

As Passed by the Senate

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Sub. H. B. No. 414

**Representatives Core, Wolpert, Setzer, Jerse, Allen, Ujvagi, Webster,
Aslanides, Gibbs, Carmichael, Distel, Domenick, C. Evans, Faber, Niehaus,
Reinhard, Schlichter, Calvert, Carano, Cates, Chandler, Collier, Daniels,
D. Evans, Gilb, Grendell, Hartnett, Hollister, Latta, Otterman, Perry, Redfern,
Schmidt, Seaver, Sferra, Strahorn, Yates
Senator Mumper**

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A B I L L

To amend section 5709.85 and to enact sections 931.01 1
to 931.09, 931.99, and 5709.28 of the Revised Code 2
to provide for the establishment of agricultural 3
security areas, to limit development within those 4
areas, and to provide the opportunity for certain 5
tax exemptions for land within those areas. 6

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That section 5709.85 be amended and sections 7
931.01, 931.02, 931.03, 931.04, 931.05, 931.06, 931.07, 931.08, 8
931.09, 931.99, and 5709.28 of the Revised Code be enacted to read 9
as follows: 10

Sec. 931.01. As used in this chapter: 11

(A) "Agriculture" has the same meaning as in section 1.61 of 12
the Revised Code. 13

(B) "Best management practices" means the engagement of 14

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 44
that is proposed to be annexed to a municipal corporation by a 45
pending proceeding before the board of county commissioners or in 46
any court of competent jurisdiction shall not be included in an 47
agricultural security area. 48

If all of the land sought to be enrolled in the agricultural 49
security area is owned by the same person, that person shall 50
submit the application to the required boards. If the land sought 51
to be enrolled consists of parcels owned by different persons who 52
have aggregated their parcels, either each owner may submit a 53
separate application to the required boards or all of the owners 54
collectively may submit one application for the entire 55
agricultural security area to the required boards. 56

An application shall be on the form that the director of 57
agriculture prescribes. The director shall provide copies of the 58
application form to county auditors. 59

An application shall be signed by each applicant who is 60
submitting it and shall contain all of the following: 61

(1) The first, middle, and last name of the applicant or 62
applicants; 63

(2) Information concerning any property interest in the land 64
sought to be enrolled in an agricultural security area that is 65
held by a person other than the applicant or applicants, 66
including, without limitation, mineral rights or easements in the 67
land that are held by a person other than the applicant or 68
applicants and any other interest in the land that may not be 69
conducive to agriculture and that is held by another person; 70

(3) A statement by each applicant who is submitting the 71
application that the applicant will not initiate, approve, or 72
finance any new development for nonagricultural purposes on the 73

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.

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(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.

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(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. 136

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. 137
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(B) An area shall be established as an agricultural security area when all of the following criteria are satisfied: 147
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(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. 149
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(2) The land forming the area is in an agricultural district or districts established under Chapter 929. of the Revised Code. 153
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(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. 155
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(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. 162
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(5) Each application submitted by the owner or owners of the 166
land forming the area is approved under section 931.03 of the 167
Revised Code by the boards of county commissioners of all of the 168
counties in which the land is located. 169

Sec. 931.03. (A)(1) Not later than sixty days after receipt 170
of an application submitted under section 931.02 of the Revised 171
Code, the board of township trustees of each township in which the 172
land that is proposed for enrollment in an agricultural security 173
area is located and the board of county commissioners of each 174
county in which the land is located shall hear the application at 175
the next regularly scheduled meeting of the board. A board, not 176
later than thirty days prior to the time of the meeting, shall 177
cause a notice containing the time and place of the meeting to be 178
published in a newspaper of general circulation in the township or 179
county, as applicable, and to be sent to the superintendent of 180
each school district within the proposed agricultural security 181
area, the county engineer of each county in which the proposed 182
area would be located, the legislative authority of each municipal 183
corporation that is located within one-half mile of the boundaries 184
of the proposed area if the municipal corporation has requested 185
notice of such a meeting, and the director of transportation. 186

