

**As Reported by the House Agriculture and Natural Resources
Committee**

**125th General Assembly
Regular Session
2003-2004**

Sub. H. B. No. 414

**Representatives Core, Wolpert, Setzer, Jerse, Allen, Ujvagi, Webster,
Aslanides, Gibbs, Carmichael, Distel, Domenick, C. Evans, Faber, Niehaus,
Reinhard, Schlichter**

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 15
as manure handling, tillage, forestry management, and similar 16
practices, in a manner that is generally accepted in the 17

<u>agriculture industry and that is approved by any of the following:</u>	18
<u>(1) The United States department of agriculture;</u>	19
<u>(2) The natural resources conservation service in the United States department of agriculture;</u>	20 21
<u>(3) The department of natural resources;</u>	22
<u>(4) A soil and water conservation district established under Chapter 1515. of the Revised Code;</u>	23 24
<u>(5) With respect to organic or sustainable production methods, a conservation professional whom the director of agriculture approves as having expertise in those methods.</u>	25 26 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 by one person and connected by a right-of-way that the person controls and to which the public does not have access;</u>	30 31 32
<u>(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.</u>	33 34 35 36 37
<u>Sec. 931.02. (A) Land 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. 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 those boards. If the land sought to be enrolled consists of parcels owned by different persons who have aggregated their</u>	38 39 40 41 42 43 44 45 46

parcels, either each owner may submit a separate application to
those boards or all of the owners collectively may submit one
application for the entire agricultural security area to those
boards.

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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.

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

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

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(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;

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(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

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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;

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

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<u>(a) Is prepared and certified by a regional or county</u>	108
<u>planning commission established under section 713.21 of the</u>	109
<u>Revised Code or a professional engineer or surveyor registered</u>	110
<u>under Chapter 4733. of the Revised Code;</u>	111
<u>(b) Identifies the area of land to which the application</u>	112
<u>applies and includes the corresponding parcel number that the</u>	113
<u>county auditor has assigned under section 319.28 of the Revised</u>	114
<u>Code to each parcel of land that comprises that area;</u>	115
<u>(c) Shows the boundaries of the land to be enrolled in an</u>	116
<u>agricultural security area;</u>	117
<u>(d) Shows the names and locations of all streams, creeks, or</u>	118
<u>other bodies of water, roads, rights-of-way, railroads, utility</u>	119
<u>lines, and water and sewer lines together with any existing</u>	120
<u>residential, recreational, commercial, or industrial facilities</u>	121
<u>that are on or are situated on the land to be included in the area</u>	122
<u>and within five hundred feet of the perimeter of the area;</u>	123
<u>(e) Indicates the date on which the map was prepared;</u>	124
<u>(f) Identifies the person or persons who prepared the map.</u>	125
<u>(7) A list of the other boards of township trustees and</u>	126
<u>boards of county commissioners to whom an application has been</u>	127
<u>submitted.</u>	128
<u>An application submitted under this section is a public</u>	129
<u>record.</u>	130
<u>(B) An area shall be established as an agricultural security</u>	131
<u>area when all of the following criteria are satisfied:</u>	132
<u>(1) The area consists of not less than five hundred acres of</u>	133
<u>contiguous farmland. In order to satisfy this requirement, two or</u>	134
<u>more owners of contiguous farmland may aggregate their land.</u>	135
<u>(2) The land forming the area is in an agricultural district</u>	136
<u>or districts established under Chapter 929. of the Revised Code.</u>	137

(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, 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 169
existing or proposed roads that are located or are to be located 170
within the area that is proposed for enrollment in an agricultural 171
security area. As used in division (A)(1) of this section, 172
"proposed road" means any future roadway project that is on a new 173
alignment or relocation of an existing alignment and for which 174
state or federal funding has been allocated for, but not limited 175
to, a planning level roadway improvement study, an interchange 176
justification or bypass study, environmental review, design, 177
right-of-way acquisition, or construction, and "improvement" 178
includes any action taken with respect to an existing or proposed 179
road that would cause the road to cover a portion of land that it 180
does not cover or is not proposed to cover at the time of the 181
hearing. Any portion of land that would be covered by a planned 182
improvement shall not be eligible for enrollment in an 183
agricultural security area. 184

