

AN ACT

To amend section 5709.85 and to enact sections 931.01 to 931.09, 931.99, and 5709.28 of the Revised Code to provide for the establishment of agricultural security areas, to limit development within those areas, and to provide the opportunity for certain tax exemptions for land within those areas.

Be it enacted by the General Assembly of the State of Ohio:

SECTION 1. That section 5709.85 be amended and sections 931.01, 931.02, 931.03, 931.04, 931.05, 931.06, 931.07, 931.08, 931.09, 931.99, and 5709.28 of the Revised Code be enacted to read as follows:

Sec. 931.01. As used in this chapter:

(A) "Agriculture" has the same meaning as in section 1.61 of the Revised Code.

(B) "Best management practices" means the engagement of agricultural production and management, including practices such as manure handling, tillage, forestry management, and similar practices, in a manner that is generally accepted in the agriculture industry and that is approved by any of the following:

(1) The United States department of agriculture;

(2) The natural resources conservation service in the United States department of agriculture;

(3) The department of natural resources;

(4) A soil and water conservation district established under Chapter 1515. of the Revised Code;

(5) With respect to organic or sustainable production methods, a conservation professional whom the director of agriculture approves as having expertise in those methods.

(C) "Contiguous farmland" means any of the following:

(1) Geographically contiguous property used for agriculture;

(2) Noncontiguous property used for agriculture that is owned by one person and connected by a right-of-way that the person controls and to which the public does not have access;

(3) Two or more pieces of property used for agriculture that would be geographically contiguous but for the fact that the property is separated by a public or private right-of-way or rights-of-way or by rivers, streams, creeks, or other bodies of water.

Sec. 931.02. (A) Land that is located in the unincorporated area of a township or county may be enrolled in an agricultural security area through the submittal of an application to the board of township trustees of each township and to the board of county commissioners of each county in which the land is located requesting the establishment of such an area. Land that is located in a municipal corporation and land that is located in territory that is proposed to be annexed to a municipal corporation by a pending proceeding before the board of county commissioners or in any court of competent jurisdiction shall not be included in an agricultural security area.

If all of the land sought to be enrolled in the agricultural security area is owned by the same person, that person shall submit the application to the required boards. If the land sought to be enrolled consists of parcels owned by different persons who have aggregated their parcels, either each owner may submit a separate application to the required boards or all of the owners collectively may submit one application for the entire agricultural security area to the required boards.

An application shall be on the form that the director of agriculture prescribes. The director shall provide copies of the application form to county auditors.

An application shall be signed by each applicant who is submitting it and shall contain all of the following:

(1) The first, middle, and last name of the applicant or applicants;

(2) Information concerning any property interest in the land sought to be enrolled in an agricultural security area that is held by a person other than the applicant or applicants, including, without limitation, mineral rights or easements in the land that are held by a person other than the applicant or applicants and any other interest in the land that may not be conducive to agriculture and that is held by another person;

(3) A statement by each applicant who is submitting the application that the applicant will not initiate, approve, or finance any new development for nonagricultural purposes on the land that is proposed to be enrolled in an agricultural security area during the ten-year period of the enrollment, except as is otherwise authorized under division (A) of section 931.04 of the Revised Code. For purposes of division (A)(3) of this section, "new development" includes, without limitation, an applicant's transfer to another person of the ownership of a property interest in the land that occurs during

the period beginning on the date that the application is submitted and ending on the date that the ten-year period of enrollment is scheduled to expire. "New development" does not include taking any actions that are authorized under property rights in the land, such as mineral rights or easements, that were transferred to a person other than an applicant prior to the date that the application is submitted. In addition, "new development" does not include the construction, modification, or operation of transmission lines for electricity, gas, or oil or of any gathering or production lines for oil or gas, provided that the construction, modification, or operation of the lines does not cause the land to become ineligible for valuation and assessment for real property tax purposes in accordance with its current agricultural use value under sections 5713.30 to 5713.38 of the Revised Code.

(4) A listing of all administrative enforcement orders issued to each applicant who is submitting the application, all civil actions in which an applicant was determined by the trier of fact to be liable in damages or was the subject of injunctive relief or another type of civil relief, and all criminal actions in which an applicant pleaded guilty or was convicted, during the ten years immediately preceding the date of submission of the application, in connection with any violation of environmental laws or similar laws of another state. As used in division (A)(4) of this section, "environmental laws" has the same meaning as in section 3745.70 of the Revised Code.

