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Am. H. B. No. 289

Representative Core

**Cosponsors: Representatives Distel, Hite, Gibbs, Sayre, Zehringer,
Reinhard, Batchelder, Chandler, Collier, Combs, Daniels, Domenick, Dyer,
Evans, Flowers, Goodwin, Huffman, Hughes, Luckie, Mallory, McGregor, J.,
Otterman, Patton, Schneider, Setzer, Webster**

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

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

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

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

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

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

in the land that occurs during the period beginning on the date 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 grant of 56
easements for or the construction, modification, or operation of 57
transmission lines for electricity, gas, or oil or of any 58
gathering or production lines for oil or gas, or the grant of new 59
mineral leases, or the drilling or operation of any oil or gas 60
well on or in connection with the land, provided that ~~the~~ 61
~~construction, modification, or operation of the lines does~~ such 62
activities do not cause the land to become ineligible for 63
valuation and assessment for real property tax purposes in 64
accordance with its current agricultural use value under sections 65
5713.30 to 5713.38 of the Revised Code. 66

(4) A listing of all administrative enforcement orders issued 67
to each applicant who is submitting the application, all civil 68
actions in which an applicant was determined by the trier of fact 69
to be liable in damages or was the subject of injunctive relief or 70
another type of civil relief, and all criminal actions in which an 71
applicant pleaded guilty or was convicted, during the ten years 72
immediately preceding the date of submission of the application, 73
in connection with any violation of environmental laws or similar 74
laws of another state. As used in division (A)(4) of this section, 75
"environmental laws" has the same meaning as in section 3745.70 of 76
the Revised Code. 77

(5) A statement from the natural resources conservation 78
service in the United States department of agriculture, a soil and 79

water conservation district with jurisdiction over the land to 80
which the application applies, or any other conservation 81
professional approved by the director that, at the time of the 82
application, each applicant who is submitting the application is 83
complying with best management practices; 84

(6) A map that complies with all of the following: 85

(a) Is prepared ~~and certified~~ by a regional or county 86
planning commission established under section 713.21 of the 87
Revised Code ~~or~~; a professional engineer, including a county 88
engineer, or surveyor registered under Chapter 4733. of the 89
Revised Code; a soil and water conservation district created 90
pursuant to section 1515.03 of the Revised Code; or the natural 91
resources conservation service; 92

(b) Identifies the area of land to which the application 93
applies and includes the corresponding parcel number that the 94
county auditor has assigned under section 319.28 of the Revised 95
Code to each parcel of land that comprises that area; 96

(c) Shows the boundaries of the land to be enrolled in an 97
agricultural security area; 98

(d) Shows the names and locations of all streams, creeks, or 99
other bodies of water, roads, rights-of-way, and railroads, 100
~~utility lines, and water and sewer lines~~ together with any 101
existing residential, recreational, commercial, or industrial 102
facilities that are ~~on or~~ are situated on the land to be included 103
in the area and within five hundred feet of the perimeter of the 104
area. The map also shall show the location of all utility, water, 105
and sewer lines that are situated on the land to be included in 106
the area and within five hundred feet of the perimeter of the area 107
unless the board of county commissioners of each county and the 108
board of township trustees of each township in which the land is 109
located exempts the application from that requirement because the 110

<u>information generally is not readily available.</u>	111
(e) Indicates the date on which the map was prepared;	112
(f) Identifies the person or persons who prepared the map.	113
(7) A list of the other boards of township trustees and	114
boards of county commissioners to whom an application has been	115
submitted.	116
An application submitted under this section is a public	117
record.	118
A board of township trustees and a board of county	119
commissioners each may establish a reasonable fee or schedule of	120
fees to be paid at the time that an application is submitted for	121
the purpose of paying the costs of public notice and certified	122
mail that are incurred in any proceedings conducted under this	123
chapter. The clerk of the board shall maintain an accurate and	124
detailed accounting of all money that is received and expended in	125
the processing of an application and shall return to the applicant	126
any unused portion of the fee or fees after the conclusion of the	127
proceedings.	128
(B) An area shall be established as an agricultural security	129
area when all of the following criteria are satisfied:	130
(1) The area consists of not less than five hundred acres of	131
contiguous farmland that is located in the unincorporated area of	132
a township or county. In order to satisfy this requirement, two or	133
more owners of contiguous farmland may aggregate their land.	134
(2) The land forming the area is in an agricultural district	135
or districts established under Chapter 929. of the Revised Code.	136
(3) The land forming the area is valued and assessed for real	137
property tax purposes in accordance with its current agricultural	138
use value under sections 5713.30 to 5713.38 of the Revised Code.	139
Land forming the area that is a portion of a farm on which is	140

located a dwelling house, a yard, or outbuildings such as a barn 141
or garage shall be deemed to satisfy the criteria established in 142
divisions (B)(1) and (3) of this section. 143