As part of the hearing on an application, a board also may 185
consider any comprehensive plan that is in place for the county or 186
township, as applicable, and may choose to approve or reject the 187
application on the basis of the proposed agricultural security 188
area's compliance with the comprehensive plan. 189

(2) The board of township trustees of each township and the 190
board of county commissioners of each county that is required to 191
hear an application under division (A)(1) of this section may 192
conduct a joint meeting in lieu of meeting separately not later 193
than forty-five days after receipt of an application under section 194
931.02 of the Revised Code. A single public notice concerning the 195
meeting shall be provided in the manner prescribed in division 196
(A)(1) of this section in each township and county participating 197
in the meeting. The cost of the public notice shall be shared 198
equally by all townships and counties participating in the joint 199
meeting. 200

(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. 201
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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. 210
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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. 216
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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. 222
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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 227
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requesting the establishment of the area. 232

(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, by certified mail, 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. 233
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(C) A resolution approving the establishment of an agricultural security area shall include all of the following: 239
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(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: 241
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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; 248
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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; 254
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(c) The construction, modification, or operation of water 262

lines or sewer lines, provided that an official or employee of the 263
environmental protection agency orders the construction, 264
modification, or operation for the purpose of enabling water and 265
sewer service areas that are outside of the agricultural security 266
area to be connected to each other, and provided that the lines do 267
not provide service connections to land within the agricultural 268
security area. 269

(2) A requirement that the owner or owners of the land in the 270
area use best management practices; 271

(3) A statement that describes the agreement that was reached 272
with other boards, if applicable, under section 5709.28 of the 273
Revised Code concerning the percentage of the taxable value of 274
qualifying agricultural real property in the agricultural security 275
area that is to be exempted from taxation under that section and 276
the number of years that the tax exemption established under that 277
section will apply to that property. 278

(D) An agricultural security area may continue in existence 279
for ten years unless either of the following occurs: 280

(1) The sole owner of land enrolled in the area withdraws 281
under section 931.07 of the Revised Code. 282

(2) Unless division (C) of section 931.07 of the Revised Code 283
applies, land in the area fails to satisfy any of the criteria 284
specified in divisions (B)(1) to (3) of section 931.02 of the 285
Revised Code. 286

(E) The approval or disapproval of an application under this 287
section is not a final order, adjudication, or decision under 288
section 2506.01 of the Revised Code and is not appealable under 289
Chapter 2506. of the Revised Code. 290

Sec. 931.04. (A) An owner of land that is enrolled in an 291
agricultural security area may do either or both of the following: 292

(1) Request approval to operate any business that does not 293
impair the owner's ability to engage in agriculture from each 294
board of township trustees and each board of county commissioners 295
that adopted a resolution approving the establishment of the 296
agricultural security area; 297

(2) Develop, authorize the development of, or, for the 298
purpose of developing, transfer ownership of a portion of the 299
owner's land within the agricultural security area for 300
constructing or otherwise establishing a single-family residence 301
for an individual who is related by consanguinity or by affinity 302
to the owner. Not more than one such residence shall be 303
constructed per each forty acres of the owner's land within the 304
agricultural security area. 305

(B)(1) To obtain approval to operate a business under 306
division (A)(1) of this section, a person shall send a written 307
request, by certified mail, to each appropriate board of township 308
trustees and each appropriate board of county commissioners. The 309
request shall contain all of the following: 310

(a) A description of the proposed business; 311

(b) A description of the intended location of the business; 312

(c) A description of the intended size of the business; 313

(d) If applicable, a detailed description of any 314
construction, renovation, or excavation that will occur for 315
purposes of the proposed business. 316

