

As Introduced

**130th General Assembly
Regular Session
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H. B. No. 198

Representatives Butler, Burkley

**Cosponsors: Representatives Adams, J., Boose, Brenner, Ruhl, Perales,
Henne**

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A B I L L

To amend sections 5709.40, 5709.73, 5709.78, and 1
5709.911 of the Revised Code to establish a 2
procedure by which political subdivisions 3
proposing a tax increment financing (TIF) 4
incentive district are required to provide notice 5
to the record owner of each parcel within the 6
proposed incentive district before adopting the 7
TIF resolution, and to permit such owners to 8
exclude their parcels from the incentive district 9
by submitting a written response. 10

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

Section 1. That sections 5709.40, 5709.73, 5709.78, and 11
5709.911 of the Revised Code be amended to read as follows: 12

Sec. 5709.40. (A) As used in this section: 13

(1) "Blighted area" and "impacted city" have the same 14
meanings as in section 1728.01 of the Revised Code. 15

(2) "Business day" means a day of the week excluding 16
Saturday, Sunday, and a legal holiday as defined under section 17
1.14 of the Revised Code. 18

(3) "Housing renovation" means a project carried out for residential purposes.

(4) "Improvement" means the increase in the assessed value of any real property that would first appear on the tax list and duplicate of real and public utility property after the effective date of an ordinance adopted under this section were it not for the exemption granted by that ordinance.

(5) "Incentive district" means an area not more than three hundred acres in size enclosed by a continuous boundary in which a project is being, or will be, undertaken and having one or more of the following distress characteristics:

(a) At least fifty-one per cent of the residents of the district have incomes of less than eighty per cent of the median income of residents of the political subdivision in which the district is located, as determined in the same manner specified under section 119(b) of the "Housing and Community Development Act of 1974," 88 Stat. 633, 42 U.S.C. 5318, as amended;

(b) The average rate of unemployment in the district during the most recent twelve-month period for which data are available is equal to at least one hundred fifty per cent of the average rate of unemployment for this state for the same period.

(c) At least twenty per cent of the people residing in the district live at or below the poverty level as defined in the federal Housing and Community Development Act of 1974, 42 U.S.C. 5301, as amended, and regulations adopted pursuant to that act.

(d) The district is a blighted area.

(e) The district is in a situational distress area as designated by the director of development under division (F) of section 122.23 of the Revised Code.

(f) As certified by the engineer for the political

subdivision, the public infrastructure serving the district is 49
inadequate to meet the development needs of the district as 50
evidenced by a written economic development plan or urban renewal 51
plan for the district that has been adopted by the legislative 52
authority of the subdivision. 53

(g) The district is comprised entirely of unimproved land 54
that is located in a distressed area as defined in section 122.23 55
of the Revised Code. 56

(6) "Project" means development activities undertaken on one 57
or more parcels, including, but not limited to, construction, 58
expansion, and alteration of buildings or structures, demolition, 59
remediation, and site development, and any building or structure 60
that results from those activities. 61

(7) "Public infrastructure improvement" includes, but is not 62
limited to, public roads and highways; water and sewer lines; 63
environmental remediation; land acquisition, including acquisition 64
in aid of industry, commerce, distribution, or research; 65
demolition, including demolition on private property when 66
determined to be necessary for economic development purposes; 67
stormwater and flood remediation projects, including such projects 68
on private property when determined to be necessary for public 69
health, safety, and welfare; the provision of gas, electric, and 70
communications service facilities; and the enhancement of public 71
waterways through improvements that allow for greater public 72
access. 73

(B) The legislative authority of a municipal corporation, by 74
ordinance, may declare improvements to certain parcels of real 75
property located in the municipal corporation to be a public 76
purpose. Improvements with respect to a parcel that is used or to 77
be used for residential purposes may be declared a public purpose 78
under this division only if the parcel is located in a blighted 79
area of an impacted city. For this purpose, "parcel that is used 80

or to be used for residential purposes" means a parcel that, as 81
improved, is used or to be used for purposes that would cause the 82
tax commissioner to classify the parcel as residential property in 83
accordance with rules adopted by the commissioner under section 84
5713.041 of the Revised Code. Except with the approval under 85
division (D) of this section of the board of education of each 86
city, local, or exempted village school district within which the 87
improvements are located, not more than seventy-five per cent of 88
an improvement thus declared to be a public purpose may be 89
exempted from real property taxation for a period of not more than 90
ten years. The ordinance shall specify the percentage of the 91
improvement to be exempted from taxation and the life of the 92
exemption. 93

An ordinance adopted or amended under this division shall 94
designate the specific public infrastructure improvements made, to 95
be made, or in the process of being made by the municipal 96
corporation that directly benefit, or that once made will directly 97
benefit, the parcels for which improvements are declared to be a 98
public purpose. The service payments provided for in section 99
5709.42 of the Revised Code shall be used to finance the public 100
infrastructure improvements designated in the ordinance, for the 101
purpose described in division (D)(1) of this section or as 102
provided in section 5709.43 of the Revised Code. 103

(C)(1) The legislative authority of a municipal corporation 104
may adopt an ordinance creating an incentive district and 105
declaring improvements to parcels within the district to be a 106
public purpose and, except as provided in division ~~(F)~~(C)(2) of 107
this section, exempt from taxation as provided in this section, 108
but no legislative authority of a municipal corporation that has a 109
population that exceeds twenty-five thousand, as shown by the most 110
recent federal decennial census, shall adopt an ordinance that 111
creates an incentive district if the sum of the taxable value of 112

real property in the proposed district for the preceding tax year 113
and the taxable value of all real property in the municipal 114
corporation that would have been taxable in the preceding year 115
were it not for the fact that the property was in an existing 116
incentive district and therefore exempt from taxation exceeds 117
twenty-five per cent of the taxable value of real property in the 118
municipal corporation for the preceding tax year. The ordinance 119
shall delineate the proposed boundary of the district and 120
specifically identify each parcel within the district. A proposed 121
district may not include any parcel that is or has been exempted 122
from taxation under division (B) of this section or that is or has 123
been within another district created under this division. An 124
ordinance may create more than one such district, and more than 125
one ordinance may be adopted under division (C)(1) of this 126
section. 127

(2)(a) Not later than thirty days prior to adopting an 128
ordinance under division (C)(1) of this section, if the municipal 129
corporation intends to apply for exemptions from taxation under 130
section 5709.911 of the Revised Code on behalf of owners of real 131
property located within the proposed incentive district, the 132
legislative authority of a municipal corporation shall conduct a 133
public hearing on the proposed ordinance. Not later than thirty 134
days prior to the public hearing, the legislative authority shall 135
give notice of the public hearing and the proposed ordinance by 136
first class mail to every real property owner whose property is 137
located within the boundaries of the proposed incentive district 138
that is the subject of the proposed ordinance. The notice shall 139
inform the property owner of the owner's right to exclude their 140
property from the incentive district by sending a written response 141
in accordance with division (C)(2)(b) of this section. The notice 142
also shall include information detailing the required contents of 143
the response, the address to which the response may be mailed, and 144
the deadline for submitting the response. 145

(b) Any owner of real property located within the boundaries 146
of an incentive district proposed under division (C)(1) of this 147
section may exclude the property from the proposed incentive 148
district by submitting a written response to the legislative 149
authority of the municipal corporation not later than forty-five 150
days after the postmark date on the notice required under division 151
(C)(2)(a) of this section. The response shall be sent by first 152
class mail or delivered in person at a public hearing held by the 153
legislative authority under division (C)(2)(a) of this section. 154
The response shall conform to any content requirements that may be 155
established by the municipal corporation and included in the 156
notice provided under this division. In the response, property 157
owners may identify a parcel by street address, by the manner in 158
which it is identified in the ordinance, or by other means 159
allowing the identity of the parcel to be ascertained. 160

(c) Before adopting an ordinance under division (C)(1) of 161
this section, the legislative authority of a municipal corporation 162
shall amend the ordinance to exclude any parcel for which a 163
written response has been submitted under division (C)(2)(b) of 164
this section. A municipal corporation shall not apply for 165
exemptions from taxation under section 5709.911 of the Revised 166
Code for any parcel of property for which a written response has 167
been submitted under division (C)(2)(b) of this section, and 168
service payments may not be required from the owner of the parcel. 169
Improvements to a parcel excluded from an incentive district under 170
this division may be exempted from taxation under division (B) of 171
this section pursuant to an ordinance adopted under that division 172
or under any other section of the Revised Code under which the 173
parcel qualifies. 174

(3)(a) An ordinance adopted under division (C)(1) of this 175
section shall specify the life of the incentive district and the 176
percentage of the improvements to be exempted, shall designate the 177

public infrastructure improvements made, to be made, or in the 178
process of being made, that benefit or serve, or, once made, will 179
benefit or serve parcels in the district. The ordinance also shall 180
identify one or more specific projects being, or to be, undertaken 181
in the district that place additional demand on the public 182
infrastructure improvements designated in the ordinance. The 183
project identified may, but need not be, the project under 184
division (C)(3)(b) of this section that places real property in 185
use for commercial or industrial purposes. Except as otherwise 186
permitted under that division, the service payments provided for 187
in section 5709.42 of the Revised Code shall be used to finance 188
the designated public infrastructure improvements, for the purpose 189
described in division (D)(1) ~~or~~, (E), or (F) of this section, or 190
as provided in section 5709.43 of the Revised Code. 191

