

Executive

1 **DEV - 6** **Appalachian Region Expansion****R.C.** **107.21**

Adds Ashtabula, Mahoning, and Trumbull counties to the statutory definition of Ohio's Appalachian region for the purposes of receiving funds from the Appalachian Regional Commission and the Governor's Office of Appalachia.

Fiscal effect: Expands the area eligible for funding from GRF appropriation items 195416, Governor's Office of Appalachia, and 195501, Appalachian Local Development Districts, and Federal Special Revenue Fund 3080 appropriation item 195602, Appalachian Regional Commission.

2 **DEV - 4** **Export Promotion Assistance and Foreign Investment****R.C.** **122.05, 122.051**

(1) Permits the Director of Development to provide export promotion assistance to Ohio businesses, to organize or support missions to foreign countries to promote the export of Ohio products and services, and to encourage direct foreign investment in Ohio.

(2) Permits the Director of Development to charge fees to businesses receiving export assistance and to participants in foreign missions to recover the direct cost of those activities, and requires those fees to be deposited in the International Trade Cooperative Projects Fund (Fund 5W60). Requires the Director to adopt a procedure for setting the fees as an internal management rule, and requires the Director to review the fees annually.

Fiscal effect: Increases revenue to the International Trade Cooperative Projects Fund (Fund 5W60) through a new export assistance fee to recover the costs of export assistance operations and foreign missions.

3 **DEV - 2** **Development Financing Advisory Council****R.C.** **122.40**

Increases the number of members on the Development Financing Advisory Council from 10 to 11 and specifies that the affirmative vote of a majority of the members present at a meeting of the council where a quorum is present is necessary for any action taken by the council.

Executive

4 DEV - 3 Capital Access Loans for Minority Business Enterprises
R.C. 122.603

Requires a financial institution participating in the Capital Access Loan Program to indicate in its loan certifications whether a recipient is an eligible minority business enterprise and requires the Director of Development to disburse 80% of the principal amount of a loan to a minority business enterprise from the Capital Access Loan Fund (Fund 5S90) instead of the percentages required for other Capital Access Loans.

Fiscal effect: Potentially increases expenditures for loans to minority business enterprises from Fund 5S90 line item 195628, Capital Access Loan Program.

5 DEV - 5 Ohio Housing Trust Fund
R.C. 174.02, 174.03, 174.06, 173.08

Eliminates the 6% set-aside from SSR Fund 6460, the Low-and-Moderate Income Housing Trust Fund, for programs for transitional and permanent housing for homeless persons; increases the set-aside for emergency shelter grant programs from 7% to 10%, and expands that program to include shelter facilities serving unaccompanied youth; and eliminates the prohibition of using trust fund money to pay for legal services.

Fiscal effect: Increases the set-aside for emergency shelter grants from 7% to 10%, or up to \$5,300,000 per year at FY 2010-FY 2011 appropriation levels.

6 DEV - 9 Thomas Edison Program
Section: 259.10.10

Requires GRF appropriation item 195401, Thomas Edison Program, to be used according to R.C. 122.28 to 122.38 and permits up to 10% of the appropriation to be used for administrative expenses of the Technology and Innovation Division.

7 DEV - 10 Small Business Development
Section: 259.10.20

Requires GRF appropriation item 195404, Small Business Development, to be used as matching funds for federal grants and permits the line item to be used to provide grants for small business development centers and other local entrepreneurship activities.

Executive

8 DEV - 11 Rapid Outreach Grants**Section: 259.10.30**

Requires GRF appropriation item 195412, Rapid Outreach Grants, to be used as an incentive to attract, expand, or retain businesses in Ohio, specifies eligible activities for grant funding, requires grants to be approved by the Controlling Board, and permits the Director of Transportation to request funds for rail freight projects.

9 DEV - 12 Strategic Business Investment Division and Regional Offices**Section: 259.10.40**

Requires GRF appropriation item 195415, Strategic Business Investment Division and Regional Offices, to be used for the Division's operating costs and for cooperative development grants.

10 DEV - 13 Governor's Office of Appalachia**Section: 259.10.50**

Permits GRF appropriation item 195416, Governor's Office of Appalachia, to be used for financial assistance to Appalachian counties, to match federal funds, and for the Office's administrative costs.

