

As Introduced

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H. B. No. 289

Representative Core

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A B I L L

To amend sections 931.02, 931.03, 931.04, 931.99, and 1
5709.28 of the Revised Code to make changes to the 2
law governing agricultural security areas. 3

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

Section 1. That sections 931.02, 931.03, 931.04, 931.99, and 4
5709.28 of the Revised Code be amended to read as follows: 5

Sec. 931.02. (A) Land that is located in the unincorporated 6
area of a township or county may be enrolled in an agricultural 7
security area through the submittal of an application to the board 8
of township trustees of each township and to the board of county 9
commissioners of each county in which the land is located 10
requesting the establishment of such an area. Land that is located 11
in a municipal corporation and land that is located in territory 12
that is proposed to be annexed to a municipal corporation by a 13
pending proceeding before the board of county commissioners or in 14
any court of competent jurisdiction shall not be included in an 15
agricultural security area. 16

If all of the land sought to be enrolled in the agricultural 17
security area is owned by the same person, that person shall 18
submit the application to the required boards. If the land sought 19
to be enrolled consists of parcels owned by different persons who 20

have aggregated their parcels, either each owner may submit a 21
separate application to the required boards or all of the owners 22
collectively may submit one application for the entire 23
agricultural security area to the required boards. 24

An application shall be on the form that the director of 25
agriculture prescribes. The director shall provide copies of the 26
application form to county auditors. 27

An application shall be signed by each applicant who is 28
submitting it and shall contain all of the following: 29

(1) The first, middle, and last name of the applicant or 30
applicants; 31

(2) Information concerning any property interest in the land 32
sought to be enrolled in an agricultural security area that is 33
held by a person other than the applicant or applicants, 34
including, without limitation, mineral rights or easements in the 35
land that are held by a person other than the applicant or 36
applicants and any other interest in the land that may not be 37
conducive to agriculture and that is held by another person; 38

(3) A statement by each applicant who is submitting the 39
application that the applicant will not initiate, approve, or 40
finance any new development for nonagricultural purposes on the 41
land that is proposed to be enrolled in an agricultural security 42
area during the ten-year period of the enrollment, except as is 43
otherwise authorized under division (A) of section 931.04 of the 44
Revised Code. For purposes of division (A)(3) of this section, 45
"new development" includes, without limitation, an applicant's 46
transfer to another person of the ownership of a property interest 47
in the land that occurs during the period beginning on the date 48
that the application is submitted and ending on the date that the 49
ten-year period of enrollment is scheduled to expire, except as 50
otherwise provided in division (D) of this section. "New 51

development" does not include taking any actions that are 52
authorized under property rights in the land, such as mineral 53
rights or easements, that were transferred to a person other than 54
an applicant prior to the date that the application is submitted. 55
In addition, "new development" does not include the construction, 56
modification, or operation of transmission lines for electricity, 57
gas, or oil or of any gathering or production lines for oil or 58
gas, provided that the construction, modification, or operation of 59
the lines does not cause the land to become ineligible for 60
valuation and assessment for real property tax purposes in 61
accordance with its current agricultural use value under sections 62
5713.30 to 5713.38 of the Revised Code. 63

(4) A listing of all administrative enforcement orders issued 64
to each applicant who is submitting the application, all civil 65
actions in which an applicant was determined by the trier of fact 66
to be liable in damages or was the subject of injunctive relief or 67
another type of civil relief, and all criminal actions in which an 68
applicant pleaded guilty or was convicted, during the ten years 69
immediately preceding the date of submission of the application, 70
in connection with any violation of environmental laws or similar 71
laws of another state. As used in division (A)(4) of this section, 72
"environmental laws" has the same meaning as in section 3745.70 of 73
the Revised Code. 74

(5) A statement from the natural resources conservation 75
service in the United States department of agriculture, a soil and 76
water conservation district with jurisdiction over the land to 77
which the application applies, or any other conservation 78
professional approved by the director that, at the time of the 79
application, each applicant who is submitting the application is 80
complying with best management practices; 81