An ordinance adopted under division (C)(1) of this section on 192
or after March 30, 2006, shall not designate police or fire 193
equipment as public infrastructure improvements, and no service 194
payment provided for in section 5709.42 of the Revised Code and 195
received by the municipal corporation under the ordinance shall be 196
used for police or fire equipment. 197

(b) An ordinance adopted under division (C)(1) of this 198
section may authorize the use of service payments provided for in 199
section 5709.42 of the Revised Code for the purpose of housing 200
renovations within the incentive district, provided that the 201
ordinance also designates public infrastructure improvements that 202
benefit or serve the district, and that a project within the 203
district places real property in use for commercial or industrial 204
purposes. Service payments may be used to finance or support 205
loans, deferred loans, and grants to persons for the purpose of 206
housing renovations within the district. The ordinance shall 207
designate the parcels within the district that are eligible for 208
housing renovation. The ordinance shall state separately the 209

amounts or the percentages of the expected aggregate service 210
payments that are designated for each public infrastructure 211
improvement and for the general purpose of housing renovations. 212

(4) Except with the approval of the board of education of 213
each city, local, or exempted village school district within the 214
territory of which the incentive district is or will be located, 215
and subject to division (E) of this section, the life of an 216
incentive district shall not exceed ten years, and the percentage 217
of improvements to be exempted shall not exceed seventy-five per 218
cent. With approval of the board of education, the life of a 219
district may be not more than thirty years, and the percentage of 220
improvements to be exempted may be not more than one hundred per 221
cent. The approval of a board of education shall be obtained in 222
the manner provided in division (D) of this section. 223

(D)(1) If the ordinance declaring improvements to a parcel to 224
be a public purpose or creating an incentive district specifies 225
that payments in lieu of taxes provided for in section 5709.42 of 226
the Revised Code shall be paid to the city, local, or exempted 227
village, and joint vocational school district in which the parcel 228
or incentive district is located in the amount of the taxes that 229
would have been payable to the school district if the improvements 230
had not been exempted from taxation, the percentage of the 231
improvement that may be exempted from taxation may exceed 232
seventy-five per cent, and the exemption may be granted for up to 233
thirty years, without the approval of the board of education as 234
otherwise required under division (D)(2) of this section. 235

(2) Improvements with respect to a parcel may be exempted 236
from taxation under division (B) of this section, and improvements 237
to parcels within an incentive district may be exempted from 238
taxation under division (C) of this section, for up to ten years 239
or, with the approval under this paragraph of the board of 240
education of the city, local, or exempted village school district 241

within which the parcel or district is located, for up to thirty 242
years. The percentage of the improvement exempted from taxation 243
may, with such approval, exceed seventy-five per cent, but shall 244
not exceed one hundred per cent. Not later than forty-five 245
business days prior to adopting an ordinance under this section 246
declaring improvements to be a public purpose that is subject to 247
approval by a board of education under this division, the 248
legislative authority shall deliver to the board of education a 249
notice stating its intent to adopt an ordinance making that 250
declaration. The notice regarding improvements with respect to a 251
parcel under division (B) of this section shall identify the 252
parcels for which improvements are to be exempted from taxation, 253
provide an estimate of the true value in money of the 254
improvements, specify the period for which the improvements would 255
be exempted from taxation and the percentage of the improvement 256
that would be exempted, and indicate the date on which the 257
legislative authority intends to adopt the ordinance. The notice 258
regarding improvements to parcels within an incentive district 259
under division (C) of this section shall delineate the boundaries 260
of the district, specifically identify each parcel within the 261
district, identify each anticipated improvement in the district, 262
provide an estimate of the true value in money of each such 263
improvement, specify the life of the district and the percentage 264
of improvements that would be exempted, and indicate the date on 265
which the legislative authority intends to adopt the ordinance. 266
The board of education, by resolution adopted by a majority of the 267
board, may approve the exemption for the period or for the 268
exemption percentage specified in the notice; may disapprove the 269
exemption for the number of years in excess of ten, may disapprove 270
the exemption for the percentage of the improvement to be exempted 271
in excess of seventy-five per cent, or both; or may approve the 272
exemption on the condition that the legislative authority and the 273
board negotiate an agreement providing for compensation to the 274

school district equal in value to a percentage of the amount of 275
taxes exempted in the eleventh and subsequent years of the 276
exemption period or, in the case of exemption percentages in 277
excess of seventy-five per cent, compensation equal in value to a 278
percentage of the taxes that would be payable on the portion of 279
the improvement in excess of seventy-five per cent were that 280
portion to be subject to taxation, or other mutually agreeable 281
compensation. If an agreement is negotiated between the 282
legislative authority and the board to compensate the school 283
district for all or part of the taxes exempted, including 284
agreements for payments in lieu of taxes under section 5709.42 of 285
the Revised Code, the legislative authority shall compensate the 286
joint vocational school district within which the parcel or 287
district is located at the same rate and under the same terms 288
received by the city, local, or exempted village school district. 289

(3) The board of education shall certify its resolution to 290
the legislative authority not later than fourteen days prior to 291
the date the legislative authority intends to adopt the ordinance 292
as indicated in the notice. If the board of education and the 293
legislative authority negotiate a mutually acceptable compensation 294
agreement, the ordinance may declare the improvements a public 295
purpose for the number of years specified in the ordinance or, in 296
the case of exemption percentages in excess of seventy-five per 297
cent, for the exemption percentage specified in the ordinance. In 298
either case, if the board and the legislative authority fail to 299
negotiate a mutually acceptable compensation agreement, the 300
ordinance may declare the improvements a public purpose for not 301
more than ten years, and shall not exempt more than seventy-five 302
per cent of the improvements from taxation. If the board fails to 303
certify a resolution to the legislative authority within the time 304
prescribed by this division, the legislative authority thereupon 305
may adopt the ordinance and may declare the improvements a public 306
purpose for up to thirty years, or, in the case of exemption 307

percentages proposed in excess of seventy-five per cent, for the 308
exemption percentage specified in the ordinance. The legislative 309
authority may adopt the ordinance at any time after the board of 310
education certifies its resolution approving the exemption to the 311
legislative authority, or, if the board approves the exemption on 312
the condition that a mutually acceptable compensation agreement be 313
negotiated, at any time after the compensation agreement is agreed 314
to by the board and the legislative authority. 315

(4) If a board of education has adopted a resolution waiving 316
its right to approve exemptions from taxation under this section 317
and the resolution remains in effect, approval of exemptions by 318
the board is not required under division (D) of this section. If a 319
board of education has adopted a resolution allowing a legislative 320
authority to deliver the notice required under division (D) of 321
this section fewer than forty-five business days prior to the 322
legislative authority's adoption of the ordinance, the legislative 323
authority shall deliver the notice to the board not later than the 324
number of days prior to such adoption as prescribed by the board 325
in its resolution. If a board of education adopts a resolution 326
waiving its right to approve agreements or shortening the 327
notification period, the board shall certify a copy of the 328
resolution to the legislative authority. If the board of education 329
rescinds such a resolution, it shall certify notice of the 330
rescission to the legislative authority. 331

(5) If the legislative authority is not required by division 332
(D) of this section to notify the board of education of the 333
legislative authority's intent to declare improvements to be a 334
public purpose, the legislative authority shall comply with the 335
notice requirements imposed under section 5709.83 of the Revised 336
Code, unless the board has adopted a resolution under that section 337
waiving its right to receive such a notice. 338

(E)(1) If a proposed ordinance under division (C)(1) of this 339

section exempts improvements with respect to a parcel within an 340
incentive district for more than ten years, or the percentage of 341
the improvement exempted from taxation exceeds seventy-five per 342
cent, not later than forty-five business days prior to adopting 343
the ordinance the legislative authority of the municipal 344
corporation shall deliver to the board of county commissioners of 345
the county within which the incentive district will be located a 346
notice that states its intent to adopt an ordinance creating an 347
incentive district. The notice shall include a copy of the 348
proposed ordinance, identify the parcels for which improvements 349
are to be exempted from taxation, provide an estimate of the true 350
value in money of the improvements, specify the period of time for 351
which the improvements would be exempted from taxation, specify 352
the percentage of the improvements that would be exempted from 353
taxation, and indicate the date on which the legislative authority 354
intends to adopt the ordinance. 355

(2) The board of county commissioners, by resolution adopted 356
by a majority of the board, may object to the exemption for the 357
number of years in excess of ten, may object to the exemption for 358
the percentage of the improvement to be exempted in excess of 359
seventy-five per cent, or both. If the board of county 360
commissioners objects, the board may negotiate a mutually 361
acceptable compensation agreement with the legislative authority. 362
In no case shall the compensation provided to the board exceed the 363
property taxes forgone due to the exemption. If the board of 364
county commissioners objects, and the board and legislative 365
authority fail to negotiate a mutually acceptable compensation 366
agreement, the ordinance adopted under division (C)(1) of this 367
section shall provide to the board compensation in the eleventh 368
and subsequent years of the exemption period equal in value to not 369
more than fifty per cent of the taxes that would be payable to the 370
county or, if the board's objection includes an objection to an 371
exemption percentage in excess of seventy-five per cent, 372

compensation equal in value to not more than fifty per cent of the 373
taxes that would be payable to the county, on the portion of the 374
improvement in excess of seventy-five per cent, were that portion 375
to be subject to taxation. The board of county commissioners shall 376
certify its resolution to the legislative authority not later than 377
thirty days after receipt of the notice. 378

