

# As Introduced

125th General Assembly  
Regular Session  
2003-2004

H. B. No. 414

Representatives Core, Wolpert, Setzer, Jerse, Allen, Ujvagi, Webster

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## A B I L L

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.

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### 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:

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**Sec. 931.01.** As used in this chapter:

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

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(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:

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(1) The United States department of agriculture;

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<u>(2) The natural resources conservation service in the United</u>	20
<u>States department of agriculture;</u>	21
<u>(3) The department of natural resources;</u>	22
<u>(4) A soil and water conservation district established under</u>	23
<u>Chapter 1515. of the Revised Code;</u>	24
<u>(5) With respect to organic or sustainable production</u>	25
<u>methods, a conservation professional whom the director of</u>	26
<u>agriculture approves as having expertise in those methods.</u>	27
<u>(C) "Contiguous farmland" means any of the following:</u>	28
<u>(1) Geographically contiguous property used for agriculture;</u>	29
<u>(2) Noncontiguous property used for agriculture that is owned</u>	30
<u>by one person and connected by a right-of-way that the person</u>	31
<u>controls and to which the public does not have access;</u>	32
<u>(3) Two or more pieces of property used for agriculture that</u>	33
<u>would be geographically contiguous but for the fact that the</u>	34
<u>property is separated by a public or private right-of-way or</u>	35
<u>rights-of-way or by rivers, streams, creeks, or other bodies of</u>	36
<u>water.</u>	37
 <u>Sec. 931.02. (A) Land may be enrolled in an agricultural</u>	38
<u>security area through the submittal of an application to the board</u>	39
<u>of township trustees of each township and to the board of county</u>	40
<u>commissioners of each county in which the land is located</u>	41
<u>requesting the establishment of such an area. If all of the land</u>	42
<u>sought to be enrolled in the agricultural security area is owned</u>	43
<u>by the same person, that person shall submit the application to</u>	44
<u>those boards. If the land sought to be enrolled consists of</u>	45
<u>parcels owned by different persons who have aggregated their</u>	46
<u>parcels, either each owner may submit a separate application to</u>	47
<u>those boards or all of the owners collectively may submit one</u>	48
<u>application for the entire agricultural security area to those</u>	49

boards. 50

An application shall be on the form that the director of 51  
agriculture prescribes. The director shall provide copies of the 52  
application form to county auditors. 53

An application shall be signed by each applicant who is 54  
submitting it and shall contain all of the following: 55

(1) The first, middle, and last name of the applicant or 56  
applicants; 57

(2) Information concerning any property interest in the land 58  
sought to be enrolled in an agricultural security area that is 59  
held by a person other than the applicant or applicants, 60  
including, without limitation, mineral rights or easements in the 61  
land that are held by a person other than the applicant or 62  
applicants and any other interest in the land that may not be 63  
conducive to agriculture and that is held by another person; 64

(3) A statement by each applicant who is submitting the 65  
application that the applicant will not initiate, approve, or 66  
finance any new development for nonagricultural purposes on the 67  
land that is proposed to be enrolled in an agricultural security 68  
area during the ten-year period of the enrollment, except as is 69  
otherwise authorized under division (A) of section 931.04 of the 70  
Revised Code. For purposes of division (A)(3) of this section, 71  
"new development" includes, without limitation, an applicant's 72  
transfer to another person of the ownership of a property interest 73  
in the land that occurs during the period beginning on the date 74  
that the application is submitted and ending on the date that the 75  
ten-year period of enrollment is scheduled to expire. "New 76  
development" does not include taking any actions that are 77  
authorized under property rights in the land, such as mineral 78  
rights or easements, that were transferred to a person other than 79

an applicant prior to the date that the application is submitted. 80

(4) A listing of all administrative enforcement orders issued 81  
to each applicant who is submitting the application, all civil 82  
actions in which an applicant was determined by the trier of fact 83  
to be liable in damages or was the subject of injunctive relief or 84  
another type of civil relief, and all criminal actions in which an 85  
applicant pleaded guilty or was convicted, during the ten years 86  
immediately preceding the date of submission of the application, 87  
in connection with any violation of environmental laws or similar 88  
laws of another state. As used in division (A)(4) of this section, 89  
"environmental laws" has the same meaning as in section 3745.70 of 90  
the Revised Code. 91