(4) Each application submitted by the owner or owners of the 144
land forming the area is approved under section 931.03 of the 145
Revised Code by the boards of township trustees of all of the 146
townships in which the land is located. 147

(5) Each application submitted by the owner or owners of the 148
land forming the area is approved under section 931.03 of the 149
Revised Code by the boards of county commissioners of all of the 150
counties in which the land is located. 151

(C) Additional contiguous farmland may be enrolled in an 152
existing agricultural security area during a partially elapsed 153
ten-year enrollment period either by a landowner who already has 154
land enrolled in the agricultural security area or by a landowner 155
who does not already have land enrolled in the agricultural 156
security area. To enroll additional contiguous land in an existing 157
agricultural security area under this division, a landowner shall 158
obtain permission from each owner of land that already is enrolled 159
in the agricultural security area, submit an application in 160
accordance with this section, and obtain approval of the 161
application from all appropriate boards of township trustees and 162
boards of county commissioners in accordance with section 931.03 163
of the Revised Code. Enrollment of the additional land in the 164
existing agricultural security area shall continue until the 165
expiration of the current, partially elapsed ten-year enrollment 166
period and may be renewed in accordance with section 931.06 of the 167
Revised Code. 168

(D) If an owner of land that is enrolled in an agricultural 169
security area transfers the land to another person during a 170
partially elapsed ten-year enrollment period, the land may remain 171
in the agricultural security area until the expiration of that 172

period, provided that both of the following apply: 173

(1) The transferee certifies and submits a statement, 174
together with the transferee's first, middle, and last name and a 175
description of the transferred land, to the appropriate boards of 176
township trustees and boards of county commissioners specifying 177
that, in accordance with division (A)(3) of this section, the 178
transferee will not initiate, approve, or finance any new 179
development for nonagricultural purposes on the transferred land 180
during the remainder of the partially elapsed ten-year enrollment 181
period. Upon receipt of the statement, the boards of township 182
trustees and boards of county commissioners shall adopt a 183
resolution acknowledging the receipt. 184

(2) The transferred land continues to satisfy the criteria 185
established in divisions (B)(2) and (3) of this section during the 186
remainder of the partially elapsed ten-year enrollment period. 187

Divisions (A), (B), and (C) of section 931.03 of the Revised 188
Code do not apply to the continued inclusion of such transferred 189
land in an agricultural security area. Upon the expiration of the 190
partially elapsed ten-year enrollment period, enrollment in the 191
agricultural security area may be renewed in accordance with 192
section 931.06 of the Revised Code. 193

Sec. 931.03. (A)(1) Not later than sixty days after receipt 194
of an application submitted under section 931.02 of the Revised 195
Code, the board of township trustees of each township in which the 196
land that is proposed for enrollment in an agricultural security 197
area is located and the board of county commissioners of each 198
county in which the land is located shall hear the application at 199
the next regularly scheduled meeting of the board. A board, not 200
later than thirty days prior to the time of the meeting, shall 201
cause a notice containing the time and place of the meeting to be 202
published in a newspaper of general circulation in the township or 203

county, as applicable, and to be sent to the superintendent of 204
each school district within the proposed agricultural security 205
area, the county engineer of each county in which the proposed 206
area would be located, the legislative authority of each municipal 207
corporation that is located within one-half mile of the boundaries 208
of the proposed area if the municipal corporation has requested 209
notice of such a meeting, and the director of transportation. 210

As part of the hearing on an application, a board shall 211
review any information that it possesses concerning improvements 212
that are planned to be made during the subsequent ten years to 213
existing or proposed roads that are located or are to be located 214
within the area that is proposed for enrollment in an agricultural 215
security area. As used in division (A)(1) of this section, 216
"proposed road" means any future roadway project that is on a new 217
alignment or relocation of an existing alignment and for which 218
state or federal funding has been allocated for, but not limited 219
to, a planning level roadway improvement study, an interchange 220
justification or bypass study, environmental review, design, 221
right-of-way acquisition, or construction, and "improvement" 222
includes any action taken with respect to an existing or proposed 223
road that would cause the road to cover a portion of land that it 224
does not cover or is not proposed to cover at the time of the 225
hearing. Any portion of land that would be covered by a planned 226
improvement shall not be eligible for enrollment in an 227
agricultural security area. 228

