improperly influence the director, officer, or employee or another JobsOhio director, officer, or employee with respect to the discharge of the particular director's, officer's, or employee's duty.
- Changes the date by which a taxpayer that has entered into an agreement with the Tax Credit Authority on the basis of home-based employees must report the number of employees and home-based employees employed by the employer in Ohio.
- Extends the refundable job retention tax credit to an eligible business whose principal place of business is not located in the same political subdivision as the

capital investment so long as the business maintains a unit or division with at least 4,200 employees at the project site.

- Would have required the Director to utilize the Edison Center Network in issuing grants for research, development, or technology transfer efforts under the Thomas Alva Edison grant program (VETOED).
- Adds, to the purposes for which the Director may lend funds for minority business development, loans for contract financing.
- Changes the local government notification requirement when financial assistance under R.C. Chapter 166. is requested from the Agency for the purpose of relocating a facility currently being operated in another county, municipal corporation, or township.
- Eliminates the Ohio Research Commercialization Grant Program.
- Requires the Director to appoint specified members of the technical advisory committee of the Ohio Coal Development Office rather than the Director of the Office, and provides for transition to the new appointing authority.
- Abolishes the Rapid Outreach Loan Fund.
- Abolishes six dormant funds codified in the Revised Code that are related to Agency activities.

## **Alternative Fuel Transportation Program**

(R.C. 122.075)

The act allows the Director of Development Services, under the Alternative Fuel Transportation Program, to make grants and loans to businesses, nonprofit organizations, public school systems, or local governments to pay fleet conversion costs. This use of the funds is in addition to the ongoing use of the funds for (1) the purchase and installation of alternative fuel refueling or distribution facilities and terminals, (2) the purchase and use of alternative fuel, and (3) paying the costs of educational and promotional materials and activities intended for prospective alternative fuel consumers and fuel marketers.

The act also specifies that the Alternative Fuel Transportation Fund, which is used by the Director to make grants and loans under the Program, is to additionally



consist of all money received from the repayment of those loans or in the event of a default on any of the loans.

### **Costs incurred by grant or loan recipients**

The act provides that, under rules adopted by the Director, the recipient of a grant or loan under the Program must incur at least 20% of the total cost, instead of the prior law requirement of 20% of the total net cost, of the purchase and installation of an alternative fuel refueling or distribution facility or terminal.

### **Technology development assistance**

#### **Industrial Technology and Enterprise Advisory Council**

(R.C. 121.22(E), 122.28, 122.30, 122.31, 122.32, 122.33, 122.34, 122.35, and 122.36; R.C. 122.29, repealed)

The act terminates the Industrial Technology and Enterprise Advisory Council, which was created to (1) review applications for technology investment tax credits and issue final determinations as to their approval or disapproval and (2) review applications for, and make recommendations to the Director regarding, other industrial technology and enterprise development assistance.

#### **Technology Investment Tax Credit Program**

(R.C. 5733.01, 5733.06, 5733.98, and 5747.98(A)(29); R.C. 122.15, 122.151, 122.152, 122.153, 122.154, 5707.05, 5727.41, 5733.35, and 5747.33 (repealed); Section 803.10)

The act eliminates the Technology Investment Tax Credit Program. The Program was established to benefit Ohio taxpayers who invested in certain Ohio entities engaging in a trade or business that primarily involves research and development, technology transfer, bio-technology, information technology, or the application of new technology developed through research and development or acquired through technology transfer. The maximum that could be issued under the Program was \$45 million of tax credits. The act specifies that an investor who is issued a tax credit prior to the repeal of the Program on September 29, 2013, may continue to claim the credit as if the law had not changed.



## Community Services Division

### Office of Community Services name change

(R.C. 122.67; conforming changes in R.C. 122.66, 122.68, 122.69, 122.70, 122.701, and 3313.98)

The act renames the Office of Community Services within the Development Services Agency as the Community Services Division. All of the responsibilities of the Office, including administering federal funds appropriated to Ohio from the federal Community Services Block Grant Act and providing technical assistance to community action agencies, remain ongoing responsibilities of the renamed Division.

### Program assistance confidentiality

(R.C. 122.681 and 1347.08)

The act prohibits (except when required to do so by federal law) a person or government agency from soliciting, releasing, disclosing, receiving, or using any information regarding an individual receiving assistance under a Division program for any purpose that is not directly related to the administration of a program. The act also prohibits knowingly permitting or participating in the use of such information.