As part of the hearing on an application, a board shall 187
review any information that it possesses concerning improvements 188
that are planned to be made during the subsequent ten years to 189
existing or proposed roads that are located or are to be located 190
within the area that is proposed for enrollment in an agricultural 191
security area. As used in division (A)(1) of this section, 192
"proposed road" means any future roadway project that is on a new 193
alignment or relocation of an existing alignment and for which 194
state or federal funding has been allocated for, but not limited 195
to, a planning level roadway improvement study, an interchange 196

justification or bypass study, environmental review, design, 197
right-of-way acquisition, or construction, and "improvement" 198
includes any action taken with respect to an existing or proposed 199
road that would cause the road to cover a portion of land that it 200
does not cover or is not proposed to cover at the time of the 201
hearing. Any portion of land that would be covered by a planned 202
improvement shall not be eligible for enrollment in an 203
agricultural security area. 204

As part of the hearing on an application, a board also may 205
consider any comprehensive plan that is in place for the county or 206
township, as applicable, and may choose to approve or reject the 207
application on the basis of the proposed agricultural security 208
area's compliance with the comprehensive plan. 209

(2) The board of township trustees of each township and the 210
board of county commissioners of each county that is required to 211
hear an application under division (A)(1) of this section may 212
conduct a joint meeting in lieu of meeting separately not later 213
than forty-five days after receipt of an application under section 214
931.02 of the Revised Code. A single public notice concerning the 215
meeting shall be provided in the manner prescribed in division 216
(A)(1) of this section in each township and county participating 217
in the meeting. The cost of the public notice shall be shared 218
equally by all townships and counties participating in the joint 219
meeting. 220

(3) Not later than forty-five days after a board of township 221
trustees hears the application and not later than sixty days after 222
a board of county commissioners hears the application, each 223
respective board shall adopt a resolution either approving or 224
rejecting the application. However, if a board determines that the 225
information in the application is incorrect or the application is 226
incomplete, the board shall return the application to the 227
applicant, by certified mail, with an enumeration of the items 228

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
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.

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(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.

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(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.

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(C) A resolution approving the establishment of an

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agricultural security area shall include all of the following: 260

(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: 261
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(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; 268
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(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; 274
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(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. 282
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(2) A requirement that the owner or owners of the land in the 290

<u>area use best management practices;</u>	291
<u>(3) A statement that describes the agreement that was reached</u>	292
<u>with other boards, if applicable, under section 5709.28 of the</u>	293
<u>Revised Code concerning the percentage of the taxable value of</u>	294
<u>qualifying agricultural real property in the agricultural security</u>	295
<u>area that is to be exempted from taxation under that section and</u>	296
<u>the number of years that the tax exemption established under that</u>	297
<u>section will apply to that property.</u>	298
<u>(D) An agricultural security area may continue in existence</u>	299
<u>for ten years unless either of the following occurs:</u>	300
<u>(1) The sole owner of land enrolled in the area withdraws</u>	301
<u>under section 931.07 of the Revised Code.</u>	302
<u>(2) Unless division (C) of section 931.07 of the Revised Code</u>	303
<u>applies, land in the area fails to satisfy any of the criteria</u>	304
<u>specified in divisions (B)(1) to (3) of section 931.02 of the</u>	305
<u>Revised Code.</u>	306
<u>(E) The approval or disapproval of an application under this</u>	307
<u>section is not a final order, adjudication, or decision under</u>	308
<u>section 2506.01 of the Revised Code and is not appealable under</u>	309
<u>Chapter 2506. of the Revised Code.</u>	310
<u>Sec. 931.04. (A) An owner of land that is enrolled in an</u>	311
<u>agricultural security area may do either or both of the following:</u>	312
<u>(1) Request approval to operate any business that does not</u>	313
<u>impair the owner's ability to engage in agriculture from each</u>	314
<u>board of township trustees and each board of county commissioners</u>	315
<u>that adopted a resolution approving the establishment of the</u>	316
<u>agricultural security area;</u>	317
<u>(2) Develop, authorize the development of, or, for the</u>	318
<u>purpose of developing, transfer ownership of a portion of the</u>	319
<u>owner's land within the agricultural security area for</u>	320

constructing or otherwise establishing a single-family residence 321
for an individual who is related by consanguinity or by affinity 322
to the owner. Not more than one such residence shall be 323
constructed per each forty acres of the owner's land within the 324
agricultural security area. 325