(5) A statement from the natural resources conservation service in the United States department of agriculture, a soil and water conservation district with jurisdiction over the land to which the application applies, or any other conservation professional approved by the director that, at the time of the application, each applicant who is submitting the application is complying with best management practices;

(6) A map that complies with all of the following:

(a) Is prepared and certified by a regional or county planning commission established under section 713.21 of the Revised Code or a professional engineer or surveyor registered under Chapter 4733. of the Revised Code;

(b) Identifies the area of land to which the application applies and includes the corresponding parcel number that the county auditor has assigned under section 319.28 of the Revised Code to each parcel of land that comprises that area;

(c) Shows the boundaries of the land to be enrolled in an agricultural security area;

(d) Shows the names and locations of all streams, creeks, or other bodies of water, roads, rights-of-way, railroads, utility lines, and water and

sewer lines together with any existing residential, recreational, commercial, or industrial facilities that are on or are situated on the land to be included in the area and within five hundred feet of the perimeter of the area;

(e) Indicates the date on which the map was prepared;

(f) Identifies the person or persons who prepared the map.

(7) A list of the other boards of township trustees and boards of county commissioners to whom an application has been submitted.

An application submitted under this section is a public record.

A board of township trustees and a board of county commissioners each may establish a reasonable fee or schedule of fees to be paid at the time that an application is submitted for the purpose of paying the costs of public notice and certified mail that are incurred in any proceedings conducted under this chapter. The clerk of the board shall maintain an accurate and detailed accounting of all money that is received and expended in the processing of an application and shall return to the applicant any unused portion of the fee or fees after the conclusion of the proceedings.

(B) An area shall be established as an agricultural security area when all of the following criteria are satisfied:

(1) The area consists of not less than five hundred acres of contiguous farmland that is located in the unincorporated area of a township or county. In order to satisfy this requirement, two or more owners of contiguous farmland may aggregate their land.

(2) The land forming the area is in an agricultural district or districts established under Chapter 929. of the Revised Code.

(3) The land forming the area is valued and assessed for real property tax purposes in accordance with its current agricultural use value under sections 5713.30 to 5713.38 of the Revised Code. Land forming the area that is a portion of a farm on which is located a dwelling house, a yard, or outbuildings such as a barn or garage shall be deemed to satisfy the criteria established in divisions (B)(1) and (3) of this section.

(4) Each application submitted by the owner or owners of the land forming the area is approved under section 931.03 of the Revised Code by the boards of township trustees of all of the townships in which the land is located.

(5) Each application submitted by the owner or owners of the land forming the area is approved under section 931.03 of the Revised Code by the boards of county commissioners of all of the counties in which the land is located.

Sec. 931.03. (A)(1) Not later than sixty days after receipt of an application submitted under section 931.02 of the Revised Code, the board

of township trustees of each township in which the land that is proposed for enrollment in an agricultural security area is located and the board of county commissioners of each county in which the land is located shall hear the application at the next regularly scheduled meeting of the board. A board, not later than thirty days prior to the time of the meeting, shall cause a notice containing the time and place of the meeting to be published in a newspaper of general circulation in the township or county, as applicable, and to be sent to the superintendent of each school district within the proposed agricultural security area, the county engineer of each county in which the proposed area would be located, the legislative authority of each municipal corporation that is located within one-half mile of the boundaries of the proposed area if the municipal corporation has requested notice of such a meeting, and the director of transportation.

As part of the hearing on an application, a board shall review any information that it possesses concerning improvements that are planned to be made during the subsequent ten years to existing or proposed roads that are located or are to be located within the area that is proposed for enrollment in an agricultural security area. As used in division (A)(1) of this section, "proposed road" means any future roadway project that is on a new alignment or relocation of an existing alignment and for which state or federal funding has been allocated for, but not limited to, a planning level roadway improvement study, an interchange justification or bypass study, environmental review, design, right-of-way acquisition, or construction, and "improvement" includes any action taken with respect to an existing or proposed road that would cause the road to cover a portion of land that it does not cover or is not proposed to cover at the time of the hearing. Any portion of land that would be covered by a planned improvement shall not be eligible for enrollment in an agricultural security area.

As part of the hearing on an application, a board also may consider any comprehensive plan that is in place for the county or township, as applicable, and may choose to approve or reject the application on the basis of the proposed agricultural security area's compliance with the comprehensive plan.