(2) Not later than thirty days after receipt of a request 317
under division (B)(1) of this section, a board shall adopt a 318
resolution either approving or rejecting the request. If the board 319
approves the request, the board shall send a copy of the 320
resolution approving the request, by certified mail, to each of 321
the following not later than thirty days after adopting the 322

<u>resolution:</u>	323
<u>(a) The director of agriculture;</u>	324
<u>(b) Each appropriate county auditor;</u>	325
<u>(c) The person requesting the business.</u>	326
<u>(3) If all of the appropriate boards of township trustees and</u>	327
<u>boards of county commissioners adopt a resolution approving the</u>	328
<u>request to operate a business, the person making the request may</u>	329
<u>establish the requested business.</u>	330
<u>(C) The amount of land that is used for either purpose</u>	331
<u>authorized under division (A) of this section shall be included</u>	332
<u>when determining if the acreage requirement established under</u>	333
<u>division (B) of section 931.02 of the Revised Code is satisfied.</u>	334
<u>Sec. 931.05. Upon request, the director of agriculture or the</u>	335
<u>director's authorized representative shall provide guidance and</u>	336
<u>technical assistance to owners of land who are seeking enrollment</u>	337
<u>in agricultural security areas and to boards of township trustees</u>	338
<u>and boards of county commissioners who receive applications</u>	339
<u>requesting the establishment of agricultural security areas.</u>	340
<u>Sec. 931.06. Not later than one hundred eighty days prior to</u>	341
<u>the expiration of an agricultural security area, an owner of land</u>	342
<u>that is enrolled in the area may renew the enrollment. The</u>	343
<u>procedures established under this chapter for the initial</u>	344
<u>enrollment of land in an agricultural security area apply to the</u>	345
<u>renewal of enrollment. In addition, all of the requirements</u>	346
<u>governing initial enrollment apply to enrollment renewal.</u>	347
<u>Sec. 931.07. (A)(1) An owner of land that is enrolled in an</u>	348
<u>agricultural security area may withdraw from the area by sending</u>	349
<u>written notice of withdrawal, by certified mail, to all of the</u>	350

<u>following:</u>	351
<u>(a) The county auditor of each county in which the land is located;</u>	352 353
<u>(b) The board of township trustees of each township in which the land is located;</u>	354 355
<u>(c) The board of county commissioners of each county in which the land is located.</u>	356 357
<u>(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:</u>	358 359 360 361 362
<u>(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.</u>	363 364 365
<u>(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.</u>	366 367 368 369 370
<u>(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.</u>	371 372 373 374 375 376
<u>(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</u>	377 378 379 380

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.

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(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.

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(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:

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(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.

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(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

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in the area, the landowner shall submit, not later than sixty days 412
following the date on which the acreage in the area diminished to 413
fewer than five hundred, an application in accordance with section 414
931.02 of the Revised Code. The landowner shall obtain approval of 415
the application from all appropriate boards of township trustees 416
and boards of county commissioners in accordance with section 417
931.03 of the Revised Code. Enrollment of the additional land in 418
the agricultural security area shall continue until the expiration 419
of the existing, partially elapsed ten-year enrollment period and 420
may be renewed in accordance with section 931.06 of the Revised 421
Code. 422

(c) Within the last five years of a ten-year enrollment 423
period, enrollment may continue regardless of the number of acres 424
remaining in the agricultural security area. 425

(2) If the state or a municipal corporation appropriates part 426
of the land that is enrolled in an agricultural security area and, 427
as a result of the appropriation, the area fails to satisfy the 428
criterion established under division (B)(1) of section 931.02 of 429
the Revised Code, the owners of land enrolled in the area whose 430
land satisfies the criteria established under divisions (B)(2) and 431
(3) of that section may continue to have their land enrolled in 432
the agricultural security area until the enrollment expires. 433