(B)(1) To obtain approval to operate a business under 326
division (A)(1) of this section, a person shall send a written 327
request, by certified mail, to each appropriate board of township 328
trustees and each appropriate board of county commissioners. The 329
request shall contain all of the following: 330

(a) A description of the proposed business; 331

(b) A description of the intended location of the business; 332

(c) A description of the intended size of the business; 333

(d) If applicable, a detailed description of any 334
construction, renovation, or excavation that will occur for 335
purposes of the proposed business. 336

(2) Not later than thirty days after receipt of a request 337
under division (B)(1) of this section, a board shall adopt a 338
resolution either approving or rejecting the request. If the board 339
approves the request, the board shall send a copy of the 340
resolution approving the request to each of the following not 341
later than thirty days after adopting the resolution: 342

(a) The director of agriculture; 343

(b) Each appropriate county auditor; 344

(c) The person requesting the business. 345

(3) If all of the appropriate boards of township trustees and 346
boards of county commissioners adopt a resolution approving the 347
request to operate a business, the person making the request may 348
establish the requested business. 349

(C) The amount of land that is used for either purpose 350
authorized under division (A) of this section shall be included 351
when determining if the acreage requirement established under 352
division (B) of section 931.02 of the Revised Code is satisfied. 353

Sec. 931.05. Upon request, the director of agriculture or the 354
director's authorized representative shall provide guidance and 355
technical assistance to owners of land who are seeking enrollment 356
in agricultural security areas and to boards of township trustees 357
and boards of county commissioners who receive applications 358
requesting the establishment of agricultural security areas. 359

Sec. 931.06. Not later than one hundred eighty days prior to 360
the expiration of an agricultural security area, an owner of land 361
that is enrolled in the area may renew the enrollment. The 362
procedures established under this chapter for the initial 363
enrollment of land in an agricultural security area apply to the 364
renewal of enrollment. In addition, all of the requirements 365
governing initial enrollment apply to enrollment renewal. 366

Sec. 931.07. (A)(1) An owner of land that is enrolled in an 367
agricultural security area may withdraw from the area by sending 368
written notice of withdrawal, by certified mail, to all of the 369
following: 370

(a) The county auditor of each county in which the land is 371
located; 372

(b) The board of township trustees of each township in which 373
the land is located; 374

(c) The board of county commissioners of each county in which 375
the land is located. 376

(2) The owner of land that is enrolled in an agricultural 377
security area shall send written notice, by certified mail, to the 378

parties listed in division (A)(1) of this section when all or a 379
portion of the land becomes ineligible for enrollment in the area 380
due to the occurrence of any of the following events: 381

(a) The owner of the land withdraws all or a portion of the 382
land from an agricultural district under Chapter 929. of the 383
Revised Code. 384

(b) The land is removed from the agricultural district in 385
which it is situated because of the termination of the district, 386
and a renewal application has not been filed within the time 387
prescribed in division (C) of section 929.02 of the Revised Code 388
or has not been approved under that division. 389

(c) All or a portion of the land is converted from being land 390
devoted exclusively to agricultural use within the meaning of 391
section 5713.30 of the Revised Code unless the conversion is 392
incident to the appropriation of land by the state, one of its 393
political subdivisions, or an agency as defined in section 163.01 394
of the Revised Code. 395

(3) The county auditor of a county in which land enrolled in 396
an agricultural security area is located who discovers that any of 397
the events described in division (A)(2) of this section has 398
occurred and that the owner of the land has not complied with the 399
notice requirements established in that division shall provide the 400
required notice to the parties listed in division (A)(1) of this 401
section, except that for the purposes of division (A)(1)(a) of 402
this section, the auditor need notify only the county auditors of 403
the other affected counties. 404