(3) If the board of county commissioners does not object or 379
fails to certify its resolution objecting to an exemption within 380
thirty days after receipt of the notice, the legislative authority 381
may adopt the ordinance, and no compensation shall be provided to 382
the board of county commissioners. If the board timely certifies 383
its resolution objecting to the ordinance, the legislative 384
authority may adopt the ordinance at any time after a mutually 385
acceptable compensation agreement is agreed to by the board and 386
the legislative authority, or, if no compensation agreement is 387
negotiated, at any time after the legislative authority agrees in 388
the proposed ordinance to provide compensation to the board of 389
fifty per cent of the taxes that would be payable to the county in 390
the eleventh and subsequent years of the exemption period or on 391
the portion of the improvement in excess of seventy-five per cent, 392
were that portion to be subject to taxation. 393

(F) Service payments in lieu of taxes that are attributable 394
to any amount by which the effective tax rate of either a renewal 395
levy with an increase or a replacement levy exceeds the effective 396
tax rate of the levy renewed or replaced, or that are attributable 397
to an additional levy, for a levy authorized by the voters for any 398
of the following purposes on or after January 1, 2006, and which 399
are provided pursuant to an ordinance creating an incentive 400
district under division (C)(1) of this section that is adopted on 401
or after January 1, 2006, shall be distributed to the appropriate 402
taxing authority as required under division (C) of section 5709.42 403
of the Revised Code in an amount equal to the amount of taxes from 404

that additional levy or from the increase in the effective tax 405
rate of such renewal or replacement levy that would have been 406
payable to that taxing authority from the following levies were it 407
not for the exemption authorized under division (C) of this 408
section: 409

(1) A tax levied under division (L) of section 5705.19 or 410
section 5705.191 of the Revised Code for community mental 411
retardation and developmental disabilities programs and services 412
pursuant to Chapter 5126. of the Revised Code; 413

(2) A tax levied under division (Y) of section 5705.19 of the 414
Revised Code for providing or maintaining senior citizens services 415
or facilities; 416

(3) A tax levied under section 5705.22 of the Revised Code 417
for county hospitals; 418

(4) A tax levied by a joint-county district or by a county 419
under section 5705.19, 5705.191, or 5705.221 of the Revised Code 420
for alcohol, drug addiction, and mental health services or 421
facilities; 422

(5) A tax levied under section 5705.23 of the Revised Code 423
for library purposes; 424

(6) A tax levied under section 5705.24 of the Revised Code 425
for the support of children services and the placement and care of 426
children; 427

(7) A tax levied under division (Z) of section 5705.19 of the 428
Revised Code for the provision and maintenance of zoological park 429
services and facilities under section 307.76 of the Revised Code; 430

(8) A tax levied under section 511.27 or division (H) of 431
section 5705.19 of the Revised Code for the support of township 432
park districts; 433

(9) A tax levied under division (A), (F), or (H) of section 434

5705.19 of the Revised Code for parks and recreational purposes of 435
a joint recreation district organized pursuant to division (B) of 436
section 755.14 of the Revised Code; 437

(10) A tax levied under section 1545.20 or 1545.21 of the 438
Revised Code for park district purposes; 439

(11) A tax levied under section 5705.191 of the Revised Code 440
for the purpose of making appropriations for public assistance; 441
human or social services; public relief; public welfare; public 442
health and hospitalization; and support of general hospitals; 443

(12) A tax levied under section 3709.29 of the Revised Code 444
for a general health district program. 445

(G) An exemption from taxation granted under this section 446
commences with the tax year specified in the ordinance so long as 447
the year specified in the ordinance commences after the effective 448
date of the ordinance. If the ordinance specifies a year 449
commencing before the effective date of the resolution or 450
specifies no year whatsoever, the exemption commences with the tax 451
year in which an exempted improvement first appears on the tax 452
list and duplicate of real and public utility property and that 453
commences after the effective date of the ordinance. Except as 454
otherwise provided in this division, the exemption ends on the 455
date specified in the ordinance as the date the improvement ceases 456
to be a public purpose or the incentive district expires, or ends 457
on the date on which the public infrastructure improvements and 458
housing renovations are paid in full from the municipal public 459
improvement tax increment equivalent fund established under 460
division (A) of section 5709.43 of the Revised Code, whichever 461
occurs first. The exemption of an improvement with respect to a 462
parcel or within an incentive district may end on a later date, as 463
specified in the ordinance, if the legislative authority and the 464
board of education of the city, local, or exempted village school 465
district within which the parcel or district is located have 466

entered into a compensation agreement under section 5709.82 of the Revised Code with respect to the improvement, and the board of education has approved the term of the exemption under division (D)(2) of this section, but in no case shall the improvement be exempted from taxation for more than thirty years. Exemptions shall be claimed and allowed in the same manner as in the case of other real property exemptions. If an exemption status changes during a year, the procedure for the apportionment of the taxes for that year is the same as in the case of other changes in tax exemption status during the year.

(H) Additional municipal financing of public infrastructure improvements and housing renovations may be provided by any methods that the municipal corporation may otherwise use for financing such improvements or renovations. If the municipal corporation issues bonds or notes to finance the public infrastructure improvements and housing renovations and pledges money from the municipal public improvement tax increment equivalent fund to pay the interest on and principal of the bonds or notes, the bonds or notes are not subject to Chapter 133. of the Revised Code.

(I) The municipal corporation, not later than fifteen days after the adoption of an ordinance under this section, shall submit to the director of development a copy of the ordinance. On or before the thirty-first day of March of each year, the municipal corporation shall submit a status report to the director of development. The report shall indicate, in the manner prescribed by the director, the progress of the project during each year that an exemption remains in effect, including a summary of the receipts from service payments in lieu of taxes; expenditures of money from the funds created under section 5709.43 of the Revised Code; a description of the public infrastructure improvements and housing renovations financed with such

expenditures; and a quantitative summary of changes in employment 499
and private investment resulting from each project. 500

(J) Nothing in this section shall be construed to prohibit a 501
legislative authority from declaring to be a public purpose 502
improvements with respect to more than one parcel. 503

(K) If a parcel is located in a new community district in 504
which the new community authority imposes a community development 505
charge on the basis of rentals received from leases of real 506
property as described in division (L)(2) of section 349.01 of the 507
Revised Code, the parcel may not be exempted from taxation under 508
this section. 509

Sec. 5709.73. (A) As used in this section and section 5709.74 510
of the Revised Code: 511

(1) "Business day" means a day of the week excluding 512
Saturday, Sunday, and a legal holiday as defined in section 1.14 513
of the Revised Code. 514

(2) "Further improvements" or "improvements" means the 515
increase in the assessed value of real property that would first 516
appear on the tax list and duplicate of real and public utility 517
property after the effective date of a resolution adopted under 518
this section were it not for the exemption granted by that 519
resolution. For purposes of division (B) of this section, 520
"improvements" do not include any property used or to be used for 521
residential purposes. For this purpose, "property that is used or 522
to be used for residential purposes" means property that, as 523
improved, is used or to be used for purposes that would cause the 524
tax commissioner to classify the property as residential property 525
in accordance with rules adopted by the commissioner under section 526
5713.041 of the Revised Code. 527

(3) "Housing renovation" means a project carried out for 528

residential purposes. 529

(4) "Incentive district" has the same meaning as in section 530
5709.40 of the Revised Code, except that a blighted area is in the 531
unincorporated area of a township. 532

(5) "Project" and "public infrastructure improvement" have 533
the same meanings as in section 5709.40 of the Revised Code. 534

(B) A board of township trustees may, by unanimous vote, 535
adopt a resolution that declares to be a public purpose any public 536
infrastructure improvements made that are necessary for the 537
development of certain parcels of land located in the 538
unincorporated area of the township. Except with the approval 539
under division (D) of this section of the board of education of 540
each city, local, or exempted village school district within which 541
the improvements are located, the resolution may exempt from real 542
property taxation not more than seventy-five per cent of further 543
improvements to a parcel of land that directly benefits from the 544
public infrastructure improvements, for a period of not more than 545
ten years. The resolution shall specify the percentage of the 546
further improvements to be exempted and the life of the exemption. 547

(C)(1) A board of township trustees may adopt, by unanimous 548
vote, a resolution creating an incentive district and declaring 549
improvements to parcels within the district to be a public purpose 550
and, except as provided in division ~~(F)~~(C)(2) of this section, 551
exempt from taxation as provided in this section, but no board of 552
township trustees of a township that has a population that exceeds 553
twenty-five thousand, as shown by the most recent federal 554
decennial census, shall adopt a resolution that creates an 555
incentive district if the sum of the taxable value of real 556
property in the proposed district for the preceding tax year and 557
the taxable value of all real property in the township that would 558
have been taxable in the preceding year were it not for the fact 559
that the property was in an existing incentive district and 560

therefore exempt from taxation exceeds twenty-five per cent of the 561
taxable value of real property in the township for the preceding 562
tax year. The district shall be located within the unincorporated 563
area of the township and shall not include any territory that is 564
included within a district created under division (B) of section 565
5709.78 of the Revised Code. The resolution shall delineate the 566
boundary of the proposed district and specifically identify each 567
parcel within the district. A proposed district may not include 568
any parcel that is or has been exempted from taxation under 569
division (B) of this section or that is or has been within another 570
district created under this division. A resolution may create more 571
than one district, and more than one resolution may be adopted 572
under division (C)(1) of this section. 573