(2) The board of township trustees of each township and the board of county commissioners of each county that is required to hear an application under division (A)(1) of this section may conduct a joint meeting in lieu of meeting separately not later than forty-five days after receipt of an application under section 931.02 of the Revised Code. A single public notice concerning the meeting shall be provided in the manner prescribed in division (A)(1) of this section in each township and county participating in

the meeting. The cost of the public notice shall be shared equally by all townships and counties participating in the joint meeting.

(3) Not later than forty-five days after a board of township trustees hears the application and not later than sixty days after a board of county commissioners hears the application, each respective board shall adopt a resolution either approving or rejecting the application. However, if a board determines that the information in the application is incorrect or the application is incomplete, the board shall return the application to the applicant, by certified mail, with an enumeration of the items that are incorrect or incomplete.

Upon receipt of the returned application, the applicant may amend the application. Not later than fifteen days after receipt of the returned application, the applicant may submit an amended application to each board of township trustees and each board of county commissioners to whom the original application was submitted.

Not later than thirty days after receipt of an amended application, a board shall adopt a resolution either approving or rejecting the amended application. Not later than five days after adoption of the resolution, the board shall notify the applicant, by certified mail, of the board's decision to approve or reject the application.

(4) Any person may submit comments to any board of county commissioners or board of township trustees to which an application or amended application has been submitted under this chapter at any time prior to and at any public meeting at which the application or amended application is heard.

(B)(1) An agricultural security area is established, and the land that is proposed for inclusion in the area is enrolled in the area, upon the adoption of a resolution by each of the affected boards of township trustees and boards of county commissioners approving the same version of the application or applications requesting the establishment of the area.

(2) Not later than thirty days after a board adopts a resolution approving the establishment of an agricultural security area, the board shall send a copy of the resolution to the director of agriculture, the director of transportation, the superintendent of each school district within the area, the county engineer, and the county auditor.

(C) A resolution approving the establishment of an agricultural security area shall include all of the following:

(1) A statement that the board of township trustees or board of county commissioners, as applicable, commits not to initiate, approve, or finance any development for residential, commercial, or industrial purposes,

including construction of new roads and water and sewer lines, within the area for a period of ten years. For purposes of division (C)(1) of this section, "development" does not include any of the following:

(a) The improvement of existing roads, provided that the county engineer of each county in which the portion of the area affected by the improvement is located determines that the improvement is necessary for traffic safety, and provided that the improvement is consistent with the agricultural use of land in the area;

(b) The construction, modification, or operation of transmission lines for electricity, gas, or oil or of any gathering or production lines for oil or gas, provided that the construction, modification, or operation of the lines does not cause the land to become ineligible for valuation and assessment for real property tax purposes in accordance with its current agricultural use value under sections 5713.30 to 5713.38 of the Revised Code;

(c) The construction, modification, or operation of water lines or sewer lines, provided that an official or employee of the environmental protection agency orders the construction, modification, or operation for the purpose of enabling water and sewer service areas that are outside of the agricultural security area to be connected to each other, and provided that the lines do not provide service connections to land within the agricultural security area.

(2) A requirement that the owner or owners of the land in the area use best management practices;

(3) A statement that describes the agreement that was reached with other boards, if applicable, under section 5709.28 of the Revised Code concerning the percentage of the taxable value of qualifying agricultural real property in the agricultural security area that is to be exempted from taxation under that section and the number of years that the tax exemption established under that section will apply to that property.

(D) An agricultural security area may continue in existence for ten years unless either of the following occurs:

(1) The sole owner of land enrolled in the area withdraws under section 931.07 of the Revised Code.

(2) Unless division (C) of section 931.07 of the Revised Code applies, land in the area fails to satisfy any of the criteria specified in divisions (B)(1) to (3) of section 931.02 of the Revised Code.

(E) The approval or disapproval of an application under this section is not a final order, adjudication, or decision under section 2506.01 of the Revised Code and is not appealable under Chapter 2506. of the Revised Code.

Sec. 931.04. (A) An owner of land that is enrolled in an agricultural

security area may do either or both of the following:

(1) Request approval to operate any business that does not impair the owner's ability to engage in agriculture from each board of township trustees and each board of county commissioners that adopted a resolution approving the establishment of the agricultural security area;

(2) Develop, authorize the development of, or, for the purpose of developing, transfer ownership of a portion of the owner's land within the agricultural security area for constructing or otherwise establishing a single-family residence for an individual who is related by consanguinity or by affinity to the owner. Not more than one such residence shall be constructed per each forty acres of the owner's land within the agricultural security area.