### Release of a recipient's information

Under the act, the Division, and any entity that receives Division funds to administer a Division assistance program, must release information regarding an individual assistance recipient to the extent that the release is allowed by federal law. The information must be released to the entities listed below for the following specified purposes:

<b>Entity to Which Individual Assistance Recipients' Information Must Be Released</b>	<b>Purpose for Receiving Information</b>
Government entity responsible for administering the assistance program	For purposes directly related to the program's administration
Law enforcement agency	For the purpose of any investigation, prosecution, or criminal or civil proceeding relating to the assistance program's administration
Government entity responsible for administering a children's protective services program	For the purpose of protecting children



The act permits the Division and any entity administering a Division program to release information about an individual assistance recipient under the following circumstances to the extent permitted by federal law:

- To a state, federal, or federally assisted program that provides cash or in-kind assistance or services directly to individuals based on need;
- If the recipient gives voluntary, written authorization for the release.

With regard to an individual assistance recipient's authorization to release information, the act does not limit such authorized releases or specify to whom they may be made. However, the act requires the Division, or entity administering a Division program, to provide, at no cost, a copy of each written authorization to the individual who signed it.

### **Access to a recipient's information**

Access to information regarding an individual assistance recipient also must be provided to certain individuals to the extent permitted by federal law and Ohio personal information rights law. Under the act, the Division and any entity administering a Division program must provide access to an individual assistance recipient's information to the recipient and the recipient's authorized representative, legal guardian, and attorney. The term "authorized representative" is not defined in the act. However, the act permits the Agency to adopt rules that define who may serve in this capacity for an individual assistance recipient.

### **JobsOhio officials – expansion of bribery provision**

(R.C. 187.10)

The act prohibits any person who is a director, officer, or employee of JobsOhio, either before or after being appointed, qualified, or employed in that capacity, from knowingly soliciting or accepting for self or another person any valuable thing or valuable benefit to corrupt or improperly influence the person or another director, officer, or employee of JobsOhio with respect to the discharge of the person's or the other director's, officer's, or employee's duty. The act specifies that a person who violates this prohibition is guilty of the offense of "bribery," as set forth in preexisting R.C. 2921.02.

Preexisting law, unchanged by the act, prohibits any person, with purpose to corrupt a director, officer, or employee of JobsOhio, from promising, offering, or giving any valuable thing or valuable benefit and specifies that a person who violates this prohibition is guilty of the offense of "bribery."



Preexisting R.C. 2921.02, which is not in the act, prohibits specified acts that constitute the offense of "bribery," a felony of the third degree, and a public servant or party official who is convicted of the offense is forever disqualified from holding any public office, employment, or position of trust in Ohio. "Public servant" does not include an employee, officer, or Governor-appointed member of the board of directors of JobsOhio.<sup>26</sup>

### **Job creation tax credit reporting date for home-based employees**

(R.C. 122.17)

Continuing law allows certain taxpayers, until 2019, to enter into an agreement with the Tax Credit Authority to receive a job creation tax credit for employing home-based employees. Under prior law, on or before January 1 of each year, beginning in 2013, a taxpayer that has entered into such an agreement was required to report to the Agency the number of home-based employees and other employees employed by the taxpayer in Ohio. For years after 2014, the act requires the employee report to be filed on or before March 1 instead of January 1.

### **Eligibility for the refundable job retention tax credit**

(R.C. 122.171; Section 815.10)

The act extends the refundable job retention tax credit to eligible businesses whose principal place of business is not located in the same political subdivision as the capital investment as long as the business maintains a unit or division with at least 4,200 employees at the project site.

Continuing law authorizes the Tax Credit Authority (TCA) to grant job retention tax credits (JRTCs) against the income tax, commercial activities tax, insurance company premiums tax, or financial institutions tax. Qualifying businesses may apply to the TCA and enter into an agreement describing a capital investment project and requiring the business to retain a specified number of full-time equivalent employees or maintain a certain threshold payroll. The agreement also must require that the business maintain operations at the project site for at least the greater of (1) the term of the credit plus three years or (2) seven years. In exchange, the business receives a credit equal to up to 75% of the state income taxes withheld from full-time employees working at the project site for up to 15 years.

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<sup>26</sup> R.C. 2921.01, not in the act.

Generally, JRTCs are nonrefundable, however, between July 1, 2011, and December 31, 2013, the TCA may grant refundable JRTCs to eligible businesses that meet certain additional criteria. Among the additional criteria, the eligible business must have an annual payroll of at least \$20 million and invest at least \$5 million at a project site located within the same political subdivision as that in which the business has its principal place of business. The act eliminates the requirement that the project site be located in the same political subdivision as the business's principal place of business if the business maintains a unit or division with at least 4,200 employees at the project site.