(B) Upon receipt of a notice under division (A) of this 405
section, a board of township trustees or a board of county 406
commissioners immediately shall send a certified copy of the 407
notice to the director of agriculture. The copy shall indicate the 408
name of the township or county, as applicable. 409

(C)(1) If an owner of land that is enrolled in an 410
agricultural security area withdraws from the area under this 411
section or if at any time an owner's land fails to satisfy either 412
of the criteria established under division (B)(2) or (3) of 413
section 931.02 of the Revised Code, any other owners of land that 414
is enrolled in the area who do not withdraw and whose land 415
satisfies those criteria may continue to have their land enrolled 416
in the agricultural security area until the enrollment expires 417
under any of the following circumstances: 418

(a) Within the first five years of a ten-year enrollment 419
period, enrollment may continue if the number of acres remaining 420
in the agricultural security area equals five hundred or more. 421

(b) Within the first five years of a ten-year enrollment 422
period, if the number of acres remaining in the area has 423
diminished to fewer than five hundred, enrollment may continue 424
only if additional contiguous farmland is enrolled in the area to 425
the extent that the number of acres in the area increases once 426
more to equal five hundred or more. Such an increase in acreage 427
may occur through the addition of contiguous farmland to the area 428
either by a landowner who already has land enrolled in the area or 429
by another landowner. In either case, in order to enroll the land 430
in the area, the landowner shall submit, not later than sixty days 431
following the date on which the acreage in the area diminished to 432
fewer than five hundred, an application in accordance with section 433
931.02 of the Revised Code. The landowner shall obtain approval of 434
the application from all appropriate boards of township trustees 435
and boards of county commissioners in accordance with section 436
931.03 of the Revised Code. Enrollment of the additional land in 437
the agricultural security area shall continue until the expiration 438
of the existing, partially elapsed ten-year enrollment period and 439
may be renewed in accordance with section 931.06 of the Revised 440
Code. 441

(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. 442
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(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. 445
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(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. 453
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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. 460
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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 466
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tax exemptions granted under section 5709.28 of the Revised Code. 472

Sec. 931.99. Whoever violates division (A)(2) of section 473
931.07 of the Revised Code or section 931.08 of the Revised Code 474
shall be fined five hundred dollars. The clerk of the court that 475
receives payment of the fine money shall forward half of the money 476
to the board of township trustees of the township and half of the 477
money to the board of county commissioners of the county in which 478
the applicable agricultural security area is located. 479

In the case of an agricultural security area that is located 480
in more than one township, the clerk shall divide half of the fine 481
money in equal shares among the townships and shall forward the 482
appropriate portion to each board of township trustees. In the 483
case of an agricultural security area that is located in more than 484
one county, the clerk shall divide half of the fine money in equal 485
shares among the counties and shall forward the appropriate 486
portion to each board of county commissioners. 487

A board of township trustees or a board of county 488
commissioners may, but is not required to, use the fine money 489
received under this section for farmland preservation purposes. 490

Sec. 5709.28. As used in this section, "qualifying 491
agricultural real property" means a building, structure, 492
improvement, or fixture that is used exclusively for agricultural 493
purposes, is located on land enrolled in an agricultural security 494
area established under Chapter 931. of the Revised Code, and has a 495
true value in money of twenty-five thousand dollars or more. 496

At the time of the establishment or renewal of an 497
agricultural security area or at any time during which land is 498
enrolled in an agricultural security area, a percentage of the 499
taxable value of qualifying agricultural real property first 500
appearing on the real and public utility property tax list in a 501

tax year during the enrollment may be exempted from taxation. The 502
board of township trustees of each township in which the land that 503
is enrolled in the agricultural security area is located and the 504
board of county commissioners of each county in which the land is 505
located shall confer with each other and reach an agreement 506
concerning the tax exemption. At the time the agreement is 507
reached, the boards shall send written notice of the agreement to 508
the superintendent of each school district within the agricultural 509
security area. After the agreement is reached and the tax 510
exemption is granted, the qualifying agricultural real property 511
shall become exempt in the tax year following the year in which 512
the construction of the property is completed. 513