(B)(1) To obtain approval to operate a business under division (A)(1) of this section, a person shall send a written request, by certified mail, to each appropriate board of township trustees and each appropriate board of county commissioners. The request shall contain all of the following:

(a) A description of the proposed business;

(b) A description of the intended location of the business;

(c) A description of the intended size of the business;

(d) If applicable, a detailed description of any construction, renovation, or excavation that will occur for purposes of the proposed business.

(2) Not later than thirty days after receipt of a request under division (B)(1) of this section, a board shall adopt a resolution either approving or rejecting the request. If the board approves the request, the board shall send a copy of the resolution approving the request to each of the following not later than thirty days after adopting the resolution:

(a) The director of agriculture;

(b) Each appropriate county auditor;

(c) The person requesting the business.

(3) If all of the appropriate boards of township trustees and boards of county commissioners adopt a resolution approving the request to operate a business, the person making the request may establish the requested business.

(C) The amount of land that is used for either purpose authorized under division (A) of this section shall be included when determining if the acreage requirement established under division (B) of section 931.02 of the Revised Code is satisfied.

Sec. 931.05. Upon request, the director of agriculture or the director's authorized representative shall provide guidance and technical assistance to owners of land who are seeking enrollment in agricultural security areas and

to boards of township trustees and boards of county commissioners who receive applications requesting the establishment of agricultural security areas.

Sec. 931.06. Not later than one hundred eighty days prior to the expiration of an agricultural security area, an owner of land that is enrolled in the area may renew the enrollment. The procedures established under this chapter for the initial enrollment of land in an agricultural security area apply to the renewal of enrollment. In addition, all of the requirements governing initial enrollment apply to enrollment renewal.

Sec. 931.07. (A)(1) An owner of land that is enrolled in an agricultural security area may withdraw from the area by sending written notice of withdrawal, by certified mail, to all of the following:

- (a) The county auditor of each county in which the land is located;
- (b) The board of township trustees of each township in which the land is located;
- (c) The board of county commissioners of each county in which the land is located.

(2) The owner of land that is enrolled in an agricultural security area shall send written notice, by certified mail, to the parties listed in division (A)(1) of this section when all or a portion of the land becomes ineligible for enrollment in the area due to the occurrence of any of the following events:

- (a) The owner of the land withdraws all or a portion of the land from an agricultural district under Chapter 929. of the Revised Code.
- (b) The land is removed from the agricultural district in which it is situated because of the termination of the district, and a renewal application has not been filed within the time prescribed in division (C) of section 929.02 of the Revised Code or has not been approved under that division.
- (c) All or a portion of the land is converted from being land devoted exclusively to agricultural use within the meaning of section 5713.30 of the Revised Code unless the conversion is incident to the appropriation of land by the state, one of its political subdivisions, or an agency as defined in section 163.01 of the Revised Code.

(3) The county auditor of a county in which land enrolled in an agricultural security area is located who discovers that any of the events described in division (A)(2) of this section has occurred and that the owner of the land has not complied with the notice requirements established in that division shall provide the required notice to the parties listed in division (A)(1) of this section, except that for the purposes of division (A)(1)(a) of this section, the auditor need notify only the county auditors of the other affected counties.

(B) Upon receipt of a notice under division (A) of this section, a board of township trustees or a board of county commissioners immediately shall send a certified copy of the notice to the director of agriculture. The copy shall indicate the name of the township or county, as applicable.

(C)(1) If an owner of land that is enrolled in an agricultural security area withdraws from the area under this section or if at any time an owner's land fails to satisfy either of the criteria established under division (B)(2) or (3) of section 931.02 of the Revised Code, any other owners of land that is enrolled in the area who do not withdraw and whose land satisfies those criteria may continue to have their land enrolled in the agricultural security area until the enrollment expires under any of the following circumstances:

(a) Within the first five years of a ten-year enrollment period, enrollment may continue if the number of acres remaining in the agricultural security area equals five hundred or more.

