



# Ohio Legislative Service Commission

## Sub. Bill Comparative Synopsis

Joe McDaniels

### S.B. 209

131st General Assembly  
(H. Agriculture and Rural Development)

This table summarizes how the latest substitute version of the bill differs from the immediately preceding version. It addresses only the topics on which the two versions differ substantively. It does not list topics on which the two bills are substantively the same.

Topic	Previous Version (As Passed by the Senate)	Sub. Version (LSC 131 1025-2)
<b>Eligible distributions</b>	Authorizes a rural business growth fund (RBGF) to make cash payments on debts of the RBGF before the fifth anniversary of the closing date without invoking the bill's credit recapture provisions, except to the extent that such a payment would result in the RBGF having less than 100% of its eligible investment authority invested in rural growth investments or held in cash and other marketable securities awaiting investment in rural growth investments ( <i>R.C. 122.15(D)(2)</i> ).	Broadens the eligible distribution safe harbor provision by no longer requiring such cash or marketable securities held by a RBGF to be awaiting investment in rural growth investments ( <i>R.C. 122.15(D)(2)</i> ).
<b>Start date</b>	Denotes October 1, 2015, as the first date a person may apply for certification as a RBGF ( <i>R.C. 122.151(A)</i> ).	Delays the date to January 15, 2016 ( <i>R.C. 122.151(A)</i> ).

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<b>Job creation and retention estimate</b>	<p>Requires that applications for certification as a RBGF include an estimate of the number of jobs that will be created or retained as a result of the applicant's proposed rural growth investments (<i>R.C. 122.151(A)(4)</i>).</p> <p>No similar provision.</p> <p>No similar provision.</p>	<p>Same as the previous version.</p> <p>Requires RBGFs that fail to meet 75% of the job creation and retention estimate to make a remittance to the Development Services Agency (DSA) along with each payment or distribution, other than eligible distributions, after the fifth anniversary of the closing date. If the number of jobs created or retained is more than 50% of the estimate, but less than 75% of the estimate, the remittance equals 25% of the payment or distribution. If the number of jobs created or retained is 50% of the estimate or less, the remittance equals 50% of the payment or distribution.</p> <p>Stipulates that, in the absence of additional information, the number of jobs created or retained as a result of the investments of the RBGF is determined by reference to the most recent annual report filed by the RBGF (<i>R.C. 122.155</i>).</p>
<b>Fees</b>	<p>Requires persons applying for certification as a RBGF to submit to DSA a \$5,000 nonrefundable application fee (<i>R.C. 122.151(A)(7)</i>).</p> <p>No similar provision.</p>	<p>Same as the previous version.</p> <p>Imposes an annual fee on each RBGF equal to \$50,000 divided by the number of certified RBGFs. The first such fee is due within 65 days after the RBGF is certified. Subsequent fees are</p>

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		due annually until the RBGF decertifies. (R.C. 122.154(C).)
<b>Sale or transfer of tax credits</b>	Does not explicitly authorize the sale or transfer of tax credits by the investor that received the credit. May implicitly prohibit the sale of such tax credits to any person, including affiliates.	Explicitly permits an investor to sell or transfer the credit but only to its affiliates that are subject to the insurance premiums tax. (R.C. 122.152(B).)
<b>Investments in farming operations</b>	Excludes investments in farming operations from qualifying as a rural growth investment for the purposes of the tax credit (R.C. 122.15(F)(9)).	Includes investments in businesses primarily engaged in agricultural production as rural growth investments so long as the investment or loan is used to finance equipment costs or capital improvements that have an expected life span of at least 10 years and can be expected to contribute to the generation of additional revenue (R.C. 122.15(I)(3) and (K)).
<b>Credit cap for RBGFs</b>	No similar provision.	Requires that not more than 50% of the eligible investment authority and credit-eligible capital contributions approved under the program be awarded to the same RBGF and its affiliates (R.C. 122.151(B)).
<b>Application review period</b>	Requires DSA to review and make a determination on each application for RBGF certification within 30 days (R.C. 122.151(B)).	Prolongs the application review period to 60 days (R.C. 122.151(B)).
<b>Issuance of tax credit certificates</b>	Requires DSA to issue a tax credit certificate for the full amount of the credit to each investor making a credit-eligible contribution upon certifying the RBGF. The investor then claims $\frac{1}{3}$ of the credit in each of the taxable years that includes the second, third, or fourth anniversary of the closing date. (R.C. 122.151(F) and 122.152(B).)	Requires DSA to issue a notice specifying the amount of the credit at the time the RBGF is certified and issue the actual tax credit certificates to the investor on the second, third, and fourth anniversaries of the closing date. The credit is "vested" on the closing date even though the tax credit certificates are issued later. (R.C. 122.151(F) and 122.152(B).)

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<b>Investment in rural areas</b>	No similar provision.	Requires that at least 50% of a RBGF's eligible investment authority be invested in businesses principally operated in rural areas ( <i>R.C. 122.153(A)(1)</i> ).

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