(2)(a) Not later than thirty days prior to adopting a 574
resolution under division (C)(1) of this section, if the township 575
intends to apply for exemptions from taxation under section 576
5709.911 of the Revised Code on behalf of owners of real property 577
located within the proposed incentive district, the board shall 578
conduct a public hearing on the proposed resolution. Not later 579
than thirty days prior to the public hearing, the board shall give 580
notice of the public hearing and the proposed resolution by first 581
class mail to every real property owner whose property is located 582
within the boundaries of the proposed incentive district that is 583
the subject of the proposed resolution. The notice shall inform 584
the property owner of the owner's right to exclude their property 585
from the incentive district by sending a written response in 586
accordance with division (C)(2)(b) of this section. The notice 587
also shall include information detailing the required contents of 588
the response, the address to which the response may be mailed, and 589
the deadline for submitting the response. 590

(b) Any owner of real property located within the boundaries 591
of an incentive district proposed under division (C)(1) of this 592

section may exclude the property from the proposed incentive 593
district by submitting a written response to the board not later 594
than forty-five days after the postmark date on the notice 595
required under division (C)(2)(a) of this section. The response 596
shall be sent by first class mail or delivered in person at a 597
public hearing held by the board under division (C)(2)(a) of this 598
section. The response shall conform to any content requirements 599
that may be established by the board and included in the notice 600
provided under this division. In the response, property owners may 601
identify a parcel by street address, by the manner in which it is 602
identified in the resolution, or by other means allowing the 603
identity of the parcel to be ascertained. 604

(c) Before adopting a resolution under division (C)(1) of 605
this section, the board shall amend the resolution to exclude any 606
parcel for which a written response has been submitted under 607
division (C)(2)(b) of this section. A township shall not apply for 608
exemptions from taxation under section 5709.911 of the Revised 609
Code for any property for which a written response has been 610
submitted under division (C)(2)(b) of this section, and service 611
payments may not be required from the owner of the parcel. 612
Improvements to a parcel excluded from an incentive district under 613
this division may be exempted from taxation under division (B) of 614
this section pursuant to an ordinance adopted under that division 615
or under any other section of the Revised Code under which the 616
parcel qualifies. 617

(3)(a) A resolution adopted under division (C)(1) of this 618
section shall specify the life of the incentive district and the 619
percentage of the improvements to be exempted, shall designate the 620
public infrastructure improvements made, to be made, or in the 621
process of being made, that benefit or serve, or, once made, will 622
benefit or serve parcels in the district. The resolution also 623
shall identify one or more specific projects being, or to be, 624

undertaken in the district that place additional demand on the 625
public infrastructure improvements designated in the resolution. 626
The project identified may, but need not be, the project under 627
division (C)(3)(b) of this section that places real property in 628
use for commercial or industrial purposes. 629

A resolution adopted under division (C)(1) of this section on 630
or after March 30, 2006, shall not designate police or fire 631
equipment as public infrastructure improvements, and no service 632
payment provided for in section 5709.74 of the Revised Code and 633
received by the township under the resolution shall be used for 634
police or fire equipment. 635

(b) A resolution adopted under division (C)(1) of this 636
section may authorize the use of service payments provided for in 637
section 5709.74 of the Revised Code for the purpose of housing 638
renovations within the incentive district, provided that the 639
resolution also designates public infrastructure improvements that 640
benefit or serve the district, and that a project within the 641
district places real property in use for commercial or industrial 642
purposes. Service payments may be used to finance or support 643
loans, deferred loans, and grants to persons for the purpose of 644
housing renovations within the district. The resolution shall 645
designate the parcels within the district that are eligible for 646
housing renovations. The resolution shall state separately the 647
amount or the percentages of the expected aggregate service 648
payments that are designated for each public infrastructure 649
improvement and for the purpose of housing renovations. 650

(4) Except with the approval of the board of education of 651
each city, local, or exempted village school district within the 652
territory of which the incentive district is or will be located, 653
and subject to division (E) of this section, the life of an 654
incentive district shall not exceed ten years, and the percentage 655
of improvements to be exempted shall not exceed seventy-five per 656

cent. With approval of the board of education, the life of a 657
district may be not more than thirty years, and the percentage of 658
improvements to be exempted may be not more than one hundred per 659
cent. The approval of a board of education shall be obtained in 660
the manner provided in division (D) of this section. 661

(D) Improvements with respect to a parcel may be exempted 662
from taxation under division (B) of this section, and improvements 663
to parcels within an incentive district may be exempted from 664
taxation under division (C) of this section, for up to ten years 665
or, with the approval of the board of education of the city, 666
local, or exempted village school district within which the parcel 667
or district is located, for up to thirty years. The percentage of 668
the improvements exempted from taxation may, with such approval, 669
exceed seventy-five per cent, but shall not exceed one hundred per 670
cent. Not later than forty-five business days prior to adopting a 671
resolution under this section declaring improvements to be a 672
public purpose that is subject to approval by a board of education 673
under this division, the board of township trustees shall deliver 674
to the board of education a notice stating its intent to adopt a 675
resolution making that declaration. The notice regarding 676
improvements with respect to a parcel under division (B) of this 677
section shall identify the parcels for which improvements are to 678
be exempted from taxation, provide an estimate of the true value 679
in money of the improvements, specify the period for which the 680
improvements would be exempted from taxation and the percentage of 681
the improvements that would be exempted, and indicate the date on 682
which the board of township trustees intends to adopt the 683
resolution. The notice regarding improvements made under division 684
(C) of this section to parcels within an incentive district shall 685
delineate the boundaries of the district, specifically identify 686
each parcel within the district, identify each anticipated 687
improvement in the district, provide an estimate of the true value 688
in money of each such improvement, specify the life of the 689

district and the percentage of improvements that would be 690
exempted, and indicate the date on which the board of township 691
trustees intends to adopt the resolution. The board of education, 692
by resolution adopted by a majority of the board, may approve the 693
exemption for the period or for the exemption percentage specified 694
in the notice; may disapprove the exemption for the number of 695
years in excess of ten, may disapprove the exemption for the 696
percentage of the improvements to be exempted in excess of 697
seventy-five per cent, or both; or may approve the exemption on 698
the condition that the board of township trustees and the board of 699
education negotiate an agreement providing for compensation to the 700
school district equal in value to a percentage of the amount of 701
taxes exempted in the eleventh and subsequent years of the 702
exemption period or, in the case of exemption percentages in 703
excess of seventy-five per cent, compensation equal in value to a 704
percentage of the taxes that would be payable on the portion of 705
the improvements in excess of seventy-five per cent were that 706
portion to be subject to taxation, or other mutually agreeable 707
compensation. 708

The board of education shall certify its resolution to the 709
board of township trustees not later than fourteen days prior to 710
the date the board of township trustees intends to adopt the 711
resolution as indicated in the notice. If the board of education 712
and the board of township trustees negotiate a mutually acceptable 713
compensation agreement, the resolution may declare the 714
improvements a public purpose for the number of years specified in 715
the resolution or, in the case of exemption percentages in excess 716
of seventy-five per cent, for the exemption percentage specified 717
in the resolution. In either case, if the board of education and 718
the board of township trustees fail to negotiate a mutually 719
acceptable compensation agreement, the resolution may declare the 720
improvements a public purpose for not more than ten years, and 721
shall not exempt more than seventy-five per cent of the 722

improvements from taxation. If the board of education fails to 723
certify a resolution to the board of township trustees within the 724
time prescribed by this section, the board of township trustees 725
thereupon may adopt the resolution and may declare the 726
improvements a public purpose for up to thirty years or, in the 727
case of exemption percentages proposed in excess of seventy-five 728
per cent, for the exemption percentage specified in the 729
resolution. The board of township trustees may adopt the 730
resolution at any time after the board of education certifies its 731
resolution approving the exemption to the board of township 732
trustees, or, if the board of education approves the exemption on 733
the condition that a mutually acceptable compensation agreement be 734
negotiated, at any time after the compensation agreement is agreed 735
to by the board of education and the board of township trustees. 736
If a mutually acceptable compensation agreement is negotiated 737
between the board of township trustees and the board of education, 738
including agreements for payments in lieu of taxes under section 739
5709.74 of the Revised Code, the board of township trustees shall 740
compensate the joint vocational school district within which the 741
parcel or district is located at the same rate and under the same 742
terms received by the city, local, or exempted village school 743
district. 744

If a board of education has adopted a resolution waiving its 745
right to approve exemptions from taxation under this section and 746
the resolution remains in effect, approval of such exemptions by 747
the board of education is not required under division (D) of this 748
section. If a board of education has adopted a resolution allowing 749
a board of township trustees to deliver the notice required under 750
division (D) of this section fewer than forty-five business days 751
prior to adoption of the resolution by the board of township 752
trustees, the board of township trustees shall deliver the notice 753
to the board of education not later than the number of days prior 754
to the adoption as prescribed by the board of education in its 755

resolution. If a board of education adopts a resolution waiving 756
its right to approve exemptions or shortening the notification 757
period, the board of education shall certify a copy of the 758
resolution to the board of township trustees. If the board of 759
education rescinds the resolution, it shall certify notice of the 760
rescission to the board of township trustees. 761

If the board of township trustees is not required by division 762
(D) of this section to notify the board of education of the board 763
of township trustees' intent to declare improvements to be a 764
public purpose, the board of township trustees shall comply with 765
the notice requirements imposed under section 5709.83 of the 766
Revised Code before taking formal action to adopt the resolution 767
making that declaration, unless the board of education has adopted 768
a resolution under that section waiving its right to receive the 769
notice. 770