### **Edison grant program use of Edison Center Network (VETOED)**

(R.C. 122.33(C))

The Governor vetoed a provision that would have required the Director to utilize the Edison Center Network in carrying out the goals and objectives of the Thomas Alva Edison grant program. The vetoed provision defines the "Edison Center Network" as the six cooperative research and development facilities in Ohio that (1) receive funding to foster research, development, or technology transfer efforts, (2) are nonprofit organizations, (3) have been in existence for at least 18 years, and (4) have experience in delivering manufacturing extension partnership program services to companies in Ohio.

### **Minority development financing**

(R.C. 122.76)

The act adds, to the purposes for which the Director may lend funds for minority business development, loans for contract financing. Under continuing law, when certain criteria are met, the Director, with Controlling Board approval, may lend funds to the following entities, provided that the loans are for purposes authorized by the relevant statute: minority business enterprises, community improvement corporations, Ohio development corporations, minority contractors business assistance organizations, and minority business supplier development councils. The following purposes are authorized under continuing law: lending funds to minority business enterprises for the purpose of procuring or improving real or personal property, or both, for the establishment, location, or expansion of industrial, distribution, commercial, or research facilities in Ohio, and to community development corporations that predominantly benefit minority business enterprises or are located in a census tract that has a population that is 60% or more minority.

## **Economic development assistance for relocating facilities**

(R.C. 166.04)

The act changes the local government notification requirement that applies when certain financial assistance is requested from the Agency for the purpose of relocating a facility currently being operated in another county, municipal corporation, or township. Under prior law, if a person applied for a loan, loan guarantee, or other assistance under R.C. Chapter 166. to relocate such a facility, the Director was required to provide written notification to (1) the county, and the municipal corporation or township, in which the facility is to be relocated, (2) the county, and the municipal corporation or township, in which the facility to be replaced is located, (3) the state representative and state senator in whose districts the facility is to be relocated, and (4) the state representative and state senator in whose districts the facility to be replaced is located.

Under the act, the person requesting the financial assistance, rather than the Director, is to provide the written notification of the relocation. Notice only has to be given to the local governmental bodies described in (2), above. Prior to providing the financial assistance, the Director must verify that the notice has been so given.

## **Ohio Research Commercialization Grant Program**

(R.C. 184.04 (repealed))

The act eliminates the Ohio Research Commercialization Grant Program administered by the Third Frontier Commission. The Grant Program was created to improve the commercial viability of research projects by improving the ability of small technology companies to assess their commercial potential and the commercial potential of their research projects and by promoting the competitiveness of these companies through the augmentation of federal research and development funding.

## **Ohio Coal Development Office's technical advisory committee**

(R.C. 1551.33 and 1551.35; Section 803.30)

The act requires the Director of Development Services to appoint specified members of the technical advisory committee of the Ohio Coal Development Office instead of the Director of the Office as under former law. It then provides for transition to the new appointing authority by requiring any member of the technical advisory committee who was appointed by the Director of the Office and who is serving on the committee immediately prior to September 29, 2013, to continue in office until the expiration of the member's term. Thereafter, the appointment of a member for that position must be made by the Director of Development Services.



## Funds abolished

### Rapid Outreach Loan Fund

(R.C. 166.22 (repealed); Section 257.110)

The act requires the Director of Budget and Management to transfer the cash balance on July 1, 2013, or as soon as possible thereafter, in the Rapid Outreach Loan Fund to the Facilities Establishment Fund. After completion of the transfer and on September 29, 2013, the fund is abolished. Under prior law, the Rapid Outreach Loan Fund was used for certain eligible projects that resulted in job preservation or creation.

### Dormant funds

(R.C. 122.083, 122.657, 122.658, 122.861, 166.02, 166.08, 166.25; R.C. 122.076, 122.97, and 166.28 (repealed); Section 257.110)

The act abolishes the following funds that it declares are dormant:

- **Energy Projects Fund** – formerly used for energy projects and to pay the costs incurred in administering the energy projects;
- **Shovel Ready Sites Fund** – formerly used to provide grants for certain port authority or development entity projects;
- **Clean Ohio Revitalization Revolving Loan Fund** – formerly used to make loans for projects approved by the Clean Ohio Council;
- **Diesel Emissions Grant Fund** – formerly used to fund projects relating to certified engine configurations and verified technologies in a manner consistent with the federal Diesel Emissions Reduction Program;
- **Business Development and Assistance Fund** – formerly used for any Development Services Agency operating purposes or programs providing business support or business assistance, including grants, loans, or administrative expenses;
- **Logistics and Distribution Infrastructure Taxable Bond Fund** – formerly used for the allowable costs of eligible logistics and distribution projects.