(6) A map that complies with all of the following: 82

(a) Is prepared ~~and certified~~ by a regional or county 83

planning commission established under section 713.21 of the 84
Revised Code ~~or~~; a professional engineer, including a county 85
engineer, or surveyor registered under Chapter 4733. of the 86
Revised Code; a soil and water conservation district created 87
pursuant to section 1515.03 of the Revised Code; or the natural 88
resources conservation service; 89

(b) Identifies the area of land to which the application 90
applies and includes the corresponding parcel number that the 91
county auditor has assigned under section 319.28 of the Revised 92
Code to each parcel of land that comprises that area; 93

(c) Shows the boundaries of the land to be enrolled in an 94
agricultural security area; 95

(d) Shows the names and locations of all streams, creeks, or 96
other bodies of water, roads, rights-of-way, and railroads, 97
~~utility lines, and water and sewer lines~~ together with any 98
existing residential, recreational, commercial, or industrial 99
facilities that are ~~on or~~ are situated on the land to be included 100
in the area and within five hundred feet of the perimeter of the 101
area. The map also shall show the location of all utility, water, 102
and sewer lines that are situated on the land to be included in 103
the area and within five hundred feet of the perimeter of the area 104
unless the board of county commissioners of each county and the 105
board of township trustees of each township in which the land is 106
located exempts the application from that requirement because the 107
information generally is not readily available. 108

(e) Indicates the date on which the map was prepared; 109

(f) Identifies the person or persons who prepared the map. 110

(7) A list of the other boards of township trustees and 111
boards of county commissioners to whom an application has been 112
submitted. 113

An application submitted under this section is a public 114

record. 115

A board of township trustees and a board of county 116
commissioners each may establish a reasonable fee or schedule of 117
fees to be paid at the time that an application is submitted for 118
the purpose of paying the costs of public notice and certified 119
mail that are incurred in any proceedings conducted under this 120
chapter. The clerk of the board shall maintain an accurate and 121
detailed accounting of all money that is received and expended in 122
the processing of an application and shall return to the applicant 123
any unused portion of the fee or fees after the conclusion of the 124
proceedings. 125

(B) An area shall be established as an agricultural security 126
area when all of the following criteria are satisfied: 127

(1) The area consists of not less than five hundred acres of 128
contiguous farmland that is located in the unincorporated area of 129
a township or county. In order to satisfy this requirement, two or 130
more owners of contiguous farmland may aggregate their land. 131

(2) The land forming the area is in an agricultural district 132
or districts established under Chapter 929. of the Revised Code. 133

(3) The land forming the area is valued and assessed for real 134
property tax purposes in accordance with its current agricultural 135
use value under sections 5713.30 to 5713.38 of the Revised Code. 136
Land forming the area that is a portion of a farm on which is 137
located a dwelling house, a yard, or outbuildings such as a barn 138
or garage shall be deemed to satisfy the criteria established in 139
divisions (B)(1) and (3) of this section. 140

(4) Each application submitted by the owner or owners of the 141
land forming the area is approved under section 931.03 of the 142
Revised Code by the boards of township trustees of all of the 143
townships in which the land is located. 144

(5) Each application submitted by the owner or owners of the 145

land forming the area is approved under section 931.03 of the 146
Revised Code by the boards of county commissioners of all of the 147
counties in which the land is located. 148

(C) Additional contiguous farmland may be enrolled in an 149
existing agricultural security area during a partially elapsed 150
ten-year enrollment period either by a landowner who already has 151
land enrolled in the agricultural security area or by a landowner 152
who does not already have land enrolled in the agricultural 153
security area. To enroll additional contiguous land in an existing 154
agricultural security area under this division, a landowner shall 155
obtain permission from each owner of land that already is enrolled 156
in the agricultural security area, submit an application in 157
accordance with this section, and obtain approval of the 158
application from all appropriate boards of township trustees and 159
boards of county commissioners in accordance with section 931.03 160
of the Revised Code. Enrollment of the additional land in the 161
existing agricultural security area shall continue until the 162
expiration of the current, partially elapsed ten-year enrollment 163
period and may be renewed in accordance with section 931.06 of the 164
Revised Code. 165