11 DEV - 14 Technology Action**Section: 259.10.60**

Requires GRF appropriation item 195422, Technology Action, to be used for the administrative costs of the Technology and Innovation Division, and if the appropriation is not sufficient for this purpose, permits Third Frontier Research and Development Fund appropriation item 195686, Third Frontier Operating, to be used only upon approval by the Controlling Board.

12 DEV - 15 Clean Ohio Implementation**Section: 259.10.70**

Requires GRF appropriation item 195426, Clean Ohio Implementation, to be used to administer the Clean Ohio program and other urban revitalization programs.

Executive

13 DEV - 16 Global Markets**Section: 259.10.80**

Requires GRF appropriation item 195432, Global Markets, to be used to administer Ohio's foreign trade and investment program, out-of-state trade offices, to operate the Global Markets Division, and to provide export assistance and encourage foreign direct investment.

14 DEV - 17 Ohio Workforce Guarantee Program**Section: 259.10.90**

Permits GRF appropriation item 195434, Industrial Training Grants, to be used for the Ohio Workforce Guarantee Program and specifies eligible activities under the program. Requires Federal Special Revenue Fund 3AE0 appropriation item 195643, Workforce Development Initiatives, to be used for the Ohio Workforce Guarantee Grant Program.

15 DEV - 18 Ohio Film Office**Section: 259.20.10**

Requires the Ohio Film Office to promote media productions in the state through policies that increase employment and tax revenues, to serve as an informational clearinghouse and to provide technical assistance to the media production industry and business entities engaged in media production in the state, and to promote the media production industry in Ohio. Specifies other objectives including attracting private investment through a tax infrastructure, increased employment opportunities, and competition with other states.

16 DEV - 19 Discover Ohio!**Section: 259.20.20**

Requires GRF appropriation item 195521, Discover Ohio!, to be used for the costs of marketing and promotion activities by the Ohio Tourism Division.

Executive

17 DEV - 20 Third Frontier Research & Development Debt Service**Section: 259.20.30**

Requires GRF appropriation item 195905, Third Frontier Research and Development General Obligation Debt Service, to be used to pay all debt service on obligations issued by the Ohio Public Facilities Commission for research and development purposes under sections 151.01 and 151.10 of the Revised Code.

18 DEV - 21 Job Ready Site Development Debt Service**Section: 259.20.30**

Requires GRF appropriation item 195912, Job Ready Site Development General Obligation Debt Service, to be used to pay all debt service on obligations issued by the Ohio Public Facilities Commission for Job Ready Site purposes under sections 151.01 and 151.11 of the Revised Code.

19 DEV - 22 Supportive Services**Section: 259.20.40**

Permits the Director of Development to assess the department's divisions for administrative costs using a methodology containing administrative ease and uniform application and requires such assessments to be deposited into Fund 1350, the Supportive Services Fund.

20 DEV - 23 Economic Development Contingency**Section: 259.20.40**

Requires GSF Fund 5AD0 appropriation item 195677, Economic Development Contingency, to be used to award funds directly to businesses considering Ohio for expansion or new site location opportunities or to political subdivisions for costs involved in business attraction, and permits the Director of Development to award funds for alternative purposes to satisfy an extraordinary economic development opportunity or need.

Executive

21 DEV - 24 Direct Cost Recovery Expenditures**Section: 259.20.40**

Requires GSF Fund 6850 appropriation item 195636, Direct Cost Recovery Expenditures, to be used for reimbursable costs and requires the General Reimbursement Fund (Fund 6850) to consist of charges for non-central service costs.

22 DEV - 25 HEAP Weatherization**Section: 259.20.50**

Requires 15% of the federal funds received by the state for the Home Energy Assistance Block Grant to be deposited in Federal Special Revenue Fund 3K90, the Home Energy Assistance Block Grant Fund, and appropriated in Fund 3K90 appropriation item 195614, HEAP Weatherization, for home weatherization services.

