



Ohio Revised Code

Section 166.21 Lending moneys in research and development loan fund.

Effective: September 17, 2014

Legislation: House Bill 492 - 130th General Assembly

(A) The director of development services, with the approval of the controlling board and subject to other applicable provisions of this chapter, may lend moneys in the research and development loan fund to persons for the purpose of paying allowable costs of eligible research and development projects, if the director determines that all of the following conditions are met:

- (1) The project is an eligible research and development project and is economically sound;
- (2) The amount to be lent from the research and development loan fund will not exceed seventy-five per cent of the total costs of the eligible research and development project;
- (3) The repayment of the loan from the research and development loan fund will be secured by a mortgage, assignment, pledge, lien provided for under section 9.661 of the Revised Code, or other interest in property or other assets of the borrower, at such level of priority and value as the director considers necessary, provided that, in making such a determination, the director shall take into account the value of any rights granted by the borrower to the director to control the use of any assets of the borrower under the circumstances described in the loan documents.

(B) The determinations of the director under division (A) of this section shall be conclusive for purposes of the validity of a loan commitment evidenced by a loan agreement signed by the director.

(C) Fees, charges, rates of interest, times of payment of interest and principal, and other terms and conditions of, and security for, loans made from the research and development loan fund shall be such as the director determines to be appropriate and in furtherance of the purpose for which the loans are made. The moneys used in making loans shall be disbursed from the fund upon order of the director. Unless otherwise specified in any indenture or other instrument securing obligations under division (D) of section 166.08 of the Revised Code, any payments of principal and interest from loans made from the fund shall be paid to the fund and used for the purpose of making loans



under this section.

(D)(1) As used in this division, "qualified research and development loan payments" means payments of principal and interest on a loan made from the research and development loan fund.

(2) Each year, the director may, upon request, issue a certificate to a borrower of moneys from the research and development loan fund indicating the amount of the qualified research and development loan payments made by or on behalf of the borrower during the calendar year immediately preceding the tax year, as defined in section 5733.04 of the Revised Code, or taxable year, as defined in section 5747.01 of the Revised Code, for which the certificate is issued. In addition to indicating the amount of qualified research and development loan payments, the certificate shall include a determination of the director that as of the thirty-first day of December of the calendar year for which the certificate is issued, the borrower is not in default under the loan agreement, lease, or other instrument governing repayment of the loan, including compliance with the job creation and retention commitments that are part of the qualified research and development project. If the director determines that a borrower is in default under the loan agreement, lease, or other instrument governing repayment of the loan, the director may reduce the amount, percentage, or term of the credit allowed under section 5733.352, 5747.331, or 5751.52 of the Revised Code with respect to the certificate issued to the borrower. The director shall not issue a certificate in an amount that exceeds one hundred fifty thousand dollars.

(E) The director may take actions necessary or appropriate to collect or otherwise deal with any loan made under this section.

(F) The director may fix service charges for the making of a loan. The charges shall be payable at such times and place and in such amounts and manner as may be prescribed by the director.

(G)(1) There shall be credited to the research and development loan fund moneys received by this state from the repayment of loans, including interest thereon, made from the fund, and moneys received from the sale, lease, or other disposition of property acquired or constructed with moneys in the fund derived from the proceeds of the sale of obligations under section 166.08 of the Revised Code. Moneys in the fund shall be applied as provided in this chapter pursuant to appropriations made by the general assembly.



(2) In addition to the requirements in division (G)(1) of this section, moneys referred to in that division may be deposited to the credit of separate accounts established by the director of development services within the research and development loan fund or in the bond service fund and pledged to the security of obligations, applied to the payment of bond service charges without need for appropriation, released from any such pledge and transferred to the research and development loan fund, all as and to the extent provided in the bond proceedings pursuant to written directions of the director. Accounts may be established by the director in the research and development loan fund for particular projects or otherwise. The director may withdraw from the fund or, subject to provisions of the applicable bond proceedings, from any special funds established pursuant to the bond proceedings, or from any accounts in such funds, any amounts of investment income required to be rebated and paid to the federal government in order to maintain the exemption from federal income taxation of interest on obligations issued under this chapter, which withdrawal and payment may be made without the necessity for appropriation.