(D) If an owner of land that is enrolled in an agricultural 166
security area transfers the land to another person during a 167
partially elapsed ten-year enrollment period, the land may remain 168
in the agricultural security area until the expiration of that 169
period, provided that both of the following apply: 170

(1) The transferee certifies and submits a statement, 171
together with the transferee's first, middle, and last name and a 172
description of the transferred land, to the appropriate boards of 173
township trustees and boards of county commissioners specifying 174
that, in accordance with division (A)(3) of this section, the 175
transferee will not initiate, approve, or finance any new 176
development for nonagricultural purposes on the transferred land 177

during the remainder of the partially elapsed ten-year enrollment 178
period. Upon receipt of the statement, the boards of township 179
trustees and boards of county commissioners shall adopt a 180
resolution acknowledging the receipt. 181

(2) The transferred land continues to satisfy the criteria 182
established in divisions (B)(2) and (3) of this section during the 183
remainder of the partially elapsed ten-year enrollment period. 184

Divisions (A), (B), and (C) of section 931.03 of the Revised 185
Code do not apply to the continued inclusion of such transferred 186
land in an agricultural security area. Upon the expiration of the 187
partially elapsed ten-year enrollment period, enrollment in the 188
agricultural security area may be renewed in accordance with 189
section 931.06 of the Revised Code. 190

Sec. 931.03. (A)(1) Not later than sixty days after receipt 191
of an application submitted under section 931.02 of the Revised 192
Code, the board of township trustees of each township in which the 193
land that is proposed for enrollment in an agricultural security 194
area is located and the board of county commissioners of each 195
county in which the land is located shall hear the application at 196
the next regularly scheduled meeting of the board. A board, not 197
later than thirty days prior to the time of the meeting, shall 198
cause a notice containing the time and place of the meeting to be 199
published in a newspaper of general circulation in the township or 200
county, as applicable, and to be sent to the superintendent of 201
each school district within the proposed agricultural security 202
area, the county engineer of each county in which the proposed 203
area would be located, the legislative authority of each municipal 204
corporation that is located within one-half mile of the boundaries 205
of the proposed area if the municipal corporation has requested 206
notice of such a meeting, and the director of transportation. 207

As part of the hearing on an application, a board shall 208

review any information that it possesses concerning improvements 209
that are planned to be made during the subsequent ten years to 210
existing or proposed roads that are located or are to be located 211
within the area that is proposed for enrollment in an agricultural 212
security area. As used in division (A)(1) of this section, 213
"proposed road" means any future roadway project that is on a new 214
alignment or relocation of an existing alignment and for which 215
state or federal funding has been allocated for, but not limited 216
to, a planning level roadway improvement study, an interchange 217
justification or bypass study, environmental review, design, 218
right-of-way acquisition, or construction, and "improvement" 219
includes any action taken with respect to an existing or proposed 220
road that would cause the road to cover a portion of land that it 221
does not cover or is not proposed to cover at the time of the 222
hearing. Any portion of land that would be covered by a planned 223
improvement shall not be eligible for enrollment in an 224
agricultural security area. 225

As part of the hearing on an application, a board also may 226
consider any comprehensive plan that is in place for the county or 227
township, as applicable, and may choose to approve or reject the 228
application on the basis of the proposed agricultural security 229
area's compliance with the comprehensive plan. 230