The agreement shall establish the percentage of the taxable 514
value of qualifying agricultural real property that is to be 515
exempted from taxation and the number of years that the tax 516
exemption will apply to that property. The agreement may specify 517
that the tax years during which the exemption will apply to the 518
property may extend past the scheduled expiration date of the 519
period of enrollment in the agricultural security area, provided 520
that the enrollment is renewed and otherwise continues during the 521
tax years that the exemption applies. The agreement shall not 522
exempt from taxation more than seventy-five per cent of the 523
taxable value of the qualifying agricultural real property. In 524
addition, the agreement may establish the maximum amount of the 525
value of the qualifying agricultural real property to which the 526
tax exemption may apply. Subsequent to the agreement establishing 527
that maximum amount, the owner of the property may request the 528
applicable boards to alter the agreement and increase the maximum 529
value of the property to which the tax exemption applies. The 530
agreement shall be reviewed annually by the tax incentive review 531
council in accordance with section 5709.85 of the Revised Code. 532

Each time that a renewal application is filed for an 533

agricultural security area that involves qualifying agricultural 534
real property that has been the subject of an exemption that 535
expired on or before the date on which the previous period of 536
enrollment in an agricultural security area expired, the 537
applicable boards shall reach a new agreement concerning the 538
exemption before any of the boards adopts a resolution either 539
approving or rejecting the renewal application. 540

The county auditor shall enter on the list of property 541
described in section 5713.07 of the Revised Code that is exempt 542
from taxation any qualifying agricultural real property that is 543
the subject of an exemption under this section. An application 544
shall not be required to be filed under section 5715.27 of the 545
Revised Code with respect to the exemption. The county auditor 546
shall remove the qualifying agricultural real property from the 547
list at the time that the county auditor discovers or is notified 548
under section 931.07 of the Revised Code that a withdrawal, 549
removal, or conversion of land from an agricultural security area 550
has occurred in a way that makes the qualifying agricultural real 551
property no longer eligible for the exemption. 552

If the county auditor removes qualifying agricultural real 553
property from the list of property that is exempt from taxation 554
and the owner of the removed property claimed a tax exemption 555
established under this section for a prior tax year, the amount of 556
tax otherwise imposed on the qualifying agricultural real property 557
that was the subject of the exemption shall be increased. The 558
amount of the increase shall equal the aggregate value of the tax 559
exemption received by the taxpayer under this section since the 560
agricultural security area was most recently approved for 561
establishment or renewal, as applicable, plus interest on that 562
amount at the average bank prime rate, as determined under section 563
929.02 of the Revised Code, at the time that the county auditor 564
removes the property from the list of property that is exempt from 565

taxation. The tax year in which the increase shall occur is 566
dependent upon the date on which the county auditor makes a 567
discovery or is notified under section 931.07 of the Revised Code 568
that a withdrawal, removal, or conversion of land from an 569
agricultural security area has occurred. If the discovery or 570
notification occurs prior to the date in a tax year on which the 571
county auditor delivers a copy of the general tax list to the 572
county treasurer under section 319.28 of the Revised Code, the 573
increase shall occur in the same tax year that the discovery or 574
notification occurred. If the discovery or notification occurs on 575
or after the date in a tax year on which the copy of the general 576
tax list is delivered to the county treasurer, the increase shall 577
occur in the tax year that immediately follows the year in which 578
the discovery or notification occurred. 579

Sec. 5709.85. (A) The legislative authority of a county, 580
township, or municipal corporation that grants an exemption from 581
taxation under Chapter 725. or 1728. or under section 3735.67, 582
5709.28, 5709.40, 5709.41, 5709.62, 5709.63, 5709.632, 5709.73, or 583
5709.78 of the Revised Code shall create a tax incentive review 584
council. The council shall consist of the following members: 585

