
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 existing specified 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 invest 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).

School grants and loans from Local Government Innovation Fund

- Prohibits grants from being awarded from the Local Government Innovation Fund to primary and secondary school-related political subdivisions beginning July 1, 2013.
- Prohibits loans from being awarded from the Local Government Innovation Fund to primary and secondary school-related political subdivisions beginning July 1, 2014.

Legislative Study Committee on Clean Ohio and Brownfield Funding

- Creates the Legislative Study Committee on Clean Ohio and Brownfield Funding to study how to provide long-term funding for the Clean Ohio brownfield revitalization, conservation, agricultural easements, and recreational trails programs.
- Requires the Committee to submit a report of its findings and its funding recommendations to the Governor and leadership of the General Assembly not later



than March 1, 2014, and states that the Committee ceases to exist upon the report's submission.

Other provisions

- 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.
- Requires the Director of Development Services to utilize the Edison Center Network in issuing grants for research and development or technology transfer efforts under the Thomas Alva Edison grant program.
- 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 and the Exempt Facility Inspection Fund.
- Abolishes six dormant funds codified in the Revised Code that are related to Development Services Agency activities.

Alternative Fuel Transportation Program

(R.C. 122.075)

The bill 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 existing 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 bill 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 bill 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 current law requirement of 20% of the total net cost, of the purchase and installation of an alternative fuel refueling or distribution facility or terminal.

Industrial Technology and Enterprise Advisory Council

(R.C. 121.22, 122.28, 122.30, 122.31, 122.32, 122.33, 122.34, 122.35, and 122.36; R.C. 122.29, repealed)

The bill 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 of Development Services regarding, other industrial technology and enterprise development assistance.

Technology Investment Tax Credit Program

(R.C. 5733.01, 5733.06, 5733.98, and 5747.98; 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 bill eliminates the Technology Investment Tax Credit Program. The Program was established to benefit Ohio taxpayers who invest 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 can be issued under the Program is \$45 million of tax credits. The bill specifies that an investor who is issued a tax credit prior to the repeal of the Program may continue to claim the credit as if the law had not changed.

Office of Community Services name change

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

The bill renames the Office of Community Services within the Development Services Agency as the Community Services Division. All of the current 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 responsibilities of the renamed Division.

Community Services Division program assistance confidentiality

(R.C. 122.681)

The bill 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 Community Services Division program for any purpose that is not directly related to the administration of the program. The bill also prohibits knowingly permitting or participating in the use of such information.

Release of a recipient's information

Under the bill, the Division, and any entity that receives funds from the Division 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:

Entity to Which Individual Assistance Recipients' Information Must Be Released	Purpose for Receiving Information
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 bill 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 bill does not limit such authorized releases or specify to whom they may be made. However, the bill 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.¹⁷ Under the bill, 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 bill. However, the bill permits the Agency to adopt rules that define who may serve in this capacity for an individual assistance recipient.

School grants and loans from Local Government Innovation Fund

(R.C. 189.04 and 189.06; Section 812.20)

The bill disqualifies political subdivisions that are eligible to receive funding from the Straight A Program (described elsewhere in this analysis) from Local Government Innovation Fund grants beginning July 1, 2013. Ineligible political subdivisions include city, local, exempted village, and joint vocational school districts, educational service centers, community schools, STEM schools, college-preparatory boarding schools, and education consortia. The bill also disqualifies such entities from Local Government Innovation Fund loans beginning July 1, 2014.

Under continuing law, the Local Government Innovation Fund provides funding to political subdivisions, which may apply for a loan or grant to fund the purchase of equipment, facilities, or systems or for implementation costs associated with local government innovation or process improvement projects. The Fund is administered by the Local Government Innovation Council, which establishes criteria for evaluating proposals and makes awards of grants and loans to political subdivisions. Not more

¹⁷ R.C. 1347.08.

than \$100,000 in loans and \$100,000 in grants may be awarded to a subdivision for each project.