(2) The board of township trustees of each township and the 231
board of county commissioners of each county that is required to 232
hear an application under division (A)(1) of this section may 233
conduct a joint meeting in lieu of meeting separately not later 234
than forty-five days after receipt of an application under section 235
931.02 of the Revised Code. A single public notice concerning the 236
meeting shall be provided in the manner prescribed in division 237
(A)(1) of this section in each township and county participating 238
in the meeting. The cost of the public notice shall be shared 239
equally by all townships and counties participating in the joint 240

meeting. 241

For purposes of such a joint meeting, the clerk of the board 242
of county commissioners of the county that includes the most land 243
that is located or is to be located within the agricultural 244
security area shall serve as the clerk on behalf of all boards of 245
county commissioners and boards of township trustees participating 246
in the joint meeting. The clerk's duties shall include providing 247
the public notice that is required under this section together 248
with maintaining minutes and a record of proceedings for the joint 249
meeting. 250

(3) Not later than forty-five days after a board of township 251
trustees hears the application and not later than sixty days after 252
a board of county commissioners hears the application, each 253
respective board shall adopt a resolution either approving or 254
rejecting the application. However, if a board determines that the 255
information in the application is incorrect or the application is 256
incomplete, the board shall return the application to the 257
applicant, by certified mail, with an enumeration of the items 258
that are incorrect or incomplete. 259

Upon receipt of the returned application, the applicant may 260
amend the application. Not later than fifteen days after receipt 261
of the returned application, the applicant may submit an amended 262
application to each board of township trustees and each board of 263
county commissioners to whom the original application was 264
submitted. 265

Not later than thirty days after receipt of an amended 266
application, a board shall adopt a resolution either approving or 267
rejecting the amended application. Not later than five days after 268
adoption of the resolution, the board shall notify the applicant, 269
by certified mail, of the board's decision to approve or reject 270
the application. 271

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

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

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

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

(1) A statement that the board of township trustees or board of county commissioners, as applicable, commits not to initiate, approve, or finance any development for residential, commercial, or industrial purposes, including construction of new roads and water and sewer lines, within the area for a period of ten years. For purposes of division (C)(1) of this section, "development" does not include any of the following:

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

of land in the area; 303

(b) The construction, modification, or operation of 304
transmission lines for electricity, gas, or oil or of any 305
gathering or production lines for oil or gas, provided that the 306
construction, modification, or operation of the lines does not 307
cause the land to become ineligible for valuation and assessment 308
for real property tax purposes in accordance with its current 309
agricultural use value under sections 5713.30 to 5713.38 of the 310
Revised Code; 311

(c) The construction, modification, or operation of water 312
lines or sewer lines, provided that an official or employee of the 313
environmental protection agency orders the construction, 314
modification, or operation for the purpose of enabling water and 315
sewer service areas that are outside of the agricultural security 316
area to be connected to each other, and provided that the lines do 317
not provide service connections to land within the agricultural 318
security area. 319

(2) A requirement that the owner or owners of the land in the 320
area use best management practices; 321

(3) A statement that describes the agreement that was reached 322
with other boards, if applicable, under section 5709.28 of the 323
Revised Code concerning the percentage of the taxable value of 324
qualifying agricultural real property in the agricultural security 325
area that is to be exempted from taxation under that section and 326
the number of years that the tax exemption established under that 327
section will apply to that property. 328

(D) An agricultural security area may continue in existence 329
for ten years unless either of the following occurs: 330

(1) The sole owner of land enrolled in the area withdraws 331
under section 931.07 of the Revised Code. 332

(2) Unless division (C) of section 931.07 of the Revised Code 333

applies, land in the area fails to satisfy any of the criteria 334
specified in divisions (B)(1) to (3) of section 931.02 of the 335
Revised Code. 336

(E) The approval or disapproval of an application under this 337
section is not a final order, adjudication, or decision under 338
section 2506.01 of the Revised Code and is not appealable under 339
Chapter 2506. of the Revised Code. 340

Sec. 931.04. (A) An owner of land that is enrolled in an 341
agricultural security area may do either or both of the following: 342