As part of the hearing on an application, a board also may 229
consider any comprehensive plan that is in place for the county or 230
township, as applicable, and may choose to approve or reject the 231
application on the basis of the proposed agricultural security 232
area's compliance with the comprehensive plan. 233

(2) The board of township trustees of each township and the 234
board of county commissioners of each county that is required to 235

hear an application under division (A)(1) of this section may 236
conduct a joint meeting in lieu of meeting separately not later 237
than forty-five days after receipt of an application under section 238
931.02 of the Revised Code. A single public notice concerning the 239
meeting shall be provided in the manner prescribed in division 240
(A)(1) of this section in each township and county participating 241
in the meeting. The cost of the public notice shall be shared 242
equally by all townships and counties participating in the joint 243
meeting. 244

For purposes of such a joint meeting, the clerk of the board 245
of county commissioners of the county that includes the most land 246
that is located or is to be located within the agricultural 247
security area shall serve as the clerk on behalf of all boards of 248
county commissioners and boards of township trustees participating 249
in the joint meeting. The clerk's duties shall include providing 250
the public notice that is required under this section together 251
with maintaining minutes and a record of proceedings for the joint 252
meeting. 253

(3) Not later than forty-five days after a board of township 254
trustees hears the application and not later than sixty days after 255
a board of county commissioners hears the application, each 256
respective board shall adopt a resolution either approving or 257
rejecting the application. However, if a board determines that the 258
information in the application is incorrect or the application is 259
incomplete, the board shall return the application to the 260
applicant, by certified mail, with an enumeration of the items 261
that are incorrect or incomplete. 262

Upon receipt of the returned application, the applicant may 263
amend the application. Not later than fifteen days after receipt 264
of the returned application, the applicant may submit an amended 265
application to each board of township trustees and each board of 266
county commissioners to whom the original application was 267

submitted. 268

Not later than thirty days after receipt of an amended 269
application, a board shall adopt a resolution either approving or 270
rejecting the amended application. Not later than five days after 271
adoption of the resolution, the board shall notify the applicant, 272
by certified mail, of the board's decision to approve or reject 273
the application. 274

(4) Any person may submit comments to any board of county 275
commissioners or board of township trustees to which an 276
application or amended application has been submitted under this 277
chapter at any time prior to and at any public meeting at which 278
the application or amended application is heard. 279

(B)(1) An agricultural security area is established, and the 280
land that is proposed for inclusion in the area is enrolled in the 281
area, upon the adoption of a resolution by each of the affected 282
boards of township trustees and boards of county commissioners 283
approving the same version of the application or applications 284
requesting the establishment of the area. 285

(2) Not later than thirty days after a board adopts a 286
resolution approving the establishment of an agricultural security 287
area, the board shall send a copy of the resolution to the 288
director of agriculture, the director of transportation, the 289
superintendent of each school district within the area, the county 290
engineer, and the county auditor. 291

(C) A resolution approving the establishment of an 292
agricultural security area shall include all of the following: 293

(1) A statement that the board of township trustees or board 294
of county commissioners, as applicable, commits not to initiate, 295
approve, or finance any development for residential, commercial, 296
or industrial purposes, including construction of new roads and 297
water and sewer lines, within the area for a period of ten years. 298

For purposes of division (C)(1) of this section, "development" 299
does not include any of the following: 300

(a) The improvement of existing roads, provided that the 301
county engineer of each county in which the portion of the area 302
affected by the improvement is located determines that the 303
improvement is necessary for traffic safety, and provided that the 304
improvement is as consistent as possible with the agricultural use 305
of land in the area; 306

(b) The construction, modification, or operation of 307
transmission lines for electricity, gas, or oil or of any 308
gathering or production lines for oil or gas, provided that the 309
construction, modification, or operation of the lines does not 310
cause the land to become ineligible for valuation and assessment 311
for real property tax purposes in accordance with its current 312
agricultural use value under sections 5713.30 to 5713.38 of the 313
Revised Code; 314

(c) The construction, modification, or operation of water 315
lines or sewer lines, provided that an official or employee of the 316
environmental protection agency orders the construction, 317
modification, or operation for the purpose of enabling water and 318
sewer service areas that are outside of the agricultural security 319
area to be connected to each other, and provided that the lines do 320
not provide service connections to land within the agricultural 321
security area. 322