(E)(1) If a proposed resolution under division (C)(1) of this 771
section exempts improvements with respect to a parcel within an 772
incentive district for more than ten years, or the percentage of 773
the improvement exempted from taxation exceeds seventy-five per 774
cent, not later than forty-five business days prior to adopting 775
the resolution the board of township trustees shall deliver to the 776
board of county commissioners of the county within which the 777
incentive district is or will be located a notice that states its 778
intent to adopt a resolution creating an incentive district. The 779
notice shall include a copy of the proposed resolution, identify 780
the parcels for which improvements are to be exempted from 781
taxation, provide an estimate of the true value in money of the 782
improvements, specify the period of time for which the 783
improvements would be exempted from taxation, specify the 784
percentage of the improvements that would be exempted from 785
taxation, and indicate the date on which the board of township 786
trustees intends to adopt the resolution. 787

(2) The board of county commissioners, by resolution adopted 788
by a majority of the board, may object to the exemption for the 789
number of years in excess of ten, may object to the exemption for 790
the percentage of the improvement to be exempted in excess of 791
seventy-five per cent, or both. If the board of county 792
commissioners objects, the board may negotiate a mutually 793
acceptable compensation agreement with the board of township 794
trustees. In no case shall the compensation provided to the board 795
of county commissioners exceed the property taxes foregone due to 796
the exemption. If the board of county commissioners objects, and 797
the board of county commissioners and board of township trustees 798
fail to negotiate a mutually acceptable compensation agreement, 799
the resolution adopted under division (C)(1) of this section shall 800
provide to the board of county commissioners compensation in the 801
eleventh and subsequent years of the exemption period equal in 802
value to not more than fifty per cent of the taxes that would be 803
payable to the county or, if the board of county commissioner's 804
objection includes an objection to an exemption percentage in 805
excess of seventy-five per cent, compensation equal in value to 806
not more than fifty per cent of the taxes that would be payable to 807
the county, on the portion of the improvement in excess of 808
seventy-five per cent, were that portion to be subject to 809
taxation. The board of county commissioners shall certify its 810
resolution to the board of township trustees not later than thirty 811
days after receipt of the notice. 812

(3) If the board of county commissioners does not object or 813
fails to certify its resolution objecting to an exemption within 814
thirty days after receipt of the notice, the board of township 815
trustees may adopt its resolution, and no compensation shall be 816
provided to the board of county commissioners. If the board of 817
county commissioners timely certifies its resolution objecting to 818
the trustees' resolution, the board of township trustees may adopt 819
its resolution at any time after a mutually acceptable 820

compensation agreement is agreed to by the board of county 821
commissioners and the board of township trustees, or, if no 822
compensation agreement is negotiated, at any time after the board 823
of township trustees agrees in the proposed resolution to provide 824
compensation to the board of county commissioners of fifty per 825
cent of the taxes that would be payable to the county in the 826
eleventh and subsequent years of the exemption period or on the 827
portion of the improvement in excess of seventy-five per cent, 828
were that portion to be subject to taxation. 829

(F) Service payments in lieu of taxes that are attributable 830
to any amount by which the effective tax rate of either a renewal 831
levy with an increase or a replacement levy exceeds the effective 832
tax rate of the levy renewed or replaced, or that are attributable 833
to an additional levy, for a levy authorized by the voters for any 834
of the following purposes on or after January 1, 2006, and which 835
are provided pursuant to a resolution creating an incentive 836
district under division (C)(1) of this section that is adopted on 837
or after January 1, 2006, shall be distributed to the appropriate 838
taxing authority as required under division (C) of section 5709.74 839
of the Revised Code in an amount equal to the amount of taxes from 840
that additional levy or from the increase in the effective tax 841
rate of such renewal or replacement levy that would have been 842
payable to that taxing authority from the following levies were it 843
not for the exemption authorized under division (C) of this 844
section: 845

(1) A tax levied under division (L) of section 5705.19 or 846
section 5705.191 of the Revised Code for community mental 847
retardation and developmental disabilities programs and services 848
pursuant to Chapter 5126. of the Revised Code; 849

(2) A tax levied under division (Y) of section 5705.19 of the 850
Revised Code for providing or maintaining senior citizens services 851
or facilities; 852

(3) A tax levied under section 5705.22 of the Revised Code for county hospitals;	853 854
(4) A tax levied by a joint-county district or by a county under section 5705.19, 5705.191, or 5705.221 of the Revised Code for alcohol, drug addiction, and mental health services or families;	855 856 857 858
(5) A tax levied under section 5705.23 of the Revised Code for library purposes;	859 860
(6) A tax levied under section 5705.24 of the Revised Code for the support of children services and the placement and care of children;	861 862 863
(7) A tax levied under division (Z) of section 5705.19 of the Revised Code for the provision and maintenance of zoological park services and facilities under section 307.76 of the Revised Code;	864 865 866
(8) A tax levied under section 511.27 or division (H) of section 5705.19 of the Revised Code for the support of township park districts;	867 868 869
(9) A tax levied under division (A), (F), or (H) of section 5705.19 of the Revised Code for parks and recreational purposes of a joint recreation district organized pursuant to division (B) of section 755.14 of the Revised Code;	870 871 872 873
(10) A tax levied under section 1545.20 or 1545.21 of the Revised Code for park district purposes;	874 875
(11) A tax levied under section 5705.191 of the Revised Code for the purpose of making appropriations for public assistance; human or social services; public relief; public welfare; public health and hospitalization; and support of general hospitals;	876 877 878 879
(12) A tax levied under section 3709.29 of the Revised Code for a general health district program.	880 881
(G) An exemption from taxation granted under this section	882

commences with the tax year specified in the resolution so long as 883
the year specified in the resolution commences after the effective 884
date of the resolution. If the resolution specifies a year 885
commencing before the effective date of the resolution or 886
specifies no year whatsoever, the exemption commences with the tax 887
year in which an exempted improvement first appears on the tax 888
list and duplicate of real and public utility property and that 889
commences after the effective date of the resolution. Except as 890
otherwise provided in this division, the exemption ends on the 891
date specified in the resolution as the date the improvement 892
ceases to be a public purpose or the incentive district expires, 893
or ends on the date on which the public infrastructure 894
improvements and housing renovations are paid in full from the 895
township public improvement tax increment equivalent fund 896
established under section 5709.75 of the Revised Code, whichever 897
occurs first. The exemption of an improvement with respect to a 898
parcel or within an incentive district may end on a later date, as 899
specified in the resolution, if the board of township trustees and 900
the board of education of the city, local, or exempted village 901
school district within which the parcel or district is located 902
have entered into a compensation agreement under section 5709.82 903
of the Revised Code with respect to the improvement and the board 904
of education has approved the term of the exemption under division 905
(D) of this section, but in no case shall the improvement be 906
exempted from taxation for more than thirty years. The board of 907
township trustees may, by majority vote, adopt a resolution 908
permitting the township to enter into such agreements as the board 909
finds necessary or appropriate to provide for the construction or 910
undertaking of public infrastructure improvements and housing 911
renovations. Any exemption shall be claimed and allowed in the 912
same or a similar manner as in the case of other real property 913
exemptions. If an exemption status changes during a tax year, the 914
procedure for the apportionment of the taxes for that year is the 915

same as in the case of other changes in tax exemption status 916
during the year. 917

(H) The board of township trustees may issue the notes of the 918
township to finance all costs pertaining to the construction or 919
undertaking of public infrastructure improvements and housing 920
renovations made pursuant to this section. The notes shall be 921
signed by the board and attested by the signature of the township 922
fiscal officer, shall bear interest not to exceed the rate 923
provided in section 9.95 of the Revised Code, and are not subject 924
to Chapter 133. of the Revised Code. The resolution authorizing 925
the issuance of the notes shall pledge the funds of the township 926
public improvement tax increment equivalent fund established 927
pursuant to section 5709.75 of the Revised Code to pay the 928
interest on and principal of the notes. The notes, which may 929
contain a clause permitting prepayment at the option of the board, 930
shall be offered for sale on the open market or given to the 931
vendor or contractor if no sale is made. 932

(I) The township, not later than fifteen days after the 933
adoption of a resolution under this section, shall submit to the 934
director of development a copy of the resolution. On or before the 935
thirty-first day of March of each year, the township shall submit 936
a status report to the director of development. The report shall 937
indicate, in the manner prescribed by the director, the progress 938
of the project during each year that the exemption remains in 939
effect, including a summary of the receipts from service payments 940
in lieu of taxes; expenditures of money from the fund created 941
under section 5709.75 of the Revised Code; a description of the 942
public infrastructure improvements and housing renovations 943
financed with the expenditures; and a quantitative summary of 944
changes in private investment resulting from each project. 945

(J) Nothing in this section shall be construed to prohibit a 946
board of township trustees from declaring to be a public purpose 947

improvements with respect to more than one parcel. 948

If a parcel is located in a new community district in which 949
the new community authority imposes a community development charge 950
on the basis of rentals received from leases of real property as 951
described in division (L)(2) of section 349.01 of the Revised 952
Code, the parcel may not be exempted from taxation under this 953
section. 954