23 DEV - 26 State Special Projects**Section: 259.20.50**

Permits SSR Fund 4F20, the State Special Projects Fund, to be used for the deposit of private-sector moneys from utility companies and other state moneys, and requires the fund to be used to match federal housing grants for the homeless and to market economic development opportunities in the state. Requires private-sector moneys to be appropriated in Fund 4F20 appropriation item 195699, Utility Provided Funds, for various costs associated with HEAP and low-income energy assistance programs.

24 DEV - 27 Tax Incentive Programs Operating**Section: 259.20.60**

Requires SSR Fund 4S00 appropriation item 195630, Tax Incentive Programs Operating, to be used for the administrative costs of the Office of Grants and Tax Incentives.

Executive

25 DEV - 28 Minority Business Enterprise Loan**Section: 259.20.70**

Requires repayments from the Minority Development Financing Advisory Board Loan Program and the Ohio Mini-Loan Guarantee Program to be deposited into Fund 4W10, the Minority Business Enterprise Loan Fund and requires the administrative costs of the Minority Business Enterprise Loan Program to be paid from the fund.

26 DEV - 29 Minority Business Bonding Fund**Section: 259.20.70**

Permits the Director of Development, upon the recommendation of the Minority Development Financing Advisory Board, to pledge up to \$10 million in unclaimed funds over the FY 2010-FY 2011 biennium for the Minority Business Bonding Program. Specifies that a transfer of unclaimed funds may only occur if funds are needed for the payment of losses arising from the Minority Business Bonding Program, and only after proceeds of the initial transfer of \$2.7 million by the Controlling Board to the program has been used for that purpose. Requires that the amount needed to cover the losses be appropriated in SSR Fund 4490 appropriation item 195623, Minority Business Bonding Contingency.

27 DEV - 30 Alternative Fuel Transportation**Section: 259.20.80**

Prohibits more than 10% of SSR Fund 5CG0 appropriation item 195679, Alternative Fuel Transportation, from being used for administrative costs.

28 DEV - 31 Advanced Energy Fund**Section: 259.20.80**

Requires SSR Fund 5M50 appropriation item 195660, Advanced Energy Programs, to be used to provide assistance for eligible advanced energy projects for residential, commercial, and industrial business, local government, educational institutions, nonprofit organizations, and agricultural customers, and for administrative costs as provided in statute and administrative rules.

Executive

29 DEV - 32 Global Analyst Settlement Agreements Payments**Section: 259.20.80**

Requires all payments received by the state pursuant to settlements between the U.S. Securities and Exchange Commission and ten brokerage firms to be deposited into SSR Fund 5Y60, the Economic Development Contingency Fund, and requires that fund to be used for economic development projects for which appropriations would not otherwise be available, subject to Controlling Board approval.

30 DEV - 33 Volume Cap Administration**Section: 259.20.80**

Requires SSR Fund 6170 appropriation item 195654, Volume Cap Administration, to be used for administering the Volume Cap program. Requires revenues to the Volume Cap Administration Fund (Fund 6170) to consist of application fees, forfeited deposits, and interest earned by the custodial account held by the Treasurer of State.

31 DEV - 34 Innovation Ohio Loan Fund**Section: 259.20.80**

Requires Facilities Establishment Fund 7009 appropriation item 195664, Innovation Ohio, to be used for loans and loan guarantees under the Innovation Ohio program pursuant to Chapter 166. of the Revised Code.

32 DEV - 35 Research and Development**Section: 259.20.80**

Requires Facilities Establishment Fund 7010 appropriation item 195665, Research and Development, to be used for research and development purposes, including loans under Chapter 166. of the Revised Code.

33 DEV - 36 Logistics and Distribution Infrastructure**Section: 259.20.90**

Requires Facilities Establishment Fund 7008 appropriation item 195698, Logistics and Distribution Infrastructure, to be used for eligible logistics and distribution infrastructure purposes under Chapter 166. of the Revised Code.