(5) A statement from the natural resources conservation 92  
service in the United States department of agriculture, a soil and 93  
water conservation district with jurisdiction over the land to 94  
which the application applies, or any other conservation 95  
professional approved by the director that, at the time of the 96  
application, each applicant who is submitting the application is 97  
complying with best management practices; 98

(6) A map that complies with all of the following: 99

(a) Is prepared and certified by a regional or county 100  
planning commission established under section 713.21 of the 101  
Revised Code or a professional engineer or surveyor registered 102  
under Chapter 4733. of the Revised Code; 103

(b) Identifies the area of land to which the application 104  
applies and includes the corresponding parcel number that the 105  
county auditor has assigned under section 319.28 of the Revised 106  
Code to each parcel of land that comprises that area; 107

(c) Shows the boundaries of the land to be enrolled in an 108  
agricultural security area; 109

(d) Shows the names and locations of all streams, creeks, or 110  
other bodies of water, roads, railroads, utility lines, and water 111  
and sewer lines together with any existing residential, 112  
recreational, commercial, or industrial facilities that are on or 113  
are situated on the land to be included in the area and within 114  
five hundred feet of the perimeter of the area; 115

(e) Indicates the date on which the map was prepared; 116

(f) Identifies the person or persons who prepared the map. 117

(7) A list of the other boards of township trustees and 118  
boards of county commissioners to whom an application has been 119  
submitted. 120

An application submitted under this section is a public 121  
record. 122

(B) An area shall be established as an agricultural security 123  
area when all of the following criteria are satisfied: 124

(1) The area consists of not less than five hundred acres of 125  
contiguous farmland. In order to satisfy this requirement, two or 126  
more owners of contiguous farmland may aggregate their land. 127

(2) The land forming the area is in an agricultural district 128  
or districts established under Chapter 929. of the Revised Code. 129

(3) The land forming the area is valued and assessed for real 130  
property tax purposes in accordance with its current agricultural 131  
use value under sections 5713.30 to 5713.38 of the Revised Code. 132  
Land forming the area that is a portion of a farm on which is 133  
located a dwelling house, a yard, or outbuildings such as a barn 134  
or garage shall be deemed to satisfy the criteria established in 135  
divisions (B)(1) and (3) of this section. 136

(4) Each application submitted by the owner or owners of the 137  
land forming the area is approved under section 931.03 of the 138  
Revised Code by the boards of township trustees of all of the 139

townships in which the land is located.

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(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.

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**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.

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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 roads that are located within the area that is proposed  
for enrollment in an agricultural security area. As used in  
division (A)(1) of this section, "improvement" includes any action  
taken with respect to an existing road that would cause the road  
to cover a portion of land that it does not 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.

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(2) The board of township trustees of each township and the  
board of county commissioners of each county that is required to

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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.

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(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.

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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.

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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.

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(4) Any person may submit comments to any board of county

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commissioners or board of township trustees to which an 202  
application or amended application has been submitted under this 203  
chapter at any time prior to and at any public meeting at which 204  
the application or amended application is heard. 205

(B)(1) An agricultural security area is established, and the 206  
land that is proposed for inclusion in the area is enrolled in the 207  
area, upon the adoption of a resolution by each of the affected 208  
boards of township trustees and boards of county commissioners 209  
approving the same version of the application or applications 210  
requesting the establishment of the area. 211

(2) Not later than thirty days after a board adopts a 212  
resolution approving the establishment of an agricultural security 213  
area, the board shall send a copy of the resolution, by certified 214  
mail, to the director of agriculture and the county auditor. 215