(D) If at any time land that is enrolled in an agricultural 434
security area ceases to be enrolled in the agricultural security 435
area, the statement made by the owner of that land under division 436
(A)(3) of section 931.02 of the Revised Code and the statement 437
made by a board of township trustees or board of county 438
commissioners under division (C)(1) of section 931.03 of the 439
Revised Code are no longer applicable. 440

Sec. 931.08. No owner of land that is enrolled in an 441
agricultural security area shall fail to comply with the statement 442

that the owner submitted under division (A)(3) of section 931.02 443
of the Revised Code that the owner will not initiate, approve, or 444
finance any new development on the land for nonagricultural 445
purposes. 446

Sec. 931.09. The director of agriculture shall prepare and 447
submit to the governor, the president of the senate, and the 448
speaker of the house of representatives an annual report 449
concerning agricultural security areas in the state. The report 450
shall include information concerning the number of acres that are 451
enrolled in agricultural security areas and their location and any 452
tax exemptions granted under section 5709.28 of the Revised Code. 453

Sec. 931.99. Whoever violates division (A)(2) of section 454
931.07 of the Revised Code or section 931.08 of the Revised Code 455
shall be fined five hundred dollars. The clerk of the court that 456
receives payment of the fine money shall forward half of the money 457
to the board of township trustees of the township and half of the 458
money to the board of county commissioners of the county in which 459
the applicable agricultural security area is located. 460

In the case of an agricultural security area that is located 461
in more than one township, the clerk shall divide half of the fine 462
money in equal shares among the townships and shall forward the 463
appropriate portion to each board of township trustees. In the 464
case of an agricultural security area that is located in more than 465
one county, the clerk shall divide half of the fine money in equal 466
shares among the counties and shall forward the appropriate 467
portion to each board of county commissioners. 468

A board of township trustees or a board of county 469
commissioners may, but is not required to, use the fine money 470
received under this section for farmland preservation purposes. 471

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. 472-477

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. 478-494

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 495-502

tax years that the exemption applies. The agreement shall not 503
exempt from taxation more than seventy-five per cent of the 504
taxable value of the qualifying agricultural real property. In 505
addition, the agreement may establish the maximum amount of the 506
value of the qualifying agricultural real property to which the 507
tax exemption may apply. Subsequent to the agreement establishing 508
that maximum amount, the owner of the property may request the 509
applicable boards to alter the agreement and increase the maximum 510
value of the property to which the tax exemption applies. The 511
agreement shall be reviewed annually by the tax incentive review 512
council in accordance with section 5709.85 of the Revised Code. 513

Each time that a renewal application is filed for an 514
agricultural security area that involves qualifying agricultural 515
real property that has been the subject of an exemption that 516
expired on or before the date on which the previous period of 517
enrollment in an agricultural security area expired, the 518
applicable boards shall reach a new agreement concerning the 519
exemption before any of the boards adopts a resolution either 520
approving or rejecting the renewal application. 521

The county auditor shall enter on the list of property 522
described in section 5713.07 of the Revised Code that is exempt 523
from taxation any qualifying agricultural real property that is 524
the subject of an exemption under this section. An application 525
shall not be required to be filed under section 5715.27 of the 526
Revised Code with respect to the exemption. The county auditor 527
shall remove the qualifying agricultural real property from the 528
list at the time that the county auditor discovers or is notified 529
under section 931.07 of the Revised Code that a withdrawal, 530
removal, or conversion of land from an agricultural security area 531
has occurred in a way that makes the qualifying agricultural real 532
property no longer eligible for the exemption. 533