Executive

34 DEV - 37 Facilities Establishment Fund**Section: 259.20.90**

- (1) Requires Facilities Establishment Fund 7037 appropriation item 195615, Facilities Establishment, to be used for the purposes of the Facilities Establishment Fund under Chapter 166. of the Revised Code.
- (2) Authorizes the transfer of up to \$2 million in each fiscal year from the Facilities Establishment Fund (Fund 7037) to Fund 4510, the Economic Development Financing Operating Fund, subject to Controlling Board approval.
- (3) Authorizes the transfer of up to \$5 million in each fiscal year from the Facilities Establishment Fund (Fund 7037) to Fund 5D20, the Urban Redevelopment Loan Fund, for urban core redevelopment, requires the Director of Development to develop guidelines for the transfer and release of funds, and requires Controlling Board approval for such transfers and releases.
- (4) Authorizes the transfer of up to \$5 million in each fiscal year from the Facilities Establishment Fund (Fund 7037) to Fund 4Z60, the Rural Industrial Park Loan Fund, subject to Controlling Board approval.
- (5) Authorizes the transfer of up to \$6,102,500 in each fiscal year from the Facilities Establishment Fund (Fund 7037) to the GRF, and appropriates such transfers to GRF appropriation item 195412, Rapid Outreach Grants.
- (6) Authorizes the transfer of up to \$4,275,000 in each fiscal year from the Facilities Establishment Fund (Fund 7037) to Fund 5AD0, the Job Development Initiatives Fund, and appropriates such transfers to GSF Fund 5AD0 appropriation item 195677, Economic Development Contingency.

35 DEV - 38 Alternative Fuel Transportation Grant Fund**Section: 259.20.90**

Requires transfers of up to \$1 million in FY 2010 and up to \$500,000 in FY 2011 from the Facilities Establishment Fund (Fund 7037) to Fund 5CG0, the Alternative Fuel Transportation Grant Fund.

36 DEV - 39 Rural Development Initiative Fund**Section: 259.20.90**

- (1) Authorizes Fund 5S80, the Rural Development Initiative Fund to receive moneys from the Facilities Establishment Fund (Fund 7037), and authorizes the Director of Development to make grants from Fund 5S80 to eligible applicants in Appalachian counties and designated distressed rural areas.

Executive

(2) Requires grants to go only to applicants who also qualify under the Rural Industrial Park Program and sets out other requirements for the use of grants. Requires the Director of Development to develop guidelines for the transfer and use of funds and requires grants to be subject to Controlling Board approval.

(3) Authorizes a transfer of up to \$3 million in each fiscal year on an as-needed basis from Fund 7037 to Fund 5S80, subject to Controlling Board approval.

37 DEV - 40 Capital Access Loan Program**Section: 259.20.90**

Requires Facilities Establishment Fund 5S90 appropriation item 195628, Capital Access Loan Program, to be used for the administrative expenses of the program and to assist participating financial institutions in making program loans to eligible businesses. Authorizes a transfer of up to \$3 million in each fiscal year from the Facilities Establishment Fund (Fund 7037) to the Capital Access Loan Fund (Fund 5S90), subject to Controlling Board approval.

38 DEV - 41 Clean Ohio Operating Expenses**Section: 259.30.10**

Requires Clean Ohio Revitalization Fund 7003 appropriation item 195663, Clean Ohio Operating, to be used to administer brownfield revitalization projects under sections 122.65 to 122.658 of the Revised Code.

39 DEV - 42 Third Frontier Research and Development and Taxable Bond Projects**Section: 259.30.20**

Requires Third Frontier Research and Development Fund 7011 appropriation items 195687, Third Frontier Research and Development Projects, and Third Frontier Research and Development Fund 7014 appropriation item 195692, Research and Development Taxable Bond Projects, to be used to fund selected projects for which funds in the Third Frontier Research and Development Fund (Fund 7011) and the Research and Development Taxable Bond Project Fund (Fund 7014) are applicable.

Executive

40 DEV - 43 Transfers of Third Frontier Appropriations**Section: 259.30.20**

Authorizes the Director of Budget and Management to approve requests from the Director of Development to transfer appropriations between Third Frontier Research and Development Fund 7011 appropriation item 195687, Third Frontier Research and Development Projects, and Third Frontier Research and Development Fund 7014 appropriation item 195692, Research Development Taxable Bond Projects, based upon award recommendations by the Third Frontier Commission, and specifies that any unexpended and unencumbered balances in these line items as of June 30, 2010 are reappropriated for the same purpose in FY 2011.