(C) A resolution approving the establishment of an 216  
agricultural security area shall include all of the following: 217

(1) A statement that the board of township trustees or board 218  
of county commissioners, as applicable, commits not to initiate, 219  
approve, or finance any development for residential, commercial, 220  
or industrial purposes, including construction of new roads and 221  
water and sewer lines, within the area for a period of ten years; 222

(2) A requirement that the owner or owners of the land in the 223  
area use best management practices; 224

(3) A statement that describes the agreement that was reached 225  
with other boards, if applicable, under section 5709.28 of the 226  
Revised Code concerning the percentage of the taxable value of 227  
qualifying agricultural real property in the agricultural security 228  
area that is to be exempted from taxation under that section and 229  
the number of years that the tax exemption established under that 230  
section will apply to that property. 231



<u>(D) An agricultural security area may continue in existence</u>	232
<u>for ten years unless either of the following occurs:</u>	233
<u>(1) The sole owner of land enrolled in the area withdraws</u>	234
<u>under section 931.07 of the Revised Code.</u>	235
<u>(2) Unless division (C) of section 931.07 of the Revised Code</u>	236
<u>applies, land in the area fails to satisfy any of the criteria</u>	237
<u>specified in divisions (B)(1) to (3) of section 931.02 of the</u>	238
<u>Revised Code.</u>	239
<u>(E) The approval or disapproval of an application under this</u>	240
<u>section is not a final order, adjudication, or decision under</u>	241
<u>section 2506.01 of the Revised Code and is not appealable under</u>	242
<u>Chapter 2506. of the Revised Code.</u>	243
 <b><u>Sec. 931.04.</u></b> <u>(A) An owner of land that is enrolled in an</u>	244
<u>agricultural security area may do either or both of the following:</u>	245
<u>(1) Request approval to operate any business that does not</u>	246
<u>impair the owner's ability to engage in agriculture from each</u>	247
<u>board of township trustees and each board of county commissioners</u>	248
<u>that adopted a resolution approving the establishment of the</u>	249
<u>agricultural security area;</u>	250
<u>(2) Develop, authorize the development of, or, for the</u>	251
<u>purpose of developing, transfer ownership of a portion of the</u>	252
<u>owner's land within the agricultural security area for</u>	253
<u>constructing or otherwise establishing a single-family residence</u>	254
<u>for an individual who is related by consanguinity or by affinity</u>	255
<u>to the owner. Not more than one such residence shall be</u>	256
<u>constructed per each forty acres of the owner's land within the</u>	257
<u>agricultural security area.</u>	258
 <u>(B)(1) To obtain approval to operate a business under</u>	259
<u>division (A)(1) of this section, a person shall send a written</u>	260
<u>request, by certified mail, to each appropriate board of township</u>	261

trustees and each appropriate board of county commissioners. The 262  
request shall contain all of the following: 263

(a) A description of the proposed business; 264  
(b) A description of the intended location of the business; 265  
(c) A description of the intended size of the business; 266  
(d) If applicable, a detailed description of any 267  
construction, renovation, or excavation that will occur for 268  
purposes of the proposed business. 269

(2) Not later than thirty days after receipt of a request 270  
under division (B)(1) of this section, a board shall adopt a 271  
resolution either approving or rejecting the request. If the board 272  
approves the request, the board shall send a copy of the 273  
resolution approving the request, by certified mail, to each of 274  
the following not later than thirty days after adopting the 275  
resolution: 276

(a) The director of agriculture; 277  
(b) Each appropriate county auditor; 278  
(c) The person requesting the business. 279

(3) If all of the appropriate boards of township trustees and 280  
boards of county commissioners adopt a resolution approving the 281  
request to operate a business, the person making the request may 282  
establish the requested business. 283