(b) Within the first five years of a ten-year enrollment period, if the number of acres remaining in the area has diminished to fewer than five hundred, enrollment may continue only if additional contiguous farmland is enrolled in the area to the extent that the number of acres in the area increases once more to equal five hundred or more. Such an increase in acreage may occur through the addition of contiguous farmland to the area either by a landowner who already has land enrolled in the area or by another landowner. In either case, in order to enroll the land in the area, the landowner shall submit, not later than sixty days following the date on which the acreage in the area diminished to fewer than five hundred, an application in accordance with section 931.02 of the Revised Code. The landowner shall obtain approval of the application from all appropriate boards of township trustees and boards of county commissioners in accordance with section 931.03 of the Revised Code. Enrollment of the additional land in the agricultural security area shall continue until the expiration of the existing, partially elapsed ten-year enrollment period and may be renewed in accordance with section 931.06 of the Revised Code.

(c) Within the last five years of a ten-year enrollment period, enrollment may continue regardless of the number of acres remaining in the agricultural security area.

(2) If the state or a municipal corporation appropriates part of the land that is enrolled in an agricultural security area and, as a result of the appropriation, the area fails to satisfy the criterion established under division (B)(1) of section 931.02 of the Revised Code, the owners of land enrolled in the area whose land satisfies the criteria established under divisions (B)(2) and (3) of that section may continue to have their land enrolled in the

agricultural security area until the enrollment expires.

(D) If at any time land that is enrolled in an agricultural security area ceases to be enrolled in the agricultural security area, the statement made by the owner of that land under division (A)(3) of section 931.02 of the Revised Code and the statement made by a board of township trustees or board of county commissioners under division (C)(1) of section 931.03 of the Revised Code are no longer applicable.

Sec. 931.08. No owner of land that is enrolled in an agricultural security area shall fail to comply with the statement that the owner submitted under division (A)(3) of section 931.02 of the Revised Code that the owner will not initiate, approve, or finance any new development on the land for nonagricultural purposes.

Sec. 931.09. The director of agriculture shall prepare and submit to the governor, the president of the senate, and the speaker of the house of representatives an annual report concerning agricultural security areas in the state. The report shall include information concerning the number of acres that are enrolled in agricultural security areas and their location and any tax exemptions granted under section 5709.28 of the Revised Code.

Sec. 931.99. Whoever violates division (A)(2) of section 931.07 of the Revised Code or section 931.08 of the Revised Code shall be fined five hundred dollars. The clerk of the court that receives payment of the fine money shall forward half of the money to the board of township trustees of the township and half of the money to the board of county commissioners of the county in which the applicable agricultural security area is located.

In the case of an agricultural security area that is located in more than one township, the clerk shall divide half of the fine money in equal shares among the townships and shall forward the appropriate portion to each board of township trustees. In the case of an agricultural security area that is located in more than one county, the clerk shall divide half of the fine money in equal shares among the counties and shall forward the appropriate portion to each board of county commissioners.

A board of township trustees or a board of county commissioners may, but is not required to, use the fine money received under this section for farmland preservation purposes.

Sec. 5709.28. As used in this section, "qualifying agricultural real property" means a building, structure, improvement, or fixture that is used exclusively for agricultural purposes, is located on land enrolled in an agricultural security area established under Chapter 931. of the Revised Code, and has a true value in money of twenty-five thousand dollars or more.

At the time of the establishment or renewal of an agricultural security area or at any time during which land is enrolled in an agricultural security area, a percentage of the taxable value of qualifying agricultural real property first appearing on the real and public utility property tax list in a tax year during the enrollment may be exempted from taxation. The board of township trustees of each township in which the land that is enrolled in the agricultural security area is located and the board of county commissioners of each county in which the land is located shall confer with each other and reach an agreement concerning the tax exemption. At the time the agreement is reached, the boards shall send written notice of the agreement to the superintendent of each school district within the agricultural security area. After the agreement is reached and the tax exemption is granted, the qualifying agricultural real property shall become exempt in the tax year following the year in which the construction of the property is completed.

The agreement shall establish the percentage of the taxable value of qualifying agricultural real property that is to be exempted from taxation and the number of years that the tax exemption will apply to that property. The agreement may specify that the tax years during which the exemption will apply to the property may extend past the scheduled expiration date of the period of enrollment in the agricultural security area, provided that the enrollment is renewed and otherwise continues during the tax years that the exemption applies. The agreement shall not exempt from taxation more than seventy-five per cent of the taxable value of the qualifying agricultural real property. In addition, the agreement may establish the maximum amount of the value of the qualifying agricultural real property to which the tax exemption may apply. Subsequent to the agreement establishing that maximum amount, the owner of the property may request the applicable boards to alter the agreement and increase the maximum value of the property to which the tax exemption applies. The agreement shall be reviewed annually by the tax incentive review council in accordance with section 5709.85 of the Revised Code.