41 DEV - 44 Authorization to Issue and Sell Original Obligations**Section: 259.30.20**

Authorizes the Ohio Public Facilities Commission to issue and sell up to \$100 million in original obligations of the State of Ohio in addition to any prior authorized issuance, and requires these bonds to be sold to ensure that there are sufficient amounts in the Third Frontier Research and Development Fund (Fund 7011) to pay for research and development projects under that fund.

42 DEV - 45 Job Ready Site Operating**Section: 259.30.30**

Requires Job Ready Site Development Fund 7012 appropriation item 195688, Job Ready Site Operating, to be used for the operating expenses of the Job Ready Site Development Program, including certain expenses of District Public Works Integrating Committees, engineering review expenses, and other site certification costs.

43 DEV - 46 Third Frontier Biomedical Research and Commercialization Program**Section: 259.30.40**

Specifies the intent of the General Assembly, Governor, Director of Development, and Director of Budget and Management to continue providing comprehensive state support for the biomedical industry through the Third Frontier Biomedical Research and Commercialization Program.

Executive

44 DEV - 47 Jobs Fund Bioproducts and Biomedical**Section: 259.30.50**

Requires TSF Fund 5Z30 appropriation item 195694, Jobs Fund Bioproducts, to be used for the Ohio Bioproducts Development Program and specifies that not more than 5% of the appropriation may be used for administrative expenses.

Requires TSF Fund 5Z30 appropriation item 195695, Jobs Fund Biomedical, to be used for the Ohio Biomedical Development Program and specifies that not more than 5% of the appropriation may be used for administrative expenses.

45 DEV - 8 Jobs Fund Cash Transfer**Section: 259.30.60**

Requires the Director of Budget and Management to transfer the unexpended and unencumbered cash balance in SSR Fund 5Z30, the Jobs Fund, to the GRF at the end of FY 2011, at which time the Jobs Fund is abolished.

46 DEV - 48 Unclaimed Funds Transfer**Section: 259.30.70**

(1) Authorizes the transfer of up to \$4 million in each fiscal year in unclaimed funds overseen by the Department of Commerce to GSF Fund 5AD0, the Job Development Initiatives Fund.

(2) Authorizes the transfer of up to \$6.1 million in each fiscal year in unclaimed funds overseen by the Department of Commerce to SSR Fund 4F20, the State Special Projects Fund.

47 DEV - 49 Workforce Development**Section: 259.30.90**

Requires the Director of Development and the Director of Job and Family Services to enter into one or more interagency agreements and take other actions to further the integration of a statewide workforce development strategy, implement recommendations and activities of the Workforce Policy Board, and expend moneys to support the Board's recommendations with respect to integration of employment functions.

Executive

48 DEV - 7 Science and Technology Collaboration

Section: 701.30

Requires the Department of Development, Board of Regents, Air Quality Development Authority, and Department of Agriculture to collaborate on Technology-Based Economic Development Programs; defines and identifies such programs; sets out requirements for administering and reporting on such programs; and requires such programs to be connected to the NextGen Network.

Executive

49 DAS - 6 NextGen Broadband Network

Sections: 207.20.30, 259.30.80, 610.10, 610.11

(1) Reappropriates the unexpended, unencumbered amounts of GSF Fund 1330 appropriation item 100607, IT Services Delivery that were allocated for implementation of NextGen Network in FY 2008 and FY 2009 for the same purpose in FY 2010 and FY 2011.

(2) Reappropriates the unexpended, unencumbered amounts of Department of Development's Third Frontier Fund 7011 appropriation item 195687, Third Frontier Research and Development projects, and Fund 7014 appropriation item 195692, Research and Development Taxable Bond Projects, that were allocated for implementation of the NextGen Network in FY 2008 and FY 2009 for the same purpose in FY 2010 and FY 2011.

(3) Reappropriates the unexpended, unencumbered amounts of capital appropriation item C23506, Third Frontier Project, which were previously allocated to implement the NextGen Network in FY 2008, for the same purpose in FY 2009 and FY 2010.