(K) A board of township trustees that adopted a resolution 955
under this section prior to July 21, 1994, may amend that 956
resolution to include any additional public infrastructure 957
improvement. A board of township trustees that seeks by the 958
amendment to utilize money from its township public improvement 959
tax increment equivalent fund for land acquisition in aid of 960
industry, commerce, distribution, or research, demolition on 961
private property, or stormwater and flood remediation projects may 962
do so provided that the board currently is a party to a 963
hold-harmless agreement with the board of education of the city, 964
local, or exempted village school district within the territory of 965
which are located the parcels that are subject to an exemption. 966
For the purposes of this division, a "hold-harmless agreement" 967
means an agreement under which the board of township trustees 968
agrees to compensate the school district for one hundred per cent 969
of the tax revenue that the school district would have received 970
from further improvements to parcels designated in the resolution 971
were it not for the exemption granted by the resolution. 972

Sec. 5709.78. (A) A board of county commissioners may, by 973
resolution, declare improvements to certain parcels of real 974
property located in the unincorporated territory of the county to 975
be a public purpose. Except with the approval under division (C) 976
of this section of the board of education of each city, local, or 977
exempted village school district within which the improvements are 978

located, not more than seventy-five per cent of an improvement 979
thus declared to be a public purpose may be exempted from real 980
property taxation, for a period of not more than ten years. The 981
resolution shall specify the percentage of the improvement to be 982
exempted and the life of the exemption. 983

A resolution adopted under this division shall designate the 984
specific public infrastructure improvements made, to be made, or 985
in the process of being made by the county that directly benefit, 986
or that once made will directly benefit, the parcels for which 987
improvements are declared to be a public purpose. The service 988
payments provided for in section 5709.79 of the Revised Code shall 989
be used to finance the public infrastructure improvements 990
designated in the resolution, or as provided in section 5709.80 of 991
the Revised Code. 992

(B)(1) A board of county commissioners may adopt a resolution 993
creating an incentive district and declaring improvements to 994
parcels within the district to be a public purpose and, except as 995
provided in division ~~(E)~~(B)(2) of this section, exempt from 996
taxation as provided in this section, but no board of county 997
commissioners of a county that has a population that exceeds 998
twenty-five thousand, as shown by the most recent federal 999
decennial census, shall adopt a resolution that creates an 1000
incentive district if the sum of the taxable value of real 1001
property in the proposed district for the preceding tax year and 1002
the taxable value of all real property in the county that would 1003
have been taxable in the preceding year were it not for the fact 1004
that the property was in an existing incentive district and 1005
therefore exempt from taxation exceeds twenty-five per cent of the 1006
taxable value of real property in the county for the preceding tax 1007
year. The district shall be located within the unincorporated 1008
territory of the county and shall not include any territory that 1009
is included within a district created under division (C) of 1010

section 5709.73 of the Revised Code. The resolution shall 1011
delineate the boundary of the proposed district and specifically 1012
identify each parcel within the district. A proposed district may 1013
not include any parcel that is or has been exempted from taxation 1014
under division (A) of this section or that is or has been within 1015
another district created under this division. A resolution may 1016
create more than one such district, and more than one resolution 1017
may be adopted under division (B)(1) of this section. 1018

(2)(a) Not later than thirty days prior to adopting a 1019
resolution under division (B)(1) of this section, if the county 1020
intends to apply for exemptions from taxation under section 1021
5709.911 of the Revised Code on behalf of owners of real property 1022
located within the proposed incentive district, the board of 1023
county commissioners shall conduct a public hearing on the 1024
proposed resolution. Not later than thirty days prior to the 1025
public hearing, the board shall give notice of the public hearing 1026
and the proposed resolution by first class mail to every real 1027
property owner whose property is located within the boundaries of 1028
the proposed incentive district that is the subject of the 1029
proposed resolution. The board also shall provide the notice by 1030
first class mail to the clerk of each township in which the 1031
proposed incentive district will be located. The notice shall 1032
inform property owners of the owner's right to exclude the owner's 1033
property from the incentive district by sending a written response 1034
in accordance with division (B)(2)(b) of this section. The notice 1035
also shall include information detailing the required contents of 1036
the response, the address to which the response may be mailed, and 1037
the deadline for submitting the response. 1038

(b) Any owner of real property located within the boundaries 1039
of an incentive district proposed under division (B)(1) of this 1040
section may exclude the property from the proposed incentive 1041
district by submitting a written response to the board not later 1042

than forty-five days after the postmark date on the notice 1043
required under division (B)(2)(a) of this section. The response 1044
shall be sent by first class mail or delivered in person at a 1045
public hearing held by the board under division (B)(2)(a) of this 1046
section. The response shall conform to any content requirements 1047
that may be established by the board and included in the notice 1048
provided under this division. In the response, property owners may 1049
identify a parcel by street address, by the manner in which it is 1050
identified in the resolution, or by other means allowing the 1051
identity of the parcel to be ascertained. 1052

(c) Before adopting a resolution under division (B)(1) of 1053
this section, the board shall amend the resolution to exclude any 1054
parcel for which a written response has been submitted under 1055
division (B)(2)(b) of this section. A county shall not apply for 1056
exemptions from taxation under section 5709.911 of the Revised 1057
Code for any property for which a written response has been 1058
submitted under division (B)(2)(b) of this section, and service 1059
payments may not be required from the owner of the parcel. 1060
Improvements to a parcel excluded from an incentive district under 1061
this division may be exempted from taxation under division (B) of 1062
this section pursuant to an ordinance adopted under that division 1063
or under any other section of the Revised Code under which the 1064
parcel qualifies. 1065

(3)(a) A resolution adopted under division (B)(1) of this 1066
section shall specify the life of the incentive district and the 1067
percentage of the improvements to be exempted, shall designate the 1068
public infrastructure improvements made, to be made, or in the 1069
process of being made, that benefit or serve, or, once made, will 1070
benefit or serve parcels in the district. The resolution also 1071
shall identify one or more specific projects being, or to be, 1072
undertaken in the district that place additional demand on the 1073
public infrastructure improvements designated in the resolution. 1074

The project identified may, but need not be, the project under 1075
division (B)(3)(b) of this section that places real property in 1076
use for commercial or industrial purposes. 1077

A resolution adopted under division (B)(1) of this section on 1078
or after March 30, 2006, shall not designate police or fire 1079
equipment as public infrastructure improvements, and no service 1080
payment provided for in section 5709.79 of the Revised Code and 1081
received by the county under the resolution shall be used for 1082
police or fire equipment. 1083

(b) A resolution adopted under division (B)(1) of this 1084
section may authorize the use of service payments provided for in 1085
section 5709.79 of the Revised Code for the purpose of housing 1086
renovations within the incentive district, provided that the 1087
resolution also designates public infrastructure improvements that 1088
benefit or serve the district, and that a project within the 1089
district places real property in use for commercial or industrial 1090
purposes. Service payments may be used to finance or support 1091
loans, deferred loans, and grants to persons for the purpose of 1092
housing renovations within the district. The resolution shall 1093
designate the parcels within the district that are eligible for 1094
housing renovations. The resolution shall state separately the 1095
amount or the percentages of the expected aggregate service 1096
payments that are designated for each public infrastructure 1097
improvement and for the purpose of housing renovations. 1098

(4) Except with the approval of the board of education of 1099
each city, local, or exempted village school district within the 1100
territory of which the incentive district is or will be located, 1101
and subject to division (D) of this section, the life of an 1102
incentive district shall not exceed ten years, and the percentage 1103
of improvements to be exempted shall not exceed seventy-five per 1104
cent. With approval of the board of education, the life of a 1105
district may be not more than thirty years, and the percentage of 1106

improvements to be exempted may be not more than one hundred per 1107
cent. The approval of a board of education shall be obtained in 1108
the manner provided in division (C) of this section. 1109

(C)(1) Improvements with respect to a parcel may be exempted 1110
from taxation under division (A) of this section, and improvements 1111
to parcels within an incentive district may be exempted from 1112
taxation under division (B) of this section, for up to ten years 1113
or, with the approval of the board of education of each city, 1114
local, or exempted village school district within which the parcel 1115
or district is located, for up to thirty years. The percentage of 1116
the improvements exempted from taxation may, with such approval, 1117
exceed seventy-five per cent, but shall not exceed one hundred per 1118
cent. Not later than forty-five business days prior to adopting a 1119
resolution under this section declaring improvements to be a 1120
public purpose that is subject to the approval of a board of 1121
education under this division, the board of county commissioners 1122
shall deliver to the board of education a notice stating its 1123
intent to adopt a resolution making that declaration. The notice 1124
regarding improvements with respect to a parcel under division (A) 1125
of this section shall identify the parcels for which improvements 1126
are to be exempted from taxation, provide an estimate of the true 1127
value in money of the improvements, specify the period for which 1128
the improvements would be exempted from taxation and the 1129
percentage of the improvements that would be exempted, and 1130
indicate the date on which the board of county commissioners 1131
intends to adopt the resolution. The notice regarding improvements 1132
to parcels within an incentive district under division (B) of this 1133
section shall delineate the boundaries of the district, 1134
specifically identify each parcel within the district, identify 1135
each anticipated improvement in the district, provide an estimate 1136
of the true value in money of each such improvement, specify the 1137
life of the district and the percentage of improvements that would 1138
be exempted, and indicate the date on which the board of county 1139

commissioners intends to adopt the resolution. The board of 1140
education, by resolution adopted by a majority of the board, may 1141
approve the exemption for the period or for the exemption 1142
percentage specified in the notice; may disapprove the exemption 1143
for the number of years in excess of ten, may disapprove the 1144
exemption for the percentage of the improvements to be exempted in 1145
excess of seventy-five per cent, or both; or may approve the 1146
exemption on the condition that the board of county commissioners 1147
and the board of education negotiate an agreement providing for 1148
compensation to the school district equal in value to a percentage 1149
of the amount of taxes exempted in the eleventh and subsequent 1150
years of the exemption period or, in the case of exemption 1151
percentages in excess of seventy-five per cent, compensation equal 1152
in value to a percentage of the taxes that would be payable on the 1153
portion of the improvements in excess of seventy-five per cent 1154
were that portion to be subject to taxation, or other mutually 1155
agreeable compensation. 1156