(1) Request approval ~~to operate any business that does not~~ 343
~~impair the owner's ability to engage in agriculture~~ from each 344
board of township trustees and each board of county commissioners 345
that adopted a resolution approving the establishment of the 346
agricultural security area to operate any business that does not 347
impair the owner's ability to engage in agriculture and does not 348
cause the land to become ineligible for valuation and assessment 349
for real property tax purposes in accordance with its current 350
agricultural use value under sections 5713.30 to 5713.38 of the 351
Revised Code; 352

(2) Develop, authorize the development of, or, for the 353
purpose of developing, transfer ownership of a portion of the 354
owner's land within the agricultural security area for 355
constructing or otherwise establishing a single-family residence 356
for an individual who is related by consanguinity or by affinity 357
to the owner. Not more than one such residence shall be 358
constructed per each forty acres of the owner's land within the 359
agricultural security area. 360

(B)(1) To obtain approval to operate a business under 361
division (A)(1) of this section, a person shall send a written 362
request, by certified mail, to each appropriate board of township 363
trustees and each appropriate board of county commissioners. The 364

request shall contain all of the following: 365

(a) A description of the proposed business; 366

(b) A description of the intended location of the business; 367

(c) A description of the intended size of the business; 368

(d) If applicable, a detailed description of any 369
construction, renovation, or excavation that will occur for 370
purposes of the proposed business. 371

(2) Not later than thirty days after receipt of a request 372
under division (B)(1) of this section, a board shall adopt a 373
resolution either approving or rejecting the request. If the board 374
approves the request, the board shall send a copy of the 375
resolution approving the request to each of the following not 376
later than thirty days after adopting the resolution: 377

(a) The director of agriculture; 378

(b) Each appropriate county auditor; 379

(c) The person requesting the business. 380

(3) If all of the appropriate boards of township trustees and 381
boards of county commissioners adopt a resolution approving the 382
request to operate a business, the person making the request may 383
establish the requested business. 384

(C) The amount of land that is used for either purpose 385
authorized under division (A) of this section shall be included 386
when determining if the acreage requirement established under 387
division (B) of section 931.02 of the Revised Code is satisfied. 388

Sec. 931.99. Whoever violates division (A)(2) of section 389
931.07 of the Revised Code or section 931.08 of the Revised Code 390
shall be fined five hundred dollars for violation of each section. 391
The clerk of the court that receives payment of the fine money 392
shall forward half of the money to the board of township trustees 393

of the township and half of the money to the board of county 394
commissioners of the county in which the applicable agricultural 395
security area is located. 396

In the case of an agricultural security area that is located 397
in more than one township, the clerk shall divide half of the fine 398
money in equal shares among the townships and shall forward the 399
appropriate portion to each board of township trustees. In the 400
case of an agricultural security area that is located in more than 401
one county, the clerk shall divide half of the fine money in equal 402
shares among the counties and shall forward the appropriate 403
portion to each board of county commissioners. 404

A board of township trustees or a board of county 405
commissioners may, but is not required to, use the fine money 406
received under this section for farmland preservation purposes. 407

Sec. 5709.28. As used in this section, "qualifying 408
agricultural real property" means a building, structure, 409
improvement, or fixture that is used exclusively for agricultural 410
purposes, that is located on land enrolled in an agricultural 411
security area established under Chapter 931. of the Revised Code, 412
and for which the aggregate new investment has a true value in 413
money of twenty-five thousand dollars or more. 414

At the time of the establishment or renewal of an 415
agricultural security area or at any time during which land is 416
enrolled in an agricultural security area, a percentage of the 417
taxable value of qualifying agricultural real property first 418
appearing on the real and public utility property tax list in a 419
tax year during the enrollment may be exempted from taxation. The 420
board of township trustees of each township in which the land that 421
is enrolled in the agricultural security area is located and the 422
board of county commissioners of each county in which the land is 423
located shall confer with each other and reach an agreement 424

concerning the tax exemption. At the time the agreement is 425
reached, the boards shall send written notice of the agreement to 426
the superintendent of each school district within the agricultural 427
security area. After the agreement is reached and the tax 428
exemption is granted, the qualifying agricultural real property 429
shall become exempt in the tax year following the year in which 430
the construction of the property is completed. 431