Each time that a renewal application is filed for an agricultural security area that involves qualifying agricultural real property that has been the subject of an exemption that expired on or before the date on which the previous period of enrollment in an agricultural security area expired, the applicable boards shall reach a new agreement concerning the exemption before any of the boards adopts a resolution either approving or rejecting the renewal application.

The county auditor shall enter on the list of property described in section 5713.07 of the Revised Code that is exempt from taxation any

qualifying agricultural real property that is the subject of an exemption under this section. An application shall not be required to be filed under section 5715.27 of the Revised Code with respect to the exemption. The county auditor shall remove the qualifying agricultural real property from the list at the time that the county auditor discovers or is notified under section 931.07 of the Revised Code that a withdrawal, removal, or conversion of land from an agricultural security area has occurred in a way that makes the qualifying agricultural real property no longer eligible for the exemption.

If the county auditor removes qualifying agricultural real property from the list of property that is exempt from taxation and the owner of the removed property claimed a tax exemption established under this section for a prior tax year, the amount of tax otherwise imposed on the qualifying agricultural real property that was the subject of the exemption shall be increased. The amount of the increase shall equal the aggregate value of the tax exemption received by the taxpayer under this section since the agricultural security area was most recently approved for establishment or renewal, as applicable, plus interest on that amount at the average bank prime rate, as determined under section 929.02 of the Revised Code, at the time that the county auditor removes the property from the list of property that is exempt from taxation. The tax year in which the increase shall occur is dependent upon the date on which the county auditor makes a discovery or is notified under section 931.07 of the Revised Code that a withdrawal, removal, or conversion of land from an agricultural security area has occurred. If the discovery or notification occurs prior to the date in a tax year on which the county auditor delivers a copy of the general tax list to the county treasurer under section 319.28 of the Revised Code, the increase shall occur in the same tax year that the discovery or notification occurred. If the discovery or notification occurs on or after the date in a tax year on which the copy of the general tax list is delivered to the county treasurer, the increase shall occur in the tax year that immediately follows the year in which the discovery or notification occurred.

Sec. 5709.85. (A) The legislative authority of a county, township, or municipal corporation that grants an exemption from taxation under Chapter 725. or 1728. or under section 3735.67, 5709.28, 5709.40, 5709.41, 5709.62, 5709.63, 5709.632, 5709.73, or 5709.78 of the Revised Code shall create a tax incentive review council. The council shall consist of the following members:

(1) In the case of a municipal corporation eligible to designate a zone under section 5709.62 of the Revised Code, the chief executive officer or

that officer's designee; a member of the legislative authority of the municipal corporation, appointed by the president of the legislative authority or, if the chief executive officer of the municipal corporation is the president, appointed by the president pro tempore of the legislative authority; the county auditor or the county auditor's designee; the chief financial officer of the municipal corporation or that officer's designee; an individual appointed by the board of education of each city, local, exempted village, and joint vocational school district to which the instrument granting the exemption applies; and two members of the public appointed by the chief executive officer of the municipal corporation with the concurrence of the legislative authority. At least four members of the council shall be residents of the municipal corporation, and at least one of the two public members appointed by the chief executive officer shall be a minority. As used in division (A)(1) of this section, a "minority" is an individual who is African-American, Hispanic, or Native American.

(2) In the case of a county or a municipal corporation that is not eligible to designate a zone under section 5709.62 or 5709.632 of the Revised Code, three members appointed by the board of county commissioners; two members from each municipal corporation to which the instrument granting the tax exemption applies, appointed by the chief executive officer with the concurrence of the legislative authority of the respective municipal corporations; two members of each township to which the instrument granting the tax exemption applies, appointed by the board of township trustees of the respective townships; the county auditor or the county auditor's designee; and an individual appointed by the board of education of each city, local, exempted village, and joint vocational school district to which the instrument granting the tax exemption applies. At least two members of the council shall be residents of the municipal corporations or townships to which the instrument granting the tax exemption applies.

(3) In the case of a township in which improvements are declared a public purpose under section 5709.73 of the Revised Code, the board of township trustees; the county auditor or the county auditor's designee; and an individual appointed by the board of education of each city, local, exempted village, and joint vocational school district to which the instrument granting the exemption applies.