(2) The board of education shall certify its resolution to 1157
the board of county commissioners not later than fourteen days 1158
prior to the date the board of county commissioners intends to 1159
adopt its resolution as indicated in the notice. If the board of 1160
education and the board of county commissioners negotiate a 1161
mutually acceptable compensation agreement, the resolution of the 1162
board of county commissioners may declare the improvements a 1163
public purpose for the number of years specified in that 1164
resolution or, in the case of exemption percentages in excess of 1165
seventy-five per cent, for the exemption percentage specified in 1166
the resolution. In either case, if the board of education and the 1167
board of county commissioners fail to negotiate a mutually 1168
acceptable compensation agreement, the resolution may declare the 1169
improvements a public purpose for not more than ten years, and 1170
shall not exempt more than seventy-five per cent of the 1171
improvements from taxation. If the board of education fails to 1172

certify a resolution to the board of county commissioners within 1173
the time prescribed by this section, the board of county 1174
commissioners thereupon may adopt the resolution and may declare 1175
the improvements a public purpose for up to thirty years or, in 1176
the case of exemption percentages proposed in excess of 1177
seventy-five per cent, for the exemption percentage specified in 1178
the resolution. The board of county commissioners may adopt the 1179
resolution at any time after the board of education certifies its 1180
resolution approving the exemption to the board of county 1181
commissioners, or, if the board of education approves the 1182
exemption on the condition that a mutually acceptable compensation 1183
agreement be negotiated, at any time after the compensation 1184
agreement is agreed to by the board of education and the board of 1185
county commissioners. If a mutually acceptable compensation 1186
agreement is negotiated between the board of county commissioners 1187
and the board of education, including agreements for payments in 1188
lieu of taxes under section 5709.79 of the Revised Code, the board 1189
of county commissioners shall compensate the joint vocational 1190
school district within which the parcel or district is located at 1191
the same rate and under the same terms received by the city, 1192
local, or exempted village school district. 1193

(3) If a board of education has adopted a resolution waiving 1194
its right to approve exemptions from taxation under this section 1195
and the resolution remains in effect, approval of such exemptions 1196
by the board of education is not required under division (C) of 1197
this section. If a board of education has adopted a resolution 1198
allowing a board of county commissioners to deliver the notice 1199
required under division (C) of this section fewer than forty-five 1200
business days prior to approval of the resolution by the board of 1201
county commissioners, the board of county commissioners shall 1202
deliver the notice to the board of education not later than the 1203
number of days prior to such approval as prescribed by the board 1204
of education in its resolution. If a board of education adopts a 1205

resolution waiving its right to approve exemptions or shortening 1206
the notification period, the board of education shall certify a 1207
copy of the resolution to the board of county commissioners. If 1208
the board of education rescinds such a resolution, it shall 1209
certify notice of the rescission to the board of county 1210
commissioners. 1211

(D)(1) If a proposed resolution under division (B)(1) of this 1212
section exempts improvements with respect to a parcel within an 1213
incentive district for more than ten years, or the percentage of 1214
the improvement exempted from taxation exceeds seventy-five per 1215
cent, not later than forty-five business days prior to adopting 1216
the resolution the board of county commissioners shall deliver to 1217
the board of township trustees of any township within which the 1218
incentive district is or will be located a notice that states its 1219
intent to adopt a resolution creating an incentive district. The 1220
notice shall include a copy of the proposed resolution, identify 1221
the parcels for which improvements are to be exempted from 1222
taxation, provide an estimate of the true value in money of the 1223
improvements, specify the period of time for which the 1224
improvements would be exempted from taxation, specify the 1225
percentage of the improvements that would be exempted from 1226
taxation, and indicate the date on which the board intends to 1227
adopt the resolution. 1228

(2) The board of township trustees, by resolution adopted by 1229
a majority of the board, may object to the exemption for the 1230
number of years in excess of ten, may object to the exemption for 1231
the percentage of the improvement to be exempted in excess of 1232
seventy-five per cent, or both. If the board of township trustees 1233
objects, the board of township trustees may negotiate a mutually 1234
acceptable compensation agreement with the board of county 1235
commissioners. In no case shall the compensation provided to the 1236
board of township trustees exceed the property taxes forgone due 1237

to the exemption. If the board of township trustees objects, and 1238
the board of township trustees and the board of county 1239
commissioners fail to negotiate a mutually acceptable compensation 1240
agreement, the resolution adopted under division (B)(1) of this 1241
section shall provide to the board of township trustees 1242
compensation in the eleventh and subsequent years of the exemption 1243
period equal in value to not more than fifty per cent of the taxes 1244
that would be payable to the township or, if the board of township 1245
trustee's objection includes an objection to an exemption 1246
percentage in excess of seventy-five per cent, compensation equal 1247
in value to not more than fifty per cent of the taxes that would 1248
be payable to the township on the portion of the improvement in 1249
excess of seventy-five per cent, were that portion to be subject 1250
to taxation. The board of township trustees shall certify its 1251
resolution to the board of county commissioners not later than 1252
thirty days after receipt of the notice. 1253

(3) If the board of township trustees does not object or 1254
fails to certify a resolution objecting to an exemption within 1255
thirty days after receipt of the notice, the board of county 1256
commissioners may adopt its resolution, and no compensation shall 1257
be provided to the board of township trustees. If the board of 1258
township trustees certifies its resolution objecting to the 1259
commissioners' resolution, the board of county commissioners may 1260
adopt its resolution at any time after a mutually acceptable 1261
compensation agreement is agreed to by the board of county 1262
commissioners and the board of township trustees. If the board of 1263
township trustees certifies a resolution objecting to the 1264
commissioners' resolution, the board of county commissioners may 1265
adopt its resolution at any time after a mutually acceptable 1266
compensation agreement is agreed to by the board of county 1267
commissioners and the board of township trustees, or, if no 1268
compensation agreement is negotiated, at any time after the board 1269
of county commissioners in the proposed resolution to provide 1270

compensation to the board of township trustees of fifty per cent 1271
of the taxes that would be payable to the township in the eleventh 1272
and subsequent years of the exemption period or on the portion of 1273
the improvement in excess of seventy-five per cent, were that 1274
portion to be subject to taxation. 1275

(E) Service payments in lieu of taxes that are attributable 1276
to any amount by which the effective tax rate of either a renewal 1277
levy with an increase or a replacement levy exceeds the effective 1278
tax rate of the levy renewed or replaced, or that are attributable 1279
to an additional levy, for a levy authorized by the voters for any 1280
of the following purposes on or after January 1, 2006, and which 1281
are provided pursuant to a resolution creating an incentive 1282
district under division (B)(1) of this section that is adopted on 1283
or after January 1, 2006, shall be distributed to the appropriate 1284
taxing authority as required under division (D) of section 5709.79 1285
of the Revised Code in an amount equal to the amount of taxes from 1286
that additional levy or from the increase in the effective tax 1287
rate of such renewal or replacement levy that would have been 1288
payable to that taxing authority from the following levies were it 1289
not for the exemption authorized under division (B) of this 1290
section: 1291

(1) A tax levied under division (L) of section 5705.19 or 1292
section 5705.191 of the Revised Code for community mental 1293
retardation and developmental disabilities programs and services 1294
pursuant to Chapter 5126. of the Revised Code; 1295

(2) A tax levied under division (Y) of section 5705.19 of the 1296
Revised Code for providing or maintaining senior citizens services 1297
or facilities; 1298

(3) A tax levied under section 5705.22 of the Revised Code 1299
for county hospitals; 1300

(4) A tax levied by a joint-county district or by a county 1301

under section 5705.19, 5705.191, or 5705.221 of the Revised Code	1302
for alcohol, drug addiction, and mental health services or	1303
facilities;	1304
(5) A tax levied under section 5705.23 of the Revised Code	1305
for library purposes;	1306
(6) A tax levied under section 5705.24 of the Revised Code	1307
for the support of children services and the placement and care of	1308
children;	1309
(7) A tax levied under division (Z) of section 5705.19 of the	1310
Revised Code for the provision and maintenance of zoological park	1311
services and facilities under section 307.76 of the Revised Code;	1312
(8) A tax levied under section 511.27 or division (H) of	1313
section 5705.19 of the Revised Code for the support of township	1314
park districts;	1315
(9) A tax levied under division (A), (F), or (H) of section	1316
5705.19 of the Revised Code for parks and recreational purposes of	1317
a joint recreation district organized pursuant to division (B) of	1318
section 755.14 of the Revised Code;	1319
(10) A tax levied under section 1545.20 or 1545.21 of the	1320
Revised Code for park district purposes;	1321
(11) A tax levied under section 5705.191 of the Revised Code	1322
for the purpose of making appropriations for public assistance;	1323
human or social services; public relief; public welfare; public	1324
health and hospitalization; and support of general hospitals;	1325
(12) A tax levied under section 3709.29 of the Revised Code	1326
for a general health district program.	1327
(F) An exemption from taxation granted under this section	1328
commences with the tax year specified in the resolution so long as	1329
the year specified in the resolution commences after the effective	1330
date of the resolution. If the resolution specifies a year	1331