(2) A requirement that the owner or owners of the land in the 323
area use best management practices; 324

(3) A statement that describes the agreement that was reached 325
with other boards, if applicable, under section 5709.28 of the 326
Revised Code concerning the percentage of the taxable value of 327
qualifying agricultural real property in the agricultural security 328
area that is to be exempted from taxation under that section and 329

the number of years that the tax exemption established under that 330
section will apply to that property. 331

(D) An agricultural security area may continue in existence 332
for ten years unless either of the following occurs: 333

(1) The sole owner of land enrolled in the area withdraws 334
under section 931.07 of the Revised Code. 335

(2) Unless division (C) of section 931.07 of the Revised Code 336
applies, land in the area fails to satisfy any of the criteria 337
specified in divisions (B)(1) to (3) of section 931.02 of the 338
Revised Code. 339

(E) The approval or disapproval of an application under this 340
section is not a final order, adjudication, or decision under 341
section 2506.01 of the Revised Code and is not appealable under 342
Chapter 2506. of the Revised Code. 343

Sec. 931.04. (A) An owner of land that is enrolled in an 344
agricultural security area may do either or both of the following: 345

(1) Request approval ~~to operate any business that does not~~ 346
~~impair the owner's ability to engage in agriculture~~ from each 347
board of township trustees and each board of county commissioners 348
that adopted a resolution approving the establishment of the 349
agricultural security area to operate any business that does not 350
impair the owner's ability to engage in agriculture and does not 351
cause the land to become ineligible for valuation and assessment 352
for real property tax purposes in accordance with its current 353
agricultural use value under sections 5713.30 to 5713.38 of the 354
Revised Code; 355

(2) Develop, authorize the development of, or, for the 356
purpose of developing, transfer ownership of a portion of the 357
owner's land within the agricultural security area for 358
constructing or otherwise establishing a single-family residence 359

for an individual who is related by consanguinity or by affinity 360
to the owner. Not more than one such residence shall be 361
constructed per each forty acres of the owner's land within the 362
agricultural security area. 363

(B)(1) To obtain approval to operate a business under 364
division (A)(1) of this section, a person shall send a written 365
request, by certified mail, to each appropriate board of township 366
trustees and each appropriate board of county commissioners. The 367
request shall contain all of the following: 368

(a) A description of the proposed business; 369

(b) A description of the intended location of the business; 370

(c) A description of the intended size of the business; 371

(d) If applicable, a detailed description of any 372
construction, renovation, or excavation that will occur for 373
purposes of the proposed business. 374

(2) Not later than thirty days after receipt of a request 375
under division (B)(1) of this section, a board shall adopt a 376
resolution either approving or rejecting the request. If the board 377
approves the request, the board shall send a copy of the 378
resolution approving the request to each of the following not 379
later than thirty days after adopting the resolution: 380

(a) The director of agriculture; 381

(b) Each appropriate county auditor; 382

(c) The person requesting the business. 383

(3) If all of the appropriate boards of township trustees and 384
boards of county commissioners adopt a resolution approving the 385
request to operate a business, the person making the request may 386
establish the requested business. 387

(C) The amount of land that is used for either purpose 388
authorized under division (A) of this section shall be included 389

when determining if the acreage requirement established under 390
division (B) of section 931.02 of the Revised Code is satisfied. 391

Sec. 931.99. Whoever violates division (A)(2) of section 392
931.07 of the Revised Code or section 931.08 of the Revised Code 393
shall be fined five hundred dollars for violation of each section. 394
The clerk of the court that receives payment of the fine money 395
shall forward half of the money to the board of township trustees 396
of the township and half of the money to the board of county 397
commissioners of the county in which the applicable agricultural 398
security area is located. 399

In the case of an agricultural security area that is located 400
in more than one township, the clerk shall divide half of the fine 401
money in equal shares among the townships and shall forward the 402
appropriate portion to each board of township trustees. In the 403
case of an agricultural security area that is located in more than 404
one county, the clerk shall divide half of the fine money in equal 405
shares among the counties and shall forward the appropriate 406
portion to each board of county commissioners. 407

A board of township trustees or a board of county 408
commissioners may, but is not required to, use the fine money 409
received under this section for farmland preservation purposes. 410

Sec. 5709.28. As used in this section, "qualifying 411
agricultural real property" means a building, structure, 412
improvement, or fixture that is used exclusively for agricultural 413
purposes, that is located on land enrolled in an agricultural 414
security area established under Chapter 931. of the Revised Code, 415
and for which the aggregate new investment has a true value in 416
money of twenty-five thousand dollars or more. 417

