



Law Alert

A Porter Wright Morris & Arthur Publication

October 2009

Ohio Attorney General Richard Cordray has sent letters to companies throughout the state of Ohio that received state incentives between July 1, 2004 and June 30, 2009. Even though those companies are required to report periodically to the Ohio Department of Development on their operations, the letter requires companies to complete an online form with 60 questions pertaining to the job and investment levels they have maintained since receiving benefits from the state of Ohio. It appears that the efforts of the Attorney General to gather information duplicate some of the reporting obligations imposed on the Department of Development.

As statutory agent for a number of our clients, we have received the notices from the Attorney General. We are working to coordinate the best responses to these inquiries for our clients. We are recommending to our clients that we prepare the response to the questionnaire, to ensure consistency with the initial applications for state assistance and subsequent reporting. If anyone has received this notification, we can prepare the online questionnaire to prevent future issues with the Department of Development. Below is a recent press release on this initiative:

State checking on tax incentive recipients

The state's top lawyer is launching a process to monitor whether Ohio companies that have received economic development incentives are keeping job-creation promises.

Attorney General Richard Cordray on Thursday said letters were mailed this week to more than 3,000 businesses that received tax credits and other incentives between July 1, 2004, and June 30 of this year. Those companies have 30 days from receiving the letter to fill out a 60-question online form that culls details on the original award and information on capital improvements and jobs cut, relocated and added since the award.

The attorney general's office took on the task after the passage last year of House Bill 420, which also requires that information on state awards, earmarks and property and agency management be made available online.

"Our goal, as defined by statute, is to ensure that tax dollars are being used as intended in these awards," Cordray said in a release. "Promises were made by businesses and organizations to create and save jobs in Ohio and those promises must be kept."

The new law gives the attorney general the power to "pursue ... such remedies and recoveries as are available under law" against business that haven't complied with performance requirements tied to their incentives.

Cordray's office said it also will monitor future awards and report findings to legislators.

This Law Alert is intended to provide general advice for clients or interested individuals and should not be relied upon as legal advice. Please consult your attorney for specific advice regarding your particular situation.

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