(B) The county auditor or the county auditor's designee shall serve as the chairperson of the council. The council shall meet at the call of the chairperson. At the first meeting of the council, the council shall select a vice-chairperson. Attendance by a majority of the members of the council constitutes a quorum to conduct the business of the council.

(C)(1) Annually, the tax incentive review council shall review all agreements granting exemptions from property taxation under Chapter 725. or 1728. or under section 3735.671, 5709.28, 5709.62, 5709.63, or 5709.632 of the Revised Code, and any performance or audit reports required to be submitted pursuant to those agreements. The review shall include agreements granting such exemptions that were entered into prior to July 22, 1994, that continue to be in force and applicable to the current year's property taxes. ~~With~~

With respect to each agreement, other than an agreement entered into under section 5709.28 of the Revised Code, the council shall determine whether the owner of the exempted property has complied with the agreement, and may take into consideration any fluctuations in the business cycle unique to the owner's business. ~~On~~

With respect to an agreement entered into under section 5709.28 of the Revised Code, the council shall consist of the members described in division (A)(2) of this section and shall determine whether the agreement complies with the requirements of section 5709.28 of the Revised Code and whether a withdrawal, removal, or conversion of land from an agricultural security area established under Chapter 931. of the Revised Code has occurred in a manner that makes the exempted property no longer eligible for the exemption.

On the basis of ~~that determination~~ the determinations, on or before the first day of September of each year, the council shall submit to the legislative authority written recommendations for continuation, modification, or cancellation of each agreement.

(2) Annually, the tax incentive review council shall review all exemptions from property taxation resulting from the declaration of public purpose improvements pursuant to section 5709.40, 5709.41, 5709.73, or 5709.78 of the Revised Code. The review shall include such exemptions that were granted prior to July 22, 1994, that continue to be in force and applicable to the current year's property taxes. With respect to each improvement for which an exemption is granted, the council shall determine the increase in the true value of parcels of real property on which improvements have been undertaken as a result of the exemption; the value of improvements exempted from taxation as a result of the exemption; and the number of new employees or employees retained on the site of the improvement as a result of the exemption.

Upon the request of a tax incentive review council, the county auditor, the housing officer appointed pursuant to section 3735.66 of the Revised Code, the owner of a new or remodeled structure or improvement, and the

legislative authority of the county, township, or municipal corporation granting the exemption shall supply the council with any information reasonably necessary for the council to make the determinations required under division (C) of this section, including returns or reports filed pursuant to sections 5711.02, 5711.13, and 5727.08 of the Revised Code.

(D) Annually, the tax incentive review council shall review the compliance of each recipient of a tax exemption under Chapter 725. or 1728. or section 3735.67, 5709.40, 5709.41, 5709.62, 5709.63, 5709.632, 5709.73, or 5709.78 of the Revised Code with the nondiscriminatory hiring policies developed by the county, township, or municipal corporation under section 5709.832 of the Revised Code. Upon the request of the council, the recipient shall provide the council any information necessary to perform its review. On the basis of its review, the council may submit to the legislative authority written recommendations for enhancing compliance with the nondiscriminatory hiring policies.

(E) A legislative authority that receives from a tax incentive review council written recommendations under division (C)(1) or (D) of this section shall, within sixty days after receipt, hold a meeting and vote to accept, reject, or modify all or any portion of the recommendations.

(F) A tax incentive review council may request from the recipient of a tax exemption under Chapter 725. or 1728.; or section 3735.67, 5709.28, 5709.40, 5709.41, 5709.62, 5709.63, 5709.632, 5709.73, or 5709.78 of the Revised Code any information reasonably necessary for the council to perform its review under this section. The request shall be in writing and shall be sent to the recipient by certified mail. Within ten days after receipt of the request, the recipient shall provide to the council the information requested.

SECTION 2. That existing section 5709.85 of the Revised Code is hereby repealed.

Speaker _____ *of the House of Representatives.*

President _____ *of the Senate.*

Passed _____, 20____

Approved _____, 20____

Governor.

The section numbering of law of a general and permanent nature is complete and in conformity with the Revised Code.

Director, Legislative Service Commission.

Filed in the office of the Secretary of State at Columbus, Ohio, on the ____ day of _____, A. D. 20____.

Secretary of State.

File No. _____ Effective Date _____