At the time of the establishment or renewal of an 418
agricultural security area or at any time during which land is 419

enrolled in an agricultural security area, a percentage of the 420
taxable value of qualifying agricultural real property first 421
appearing on the real and public utility property tax list in a 422
tax year during the enrollment may be exempted from taxation. The 423
board of township trustees of each township in which the land that 424
is enrolled in the agricultural security area is located and the 425
board of county commissioners of each county in which the land is 426
located shall confer with each other and reach an agreement 427
concerning the tax exemption. At the time the agreement is 428
reached, the boards shall send written notice of the agreement to 429
the superintendent of each school district within the agricultural 430
security area. After the agreement is reached and the tax 431
exemption is granted, the qualifying agricultural real property 432
shall become exempt in the tax year following the year in which 433
the construction of the property is completed. 434

The agreement shall establish the percentage of the taxable 435
value of qualifying agricultural real property that is to be 436
exempted from taxation and the number of years that the tax 437
exemption will apply to that property. The agreement may specify 438
that the tax years during which the exemption will apply to the 439
property may extend past the scheduled expiration date of the 440
period of enrollment in the agricultural security area, provided 441
that the enrollment is renewed and otherwise continues during the 442
tax years that the exemption applies. The agreement shall not 443
exempt from taxation more than seventy-five per cent of the 444
taxable value of the qualifying agricultural real property. In 445
addition, the agreement may establish the maximum amount of the 446
value of the qualifying agricultural real property to which the 447
tax exemption may apply. Subsequent to the agreement establishing 448
that maximum amount, the owner of the property may request the 449
applicable boards to alter the agreement and increase the maximum 450
value of the property to which the tax exemption applies. The 451
agreement shall be reviewed annually by the tax incentive review 452

council in accordance with section 5709.85 of the Revised Code. 453

Each time that a renewal application is filed for an 454
agricultural security area that involves qualifying agricultural 455
real property that has been the subject of an exemption that 456
expired on or before the date on which the previous period of 457
enrollment in an agricultural security area expired, the 458
applicable boards shall reach a new agreement concerning the 459
exemption before any of the boards adopts a resolution either 460
approving or rejecting the renewal application. 461

The county auditor shall enter on the list of property 462
described in section 5713.07 of the Revised Code that is exempt 463
from taxation any qualifying agricultural real property that is 464
the subject of an exemption under this section. An application 465
shall not be required to be filed under section 5715.27 of the 466
Revised Code with respect to the exemption. The county auditor 467
shall remove the qualifying agricultural real property from the 468
list at the time that the county auditor discovers or is notified 469
under section 931.07 of the Revised Code that a withdrawal, 470
removal, or conversion of land from an agricultural security area 471
has occurred in a way that makes the qualifying agricultural real 472
property no longer eligible for the exemption. 473

If the county auditor removes qualifying agricultural real 474
property from the list of property that is exempt from taxation 475
and the owner of the removed property claimed a tax exemption 476
established under this section for a prior tax year, the amount of 477
tax otherwise imposed on the qualifying agricultural real property 478
that was the subject of the exemption shall be increased. The 479
amount of the increase shall equal the aggregate value of the tax 480
exemption received by the taxpayer under this section since the 481
agricultural security area was most recently approved for 482
establishment or renewal, as applicable, plus interest on that 483
amount at the average bank prime rate, as determined under section 484

929.02 of the Revised Code, at the time that the county auditor 485
removes the property from the list of property that is exempt from 486
taxation. The tax year in which the increase shall occur is 487
dependent upon the date on which the county auditor makes a 488
discovery or is notified under section 931.07 of the Revised Code 489
that a withdrawal, removal, or conversion of land from an 490
agricultural security area has occurred. If the discovery or 491
notification occurs prior to the date in a tax year on which the 492
county auditor delivers a copy of the general tax list to the 493
county treasurer under section 319.28 of the Revised Code, the 494
increase shall occur in the same tax year that the discovery or 495
notification occurred. If the discovery or notification occurs on 496
or after the date in a tax year on which the copy of the general 497
tax list is delivered to the county treasurer, the increase shall 498
occur in the tax year that immediately follows the year in which 499
the discovery or notification occurred. 500

Section 2. That existing sections 931.02, 931.03, 931.04, 501
931.99, and 5709.28 of the Revised Code are hereby repealed. 502