Executive

Commercial Activity Tax

50 TAX - 14 Changes to the Job Creation Tax Credit

R.C. 122.17

Authorizes job creation tax credits based on annual aggregate payroll withholdings (which include both full-time and part-time employees) and payroll growth. (Current law bases the job creation credit on new full-time employment positions only). Requires the taxpayer to maintain operations at a project site for the greater of seven years or the term of credit plus three years (instead of twice the term of the credit as in current law). Authorizes the Tax Credit Authority to request a complete or partial refund of claimed credits if a taxpayer does not fulfill certain conditions of the tax credit.

Relaxes the intrastate job relocation prohibition by permitting a business to relocate Ohio jobs to a project from another Ohio facility if the business notifies the local jurisdiction from which the positions will be removed.

Fiscal effect: This provision may reduce tax revenues (primarily from the commercial activity tax and the insurance taxes) due to less stringent criteria for obtaining the credits compared to current law. However, both the amount and the timing of the potential revenue loss are indeterminate, as they depend on the total amounts of credits authorized by the Ohio Tax Authority and credit claims by taxpayers.

51 TAX - 15 Changes to the Job Retention Tax Credit

R.C. 122.171, 5725.98, 5729.98

Authorizes job retention tax credits based on annual aggregate payroll income tax withholdings (which include both full-time and part-time employees). (Current law bases the job retention tax credit on tax withholding from full-time employees only). Expands the tax credits to domestic and foreign insurance companies, and eliminates the additional credit available to call centers.

Reduces the minimum qualifying employment to at least 500 full-time employees (down from 1,000) and investment thresholds to \$50 million for manufacturing activity, and \$20 million for corporate administrative activity over three years (down from \$200 million).

Limits the total credit that may be granted annually for projects approved after July 1, 2009 to \$13 million in 2010 and \$26 million in 2011. Increases the annual limit by \$13 million each year through 2024. Increases the annual limit for 2024 and thereafter to \$195 million.

Relaxes the intrastate job relocation prohibition by permitting a business to relocate Ohio jobs to a project from another Ohio facility if the business notifies the local jurisdiction from which the positions will be removed.

Executive

Fiscal effect: These changes potentially reduce tax revenues from the commercial activity tax due to less stringent criteria for obtaining the credits compared to current law. However, both the amount and the timing of the revenue loss are indeterminate, as they depend on the total amounts of credits authorized by the Tax Credit Authority and credit claims by taxpayers.

Personal Income Tax

52 TAX - 6 Increase to the Technology Investment Tax Credit Limit

R.C. 122.151

Increases from \$30 million to \$45 million the total amount of technology investment tax credits that may be issued to businesses engaged in research and development or technology development.

Fiscal effect: Decreases revenues from the personal income tax, the public utility tax, or the dealers in intangibles tax.

53 TAX - 20 Motion Picture Production Tax Credit

R.C. 122.85, 5733.58, 5733.98, 5747.66, 5747.98

Authorizes a refundable, nontransferable credit against the corporation franchise tax or the income tax for motion pictures produced at least partly in Ohio. Specifies that the credit equals 25% of production expenditures in Ohio. Requires Ohio production expenditures to exceed \$1.2 million before a credit is authorized. Limits the amount of credits that may be allowed to \$20 million per fiscal biennium and \$5 million per production.

Specifies that, to be eligible for the credit, a production must be certified by the Director of Development. Permits the Director to charge a fee to accompany applications for the credit. Establishes the Motion Picture Tax Credit Program Operating Fund to which fee revenues are deposited. Requires moneys in the fund to be used for Ohio Film Office expenses and to pay the costs of administering the tax credit.

Fiscal effect: Revenue loss to the GRF, the Local Government Fund, and the Public Library Fund. Loss amounts are likely to vary significantly from year to year, but will not exceed \$20 million over a fiscal biennium. The GRF would bear 94.1% of any such loss, or up to \$18.8 million per biennium, with the remainder borne by the local government funds.

May increase costs to the Department of Development to certify productions and administer the tax credit. The cost may be defrayed by revenue from the fee charged upon application for a credit. The amount of revenue raised by the fee will depend on the amount of the fee as determined by the Director, and the number of applications for tax credits received.