If the county auditor removes qualifying agricultural real 534

property from the list of property that is exempt from taxation 535
and the owner of the removed property claimed a tax exemption 536
established under this section for a prior tax year, the amount of 537
tax otherwise imposed on the qualifying agricultural real property 538
that was the subject of the exemption shall be increased. The 539
amount of the increase shall equal the aggregate value of the tax 540
exemption received by the taxpayer under this section since the 541
agricultural security area was most recently approved for 542
establishment or renewal, as applicable, plus interest on that 543
amount at the average bank prime rate, as determined under section 544
929.02 of the Revised Code, at the time that the county auditor 545
removes the property from the list of property that is exempt from 546
taxation. The tax year in which the increase shall occur is 547
dependent upon the date on which the county auditor makes a 548
discovery or is notified under section 931.07 of the Revised Code 549
that a withdrawal, removal, or conversion of land from an 550
agricultural security area has occurred. If the discovery or 551
notification occurs prior to the date in a tax year on which the 552
county auditor delivers a copy of the general tax list to the 553
county treasurer under section 319.28 of the Revised Code, the 554
increase shall occur in the same tax year that the discovery or 555
notification occurred. If the discovery or notification occurs on 556
or after the date in a tax year on which the copy of the general 557
tax list is delivered to the county treasurer, the increase shall 558
occur in the tax year that immediately follows the year in which 559
the discovery or notification occurred. 560

Sec. 5709.85. (A) The legislative authority of a county, 561
township, or municipal corporation that grants an exemption from 562
taxation under Chapter 725. or 1728. or under section 3735.67, 563
5709.28, 5709.40, 5709.41, 5709.62, 5709.63, 5709.632, 5709.73, or 564
5709.78 of the Revised Code shall create a tax incentive review 565
council. The council shall consist of the following members: 566

(1) In the case of a municipal corporation eligible to 567
designate a zone under section 5709.62 of the Revised Code, the 568
chief executive officer or that officer's designee; a member of 569
the legislative authority of the municipal corporation, appointed 570
by the president of the legislative authority or, if the chief 571
executive officer of the municipal corporation is the president, 572
appointed by the president pro tempore of the legislative 573
authority; the county auditor or the county auditor's designee; 574
the chief financial officer of the municipal corporation or that 575
officer's designee; an individual appointed by the board of 576
education of each city, local, exempted village, and joint 577
vocational school district to which the instrument granting the 578
exemption applies; and two members of the public appointed by the 579
chief executive officer of the municipal corporation with the 580
concurrence of the legislative authority. At least four members of 581
the council shall be residents of the municipal corporation, and 582
at least one of the two public members appointed by the chief 583
executive officer shall be a minority. As used in division (A)(1) 584
of this section, a "minority" is an individual who is 585
African-American, Hispanic, or Native American. 586

(2) In the case of a county or a municipal corporation that 587
is not eligible to designate a zone under section 5709.62 or 588
5709.632 of the Revised Code, three members appointed by the board 589
of county commissioners; two members from each municipal 590
corporation to which the instrument granting the tax exemption 591
applies, appointed by the chief executive officer with the 592
concurrence of the legislative authority of the respective 593
municipal corporations; two members of each township to which the 594
instrument granting the tax exemption applies, appointed by the 595
board of township trustees of the respective townships; the county 596
auditor or the county auditor's designee; and an individual 597
appointed by the board of education of each city, local, exempted 598

village, and joint vocational school district to which the 599
instrument granting the tax exemption applies. At least two 600
members of the council shall be residents of the municipal 601
corporations or townships to which the instrument granting the tax 602
exemption applies. 603

(3) In the case of a township in which improvements are 604
declared a public purpose under section 5709.73 of the Revised 605
Code, the board of township trustees; the county auditor or the 606
county auditor's designee; and an individual appointed by the 607
board of education of each city, local, exempted village, and 608
joint vocational school district to which the instrument granting 609
the exemption applies. 610

(B) The county auditor or the county auditor's designee shall 611
serve as the chairperson of the council. The council shall meet at 612
the call of the chairperson. At the first meeting of the council, 613
the council shall select a vice-chairperson. Attendance by a 614
majority of the members of the council constitutes a quorum to 615
conduct the business of the council. 616