The agreement shall establish the percentage of the taxable 432
value of qualifying agricultural real property that is to be 433
exempted from taxation and the number of years that the tax 434
exemption will apply to that property. The agreement may specify 435
that the tax years during which the exemption will apply to the 436
property may extend past the scheduled expiration date of the 437
period of enrollment in the agricultural security area, provided 438
that the enrollment is renewed and otherwise continues during the 439
tax years that the exemption applies. The agreement shall not 440
exempt from taxation more than seventy-five per cent of the 441
taxable value of the qualifying agricultural real property. In 442
addition, the agreement may establish the maximum amount of the 443
value of the qualifying agricultural real property to which the 444
tax exemption may apply. Subsequent to the agreement establishing 445
that maximum amount, the owner of the property may request the 446
applicable boards to alter the agreement and increase the maximum 447
value of the property to which the tax exemption applies. The 448
agreement shall be reviewed annually by the tax incentive review 449
council in accordance with section 5709.85 of the Revised Code. 450

Each time that a renewal application is filed for an 451
agricultural security area that involves qualifying agricultural 452
real property that has been the subject of an exemption that 453
expired on or before the date on which the previous period of 454
enrollment in an agricultural security area expired, the 455
applicable boards shall reach a new agreement concerning the 456

exemption before any of the boards adopts a resolution either 457
approving or rejecting the renewal application. 458

The county auditor shall enter on the list of property 459
described in section 5713.07 of the Revised Code that is exempt 460
from taxation any qualifying agricultural real property that is 461
the subject of an exemption under this section. An application 462
shall not be required to be filed under section 5715.27 of the 463
Revised Code with respect to the exemption. The county auditor 464
shall remove the qualifying agricultural real property from the 465
list at the time that the county auditor discovers or is notified 466
under section 931.07 of the Revised Code that a withdrawal, 467
removal, or conversion of land from an agricultural security area 468
has occurred in a way that makes the qualifying agricultural real 469
property no longer eligible for the exemption. 470

If the county auditor removes qualifying agricultural real 471
property from the list of property that is exempt from taxation 472
and the owner of the removed property claimed a tax exemption 473
established under this section for a prior tax year, the amount of 474
tax otherwise imposed on the qualifying agricultural real property 475
that was the subject of the exemption shall be increased. The 476
amount of the increase shall equal the aggregate value of the tax 477
exemption received by the taxpayer under this section since the 478
agricultural security area was most recently approved for 479
establishment or renewal, as applicable, plus interest on that 480
amount at the average bank prime rate, as determined under section 481
929.02 of the Revised Code, at the time that the county auditor 482
removes the property from the list of property that is exempt from 483
taxation. The tax year in which the increase shall occur is 484
dependent upon the date on which the county auditor makes a 485
discovery or is notified under section 931.07 of the Revised Code 486
that a withdrawal, removal, or conversion of land from an 487
agricultural security area has occurred. If the discovery or 488

notification occurs prior to the date in a tax year on which the 489
county auditor delivers a copy of the general tax list to the 490
county treasurer under section 319.28 of the Revised Code, the 491
increase shall occur in the same tax year that the discovery or 492
notification occurred. If the discovery or notification occurs on 493
or after the date in a tax year on which the copy of the general 494
tax list is delivered to the county treasurer, the increase shall 495
occur in the tax year that immediately follows the year in which 496
the discovery or notification occurred. 497

Section 2. That existing sections 931.02, 931.03, 931.04, 498
931.99, and 5709.28 of the Revised Code are hereby repealed. 499