(C) The amount of land that is used for either purpose 284  
authorized under division (A) of this section shall be included 285  
when determining if the acreage requirement established under 286  
division (B) of section 931.02 of the Revised Code is satisfied. 287

**Sec. 931.05.** Upon request, the director of agriculture or the 288  
director's authorized representative shall provide guidance and 289  
technical assistance to owners of land who are seeking enrollment 290

in agricultural security areas and to boards of township trustees 291  
and boards of county commissioners who receive applications 292  
requesting the establishment of agricultural security areas. 293

Sec. 931.06. Not later than one hundred eighty days prior to 294  
the expiration of an agricultural security area, an owner of land 295  
that is enrolled in the area may renew the enrollment. The 296  
procedures established under this chapter for the initial 297  
enrollment of land in an agricultural security area apply to the 298  
renewal of enrollment. In addition, all of the requirements 299  
governing initial enrollment apply to enrollment renewal. 300

Sec. 931.07. (A)(1) An owner of land that is enrolled in an 301  
agricultural security area may withdraw from the area by sending 302  
written notice of withdrawal, by certified mail, to all of the 303  
following: 304

(a) The county auditor of each county in which the land is 305  
located; 306

(b) The board of township trustees of each township in which 307  
the land is located; 308

(c) The board of county commissioners of each county in which 309  
the land is located. 310

(2) The owner of land that is enrolled in an agricultural 311  
security area shall send written notice, by certified mail, to the 312  
parties listed in division (A)(1) of this section when all or a 313  
portion of the land becomes ineligible for enrollment in the area 314  
due to the occurrence of any of the following events: 315

(a) The owner of the land withdraws all or a portion of the 316  
land from an agricultural district under Chapter 929. of the 317  
Revised Code. 318

(b) The land is removed from the agricultural district in 319  
which it is situated because of the termination of the district, 320  
and a renewal application has not been filed within the time 321  
prescribed in division (C) of section 929.02 of the Revised Code 322  
or has not been approved under that division. 323

(c) All or a portion of the land is converted from being land 324  
devoted exclusively to agricultural use within the meaning of 325  
section 5713.30 of the Revised Code unless the conversion is 326  
incident to the appropriation of land by the state, one of its 327  
political subdivisions, or an agency as defined in section 163.01 328  
of the Revised Code. 329

(3) The county auditor of a county in which land enrolled in 330  
an agricultural security area is located who discovers that any of 331  
the events described in division (A)(2) of this section has 332  
occurred and that the owner of the land has not complied with the 333  
notice requirements established in that division shall provide the 334  
required notice to the parties listed in division (A)(1) of this 335  
section, except that for the purposes of division (A)(1)(a) of 336  
this section, the auditor need notify only the county auditors of 337  
the other affected counties. 338

(B) Upon receipt of a notice under division (A) of this 339  
section, a board of township trustees or a board of county 340  
commissioners immediately shall send a certified copy of the 341  
notice to the director of agriculture. The copy shall indicate the 342  
name of the township or county, as applicable. 343

(C)(1) If an owner of land that is enrolled in an 344  
agricultural security area withdraws from the area under this 345  
section or if at any time an owner's land fails to satisfy either 346  
of the criteria established under division (B)(2) or (3) of 347  
section 931.02 of the Revised Code, any other owners of land that 348  
is enrolled in the area who do not withdraw and whose land 349

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 an application in  
accordance with section 931.02 of the Revised Code and 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.

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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 pro rata 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 pro rata  
among the counties and shall forward the appropriate portion to  
each board of county commissioners.

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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.

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**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.

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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. After the agreement is reached and  
the tax exemption is granted, the qualifying agricultural real

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property shall become exempt after the first lien date subsequent  
to the completion of construction of the property.

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.

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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

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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.

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**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:

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(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.