(C)(1) Annually, the tax incentive review council shall 617
review all agreements granting exemptions from property taxation 618
under Chapter 725. or 1728. or under section 3735.671, 5709.28, 619
5709.62, 5709.63, or 5709.632 of the Revised Code, and any 620
performance or audit reports required to be submitted pursuant to 621
those agreements. The review shall include agreements granting 622
such exemptions that were entered into prior to July 22, 1994, 623
that continue to be in force and applicable to the current year's 624
property taxes. ~~With~~ 625

With respect to each agreement, other than an agreement 626
entered into under section 5709.28 of the Revised Code, the 627
council shall determine whether the owner of the exempted property 628
has complied with the agreement, and may take into consideration 629
any fluctuations in the business cycle unique to the owner's 630

business. ~~On~~ 631

With respect to an agreement entered into under section 632
5709.28 of the Revised Code, the council shall consist of the 633
members described in division (A)(2) of this section and shall 634
determine whether the agreement complies with the requirements of 635
section 5709.28 of the Revised Code and whether a withdrawal, 636
removal, or conversion of land from an agricultural security area 637
established under Chapter 931. of the Revised Code has occurred in 638
a manner that makes the exempted property no longer eligible for 639
the exemption. 640

On the basis of that determination the determinations, on or 641
before the first day of September of each year, the council shall 642
submit to the legislative authority written recommendations for 643
continuation, modification, or cancellation of each agreement. 644

(2) Annually, the tax incentive review council shall review 645
all exemptions from property taxation resulting from the 646
declaration of public purpose improvements pursuant to section 647
5709.40, 5709.41, 5709.73, or 5709.78 of the Revised Code. The 648
review shall include such exemptions that were granted prior to 649
July 22, 1994, that continue to be in force and applicable to the 650
current year's property taxes. With respect to each improvement 651
for which an exemption is granted, the council shall determine the 652
increase in the true value of parcels of real property on which 653
improvements have been undertaken as a result of the exemption; 654
the value of improvements exempted from taxation as a result of 655
the exemption; and the number of new employees or employees 656
retained on the site of the improvement as a result of the 657
exemption. 658

Upon the request of a tax incentive review council, the 659
county auditor, the housing officer appointed pursuant to section 660
3735.66 of the Revised Code, the owner of a new or remodeled 661
structure or improvement, and the legislative authority of the 662

county, township, or municipal corporation granting the exemption 663
shall supply the council with any information reasonably necessary 664
for the council to make the determinations required under division 665
(C) of this section, including returns or reports filed pursuant 666
to sections 5711.02, 5711.13, and 5727.08 of the Revised Code. 667

(D) Annually, the tax incentive review council shall review 668
the compliance of each recipient of a tax exemption under Chapter 669
725. or 1728. or section 3735.67, 5709.40, 5709.41, 5709.62, 670
5709.63, 5709.632, 5709.73, or 5709.78 of the Revised Code with 671
the nondiscriminatory hiring policies developed by the county, 672
township, or municipal corporation under section 5709.832 of the 673
Revised Code. Upon the request of the council, the recipient shall 674
provide the council any information necessary to perform its 675
review. On the basis of its review, the council may submit to the 676
legislative authority written recommendations for enhancing 677
compliance with the nondiscriminatory hiring policies. 678

(E) A legislative authority that receives from a tax 679
incentive review council written recommendations under division 680
(C)(1) or (D) of this section shall, within sixty days after 681
receipt, hold a meeting and vote to accept, reject, or modify all 682
or any portion of the recommendations. 683

(F) A tax incentive review council may request from the 684
recipient of a tax exemption under Chapter 725. or 1728. or 685
section 3735.67, 5709.28, 5709.40, 5709.41, 5709.62, 5709.63, 686
5709.632, 5709.73, or 5709.78 of the Revised Code any information 687
reasonably necessary for the council to perform its review under 688
this section. The request shall be in writing and shall be sent to 689
the recipient by certified mail. Within ten days after receipt of 690
the request, the recipient shall provide to the council the 691
information requested. 692

Section 2. That existing section 5709.85 of the Revised Code 693
is hereby repealed. 694