(1) In the case of a municipal corporation eligible to 586
designate a zone under section 5709.62 of the Revised Code, the 587
chief executive officer or that officer's designee; a member of 588
the legislative authority of the municipal corporation, appointed 589
by the president of the legislative authority or, if the chief 590
executive officer of the municipal corporation is the president, 591
appointed by the president pro tempore of the legislative 592
authority; the county auditor or the county auditor's designee; 593
the chief financial officer of the municipal corporation or that 594
officer's designee; an individual appointed by the board of 595
education of each city, local, exempted village, and joint 596

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. 629

(B) The county auditor or the county auditor's designee shall 630
serve as the chairperson of the council. The council shall meet at 631
the call of the chairperson. At the first meeting of the council, 632
the council shall select a vice-chairperson. Attendance by a 633
majority of the members of the council constitutes a quorum to 634
conduct the business of the council. 635

(C)(1) Annually, the tax incentive review council shall 636
review all agreements granting exemptions from property taxation 637
under Chapter 725. or 1728. or under section 3735.671, 5709.28, 638
5709.62, 5709.63, or 5709.632 of the Revised Code, and any 639
performance or audit reports required to be submitted pursuant to 640
those agreements. The review shall include agreements granting 641
such exemptions that were entered into prior to July 22, 1994, 642
that continue to be in force and applicable to the current year's 643
property taxes. ~~With~~ 644

With respect to each agreement, other than an agreement 645
entered into under section 5709.28 of the Revised Code, the 646
council shall determine whether the owner of the exempted property 647
has complied with the agreement, and may take into consideration 648
any fluctuations in the business cycle unique to the owner's 649
business. ~~On~~ 650

With respect to an agreement entered into under section 651
5709.28 of the Revised Code, the council shall consist of the 652
members described in division (A)(2) of this section and shall 653
determine whether the agreement complies with the requirements of 654
section 5709.28 of the Revised Code and whether a withdrawal, 655
removal, or conversion of land from an agricultural security area 656
established under Chapter 931. of the Revised Code has occurred in 657
a manner that makes the exempted property no longer eligible for 658
the exemption. 659

On the basis of ~~that determination~~ the determinations, on or 660
before the first day of September of each year, the council shall 661
submit to the legislative authority written recommendations for 662
continuation, modification, or cancellation of each agreement. 663

(2) Annually, the tax incentive review council shall review 664
all exemptions from property taxation resulting from the 665
declaration of public purpose improvements pursuant to section 666
5709.40, 5709.41, 5709.73, or 5709.78 of the Revised Code. The 667
review shall include such exemptions that were granted prior to 668
July 22, 1994, that continue to be in force and applicable to the 669
current year's property taxes. With respect to each improvement 670
for which an exemption is granted, the council shall determine the 671
increase in the true value of parcels of real property on which 672
improvements have been undertaken as a result of the exemption; 673
the value of improvements exempted from taxation as a result of 674
the exemption; and the number of new employees or employees 675
retained on the site of the improvement as a result of the 676
exemption. 677

Upon the request of a tax incentive review council, the 678
county auditor, the housing officer appointed pursuant to section 679
3735.66 of the Revised Code, the owner of a new or remodeled 680
structure or improvement, and the legislative authority of the 681
county, township, or municipal corporation granting the exemption 682
shall supply the council with any information reasonably necessary 683
for the council to make the determinations required under division 684
(C) of this section, including returns or reports filed pursuant 685
to sections 5711.02, 5711.13, and 5727.08 of the Revised Code. 686

(D) Annually, the tax incentive review council shall review 687
the compliance of each recipient of a tax exemption under Chapter 688
725. or 1728. or section 3735.67, 5709.40, 5709.41, 5709.62, 689
5709.63, 5709.632, 5709.73, or 5709.78 of the Revised Code with 690
the nondiscriminatory hiring policies developed by the county, 691

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 1728.7 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.