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(2) In the case of a county or a municipal corporation that

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is not eligible to designate a zone under section 5709.62 or 536  
5709.632 of the Revised Code, three members appointed by the board 537  
of county commissioners; two members from each municipal 538  
corporation to which the instrument granting the tax exemption 539  
applies, appointed by the chief executive officer with the 540  
concurrence of the legislative authority of the respective 541  
municipal corporations; two members of each township to which the 542  
instrument granting the tax exemption applies, appointed by the 543  
board of township trustees of the respective townships; the county 544  
auditor or the county auditor's designee; and an individual 545  
appointed by the board of education of each city, local, exempted 546  
village, and joint vocational school district to which the 547  
instrument granting the tax exemption applies. At least two 548  
members of the council shall be residents of the municipal 549  
corporations or townships to which the instrument granting the tax 550  
exemption applies. 551

(3) In the case of a township in which improvements are 552  
declared a public purpose under section 5709.73 of the Revised 553  
Code, the board of township trustees; the county auditor or the 554  
county auditor's designee; and an individual appointed by the 555  
board of education of each city, local, exempted village, and 556  
joint vocational school district to which the instrument granting 557  
the exemption applies. 558

(B) The county auditor or the county auditor's designee shall 559  
serve as the chairperson of the council. The council shall meet at 560  
the call of the chairperson. At the first meeting of the council, 561  
the council shall select a vice-chairperson. Attendance by a 562  
majority of the members of the council constitutes a quorum to 563  
conduct the business of the council. 564

(C)(1) Annually, the tax incentive review council shall 565  
review all agreements granting exemptions from property taxation 566  
under Chapter 725. or 1728. or under section 3735.671, 5709.28, 567

5709.62, 5709.63, or 5709.632 of the Revised Code, and any 568  
performance or audit reports required to be submitted pursuant to 569  
those agreements. The review shall include agreements granting 570  
such exemptions that were entered into prior to July 22, 1994, 571  
that continue to be in force and applicable to the current year's 572  
property taxes. ~~With~~ 573

With respect to each agreement, other than an agreement 574  
entered into under section 5709.28 of the Revised Code, the 575  
council shall determine whether the owner of the exempted property 576  
has complied with the agreement, and may take into consideration 577  
any fluctuations in the business cycle unique to the owner's 578  
business. ~~On~~ 579

With respect to an agreement entered into under section 580  
5709.28 of the Revised Code, the council shall consist of the 581  
members described in division (A)(2) of this section and shall 582  
determine whether the agreement complies with the requirements of 583  
section 5709.28 of the Revised Code and whether a withdrawal, 584  
removal, or conversion of land from an agricultural security area 585  
established under Chapter 931. of the Revised Code has occurred in 586  
a manner that makes the exempted property no longer eligible for 587  
the exemption. 588

On the basis of ~~that determination~~ the determinations, on or 589  
before the first day of September of each year, the council shall 590  
submit to the legislative authority written recommendations for 591  
continuation, modification, or cancellation of each agreement. 592

(2) Annually, the tax incentive review council shall review 593  
all exemptions from property taxation resulting from the 594  
declaration of public purpose improvements pursuant to section 595  
5709.40, 5709.41, 5709.73, or 5709.78 of the Revised Code. The 596  
review shall include such exemptions that were granted prior to 597  
July 22, 1994, that continue to be in force and applicable to the 598  
current year's property taxes. With respect to each improvement 599

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 632  
recipient of a tax exemption under Chapter 725. or 1728.7 or 633  
section 3735.67, 5709.28, 5709.40, 5709.41, 5709.62, 5709.63, 634  
5709.632, 5709.73, or 5709.78 of the Revised Code any information 635  
reasonably necessary for the council to perform its review under 636  
this section. The request shall be in writing and shall be sent to 637  
the recipient by certified mail. Within ten days after receipt of 638  
the request, the recipient shall provide to the council the 639  
information requested. 640

**Section 2.** That existing section 5709.85 of the Revised Code 641  
is hereby repealed. 642