Legislative Study Committee on Clean Ohio and Brownfield Funding

(Section 701.20)

The bill creates the Legislative Study Committee on Clean Ohio and Brownfield Funding to study how to provide long-term funding for the Clean Ohio brownfield revitalization, conservation, agricultural easements, and recreational trails programs. It requires the Committee to submit a report of its findings and funding recommendations to the Governor and leadership of the General Assembly by March 1, 2014.

The Committee consists of twelve members, six members of the House of Representatives, three appointed by the Speaker and three appointed by the Minority Leader, and six members of the Senate, three appointed by the President and three appointed by the Minority Leader. Appointments must be made not later than 30 days after the provision's effective date.

The Committee is required to elect two co-chairpersons, one of whom must be a member of the House and one a member of the Senate. Additionally, one co-chairperson must represent the majority political party and one the minority political party. Members serve without additional compensation beyond their compensation as legislators, but may be reimbursed for actual and necessary expenses incurred in the conduct of Committee business.

The bill requires the Committee to hold its first meeting not later than 45 days after the provision's effective date and to meet at least once a month thereafter. The Legislative Service Commission is to provide the Committee with research support, and Commission employees must attend all Committee meetings. The Committee ceases to exist after submission of its report.

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 current law, on or before January 1 of each year, beginning in 2013, a taxpayer that has entered into such an agreement is required to report to the Development Services Agency the number of home-based employees and other employees employed by the taxpayer in Ohio. For years after 2014, the bill requires the employee report to be filed on or before March 1 instead of January 1.



Thomas Alva Edison grant program to use the Edison Center Network

(R.C. 122.33)

The bill requires that the Director of Development Services utilize the Edison Center Network in carrying out the goals and objectives of the Thomas Alva Edison grant program. The bill 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 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 bill adds, to the purposes for which the Director of Development Services 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 the relocation of facilities

(R.C. 166.04)

The bill changes the local government notification requirement that applies when certain financial assistance is requested from the Development Services Agency for the purpose of relocating a facility currently being operated in another county, municipal corporation, or township. Under existing law, if a person applies for a loan, loan guarantee, or other assistance under R.C. Chapter 166. to relocate such a facility, the Director of Development Services must 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 bill, 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 bill 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 bill 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. 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 the provision's effective date 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 and Exempt Facility Inspection Fund

(R.C. 5709.212; R.C. 166.22 (repealed); Section 257.110)

The bill abolishes two funds that are codified in the Revised Code: the Rapid Outreach Loan Fund and the Exempt Facility Inspection Fund. The Director of Budget and Management is to make cash balance transfers on July 1, 2013, or as soon as possible thereafter, as follows: (1) from the Rapid Outreach Loan Fund to the Facilities Establishment Fund, and (2) from the Exempt Facility Inspection Fund to the Advanced



Energy Fund. After the effective date of the repeal of each of the funds and upon completion of the transfer of each fund's cash balance, the funds are abolished.

Currently, the Rapid Outreach Loan Fund is used for certain eligible projects that result in job preservation or creation. The Exempt Facility Inspection Fund is used by the Development Services Agency to issue opinions regarding applications from an energy conversion facility, solid waste energy conversion facility, or thermal efficiency improvement facility seeking to obtain an exempt facility certificate (which exempts the facility from certain property taxes).

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 bill eliminates the following funds codified in the Revised Code that it declares are dormant:

- **Energy Projects Fund** – used for energy projects and to pay the costs incurred in administering the energy projects;
- **Shovel Ready Sites Fund** – used to provide grants for certain port authority or development entity projects;
- **Clean Ohio Revitalization Revolving Loan Fund** – used to make loans for projects approved by the Clean Ohio Council;
- **Diesel Emissions Grant Fund** – 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** – used for any Agency operating purposes or programs providing business support or business assistance, including grants, loans, or administrative expenses;
- **Logistics and Distribution Infrastructure Taxable Bond Fund** – used for the allowable costs of eligible logistics and distribution projects.