commencing before the effective date of the resolution or 1332
specifies no year whatsoever, the exemption commences with the tax 1333
year in which an exempted improvement first appears on the tax 1334
list and duplicate of real and public utility property and that 1335
commences after the effective date of the resolution. Except as 1336
otherwise provided in this division, the exemption ends on the 1337
date specified in the resolution as the date the improvement 1338
ceases to be a public purpose or the incentive district expires, 1339
or ends on the date on which the county can no longer require 1340
annual service payments in lieu of taxes under section 5709.79 of 1341
the Revised Code, whichever occurs first. The exemption of an 1342
improvement with respect to a parcel or within an incentive 1343
district may end on a later date, as specified in the resolution, 1344
if the board of commissioners and the board of education of the 1345
city, local, or exempted village school district within which the 1346
parcel or district is located have entered into a compensation 1347
agreement under section 5709.82 of the Revised Code with respect 1348
to the improvement, and the board of education has approved the 1349
term of the exemption under division (C)(1) of this section, but 1350
in no case shall the improvement be exempted from taxation for 1351
more than thirty years. Exemptions shall be claimed and allowed in 1352
the same or a similar manner as in the case of other real property 1353
exemptions. If an exemption status changes during a tax year, the 1354
procedure for the apportionment of the taxes for that year is the 1355
same as in the case of other changes in tax exemption status 1356
during the year. 1357

(G) If the board of county commissioners is not required by 1358
this section to notify the board of education of the board of 1359
county commissioners' intent to declare improvements to be a 1360
public purpose, the board of county commissioners shall comply 1361
with the notice requirements imposed under section 5709.83 of the 1362
Revised Code before taking formal action to adopt the resolution 1363
making that declaration, unless the board of education has adopted 1364

a resolution under that section waiving its right to receive such 1365
a notice. 1366

(H) The county, not later than fifteen days after the 1367
adoption of a resolution under this section, shall submit to the 1368
director of development a copy of the resolution. On or before the 1369
thirty-first day of March of each year, the county shall submit a 1370
status report to the director of development. The report shall 1371
indicate, in the manner prescribed by the director, the progress 1372
of the project during each year that an exemption remains in 1373
effect, including a summary of the receipts from service payments 1374
in lieu of taxes; expenditures of money from the fund created 1375
under section 5709.80 of the Revised Code; a description of the 1376
public infrastructure improvements and housing renovations 1377
financed with such expenditures; and a quantitative summary of 1378
changes in employment and private investment resulting from each 1379
project. 1380

(I) Nothing in this section shall be construed to prohibit a 1381
board of county commissioners from declaring to be a public 1382
purpose improvements with respect to more than one parcel. 1383

(J) If a parcel is located in a new community district in 1384
which the new community authority imposes a community development 1385
charge on the basis of rentals received from leases of real 1386
property as described in division (L)(2) of section 349.01 of the 1387
Revised Code, the parcel may not be exempted from taxation under 1388
this section. 1389

Sec. 5709.911. (A)(1) A municipal corporation, township, or 1390
county that has enacted an ordinance or resolution under section 1391
5709.40, 5709.41, 5709.73, or 5709.78 of the Revised Code or that 1392
has entered into an agreement referred to in section 725.02 or 1393
1728.07 of the Revised Code may file an application for exemption 1394
under those sections in the same manner as other real property tax 1395

exemptions, notwithstanding the indication in division (A) of 1396
section 5715.27 of the Revised Code that the owner of the property 1397
may file the application. An application for exemption may not be 1398
filed by a municipal corporation, township, or county for an 1399
exemption of a parcel under section 5709.40, 5709.73, or 5709.78 1400
of the Revised Code if the property owner excludes the property 1401
from such exemption as provided in that section. 1402

(2) Except as provided in division (B) of this section, if 1403
the application for exemption under section 725.02, 1728.10, 1404
5709.40, 5709.41, 5709.73, or 5709.78 of the Revised Code is filed 1405
by a municipal corporation, township, or county and more than one 1406
real property tax exemption applies by law to the property or a 1407
portion of the property, both of the following apply: 1408

(a) An exemption granted under section 725.02, 1728.10, 1409
5709.40, 5709.41, 5709.73, or 5709.78 of the Revised Code shall be 1410
subordinate to an exemption with respect to the property or 1411
portion of the property granted under any other provision of the 1412
Revised Code. 1413

(b) Neither service payments in lieu of taxes under section 1414
725.04, 5709.42, 5709.74, or 5709.79 of the Revised Code, nor 1415
service charges in lieu of taxes under section 1728.11 or 1728.111 1416
of the Revised Code, shall be required with respect to the 1417
property or portion of the property that is exempt from real 1418
property taxes under that other provision of the Revised Code 1419
during the effective period of the exemption. 1420

(B)(1) If the application for exemption under section 725.02, 1421
1728.10, 5709.40, 5709.41, 5709.73, or 5709.78 of the Revised Code 1422
is filed by the owner of the property or by a municipal 1423
corporation, township, or county with the owner's written consent 1424
attached to the application, and if more than one real property 1425
tax exemption applies by law to the property or a portion of the 1426

property, no other exemption shall be granted for the portion of 1427
the property already exempt under section 725.02, 1728.10, 1428
5709.40, 5709.41, 5709.73, or 5709.78 of the Revised Code unless 1429
the municipal corporation, township, or county that enacted the 1430
authorizing ordinance or resolution for the earlier exemption 1431
provides its duly authorized written consent to the subsequent 1432
exemption by means of a duly enacted ordinance or resolution. 1433

(2) If the application for exemption under section 725.02, 1434
1728.10, 5709.40, 5709.41, 5709.73, or 5709.78 of the Revised Code 1435
is filed by a municipal corporation, township, or county and 1436
approved by the tax commissioner, if the owner of the property 1437
subsequently provides written consent to the exemption and the 1438
consent is filed with the tax commissioner, and if more than one 1439
real property tax exemption applies by law to the property or a 1440
portion of the property, no other exemption shall be granted for 1441
the portion of the property already exempt under section 725.02, 1442
1728.10, 5709.40, 5709.41, 5709.73, or 5709.78 of the Revised Code 1443
unless the municipal corporation, township, or county that enacted 1444
the authorizing ordinance or resolution for the earlier exemption 1445
provides its duly authorized written consent to the subsequent 1446
exemption by means of a duly enacted ordinance or resolution. 1447

(C)(1) After the tax commissioner has approved or partially 1448
approved an application for exemption filed by or with the consent 1449
of a property owner under the circumstances described in division 1450
(B)(1) of this section, the municipal corporation, township, 1451
county, or property owner shall file a notice with the county 1452
recorder for the county in which the property is located that 1453
clearly identifies the property and the owner of the property and 1454
states that the property, regardless of future use or ownership, 1455
remains liable for any service payments or service charges 1456
required by the exemption until the terms of the exemption have 1457
been satisfied, unless the municipal corporation, township, or 1458

county consents to the subsequent exemption and relinquishes its 1459
right to collect the service payments or service charges as 1460
provided in division (B)(1) of this section. The county recorder's 1461
office shall charge a fee of fourteen dollars to record the 1462
notice, the proceeds of which shall be retained by the county. 1463

(2) If a property owner subsequently provides written consent 1464
to an exemption under the circumstances described in division 1465
(B)(2) of this section, the municipal corporation, township, 1466
county, or property owner shall file notice with the county 1467
recorder for the county in which the property is located that 1468
clearly identifies the property and the owner of the property and 1469
states that the property, regardless of future use or ownership, 1470
remains liable for any service payments or service charges 1471
required by the exemption until the terms of the exemption have 1472
been satisfied, unless the municipal corporation, township, or 1473
county consents to the subsequent exemption and relinquishes its 1474
right to collect the service payments or service charges as 1475
provided in division (B)(2) of this section. The county recorder's 1476
office shall charge a fee of fourteen dollars to record the 1477
notice, the proceeds of which shall be retained by the county. 1478

(D) Upon filing of the notice with the county recorder, the 1479
provisions of division (B) of this section are binding on all 1480
future owners of the property or portion of the property, 1481
regardless of how the property is used. Failure to file the notice 1482
with the county recorder relieves future owners of the property 1483
from the obligation to make service payments in lieu of taxes 1484
under section 725.04, 5709.42, 5709.74, or 5709.79 of the Revised 1485
Code or service charges in lieu of taxes under section 1728.11 or 1486
1728.111 of the Revised Code, if the property or a portion of the 1487
property later qualifies for exemption under any other provision 1488
of the Revised Code. Failure to file the notice does not, however, 1489
relieve the owner of the property, at the time the application for 1490

exemption is filed, from making those payments or charges. 1491

Section 2. That existing sections 5709.40, 5709.73, 5709.78, 1492
and 5709.911 of the Revised Code are hereby repealed. 1493

Section 3. Sections 5709.40 and 5709.73 of the Revised Code 1494
are presented in this act as composites of the sections as amended 1495
by both Am. Sub. H.B. 508 and Am. Sub. H.B. 509 of the 129th 1496
General Assembly. The General Assembly, applying the principle 1497
stated in division (B) of section 1.52 of the Revised Code that 1498
amendments are to be harmonized if reasonably capable of 1499
simultaneous operation, finds that the composites are the 1500
resulting versions of those sections in effect prior to the 1501
effective date of the sections as presented in this act. 1502